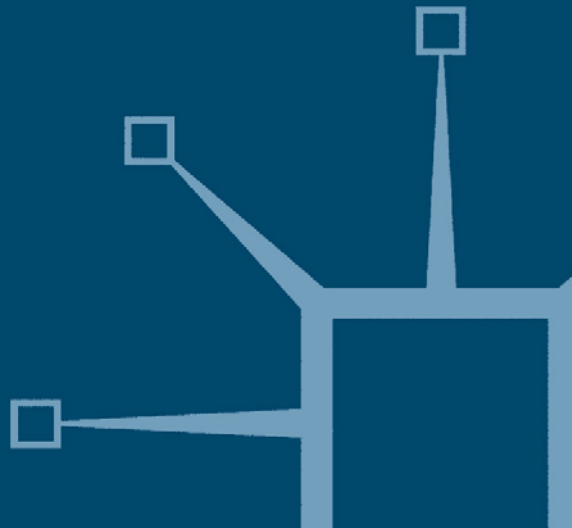


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International Place Branding Yearbook 2011

Managing Reputational Risk

Edited by
Frank M. Go and Robert Govers



International Place Branding Yearbook 2011

*Also by Frank M. Go and Robert Govers and published by
Palgrave Macmillan*

PLACE BRANDING

INTERNATIONAL PLACE BRANDING YEARBOOK 2010
Place Branding in the New Age of Innovation

International Place Branding Yearbook 2011

Managing Reputational Risk

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Frank M. Go & Robert Govers

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PREFACE

The previous edition in the *International Place Branding Yearbook* series looked at ‘Place Branding in the New Age of Innovation’ (Go and Govers 2010). Research confirms that those capable of employing innovation to enhance their processes or differentiate their services tend to outperform their rivals. But those who perceive the management of innovation as being inherently hard and risky, as Anholt (2010) observed, ‘fail to challenge their normative beliefs’. Organizations and individuals ‘whose opinions and behaviour continue to be guided by those norms are at particular risk of making the wrong decisions’ (Anholt 2010, p. 179). Risk may be defined as the possibility of incurring misfortune or loss. One way to prevent future loss is improve our perception of causality based on patterns we recognize in the events surrounding us and subsequently adapt our normative beliefs accordingly. The average fertility rate in industrialized countries has dropped below the critical replacement rate, causing their population numbers to flatten and be projected to decline during the twenty-first century. However, these populations are relatively well educated, skilled and wealthy. In contrast, the populations of the less-developed countries are relatively youthful, poor, and with millions trying to enter the labour market but lacking the skills to do so. At one time, these less-developed countries were considered to be ‘failed states’. However, much of the wealth in the developed world is based on debt providing people both the leverage and the freedom to buy things that they otherwise could not afford. But it is also a liability both for the borrower and the creditor, which became evident when the economy turned bad in 2008. This two-edged effect of debt described so dramatically by Shakespeare in *The Merchant of Venice* imposed harsh terms on those who had taken on too much and changed the planet’s economic and political settings. It serves to ‘disconnect’ the growth rates of countries such as China, India and Brazil, where citizens devote an increasing share of their rising incomes to consumption, from the USA, Europe and Japan, which are plagued by austerity, budget-cutting and deleveraging. It is within this landscape that global risks arise and territorial actors must run the place-branding race to ensure that they manage their reputations. To regain public confidence in the wake of the economic crisis, overcoming the trust melt-down requires more than vaguely worded marketing practice.

In the previous edition of this yearbook (Go and Govers 2010) we looked through the lens of organization and inclusive structures as potential

catalysts for stimulating innovative processes in place branding in both theory and practice. This volume focuses on perceptions and changing attitudes to understand how decision-makers can manage and protect their place-brand reputation. In a ‘high speed’ society, effectiveness is at a premium. But in the dynamic semiotics and media context, credible communication is more difficult than before. There are, for example, multiple issues with potentially negative overtones that have the potential to damage nation brand reputation. In turn, the latter might influence relationships with stakeholders at the (supra) national, regional and business levels. To date, much research remains focused on issues concerning economic ordering, and discourses that condition the parameters and possibilities of conflict resolution. Because of the need to deliver along efficiency, effectiveness and equity metrics, decision-making has become increasingly difficult, not only for corporate leaders, but in particular for territorial actors. Too often, decision-makers navigate the treacherous waters of global risks on the basis of their bounded rationality. Corporate decision-making increasingly relies on a set of screens, including the laptop, tablet and Smartphone. Too great a focus on events covered by the media – only the tip of the proverbial iceberg – increases one’s risk of losing touch with reality. Media events, in turn, depend on an underlying structure where causes drive effects in one or another direction. By relating trends across time responsible navigators can detect that events are not random, but display a certain pattern. Today’s captains of place branding can apply pattern recognition to steer an uncertain future away from a reputational risk. Thereby, metaphorically speaking, safeguarding their city or country from the threat of focusing on the tip of the iceberg, an error that sunk the *Titanic*. That is most relevant because, especially in turbulent times, reputation is a territorial actor’s most precious asset.

FRANK M. GO
ROBERT GOVERS

ACKNOWLEDGMENTS

We are especially grateful to all the busy authors who agreed to contribute to this volume. Also to the reviewers for their valuable critiques: Simon Anholt, Government adviser and author, UK; Adee Athiyaman, Western Illinois University, USA; Nicholas J. Cull, University of Southern California, USA; Keith Dinnie, NHTV Breda University of Applied Sciences, The Netherlands; Marc Fetscherin, Crummer Graduate School of Business and International Business Department, Rollins College, USA; Joshua Fouts, Center for the Study of the Presidency and Congress, USA; Juergen Gnoth, University of Otago, New Zealand; Peter van Ham, Institute of International Relations 'Clingendael', The Netherlands; Stephen Little, Open University Business School, UK; T. C. Melewar, Brunel University, UK; Lena Mossberg, Norwegian School of Management, Norway; Professor Dipak Pant, Università Carlo Cattaneo (LIUC), Italy; Johan van Rekom and Peeter Verlegh, both of the Rotterdam School of Management, Erasmus University, The Netherlands. Last but not least, we acknowledge the ever-present and unfailing support of the Palgrave Macmillan Business and Management, Academic and Professional Publishing staff, in particular Stephen Rutt, Editor, and Eleanor Davey Corrigan, together with Keith Povey and Elaine Towns (of Keith Povey Editorial Services Ltd).

2011 INTERNATIONAL PLACE BRANDING: MANAGING REPUTATIONAL RISK

This edition of the *International Place Branding Yearbook* defines reputational risk as a consequence of the failure to manage other risks effectively. It underscores the importance of culture and society and raises a central question: What happens when that deep-felt connection between identity and landscape is ruptured, and how do such ruptures affect people, as citizens, consumers and tourists? People are members of a shared space we refer to as community. It is therefore important, as Keith Dinnie, Academic Editor of *Place Branding and Public Diplomacy* (2010, p. 182), observes, to include disciplines such as international relations, political science, and historical and development studies in the burgeoning place-branding literature.

The representation of these disciplines in the literature is crucial to understanding the shifts in the reputational landscape; that is, a contested space, which governs the idea of progress and its perils. The reputational landscape of nations, cities and regional jurisdictions is affected by global risks that tear the memories and place-associations from the past out of the familiarity of the landscape, and consequently undermining peoples' beliefs and expectations for the future. *Collins English Dictionary* defines the word 'nation' as 'an aggregation of people or peoples of one or more cultures, races, etc., organized in a single state: e.g. the Australian nation. Alternatively, a nation can be 'a community of persons not constituting a state but bound by common descent, language, history, etc., e.g. the French-Canadian nation'. In either case, identity is inevitably linked to the collective memory and a sense of connection with one's roots, a culture – that is, a pattern of shared values, beliefs and norms, which, in turn contribute to the reputation of a community of people.

This volume explores the significant contribution a public approach can make, including the measurement of peace, defined as the absence of violence, to stimulate growth by narrowing the gap between territorial actor identity and place-brand reputation. Within this framework, new, more inclusive concepts can contribute to an understanding of the nature of place branding that results in the capabilities of brand co-creation, with implications for governance – one of the salient challenges posed by global risks. In this respect, the theory and practice of place branding can become

a civilizing influence, yielding the benefits of a ‘good’ reputation while mitigating the consequences of a ‘bad’ one.

A subsequent volume is scheduled and will address themes complementing the present volume: *International Place Branding 2012 – Smart Growth and Sustainability*.

YEARBOOK OBJECTIVES

The *International Place Branding Yearbook 2011* has the following objectives:

- To improve understanding of the place-branding phenomenon, through synthesis and drawing material together for practitioners, researchers and educators.
- To provide a ‘state-of-the-art’ review of research through the lens of selected individual case studies.
- To interpret the challenges of reputational risk that place brands face, particularly through the exploration of the theme of perception methodology research and content analysis.

OVERVIEW

This volume features perspectives of place branding that have been reviewed by an editorial board. It is not academic in the sense of laboriously expounding theory, and contributions have been screened with an eye to the use of relevant techniques, methods and tools geared toward a focus on management for action.

The various approaches are set out in three parts:

Part 1 Examines the essential concepts and theories that underpin place-branding practice.

Part 2 Provides state-of-the-art research, techniques, methods and tools.

Part 3 Consists of chapters that address individual case studies of countries, regions, cities and so on.

We trust that the reader will appreciate the breadth of contributions and use these to view place branding through a new lens.

AUDIENCE

This *Yearbook* is aimed at place branding practitioners and consultants; government agencies, ministries of economic development, cultural institutes and foundations; regional and city governments, mayoral offices; regional, cantonal, state and city tourism; economic and development agencies; investment promotion agencies; academics and researchers in marketing, international politics, public affairs, international marketing, international relations, globalization, economics and diplomacy; and journalists who serve a wider public to debate place marketing and branding issues.

NOTES ON THE CONTRIBUTORS

Tom Adams is Chief Digital Officer of FutureBrand Worldwide, a leading global brand and innovation consultancy with a specialist practice in country brand advisory services. He is co-author of the 2010 Country Brand Index – now in its sixth year of publication – presented in 2010 in partnership with BBC World News.

Simon Anholt is a member of the UK Foreign and Commonwealth Office Public Diplomacy Board, and an independent policy adviser. He is the leading authority on managing and measuring national identity and reputation, and the creator of the field of nation and place branding. He has advised the governments of over 40 countries, from Chile to Botswana, Korea to Jamaica, and Bhutan to the Faroe Islands. He is founding editor of the quarterly journal, *Place Branding and Public Diplomacy*, and author of *Another One Bites the Grass*; *Brand New Justice*; *Brand America*; and *Competitive Identity – The New Brand Management for Nations, Cities and Regions*. His most recent book is *Places – Image, Identity, Reputation*. He publishes two major annual surveys, the Anholt–GfK Roper Nation Brands IndexSM and the City Brands IndexSM.

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journals such as *Urban Studies* and *Environment and Planning*. In 2008, he published his PhD thesis entitled ‘City Marketing – Towards an Integrated Approach’. He is also one of the initiators of the *National City Marketing Monitor* in The Netherlands – the first large-scale survey into the practice of city marketing in The Netherlands. Erik Braun teaches City Marketing and Urban and Regional Economics in the educational programs of the Erasmus School of Economics.

Edward Burghard is a retired Procter & Gamble Harley Procter Marketer, a global appointment awarded by P&G to their top brand builders. Since the mid-2000s, he has been focusing his attention on the reapplication of private-sector product and corporate branding principles to communities, states and nations. As Executive Director of the Ohio Business Development Coalition, he has had a unique opportunity for hands-on learning through the application of his 33 years of brand mastery to build a globally competitive Ohio brand. Recently, he has taken on the challenge of building a stronger Brand America through the creation of a place-branding community of practice for both professional economic developers and students interested in the field of practice (www.strengtheningbrandamerica.com). The underlying hypothesis is that transference of private-sector branding knowledge to the public sector will result in the development of stronger state brands, and in aggregate a strengthened Brand America. Ed has a BA in Mathematics from the State University of New York at Potsdam, NY, and an MBA from Syracuse University, NY.

Thomas Cromwell has wide experience in the arena of international relations and how they are influenced by perceptions. As a journalist, editor and publisher who has traveled to over 125 countries, he has observed the behavior of places with a keen interest in causation and the (often ineffective) steps taken to improve the way that a place is viewed and treated by the rest of the world. As the president of East West Communications, he is based in Washington, DC, but continues to consult for governments and private sector entities in various parts of the world. He was the prime mover behind the development of the East West Nation Brand Perception Indexes and Reports.

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boards. Robert started his teaching career as a visiting lecturer at the Witwatersrand Technikon, University of Johannesburg, South Africa, and as a Research Associate for the Centre for Tourism Management at the Rotterdam School of Management. He has taught courses on place branding, marketing, services marketing, strategic services marketing, and research methods.

Nicholas Ind is the author of numerous books, including *The Corporate Image* (1990), the best-selling *Terence Conran – The Authorised Biography* (1995); *The Corporate Brand* (1997), *Living the Brand* (2001), *Inspiration* (2004) and *Meaning at Work* (2010), and the editor of *Beyond Branding* (2003). He is a member of the advisory board of *Corporate Reputation Review*, the editorial board of the *Journal of Brand Management* and an industrial fellow at Kingston University, London, UK. He is an associate professor at the Oslo School of Management and a visiting professor at ESADE, Barcelona, Spain, and Napier University, Edinburgh, UK. Nicholas has an undergraduate degree in English Literature and History, an MBA from Strathclyde Graduate Business School, UK, and a PhD from the European Graduate School in Switzerland.

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INTRODUCTION

Frank M. Go and Robert Govers

'How is it that the country that invented Hollywood and Madison Avenue has such trouble promoting a positive image of itself overseas?' (Fram 2003, p. 328). This query hints at a fundamental change in the US reputational landscape, anticipated by Paul Kennedy in *The Rise and Fall of the Great Powers* (1987). His argument that American power was on the decline angered many in the United States. Neither a hard nor a soft power, particularly its popular culture, which imagines the USA, as superpower (Ham 2008, p. 140) has been able to arrest America's 'slide' in the face of a series of disruptive forces. These had their antecedents in historical turning points, such as the opening of the Berlin Wall, the creation of the World Wide Web, the mass protest at Tiananmen Square in Beijing, and the meeting between F. W. de Klerk and Nelson Mandela in South Africa, all in 1989, set the tone for a new era (*Time* 2009). The representation of culture and its ensuing discourse between the cultural landscape and the experiential landscape informs our basic understanding of nature, offering new models that provide a bridge to the immaterial world. This led the British painter Walter Sickert (1924) to suggest: 'Paintings should not be regarded as signs of culture, but as utensils of memory and vicarious experience.' Similarly, the social media (Fouts 2010) and the e-branding of places (Govers and Go 2010) aren't signs of culture but simply a tool; the landscape interface with memory and experience. And the recent uprisings across Middle Eastern and Maghreb countries underscore that it is hardly possible to predict how powerful external variables, political events, macroeconomics and technology will conspire to create new opportunities and threats. So how, if they must operate continually in an uncertain environment, can place-brand managers prepare for the future? The use of pattern recognition and an understanding of historical precedents can help to transform analysis from one of uncertainty to one of risk. In this regard, learning from the experience of others can provide place-brand managers with a good set of historical patterns for interpreting their own experience of managing risk and developing a firm grasp of the 'reputational landscape' (Fombrun and Van Riel 1997). This is needed in contrast to the present state-of-the-art, which focuses on crisis management, a reactive approach designed to limit damage in place-branding practice. The Introduction, underpinned by theory, tools and techniques, looks at the

practice of managing reputational risk more proactively. For this purpose, it draws on the following journals in particular: *Place Branding and Public Diplomacy*, *Journal of Brand Management* and *Corporate Reputation Review*. Also, on Eccles *et al.* (2007), who examined the reputation–reality gap, changing beliefs and expectations, and the issue of ‘weak internal co-ordination’. It concludes by providing five steps for managing reputational place-brand risk; that is, avoiding or mitigating the possibility of incurring reputational misfortune or loss in future. A linking thematic diagram is presented in Figure I.1.

DEFINING THE REPUTATIONAL LANDSCAPE

What Has Changed?

Strong forces change the landscape in which place-branding stakeholders interact. Forces such as globalization, individualization, information and

FIGURE I.1 Integrated framework for brand co-creation based on Prahalad and Ramaswamy’s building blocks of dialogue, access, transparency and risk

		Organizational Self-Disclosure (Transparency + Risk)	
		Low	High
Organizational/Stakeholder Engagement (Dialogue + Access)	Low	Traditional, arms-length approach to engage consumers while ignoring other stakeholders; transparency restricted to providing performance data; takes on risks of secrecy (e.g. inauthentic, untrustworthy)	Organization takes risks by exposing its culture and management practices but does not manage these through dialogue and access, and thus risks looking foolish or being ‘robbed’ or hacked by ‘competitors’
	High	Effort by territorial actor to get ‘members’ to live the brand results in greater dialogue and access with stakeholders and transparency of organizational culture and management practices; risks hypocrisy if company does not live up to brand promise	Total organizational involvement and full stakeholder mode; likely to engage some stakeholders in core work of organization, with reputation risk of exploiting stakeholders

Source: Hatch and Schultz (2010).

communication technologies are seen to transform the reputation landscape at the conceptual level. Views and predictions about the impact these forces may have on territorial actors, including countries, regions and cities, vary significantly between geographies and from criticaster to scientist. In *Speed and Politics* (1986), Paul Virilio summarized their effects as follows: 'The loss of material space leads to the government of nothing but time ... The violence of speed has become both the location and the law, the world's destiny and its destination.' The events of 11 September 2001 (9/11) and the subsequent Madrid train bombings on 11 March 2004 and the London bombings of 7 July 2005 exacerbated public anxiety and reinforced the popular sentiment that there is no escaping the consequences of, what has been described as a *Runaway World* (Giddens 2000); *Liquid Modernity* (Bauman 2000); and a *World Risk Society* (Beck 1999). But whatever label one selects, the outcome is paradoxical: as a consequence of industrialism, scientific and technological progress risk might be increased rather than abated by their advancement.

The impact propensity of global interconnectedness, particularly of economic, social and political activities, is increasingly 'stretched' across the globe. The global nature of the current financial and economic turbulence results in imbalances in the global system which trigger feelings of uncertainty. In turn, crisis management encourages a reactive approach to limiting damage. Currently strong negative motives, some of which are listed below, are driving place-brand managers to focus more proactively on identity, branding and reputation.

First, the decline in the levels of trust and consumer confidence, following in the wake of territorial actors' continued struggle with 'hard power' issues, such as severe reductions in the economy, including public goods, dwindling investments in infrastructure and education, and the raising of taxes (Fraim 2003, p. 32). This implies that 'Europe's consumers are likely to be caught in the worst of all possible worlds: a prolonged period of slow growth with high unemployment, coupled with rising prices as the rest of the world powers ahead ... any politician looking for re-election soon should beware – high rates of inflation and falling real wages can make people very angry indeed' (*Wall Street Journal* 2011a, p. 2).

Second, the prolonged negative media coverage focuses on (armed) conflict, terror and violence (Avraham 2009). Within this context, the powerful symbols of Ancient Egypt entice tourists to travel long distances and spend considerable sums of money to experience, among other tourist sights, the Great Pyramid of Giza and the Sphinx. But enjoyment of these powerful images was rudely disrupted. The self-immolation on 17

December 2010 by Mohamed Bouazizi, a Tunisian university graduate working as a street vendor led to an uprising. Supported by the social media (Fouts 2010, p. 120) the revolt spread from Tunisia to Egypt where it subsequently caused a mass exodus of thousands of tourists, who were airlifted to their home countries, leaving the symbolic brand reputation of Ancient Egypt in tatters. Recent developments have underscored that negative images of the Gulf and the Middle East are embedded, and rebranding countries therefore cannot be imposed by using the typical top-down approach (Cooper and Momani 2009). The recent unrest suggests, importantly, that 'Youthful populations are demanding voices in their nations' futures. In short, the real Middle East is bursting through the paradigm that has guided policy makers and regional leaders for decades' (*Wall Street Journal* 2011b, p. 3).

Third, the impact of climate change and the perceived corrosion of territorial character has triggered opposition to brands (Barber 1995; Lasn 1999; Klein 2001). No longer merely an anti-establishment badge for youth, but 'a full-fledged social movement' linked to central concerns, including environmental issues, human rights and cultural degradation (*The Economist* 2001, cited by Holt 2002, p. 70). The impact of climate change could alter the built environment and ultimately may pose risks to civilization itself, which is 'sustained by agricultural production that, even in our mechanized age largely depends on existing patterns of weather' (Zakaria 2010). Since climate change means different things to different stakeholders, place-brand managers need to be clear about what it is that they seek. For example, the controversy over genetically modified organism (GMO) regulation in Mexico shows a high complexity in GMO policies, favouring the interests of pro-GMO actors, and put parties opposed to genetic manipulation, mainly small producers, at a disadvantage (Antal and Tigau 2009). In the short term, corporate actions that reduce environmental risk may increase corporate financial risk. However, place-brand managers have an obligation also to act in the long-term interest. Therefore, they should consider 'the impact of legislation that has been especially important, an example being the US Endangered Species Act' (Reinhart 2000, p. 10).

In an effort to arrest cultural degradation, governments have used, among others, the World Heritage Site (WHS) label as an acclaimed and respected brand to attract heritage tourists while at the same time preserving the destination they visit (Ryan and Silvanto 2009). The special requirements of destination branding, and the often limited and divided management control, result from the multiple stakeholders involved and the major challenges in preserving endangered WHS sites (Ryan and Silvanto 2009).

Charles Dennis and T. C. Melewar (2010, p. 76) observe that, in

a world where the values and stability of our financial and work environments are threatened daily, one thing remains relatively stable through the years and even generations: our sense of place. The greater the chaos, the more the people seek security of the places that they know and trust – the place brands.

In the case of the co-creation of place-brand meaning, citizens typically express the way they identify themselves with the dominant economic sectors of a particular region. This observation, however, begs an important question: to what extent, if at all, are global financial institutions and their standardized ways of trust creation, including the credit card system, replacing the value of local relationships of trust based on mutual knowledge' (Ganzaroli 2002). How does such a transformation alter, for example, the values, attitudes, and in particular, the identification of Londoners with 'the City'?

Within this contested, conceptual landscape, the overall resilience of territorial actors and their reputation are subject to patterns that are emerging in an uncertain environment. The World Economic Forum (2011) has mapped these historical precedents in three important clusters of global risk that place-brand managers can use to recognize and understand ways of transforming analysis from an area of uncertainty to one of managing reputational risk:

a cluster of economic risks including macroeconomic imbalances and currency volatility, fiscal crises and asset price collapse arise from the tension between the increasing wealth and influence of emerging economies and high levels of debt in advanced economies. Savings and trade imbalances within and between countries are increasingly unsustainable while unfunded liabilities create extreme long-term pressure.

a cluster of risks including state fragility, illicit trade, organized crime and corruption. A networked world, governance failures and economic disparity create opportunities for such illegal activities to flourish. In 2009, the value of illicit trade around the globe was estimated at US \$1.3 trillion and growing. These risks, while creating huge costs for legitimate economic activities, also weaken states, threatening development opportunities, undermining the rule of law and keeping countries trapped in cycles of poverty and instability.

the 'water–food–energy' nexus: a rapidly rising global population and growing prosperity are putting unsustainable pressures on resources. Demand for water, food and energy is expected to rise by 30–50% in the next two decades, while economic disparities incentivize short-term responses in production and consumption that undermine long-term sustainability. Shortages could cause social

and political instability, geopolitical conflict and irreparable environmental damage. Any strategy that focuses on one part of the water–food–energy nexus without considering its interconnections risks serious unintended consequences (World Economic Forum 2011, p. 7).

These three clusters of global risks identified by the World Economic Forum appear in a domain of disorder; that is, ‘the state of not knowing which system you are in, which is thus considered a generally dangerous place’ (Snowden 2010, p. 41). One must assume that the global risks will strongly influence what happens at the place brand level. This extends to the transformation of the economy and the knowledge that is being developed to enable transformation toward ‘the paradigmatic status needed to escape from the risk of remaining a fragmented and shallow body of knowledge’ (Go and Govers 2010, p. xxv).

The Reputation–Reality Gap

Reputation is a matter of perception, and therefore not synonymous with reality. Socially-beneficial reputation systems are shaped over time, based on the perception of stakeholders. They are based on the assessment of whether, and to what extent, the ‘reputational object’ (Mahon and Wartick, 2003) lives up to the stakeholders’ ‘perceptual judgments’ (Kowalezky and Pawlish 2002, p. 163). In this respect, Anholt (2010 p. 12) refers to reputation as ‘terrifying to an extent’, in that it lies in the hands of public opinion. This raises an important question: to what extent does the reality of imbalances (that is, the global nature of the current financial and economic turbulences) influence the perception of consumers/citizens, causing mistrust that has an impact on their expenditure behavior?

Territorial actors, such as corporations, have much to gain in the marketplace by creating and sustaining an aura of stability, familiarity and security. As Peter van Ham (2001, p. 3) explains: ‘Like commercial brands, we talk about a state’s “personality”, describing it as friendly (i.e. “Western-oriented”) and “credible” (ally), or, in contrast as “unreliable” (rogue state).’ While the distinction between perception and reality is not a sharply-drawn line (Anholt 2007, p. 12) it raises, nevertheless, an urgent question: how can territorial actors narrow the reality-perceived reputation gap to gain positive distinction ‘within their peer group’ (King and Whetten 2008) and stakeholder support? (Fombrun and Van Riel 2004, p. 5)

In this regard, identifying, where appropriate, the reputation–reality gap would be a pre-condition for managing place brand reputation effectively.

The overall brand reputation of a particular territorial actor (for example, nation, city or region) is a function of its reputation among various stakeholders (for example, residents, investors, politicians, tourists) in specific, multiple categories (standard of living, stability, attractiveness and so on). The way a territorial actor is perceived by the public can make a critical difference to the success of its business, trade and tourism efforts, as well as its diplomatic and cultural relations with stakeholders.

The place branding and marketing literature is replete with anecdotal evidence of how the building of place brands make a significant difference in meeting competitive challenges, shaping and influencing how the world perceives them. More rigorous justifications for this proposition may derive from research which argues that successful place branding positions the reputation–reality gap within the three gaps model (Govers and Go 2010, p. 121). First, the strategy gap, or the projected place image (sponsored and mediated marketing communications); second, a place brand satisfaction gap, building realistic market expectations – that is, promises that can be delivered in practice; and third, the place-brand performance gap, which requires the delivery of the promised place experience.

The reality–reputation scale is bound up with complex, dynamic place-brand patterns. These are subject to brand variation, depending to a large extent on a territorial actor’s administrative heritage, international trade relations and the degree of political stability and security. In addition, these structures are evolving continually in response to exogenous pressures – for example, the changing configurations of markets and endogenous pressures that arise, consequent to elements such as the political situation (Douglas and Craig 2002). Also, Caldwell and Freire (2004) suggest that countries are functionally diverse and therefore should leverage in particular the emotive or representational parts of their brand identity. In contrast, regions and cities are more alike from a branding perspective and would therefore be advised to leverage their functional aspects.

Part 2 of this volume describes the methodological development of indicators and their application by various studies in the place-brand knowledge domain. These include the measuring of external and internal perceptions by the Anholt–GfK Roper Nation Brand IndexSM, Country RepTrakTM, East West Communications and FutureBrand. Here, the focus is on the combined development of brand theory, public diplomacy and marketing for purposes of reputation–reality alignment. They all require a standardized scale (Anholt 2007, p. 22; Berens *et al.*, Chapter 7 in this volume).

For example, the Country RepTrakTM 2010 study demonstrates how the concept of the reality–reputation gap operates in practice. It surveyed the

general public in the G8 countries (Canada, France, Germany, Italy, Japan, Russia, the UK and the USA) to discover their perception of which countries are the most attractive in which to invest. The results indicated that Sweden and Canada are placed in the top three, with Switzerland being the most desirable country in which to invest from among 34 rated nations. Other highlights from Reputation Institute's Country RepTrak™ 2010 include the general public's perceptions, and in particular how they rate their own country in comparison to how others perceive their nations, using the following statements:

- The country has a good reputation.
- I like the country.
- I admire and respect the country.
- I trust the country.

In the Country RepTrak™ 2010 survey, China and Russia show the largest reality–reputation gap by rating themselves above average and higher, while others rated them among the lowest of the countries in the survey. Conversely, Japan, Greece and Belgium show the only perception gaps between the public perception of their country and the ratings of their nation by non-national respondents in which they rated their own country *lower* than how others perceive their nations (Chapter 7). In the Anholt–GfK Roper Nation Brands IndexSM (presented in Chapter 6 in this volume), a similar gap analysis is conducted using customized country reports based on the analysis of specific perception drivers.

The issue of the reality–reputation gap is also evident in the media. In this context, Shaw and his colleague McCombs (1977) have shown that the international media have proved to be ‘stunningly successful in telling us what to think about’. Some foreign heads of state have been most receptive to the idea that the power of the press can be levered as the critical separation factor between the successful and the rest. Large sums have been spent to narrow the reputation–reality gap, as the following exercise in spinning foreign governments into legitimacy illustrates.

‘Welcome to London, world capital of reputation laundering’ touted the front page of the *Guardian* (2010). It concerned an investigative report on heads of state, including Saudi Arabia, Rwanda, Kazakhstan and Sri Lanka, who are likely to ask London PR firms for image advice in an effort to repair potential damage to their country brand. ‘If you are managing a client’s reputation, whether individual, company or country, it is the Anglo-Saxon media that

matters and particularly the London-based media ... including *The Economist* and *The Financial Times* with large international readerships ... What is said out of London will determine your global reputation' (*Guardian* 2010).

The reputation–reality gap is perhaps best shown via the case of Rwanda, in comparing what the public relations (PR) consultancy is paid a lot to say and the view of a Human Rights NGO (*Guardian*, 4 August 2010, p. 1). The PR says: 'The Rwandan government has gained significant international support in the past few years precisely because of the stability and reconciliation it has brought to the country' – article written by James Musoni, minister of local government, in conjunction with Racepoint, a London public relations firm, June 2010. The Human Rights NGO says: 'It uses the constitution opportunistically as a façade, which hides the exclusionary and repressive nature of the regime; relies on power structures that sometimes run parallel to, and sometimes cross-cuts, the formal government; and in which the army plays a central role' (Commonwealth Human Rights Initiative report, August 2009).

Pattern recognition of historical precedents can help to transform analysis from one of uncertainty to one of risk for managing place brand reputation. It is therefore wise to learn from the experience of others. The various monitors featured in Part 2 of this volume provide a set of historical patterns that can be used to interpret one's own experience of managing risk and developing a firm grasp of the 'reputational landscape' (Fombrun and Van Riel 1997), as opposed to the present state-of-the-art, which focuses on crisis management, a reactive approach designed to limit damage in place-branding practice. Such insight helps to explain, in part, the transformation from 'hard' to 'soft' power (Fraim 2003; Ham 2008) and the role emotional benefits play in projecting an emotionally appealing brand image (Aaker and Joachmishthaler 2000), which, in turn, feeds ever-rising expectations of peoples across the planet. It presses territorial actors not only to persuade consumers to purchase goods and services, but also to respond to a broader issue: 'whether place branding entices people to "buy" the "products" of brand states' (Ham 2008, p. 3). In summary, to bridge the reputation–reality gap, it is necessary to understand, in particular, how people order and organize their 'mental world of brands' (Franzen and Bouwman 2001).

Changing Beliefs and Expectations

The changing beliefs and expectations of stakeholders are another major determinant of reputational risk. How much can beliefs and expectations change and widen or (less likely) narrow the gap? (Eccles *et al.* 2007, p. 107)

When expectations are shifting and the place brand reputation remains the same, the reputation–reality gap widens and risks increase. There are numerous examples of once-acceptable practices that stakeholders no longer consider to be satisfactory or ethical.

Understanding exactly how beliefs and expectations evolve is not easy, but there are ways to develop a picture over time (Van Rekom and Whetten 2007). Anholt (2010, p. 2) examined the issue of places and their reputation to find little evidence that international perceptions of countries can really be influenced by marketing communication techniques. Tourism campaigns can contribute to persuading ‘people to go on holiday to a certain country’ (Anholt 2010, p. 3), but to think that mere communication can influence reputations is a stretch. The march of generations tracked by Howe and Strauss (2007), considered ‘among the most powerful in history’, to lend order – and even a measure of predictability – to long-term trends is more likely to shift both beliefs and expectations.

For example,

Each new young generation fills a role being vacated by an older generation, a role that now feels fresh, functional, desirable, and even necessary for society's well-being. They will urge the nation to act decisively on those values – even if doing so requires civic risk and sacrifice. Generation X will transform midlife as practical problem solvers ... Millennials will transform young adulthood as America's new junior citizens, deeply engaged in civic life. They will revitalize community and public purpose, filling the role being vacated by senior-citizen GIs. History suggests that with the generations so aligned, the risk of a major crisis (whether geopolitical, military, economic, or environmental) will be great – but so, too, will be the opportunities to fix national or even global problems that today seem beyond solution. (Howe and Strauss 2007, p. 52)

Governance

Peter van Ham (2008, p. 127) distinguishes between critical examination (‘state of the art’) and the practice of branding territorial entities (‘the art of the state’). Successful reputation performance depends on the capabilities of stakeholders to convert the ‘right’ properties into place-brand assets. In turn, this hinges on a decision-making mechanism, which aims to establish a delicate balance between private and public sectors, and individual and collective interests so as to optimize the cost–benefit ratio of the place-brand investment.

The fields of marketing and government may be closely linked in remit and areas of place-branding conduct, but are often isolated from one another

administratively, resulting in contradictions and conflict (Orbasli 2000, p. 99). They require a ‘wide area of corporate strategy, consumer and stakeholder motivation and behavior, internal and external communications’ (Anholt 2005, cited by Go and Govers 2010, p. xxiii) and a capable state. However, the Economist Intelligence Unit (EIU) rated 163 countries covered by an index of state capability to find that ‘most of the world’s states are, however poorly equipped to meet the challenge. Of the 163 countries indexed by the Economist Intelligence Unit, only 34 are classified as highly capable. State capabilities are rated as moderate in 38 countries. The majority of countries have either weak (33) or very weak (58) states’ (*The Economist* 2011, p. 94).

It is stakeholder relations, as opposed to shareholder relations, that render claims by, among others, Caldwell and Freire (2004), and Balmer and Grey (2003, cited in Go and Govers 2010, p. xxiv) questionable. In particular, there has been a general agreement among academics and practitioners that places can be branded in the same way as consumer goods and services. Olins (2002, cited in Go and Govers 2010, p. xxiv) offered historical evidence to the contrary, because ‘many detest the word brand’, which appears ‘to have trifling and superficial implications unworthy of the national idea’.

Three more specific reasons can be distinguished that warrant a more cautious approach. First, unlike product branding, place branding is seldom under the control of a central authority. It involves multiple stakeholders, often with competing interests, which increases the complexity of decision-making. ‘What’s more, few in government have the skills required to design major and long-term branding campaigns, which is why most place-branding campaigns fade away probably too quickly’ (Ham 2008, p. 133).

Second, Passow *et al.* (2005 p. 312) identify the different characteristics between a territorial actor, such as a country, region, city, and a company as follows:

- Unlike a company a country is not generally free to choose its internal audience.
- Its identity can hardly be modified in a top-down approach.
- In a democracy, voters or parliament elect the government.
- The government’s room for maneuvering is limited as it is held accountable to its electorate.
- Its messaging is different from that of a company because a government cannot generally select its internal audience.
- The country’s constitution is binding.

Third, place branding reality concerns to a large extent group decision-making, involving both outsiders (boardrooms) and insiders – that is, agents of change embedded in their local system (Larkham 1990, cited by Orbasli 2000, p. 99). The complexity of stakeholder relations is typically compounded by a lack of effective communications or a decision-making structure, which is further plagued by conflicting interests, agendas and accountability structures. It may have contributed to the ‘little local difficulties’ of America’s cities and states (*The Financial Times*, 5 January 2011, p. 12):

Famous last words? In rebutting Meredith Whitney’s latest warning about the looming wave of municipal bankruptcies, older and supposedly wiser experts from rating agencies sound eerily like critics who scoffed at her warnings about banks a few years ago. If she is right – and her analysis seems both thorough and compelling – then it will be one of the biggest financial events of 2011, and will have further cemented her reputation as a modern Cassandra. Consider one number: \$6,000bn. That is the total of outstanding debt plus unfunded pension liabilities of America’s cities and states, some two-and-a-half times their tax base and about 40 per cent of US gross domestic product.

Ms Whitney’s dollar forecasts for defaults in 2011 triggers the knee-jerk response to distill the identity of a particular place brand within a brand portfolio, similar to those applied, for example, by Unilever or Procter & Gamble (P&G). However, it is important not to lose sight of the fact that nations are notoriously hard to brand: ‘as historical entities, they represent the process and outcome of political struggles over issues, resources, values and domination among multifarious stakeholders’ (Hakala *et al.* 2010, p. 57).

The governance of country branding and marketing is a challenge, as both the academic and professional literature attest. This challenge is even more daunting when a specific country has been the subject of prolonged negative media coverage (Fullerton *et al.* 2008; Avraham 2009). For example, the 2006 movie, *Borat*, portrayed Kazakhstan as a profoundly backward country. The Kazakhstani government responded by using a two-pronged strategy to restore the country’s brand image. First, it applied a place-branding campaign (Fullerton *et al.* 2008). Second, it addressed the topic of world university ranking systems as a potential lever to rebuild its brand reputation (Pak and Go, Chapter 12 in this volume). Though the present academic rankings are recent, they are very influential. In particular, they suggest that the potential utility of reputation services extend beyond tourism and trade. By leveraging Kazakhstan’s limited and ‘culturally colored’ judgment power with collective networked filtering of world

university ranking systems, it is possible, first, to promote an interconnected socially beneficial reputation system; second, to engage (potential) students, their parents, employers and other stakeholders as preferred university ‘partner(s)’; and third, to enable the realization of higher national goals (Masum and Zhang 2004, p. 1).

But the governance challenge is not limited to the weak or very weak states identified by the Economist Intelligence Unit (*The Economist* 2010/2011, Special edition issues). ‘One after another, the over-indebted countries of Europe have been forced by the crisis to address problems their leaders ignored in rosier times. Deep reforms and deficit cuts have become unavoidable in order for countries such as Greece, Spain, Britain, and Ireland to reduce their debts and regain trust of markets’ (*Newsweek* 2011, p. 12). But the case of the Scandinavian states explored below, in brief, provides evidence, that it need not be so. Also, the impending scarcity of resources puts a premium on governance capabilities to pool and coordinate a variety of properties. These include information systems, skills and stakeholder partnerships (endogenous properties), and customer-based and reputational assets, supply chain assets and alliance based assets (exogenous properties) for potential conversion into assets (Hooley *et al.* 2008, p. 154). While processes of stakeholder partnerships and networks of customers and vendors may contribute to the joint creation of reputational assets, place-brand managers should be aware of the following caveat. Affording consumers and other stakeholders access and transparency can aid organization/stakeholder engagement. But organizational self-disclosure, which is implicit in the process, also carries risks (Hatch and Schulz 2010, p. 602). Next, we discuss five steps that decision-makers can use to manage place brand reputational risk.

FIVE STEPS TO MANAGING REPUTATIONAL RISKS

‘When faced with their own severe financial crisis in the early 1990s, the governments of the Scandinavian countries took charge. Denmark, Finland and Sweden managed to practice fiscal responsibility and austerity without compromising the investments necessary for their long term prosperity. They have made their economies more competitive without giving up security for workers. The Nordic nations have shown how to successfully combine a balanced budget with economic fitness as well as smart, and fair, social policies’ (*Newsweek* 2011, p.3). At the time of writing, the Scandinavian countries have an enviable global reputation. Sweden, Norway, Finland and Denmark feature in the ‘top tier’ cluster of the Country RepTrak™

Pulse (Berens *et al.*, Chapter 7 in this volume) and the Global Peace Index (Schippa, Chapter 10 in this volume). Managing reputational risk involves five steps: assessing the overall place brand reputation among stakeholders; evaluating the real character (essential features) of your place brand; closing reputation–reality gaps; monitoring changing beliefs and expectations; and being seen to be in charge.

Assessing Place Brand Reputation

Have you ever wondered why Switzerland landed in the top spot for business environment, products and services, and effective government, while being placed second in social welfare, and brands and innovation? Italy ranked number one for cultural appeal and entertainment possibilities attributes. Japan dominated in reputation for the brand and innovation attribute, indicating that the public perceives that many important products, brands and companies come from Japan (Shoer 2009). It is all related to who is being surveyed and against what measures.

The second part of this 2011 Yearbook comprises professional perspectives written by leading researchers, practitioners and writers of marketing, branding and reputation. They discuss the challenges of and prospects for assessing place brands. They also show techniques that they apply within their practice and reflect on the realities and nature of place branding research. Their perspective is primarily the perception of individual consumers and news media, thereby possibly ignoring the collective nature of the perceptions resulting in conventional stories. These are ‘continually reinforced, because they are treated as truth in everyday interactions’ (Holt 2004, p. 4 cited in Go and Govers 2010, p. xxiii). Holt’s view of conscious branding is corroborated by Anholt, who calls for coverage of a wide area of corporate strategy, consumer and stakeholder motivation and behaviour, internal and external communication. In this framework the findings of the Global Peace Index (GPI) appear relevant, because it ranks independent countries using metrics that combine both internal and external factors. The GPI defines peace as ‘the absence of violence’ because it was found that most people understand this absence to be an indicator of peace. The GPI perspective relates to public diplomacy, which in turn overlaps with nation branding. These observations suggest that the GPI might hold the theoretical potential to mobilize forces that could contribute to marketing the national image abroad (Melissen 2005, p. 22).

It is interesting to note that the outcomes of the Country RepTrak™, Anholt GfK Roper Nation Brands Index™ and the FutureBrand Index have a close correlation with those of the GPI. This observation offers

encouragement that the fields of public diplomacy and marketing/branding, respectively, may hold the building blocks for developing a theory for conscious place-branding studies.

Evaluating Reality

The real England? Can it exist only for English residents? Does a tourist ever experience the reality of a destination? The global leisure tourist industry is vast and still growing rapidly but with homogenization of food, accommodation and travel facilities require increasingly contrived images to be marketed to maintain the momentum? How might the role of the tourist industry have to adapt so that reality becomes more accessible?

These reflections by Dick Onians (1998), former chairman of the Council of the Royal Society for the encouragement of Arts, Manufactures and Commerce (RSA) serve as a call to arrest the insidious corrosion of the character of place. At the time of writing, more than a decade later, it is reflected by IKEA's slogan 'Home is the most important place in the world'; despite obviously having a different motive in mind. But be it as it may, the concept of home is felt by most as a place with a sense of attachment; an authentic existence, which Heidegger (1971) referred to as 'dwelling'. By contrast 'the preservation or construction of a sense of place' was considered by Harvey (1996 p. 306) as 'an active moment in the passage from memory to hope, from past to future'.

Historical, political, religious and cultural discourses embedded in local knowledge and influenced by power struggles are the main elements of place identity construction (Govers and Go 2009, p. 123). Many territorial actors draw extensively on elements from their pasts. Their branding campaigns continue to play an important role in defining place (Ashworth and Kavaratzis, Chapter 3 in this volume) from a personality association perspective, for the purpose of establishing unique place identities and reputation distinguishing one place product from its competitors. Therefore, heritage, as the contemporary uses of the past, has been, and is being, used within the branding of many places including those that are not self-consciously historic or dependent on heritage-based economies. Ashworth and Kavaratzis suggests that heritage remains a powerful if double-edged weapon in the arsenal of place managers in the process of constructing a distinctive, attractive, memorable, credible and meaningful reputation.

It may be used as an anchor of reassuring certainty and stability accommodating and incorporating an ever-evolving present; or as a refuge of

romantic nostalgia and escape from the necessity of dealing with the issues of the present and facing the challenges of the future.

Braun (Chapter 4 in this volume) analyses how various cities have tried to make a radical break from their industrial pasts and position themselves as centers in the knowledge economy. From an 'inside-out', path-dependency perspective, Braun points out that the strong association with a once successful industry remains relevant in the perception of internal and external audiences. Because without it, decision-makers would be without a sense of how the present derives from the past. In that sense 'here' and 'there' are likely to remain central elements of the human condition.

Next, those in charge must objectively evaluate their ability to meet the performance expectations of stakeholders. Paraphrasing Eccles *et al.* (2007, p. 110), gauging the true character of the place brand is difficult, for three reasons: first, managers and politicians have a natural tendency to overestimate their countries' and their own capabilities. Second, executives tend to believe that their place brand has a good reputation because there is a lack of data indicating the contrary. Finally, expectations get managed: sometimes they are set low to ensure that performance objectives will be achieved, and other times they are set optimistically high in an attempt to impress superiors or the market.

To measure the real character of Greece, Johan van Rekom and Peeter Verlegh (Chapter 13 in this volume) use cognitive causal mapping. Their analysis provides insight into how potential visitors perceive Greece as a destination brand. They argue that, for a method to provide insight, it should combine suitability for purposes of segmentation and the comparability offered by attribute-based approaches with the Gestalt-like qualities afforded by more qualitative approaches. Cognitive causal mapping shows how and to what extent potential visitors perceive other attributes to flow from core attributes. The cognitive causal mapping method is validated with data on Greece as a holiday destination. People view attributes central to their cognitive map as being more essential to Greece, such as having a longer history and being more authentically Greek. In consequence, these central attributes also appear to be unique to Greece, offering a fruitful basis for building destination brand reputation strategies. The authors conclude by uncovering an important caveat: namely that Greece is most liked because of its sun and sea, more than its culture or heritage. Therefore, the advice that can be distilled from this research project is that Greece, as a destination brand, should be positioned with stories about and reminders of its heritage and of its culture, but against an always visible background of a bright sun and deep blue sea.

Bridging Gaps

Within a ‘more interconnected, more volatile and more unstable world’ (Go and Govers 2010, p. xi), research on the dynamics of gap bridging (Govers and Go 2009) on the scale of reputation–reality necessitates following the processes, among others, of marketing, event staging and consumption. Undertaking an investigation of place brand reputation opens up an exploration of the processes by which people and their objects of desire generate certain cultural identifications that can help to frame relevant research concepts: ‘structure’, ‘organization’ and ‘production’ around ‘consumption’, and ‘brand as sign’, and ‘brand as media’ (Kornberger 2010, p. 31).

This means examining methodically the physical elements, including landmarks, that play a role ‘in constituting people’s image of a city’ (Hospers 2011, p. 30) and serve as a powerful brand symbol that attracts tourists. In this regard, the effect of the Guggenheim Museum on the Basque economy is perhaps one of the most touted illustrations of how the ‘soft power’ of the Guggenheim brand brought about perhaps the most representative transformation in the city of Bilbao’s history (López 2006). It used a symbolic brand to promote tourism as well as to improve the quality of life of Bilbao’s citizens.

In this context, Slawomir Magala (Chapter 2 in this volume) refers to itinerant knowledge disseminators and producers who leverage clever self-promotion in streaming media. The mapping of global flows of global nomads is central to understanding the orientations of those who are exposed via interpersonal connections and the internet to global – and intercultural – processes. These types include creative workers, professionals, academic researchers and teachers, business travelers, tourists and immigrants. Within emerging global networks, place brands can play a significant role as markers to direct knowledge workers and creative types to dynamic spaces of activity and innovation. The emerging global space represents a critical arena for redefining, where appropriate, place brands. For example, Ham (2008, p. 129) suggests that countries in the West distinguish their reputation and claim an image by brand labels, such as ‘market economy’, ‘stability’, ‘security’ and ‘democracy’.

The global space referred to above represents a critical arena for city brands, such as Edinburgh’s Fringe Festival, which affords people the freedom to express themselves and create new experiences together. The complexity of managing *for* creativity by inspiring others is that the branding of a city is a year-round event that has to embrace great diversity and competing interests. However, Ind and Todd (Chapter 5 in this volume) argue that the richness of a city’s identity can only be conveyed when

place-brand managers have the courage to generate new ways of thinking and doing, and are willing to reject some of the traditional mantras of brand thinking.

In contrast, Schreiner and Go (Chapter 11 in this volume) look at the staging of the 2010 FIFA World Cup™ competition, rigidly-controlled by a metropolitan-based boardroom. They pose the question of whether and to what extent it has added value to the reputation of host country South Africa. This emerging economy has a dire need for improved education, healthcare and social services, and therefore justifies a critical assessment of the cost–benefit impacts of the 2010 FIFA World Cup™. They conclude, by comparing media analysis with survey results, that the competition has contributed little to improving South Africa’s reputation, unless both a domestic and international strategy exists to leverage, in future, the increased awareness that the mega-event has yielded.

Measuring Reputation

Indexing can be a vital tool for measuring external and internal perceptions – an essential aspect of building a place brand for any territorial actor. An index can be seen as a useful and impartial guide for stakeholders: country brand managers in tourism, public affairs and government, all of whom have a vested interest in understanding the combined impressions of their country from a global perspective. Monitoring reputation in the place brand realm involves a wide variety of factors and knowledge, beyond consumption. The best-known reputation studies have value as indicators of how countries compare. The leading reputation studies are profiled below in alphabetical order. The methodologies they apply in their practice are featured in this volume’s selected chapters.

Anholt–GfK Roper Nation Brands IndexSM

The Anholt–GfK Roper Nation Brands IndexSM comprises a partnership that began in 2008 between Simon Anholt and GfK Roper Public Affairs & Corporate Communications. It is based on the Nation Brands Index[®] developed by Anholt in 2005 as a way of measuring the image and reputation of the world’s nations, and to track their profiles as they rise or fall. The Anholt–GfK Roper Nation Brands IndexSM measures the power and appeal of each country’s ‘brand image’ by examining the Nation Brand Hexagon[®]. In turn, the latter comprises six dimensions of national competence: exports, governance, culture, people, tourism, immigration and investment. The Nation Brands Index[®] measures the images of 50 nations

and the score is an average of the scores from the six indices mentioned above. Each year, approximately 20,000 adults aged 18 and over are interviewed in 20 core panel countries.

Country RepTrak™

The Country RepTrak™ was designed by Reputation Institute, a New York-based research organization with affiliate offices across the world. Its research model indicates that reputation is built on 11 attributes, organized into three dimensions, from which a country can create a strategic platform to communicate with its stakeholders. These are: effective government, advanced economy, and appealing environment. The 2010 survey measured the overall respect, trust, esteem, admiration and good feelings the public hold in 35 countries. It assessed the perceptions of more than 45,000 members of the general public. And the researchers focused particularly on the interpretation of the findings in the light of previous studies on country reputation.

East West Communications Nation Brand Perception Indexes and Reports

East West Communications has been producing perception indexes and related perception reports since the second quarter of 2008. These are produced in a partnership between Washington, DC-based East West Communications and Ohio-based Perception Metrics, a division of Social Science Automation, a company specializing in the development of advanced text analysis tools. Typically, many people will read or see a report by a journalist, such that his/her views of a place are communicated to many others, thus magnifying their impact. In that sense, East West argues that the mass media serve as ‘perception magnifiers’ of place brands. The index rankings, based on the content analysis of these media, are then reported by score and volume of mentions.

FutureBrand Country Brand Index

The FutureBrand Country Brand Index is designed to measure perceptions of country brand strength across multiple dimensions. The Country Brand Index examines place brands along two dimensions: the promise they make and the way they are perceived by consumers. FutureBrand claims that good country brand management is fundamentally about ensuring that there is no gap between the former and the latter. To the extent that the Index is a ranking of countries according to brand strength, it aims to provide a vital external view of country brand strengths and weaknesses that are otherwise not visible to country-brand

managers or stakeholders. In particular, regular surveys can reveal whether the priorities of customers and other stakeholders might be changing.

The Global Peace Index

Commissioned to the Institute for Economics, the Economist Intelligence Unit collects and collates data for the Global Peace Index. Subsequently, a panel of independent experts chooses the indicators and assigns the weights to them. The indicators are divided into three key thematic categories. All the indicators have been banded using a scale of 1–5, and qualitative indicators in the index have been scored by the EIU's extensive team of country analysts. The categories are five measures of ongoing conflict, such as number of conflicts fought 2003–8 and number of deaths from organized conflict; ten measures of societal safety and security, including number of displaced people, potential for terrorist acts, number of homicides, number of jailed population; eight measures of militarization, such as military expenditure, number of armed services personnel, and ease of access to small weapons. The overall score was weighted 60 percent for internal peace and 40 percent for external peace. Peace can be viewed as a proxy for describing an interrelated set of structures which create and sustain an environment that is optimal for human potential to flourish. The Institute for Economics and Peace identified eight structural and attitudinal criteria related to peace. The first-order structures of sound business environment, well-functioning government and equitable distribution of resources within society are the critical components that create peace. The latter can function effectively in the presence of five secondary elements, interconnected mutually and with the primary structures. These are: free flow of information, low levels of corruption, acceptance of the rights of others, high levels of education, and good relations with neighbors. If the GPI frames the range of relationships among stakeholders and processes in the more advanced format of place branding, then rules help to frame the scope of how they interact with one another and contribute to bridging the dissonance between place brand promise and its reputation.

One Reputational System in Charge

Plotting and implementing a place-branding strategy makes good sense for territorial actors, because it establishes an effective process which leverages a branding road map in the recognition that an organization is in essence building its reputation, and signals that direction to its stakeholders (Peters 1999, p. 154). However, assessing the overall place brand reputation, evaluating reality, closing reputation–reality gaps, and monitoring changing beliefs and expectations will not happen automatically. Eccles *et al.*

(2007) for example, indicate that the chief executive officer (CEO) has to make one person responsible for making things happen. However, place branding touches on nearly every aspect of society, which implies information overload and the challenges of evaluating quality, cost–benefit and risk. In turn, such complexity requires new tools and new ways of thinking (Snowden 2010, p. 34). Currently, internet sites mediate between millions who ‘use some form of reputation mechanism’ (Masum and Zhang 2004, p. 1) thereby benefiting from the experiences of others.

Burghard and Govers (in Chapter 15 of this volume) address the issue presented at the start of this chapter: ‘How it is that the country that invented Hollywood and Madison Avenue has such trouble promoting a positive image of itself overseas?’ They suggest that Brand America is the promise of the personal freedom to pursue life, liberty and happiness. The expectation is that hard work and smart risk-taking will be rewarded with success. The current global economic crisis has presented a unique opportunity to gain insight into the drivers behind Brand America’s equity. Quantitative market research results leading into the crisis suggested a weakening of Brand America’s global perception. The problem can be attributed to a growing dissonance between the promise and the reputation of Brand America. Coming out of the crisis, there has been an unprecedented positive shift in the global reputation and strength of Brand America driven by a perceived improvement in the authenticity of Brand America’s promise. ‘Burghard and Govers argue that part of the solution lies in the need for intense cooperation in brand communities Effective application of place branding through cooperation is one way to ensure that adequate attention is paid to assure the authenticity of Brand America. It helps to ensure continued progress through cooperation’ (Brand America, n.d.).

However, effective cooperation is about inclusive partnerships and ‘representativeness’, ‘long-term commitment’, ‘shared vision’, ‘trusting each other’ (Dinnie 2011, p. 6) and a myriad of other dimensions, and therefore has proved especially hard to attain. D’Amore (1988, p. 3) sums up why: ‘Throughout human history, our “mental map” of the rest of the world and the people of that world has been constructed from behind borders – behind city walls, political borders; or mental borders of political ideology and ethno-cultural differences ... Individuals who must deal with one another often have different belief systems and vastly different views of the nature of reality. Yet each believes their “mental map” to be correct. We relate to one another like the proverbial three blind men, each in touch with his particular piece of the elephant, yet each claiming to know the nature of the beast.’

Presently, new ways of thinking and doing are under way, and researchers and practitioners can expect to meet with both opportunities and disruptions.

While political ideology and ethno-cultural differences are likely to throw up mental borders, in future the trend toward decentralization will be unabated. The latter is not solely about delegation, but also about unlocking consumers' power, thereby unleashing social innovation.

For example: the Trentino Social Media Newsroom gives web searchers access to the social world of *visittrentino*. Trentino is an autonomous province of Italy. The Social Media Newsroom is managed independently through a platform named Wordpress (WP). It enables users to describe their experiences, enter photos and videos, comment on articles that interest them most, obtain useful tips and ask for information on how best to spend their holidays in Trentino. It is dedicated to encouraging social networking through numerous links, icons and text links. The link connected to the Facebook Wall in the upper right column seeks to stimulate users to join the fan page. Other links to the social profiles of Visit Trentino, Yahoo Answers, YouTube and Flickr are placed in the footer and at the top of the page (www.visittrentino.it/en/community).

However, the social networking that Trentino uses, as opposed to relying on traditional media forums, such as advertising, a public means of managing territorial image (Stock 2009). Hatch and Schultz (2010, p. 603) work toward a theory of brand co-creation with implications for brand governance, which has the potential to contribute to the research on bridging reputational risk gaps. Their concepts of brand community and brand co-creation findings suggest 'a simplified model based on the dimensions of company/stakeholder engagement and organizational self-disclosure'. The implications of their work, including the possibility that brands may allow society to gain control over non-functioning, corrupt government, hold implications that are relevant to the place branding context. Certainly the trend toward increased engagement by citizens – consumers and other stakeholders – and organizational self-disclosure is not without attendant risks, particularly the loss of control (Hatch and Schultz 2010, p. 603). But it serves as an incentive for researchers and practitioners alike to think about and apply a dynamic governance approach (Go and Trunfio 2010), one that encourages the formation of social groups for collective action relying on a system that mediates trust and reputation. In turn, this supports not only consumer transactions but also environmentally-friendly measures that benefit urban residents, businesses and visitors (Dinnie 2011, p. 6).

ORGANIZATION OF THE BOOK

The book is organized into three sections and contains 15 individual chapters. A brief description of each section and chapter follows.

PART I MULTIDISCIPLINARY PERSPECTIVES ON PLACE BRAND REPUTATION

Part 1 consists of five chapters and explores what is meant by place brand reputation; it specifies the problem definition and attempts to answer the leading question: What characteristics distinguish place brand reputation from corporate brand reputation; and why does it matter? The global flows of information, capital products and people have led to a generalized fear of the ‘other’ in post-9/11 USA, and a reactionary sense of place as witnessed by right-wing governments claiming power across Europe. However, to view place simply as a static and rooted reaction to a dynamic world contrasts the interconnected ways of thinking in Part 1. Chapters 1 and 2 explore the connection between place and multiple forms of identity. Chapters 3 and 4 indicate how place is authentically rooted in history; and Chapter 5 relates to the Edinburgh Festival Fringe as a ‘meeting place’ where a particular set of stakeholders must negotiate formal boundaries between ‘them’ and ‘us’ to create a sense of a unique place brand defined by its organic interactions.

Chapter 1 From Competitive Identity to Governmental Social Responsibility

Simon Anholt writes from a practitioner’s perspective. He argues that the study and practice of place image and national standing need to move from their traditional narrow context of ‘projecting soft power’, enhancing competitiveness and other variants of national self-interest, to tackling the shared challenges that define the start of the twenty-first century. New, more legitimate, more democratic and more public-spirited forms of ‘image management’ are now necessary, some of which have already been sketched out in Anholt’s earlier writings: bilateral public diplomacy, governmental social responsibility, and the ‘re-branding’ of multilateral institutions as part of their necessary reform in a networked age; but others have not even been dreamed of as yet. For centuries, unbridled rivalry has been

the standard model for nations competing in the world, as it has also been for corporations battling in individual marketplaces. But surely the death of the Washington Consensus raises the issue of whether co-competition *between states* would be a more appropriate new model.

Chapter 2 Imagined Identities of Existing Cities: The Reputation Game

This chapter applies cultural metaphors, that is, the major phenomena, activities, or institutions, with which city dwellers and visitors closely identify cognitively and emotionally. By explaining the interaction between economic development and cultural flows it becomes clear that spatial identities are contested, constructed, duplicated and frustrated. Hence, the place brand reputation game is inextricably linked to a cultivation of imagined identities. The final sections suggest that urban societies – Poznań, Rotterdam, Valencia, Warsaw – differ in terms of dominant cultural orientation that has been the focus of social science research. Every place branding situation is unique. Therefore, territorial decision makers have to understand how to analyze the complex identity formation process, and apply the appropriate techniques in order to minimize marginalization and its undesirable consequences that may negatively affect the urban brand reputation.

Chapter 3 Why Brand the Future with the Past?

Gregory Ashworth and Mihalis Kavaratzis point out that many places make extensive use of elements drawn from their pasts in their branding campaigns. This is ostensibly strange, as place brands are essentially concerned with the present and the future, and are often seen as a means of strategic escape from a constraining and inappropriate past and an opportunity for strategic repositioning. However, from a personality association perspective, the purpose of place branding is ultimately the establishment of unique place identities and reputation distinguishing one place product from its competitors. Therefore, heritage, as the contemporary uses of the past, has been, and is being, used within the branding of many places, including those that are not self-consciously historic or dependent on heritage-based economies. This prompts a number of questions, the most fundamental being why places attempt to shape their future by invoking an imagined past. This chapter concludes with the suggestion that the past may be used as an anchor of reassuring certainty and stability accommodating and incorporating an ever-evolving present, or as a refuge of romantic nostalgia and escape from the necessity of dealing with the issues of the present and facing the challenges of the future. In either situation, heritage remains

a powerful if double-edged weapon in the arsenal of place managers in the process of constructing a distinctive, attractive, memorable, credible and meaningful reputation.

Chapter 4 History Matters: The Path Dependency of Place Brands

Erik Braun continues the theme of the previous chapter – that history matters and can serve as a relevant tool for place managers in the process of constructing a meaningful place brand reputation. The main proposition in this contribution is that place brands are path dependent. Important developments in the past are still relevant for place branding today. In other words there is no ‘clean sheet’ for the development of place brands. Braun writes from an academic perspective and argues that the idea of a clean sheet is one of the regular mistakes that cities make in their efforts to develop their place brands. Path dependency theory delineates the margins for potential place brand transformation. However, this does not mean that place brands cannot be changed, but rather that change tends to be incremental. In this chapter, Braun explores his proposition with the case of Rotterdam, showing that it is very difficult to move its brand in a different direction as the city’s port was and is a dominant feature in the minds of internal and external audiences. Furthermore, he shows that it has taken years to reposition the port city in a way that, according to city officials, reflects the city’s change over recent decades. Even if there is significant evidence that the economic structure has really changed, the strong association with the port is still a very important part of the reputation of Rotterdam among internal and external audiences.

Chapter 5 Beyond the Fringe: Creativity and the City

Nicholas Ind and Louise Todd argue that creativity is best nurtured by an organic and dynamic approach to place branding. They write from a consultant practitioner’s perspective. Their study assesses the relationship between the Edinburgh Festival Fringe as an open-access arts festival and its stakeholders’ expectations of self-determination and the governance of creativity. The findings give an insight into stakeholders’ perceptions of the Fringe as a ‘strong’, ‘innovative’ and ‘creative’ festival brand. The Fringe is seen as a ‘unique experience’ which engenders a sense of ‘pride’ among its stakeholders. Furthermore, the Fringe brand is perceived as having a commonly-described ‘sense of ambiguity’ or ‘contradiction’ because of its multifaceted nature. As the Fringe has developed in a largely organic and creative manner, it is vital that key stakeholders should not become estranged from it, because of a sense of

creeping ‘over-commercialization’. Ind and Todd recommend that those charged with managing the city brand should consider letting go of it. In other words, to do as the Fringe does: manage for creativity by inspiring others, and by creating an environment and a structure in which people have freedom to express themselves and create the new together. This is a significantly more complex task. Rather than trying to visually brand a city, the authors suggest that managers have to cede control to others and place their trust in organic evolution.

PART 2 MEASURING PLACE BRAND REPUTATION

Part 2 focuses on the quest to offer realistic and important measures of place-brand reputation which emphasize an appropriate balance between the short and the long term, under conditions of intense international competition and emerging resource scarcity. The leading questions here are: To what extent existing place brand reputation indices afford reliable measures of brand reputation in the context of nations, regions and cities? And what critical success factors, if any, might the existing place brand reputation indices overlook? Chapters 6, 7 and 8 look at the role of perception measurement and nation branding through the lens of specialist consultancies and perceived image measurement. Chapters 9 and 10 concentrate on collective intellectual property and peace parameters as sources of new ideas, and an innovative framework to potentially (re-)direct place branding strategy and reputation.

Chapter 6 The Anholt–GfK Roper Nation Brands IndexSM

Barry Feinberg and Xiaoyan Zhao are practitioners who manage the Anholt–GfK Roper Nation Brands IndexSM partnership that began in 2008 between Simon Anholt and GfK Roper Public Affairs & Corporate Communications. It is based on the Nation Brands Index[®] developed by Anholt in 2005 as a way to measure the image and reputation of the world’s nations, and to track their profiles as they rise or fall. The Anholt–GfK Roper Nation Brands IndexSM measures the power and appeal of each country’s ‘brand image’ by examining the Nation Brand Hexagon[®]. In turn, the latter comprises six dimensions of national competence: exports, governance, culture, people, tourism, immigration and investment. The Nation Brands Index[®] measures the images of 50 nations and the score is an average of the scores from the six indices listed above. Each year, approximately 20,000 adults aged 18 and over are interviewed in 20 core panel countries.

Chapter 7 Country RepTrak™

Guido Berens and Charles J. Fombrun write from an academic practitioner's perspective. They discuss Country RepTrak™, a measurement instrument developed by Reputation Institute, a New York-based research organization with affiliate offices across the world. Its research model indicates that a country's reputation consists of the country's overall appeal, and is driven by 11 attributes, organized into three dimensions, from which a country can create a strategic platform for communicating with its stakeholders. These dimensions are: effective government, an advanced economy, and an appealing environment. The 2010 survey assessed the perceptions of over 45,000 members of the general public in 35 countries. In this chapter, the researchers focused particularly on the interpretation of the findings in light of previous studies on country reputation.

Chapter 8 The FutureBrand Country Brand Index

Tom Adams writes from a practitioner's perspective and examines place brands along two dimensions: the promise they make, and the way they are perceived by consumers. He claims that good country-brand management is fundamentally about ensuring that there is no gap between the former and the latter. The FutureBrand Country Brand Index is designed to measure perceptions of country-brand strengths across multiple dimensions. To the extent that the Index is a ranking of countries according to brand strength, it aims to provide a vital external view of country-brand strengths and weaknesses that are otherwise not visible to country-brand managers or stakeholders. Using the Canadian Tourism Commission as an example, Adams shows how the Country Brand Index can be a vital tool in measuring external brand perceptions – an essential aspect of building a tourism brand for any country. The Index continues to be a useful, impartial guide for country-brand managers in tourism, public affairs and government – all of whom have a vested interest in understanding the combined impressions of their country from a global perspective.

Chapter 9 The East West Nation Brand Perception Indexes and Reports: Perception Measurement and Nation Branding

Writing from a practitioner's perspective, Thomas Cromwell focuses in this chapter on the perceptions that drive attitudes and decision-making at virtually all levels of life, whether it is how we view others and decide to act toward them, or how we view cities, nations and other places, and decide whether or not to visit them for business, leisure motives or to take

up residence. Decision-makers need to understand how various audiences view place-brand reputation, and apply their insights to shape an appropriate identity and image that will achieve its place-brand reputation objectives most effectively. Place branding is the general topic, but East West's interest has been focused more narrowly on developing quantitative tools to measure, through media analysis, the international perceptions of countries and the roles they play in the global community of nations. Cromwell concludes by pointing out that, in the realm of measuring perceptions, what applies to a country is likely in many ways to apply also to a city, region or other place that can be viewed through the lens of branding.

Chapter 10 The Global Peace Index

Camilla Schippa is an academic practitioner with the Institute for Economics and Peace (IEP), a global think tank dedicated to building a greater understanding of the key drivers and measures of peace, and to identifying the economic benefits that increased peacefulness can deliver. She manages the Global Peace Index research in cooperation with the Economist Intelligence Unit (EIU), which collects and collates the data for the Index. An international panel of independent experts chooses the indicators and assigns the weights to them. The indicators are divided into three key thematic categories. All the indicators have been banded on a scale of 1–5 and qualitative indicators in the index have been scored by the EIU's extensive team of country analysts. Research led by the IEP has identified eight structural and attitudinal criteria related to peace. The first-order structures of sound business environment, a well-functioning government and an equitable distribution of resources within society are considered to be the critical components for peaceful societies. The latter function effectively with five secondary elements, interconnected mutually and with the primary structures. These are: a free flow of information, low levels of corruption, acceptance of the rights of others, high levels of education, and good relations with neighbors. The GPI frames the range of relationships among stakeholders and processes in the more advanced format of place branding. Its potential value lies in enabling practitioners to look through GPI-based rules to help frame the scope of how these interact with one another and contribute to bridging the dissonance between place brand promise and its reputation.

PART 3 CHAPTERS ON SPECIFIC THEMES

Part 3 consists of chapters on particular themes. Each chapter focuses on certain attributes found in research or case studies to explain the place-branding

reputation-building process for a particular country, region or city. The underlying idea is to analyze attributes that display supportive behaviors; that is, verbal support and content analysis for the purposes of determining the drivers that can be leveraged to build a coherent reputation for a selected country, region or city.

Chapter 11 Blessing or Burden: Do Major Sports Events Hosted by Developing Countries Have an Impact on Reputation? A Case Study of the 2010 FIFA World Cup™ in South Africa

Wadim Schreiner and Frank M. Go write from the practitioner's perspective. They assert that hosting a major sporting event puts a financial burden on any country or city, but particularly within the context of a developing economy. Impact versus the benefits is often a significant point of criticism in countries where there is a dire need for improved education, healthcare and social services. This chapter assesses the impact the 2010 FIFA World Cup™ in South Africa has had on the reputation of the country, by comparing media analysis with survey results. The research poses the question: Does the hosting of a major event such as the FIFA World Cup™ add to the reputation of a country? Drawing on theoretical concepts of, among others, Simon Anholt, the chapter concludes that major events *per se* do little to improve a country's reputation, unless both a domestic and international strategy exists to leverage the increased awareness.

Chapter 12 Using University Ranking Systems to Build Nation Brand Reputation

Natalya S. Pak and Frank M. Go continue the theme of ranking. Writing from an academic perspective, they address the topic of world university ranking systems as a potential lever to build nation-brand reputation. While the present academic rankings developed by world agencies such as QS (Quacquarelli Symonds) World University Ranking, Times Higher Education (THE) World University Ranking, Academic Ranking of World Universities (ARWU), and others, may be recent players, they are nevertheless rather influential. These agencies provide information that potential students, parents, employers and other stakeholders use to identify their preferred university. Consequently, they play a dominant role in, first, positioning universities in a certain way in the minds of decision-makers; and, second, influence international public opinion. By extension, they may have an impact on the brand reputation of the nation where a particular university of choice is located. The chapter concludes with a case study of

Kazakhstan to illustrate how the use of a global university ranking combined with beneficial nation-brand reputation building might help emerging economies in their efforts to bridge the North–South divide.

Chapter 13 Putting Greece on the Map: The Use of Cognitive Causal Mapping for Destination Management

Johan van Rekom and Peeter Verlegh examine the academic and managerial relevance of the use of cognitive causal mapping for destination management. They write from an academic perspective and provide an insight into how potential visitors think about a country as a tourism destination brand and emphasize that it is an important asset for place marketing. Their application of a cognitive causal mapping method is validated by data on Greece as a holiday destination. People view attributes central to their cognitive map as being more essential to Greece, such as having a longer history and being more authentically Greek. In consequence, these central attributes also appear to be unique to Greece, offering a fruitful basis for destination marketing strategies. The chapter concludes by uncovering an important caveat: namely that Greece is most liked because of the sun and the sea, more than its culture or heritage. Therefore, the advice that can be distilled from this research project is that Greece, as a destination brand, should be positioned with stories about and reminders of its heritage and of its culture, but against an always visible background of bright sunshine and the deep blue sea. Despite this chapter having a tourism focus, its insights can be applied to the broader place-branding domain.

Chapter 14 Place Marketing and Experience of Place in a Virtual Environment

Written by Ingvar Tjøstheim and Frank Go from an academic perspective, this chapter presents findings from a study on the experience of place in a virtual environment. With gaming technology a place can be replicated with high level of accuracy. A PlayStation® (PS3) game about the city of Los Angeles is used to create a sightseeing experience. The study shows that many of the participants had a feeling of actually being in the city of Los Angeles. There are several ways of capturing a place experience, but, based on a literature review and statistical analysis of the empirical data, the authors conclude that the concept of hedonic meaning explains the effect the virtual environment and the sightseeing experience has on the users. This type of visual technology is not only appropriate for entertainment and gaming, but has a potential for place marketing and tourism.

Chapter 15 Strengthening Brand America's Reputation through Cooperation

This chapter, by Edward Burghard and Robert Govers, is written from a practitioner's perspective and claims that Brand America is a promise: a promise of the personal freedom to pursue life, liberty and happiness. The expectation is that hard work and intelligent risk-taking will be rewarded with success. The recent global economic crisis has presented a unique opportunity to gain insight into the drivers behind Brand America's equity. Quantitative market research results leading into the crisis suggested a weakening of Brand America's global perception. The problem can be attributed to a growing dissonance between the promise and the reputation of Brand America. Coming out of the crisis, however, there has been an unprecedented positive shift in global reputation and strength of Brand America driven by a perceived improvement in the authenticity of the brand's promise. This chapter concludes that part of the solution lies in the need for intense cooperation in brand communities and a tool, namely www.strengtheningbrandamerica.com, to strengthen Brand America's reputation through cooperation.

PART I

Multidisciplinary Perspectives on Place Brand Reputation

From Competitive Identity to Governmental Social Responsibility: Place 'Brand' in an Interconnected World

Simon Anholt

Ever since I began using the term 'nation brand' in the late 1990s (Anholt 1998), I have been arguing against the all too common interpretation of the phrase, which holds that the reputations of places can be influenced significantly in the long term by advertising, marketing or public relations campaigns, or even, most naïvely, by logos and corporate identity.

I have never seen any evidence to corroborate this belief, which seems to me a particularly flagrant example of 'groupthink' and lazy thinking. Nobody questions it, nobody doubts it, and an unfortunate coalition of interest between ambitious consulting firms and impatient or naïve governments ensures that the myth of malleable national image persists, and continues to tempt and lead many administrations astray.

The fact that few governments see the need to set clear targets before they launch their 'branding campaigns', or measure their performance in achieving these targets over time, means that evidence for the effectiveness of this sort of communications-based 'nation branding' cannot be found anywhere, and the continuation of the practice relies on presumption and anecdote, on a vague sense that 'everyone is doing it, so it must be right', and a highly questionable assumption that if 'branding' works for products, it must surely work for places.

As I have commented on many occasions, the whole concept of 'branding', even in the commercial sphere, is highly suspect from the start. If 'branding' is taken to mean the design of graphic brand identity, then it is a legitimate enough concept in the commercial marketplace, but wholly inappropriate for countries, which are not fast-moving consumer goods, are

not for sale, don't have a 'unique selling proposition', and don't have to attract the attention of a busy and often confused consumer from a crowded supermarket shelf.

If, on the other hand, 'branding' is taken to mean a set of techniques by means of which the brand *image* of a product can be enhanced, then it is a redundant and misleading synonym for 'marketing'. Even the better-understood and clearer concept of marketing, however, is inappropriate when the intention is to improve the reputation or standing of a country, a city or a region. Here, confusion between overall reputation management and sectoral promotion is usually the culprit: when one is selling products or services, such as vacations, investment opportunities, cultural or sporting events, or, of course, exports, then marketing is both necessary and appropriate. The fact that the tourism industry has taken to using the term 'destination branding' as a buzzword for vacation marketing merely serves to increase the general confusion.

Countries, in the end, are judged by what they do and what they make, the contribution they make to the planet and to humanity's shared challenges, their usefulness and their relevance to the lives of people in other places. They are not judged by what they say about themselves.

If a country can create the strategies, systems and structures that enable it to project a constant, unbroken stream of *dramatic evidence* that it truly deserves the reputation it desires, while forging bonds of real relevance with others and becoming a principled and effective player in international affairs, then it does indeed stand a good chance of winning – over years, decades and generations, not weeks or months – an enhanced reputation that stimulates and enhances trade, tourism, investment, beneficial cultural and political exchanges, and the attraction and export of human capital.

The combination of imaginative and courageous policy-making; the joining-up of government, business and civil society in a realistic yet ambitious common national purpose; and the renewed focus on the utility and relevance of the country and its endeavors toward shared international goals, is the recipe I termed 'Competitive Identity' in my book of the same name (Anholt 2007), in an effort to create some distance between the serious attempt to earn national reputation, and facile comparisons with communications techniques that contribute little to the marketing of fast-moving consumer goods, let alone to the fate of nations.

I have found that endlessly repeating these sentiments is tiresome, probably as much to my readers as to myself, and I no longer have the patience to continue doing it. If governments want to waste their taxpayers' or donors' money on shallow and unproven propaganda efforts, and if their voters are prepared to tolerate it, then all I can say is that they deserve each other.

But I have a final, and rather more general plea to make to the place ‘branding’ industry and its attendant academia before I desist from berating it. I think it is important that the study and management of place reputation and national standing should move from its traditional narrow context of ‘projecting soft power’, enhancing competitiveness and other variants of national self-interest, to tackling the shared challenges that define our age.

New, more legitimate, more democratic and more public-spirited forms of ‘reputation management’ are now necessary, some of which have already been sketched out in my earlier writings: others have not even been dreamed of yet.

THE DOUBLE-EDGED BLADE OF AID

One clear example of the pernicious effect of ‘branding’ is the deliberate degrading of the images of recipient states by donors, the syndrome I refer to as the ‘double-edged blade of aid’. The aid industry needs to be fundamentally re-evaluated, not merely in the context of a more partnership-based collaboration to resolve the problems of poverty, disease, corruption, war and ignorance, but also in the context of a world where the bulk of development assistance comes from China, which invests unconditionally, and treats its recipients (or at least their governments) as business partners rather than supplicants.

Because, let’s be honest: much foreign aid gives with one hand while it takes away with the other. I have often commented about the unintended damage done to the international standing and, consequently, the long-term prospects of poorer countries by well-intentioned charity promotion, and in particular the negative ‘branding’ of Africa by aid celebrities such as Bob Geldof and Bono. Over the decades, with the best intentions in the world, their relentless depiction of Africa as one single, hopeless basket-case has harmed the long-term development prospects of the whole continent even as it has boosted donations. After all, while many people would happily donate money to a basket-case, few will think it prudent to invest in a basket-case, buy products or services produced in a basket-case, go on holiday to a basket-case, or hire somebody born and raised in a basket-case.

This double-edged quality of aid is found whenever a richer community helps a poorer one. To continue to assist poorer countries, donors feel it necessary to paint as distressed a picture as they can of the recipient: donor governments need to maintain the support of domestic taxpayers by persuading them that the cause is worthy, while charities and other non-government organizations (NGOs) need to keep up the level of voluntary

donations. The more desperate they make the country appear, the more successful their programs will be.

Rich countries, in this way, have exacted a very high price for their support of the needy over the decades: in effect, they take over control of the recipient country's international image as a hostage or deposit, and set about degrading it as much as they can. Using their vast credibility, resources and media influence, donors project on to the public imagination an unbroken stream of corrosively negative information, images and emotions about the recipient country and its population, to prove that no cause is more heart-rending, more urgent and more (nearly) hopeless. By the time their program has moved on to the next deserving cause, the country's reputation may have been blighted for generations, leaving a powerful psychological and emotional disincentive toward trade, investment, tourism and growth.

The foreign aid mechanism distorts and corrodes the economies and administrations of recipient countries in the longer term, making it impossible for local producers to compete against a constant supply of effectively free goods and free money, and turning domestic governments into mere distributors of largesse, and more often than not, corrupt ones. Such observations have been made before, but what we have failed to notice is how it also makes pariahs of those countries when viewed through international public opinion, stealing their dignity as proper states with history, culture, nature, wisdom, language, learning and human endeavor by branding them as nothing more than victims and beggars for decades to come. Instead of images of natural and human beauty and variety, the 'outside world' is fed an unvarying diet of conflict, starvation, disease and despair; a world of dust and misery. Nothing could be more unhelpful for a country that needs to build an economy through the stimulation of trade, tourism, investment, and productive cultural and political relations with other states.

Most donors appear to believe that a somewhat bleak portrayal of the recipient country is necessary at the start, but once its economy has 'got going' and the 'good news stories' start to emerge, this image will be reversed. Yet such is the lag between perception and reality, and the intrinsic preference of the media (and public taste) for the shocking and the tragic over the hopeful and the promising, the job of undoing the negative perceptions will take far longer and prove far more intractable than did creating and enhancing them in the first place. National standing, as many examples show, is always far quicker to decline than to improve.

Furthermore, the 'continent brand effect' of Africa – about which I have also written at length – provides a strong, indeed overwhelming, stimulus toward negative rather than positive imagery for all its component nations.

I am, of course, not arguing against emergency aid. It is essential, and more is always needed. Nor am I impugning the good intentions of those that give. But I do believe that these unintended consequences of the generous instinct should be taken seriously into account, and the ‘bargain’ of foreign aid reevaluated accordingly. I believe it is now necessary to create new forms of assistance that make a different and less harmful bargain with their beneficiaries. Rather than deliberately degrading the nations helped by the developed nations, we must devise a more equal relationship of collaboration, partnership and mutual respect, both in public and in private. Public opinion in the rich world is surely ready for it; and indeed, the idea of ‘helping people to build something’ is already beginning to creep into the marketing messages of charities, and will perhaps replace the old and ultimately unproductive idea that we are being asked to throw our money into a bottomless pit of despair and corruption.

It must be possible to support and promote at the same time, to equip the recipients of aid for independent growth instead of stunting their prospects: to give, in other words, with both hands.

China’s role in this question is axiomatic. Never before has a state committed such resources and so much ambition to driving not only its image but also its interests, systems and values around the world. America did something similar in the twentieth century, but its efforts were held back and diluted significantly by the ‘inconvenience’ of democracy back home. China has no such problems, and can brand itself like a corporation – in a similar way to Singapore or Dubai, but with ten thousand times the resources and considerably more managerial freedom. Can China be encouraged to devote at least some part of its ‘soft power’ efforts to shared causes? Two things are certain: if it can’t, its efforts at promoting its own values will be less effective in the long term; and if it can’t, the rest of us are in deep trouble.

GOVERNMENTAL SOCIAL RESPONSIBILITY: WHAT THE MARKET IS TELLING US

For centuries, unbridled competition has been the standard model for nations competing in the world, just as it has been for corporations competing in individual marketplaces, but surely the death – or, at least, the illness – of the Washington Consensus must cause us to ask whether a new model of co-competition between states should now be given a chance.

This development is driven partly by the converging and apparently rising moral and ethical standards of consumers: these are no longer domestic consumers of products and services, but global consumers of places, and

their word is law. The new superpower, indeed the only remaining superpower on the planet, is public opinion, and most of what I have described during the past 15 years is simply variations on the general theme of exercising diplomacy toward this great power.

We should read the writing on the wall and understand what international public opinion is telling us about what it demands from countries, and from the international community: if a country wants to be admired, it must be relevant, and in order to be relevant, it must participate usefully, productively and imaginatively in the global 'conversations' on the topics that matter to people everywhere. The list of those topics is a long one: climate change, poverty, famine, narcotics, migration, economic stability, human rights, women's rights, indigenous people's rights, children's rights, religious and cultural tolerance, nuclear proliferation, water, education, corruption, terrorism, crime, war and arms control are just a few of the most obvious ones. It is hard to imagine any country that couldn't pick at least one item on this list with a special relevance to its own needs or resources, and find a way to make a prominent, thoughtful, meaningful and memorable contribution to the debate and to the global effort.

There is a strong precedent for this kind of behavior in the commercial world. Since around the late 1980s it has become more and more evident that corporations failing to demonstrate and maintain high ethical standards, transparency and social responsibility will rapidly lose the trust and respect of customers.

The critics of 'corporate social responsibility' claim that the approach has become devalued because, in many cases, it is no more than window-dressing. But, in the face of such attempts at free-riding, the media and consumers naturally tend to increase scrutiny and demand higher standards, reducing the opportunities for corporations to get away with 'greenwash' or empty propaganda. Corporations are at last being forced to treat their social responsibilities as a matter for the board rather than for the public relations (PR) agency. Surely the basic principle here is no different from the one I underlined earlier: to achieve a better reputation, as Socrates is said to have observed, we must endeavor to be as we desire to appear. In other words, it is necessary to provide people with proof of one's virtues. If the price of consumer respect is continuous and tangible evidence of corporate responsibility rather than pious statements, so much the better for everyone.

But if one is cynical and believes that 75 percent of organizations that preach the 'triple bottom line' are still merely window-dressing, the fact that a quarter of all those companies have fundamentally reviewed the ways, means, causes and effects of doing business, and have cleaned up their act as a result, is revolutionary.

What a revolution it would be if countries, cities and regions, nowadays as obsessed with the value of their reputations as are companies, were to follow the same principles.

It is already clear from the Anholt–GfK Roper Nation Brands IndexSM, that more and more people in increasing numbers of countries feel unable to admire or respect countries or governments that pollute the planet, practice or permit corruption, trample human rights or flout the rule of law: in other words, it is the same audience starting to apply the same standards to countries as they apply to companies.

In just a few decades, consumer power has changed the rules of business and transformed the behavior of corporations almost beyond recognition. It doesn't seem unreasonable to hope that consumer power might achieve a similar transformation in the way that countries, cities and regions are run in the years to come.

WHY POOR COUNTRIES CAN'T ESCAPE THE IMAGE TRAP

Place 'branding' is, as I have noted, a thoroughly selfish business. It is in the nature of sovereign nation-states that they will attempt to play the global marketplace to extract the maximum growth and maximum advantage from the demand and weaknesses of other states.

But is it fair, and is it wise, considering how many of the challenges we face as a species are shared challenges? I stated in my earliest writings on the subject that place 'branding' was fairer than the system it replaced, because it did not have much to do with marketing communications, and consequently did not have much to do with how much money a state had. Smaller states could, I claimed, compete on their other strengths – cultural, historical, even spiritual, strengths – and while there is undoubtedly some truth in this assertion, the simple fact remains that the system is still unfair, because the states that end up with the strongest 'brands' are the ones with the largest number of interesting engagements with people in other countries: and, of course, those states tend to be the busiest and richest ones.

Furthermore, it should not be overlooked that the states which find it easiest to build their profiles are also the ones that don't bother with democracy: it is no accident that the countries which are run most like corporations are also the ones that appear to have the least difficulty in building exactly the 'brand image' they desire: Dubai, Singapore, China and North Korea are cases in point. A system in which less democratic states enjoy a competitive advantage over their rivals must surely give pause for thought.

But leaving aside this interesting paradox, there is no doubt that the wealthier states still exercise a reputational advantage over the poorer ones: again, it is no accident that there is a direct correlation between the size of a country's economy and its score in the Anholt–GfK Roper Nation Brands IndexSM. Germany, for example, has a bigger reputation than Indonesia, not simply because it is richer, fairer and better run, but because through its many international links of trade, finance, politics and culture, more people have greater opportunities to engage with it than they do with Indonesia.

So, even in a putatively 'level playing field', where both Germany and Indonesia have an equal capacity to raise their profiles purely as a consequence of the wisdom and imagination of their policies, the level of planetary inequality is maintained: and I would argue that this absolute level of inequality is harmful to the entire species.

In their 2009 book, *The Spirit Level*, the British social scientists Richard Wilkinson and Kate Pickett show that it is inequality, more than poverty, that causes higher rates of crime, unemployment, unhappiness, physiological and mental illness, illiteracy and almost every conceivable social ill; and that many of these effects spread right through unequal societies, rather than being restricted to those at the bottom of the heap. Societies, in other words, have a habit of 'branding' their different strata and the individuals within them; and the fact itself of for ever bearing and wearing that brand like a uniform one cannot take off, creates profound and far-reaching psychological effects.

In an unequal society, claim Wilkinson and Pickett, having visible inequality constantly paraded in front of one's eyes leads to stress and alienation, and ultimately to ill-health and crime. If this is the case within societies, why not also *between* societies? After all, one of the notable features of the globalization of the media is that images of extreme prosperity are now beamed into the poorest corners of the planet: could it be that globalization is simply serving to magnify and broadcast the negative effects of planetary inequality, thus creating a global upsurge in the kinds of social evils that Wilkinson and Pickett describe at a national level?

To pick just one of the many examples cited in Wilkinson and Pickett (2009) of stress created by the awareness of inequality, a phenomenon known as 'stereotype threat' causes members of ethnic groups that are perceived as being inferior to perform worse in academic tests when they are told that their abilities are being judged alongside members of higher-status groups. If such an effect operates on African-American students in US schools, what if it operated at a greatly magnified meta-level in that most unequal of societies, the planet? What if exporters from Sierra Leone or Rwanda, attempting to develop and market products in the global marketplace, felt

similarly constrained by the knowledge that they were competing directly against producers in higher-status countries? Might this not depress their performance in just the same way? And supposing the effects of global inequality don't merely suppress performance, but, as in the national cases, they also generate a vast range of social problems? Magnifying this effect on a planetary scale is a truly terrifying prospect.

If the richer and more powerful countries, with their superior numbers and the quality of their engagements with people in other parts of the world, continue to develop their international profile, while the poorer and weaker countries attempt to do the same but with considerably fewer resources and global connections at their disposal, the gap can only continue to widen; and place 'branding' is once again implicated.

The time has come to ask whether, in an age of shared challenges, the countries of the world should be pooling their resources and their assets considerably more than they do, and collaborating more effectively to meet those challenges. Perhaps it is the right moment to look again at the tools of competition – place 'branding' included – and ask whether they might serve us better if put to shared use in this critical moment in human history.

Imagined Identities of Existing Cities: The Reputation Game

Slawomir Magala

This chapter applies cultural metaphors, that is, the major phenomena, activities, or institutions, with which city dwellers and visitors closely identify cognitively and emotionally. By explaining the interaction between economic development and cultural flows it becomes clear that spatial identities are contested, constructed, duplicated and frustrated. Hence, the place brand reputation game is inextricably linked to a cultivation of imagined identities. The final sections suggest that urban societies – Poznań, Rotterdam, Valencia, Warsaw – differ in terms of dominant cultural orientation that has been the focus of social science research. Every place branding situation is unique. Therefore, territorial decision makers have to understand how to analyze the complex identity formation process, and apply the appropriate techniques in order to minimize marginalization and its undesirable consequences that may negatively affect the urban brand reputation.

All happy families are supposedly alike, while the unhappy ones are unhappy each in its own distinct way. Paraphrasing Tolstoy, we might say that all happy, successful, globally recognizable cities are alike – they have no problems with branding – ‘if you make it there, you will make it everywhere’. However, all less happy cities, which have to work their way out of the unrecognizable, interchangeable jungle of urban attractions, each with an airport, train station, hotels and unique selling points, are trying to counter their unhappiness in a distinct, unique and different way. The acquisition of identity, the emergence of an identity out of the plots and coincidences, all these processes tend to support the hypothesis that other things being equal (which they never are), the creative input ‘from below’ and cultural frames of reference ‘from outside’ plus benign assistance ‘from above’ play a dominant role in the place brand reputation game.

From below, there must be pressure from creative individuals struggling en masse for recognition and familiarity. From alongside, there must be an

ongoing assessment and public display of changing values and evaluations. From above, there must be both financial risk, cultural entrepreneurship and political management. And from all three sides – below, above, alongside – there must be recognition and respect (even in times of inequality). Without blooming creative industries competing for the recognition of a city's imagined identity, the cultural branding of cities is bound to fail. Without a plethora of lively and creative, experimental and controversial artistic proposals – legitimizing a city in the eyes, ears, minds and hearts of diverse stakeholders, audiences and constituencies is bound to fail. Without the bottom-up pressure of upwardly mobile creative crowds, even temporary flash mobs, searching for networks of opportunity – no culturally designed, meaningfully saturated, attractive experience in urban space will appear successfully on the world's increasingly sensitive radar. But bottom-up initiatives and the benign support of audiences, businesses and authorities are not enough – the tipping points, the zeitgeists, the fashions, fads and foibles, the coincidences, the lucky strikes still have to match the location's emergent promise in order to launch it for everybody to notice.

Cases in point are the upstart Valencia *vis-à-vis* Barcelona or Madrid in Spain, Poznań *vis-à-vis* Krakow or Warsaw in Poland, and Rotterdam *vis-à-vis* Amsterdam in The Netherlands. All of these either were or will be the cultural capitals of Europe, but their ultimate status in the ranking games within their respective national states or within the European Union is less certain. They have a long way to go. What will decide their reputations? Perhaps one could venture the hypothesis that bottom-up initiatives of creative professionals networking in dense, interactive urban contexts in unexpected and non-routine ways are a safer bet for second-tier cities fighting for their identity and branding than top-down policies designed to stimulate cultural life within administered territories.

THE SEXINESS OF A CONTEMPORARY CITY BRANDING

Paris used to be sexy until half a century ago. Baudelaire could have invented spleen and Benjamin *Illuminations* only in Paris. New York has been sexy since then. Henry Miller could have produced *Sexus* and Philip Roth *Portnoy's Complaint* only in Manhattan, or just across the river, in New Jersey. NYC still is (sexy) – 'Sex and the City' would not work in Albany, Zwolle or Slupsk. Berlin used to be sexy before the Nazis appeared (cabarets, gays, Grosz, Marlene Dietrich), and it is trying hard to be so again, especially with the explosion of the artistic and alternative 'scenes' in the former East Berlin. Buenos Aires is sexy, but has to fit in with the international pecking order. New York City comes first, followed by Los

Angeles, Las Vegas and Chicago. Behind are the European racing team of London, Paris, Berlin, Barcelona, Rome, Venice and Milan. Then the third row seats start filling in – with the Rio de Janeiros, Mumbais and Hong Kongs of this world. Millionaires from the slums happen only in the movies. In real life, the hierarchies are there to stay and dreams are there to be explored and exploited, full stop. Or is it full (the full stop behind an acknowledgment of a market economy linked to the representative democracy symbolized by parliaments)? Is it impossible to imagine the Olympic Games being held in Beijing or Mumbai? Beijing does not require imagination – it has already hosted the most significant demonstration of physical culture, but Mumbai is not far away, either. Beijing and Mumbai are super-cities – large, central and culturally saturated (suffice it to mention the ‘Bollywood’ film industry). Not all cities have this sheer size and resources to compete for the first row of seats at the imaginary world forum of culturally branded cities. If not the Oscar for the best film of the year, then for the best minor female role or for the musical score. If the first prizes are unlikely, they can settle for a niche status: they can attempt to capitalize on their specific local assets, which are appealing enough to promise an attractive experience and rich, culturally saturated, interactive adventure. Valencia will never be in the same class as Madrid or Mumbai, but it can cluster creative industries inside and around Santiago Calatrava’s organic shell architecture, throw in a Formula 1 racing track, and hope that not only the local burning of giant puppets in March, but also a careful selection of artists for display in local museums and galleries will make it attractive in all seasons. It may have a chance to shine.

Manuel Castells explains why:

The old question of industrial society – indeed the cornerstone of classical political economy – namely, ‘what is value?’, has no definite answer in the global network society. Value is what is processed in every dominant network at every time and every space according to the hierarchy programmed in the network by the actors acting upon the network. Capitalism has not disappeared. Indeed, it is more pervasive than ever. But it is not, against a common ideological perception, the only game in the global town. (Castells 2008, p. 29)

If Castells is right, then even much smaller localities stand a chance – in a hyper-connected, overheated and mega-communicating society, a question of value reminds us of the ups and downs of stock exchange data – constantly fluctuating, pulsing, changing, signaling rises and falls, and tracing the recognition of cultural supplies of attractive experience by demanding publics, audiences, emergent communities or even flash mobs.

A small upstart company grows into a Microsoft? Not impossible. And even if it does not, it's not the only game in town. It may become a solid small player – the city of Bayreuth in Germany is a case in point, with its annual Wagner festival booked for years in advance, or the city of Santiago di Compostela in north-west Spain, visited by a special category of cultural tourists, namely pilgrims. As we said at the start of the chapter, paraphrasing Tolstoy, all happy families are supposedly alike, in resembling one another (and the world's top players too, giant cities might confirm). The unhappy ones, on the other hand, are supposedly unhappy each in its own distinct way (Valencia is trying to become attractive differently than Rotterdam, Częstochowa in Poland with its Black Madonna different than Cannes with its beaches and film festival. Paraphrasing Tolstoy again, we might say that all happy, successful and globally recognizable cities are alike. They are rich, attractive, resourceful and never sleep. They also have no problems with branding – the media provide them with an 'aura' of seductive attractiveness. Smart, sexy, creative, with a chance of every hidden talent – 'if you make it there, you will make it anywhere'. New York is the 'Big Apple' and the ultimate concentration of economic capital (symbolized by Wall Street) and cultural industries (personified by the clusters of agencies and networks, creative artists and sophisticated audiences) in a multiethnic, multicultural urban environment. Simply on passing by a Broadway theatre, one may catch a glimpse of actors leaving through the stage door or dashing to a bodyguarded limos after their performance. The concentration of celebrities in Manhattan and around the city is unrivaled in any other location in the world (though Paris and London are quite advanced in this game of attracting attention on a global scale). Both couples and singles can 'romance' the cities.

All less-happy cities, which have to work their way up – are different, despite sharing certain features. They are major urban settlements, each with an airport, a train station, hotels, theatres, concert halls, stadiums, restaurants, discos, cafés, bars, universities, fashion boutiques, brothels, ring highways. But they also have their unique selling points, are trying to match up to the best, to win at every turn. So, can Tolstoy's maxim about families be applied to cities?

Let's try. Cities want to become a brand. The acquisition of branded identity matters to them. But what is it? And how is it achieved? What set of relationships, interactions and communications between creative groups of artists and activists, commentators and theoreticians, media go-betweens, and businesses and public authorities are needed to spark the emergence of cultural identity, the branded manifestation of a presence on global radars?

CITY BRANDING AS A CULTIVATION OF IMAGINED IDENTITIES

An emerging identity – ‘the city of lights’, ‘the Venice of the North’, and so on begins with imitation. Russia’s Saint Petersburg wanted to be the Venice of the North. The identity of this particular city was ‘planned’ and it was supposed to be the capital by design. But the plans went awry. Pauperized as Leningrad, it failed to reinvent itself as a culturally attractive alternative to Moscow. Identity cannot be designed and implemented ‘from above’ – it emerges, and it is mainly a result of the upward mobility – that is, networks, clusters and constellations which grow from the bottom up with the discreet hum of capital, authority and general interest in the background. Urban identities emerge from the plots and coincidences of urban development, as the accumulated effect of creative industries’ broader appeal, clever self-promotion in streaming media, global flows of tourists, immigrants, professionals and business travelers. The creative input of artists and thinkers, researchers and designers, and their reception measured and evaluated within evolving cultural frames of reference play a dominant role in the place brand reputation game. Without the genius of the Valencian architect, Santiago Calatrava there would have been no branding of the city space, no creative use of the empty and dried-up riverbed cutting the city in half. Without a film festival most people would never have heard of Cannes or San Sebastian. Without pilgrims, no Rome, Mecca or Jerusalem. Without the carnival (the carnival that dwarfs all other carnivals) – Rio de Janeiro would have a harder time getting on to the world radar.

Financial resources are important for cities – New York would not have flourished in the twentieth century if it had not specialized in the lucrative construction of slave ships, thus developing its northern industrial power while servicing the semi-feudal plantations of the south. But an aura of a cultural potential, of yet-untapped sources of creativity, of unforeseen ways of increasing seductive attractiveness – these cultural resources, hard to measure, are at least equally important. In case of New York it was the lack of a single ‘wasp’ elite (as was very much present in Boston, for example) and a melting pot of immigrants – this volatile mixture brought a wild energy, a cultural energy, to the city and continues to drive it today. Without blooming creative industries (journalists, writers, visual artists, designers, composers, musicians, media professionals), cities tend to resemble one another. Without the work of John Dos Passos and Woody Allen there would have been less appeal for the Brooklyn Bridge or Central Park. And without Jorge Luis Borges or Witold Gombrowicz there would have been less appeal for Buenos Aires. Pattern recognition demands creative artists. Zero history claimed proudly by modern pop singers such as Madonna or

Lady Gaga is part of the show – behind the scenes their history is carefully trimmed, tailored and recycled. Without arts and sciences, political shows, mass performances and sports events there would be no sexy branding of a city's 'logo'. Cities are competing for recognition of their imagined urban identity, and only cultural content can make a difference. Few cities have their identity fixed, as a top-class destination for ever. Venice, is one city that might claim to be in this fixed position, but even in this case one might argue that a biennale of visual arts, a film festival, a Guggenheim museum and a host of international meetings are as important as San Giorgio Maggiore or the exquisite lions brought from Byzantium. Most have to try hard to please diverse stakeholders, audiences and constituencies. Some succeed – Barcelona, after the death of Franco; Berlin, after the German reunification, where barbed wire and uniformed guards have been replaced by street artists in front of the Brandenburg Gate.

Not everybody, and not every city, can succeed. And not all at the same time. Some will lose, some will have to wait. (See the examples given on page 13 concerning Valencia, Poznań and Rotterdam.). What will decide their reputations? It could be the cultural imagination of politicians and officials and entrepreneurial potential of citizens, the business people and public authorities linked to the creative energy of visual artists, writers, designers of fashions and urban spaces, theatre makers, media professionals – the list is long and should be even longer. From this point of view, assets vary and so do their configurations. Moreover, one has to keep in mind that it is not likely that we shall come up with a short list of instructions for the major players in the urban cultural branding game. One cannot simply train all the different professionals in clusters that enable cultural branding – 'how to make a world brand and how to design an attractive cultural identity for a city'. It might have been difficult to recognize van Gogh's paintings before they become brandable. Dutch authorities and the cultural establishment would not have made the mistake of thinking that they could launch a Mondrian campaign and achieve a successful national cultural branding comparable with the van Gogh memorabilia industry, if such guidance had been available. Paris would not have lost its leading position to New York if André Malraux had had such a list in front of him as the French minister of culture. New York would not have overtaken Paris (and London) so easily as the capital of the world's creative industries, if it had not been for a very peculiar cluster of 'Zeitgeist-like' circumstances, which included such unlikely fellow-travelers as the Second World War and the Cold War, a mass migration of European creative elites from war-torn Europe (Thomas Mann wrote some of his best novels in California) and the leading role of the USA in resisting totalitarian temptations. Fashion and

unpredictable transformations of *l'esprit des temps* matter as much as the inherent, intrinsic features of a location, be it New York or Bayreuth (one can imagine all lovers of Wagner's music dying out and his music being played only for esoteric clubs of fans, though it does not seem very likely at the time of writing).

Valencia, for example, has a world-class architect, Santiago Calatrava and a dried-up river bed cutting through the city center. Valencia also has an *alcaldesa* (mayoress), who knows that works by Magdalena Abakanowicz are worth buying for the local museum of modern art, that a Formula 1 racing circuit will enhance the attractiveness of the marina, the beaches and the entire city. Valencia is still too small and regionally entangled to rival Barcelona and Madrid, but its presence is felt much more than the presence of, say, Bilbao with its Guggenheim Museum or Seville with its large complex of post-expo grounds slowly growing into the city. My bet is that Valencia is one of the next major players among Spanish, and subsequently European, cities, joining the likes of Madrid and Barcelona rather than on a level with Salamanca and Cadiz.

Rotterdam, for example, has a world-class architect, Rem Koolhaas. He has not done much for his native city apart from participating in a lively hub called the Netherlands Architectural Institute and – as far as the future goes – designing a forthcoming piece for the Manhattan-like center of the city. Rotterdam does not have a river-bed, but its center was burnt out after the Luftwaffe made a show of aerial bombing in 1940 – nowadays this is remembered with a candle and fireworks night around the perimeter (designed by an inventive artist-entrepreneur, Jeroen Everaert, heading a platform mediating between the artists and companies and public authorities, called 'Mothership'). The gaping hole left in the middle of the city has encouraged the expansion of the most modern, high-rise, high-tech architecture in the Kingdom of the Netherlands. In addition, the reclaiming of the former harbor buildings and storage lofts gave rise to a dynamic reconstruction of the southern bank of the River Maas, with a photography museum and the New Luxor theatre. Amsterdam remains a superior cultural center, but Rotterdam does not want to be associated only with a low-skilled, harbor-focused, unsophisticated population perceived as a cheap labor pool for the expanding port of Rotterdam. In one of the shipyard spaces disc-jockeys attract the young en masse, in former submarine docks avant-garde artists lure sophisticated urban nomads seeking aesthetic pleasures.

Poznań has no world-class architects, no dry river-bed cutting through the center, nor even a large burnt-out area to be developed. But it does have a significant complex of former 'reserve tracks' of the railroads, between the rail and bus stations. If there is a chance of a Manhattan-like

project, then it is here, along with the long-overdue modernization of both terminals. Poznań has an older river-bed separating the Old Market Square from the cathedral and the Malta complex, but it has, most importantly, almost 140,000 students in a city that has fewer than 600,000 inhabitants (the highest ratio of student per inhabitant in the entire Republic of Poland) – offering an enormous potential for sheer creativity, energy, youth and entrepreneurship. How should this potential be explored and exploited? The city is certainly attractive for students, as so many of them decide to undertake their higher education there. The main problem for the city think tanks is to make Poznań uniquely attractive for the recipients of urban experience – due to an offer of culturally saturated, creatively enhanced, seductive experiences. Preliminary studies of the most interesting offers from the creative industries seen through the eyes of student audiences indicate that the young and clever like musical clubbing and concerts, the late June Malta Festival of street and alternative theatre and all the film festivals that the city offers. One surprising initiative allowed musicians, animators, bar owners and young design artists to open a couple of containers as a new jazz club on the river bank, close to the tourist attraction of the Old Market. Poznań has experimented with ‘smart mobs’ – can they sex the city up?

The city has also advanced its claims for an identity as a global platform by attracting the United Nations and a host of NGOs, who decided to hold the UN climate change summit there in December 2008 (which put the name Poznań alongside Kyoto and Copenhagen on the ecological map of the world). Poznań will host the 2012 UEFA European Football Championship games (alongside other Polish and Ukrainian cities). Meanwhile, a concert by the British pop legend, Sting, opened the new sports stadium and the creative networks (the biennale of sculpture, biennale of media arts and so on) are coaching the city to become a platform for communications and creative flow.

Urban policies of cultural branding and the shaping of an attractive identity are not always compatible. When a Feyenoord Rotterdam team wins (or loses) in their home stadium, riot police cordon off the shopping streets in the center of the city and a wave of football fans descends upon the town, leaving a track of destruction and clashing with the police. It is beneficial to have a well-known football team as a marker of cultural identity, but it is difficult to handle the most zealous of the faithful believers – the ‘hard core’ fans. When a Lech Poznań football team wins (or loses) in their home city, fans also hit the center of town, which, as of the spring of 2010, led to a premature closing of a museum night. Most European cities these days offer a museum night where one or several museums open in the evening – a new policy aimed at increasing the number of visitors to museums beyond

the traditional group of sophisticated consumers. Managers of the Poznań museums, surprised by the simultaneous descent of bona fide evening visitors to their platforms for art and by the growing wave of increasingly riotous football fans pouring into the city center, decided as a preventive measure to close their doors and cancel the rest of the museum night. Their decision marginalized and stigmatized football fans as potentially dangerous hooligans, but it was legitimized by the preventive defense of the ‘cultural treasures’ threatened by the ‘barbarians’. Could football fans be coached to include a visit in a museum after a regular viewing of a live football game? Or are museums busy becoming the graveyards of art, as a recent exhibition at the Centre Pompidou in Paris self-critically exclaimed?

Valencia, Rotterdam, Poznań – urban upward cultural mobility is one of the main advantages of European social space. But every city game has a darker side of the urban coin.

A COMPARATIVE SOCIOLOGY OF ADVANCED MARGINALITY

Ghetto in the United States, banlieue in France, quartieri periferici (or degradati) in Italy, problemorade in Sweden, favela in Brazil and villa miseria in Argentina; the societies of North America, Western Europe and South America all have at their disposal in their topographic lexicon a special term for designating those stigmatized neighborhoods situated at the bottom of these hierarchical systems of places that compose the metropolis. (Wacquant 2008, p. 1)

A sophisticated game of urban identity played out using the global village’s multimedia instant communications would have been impossible without a large and growing urban middle class, which both produces and consumes culturally saturated experiences. But the sophisticated and globally mobile lifestyle of this new middle class would in turn be impossible without an accompanying shadow pool of cheap labor, a reserve army of cleaning ladies, babysitters, au pairs and gardeners, and permanent clients of temporary work agencies. Global flows of immigrants from the former ‘Third World’ countries to the countries in the European Union and the USA have filled the ranks of the reserve army of labor – but this reserve army is not organized into the supply chains of large-scale industry, nor is it grouped by the new trade unions into collective representative bodies fighting for recognition in legitimate politics. These newly arrived ‘underdogs’ of contemporary cosmopolitan centers are usually stigmatized and quarantined in selected parts of the cities. They are usually concentrated in those regions that are not necessarily frequented by tourists (at least not until poverty and

marginality become 'famous' and picturesque enough to become attractive spots in their own right – Harlem's black communities' churches in New York offering gospel-singing holy services on Sunday and letting tourists attend are an example here).

To cut a long story short, a proletariat of the past two centuries has been replaced by a 'precariat' and subjected to 'territorial stigmatization' (to use Loic Wacquant's colorful phrase). However, this is not how the process is perceived; most representatives of the post-Second World War middle class, who owe their upward cultural mobility to the 1944 GI Bill – say, writers such as Norman Mailer or Philip Roth, or sociologists like Richard Sennett – often wondered why the poor black or Latin American inhabitants failed to repeat their generation's success. Most commonly, journalists and public opinion makers in the media blamed the victim (suggesting that they are too easily seduced by drugs, criminal gangs, irresponsible sexual behavior and so on). More sophisticated writers focused on a political economy of respect. Honneth spoke of 'a battle for recognition and acknowledgment, acceptance' (Honneth, 1994; see also Harvey 1996, 2009; Kihato *et al.* 2010). Sennett, for example, noticed that he could become a sophisticated consumer of high culture in spite of modest origins – because his parents and most parents from poor inner cities in the 1940s and 1950s had ambitions to see their children through educational institutions as guarantees of upward mobility, and were offered the opportunity to overcome at least some of the inequalities: 'I grew up in the welfare system, then escaped from it by virtue of my talents. I hadn't lost respect for those I left behind, but my own sense of worth lay in the way I'd left them behind' (Sennett 2003, p. xvi).

Sennett's merit is in noticing that while inequalities of talent will remain, the management of inequalities – say, the 'welfare state' or 'volunteer philanthropy' – can be conducted with less painful influence on the dignity of the beneficiaries (see Anholt, Chapter 1 in this book) (the fact that immigrant females clean the houses of the white and educated middle classes in Western cities, because of a lack of less domestic and less humiliating offers of paid jobs, does not contribute to the emancipation of the former, leaving a stigma of 'domestic slaves' on them). So how can we live – to employ Sennett's metaphor – in a contemporary city as if we were all cooperating musicians performing, in the same orchestra, some never-ending urban symphony? His suggestion is that we exercise restraint and respect, and work on the management of inequality: 'Performing arts like music reveal the collaborative elements in the expressive practice of mutual respect; the stubborn facts of division remain society's problem.' (Sennett 2003, p. 263)

Sennett's is a very modest proposal indeed. Global developments go much further – the pecking order of the cities mentioned at the beginning of this chapter may crumble when 75 percent of the world's population has moved to cities (according to UN predictions, this should happen around 2050, and by that time the world's largest cities will be found in Asia, Africa and South America, which will be growing rapidly, while European metropolises will be shrinking or growing slowly). It may crumble when Brazil's participatory budgeting principles and South Africa's integrated development plans trump the current forms of managerialist governance in favor of local democracies and the politics of inclusion. A comparative sociologist of advanced marginalities, one who understands how important it is for the marginalized to claim their space in the cities, to develop new forms of cultural, social and political expression (creative graffiti are a forewarning of things to come), new political languages (streaming media used in the USA by both President Obama and the Tea Party (the new populist US political movement) demonstrate the mobilizing potential of online communications) and civic platforms (in Beirut, Cairo, Rio de Janeiro and Mumbai), would probably pay attention to the creative artists (in Johannesburg and Shanghai), who are already conducting reconnaissance projects, measuring the distances and already plotting the spaces where bridges could be built, access guaranteed.

I shall close with a brief report on a modest city project that a photographer and performance artist, Jan Piekarczyk, conducted/implemented/performed on the streets (especially at bus stops) of Warsaw in June/July 2007. The 'Open/Closed' project required the artist to approach strangers with a camera in his hands and explain that he was an artist assembling a panel of 1,000 portraits of strangers. The strangers approached were asked to pose for a picture, which would then be mounted in a panel frame and exhibited in one of Warsaw's public spaces. Piekarczyk closed his brief speech with a question: Would you kindly agree to pose for me here and now? If the answer was positive, he proceeded to make a (color) portrait. If a person refused, he took a picture of an anonymous detail to be displayed in the form of a black and white negative – part of an elbow, a tip of a shoe, a finger waving him away, a person framed from behind or from a distance, or a shadow on the pavement. When 1.000 pictures had been collected, he made up a panel. In this particular case, of Warsaw in 2007, slightly more than a half of respondents were 'open' to a suggestion of a photograph of them being used for an artistic project to be displayed in a public space. What was interesting, though, were incidents he inadvertently provoked. At one point, a young Polish woman refused to be photographed at a bus stop. A Turkish woman, standing next to her, agreed. Piekarczyk took the

picture of the latter and then asked the former again: 'Why exactly did you refuse?' Surprised, the woman said she actually didn't know, that she was surprised herself by her own refusal, and she subsequently agreed to have her picture taken (probably having noticed that, for a Turkish Muslim woman, a decision to let herself be photographed must have been a much more difficult one, and yet she dared. A subtle game of native and immigrant, with the latter providing an example to the former on how to be more at ease and at home within an urban universe. This artistic project, which one might interpret as a public performance simulating inclusion/exclusion could perhaps offer a clue on how to detect and redesign urban practices of inclusion and exclusion to rejuvenate democracy in an era of a multimedia urbanization.

What does offering a clue mean in the context of our discussion of actual behavior in urban spaces? It means that the artists can tell us – intuitively, by participating, intervening observation and reflection – about ways of including or excluding individuals in the daily flow of interaction and communication which we call city life. Including or excluding from what, though? Everybody moving around in spaces designed by architects and operated by city authorities or business corporations experiences a feeling of 'belonging' to a particularly attractive and hedonistically satisfying space, or a feeling of being rejected, thrown outside of them. (As an example of the latter, the elevators in a modern office building at my university offer restricted access to some floors, which are rented out to non-university companies. Each time a person uses a coded key to allow him or her to get to their floor I feel excluded, if only for a second.) These feelings of inclusion or exclusion are significant for our emotional well-being. Even volatile communities, which form and dissolve all the time and at all levels in spaces filled with human individuals, are capable of embedding us in shared spaces, making us feel more at home in an urban universe. A more abstract reflection on this topic – of a shifting stage for collective interactions – was offered by Magali Sarfati Larson (see Larson 1993), who later said:

Does this shift away from the aesthetic dogma of modernism have any profound consequences? ... The revisionist shift has neither changed the role of architect in the construction, nor arrested the profession's conversion from an actor in production to an actor in marketing strategies; all our economy and all our culture have swerved in this direction. The 'discursive wars' that I connected to architectural practices mattered very little beyond the circle of architects and cognoscenti. If, however, the clients (as I argued) welcomed any turn in architecture that facilitated the marketing of real estate, a large public may have found the back entrance (though I doubt it) into making its preferences felt. (Larson 2004, p. 336)

Let us note the restrained, moderate hope expressed by Larson with respect to a ‘large public’ – while clients pay for ‘office and retail space, luxury hotels, rich men’s homes, and cultural institutions for the elite’ (Larson 1993, pp. 243–4), the role of a large public in urban spaces is connected less clearly to a type of architecture as a stage design for expressive behavior and organized, coordinated action. My educated guess is that, if we refuse to face squarely the problem of integrating the public at large, we shall end up endlessly discussing the issues, which are secondary and less relevant for long-term win–win options (for example, abstract discussions of the level of terrorist threat posed by Islamic communities to Christians do not lead very far – the poor Muslims from a Parisian banlieue rebel against their Christian neighbors from the middle class because they feel closed off in their poverty, not isolated by their religion). Political labels are not very helpful, either – fighting off attempts to limit the cultural dictatorships of different elites (expressed in Dutch politics as a critique of state financing of symphony orchestras or avant-garde museums – with liberals refusing to sponsor ‘leftist hobbies’) will end up in a trench war between ‘populists’ (who think that rock concerts are commercially sound and culturally legitimate food for mass thought) and ‘elitists’ (who think that only sophisticated cultural consumption accessible to individuals with a higher education and higher income is a brand of a fully developed human being). What is lacking in contemporary urban planning is a participative and proactive design process, especially geared toward the needs of the excluded and stigmatized, scapegoated minorities, who could be assisted in their noble attempts to venture into the cultural consumption and urban lifestyle they see and so admire among the middle classes. Whenever I visit developers’ or architects’ offices, they show me their plans for parts of the city, but nobody begins his or her story by visiting the slums or lower end of the housing market, and nobody thinks of mixing income groups as the older but able citizens are mixed with those who require assisted living and vulnerable individuals who need to be monitored. Why? Shouldn’t they, to echo Larson, who had examined the architects’ profession deeply, be dreaming of making the entire society their client, of designing stages for a meeting of sophisticated art lovers and rough football fans? It may take some time for the representative of the former group to start noticing the brilliance in some matches played by FC Milano, and it may take some time for the latter group to have a look at an installation where ‘the artist is present’ (Marina Abramovic in the Museum of Modern Art, New York City). But it certainly will not be lost. Ultimately, then, it is our attitude, behavior and long-term relationship with the domestic, the lower, the poorer, the intimately close underdog in a shared urban space that will decide our mutual, definitely urban futures, by grounding identities in a win–win coexistence.

Why Brand the Future with the Past? The Roles of Heritage in the Construction and Promotion of Place Brand Reputations

Gregory J. Ashworth & Mihalis Kavaratzis

INTRODUCTION: THE PAST IN THE PRESENT AND FOR THE FUTURE

In the late 1980s, when academic attention regarding the application of marketing approaches to the selling of places was in its infancy, a number of exploratory studies of deliberately promoted place images was undertaken in The Netherlands. The starting point was Burgess's (1982) seminal study on the content of local authority promoted images in the UK, where she identified the four main elements as being centrality, dynamism, identity and quality of life. An investigation of the content of the text and illustration of all 16 medium-sized cities in The Netherlands (Voogd and van de Wijk 1989) revealed the unanticipated conclusion that historical elements were being used widely in campaigns designed principally to attract exogenous investment. Official brochures and printed advertising material (in a pre-website era) stressed historical events and personalities associated with the place, and even lengthy descriptions of armorial bearings and local monumental buildings. It seemed strange that city councils and their consultants should so emphasize historical elements over contemporary attributes, which would seem of more immediate relevance to a commercial enterprise such as accessibility, shopping, retailing, recreation or other facilities.

In addition, the use of historic elements did not seem to relate to the historicity of the currently popular existing reputation of the place concerned. Cities making a relatively high use of the past certainly included

recognized historical cities with a rich monumental endowment, such as Amersfoort, Harlingen and Leiden, but also modern industrial cities, such as Schiedam. Conversely, cities making little use of their histories included well-known historical cities such as the fortresses of Naarden, Hoorn and Delft. Thus two of the elements recognized by Burgess – identity and quality of life – were overwhelmingly dominant in the promoted images at the expense of the other two – centrality and dynamism, and both were heavily dependent on history.

An experiment to confirm this unexpected result was mounted in the Northern Netherlands by contacting anonymously all local authorities (*Gemeenten*) with a request for information relevant to the relocation of a fictitious commercial establishment. Seventy-eight local authorities supplied the required information, and again historical material overwhelmingly dominated the content in the form of an account of local historical buildings (56 percent of responses), a historical town trail (56 percent), museums (50 percent) and a historical narrative (44 percent). By contrast, information more relevant to the present commercial environment was under-represented, including details about local authority services (31 percent), sports facilities (31 percent), housing (6 percent) and local schools (6 percent) (Ashworth and Voogd 1990, pp. 117–19).

Thus the question was raised more than 20 years ago about the role played by the past in promoting place images. The unexpected reactions of local authorities could be explained in part by the absence at that time in almost all authorities of a public relations (PR) department and specialist marketing expertise, except notably in the field of tourism, much of which was heritage-based. However, it remains curious that local government agencies, when asked about their present locational advantages, should answer with accounts of their past and their reputation.

This chapter returns to this question because, in the intervening period, this ostensibly strange phenomenon is still evident. Heritage, as the contemporary uses of the past, has been, and is still being used in the branding of many places, including those that are not self-consciously historic or dependent on heritage-based economies. Places endeavoring to tackle current economic or social issues through the creation, management and promotion of place brands, and focused on future strategic goals and a strategic repositioning, are still invoking their pasts in their branding campaigns, even in situations where rebranding is seen as a means of strategic escape from a constraining and inappropriate past.

This chapter attempts to describe what is happening, examine the reasons for it, review the instruments through which policies are commonly carried out, and assess the effectiveness and consequences of such policies.

THE LINKS BETWEEN PLACE BRANDING AND HERITAGE MANAGEMENT

Before examining examples of how contemporary places use the past (as commodified into heritage) to shape their future, it is useful to determine the extent to which the two activities – that is, place branding and heritage management – share characteristics that render them similar, or otherwise, to enable us to proceed with an outline and evaluation of their relationship. Our starting point for the discussion that follows is the argument that ‘history, that is the occurrences of the past, is widely used to fulfill a number of major modern functions, one of which is shaping socio-cultural place-identities’ (Ashworth 1994). Heritage management and place branding are both strongly related to these place identities in very similar ways. As will be shown, the similarities between the two are considerable and their interaction is not only common but also well justified. These can be discussed under the simple comparison of their nature, goals, challenges and tools.

A major reason for using heritage for place branding purposes is a simple extension of the common use of heritage as an instrument to attain explicit or implicit contemporary policy objectives. Heritage management and place branding have a common underpinning in this sense, therefore also an obvious link. As Ashworth (2005b, p. 13) explains ‘the involvement of governments in heritage, and cultural productivity in general, stems from a very specific requirement of national governments to create, foster and demarcate the concept of nation, which alone legitimates their existence and justifies their exercise of that government’. To put it differently, it lies in the interests of governments, on all spatial scales, to use heritage as an instrument in the invention and management of collective identity and reputation. Assuming that the communicated place brand will have its foundation in this collective identity, it is no surprise that place-branding campaigns attempt to build on the local heritage to strengthen the feeling of an identity shared by the local population and promoted externally as a distinctive entity. Furthermore, there is an established relationship between place identity as a social condition and public heritage as instrument for its attainment. The attainment of place identity is a goal clearly shared by place branding, and in this sense the two seem to be the perfect allies. Such an alliance would appear to be especially appropriate in strategic planning, where the objective is to reposition the place through changing not only its functions but also its perceived identity; that is, its reputation.

The place’s past is called upon to fulfill several functions, all of which are related not only to the use of the past to brand the future but also to the general use of place branding in the first place. Satisfying the psychological

needs of the individual 'so that the comfort of the past may anchor the excitement of the future' (Lynch 1972) would be one of them – indeed, one with great significance for place branding as it is exactly this excitement about the future that the place brand is supposed to foster in local populations and communicate to external audiences. Education of both new generations and outsiders alike, or the process of socialization, would be a second function. A third and directly relevant to place branding is what can be called legitimation; a process in which 'the events of the past are narrated to the present not only so that society's norms are continued but also so that the currently dominant political ideologies and groups can justify their dominance by an appeal to the continuity of the past and present' (Ashworth 1994). Economic arguments can be added, such as that heritage provides the resources for much cultural tourism but also serves to enhance environmental amenity for a wide range of high-order economic activities and the construction of reputation. It is important to note that, in all the above arguments, it is not history that is used for these modern purposes but *heritage*, which is a highly selective and packaged version of the past.

A basic assumption of the commodification process is that heritage is an industry in the sense of a modern set of activities, deliberately controlled and organized with the aim of producing a 'marketable' product. It is in this process that branding acquires its contemporary significance as an overarching goal and direction for this process. The resources used in this process are a wide and varied mixture of historical events, personalities, folk memories, literary associations and surviving physical relics. What is crucial is that these resources are converted into products through interpretation, which involves both resource selection and 'packaging'. It is in fact the producer's interpretation that is the produced outcome from the producer's point of view and it is the consumer's different interpretation that is the offered product from the consumer's point of view. It is evident in contemporary place management practice that place branding is the preferred method by which place authorities attempt to sell their own interpretation and reputation. It is unfortunate, however, that the most significant element of the process, and a basic marketing principle, seems often to be forgotten: the user of the heritage product as well as the consumer of the place brand, whether visitor or local resident, is not a passive recipient of projected messages but an active participant in the interpretation process. Very commonly, these consumers interpret the received message in ways that the producer of the product did not intend, and hence multiple reputations, or rather images, exist.

Apart from common goals, heritage management and place branding share common challenges that stem from their dependence on the formation of place identities. The challenges can be described by a set of

dichotomies. Place identities, and therefore also place heritage and place brands, need both to promote generic places within global markets and to reinforce a countervailing localism. They need to express universal cultural values as well as to differentiate between localities through enhancing the distinctiveness of places. They need both to reflect and celebrate social and cultural heterogeneity, and to enhance social cohesion and homogeneity. They also need to brand economic place products for export, especially through tourism, and to satisfy the local social and cultural objectives of residents. As noted repeatedly in the place-branding literature, these tensions are evident and even dominant in any attempt to devise place brands, and represent the major unresolved issues in place-branding applications.

Heritage, like the place brand, is by definition contested. In those cases where contestation becomes a serious issue and gives rise to conflicts, this may take place at two levels (Ashworth 2005b). The first is a result of the functions that heritage is called on to perform and comes from the characteristic that heritage is multi-sold and multi-consumed. The second deals with heritage as a representation of culture and relates to the fact that heritage can be used to communicate cultural values. At both levels, the question encompassing 'Whose heritage?', 'Whose values?' and ultimately 'Whose place?' is a determining factor.

As we have seen, heritage management and place branding share goals and challenges. They also share techniques and tools. Governments may adopt techniques of marketing using diverse advertising media but also public built environmental architecture and design to communicate their heritage messages. They might also integrate the two, as in the use of natural or built heritage on the logos devised to communicate the place brand. Strategic place branding may be executed through 'hallmarking', 'flagship' construction and 'signature' design as means of communicating the brand reputation. It is fair to argue that all these are essentially based on the place's heritage or, at least (and this is not diminishing the argument on the significance of heritage), on the intention to create a future heritage. It is also fair to extend the argument further by recognizing that heritage management and place branding become each other's tools. In essence, heritage management uses place branding for its own purposes, but, at the same time, place branding uses heritage management in a similar way. It is to these techniques that we now turn our attention.

INSTRUMENTS

The three main types of commonly used place-branding instruments are signature building and design, personality association, and hallmark events.

None of these uses heritage components exclusively, but in all three heritage in practice makes a major contribution.

Signature building and design

The idea of governments designing notable and noticeable buildings in an attempt to convey messages, by their very presence, about the governments that commissioned them is not a new idea but is exemplified by, for example, the Hanging Gardens of Babylon, the Parthenon in Athens or the Coliseum in Rome. These were intended not only to house particular public functions but, more important, to be a 'signature' of the unique identity of the place and a 'flagship' representing the nature and aspirations of its government – that is, building reputation. While almost any type of building can be called upon to perform this function, bridges, as Warnaby and Medway (2010) have pointed out, seem popular and feature on many place logos, perhaps conveying ideas of transition and connection. Not all such buildings are icons from the past selected by the present: many are newly built, often purposely in a shocking and preferably controversial avant-garde style, to mark a break with the past and a new direction for the place and its government (Temelova 2004).

The archetype is perhaps the Centre Pompidou (1977) on the Beaubourg in Paris (Hamnett and Shoal 2003), which was intended not only to house a modern art collection, but more significantly to proclaim the cultured and progressive nature of the French government and French nation, and the pretensions of Paris in particular to recapture a leading place in the global competitive league tables. Such structures, created to be shockingly avant-garde, themselves very rapidly become heritage. The Guggenheim Museum, Bilbao, Spain (Gehry 1997) or the reopened Reichstag in Berlin (Foster 1999) became within a few years an important part of the heritage and brand recognition of these cities. However, what Koolhaas (1994) called, 'the propagandistic nature of architecture' can be equally effective using restored premises and revitalized functions. The restoration in the USA of Boston's Faneuil Hall Marketplace and the Quincy Festival Market in 1992 began a global fashion among urban managers for creatively adaptive reused buildings as center-pieces for area revitalization. A refurbished art gallery in a power station (the Tate Modern, London) or a railway station (the Musée d'Orsay, Paris) makes statements through both form and function of the city's abandonment of one economic sector and the embracing of another. The Janus stance of acknowledging the past while embracing the future is symbolically unequivocal.

A problem of signature building may stem from its very success, as such structures and their popular recognition may be more durable than

the attributes they were designed to convey. Many cities are littered with buildings expressing now-outdated ideologies and reminiscences of an uncomfortable past. The Palace of Culture in Warsaw, Poland (1955), the Palace of the People in Bucharest, Romania (1989), or the entire socialist new town of Nowa Huta near Krakow in Poland (1945–54) are embarrassments that project both the ‘wrong’ heritage and ‘wrong’ brand. Changing signatures in accord with changing aspirations may be difficult. For example, the Harbour Bridge (1932) in Sydney, Australia, was the city’s internationally recognized signature, representing modernist engineering, but it seems to have been replaced successfully by the Opera House (1973), an assertion of postmodernity and culture. There are other cases where signature change has been incomplete and ambivalent; for example, in Paris, from the industrial-era Eiffel Tower (1889) to the Arch of the office district of La Défense (1982–90) or, on a provincial scale, in Groningen, The Netherlands, from the late medieval Martinitoren (Martini Tower, the highest church tower in the city) to the postmodern (1994) Groningen Museum (Ennen 1997).

On occasion, the policy selected to deal with relics of ‘incorrect signature’ structures has been simple demolition. Places that have experienced rapid and repeated ideological change may pursue cyclical policies of creation, demolition and recreation of their signature buildings. In Berlin, for example, the Prussian Imperial Stadtschloss, (built 1702–6) was demolished by the German Democratic Republic (DDR) in 1950 and replaced with the socialist Palast der Republik in 1973. This in turn was demolished in 2008 and replaced with a planned replica of the original Stadtschloss in 2012.

Not only buildings but whole districts can become a signature for a city and a flagship of its aspirations. Again, this may be a purpose-built contemporary creation – for example, London’s Canary Wharf office and residential blocks (1988–90) or Paris’s La Défense, a major business district (1982–90), which symbolized a whole economic policy and even the city’s political philosophy. In recent decades the European city in particular has experienced what could be called a ‘Bohemianization’, in which culture, entertainment and fun shopping facilities reflect a place brand dominated by individualistic and hedonistic lifestyle choices. Most of these districts were renovated heritage structures that acquired completely new functions. The archetype, and still the most successful, was London’s Covent Garden (re-created 1973–80), but Dublin’s Temple Bar (1991) was a more unexpected and central-government-induced development through traffic regulation, building conservation and restoration, signature design features, and a permissive zoning regime (Clohessy 1994; Stabler 1996). The relevance of this topic here is simply that a small part of a much larger place,

often no more than a few streets, serves the function of adding a distinctive component to the brand of the place as a whole, using predominantly renovated old structures and morphologies. In all these cases, the district is being used to brand or rebrand the city as a whole.

Personality association

The purpose of place branding is ultimately the establishment of unique place identities and reputation distinguishing one place product from its competitors. Individual people are by definition unique, and thus places attempt to associate themselves with a named individual so that this quality of uniqueness may be transferred to the place. The person and the place become inextricably associated such that each automatically evokes the other. This in essence is personality association, but it must be remembered that it is not just the uniqueness of the individual but rather their attributes that are transferred.

Clearly, almost any sort of person could be selected to create these associations but some are more likely to be more suitable than others. There are three main factors for success. First, the place needs to be able to substantiate a claim on the individual as 'our' citizen, and indeed dispute competing claims from other places. Second, there needs to be an existing popular knowledge of the individual or the capability to create such fame, which is likely to be durable at least for the length of the branding campaign. Third, and almost self-evidently, the attributes associated with the individual selected should be beneficial and not detrimental to the aims of the place-branding exercise. The individual selected could be a living or historical character. Living celebrity endorsement is widely used but the transitory nature of celebrity status may render this a dangerous strategy in the longer term, and historical characters with a long-established and widely recognized eminence are accepted more easily and are more durable over time unless history is drastically revised. Arguably the strongest personality place associations that exist and have existed with a global recognition for centuries are the historical characters of Jesus (Nazareth, Bethlehem and Jerusalem) and Mohammed (Mecca, Medina and Jerusalem).

Creative artists are especially suitable for this purpose, being less potentially divisive than characters from political history, and those from the visual arts are easier to incorporate into the place brand than those producing non-visual art forms. The more visually distinctive and striking the creative work, or the more memorable the person and his or her life, the easier it will be to forge the association between place and person. An outstanding success, which has served as something of an archetype and encouragement

to imitators, has been the use by Barcelona, Spain since the 1980s of the eccentric designer Gaudí (1852–1926) as part of a repositioning strategy from a city of industry to one of culture. Similar, if less obviously successful, examples would be: Mackintosh (1868–1928) in Glasgow, UK, Dudok (1884–1974) in Hilversum, The Netherlands, Dalí (1904–89) in Figueres, Spain, or Hundertwasser (1928–2000) in Vienna, Austria. Though artists working in the visual media, such as painters, sculptors, architects or designers, have the advantages of easy recognition and appreciation, and even simple reproduction in saleable products, musicians and writers are also widely chosen. Places that have become inextricably linked to individual musicians or styles of music and have actively exploited this link as part of their brand are as diverse as Salzburg, Austria (Mozart), Bayreuth, Germany (Wagner), Liverpool, UK (the Mersey Beat), New Orleans, USA (traditional jazz) or Detroit, USA (Tamla Motown). The choice of writers is also fairly common, not least because much writing is deliberately place-bound and place evocative. Writers such as Wordsworth, Austen, Hardy and Joyce actually helped to create our idea of the Lake District, Bath and Wessex in the UK, and Dublin in Ireland: they did not only reflect the sense of place but also branded it for inhabitants and visitors. To use them in this way thus only continues what already exists. Scientists, philosophers and intellectuals in general are less easy to link with locations. Clearly, they lived and worked somewhere, but that ‘somewhere’ usually makes little contribution to their work, nor can their work be used to contribute much to the qualities of the place.

The widespread and clearly evident success of this technique, illustrated in the places mentioned above, may encourage the deceptive and misleading idea that personality association can be an easy, certain and universally applicable instrument for successful place branding. It is not. Many associations are inappropriate or completely undesirable. The villains of history, like the heroes, can also be associated with places, sometimes resulting in a need for personality dissociation, which may be very difficult to achieve. Undesirable negative associations may result from the cultural products themselves, as their creators were not in the service of local promoters and may deliberately have depicted the place as being unattractive. The ‘Coketowns’ portrayed by Dickens (*Hard Times*, 1854) or Zola (*Germinal*, 1885), or the dreary industrial cityscapes painted by Doré or Lowry, create a problem to be solved as much as an opportunity to be exploited for the places depicted so graphically. The branding problem then becomes not a case of, how can we use this artist to promote our place, but how can we escape from the undesirable brand that the artist has so successfully established by rebranding, which is always a difficult task.

Identification and recognition are not ends in themselves; there is also the question of which attributes are to be transferred from the person to the place, and whether these attributes are always beneficial to all policy objectives. The association in the USA of Santa Fé with painters/sculptors and New Orleans with musicians, for example, relates strongly to a hedonistic, easy-going, 'Latin' way of life expressed in the 'Santa Fé style' or the 'Big Easy' appellation, which are no doubt assets to the tourism industry but are of more dubious advantage to many other commercial sectors. One extreme example of this is the attempt by Rotterdam, a port and industrial city in The Netherlands noted for its modernist experimental architecture and blue-collar ethos, most recently expressed in its political support for xenophobic ethno-nationalist populism, to associate itself with the sixteenth-century humanist philosopher, Erasmus. The success of the city's modern, progressive and functional brand is the very antithesis of the postmodern, culturally diverse, high environmental quality and heritage-rich brand image that most other Dutch cities are attempting to establish. The curiosity is not that the city felt the need to modify its brand in response to changing economic and social circumstances, it is that it chose to do so by attempting to create this particular association. There are a number of difficulties, the least important of which is that the personality concerned has a very slender and doubtful historical link with the place. More important is the almost complete ignorance of this potential link among both residents and outsiders, despite a prominent statue, eponymous local university and even a bridge named after him, which was erected in 1996. Of course, this could be remedied by the promotion of the 'city of Erasmus', but then fundamental problems arise as to what aspects of the life and work of this Renaissance philosopher are to become associated with the place, how is this to be done, and if it is successful, what does it possibly contribute to the rebranding policies of the authorities?

Places may be named or renamed after prominent people (such as the many Victorias or Louisvilles scattered around the world) as many airports, squares, streets and public buildings. This, however, is intended to use the place to commemorate the individual, and not to use the individual to add quality to the place. This nomenclature without association has only a limited transfer of attributes. Similarly, there are also many associations of places with people that may contribute a strong recognition but few connotations with any attribute of the person. This is especially the case with mythological characters, such as Robin Hood, King Arthur, Santa Claus and many other mythical characters that are often fiercely claimed by places anxious to associate with the personality. In all of these cases of a non-connotative association the only gain would seem to be some assertion of historical continuity and some global place recognition.

Finally, it must be remembered that this technique, like most of the others reviewed here, is rarely effective unless combined with other measures. Even in the cases of the often quite dramatic reversals of fortune mentioned above, this branding measure was part of a wider marketing program which itself was associated with much wider urban regeneration and strategic planning policies. It also needs to be noted that larger cities have more potential opportunities in this respect, if only through having more famous residents than smaller towns, but it is in many ways easier for smaller towns to associate themselves unambiguously with a chosen personality. Big cities with their ‘embarrassment of riches’ may possess too many, often contradictory, personalities.

Hallmark events

These are events that not only occur in the place but also contribute to its brand identity. They may be staged deliberately, not only to attract outside attention to the place but also to convey various desirable characteristics about it. There are many possible types of sporting or commercial events (Andranovich 2001), but cultural festivals and historical pageants are often chosen because of their visibility, political neutrality and acceptability as merit goods adding the desirable brand attribute of cultural patronage to a place (Hall 1989). Well-known, long-standing cultural festivals, from Edinburgh to Oberammergau, contribute not only some immediate economic returns but, much more important, brand the location as a ‘place of culture’. Such an appellation may be an official honorific designation, as, for example, in the annually awarded title of ‘European City of Culture’ or UNESCO’s inscription of a place as a ‘World Heritage Site’. These designations may be fiercely contested in the belief, often mistaken, that they automatically brand the place as ‘historic’ or ‘cultural’ with concomitant continental or global recognition, tourist visits and more permanent image enhancement.

However, many associations of the place with specific historical events are accidental and unintended. The control of the authorities is limited to exploiting through marketing those that might seem to convey favorable attributes, and mitigating or countering the impact of those that do not. As was the case with personalities, not all historic events convey advantageous associations: events in cities such as Weimar (1919–33), Vichy (1940–4), Nuremberg (1933–44: 1945–6), Yalta (1945), Bandung (1955), or even more recently Maastricht (1992), may have worldwide recognition, at least for a time, from events that occurred there, but these may convey little benefit in the form of transferable positive associations to the well-known place.

Some places – Aberfan in Wales (1966), Chernobyl in Ukraine (1986) and Lockerbie in Scotland (1988) spring to mind – may, as a result of tragic, well-publicized historical events be trapped into a worldwide fame resulting in instant recognition from which many would rather escape.

The government of the city of Volgograd in Russia is currently concerned by the failure of its place-name to evoke much external recognition. A reversion to its previous (1925–61) name, Stalingrad, does this very successfully, but at the cost of both a personality association that many now find undesirable, and a widespread feeling among inhabitants of being locked into a single historical event. An even more extreme reversion to Tsaritsyn (1589–1925) creates historical continuity but to an *ancien regime* still unacceptable to many. The currently favored solution of ‘Tsaritsyn-on-the-Volga, home of the heroes of Stalingrad’ could be the best, or worst, compromise.

The use of hallmark events in branding is often most effective if combined with personality association. There are some dramatic success stories, where places have used events effectively for strategic repositioning. For example, two towns in Ontario, Canada, created an association with historical personalities, previously not associated with the place, to develop an annual cultural festival to replace a faltering local economy and unhelpful existing brand, and to change their strategic direction. The G. B. Shaw festival at Niagara-on-the-Lake, and, on a larger scale, the Shakespeare festival at Stratford both aided the international recognition, strategic rebranding and economic repositioning of the towns.

DOES IT WORK?

Pasts as imagined, reconstructed and commodified into heritage provide a flexible, inexhaustible and ubiquitous resource for a myriad of contemporary uses, among which are public policies as discussed above.

Heritage has three qualities that render it especially suitable as an instrument of place branding. First, as a construction of the creative imagination, it can be used to convey almost any attribute that might be considered desirable. Second, the past can be strongly linked to places, and places to the past so compellingly that the two become inextricable. It is not just that everything happened somewhere; in many cases, the ‘where’ becomes part of the ‘what’. If branding is essentially the creation and promotion of place identities and reputation, then heritage is the main instrument in such place branding. Third, while people shape their own personal heritage from their own imagined past, this can also be induced to function as a powerful instrument for the shaping of collective identities

and thereby communities on various spatial scales. Collective heritage, like collective memory, is ascribed. It defines and delimits the 'we' in 'we are because we were'.

However, it is fair to question whether heritage actually adds anything to the place brand value that can be translated into bed-nights in local hotels or attracts investment. A major advantage of heritage is that it does create a certain amount of awareness that the place exists at all. The example of Athens illustrates this very well. Without its history and heritage, Athens would merely be the capital of modern Greece – a chaotic and disorderly city that could be useful as a stop-over on the way to the beautiful Greek islands. With the existence and use of its heritage, however, the situation is dramatically different. Most schoolchildren around the world are taught about events that took place in Athens thousands of years ago. The 'birth-place of democracy' element of Athens, though doubtful in its relevance to many contemporary audiences, is probably the most significant aspect of the city's image in the sense that it is planted in people's minds from their childhood as a positive and worldwide significant attribute. The city today bears no resemblance to Ancient Athens, and perhaps Aristotle would never have invented Logic if he were a citizen in the city of today. However, the association of Athens with its ancient self is extremely significant in positioning the city's reputation. Furthermore, and perhaps more important, it simply puts Athens on the world map, creating an awareness of the city. The Acropolis is just something 'everyone' wants to see in their lifetime, and the fact that it happens to be in contemporary Athens simply works miracles for the city and its brand.

However, alongside these advantages and inherently bound up with them are a number of quite intrinsic dangers of associating places with their past in this way.

The magnitude of the possibilities and the necessity for selection from these always generates the question, 'Whose past is being presented?' and its reverse, 'Whose is not?' Heritage can never be all-inclusive, and all heritage, through the processes of its construction, disinherits. In general, this matters very little, but sometimes it matters greatly. Second, change in two elements is inherent. That the policy goals of public agencies change through time is no surprise, but the very effectiveness of heritage in shaping place identities inevitably locks places into a particular past, from which escape to pursue new directions is difficult. Imagining a Venice without the Renaissance or Bath without the Georgian era would be difficult. In addition, while the past, defined as everything that has happened, is unreachable and therefore immutable, the heritage that is selectively created from it is not. Heritage, like all cultural creations, is subject to trends and fashions,

which means that a heritage selected to support specific place brands may be a highly desirable asset at one time but become a liability at another.

Thus evoking the past may convey qualities of continuity, steadfast survival and sound traditional values, but equally may convey inflexibility, intransigence, obduracy, and cultural and social obsolescence. The past may be used as an anchor of reassuring certainty and stability accommodating and incorporating an ever-evolving present, or as a refuge of romantic nostalgia and escape from the necessity of dealing with the issues of the present and facing the challenges of the future. In either situation, heritage remains a powerful if double-edged sword in the weaponry of place managers in the process of constructing a distinctive, attractive, memorable, credible and meaningful reputation.

History Matters: The Path Dependency of Place Brands

Erik Braun

INTRODUCTION

Since the start of the new millennium we have seen a growing number of cities announcing a branding strategy. Branding is not just being adopted by the ‘usual suspects’ such as the global cities, the capitals and well-known tourist destinations, but also by smaller, specialized cities and so-called *second cities*.¹ The latter are a very interesting group when it comes to place marketing and place branding. These cities are potentially more eager to embrace branding as they have to exert more effort to attract the attention of their desired target audiences. Some of these second cities struggling with an ‘image problem’ are tempted to rebrand themselves or to design a totally new place brand, aiming to start with a clean sheet. This chapter reviews the possibility of place rebranding and attempts to develop a completely new place brand from scratch. Is it really possible for cities to break with the past and to start all over again? The next section of this chapter is concerned with the concept of place branding and the ambiguity that is still associated with it. The third section discusses the possibility of rebranding or developing an entirely new place brand from scratch. The fourth section explores the proposition that place brands are path dependent by looking at the experience of Rotterdam. The final section summarizes the conclusions.

THE PLACE BRAND AND PLACE BRANDING

Kavaratzis and Ashworth (2005, p. 508) observe that ‘there is no single accepted definition of place branding’. What is the reason for the absence of a single accepted definition? Is it because place branding is an academic field still in its infancy? Is it because of the lack of attention paid to place brands by the marketing mainstream? Or is it because there is

no commonly accepted view on brands and branding in that marketing mainstream? The most probable answer is that it is a combination of these three issues. Place branding is a relative young academic field and is not considered to be a mainstream subject in marketing academe. There are very few papers on place branding (or place marketing, for that matter) in the leading marketing journals, and at marketing conferences it is at best a marginal subject. In addition, there appears to be no single accepted definition of brands and branding among marketing scholars either. Hankinson (2004, p. 110) observed a ‘proliferation of articles on defining a brand and branding terminology’ illustrating the absence of a single accepted definition. Hankinson (2004) identifies four main streams of brand conceptualization: brands as communicators, brands as perceptual entities, brands as value enhancers, and brands as relationships. While discussing service brands, de Chernatony and Segal-Horn (2003) likewise observe that there are differing interpretations of brands. Hankinson (2004, p. 110) goes even further, as he asserts that ‘classical branding theory, with its roots in product marketing, is, however, still in its infancy and the application of branding to the more specialist areas of marketing is even less developed’. Is this observation by Hankinson accurate, and more importantly: is it still accurate more than seven years since it was stated? It is difficult to answer this question with a straightforward yes or no. We can observe that the production of papers on defining brands and branding has not stopped, and that place branding still seems to be in its infancy. However, it would be too much to defend the same assertion for brands and branding in general. At the same time, the single accepted definition of a brand, or branding, has not (yet) materialized in marketing academe.

How do we define a place brand in this contribution? Anholt and Hildreth (2005, p. 164) have used an interesting but loose description. It is ‘nothing more and nothing less than the good name of something that’s on offer to the public’. This ‘good name’ is very important for the customer, who has to choose among various competing offerings. In more academic terms, brands are markers for the offerings of firms, and brands can make choices easier for customers through promising (a certain level of) quality, reducing risk and by building trust between the consumer and the brand (Keller and Lehmann 2006). Naturally, this ‘good name’ is very important for the brand owners, to increase the success of the associated marketing strategy. The essential observation is that that this ‘good name’ or reputation exists in the minds of the consumers. Hence, a brand is a network of associations in consumers’ minds (Keller 1993; Keller and Lehmann 2006). Similarly, Braun and Zenker (2010, p. 5) define a place brand as a network of associations in the consumers’ mind based on the visual, verbal

and behavioral expression of a place, which is embodied through the aims, communication, values, behavior and the general culture of the place's stakeholders and the overall place design. Furthermore, the brand perception can differ strongly between target groups, because of different knowledge levels among the target audience and the different demands of a place (Braun and Zenker 2010). Note that logos and strap lines are not usually a key association in the minds of the city's users. Hospers (2009) argues that in the case of cities, the built image and (photo)graphic images are much more important.

BUILDING A PLACE BRAND FROM SCRATCH

How to build a place brand? In the same way as with the definition of a brand, there are various approaches to doing this. Within the marketing community, there is strong movement that promotes the idea that *companies can shape and design their brands as they see fit*. Key elements in such thinking are the concepts of brand identity and brand image. The brand identity is the way that the company wants the consumer to perceive the brand. It concerns a set of brand associations that the company aims to create or maintain (Aaker 1996) and it could begin a relationship between the brand and customers through a value proposition (Kapferer 1992). This value proposition consists of functional, emotional and self-expressive benefits. The brand image is the perception of the brand by the consumer. Keller (1998) includes the brand associations held in a consumer's memory explicitly in his explanation of brand image (Keller 1998).

A problem arises, however, if this approach to building a brand is transferred to the context of places. This is particularly true for the 'import' of the above-mentioned concept of brand identity. This is a widespread phenomenon, as the notation of 'place identity' or 'place brand identity' is used frequently. Rainisto (2003, p. 73) introduces place identity and place image 'to form an entity for the aspect of place branding' in his research framework into success factors for place marketing. He continues that 'a place's identity, as with corporate identity, is a sum of characteristics that differentiates the place from other places. Therefore, the identity is a result of planned activities within the place marketing project and is the objective state, the image being the subjective.' (Rainisto 2003, p. 73). Kotler *et al.* (1993, p. 10) are the most affirmative regarding the molding and shaping of place identities: 'places are, indeed, products, whose identities and values must be designed and marketed'. So, what is the problem with importing this idea into place branding, and city branding in particular? The answer is very simple: there are very few new cities that have been

developed from scratch. Cities such as Milton Keynes (UK), Almere (The Netherlands) and Brasilia (Brazil) are the exception not the rule. Most cities in the Western world have a long history and a reputation, or, to put it more popularly: cities have already got a 'good (or bad) name'. There are already networks of associations in the city's consumers' minds. Therefore, starting with a clean sheet in building a place brand is for most cities not an option and it is a huge challenge to break with the past when rebranding a city. In most cases, the structural rebranding of a city has to be accompanied by large investments that outstrip most of the rebranding efforts of companies. In addition, the concept of the identity of a place is not the exclusive domain of marketing professionals. It is also used by sociologists and urban planners, with completely different connotations. It could lead to confusion among city officials with different professional backgrounds. In most cities, the most sensible approach would be to avoid using the brand identity or place identity terminology but instead straightforward talk about brands and brand perceptions.

The main argument of this chapter is that place brands are rooted in a city's history; important developments in the past still have an impact on place branding today. The proposition is that place brands are path dependent, and that changes in the place brand are predominantly incremental. This should not be understood, however, as being the final verdict for all cities. There have been examples where big events (in the broadest meaning of the word) could lead to more rapid and more radical changes, thus making it easier for cities to break with the past as far as branding is concerned. For most cities, though, we expect that the proposition that place brands are path dependent, and that the changes in the place brand are predominantly incremental, is appropriate. In the next section we explore the proposition for the case of Rotterdam.

IS THE ROTTERDAM PLACE BRAND PATH DEPENDENT?

Rotterdam is the second-largest city in The Netherlands, after Amsterdam. It is situated in the western part of the country and it is known, first and foremost, because of its port. It is also known for its modern architecture and its nightlife (Centrum voor Onderzoek en Statistiek 2006). The city of Rotterdam has some 590,000 inhabitants, and the Rotterdam region (Rijnmond) just over 1.1 million (Centrum voor Onderzoek en Statistiek 2009). One of the persistent challenges for the city of Rotterdam is to improve its image with different audiences (see also Braun 2008). Over the years the city's political and civic leadership have concluded that Rotterdam has changed considerably in recent decades, but that these changes are

reflected insufficiently in the perception of the city's key (internal and external) audiences. Rotterdam's policy-makers' analysis is that the city has to bridge this 'perception gap'. In branding terminology, the associations in the minds of internal and external audiences do not match the brand desired by Rotterdam's leaders.

A Brief History of Rotterdam

Before we can address Rotterdam's attempts to change its brand (image), we need to review briefly the (contemporary) history of Rotterdam. A defining moment in the contemporary history of Rotterdam was the development of a new canal (Nieuwe Waterweg) in 1872 that marked a new era for the city. As a result of the new waterway, both city and port experienced a staggering growth. The city's population increased from 210,00 to 515,000 between 1890 and 1920.

The port of Rotterdam was heavily bombed in the Second World War but this was only a temporary impediment to the expansion of the port. It might seem strange, but the devastation was treated as an opportunity to modernize and expand the port's facilities, and this helped Rotterdam to become the largest port in the world. Its turbulent growth also resulted in a separation of the port and the city. The harbours 'moved away' from the city in the direction of the North Sea, partly because of a lack of space to expand port activities within the city itself. It is common knowledge that the port is the strongest link with the name Rotterdam for most audiences, nationally and internationally. The associations that various audiences have with the port include industrial activity, refineries, ships, water, containers and cranes, but also pollution and congestion. This strong association with its port has not always helped the city's image as a place to live, or as a tourist destination. For the latter audiences the port (still) has an unfavourable connotation. Rotterdam has worked hard to counter this, but it takes time to change the stereotypical images held by the city's audiences (Avraham 2004).

As well as the port, the city itself was bombarded during the Second World War, destroying the entire city centre and bringing the city's growth to a halt. Rotterdam has been one of those cities that decided not to rebuild the historic city centre but to make a new start with a new 'modern' centre. Its present high-rise buildings, contemporary architecture, skyline along the River Maas, and the centre's relatively good accessibility by automobile are the legacy of the reconstruction era. It is considered to be an atypical Dutch city – more an 'American' city. There are different views on this development. Some observers stated that Rotterdam is a cold, unwelcoming

city because of its physical environment and high-rise buildings. Van Ulzen (2007) claims that Rotterdam's modernity and its image as a metropolis has developed into something positive at the turn of the millennium. It is clear though that Rotterdam city centre does not have the same appeal as the historical centres of other major Dutch cities.

Rotterdam's economy changed considerably in recent decades, and services now determine the city's employment structure. In contrast to the old days, the port is no longer the automatic job generator for lower-educated workers. Containers, computer-controlled vehicles and high-precision cranes set the scene in the twenty-first-century port. In addition, the economic benefits of the expansion of the port accrue mainly to inland regions, where transport and distribution activities are increasingly located. Alongside the port and the petrochemical complex, business services, finance, leisure and retail are also important economic functions. Rotterdam is still important to the Dutch economy, but its position has changed in comparison with the 1950s and 1960s. Today, the city's economic performance is less impressive, with a growth rate similar to, or below, the national average. The city's economy is also more vulnerable, and some of today's growth sectors (for example, biotechnology) are not strongly represented in the Rotterdam region. Rotterdam also has to cope with typical 'big city' problems, as many groups in the city (concentrated in a limited number of neighbourhoods) have not benefited from structural economic change.

The Implications for Rotterdam's Marketing and Branding Initiatives

Place marketing has been on Rotterdam's agenda since the mid-1980s following the economic transformation referred to earlier. Already at that time, changing the city's image was a major concern, and since then Rotterdam's marketing governance and policies have changed considerably. Today, the city has various marketing organizations, such as the Chief Marketing Office in the city's administration, which is responsible primarily for the city's brand management (Chief Marketing Office 2008); Rotterdam Marketing, the city's public-private destination marketing organization; and many more organizations claiming a role in the city's marketing policies.

Over recent decades the conviction among the city's leadership that it is important to change the image of Rotterdam has never faltered. The 'modern' city centre and the city's port are strong associations in the mind of many of the city's audiences. Interestingly, the city's port has not always been part of the city's marketing strategy. In fact, there were two marketing

strategies: one for the city and one for the port. The marketing and branding of the port has been the responsibility of the Rotterdam Port Promotion Council, and the port did not feature prominently in the city's marketing and branding initiatives.² The city of Rotterdam boosted its multicultural character in the 1990s, with its slogan 'Rotterdam, Where You Meet the World' and later put on a brave front to do it differently as a positioning association 'Rotterdam Durft'; literal translation: 'Daring Rotterdam'. The latter initiative was the first actually launched as a branding campaign. The new city brand of Rotterdam had to embrace the whole character of the city. To that end the Chief Marketing Office developed a brand strategy, building on a brand identity established in 2002: 'Rotterdam is a young, international city at the waterfront with a down to earth and decisive mentality' (Chief Marketing Office 2008, p. 18). Rotterdam's brand values are ambition, change and commitment (Chief Marketing Office 2008, p. 19). These brand values were the base for 'Rotterdam Durft'. The example of this branding initiative was characteristic of the ambivalent attitude of the city's marketing professionals and those of the city's port. The massive revitalization programmes of the city centre and the waterfront development (to make room for urban functions on former port areas) has diversified the associations in the minds of the city's audiences but not replaced its port that is still a prominent feature today. The Rotterdam place brand is thus path dependent, as the port still has a strong association in the minds of the city's consumers. Neither 'Rotterdam Durft' nor the massive revitalization programs of the city centre and the waterfront redevelopment (to make room for urban functions on former port areas) changed the strong Rotterdam port connection in the minds of many audiences. In recent years the city has abandoned 'Rotterdam Durft' and at the time of writing the branding efforts are united around the concept of 'Rotterdam: World Port, World City'. It goes without saying that, for now, the city's marketers have stopped fighting the port image and are looking for opportunities to use this strong association to link it to other Rotterdam associations (for example, students, sports, festival, design and architecture). This approach might prove to be more effective in augmenting the Rotterdam place brand in the coming years.

CONCLUSIONS

The experiences of Rotterdam demonstrate that it is very difficult to change a city's brand drastically, as strong associations rooted in the city's history, and which are still present today, cannot be wiped from people's memories to start afresh. Reputations take time to build. Rotterdam's city

brand is path dependent and change has only been incremental. This path dependency – in the case of Rotterdam, its large port and the construction of a new modern city centre following the bombardment in 1940 – sets the margins for changing the place brand(s). There is no reason to assume that this is not the case for second cities in other countries, where they have tried to move away from their industrial past to reposition themselves in a way that is more appropriate in the knowledge economy. Significant evidence that the economic structure has in fact changed is not enough to wipe out the strong association among internal and external audiences with a dominant economic activity – even if that activity is no longer as dominant as it used to be. It can be argued that this idea of a clean sheet is one of the pitfalls for cities wishing to invest in their brand reputation.

NOTES

1. The term 'second cities' refers to the second tier of cities below the most dominant city in a country, usually the capital. Cities such as Birmingham, Liverpool, Manchester, Leeds and others are sometimes called second cities (after London) in the UK.
2. This does not imply that Rotterdam did not invest in its port: on the contrary, the port has been very important for the city's leaders.

Beyond the Fringe:* Creativity and the City

Nicholas Ind & Louise Todd

INTRODUCTION

One of the deep-rooted and long-established ideas of brand building is the need for control. The argument is that, for consumers and other stakeholders to have a clear understanding of a brand, there needs to be consistency of communication and action over time. This is the basis of using brand definitions – articulations of brand vision and values – to steer marketing campaigns and to construct well-policed visual identity programmes. The underlying premise is that brands should be fixed in time: ‘markets may change, but brands shouldn’t’ (Ries and Ries 1998). This ideal of brands emphasizes management, conformity and the containment of creative expression and rejects ambiguity, spontaneity and fluidity (Bauman 2001; Czarniawska 2003). We might question whether this view is credible and sustainable. The Ries and Ries perspective suggests that in some way brands are independent of markets rather than deeply integrated with and involved in the process of change, while an emphasis on control is increasingly undermined by the growing transparency of brands (Kitchin 2003) and the active involvement of stakeholders. Brands are no longer made by organizations. Rather they are constructed in a space in which organizations are influencers and listeners – something that Govers and Go (2009) recognize in the context of place branding in their 3-gap place-branding model.

While places may attempt to achieve coherence by developing brand initiatives, slogans, advertising campaigns and sometimes infrastructure

*Beyond the Fringe was the name of a British comedy stage revue that was written and performed by Peter Cook, Dudley Moore, Alan Bennett and Jonathan Miller. It was first performed in Edinburgh, then transferred to London and then to New York’s Broadway in the 1960s. It is seen as the beginning of the rise of satire in the UK.

projects, it is impossible to deny the diversity of places and to exclude the perhaps less desirable attributes that do not fit into the idealized picture of the brand. Also, people cannot be selected to be part of a community (as they are in businesses) on the basis of having the right attributes and potential to align with a set of values, nor can they be rewarded or appraised for embracing the idea of the brand – or asked to leave if they don't. Culture and societal norms might encourage like-minded behaviour, but consistency is likely to be elusive. Trying to manage a place brand in the traditional way, then, is a bit like King Cnut ordering the tide to halt – a doomed enterprise. Managers might try to move the seemingly unsightly, as Beijing did during the 2008 Olympics, and as Brazilians are in the process of doing at the time of writing in preparation for the 2014 Football World Cup, and they might try to communicate the virtues of places, but the reality of prostitution, slums and drugs does not disappear. It merely moves around. The suggestion, then, in this chapter – illustrated by the example of Edinburgh, and specifically research into the city's long-established Fringe Festival – is that place brands, including creative city brands such as Edinburgh: the 'festival city' (AEA Consulting 2006, Ali-Knight and Robertson, 2003 Destination Edinburgh Marketing Alliance (DEMA) 2010; Festivals Edinburgh 2010; Graham Devlin Associates 2001; Jamieson 2004; Prentice and Andersen, 2003; Robertson and Wardrop, 2003; VisitScotland, 2007) should eschew the myth of control and instead encourage an organic view that accepts heterogeneity, encourages spontaneity and maximizes rather than constrains creativity (Delanda 2003).

AN ORGANIC PERSPECTIVE

In the wake of the ideas proposed by Richard Florida (2002), the idea of creativity has been conflated with a specific creative class. As a consequence, cities have jumped on a bandwagon that has encouraged managers to think in similar ways as to how they can position their brands by encouraging or managing 'creativity'. Yet creativity does not need to be the property of a creative class nor used in an instrumental way to move a place up a league table of desirability. It is something that everyone can contribute to, when an environment is created and nurtured in which people can experiment and extend themselves (Osborne 2003). The role of place branders in this process should be to manage, as Amabile and Khaire (2008) suggest, not creativity itself, but *for* creativity. This distinction makes the point that managers should help to create a milieu that is conducive to creativity, so that 'the enormous creative potential that still lies dormant in the masses

can be realised' (Nieuwenhuys 1960, p. 115). Rejecting Le Corbusier's idea of the city as a machine for living, we should follow instead Constant's point that cities are there to provide the opportunity for 'creativity, the urge to manifest oneself, to turn life into a unique event, to realize life as such'. It is this backdrop that leads us to suggest that branding a place does not require control, but rather a framework of freedom in which people have the opportunity to express themselves. This has been the case with the world's biggest arts event, which has both fostered enormous and diverse creativity and helped to define Edinburgh as a centre for festivals.

THE FRINGE

The Fringe and the Edinburgh International Festival (EIF) were both conceived in 1947. The EIF, often referred to as the 'official' festival, was established by a group of world-leading artists and Edinburgh civic leaders as a postwar means of enriching the culture of Edinburgh while attracting tourism-related revenue to the city and to Scotland as a whole. Unlike the EIF, the Fringe was not a planned and centrally-managed festival. It first came about when eight groups of performers, who had not been invited to appear at the EIF – six from Scotland and two from Oxford – decided to take advantage of the Festival atmosphere in Edinburgh. They travelled to the city and performed independently. The results were said to have engendered a sense of spontaneity and transience, different than other festivals (Moffat 1978).

As the Fringe grew it started to acquire a structure, but it never became a managed festival as such. Administrative support was created through the development of performers' facilities, and the Edinburgh Festival Fringe Society was established in 1958. A central box office and an information office were established in 1959, and a constitution was drawn up detailing the non-selective artistic policy of the Fringe in relation to its programming. This remains at the heart of the festival today: 'Artistic vetting is to have no place in the Society's aims, a decision which remains central to the development of the Fringe' (Edinburgh Festival Fringe 2010).

Today, the Festival Fringe Society and its annually elected Board of Directors are the legal entities responsible for the management of the Fringe. The open-access policy is maintained and any person may participate in the festival on registering with the Festival Fringe Society and securing a listing in the annual Fringe programme. The mission of the Festival Fringe Society is defined as: 'to provide a variety of services for performers and audiences alike, while also managing free events on the Royal Mile and at Fringe Sunday' (Edinburgh Festival Fringe 2007, p. 4).

The Society employs a small permanent staff throughout the year, and during the festival itself a large number of temporary seasonal staff, and a few volunteers, are taken on by the Society and the numerous venues and other organizations involved in the festival. In terms of scale, the Fringe has grown significantly since its ad hoc beginning. In 2010 there were 40,254 performances of more than 2,543 shows in 259 different venues. An estimated 21,148 performers took to the stage and a total of 1,956,000 tickets were sold (MacKenzie 2010). As one of Edinburgh's twelve major festivals, the Fringe accounts for almost half of all festival attendees' three million annual visits to the city (SQW Ltd and TNS Travel & Tourism 2005). Based on these measures, the Fringe is a significant contributor to the reputation of Edinburgh as the 'festival city', and as a creative and cultural centre (Graham Devlin Associates 2001; Ali-Knight and Robertson 2003; Prentice and Andersen 2003; Robertson and Wardrop 2003; Jamieson 2004; AEA Consulting 2006; Destination Edinburgh Marketing Alliance (DEMA) 2010; VisitScotland 2007; Festivals Edinburgh 2010).

THE FRINGE AS A BRAND

The creation of the Fringe brand has been largely unstructured. The name itself was adopted after a newspaper article appeared in the *Edinburgh Evening News* in 1949 written by the playwright and journalist, Robert Kemp: 'Round the fringe of the official Festival drama there seems to be more private enterprise than before ... I'm afraid some of us are not going to be often at home during the evenings' (Moffat 1978 p. 17). Similarly, there have been various logos developed over the years, but there has been no attempt to create an overall unified visual identity. Performers have often created their own material and this has shown great diversity. Interestingly, in 2010, the Fringe program was designed live by the Fringe's commissioned creative marketing agency and the Scottish illustrator Johanna Basford using Twitter. Over two days, people provided 2,634 tweets on the associations they had with the Fringe, which Basford illustrated on camera. On the performing side, there has never been any attempt to impose artistic judgment, and there has always been an emphasis on openness and participation. This is particularly noticeable in street performances, where there is a natural closeness between the audience and the performers, but the Fringe has always been typified by convention-challenging ideas that encourage active rather than passive involvement. For example, in 2010, there was, 'Naked Splendour', a 'live' life-drawing event, where a model talked about his experiences and the audience were asked to draw him; a Tim Crouch

theatre production of 'the Author', where the performers were seated in the audience; and the 'Naked Brunch', with a naked cast, where the audience was also required to remove their clothing (nudity non-negotiable). Overall, the Fringe generates high levels of discussion and debate (there are daily reviews in the main UK national newspapers), which is also typical of the complex, high-involvement status of place brands (Clarke 2000; Caldwell and Freire 2004; Henderson 2007).

To gain a deeper insight into the organic and creative nature of the Fringe brand, in 2010 a qualitative research study using a stakeholder model was undertaken with Fringe stakeholders.

THE FRINGE STAKEHOLDERS

Getz (1991 p. 15) defines festival stakeholders as: 'those people and groups with a stake in the event and its outcomes, including all groups participating in the event production, sponsors and grant-givers, community representatives, and everyone impacted by the event'. Core festival stakeholder attributes may be defined as related to 'stakeholder saliency', which is concerned with the possession of power, legitimacy and urgency (Donaldson and Preston 1995; Freeman 1984; Getz 2007; Jawahar and McLaughlin 2001; Mitchell *et al.* 1997). In their saliency, festival stakeholders are defined in relation to the attributed or actual power and influence they are perceived to have within a festival organization, along with the legitimacy and urgency of any needs. Stakeholder saliency is defined in relation both to their particular roles and the success of the festival (Larson and Wikstrom 2001; Larson 2002; Reid and Arcodia 2002; Spiropoulos *et al.* 2006; Getz *et al.* 2007). Stakeholders may also be considered in terms of their impact on the achievement of a festival's aims (Freeman 1984; Clarkson 1995; Campbell 1997; Mitchell *et al.* 1997; Getz *et al.* 2007; Johnson *et al.* 2008). The identification and classification of stakeholders is therefore essential to the strategic positioning and management of festivals (Bowdin *et al.* 2006; Getz 2005; 2007; Spiropoulos *et al.* 2006).

As a hallmark festival, the Fringe and its brand are synonymous with Edinburgh (Jago *et al.* 2003; Anholt 2004; Brown *et al.* 2004; Getz 2005; 2007; Bowdin *et al.* 2006; Mossberg and Getz; 2006). When considering stakeholder influences on mature, hallmark festival brands, Getz *et al.* (2007) use 'resource dependency' theory (see Pfeffer and Salancik 2003) to suggest that, over the course of time, established festivals (such as the Fringe) become institutional in status and develop a supportive network of diverse stakeholders. This network theory proposes that multiple

relationships among different festival stakeholders are as important as the linear relationship between the festival organization and its stakeholders. The relationship network is therefore defined by a dynamic power structure, which in the case of the Fringe is reflected in its co-creative and organic nature.

Fringe stakeholders may be classified according to their role, their level of engagement with the Fringe, and their impact on it. As consumers of the Fringe, stakeholders are engaged with it in various ways, and many are members of primary stakeholder groups. Primary stakeholders are essential to festivals as their interaction with the festival organization provides the impetus for it to take place. The Fringe's primary stakeholders are therefore important because 'without the direct support of these stakeholders the event would not exist' (Reid and Arcodia 2002 p. 494).

To identify the Fringe's primary stakeholder groups, the literature on stakeholder models of festivals and events was reviewed (see: Bowdin *et al.* 2006; Getz *et al.* 2007; Larson 2002; Merrilees *et al.* 2005; Mossberg and Getz 2006; Reid and Arcodia 2002; Spiropoulos *et al.* 2006). Following this review, a list of primary stakeholder categories was developed and a consultation undertaken with the Fringe Society. Five main categories of primary stakeholders were identified, though some groups could be included in more than one category. The primary stakeholder categories are:

- Fringe Society stakeholders: Fringe Society staff, volunteers, and board members.
- Participating stakeholders: performing companies, performers, independent venues, promoters and programmers.
- Attending stakeholders: audience members, including the ticket-buying public and other attendees. This category is notable for the number of overlapping stakeholder groups who are members of other categories, including performing companies, Fringe Society staff, members and venues.
- Supporting stakeholders: both financial and non-financial in nature, including grant funding supporters, independent sponsors and funders. Included here is a network of supporting agencies and organisations in the city.
- Primary supplier stakeholders: specifically the Fringe box office supplier and programme design agency.

Secondary stakeholder groups are: the government; the media; the emergency services; tourism organizations and agencies; tourists and visitors to

Edinburgh; the host community; Edinburgh's festivals; and general business in the city.

The sampling method adopted was one of 'snowballing', whereby potential candidates were recommended by each respondent (Carson *et al.* 2001; Warren 2002). Interviews with 21 stakeholders took place over a two-month period in 2010. Participants were asked about their perceptions of the Fringe brand, the Fringe brand image and personality, and their feelings about the Fringe as a festival brand. A phenomenological perspective was applied to the interview design and analysis, allowing for the construction of an understanding of the informants' lived experiences as Fringe stakeholders (Thompson *et al.* 1989; Fournier 1998; Kvale and Brinkmann 2009). During the interviews, further approaches involved photo-elicitation, laddering and personal narrative, similar to techniques applied in brand perception studies such as those of Fournier and Yao (1997) and Zaltman and Coulter (1995). These aided the understanding of descriptions of stakeholders' perceptions of the Fringe brand and their relationships with it (Fournier and Yao 1997; Atkinson 2002; Fontana 2002; Riessman 2002; Chase 2005). Interviews were transcribed verbatim and subjected first to idiographic, then to cross-case analyses to identify global themes for perceptions of the Fringe brand (Thompson *et al.* 1989; Fournier 1998). The Fringe stakeholder qualitative interviews followed a loosely structured and open-ended format. A series of themes was developed and all respondents were asked questions drawn from these. Informants required different probes, and responses were elicited at different levels based on the initial answers given (Mishler 1986; Johnson and Weller 2002; Mason 2006). During the interviews, informants were encouraged to provide open and detailed descriptive accounts of their perceptions of the Fringe as a festival brand (Kvale and Brinkmann 2009). The idiographic analysis of each case involved the reading and re-reading of the interview transcripts to identify informants' Fringe life-worlds, themes and experiences, expressed in their own terms. The cross-case analysis identified the global Fringe brand themes (Fournier 1998).

At different stages during the interviews informants were asked to describe their strongest feelings towards the Fringe, both as a festival and as a festival brand. This involved informant-generated photo-elicitation and was helpful in understanding the context of the informants' terms of reference and meanings. Laddering the meanings of the images supplied was helpful in amplifying them: asking why they were selected, then identifying which of the images were most reflective of feelings toward the Fringe. Finally, there was further laddering around elicited picture meanings: informants were probed by use of a series of questions in the later stages of the interviews to reveal their relationship with the Fringe brand (Fournier and Yao 1997).

INFORMANTS' PERCEPTIONS OF THE FRINGE: POSITIVE AND NEGATIVE THEMES

When asked to describe their feelings toward the Fringe specifically as a festival brand, and its brand image, informants' terms of reference were generally positive. A total of 30 positive terms of reference were identified. The most common themes were: its brand strength; the Fringe–Edinburgh relationship; variety and diversity; global recognition and worldwide appeal; creativity; innovation; unexpectedness; the edginess and challenging nature of the Fringe brand; and the uniqueness of the Fringe experience. Of the positive themes, those emerging in addition to the commonly reported Fringe brand perceptions included: pride; the importance of the Fringe; participation; and, most frequently referred to, the overall unique Fringe experience.

Only five themes were negative. The negative theme most commonly reported about the Fringe brand was a perception of it having become over-commercialized in nature. This term of reference was mentioned by four of the informants. The four remaining negative themes each appeared only once.

The negative feelings toward the Fringe as a festival echoed the terms of reference in relation to the Fringe brand. The most frequently cited theme was again over-commercialization of the Fringe. Others of significance were negative statements about the risks and financial costs of performing at the Fringe; and to a lesser extent the financial costs of attending Fringe performances. Working during the busy Fringe period, as described by some Fringe Society stakeholders, produced feelings related to tiredness, pressure and stress. Poor weather was also referred to in a negative context across all stakeholder categories: frequent rainfall during August in Edinburgh being detrimental to the enjoyment of the festival.

FRINGE BRAND PERCEPTIONS REVEALED

On completion of the cross-case analysis, the positive brand themes most commonly arising, and mentioned by most informants, were those related to the strength of the Fringe as a festival brand: 'I think the Society does an exceptional job in creating that sort of "umbrella" that makes everybody think of the Fringe and in fact some people don't think there is anything else but the Fringe. I think it's extremely strong!' (Alison, independent venue producer).

Another common positive brand theme was the reciprocal and synonymous relationship between the Fringe brand and the city of Edinburgh. This was presented in terms of the importance of Edinburgh to the Fringe: 'I can't

think past the word “Edinburgh”. It’s very much so that I think you can’t have the Fringe without Edinburgh’ (Kate, audience member). This factor was also presented in relation to the key role that the Fringe has to Edinburgh’s cultural and creative significance (Prentice and Andersen, 2003): ‘I think [the Fringe has] put Edinburgh, very firmly, on the cultural map and people now come from all over the world to be involved in Fringe events’ (Gordon, producer, performing company). Furthermore, the synonymy between the two elements was discussed: ‘if you don’t have a sense of the place it’s taking place in then you almost don’t have the sense of the festival’ (Alison, independent venue producer).

Of further note were the prevalence of terms of reference based around the common themes of difference, variety and diversity: ‘If you think Fringe, you think diversity’ (Mark, Fringe Society stakeholder). The worldwide appeal of the Fringe brand was noted in references made to perceptions of: ‘global leadership in the festival world and industry’ (Robert, audience member). In further recognition of this: ‘the Fringe is like a worldwide brand that people know and recognize’ (Tom, supplier). The accessibility of the Fringe brand was also noted: ‘It is more accessible because everybody, even people who don’t go to a particular show, can be part of it’ (Kate, audience member).

Creativity was another global theme, as a number of informants described perceptions of the Fringe as a creative brand: ‘And it’s creative. Every form of artistic and cultural experience can be had at the Fringe’ (Robin, supporting agency). There were numerous references made to the Fringe brand being edgy, innovative and challenging, and these terms were commonly found within statements of the brand being creative: ‘it’s sort of daring, innovative, creative, [and] challenging’ (Anne, sponsor).

Despite the challenging nature of the Fringe brand, it was also widely viewed as being professional: ‘there’s obviously efficiency in terms of the administration. It’s immensely organized and efficient and, you know, managed really well!’ (Anne, sponsor).

Unpredictable, unexpected and surprising is how informants describe the Fringe as a festival brand; also of note was the use of the terms fun and exciting: ‘I think it retains the element of surprise and has the ability to shock, to inspire, and to stimulate thought’ (Robin, supporting agency).

Another common theme was energy: ‘you just feel this real sense of creative energy, which you know, it’s like an adrenalin rush in the city’ (Anne, sponsor).

Many informants referred to the unique experience of the Fringe; and this perhaps characterizes overall positive perceptions of it as a festival brand. The unique references were in relation to personal experiences that

were specific to the Fringe: 'My Fringe is different from the next person's. I've got my own memories' (Robert, audience member). Further terms of reference related to this unique perspective were made about settings, the unusual and often temporary venues and the city itself, in this case an outdoor venue: 'that just kind of typifies the Fringe, because you're sitting outside and you're overlooking a bird sanctuary and the actors are acting away, and then dusk comes down and the birds start making a noise and then the mosquitoes come out!' (Kate audience member).

It is apparent that there are numerous themes associated with stakeholders' feelings towards the Fringe as a festival brand. In summary, the Fringe is perceived as being a strong and unique festival brand, which is important to, and synonymous with, Edinburgh. It is seen as creative, energetic and exciting, and offering the opportunity for a variety of diverse experiences. The Fringe brand has a global perspective and is known world-over as well as being accessible to all. As a brand, the Fringe is viewed as being innovative, challenging and edgy, and it displays elements of surprise. Despite the challenging nature of the Fringe it is also viewed as being a professionally managed brand.

While stakeholder perceptions of the Fringe brand were almost exclusively positive, it is notable that there was a negative brand feeling in the perceived over-commercialization of the Fringe. This was described in terms of the expansion of the Fringe in scale; rising ticket prices and associated costs of venue hire, and licensing and living costs being driven up. In particular, reference was made to the monopolistic presence of some venues, occasionally referred to as 'supervenues', with their own recognizable sub-brands. It seems that, despite the non-selective artistic policy of the Fringe, some participating venues apply a selective programming policy. The prevalence of these large branded venues is seen as increasing on an annual basis, and their selective artistic policies involve actively seeking out and booking performers. This results in Fringe programmes of popular, safe, financially viable and predominantly professional performances. These, however, are perceived by some stakeholders to be at odds with the non-selective, accessible and innovative ethos of the Fringe. Of the greatest common concern was the impact this could have on the more challenging elements of the Fringe brand. For example, a typical statement was: 'if there's now this completely commercial time, then where is that chance to experiment? It's no longer about audiences taking a risk and it's no longer about audiences getting to see a good deal of work, because it's just got more expensive!' (John, performer and producer). It is notable, however, that relatively few informants made similar comments, whereas the positive themes were common to all informants and stakeholder categories.

FURTHER INFORMANT BRAND THEMES

In addition to perceptions of the Fringe brand, detailed information was sought about elements of the Fringe brand personality. During the interviews, informants were asked to describe their perceptions of the Fringe brand personality and this revealed a number of themes. When probed, a sense of ambiguity was described most commonly, with terms of reference related to contradiction and split- or multi-faceted personality: 'Well, it's schizophrenic, it's changeable and it's multi-faceted' (Susan, Fringe Society stakeholder); 'it's a lot of things to a lot of people, so it's schizophrenic in a good way' (Andrew, supplier). Many respondents, in discussing the Fringe brand personality, described it as one would describe a person. Common terms emphasized an 'off-beat' and unpredictable personality type: particular references were eccentric, eclectic, extravagant, intoxicating, unpredictable in behavior, but entertaining. Further common brand personality themes were related to creativity and excitement.

Another brand theme that arose was one of confusion about Edinburgh's festivals and festival brands. This was a common perception among stakeholders from all categories. While all the informants could identify the Fringe brand from among Edinburgh's festival brands, it was felt that 'other people' were confused: 'The interesting thing is when people say Edinburgh's festivals, they always refer to the summer festivals, and when somebody describes the city of festivals, most people can't differentiate in their mind between the Tattoo, the Jazz Festival, the Fringe and the International Festival' (Robin, supporting organization).

CONCLUSIONS

It seems evident that primary stakeholders of the Fringe have extremely positive perceptions of it as a global festival brand that is seen as being creative, innovative, edgy, unpredictable, dynamic and unique. Negative feelings are limited and focus on the perceived over-commercialization of the Fringe today in comparison with its origins. In its artistic programme, the Society has continued to prescribe a non-selective policy and as a principle this has been maintained as the Fringe has grown. On the other hand, some Fringe stakeholder groups have adopted selective policies. This contributes to the tension between the stakeholder ideal of the Fringe and the reality of the encroaching market (Kozinets 2002).

For a co-created festival such as the Fringe, it may be argued that the processes of consumption and production occur simultaneously through the interaction of stakeholders (Firat and Venkatesh 1995). On a cognitive

level, Fringe stakeholders evidently value and aspire to the creativity of the Fringe. This indicates an affective response that engenders a feeling of community. The individualistic and self-expressive nature of the Fringe is a feature which should remain less commercial and thus will be linked with festival consumer emancipation as a positive feature of the Fringe (Firat and Venkatesh 1995; Kozinets 2002). On a functional level, though, the tension cannot easily be addressed under the current co-produced model. The non-selective policy is engendered by the Fringe Society in its approach, but the stakeholders themselves are, in some cases, responsible for the growing commercialization. The particular challenge here is that the organic approach, which allows the brand to evolve with minimal interference from a higher authority, is compromised when it begins to lose its equilibrium as some stakeholders start to appropriate the brand and subvert it. This might begin to threaten the very source of the brand's strength: its creativity. The edginess, surprise and fun of the Fringe is generated by the coming together of a highly diverse group of performers and the Edinburgh residents and the visitors who attend and take part in the Fringe. While undoubtedly the actors, comedians, musicians, dancers and jugglers are creative, in the sense that they bring something that is original, it is the closeness to and engagement with audiences that makes the Fringe itself creative. In spite of the threat of brand subversion, the Fringe remains a powerful brand for most stakeholders, because it meets their deeper needs for self-expression and meaning.

On a broader level, we should note that the creativity of the Fringe is a contained event. It galvanizes the creativity of Edinburgh for only a short period. There is evidence that is both anecdotal, and supported by the present interviews, to suggest that some people are drawn to living and working in the city partly because of the Fringe: 'I think Edinburgh's fantastic. It's (the Fringe) one of the reasons we moved here' (Neil, audience member). There is certainly a spillover effect in terms of supporting the brand image of Edinburgh and its desire to be 'a springboard for invention and creativity' (DEMA 2010). Yet, while the Fringe is an organic event in the sense that, within the very broad framework of its brand, it allows stakeholders to mould and evolve what it stands for, in contrast, the city of Edinburgh – with its Inspiring Capital theme – aims to exert control over its brand and thus manage creativity. It would be our conclusion, based on the example of the Fringe, that a city brand such as Edinburgh, could focus more on managing *for* creativity by inspiring others and by creating an environment and a structure in which people have the freedom to express themselves and create the new together. The complexity here is that the branding of a city is a year round event that has to embrace great diversity

and competing interests. However, our argument would be that the richness of a city's identity can only be conveyed when place brand managers have the courage to generate new ways of thinking and doing and are willing to reject some of the traditional mantras of brand thinking. We believe this is the real lesson of the Fringe.

PART 2

Measuring Place Brand Reputation

The Anholt–GfK Roper Nation Brands IndexSM: Navigating the Changing World

Barry M. Feinberg & Xiaoyan Zhao

INTRODUCTION

The way a country is perceived can make a critical difference to the success of its business, trade and tourism efforts, as well as its diplomatic and cultural relations with other nations. The Anholt–GfK Roper Nation Brands IndexSM represents a unique collaboration combining the heritage and authority of GfK Roper’s three-quarters of a century of experience in public affairs research with the expertise of Simon Anholt to offer a unique barometer of global opinion.

Since 1996, when Anholt coined the term ‘nation brand’ and activated this important new field, he has been helping governments to plan the policies, strategies, investments and innovations which lead their countries toward an improved profile and reputation. Anholt developed the Nation Brands IndexSM in 2005 as a way of measuring the image and reputation of the world’s nations, and tracking their profiles as they rise or fall. In 2008, Anholt entered into a partnership with GfK Roper Public Affairs & Corporate Communications to offer the Anholt–GfK Roper Nation Brands IndexSM – an expanded Nation Brands Index[®] (NBISM) providing governments and their agencies with a one-of-a-kind resource for the actionable insights needed to manage a country’s reputation more effectively.

Our clients use the NBISM in various ways:

- Guide management of a country’s reputation.
- To increase the likelihood that the world will buy and recommend products and services.

- Create heightened investor interest in industry, research and science.
- Enhance their ability to recruit and retain talented people.
- Build stronger credibility and trust in times of crisis.
- Develop more productive cultural relations.
- Improve the ability to bid for and host important sporting and cultural events.
- Generate a higher and more positive profile in the international media.
- Establish more productive agreements for collaborations and partnerships.
- Compare perceptions of alternative country names and branding.
- Track impact of singular events.
- Plan action-oriented strategies, behaviors and communications activities.
- Compare results with those of important stakeholder groups and opinion leaders interviewed separately, including government officials; business leaders; media, travel and tourism gatekeepers; investors; and other individuals of interest to clients.
- Benchmark their reputations against important national ‘competitors’ for tourism, investment and influence.

Conducted annually with GfK Roper from spring 2008, the Anholt–GfK Roper Nation Brands IndexSM measures the images of 50 nations. Each year, approximately 20,000 adults aged 18 and over are interviewed in 20 core panel countries.

THE NATION BRAND HEXAGON[®]

The Anholt–GfK Roper Nation Brands IndexSM measures the power and appeal of each country’s ‘brand image’ by examining six dimensions of national competence. Together, these dimensions make up the Nation Brand Hexagon[®] (see Figure 6.1). The dimensions are as follows:

- **Exports.** This is what marketers call the ‘country of origin effect’ – whether knowing where a product is made increases or decreases people’s likelihood of purchasing it; and whether a country has particular strengths in science and technology, or has creative energy. Perceived

FIGURE 6.1 | The Nation Brand Hexagon®



associations with particular industries round out that country's image in this space.

- **Governance.** This aspect incorporates perceived competency and honesty of government, respect for citizens' rights and fair treatment, as well as global behavior in the areas of international peace and security, environmental protection and world poverty reduction. Respondents also select one adjective that best describes the government in each country.
- **Culture and Heritage.** Cultural aspects measured are perceptions of a country's heritage; its contemporary cultural 'vibes' from music, films, art and literature; and the country's excellence in sports. Various cultural activities are presented to respondents to gauge their strongest images of a country's cultural 'product'.
- **People.** The general assessment of people's friendliness is measured by whether respondents consider they would feel welcome when visiting the country. In addition, the appeal of the people on a personal level is measured – whether respondents want to have a close friend from that country, for example – as well as human resources on a professional level; that is, how willing respondents would be to hire a well-qualified person from that country. Respondents are also asked to select adjectives

out of a supplied list to describe the predominant images they have of the people in each country.

- **Tourism.** Respondents rate a country's tourism appeal in three major areas: natural beauty; historic buildings and monuments; and vibrant city life and urban attractions. Tourism potential is also queried: how likely respondents would be to visit a country if money were no object, and the likely experience represented by adjectives such as romantic, stressful, spiritual and so on.
- **Investment and Immigration.** A country's power to attract talent and capital is measured not only by whether people would consider studying, working and living in that country, but also by the country's economic prosperity, quality of education, equal opportunities, and ultimately the perception that it is a place with a high quality of life. The country's economic and business conditions – whether stagnant, declining, developing or forward-thinking – complete the measurement in this space.

METHODOLOGY: NBISM MECHANICS

The NBISM score is an average of the scores from the six indices mentioned above. There are between three and five ratings questions for each of the indices. Ratings are based on a scale from 1 to 7, with 7 being the highest and best, 1 being the lowest and worst, and 4 being the middle position, which is neither positive nor negative. Each hexagon section also has a word-choice question which helps to enrich the understanding of the properties of a nation's image.

In all, 20,261 online interviews were conducted in 20 countries for the 2010 NBISM Survey, with approximately 1,015 interviews per country. Adults aged 18 or over who are online are interviewed in each country. Using the most up-to-date online population parameters, the achieved sample in each country is weighted to reflect key demographic characteristics such as age, gender and education of the 2010 online population in that country. The report reflects the views and opinions of online populations in these 20 countries – citizens who are connected to the world.

The NBISM measures the image of 50 nations. The list of core nations is based on the political and economic importance of the nations in global geopolitics and the flow of trade, business, people and tourism activities. Regional balance and, to some extent, the diversity of political and economic systems are taken into account to make the study truly global.

NBISM PERSPECTIVES, ANALYTICS AND SAMPLE FINDINGS

Monitoring reputation is important; monitoring reputation and assessing performance in a changing context is critical

The NBISM composite based on all the ingredients, equally weighted, as described above, produces a relatively stable index score, a reliable measurement of a nation's overall asset of reputation. We believe that the reputations of nations are normally quite stable, but given how the balance of power in the world has been shifting gradually over the decade of the 2000s, people's perceptions have begun to reflect the new global geopolitical and economic realities. As the company that had been monitoring global trends since the mid-1990s, when entering the NBISM partnership with Simon Anholt in 2008, GfK Roper introduced an additional selection criterion 'regional balance' to update both the survey country list and the measured nation list.

A year later, the Group of 20 countries became the global forum to discuss, debate and coordinate important economic and trade matters affecting the world. The new G20 are the powerful players in the world, representing different cultures, religions and political systems from all regions of the globe. Our sample of survey countries resembles this emphasis of regional balance, and provides a comprehensive picture, paying due attention to the emerging countries that have 'already arrived' on the world stage.¹

- **Western Europe/North America:** Canada, France, Germany, Italy, Sweden, the UK, the USA
- **Central and Eastern Europe:** Poland, Russia, Turkey
- **Asia-Pacific:** Australia, China, India, Japan, South Korea
- **Latin America:** Argentina, Brazil, Mexico
- **Middle East/Africa:** Egypt, South Africa

These 20 countries also form the foundation for our 50 measured nation list, which expands into each region while adhering to the core principle of 'regional balance'. These carefully selected lists have enabled us to identify some interesting patterns of stability and momentum in nations' rankings from our NBISM results over the years.

First, the top 20 rankings show that developed economies with mature democracies tend to have strong nation brands. Over the years, high-per-capita-income OECD members dominate the top-20 nations, and almost all are Western European, North American or Oceania countries. Generally

TABLE 6.1 Anholt–GfK Roper Nation Brands IndexSM overall brand ranking (top 10 of 50 nations)

Ranking	2010	2009
1	USA	USA
2	Germany	France
3	France	Germany
4	UK	UK
5	Japan	Japan
6	Canada	Italy
7	Italy	Canada
8	Switzerland	Switzerland
9	Australia	Australia
10	Sweden	Spain, Sweden (tie)

Source: GfK Custom Research North America Press Release, October 12, 2010, based on 2010 and 2009 Anholt–GfK Roper Nation Brands IndexSM surveys.

speaking, there is a good deal of stability among this group, with a couple of exceptions that we shall address later. The top-10 ranked nations in 2009 and 2010 are shown in Table 6.1.

Since 2008, we have also started to register significant momentum from power players outside this elite club. For example, China climbed up a number of rungs from 2008 to a rank close to the top-20 in 2009. And from 2009 to 2010, China and Brazil, both boasting economic prowess and geopolitical clout, registered some of the greatest gains in overall NBISM scores among all measured nations.

Given the relative stability of the overall NBISM rankings for some Anholt–GfK Roper clients ranked in the top tier, why do these clients continue to use the service year after year? For one thing, it is important to monitor reputation performance in a comparative context, comparing performance across the six dimensions, across the multiple attributes within each dimension, and more importantly, comparing how and where there is improvement, or not, against selected competitors. Normally, these competitive sets are predictable: Germany, France, the UK, Japan and Canada are often selected as part of a competitive set; and Sweden, Australia, Canada and Switzerland usually make the list for some of the top-tier European and Oceania clients. Recently, however, some of these clients have turned their attention to the BRIC countries (Brazil, Russia, India and China), and other emerging regional power players such as Turkey and Poland. It is revealing for these clients to see the gaps narrowing between the leading nations and the emerging countries when it comes to being a place with creative

energy, or with word associations such as ‘ambitious’, and these insights, particularly when analyzed by survey country, enhance clients’ targeted strategic planning.

As an example, for a client competing for an increased inflow of students, we know that the client country is often behind the ‘big four’ of Western European and North American countries on a number of reputation measures. If we had not included Singapore as a measured nation, or if we had not included China and Indonesia as survey countries, we would not have discovered for this client that it will meet stiff competition from the city state Singapore when competing for talent and tuition dollars from the emerging markets of China and Indonesia. By merely looking at some of the traditional markets, the client country would have assumed that it was still ‘safely’ ahead of Singapore.

Real behavior change, not just communications, is at the core of the GfK Roper approach to working with clients

The NBISM service provides solid, research-based monitoring of a nation’s reputation for clients. A communications agency often works with the end client, using the monitoring and analytical insights from NBISM to design communication campaigns intended to increase knowledge and change perceptions. The difference between a PR firm’s work and GfK Roper’s is that we point out the strengths and weaknesses of a client’s nation brand and recommend real behavioral change to improve performance, not focusing only on communication. GfK Roper’s results in fact strongly support partner Simon Anholt’s position – that is, that merely putting money and resources behind an advertising campaign without changing behavior will not move a client up in the NBISM rankings.

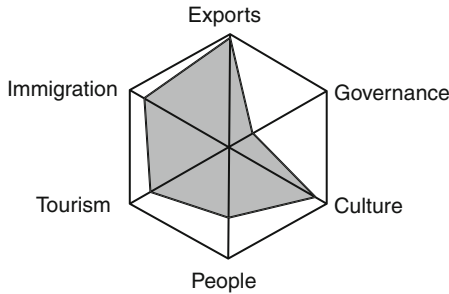
The NBISM 2008 study showed that the USA was ranked last among the G7 countries on the overall NBISM. In the years since the inception of the NBISM in 2005 this has been a consistent pattern, despite the highly visible public diplomacy communication efforts by the USA, whose administration’s unilateral foreign policy, among other things, had alienated many around the world. Following the historic election of President Obama, and particularly with his new leadership style shown at the first G20 meeting in April 2009, and his new domestic policy orientation, the world’s connected citizens took notice of the behavioral change, and boosted the USA to the top of the 2009 NBISM overall rankings. Most notably, in that year’s study, the country jumped to a rank of 7 from a low of 22 in 2008 for competent and honest government, and from 21 to 10 for respecting the rights of its citizens and treating them with fairness.

GfK Roper have also monitored if and how the ‘needle’ moves after a major international sports event. Hosts of the successful 2008 Olympics and the 2010 World Cup have seen some aspects of their reputation improve. For example, China and South Africa both improved their rankings in the Culture and People hexagon points following these events. However, NBISM results show that respondents are not likely to carry the warm and friendly receptions (virtual or real) they get from the host countries to just any other area of the host nations’ reputation. As partner Simon Anholt points out, a closer look at the host country increases some knowledge about the societies, but depending on expectations people bring with them when interpreting the information, the resulting opinion may or may not be all that the hosts might have intended. We also need to keep in mind the relative performance of 49 nations in the comparative set against which the host nation is assessed. China did indeed improve its rankings on Exports, in addition to Culture and People, but that improvement was more likely to be a result of China’s much better than expected financial and economic growth performance in the midst of the global economic meltdown during that year. Indeed, discerning citizens of the world, post-2008 Olympics, still rate China low on a number of governance measures including fair treatment of its citizens, and environmental protection; and South Africa slipped down on a few measures, including equality in society, post-2010 World Cup.

Connected citizens of the world are sophisticated consumers of information; they can hold discerning opinions about specific elements of a nation’s reputation, without generalizing across unrelated aspects

When an unexpected event occurs that damages a bilateral relationship, we also need to assess the position of the damage; that is, which aspect of a nation’s reputation has been harmed, and which assets are relatively unharmed and need to be protected and enhanced. For example, following clashes between local residents and Indian students in some Australian cities in the spring of 2009, Australia’s ranking on the People dimension in India plummeted to 25th place in the 2009 NBISM, a precipitous drop of 18 places from 2008. On the specific item ‘welcoming people’, while Indians ranked Australia 5th out of all 50 nations in 2008, this rank stumbled to 40th in 2009. At the same time, however, this badly soured feeling did not produce a blanket negative effect across all reputation measures. Australia held on to a number of its reputation strengths in the eyes of Indians, including being a good place for educational qualifications, at 6th position – only a minor downward movement from 4th in 2008. Similar

FIGURE 6.2 | USA mini-hexagon, as seen by survey country,
Argentina



Source: 2010 Anholt-GfK Roper National Brands IndexSM survey.

patterns of respondents' ability to differentiate aspects of a nation brand were also seen in how Turkish respondents rated China, following violent incidents in China's northwest Muslim region in 2009.

The Argentinian NBISM mini-hexagon for the USA shown in Figure 6.2 vividly displays differentiated territories that map the strengths of the image for Brand America, as seen by the Argentinian respondent. While the USA reaches the 'north pole' with a 2nd place ranking on the Exports Index, its north-east corner is almost blank, held back by a low 39th place ranking on the Governance dimension.

Targeted efforts are necessary because not all attributes are equal, nor are all respondents

NBISM helps clients with strategic planning through the use of key driver analyses and other consulting services. Of all the attributes we measure, not all are equally important to improving overall favorability toward a nation, given what matters to a particular culture, and how a nation brand has been interacting with that culture. GfK Roper's strategic communication SWOT (Strengths, Weaknesses, Opportunities and Threats) analyses help clients to prioritize areas for improvement in any given country. Driver analyses are conducted for clients to identify which NBISM attributes have the strongest impact on the overall favorable impression of a nation in the minds of respondents. The baseline analysis is conducted for the two survey countries that give the client nation its highest and lowest favorability rankings across all the countries surveyed. The results of the analysis help clients identify opportunities for generating further goodwill in the most favorable country and for improving reputation in the most

challenging country. Figure 6.3 displays an example of this driver analysis for favorability toward Country B among respondents in Poland (Poland was selected because it happens to be the country having the lowest favorability toward Country B).

Among other attributes, favorability toward Country B is strongly influenced by the Polish respondents' perception of this country as a creative place with cutting-edge ideas and its contribution to innovation in science and technology. These attributes, on which Country B has excellent rankings, are strategic assets to be guarded, nurtured and enhanced. For the Poles, people-to-people relations also figure importantly in determining how they feel in general about Country B. Two of the People attributes – would like to have a person from the country as a close friend; and the people of this country would make me feel welcome – are among the top drivers. In addition, those who would want to live and work for a substantial period in Country B – the strongest driver – tend to think in a favorable way about the country. Looking at reputation performance, these three top attributes – the two people attributes and desire to live and work in Country B – currently rank only in the 20s in Poland, suggesting key areas for attention and strategic improvement.

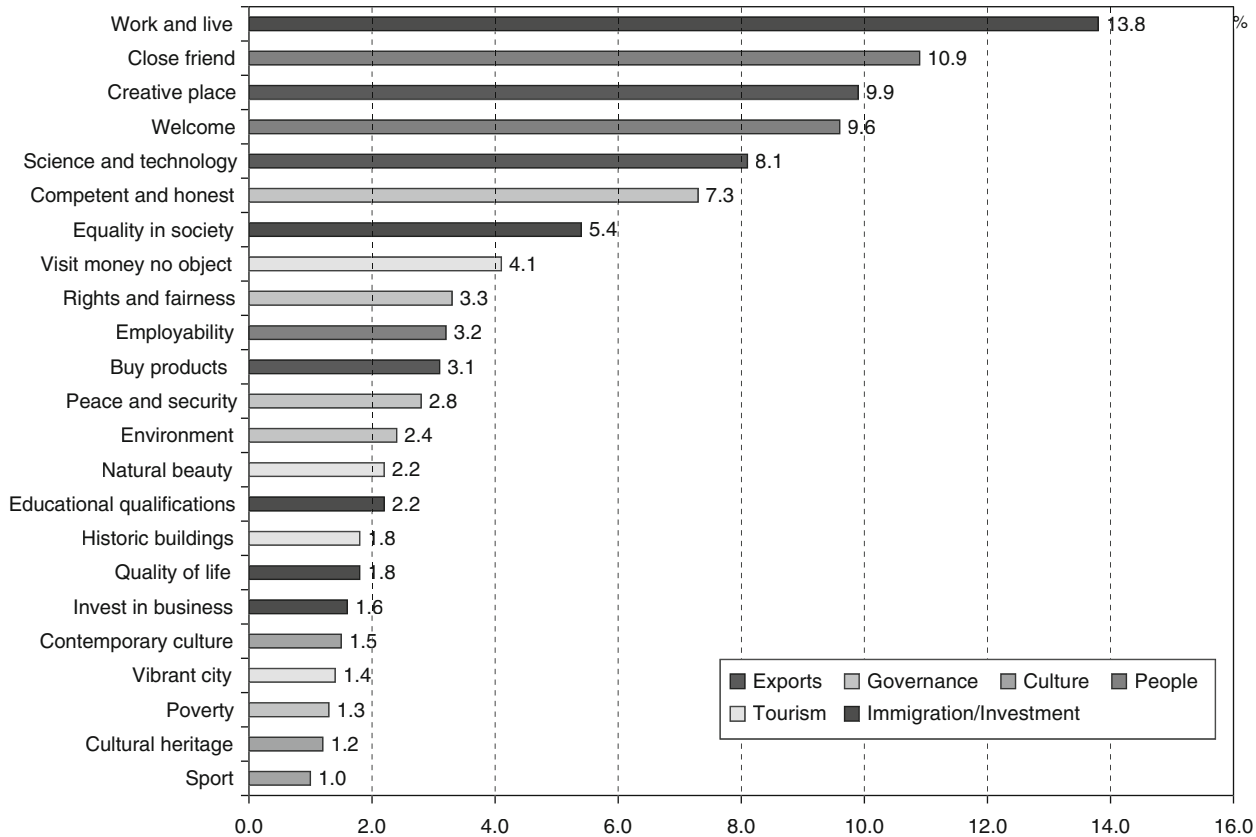
While most NBISM analyses look at the total sample from each survey country, GfK Roper also conduct custom analyses for clients looking at important target groups, such as comparing competitive scorecards for the total sample and for the professional/executive subgroup. In custom place branding studies, GfK Roper have looked at influencer groups based on the relative strength of influence of people discussing social and civic matters in these networks; examined stakeholder groups' perceptions; and focused on young people's opinions about the client nation and its top competitors.

Sometimes, 'wake-up calls' are needed to confront unsubstantiated national pride

NBI's service also provides 'Self–World Perception Gap' analyses, comparing the gap between, say, South Koreans' perceptions of their country, and the world's perception of South Korea. This is a very powerful way of helping a nation obtain perspectives going beyond national pride. As has sometimes been said, 'pride can be blind'. Figure 6.4 is an example of this analysis for Country D.

Numbers in the positive gap column show areas where the global perception is better than Country D's self-perception. For example, citizens in Country D rank their country only 37th and 34th for competent and honest

FIGURE 6.3 | Poland: country B favorability drivers (Shapley analysis)



Note: Shapley analysis is used to measure which attributes are important, i.e. directly contribute to overall favorability. A feature of Shapley analysis is that it controls for multicollinearity. The “importance” percentages of all attributes (horizontal axis) add to 100% of the total impact on favorability explained by the 23 attributes.

Source: Calculated by Custom Research North America’s marketing science group GfK.

FIGURE 6.4 Country D's self-perception versus global perception

	Self-	Global perception	Gap
Governance-competent and honest	37	23	14
Governance-rights and fairness	34	27	7
Culture-sport	2	3	-1
People-welcome	1	4	-3
Tourism-natural beauty	1	6	-3
Immigration and investment-equality in society	19	27	-8
Tourism-vibrant city	1	10	-9
Governance-environment	17	28	-11
Immigration and investment-quality of life	16	27	-11
Culture-contemporary culture	1	27	-11
People-close friend	1	14	-13
Tourism-visit money no object	2	16	-14
Immigration and investment-educational qualifications	13	28	-15
Culture-cultural heritage	3	21	-18
Governance-peace and security	1	21	-20
People-employability	1	21	-20
Immigration and investment-work and live	1	21	-20
Governance-poverty	6	27	-21
Exports-buy products	2	23	-21
Exports-creative place	2	23	-21
Tourism-historic buildings	4	27	-23
Exports-science and technology	3	26	-23
Immigration and investment-invest in business	1	24	-23

Positive gap
 Negative gap (-1 to -10)
 Negative gap (-11 to -49)

Source: 2010 Anholt-GfK Roper National Brands Index survey.

government and respecting citizen rights, respectively, yet the average of all panel countries ranks this nation 23rd and 27th on these attributes. This suggests that Country D's citizens are much more critical of their own government than the world's opinion, perhaps because of high expectations for their leaders, and/or more intimate knowledge of the inner workings of their own system. This type of gap suggests a keen self-awareness in a healthy democracy.

A different pattern is seen with the sports question, where there is a very small negative gap. Both Country D and others around the globe rank the nation highly, at 2nd and 3rd, respectively, for this area, a rare 'eye-to-eye' agreement.

The negative gap numbers are the most common for Country D. These describe areas where Country D views itself more favorably than does the world. The client country now sees that its citizens need to overcome a considerable hurdle to convince the world of the country's strong assets as they

see them, including their government's role in poverty reduction, their contribution to science and technology, their business investment prospects, and even their cultural heritage and historic landmarks.

Seeing a chasm between self perceptions and external perceptions can be a very effective wake-up call. And sharing this knowledge with leaders and citizens of the nation can help galvanize ordinary people to become better 'citizen ambassadors' when traveling abroad.

CONCLUSIONS

We believe that the NBISM has many strengths. Some of these were listed at the beginning of the chapter. The key strength lies in the various ways that clients use the information to take action to build a stronger national reputation. It is emphasized again here, as GfK Roper's clients well understand, that NBISM data are best used as a guide and roadmap for real change in a nation's behavior and not merely as a platform for marketing communications efforts. The analyses help clients understand action items better and provide guidance for decision-making.

The NBISM provides what we believe is the most comprehensive and representative assessment of national reputation – the fieldwork covers not only the leading economies of the world but also those that are emerging and those that are less developed. In addition, in these countries, representative samples of online national populations provide clients with an understanding of broad-based reputational perceptions in total and among various socio-demographic groupings within the populations. Further, many clients supplement the study with intensive interviewing of various stakeholder groups that are important to them. This provides clients with a robust 360° picture of their national reputation. An additional feature is that clients are able to access the database of previous NBISM yearly studies for trending comparisons. And some of clients field quick-turn-around surveys to supplement the NBISM yearly findings as rapidly unfolding events warrant.

The 50 nations regularly assessed provide clients with an opportunity to benchmark themselves against a global and regionally representative field of nations – some with extremely strong national reputations and some that are not so strong. And in this reporting, clients are provided with a deep-dive comparison with other nations that are considered to be either iconic or competitive.

The measurement of reputation, reflected in the GfK Roper questionnaire, is based on Simon Anholt's Nation Brand Hexagon[®]. This provides clients with a measurement theory of nation branding that has been developed over the past 10 years and is continually being refined. The metrics

and attributes we use have been tested and refreshed as times change and client needs evolve.

In these times of truly instant global communication, national reputations can be burnished or tarnished with breathtaking speed. Given this background, the opportunities for NBISM and reputation measurement are ever-increasing. While GfK Roper offers a standardized procedure for solid measurement and guidance, it is the clients' needs, and the opportunities and challenges they face, that will guide the NBISM in the future.

NOTE

1. At times, at clients' request, other important survey countries were added – for example, Spain, Indonesia and Vietnam, to reflect clients' strategic orientation.

Country RepTrak™:* A Standardized Measure of Country Reputation

*Guido Berens, Charles J. Fombrun, Leonard J. Ponzi,
Nicolas Georges Trad & Kasper Nielsen*

The increased global accessibility of information through the internet and other digital channels has increased the importance of managing a country's reputation. Events happening in any country in the world can become world news within minutes, and can dramatically influence public opinion about the country. In turn, public opinion can substantially influence diplomatic relations between countries, the number of tourists visiting a country, and the level of foreign investment in that country (Kotler and Gertner 2002; Papadopoulos and Heslop 2002; Yang *et al.* 2008). These effects are especially relevant for developing countries that compete increasingly with other developing countries for tourism and foreign investment from developed nations. Kotler and Gertner (2002) describe how, in the 1990s, 'underdog' Costa Rica won a major deal from Intel Corporation to establish a production plant, principally because of its investment in reputation management. In addition, a country's reputation can substantially boost or impede the success of products originating from that country seen from the point of view of other countries (Verlegh and Steenkamp 1999). For example, on hearing that a product originates from Germany or Japan, many consumers will ascribe a high level of reliability and overall quality to the product, because, at least in part, of the established reputations of these countries.

Because of the increased importance of country reputation, many countries now devote substantial resources to developing or changing the way that the outside world thinks of them, sometimes quite successfully. For example, Spain 'transformed itself from a sleepy low-rent vacation spot for the British and German working classes to a hip, cutting-edge cultural

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destination', and New Zealand and India also substantially improved their reputations through rebranding efforts (Cook 2007).

The increased interest in country reputation has magnified the need to systematically measure and track public perceptions of countries. Despite numerous anecdotal references, however, the literature continues to lack a standardized measure of country reputation. Passow *et al.* (2005) noted that, while many country reputation studies have been conducted in the past, their data and measurement instruments were usually proprietary and unpublished. For example, FutureBrand (2009) and Simon Anholt/GfK Roper (Anholt 2009) conduct annual country reputation studies from which they publish top-line results, but provide no information about their measurement instruments. One study that is in the public domain, the Gallup poll of country reputations taken among the American public, uses a single-item measure of the overall favorability of public opinion (Saad 2010). While this is useful in providing an overall description of the relative popularity of countries, the instrument provides no insight into the underlying *reasons* for this popularity.

In 2004, a group of students from Lugano set out to develop a standardized, multidimensional instrument in collaboration with Charles Fombrun of Reputation Institute, to examine the reputation of Liechtenstein (Passow *et al.* 2005). Reputation Institute subsequently refined this prototype instrument to create the Country RepTrak™ (Reputation Institute 2010).

This chapter provides an overview of Reputation Institute's Country RepTrak™ methodology as well as some of the key findings from an online survey of over 45,000 consumers in 35 countries. It focuses in particular on providing an interpretation of the findings in the light of previous studies of country reputation.

THE CONCEPT OF COUNTRY REPUTATION

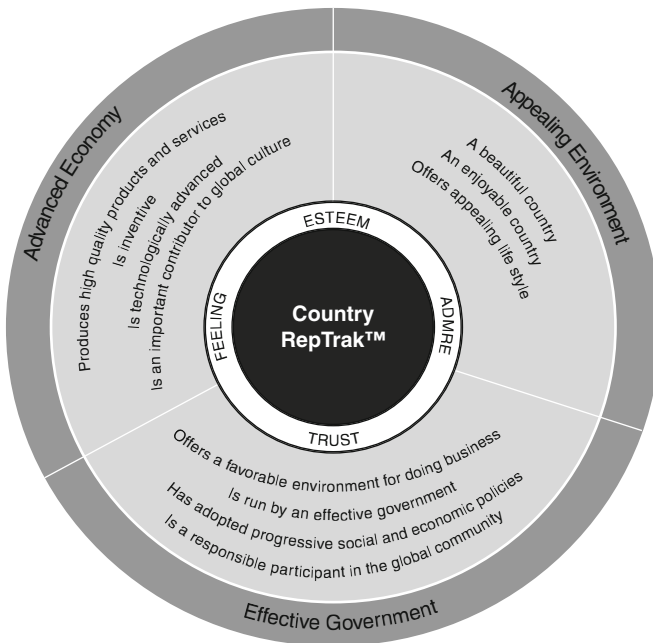
The concept of the reputation of a country (or a place in general) is directly analogous to the concepts of personal and corporate reputations. In fact, any entity can have a reputation, be it a person, product, organization, country or city. In general, reputation can be defined as 'a distribution of opinions ... about a person or other entity, in a stakeholder or interest group' (Bromley 2001, p. 317). That is, the reputation of any entity is a collection of opinions by groups in society who have an interest in that entity. These opinions can relate to any aspects of the entity, and can be positive, negative, or neutral. Similarly, the concept of country reputation can be defined as the 'aggregate of stakeholders' images' of a country (Passow *et al.* 2005, p. 311).

Sponsorship of global sporting events such as the Olympic Games and the FIFA World Cup is often used to reposition country perceptions with the public. The selection of events and design of messaging requires an understanding of the underlying drivers of the country's reputation, as well as a sophisticated modeling of the link between drivers, reputation, and support.

THE COUNTRY RepTrak™ METHODOLOGY

The Country RepTrak™ methodology was developed to address explicitly the need for a stronger model linking country reputation to its antecedents and consequences, and as a tool for assisting country agencies (whether tourist or business development organizations) in their efforts to carry out reputation management of their countries. The methodology is built around a multivariate model with two sets of dimensions: a measure of the overall appeal of a country, called the 'Country RepTrak™ Pulse', and a measure of the dimensions that drive this overall evaluation (see Figure 7.1). There are three such dimensions

FIGURE 7.1 | Country RepTrak™ model



Source: Reputation Institute (2010).

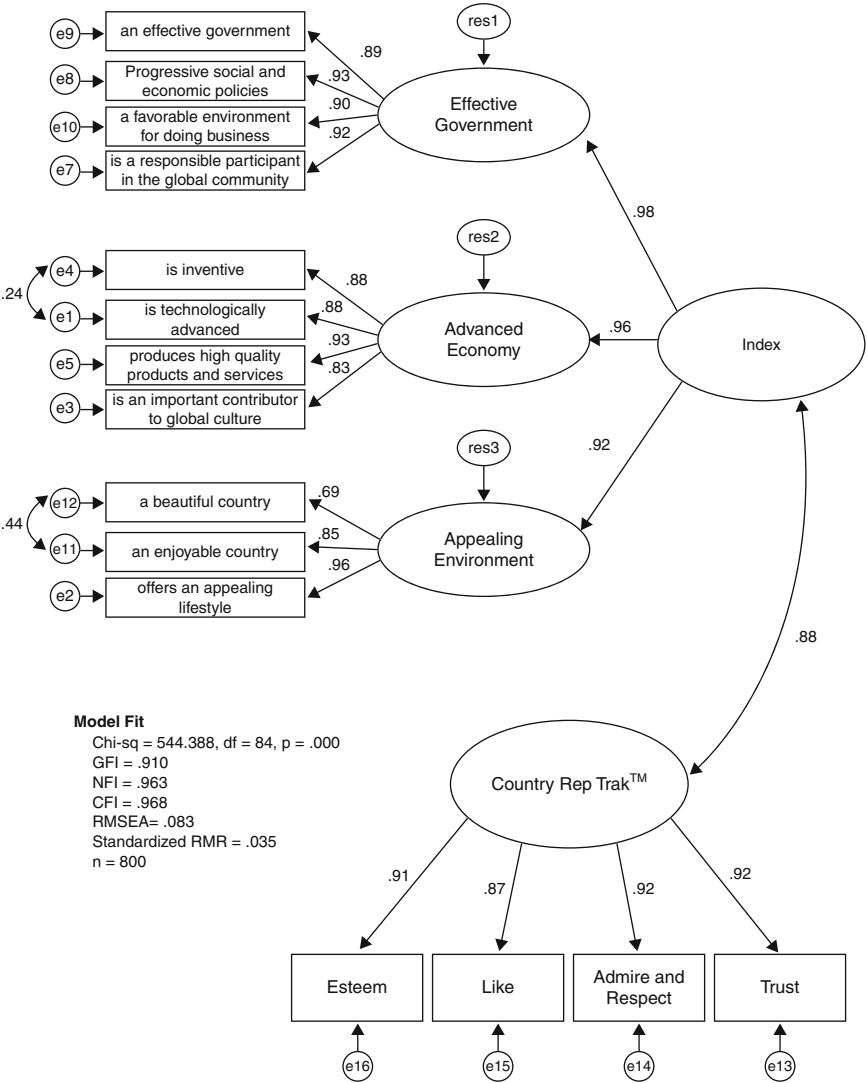
(labeled Appealing Environment, Effective Government and Advanced Economy), covering 11 attributes in total. The measure of overall evaluation relies on the standardized RepTrak™ Pulse scale, a 4-item measure of overall reputation that has been validated for measuring the reputations of social aggregates such as businesses and organizations (Ponzi *et al.*, forthcoming).

A study of country reputations was conducted in January/February 2010 among 26,000 consumers in the G8 countries (Canada, France, Germany, Italy, Japan, Russia, UK and USA). Each country was also rated by an additional sample of 19,000 consumers in the country itself. Samples were obtained from online consumer panels and as a result were skewed toward more educated respondents. Statistical analysis showed, however, that the distribution of respondents across gender, age and education levels matches that of members of the general public who have access to the internet (Reputation Institute 2010).

All attributes were rated on a 7-point scale which was then converted to a 0–100 scale to facilitate interpretation. All scores were adjusted for different response tendencies among people in different countries – that is, the fact that people in some countries typically give more favorable opinions on any subject than people in other countries. This was done by taking into account the means and standard deviations of the scores across the countries. As a rule of thumb, any two scores on the overall evaluation (the RepTrak™ Pulse) can be considered to be statistically significant if they differ by more than 3.2 points, and any two scores on the attributes of the three dimensions can be considered significantly different if they differ by more than 6.4 points.

The Country RepTrak™ model itself was validated using prior year 2009 data by drawing a random subsample of 800 respondents consisting of 100 respondents in each of the G8 countries. Only complete cases were included in the subsample, to avoid the pitfalls of imputing missing values. The model development subsample was restricted to respondents rating external countries (that is, other than their own), and the model was tested and validated using Structural Equation Modeling (SEM). The traditional fit indices all denote an acceptable fit (GFI = 0.91, CFI = 0.96, NFI = 0.97, RMSEA = 0.08, Standardized RMR = 0.04). Figure 7.2 shows the results of the SEM analysis on the full model. While the chi-square value is significant ($p < 0.001$), this measure is overly sensitive to large sample sizes, and the alternative model fit statistics were satisfactory. The results confirm that Country RepTrak™ is a valid and reliable measurement tool.

FIGURE 7.2 Validating the Country RepTrak™ model using SEM

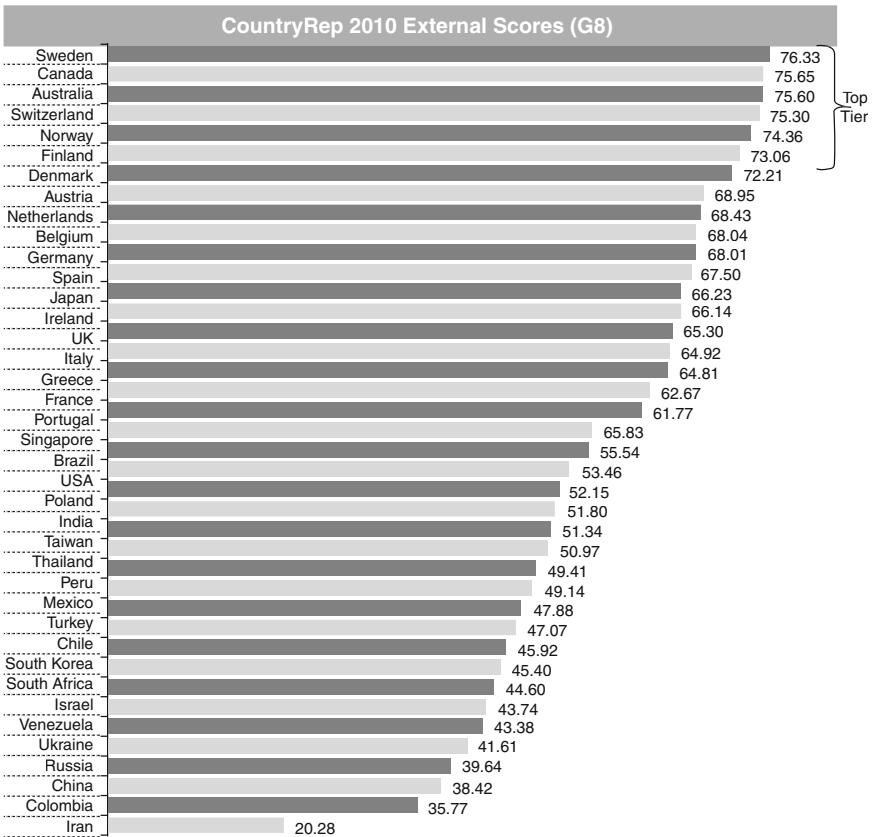


Source: Reputation Institute (2010).

FINDINGS OF THE 2010 COUNTRY RepTrak™ STUDY

Figure 7.3 shows the scores on the overall Country RepTrak™ Pulse for the 39 countries measured in the 2010 Country RepTrak™ study. They range from a low of 20.28 to a high of 76.33. Sweden is the country that obtained the highest score in the study, suggesting it is the country with the most favorable overall reputation among the general public in the G8 countries. However, since only scores that differ by more than 3.2 points can be considered significantly different, rather than speaking of one country having

FIGURE 7.3 Results for Country RepTrak™ Pulse 2010



Notes: Scoring scale: 0-100.

Scores are calculated as the average of the averages of each G8 country.

A difference in score is considered statistically significant if the absolute value is greater than 3.2 points.

Source: Reputation Institute (2010).

the best reputation, it would be better to speak of a *cluster* of countries with excellent reputations. For the 2010 study, this ‘top tier’ cluster consisted of Sweden, Canada, Australia, Switzerland, Norway, Finland and Denmark. It is striking not only that all seven of these countries are developed Western nations, but also that four of them are Scandinavian. This finding validates a study by Niss (1996) of Danish export companies, who observed that their potential foreign customers often reacted positively to them merely for being Scandinavian, because they associated Scandinavia with having high economic development, political freedom and an excellent social infrastructure.

REPUTATION DIMENSIONS

In this section we examine the results of the survey on the three core dimensions of the model shown in Figure 7.1.

Appealing Environment

The first of the three dimensions consists of three key attributes that comprise an ‘appealing environment’: ‘Lifestyle’, ‘Enjoyable’ and ‘Physical Beauty’. The highest scores on these attributes are shown in Table 7.1. On the first of these attributes, a cluster of nine countries tops the list and

TABLE 7.1 Top scores for the Appealing Environment dimension

	Lifestyle	Enjoyable	Physical Beauty
Sweden	<u>75.5</u>	<u>73.6</u>	<u>80.4</u>
Canada	<u>75.1</u>	<u>75.8</u>	<u>83.7</u>
Australia	<u>76.1</u>	<u>77.9</u>	<u>84.1</u>
Switzerland	<u>76.0</u>	<u>75.4</u>	<u>83.8</u>
Norway	<u>73.1</u>	<u>73.6</u>	<u>80.9</u>
Finland	<u>71.0</u>	<u>71.8</u>	<u>78.9</u>
Denmark	<u>72.5</u>	<u>71.2</u>	76.1
Austria	69.7	<u>73.0</u>	<u>78.5</u>
Spain	<u>72.9</u>	<u>77.1</u>	<u>78.1</u>
Japan	61.1	<u>72.0</u>	<u>73.0</u>
Ireland	65.8	<u>71.1</u>	<u>79.4</u>
Italy	<u>71.4</u>	<u>77.9</u>	<u>78.9</u>
Greece	66.0	<u>73.9</u>	<u>79.2</u>
France	69.2	<u>75.6</u>	76.0

Note: Underlined scores are the top scores for each attribute.

roughly corresponds to the best-scoring countries in the overall Pulse. Again, four of the countries that top this dimension are Scandinavian. However, there are also two Mediterranean countries in the cluster (Italy and Spain). The other two attributes in this dimension show a slightly different pattern. The attribute 'Enjoyable' has even more Mediterranean countries in its highest-scoring cluster (Italy, Spain, Greece and France), presumably because of their agreeable geographical climates. Ireland and Japan are also rated highly on this attribute. However, the Scandinavian countries retain their positions in the top cluster. A similar list of top-scoring countries is seen for the attribute 'Physical Beauty', except that in this case Denmark, France and Japan are rated significantly lower than the highest-rated countries.

Effective Government

The second dimension focuses on the perceived effectiveness of the country's government, and shows a similar cluster of top-rated countries, with the Mediterranean countries replaced by Germany and The Netherlands (see Table 7.2). In addition, the consistently strong performance of the Scandinavian countries on this dimension is consistent with Niss's (1996) findings about people's associations with Scandinavia. Both for the attribute Business Environment and for Effective Government, Switzerland tops the list but its score is not significantly different from the other top scorers. The attributes Social Welfare and Contribution to Global Community both have a similar set of top-rated countries, and includes The Netherlands.

TABLE 7.2 Top scores for the Effective Government dimension

	Business environment	Effective government	Social welfare	Contribution to global community
Sweden	<u>70.7</u>	<u>72.7</u>	<u>74.2</u>	<u>71.7</u>
Canada	<u>69.7</u>	<u>70.4</u>	<u>71.2</u>	<u>69.7</u>
Australia	<u>69.0</u>	<u>69.2</u>	<u>69.2</u>	<u>66.8</u>
Switzerland	<u>74.4</u>	<u>73.0</u>	<u>72.0</u>	<u>67.5</u>
Norway	<u>69.0</u>	<u>70.1</u>	<u>72.8</u>	<u>68.5</u>
Finland	<u>67.5</u>	<u>68.8</u>	<u>70.6</u>	<u>67.7</u>
Denmark	<u>68.1</u>	<u>69.4</u>	<u>71.7</u>	<u>68.6</u>
Netherlands	65.3	66.4	<u>68.7</u>	<u>66.2</u>
Germany	<u>68.3</u>	<u>68.6</u>	<u>68.7</u>	<u>69.0</u>

Note: Underlined scores are the top scores for each attribute.

Advanced Economy

The third dimension describes perceptions of the country's economy, and the results indicate a significantly different pattern than the other two dimensions, with a much stronger presence of Japan, the USA and the UK (see Table 7.3). This difference is consistent with the findings of Papadopoulos and Heslop (2002), that consumers make a clear distinction between the product image of a country and its other attributes, such as how pleasant it would be to live in that country. For the attribute Products and Services, there is a cluster of four countries that are better-perceived than the rest (Japan, Germany, Switzerland and Sweden). This finding matches a common finding in the literature on 'country-of-origin' effects – the fact that products from Japan and Germany are generally perceived as being of better quality than products from other countries (Papadopoulos and Heslop 2002). For the attribute Brands and Innovation, Japan and Germany are clearly perceived as being better than the rest, while on the attribute Technology, Japan scores better than all the other countries. In contrast, the attribute Culture has a much wider range of high-scoring countries, including the Scandinavian countries again (apart from Finland), Austria, and the Mediterranean countries – Spain, Italy and France.

TABLE 7.3 Top scores for the Advanced Economy dimension

	Products and services	Brands and innovation	Culture	Technology
Sweden	<u>72.1</u>	69.1	<u>68.1</u>	68.7
Canada	68.1	62.8	<u>65.7</u>	66.2
Switzerland	<u>74.2</u>	70.9	<u>65.6</u>	67.7
Norway	67.9	62.4	<u>65.6</u>	65.9
Denmark	67.5	61.8	<u>65.4</u>	64.5
Austria	63.8	59.2	<u>66.2</u>	59.7
Netherlands	65.3	60.7	<u>65.1</u>	62.3
Germany	<u>74.7</u>	<u>73.1</u>	<u>70.4</u>	71.2
Spain	60.3	57.3	<u>66.9</u>	53.5
Japan	<u>75.1</u>	<u>77.1</u>	64.3	<u>79.7</u>
UK	65.5	65.3	<u>71.1</u>	62.1
Italy	66.4	68.8	<u>71.5</u>	56.2
France	66.6	67.9	<u>71.2</u>	59.7
USA	65.9	<u>73.9</u>	<u>68.0</u>	72.8

Note: Underlined scores are the top scores for each attribute.

SUPPORTIVE BEHAVIORS

In addition to country reputation and its dimensions, the Country RepTrak™ methodology also measures the supportive intent of respondents toward the rated countries. The results are shown in Table 7.4. In terms of intentions to visit a country, the top-scoring countries are the familiar cluster of the Scandinavian countries, Canada, Australia and Switzerland, in addition to the Mediterranean countries of Spain, Italy and Greece. With regard to consumers' stated willingness to invest in a country, we see a quite different picture. The single country that people would be most willing to invest in is Switzerland, presumably because of aspects such as the country's stable economy, low taxes and exceptionally good infrastructure. The countries people would be most willing to live in and work in correspond roughly with those scoring best on the overall evaluation of the country. Willingness to visit the country demonstrates a similar pattern, the main difference being the absence of the Mediterranean countries from this cluster. There is a large difference between people's willingness to visit a country and their willingness to live or work in that country. Apparently, most people are quite happy living and working in their current country of residence. Finally, roughly the same group of countries constitutes those from which consumers would most likely want to buy products. Notable additions are Japan and Germany, consistent with the high scores of both of these countries on product-related attributes.

TABLE 7.4 Top scores for Supportive Behavior dimension

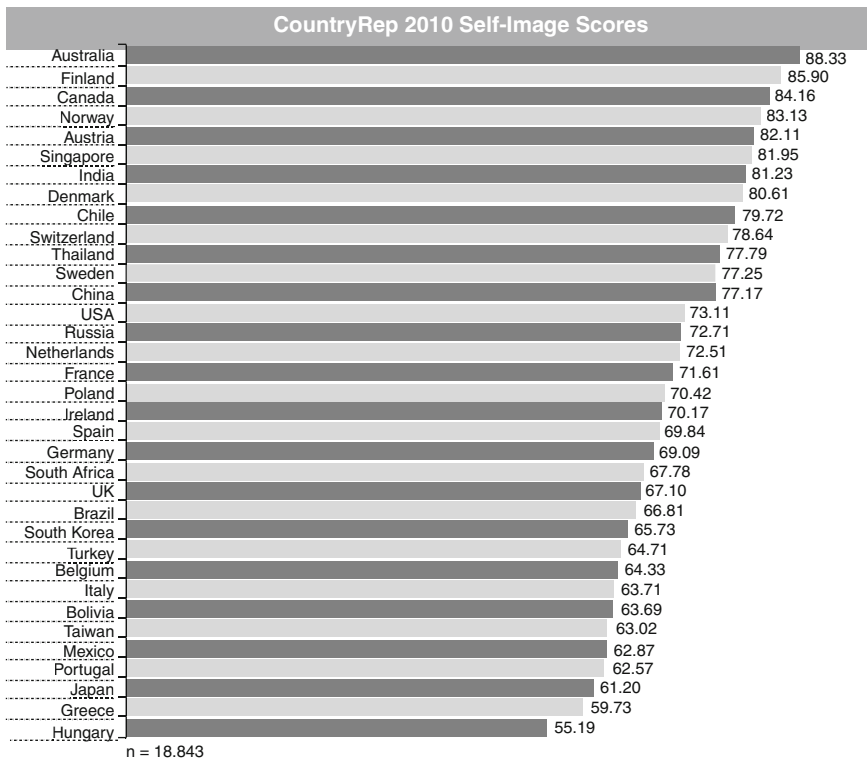
	Visit	Invest	Live	Work	Buy
Sweden	<u>77.7</u>	64.2	<u>68.0</u>	<u>67.9</u>	<u>70.4</u>
Canada	<u>80.7</u>	63.9	<u>70.5</u>	<u>70.6</u>	<u>68.5</u>
Australia	<u>80.4</u>	63.8	<u>70.0</u>	<u>68.9</u>	<u>65.7</u>
Switzerland	<u>79.2</u>	<u>70.6</u>	<u>70.2</u>	<u>71.1</u>	<u>72.1</u>
Norway	<u>76.5</u>	61.8	<u>64.9</u>	<u>66.0</u>	<u>67.3</u>
Finland	<u>74.4</u>	58.9	62.6	63.1	<u>67.4</u>
Denmark	<u>74.6</u>	61.8	<u>65.8</u>	<u>65.5</u>	<u>65.9</u>
Austria	<u>75.0</u>	57.3	62.1	61.2	62.9
Germany	73.3	61.5	60.7	63.2	<u>70.4</u>
Spain	<u>77.8</u>	53.9	62.8	57.6	60.5
Japan	<u>72.4</u>	60.5	50.2	54.7	<u>67.5</u>
Italy	<u>78.7</u>	52.0	61.7	55.6	65.2
Greece	<u>76.7</u>	46.2	56.3	49.7	55.8
France	<u>75.1</u>	50.9	56.5	55.2	60.8

Note: Underlined scores are the top scores for each attribute.

SELF-IMAGE

Consumers were also asked to rate their own home countries. The scores on these ‘self-images’ are shown in Figure 7.4. Given that, as a rule of thumb, any two scores in this part of the data can be considered significantly different if they differ by more than 1.8 points, it is clear that one country stands out in terms of self-image: Australia. In a previous study conducted in 2009, Australians also had the most favorable view of their own country. Looking at the complete list, it seems that there are three clusters of countries: a ‘high self-image’ cluster, ranging from Australia to Sweden; a ‘medium self-image’ cluster, ranging from China through Japan; and finally a ‘low self-image’ cluster, consisting of Greece and Hungary.

FIGURE 7.4 Results for self-image on the Country RepTrak™ Pulse



Notes: Scoring scale: 0-100.

Scores are calculated as the average of the averages of each G8 country.

A difference in score is considered statistically significant if the absolute value is greater than 1.8 points.

Source: Reputation Institute (2010).

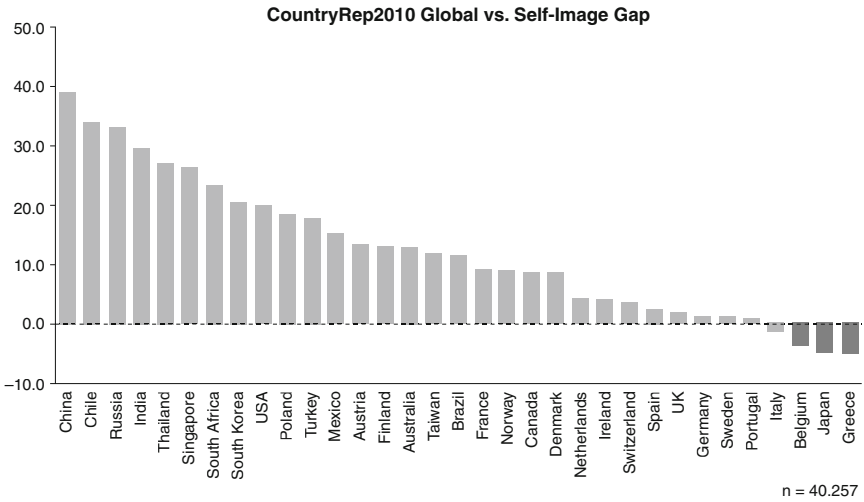
The countries with a high self-image are roughly the same as those that are also regarded favorably by people in other countries, with a few notable additions: Singapore, India, Chile and Thailand. Three of these countries are located in South Asia, a region which, according to the World Bank (2010), has achieved a tremendous economic growth during the decade of the 2000s, and showed a remarkable resilience during the economic crisis. These countries' positive self-images might be a reflection of their improving economic circumstances. At the bottom of the chart, the two countries that seem to have the most unfavorable self-image are those within the European Union where the global financial crisis hit particularly hard.

If we compare each country's self-image with the images that consumers from other countries have of them, an interesting pattern emerges. This is shown in Figure 7.4. In most countries, local residents report a more favorable opinion of the country than people who live in other (in this case, the G8) countries. It suggests that people are strongly rooted in and biased toward the place in which they were born and bred or, when relocated, have been socialized to blend in with the culture in which they reside. Sometimes expats or migrants seem to self-select themselves into countries they find most appealing. Therefore, the country one lives in is often also the country one likes the most. However, there are a few countries for which this positive 'self-image gap' is particularly striking, and exceeds 30 points on a 0–100 scale. These countries are China, Russia and Chile. We reported previously that Chile is among the countries with the most favorable self-image score, whereas its Pulse score is relatively low (see Figure 7.5). And while China and Russia do not have a particularly good self-image, their scores on the Pulse are also among the very lowest. Of course, it is difficult to identify the reason for these discrepancies without further research – whether it is an inflated self-image or a negative stereotyping by consumers in other countries – but it does seem likely that stereotypes may play a part, as is common when asking people's opinions of other countries (Kotler and Gertner 2002).

At the other end of the spectrum, a few countries have self-images that are in fact *lower* than the Pulse scores consumers in other G8 nations give them. These countries are Belgium, Japan and Greece. Again, more research is needed to identify the reasons for these discrepancies. For Greece, the severe impact of the economic crisis may provide an underlying explanation, as economic issues are likely to be much more salient to people living in Greece itself than to outsiders.

Figure 7.6 shows a correspondence analysis conducted on the 39 countries rated by G8 respondents. It indicates that the USA and Japan are more likely to be perceived as being technologically advanced and as

FIGURE 7.5 Results for ‘self-image gaps’



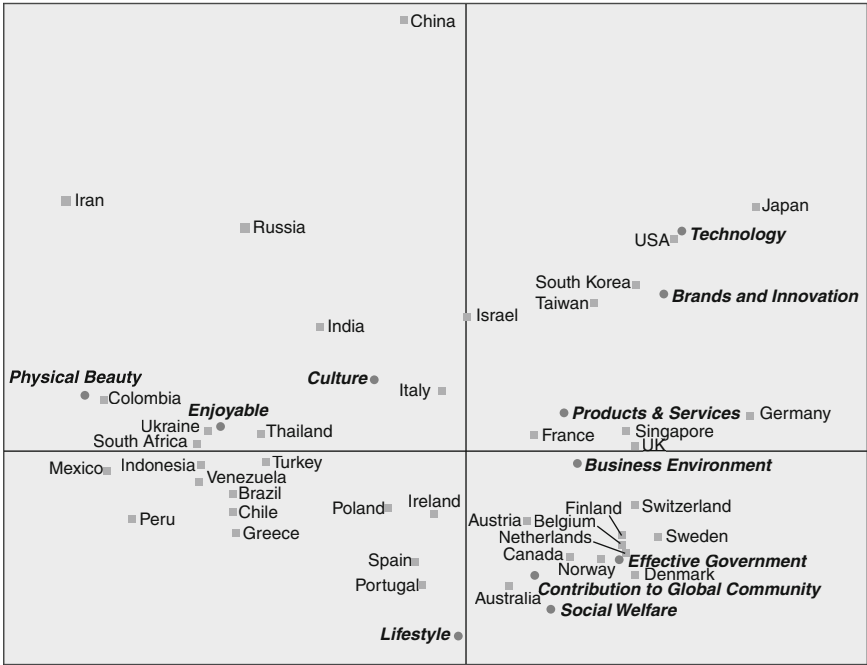
Source: Reputation Institute (2010).

having important brands; the Northern European countries and Canada are more closely associated with Effective Government, Social Welfare and Contribution to Global Community; Ireland and Spain are perceived as having more Appealing Lifestyle; and Italy as making a Contribution to Global Culture. The horizontal axis of the 2x2 chart can be interpreted as describing the degree of social, technological and economic development, whereas the vertical axis describes the level of attractiveness of the country.

WHAT DRIVES COUNTRY REPUTATION?

Of the 11 attributes on which countries were rated, which has a stronger effect on country reputation scores around the world? To address this question, we conducted a factor-adjusted regression analysis which identifies the unique (uncorrelated) contribution that each attribute makes to the overall reputation rating respondents give to each country. Table 7.5 shows the results of the analysis and indicates that the 11 attributes jointly explain some 77 percent of the variance in the Pulse ratings. The drivers of overall reputation making the most impact were Appealing Lifestyle, Responsible Participant, Beautiful Country, and Progressive Social and Economic Policies. It suggests that, when assessing a country, respondents think strongly about the general impression created by the physical and social environment the country provides.

FIGURE 7.6 A multidimensional map of countries: the relative similarity of countries on the 11 attributes of the Country RepTrak™



Source: Reputation Institute (2010).

In contrast, the attributes that were least significant in their overall attractiveness to the country were Technologically Advanced and Well-Known Brands. It confirms the idea that the impressions of G8 respondents are less influenced by a country’s degree of technological sophistication or its products and brands.

CONCLUSION

Building a strong country reputation is increasingly important for attracting tourists, investors, customers and employees to a country. Reputation Institute’s Country RepTrak™ model provides researchers with a standardized measure that assesses to what degree a country is successful in managing its reputation among the general public in the G8 countries. In addition, it provides some insights into *why* people perceive countries

TABLE 7.5 What drives country reputation globally?

Attribute	Weight
Offers an appealing lifestyle	10.7
Is a responsible participant in the global community	10.6
Is a beautiful country	10.4
Has adopted progressive social and economic policies	10.1
Is an enjoyable country	9.9
Is run by an effective government	9.6
Offers a favorable environment for doing business	8.7
Produces high quality products and services	8.2
Is an important contributor to global culture	7.9
Has many well-know brands	7.0
Is technologically advanced	6.9
	Adjusted R ² = 0.769
	n = 18,576

in a positive or a negative light, by looking at the individual attributes that drive the overall reputation. For the 2010 study, the attributes that are correlated most strongly with the overall reputation scores are Lifestyle, Contribution to Global Community, and Physical Beauty. This finding corroborates the conclusions from previous studies on country reputation – that the influence of the image of the *products* originating from a country on the overall reputation is relatively modest (Papadopoulos and Heslop 2002). Rather, people are influenced by the stories they hear and read about the country, and by any experiences they have had when visiting the country themselves (Yang *et al.* 2008). Finally, the study provides useful insights into the supportive intent consumers feel toward a country (in terms of their willingness to visit, invest in, work and/or live in the country, and to buy the country's products), as well as in any gaps that exist between the way the public views its own country and the way people in other nations view the country.

The results suggest that a country's governing agencies could use these findings to focus their reputation management efforts on specific attributes that are likely to improve the country's overall reputation, as well as the supportive behaviors they want to elicit from people in other countries.

The FutureBrand Country Brand Index

Tom Adams

WHAT ARE THE OBJECTIVES OF THE COUNTRY BRAND INDEX?

Brands of any kind typically have two dimensions – the promise they make and the way they are perceived by consumers; that is, they build reputation. Good country brand management is fundamentally about ensuring that there is no gap between the two. The FutureBrand Country Brand Index is designed to measure perceptions of country brand strength across multiple dimensions. As such, its aim is to reflect back to country brand managers how close perceptions are to reality, and provide a consistent framework for improving those perceptions. To the extent that the Index is a ranking of countries according to brand strength, it aims to provide a sense of relative position against regional and global competition, as well as a benchmark by which to measure change over time. But it also has an advisory emphasis, helping to show which areas might benefit from renewed focus or a change of strategy – the levers to pull for growth. However, while it looks at perceptions of country brands relating to business, culture and politics, the Index does not seek to present an absolute measure of country brand value, political or economic power – this is the work of other research.

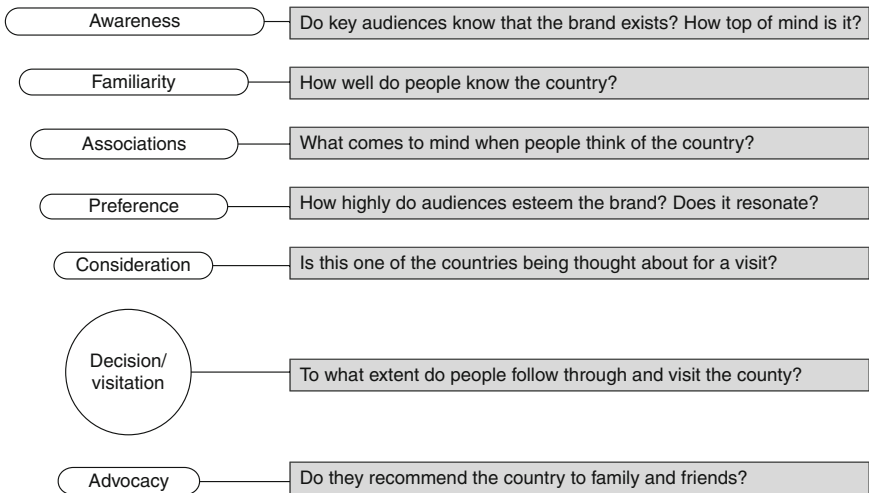
As an annual report, the Country Brand Index has come to be used by country brand managers as a bellwether for their overall brand performance, and a strong indicator of the effectiveness of the preceding year's brand-building activities – from marketing to public relations, national events, and regulatory and governmental work. The company's work with key stakeholders in these roles indicates that the publication of the Index is met with some anticipation and it fields regular enquiries about the developments in specific country brands as well as helping brand managers to understand their performance in more depth through extended analysis and discussion.

WHAT IS FUTUREBRAND'S THEORETICAL POSITION?

The theory underpinning its research and report is expressed through FutureBrand's proprietary Hierarchical Decision Model (HDM). The model, which examines brand strength, is based on evidence the company's research has garnered, that strong brands (of any kind) pull levers that are key to creating value. First, they facilitate the acquisition of new customers and present opportunities for premium pricing strategies. Second, they increase loyalty and extend the expected lifetime value of a customer or visitor. And third, they have the elasticity to extend across new products, services or markets. The HDM examines every aspect of brand strength and maturity before a decision is made to visit a destination – from awareness to familiarity, associations, preference and consideration. Above all, the initial return on brand investment is measured through decisions to visit, or via the visits themselves, But we are also interested in measuring levels of advocacy following visits, helping to assess whether the country brand experience has lived up to expectations and whether visitors will go on to recommend the country brand (see Figure 8.1).

Our research measures traveler perceptions across these dimensions and identifies the appropriate levers to pull for future brand strength – either to improve in a particular area to gain parity with general performance,

FIGURE 8.1 | The FutureBrand Hierarchical Decision Model (HDM)



Source: FutureBrand, as represented by the author.

or to focus on a unique aspect that differentiates the country brand from its competition. All of which aims to tune a country brand so that it can command a premium position, encourage long-term loyalty and have the elasticity to extend its equities to other products, services and markets. It is worth noting that all brand strength is predicated on awareness, and without this it is hard to measure any of the dependent areas such as levels of familiarity or specific associations with a place. So the rationale guiding our research methodology around perceptions is that respondents cannot assess country brand strength effectively across multiple dimensions if they indicate that they have low or no awareness of the country in question.

But, above all, FutureBrand believes that a strong country brand is more than the sum of its attributes: it makes people's lives better. From progressive politics to openness, freedom of speech, movement and a positive outlook on the world, countries that are geared around their people and those people's needs score highly. They also have to create a strong emotional connection, making people want to visit, do business, learn and live their lives in a place. Not just that, but, like any brand, they need to be consistent across all touch points, from advertising and public relations to political representatives, cultural ambassadors, tourists, companies and indigenous products. People need to be able to differentiate between country brand experiences, from population to places, from products to companies. Country brand ranking even correlates to how far a nation exports its values through its iconic brands. These features, coupled with a strong point of view and prominent role on the world stage, and a tireless effort to drive the world forward, encouraging tourism, immigration, cultural exchange and partnership, make the difference between a nation state and a genuine country brand. Also, as the 2010 Country Brand Index reveals, while economic performance is vital to brand strength, it is not enough to guarantee a high world ranking.

WHAT RESEARCH METHODOLOGY DOES FUTUREBRAND USE?

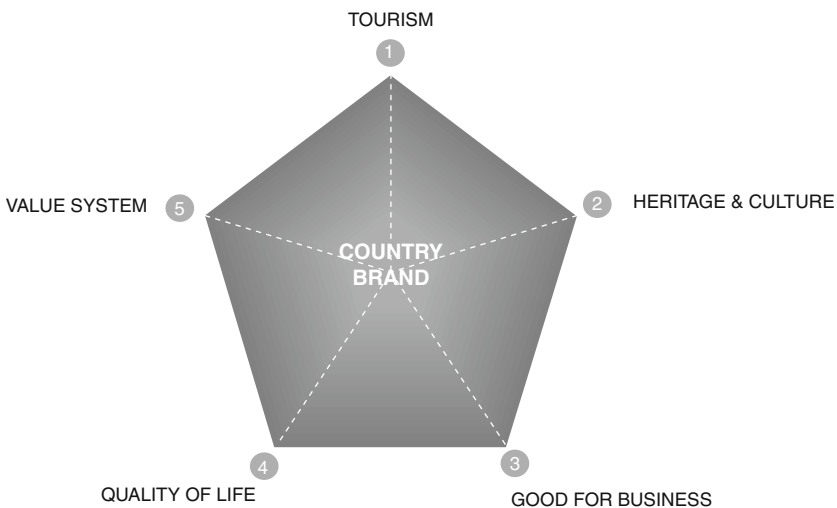
FutureBrand began the Country Brand Index in 2005. Its inaugural study was modest in scope, featuring a global study of 671 respondents, representing the Americas, the Middle East, Europe and Asia. Thirty-five experts were featured and a variety of statistics and secondary data measuring growth were utilized. Italy emerged as the strongest country brand, with Australia in second place and the USA third. The study was well received and began to codify our interest in destination branding. A more robust effort followed in 2006, featuring a global survey of over

1,500 respondents. Australia topped the Index in 2006, and since then has continued to dominate the top five. In 2007, more than 2,600 respondents were surveyed, from seven countries. Fifty experts were involved and more categories were added. This was the year that FutureBrand introduced its Country Brand Framework and Hierarchical Decision Model for determining country brand strength. A similar-sized study followed in 2008, featuring respondents from nine countries. The 2009 study featured almost 3,000 respondents, from nine countries, 47 expert opinions and increased the number of countries included in the study from 78 to 102.

The 2010 Country Brand Index, our most comprehensive study of country brands to date, surveyed 3,400 international business and leisure travelers from 13 countries on all five continents. The quantitative work was carried out by an independent third-party research company and based on 20-minute online surveys during the month of October. This research was further qualified by in-depth focus groups with experts in 14 major metropolitan areas around the world. In addition, the number of countries included in the study increased from 102 to 110.

Our overall index score in 2010 was determined by a country's performance in 26 image attributes across five key association dimensions, as shown in Figure 8.2.

FIGURE 8.2 | Country Brand Index association dimensions



Source: FutureBrand, as represented by the author.

After six years of research, we know that these associations are the real drivers of country brand strength, and we weight in favor of these five dimensions overall. This score is then married with the performance in six other areas of brand strength – Awareness, Familiarity, Preference, Consideration, Decision/Visitation and Advocacy – and the final rank position of each country is developed using a statistical model that accounts for the previous year’s position of each brand.

RESULTS OF THE 2010 COUNTRY BRAND INDEX

The 2010 Country Brand Index is published as a written report that focuses on the ranking of all 110 country brands surveyed, their positions relative to the previous year (if included) and analysis of the findings in terms of general themes and trends. We are particularly interested in the top 10 and bottom 10 country brands, rising and falling stars, the strongest performing brands in each association dimension, and individual image attributes (of which there are 26), and then overall regional rankings and the top-performing country brands by region (see Figure 8.3).

FIGURE 8.3 The 2010 Country Brand Index top 25 country brands

2010 Rank	Country Brand	2009 Rank / Change	2010 Rank	Country Brand	2009 Rank / Change
01	Canada	#2 /▲ 1	14	Spain	#10 /▲ 4
02	Australia	#4 /▲ 2	15	Singapore	#13 /▼ 2
03	New Zealand	#3 /▲ 0	16	Maldives	#19 /▲ 3
04	USA	#1 /▼ 3	17	Ireland	#12 /▼ 5
05	Switzerland	#11 /▲ 6	18	Bermuda	#15 /▼ 3
06	Japan	#7 /▲ 1	19	Denmark	#23 /▲ 4
07	France	#5 /▼ 2	20	Austria	#28 /▲ 8
08	Finland	#16 /▲ 8	21	Mauritius	#26 /▲ 5
09	UK	#8 /▼ 1	22	Greece	#14 /▼ 8
10	Sweden	#21 /▲ 11	23	India	#18 /▼ 5
11	Germany	#9 /▼ 2	24	Iceland	#25 /▲ 1
12	Italy	#6 /▼ 6	25	Netherlands	#31 /▲ 6
13	Norway	#22 /▲ 9			

Source: FutureBrand, as represented by the author.

FutureBrand's particular interest is in *future* country brand performance: looking at key indicators that will help brand managers to adopt a more predictive, foresight-driven strategic approach. It is this long-term approach to strategy that FutureBrand thinks separates strong from weak country brands, and six years of research would seem to support this. One of the best examples of this is brand Canada and the Canadian Tourism Commission's use of the Country Brand Index to measure and manage its brand with the future in mind.

CASE STUDY: BRAND CANADA – A BRAND MANAGEMENT SUCCESS STORY

Tourism marketing is one of the central mechanisms of nation brand-building: used effectively it can deliver value beyond driving up visitor numbers. Canada is the number one country brand in the 2010 Country Brand Index, moving up one place from 2009, and has climbed the rankings steadily since the first study was published in 2005. Its consistent improvement over time is testament to a rigorous approach to tourism brand-building that makes the most of the nation's natural assets and systematically activates everything from advertising to media relations against a well-developed proposition. Vitally, however, this has been led by a commitment to brand perception measurement and an unswerving focus on consumers. The Canadian Tourism Commission (CTC) uses a diverse range of benchmarks to manage and track the performance of Canada's tourism brand – *Canada: keep exploring* – in this context. From commissioning its own annual omnibus survey that analyses everything from awareness and perceptions to competition, to independent assessments of brand value, and advertising tracking studies that present a detailed picture of marketing return on investment (ROI), the Commission leaves no stone unturned. This toolkit also includes the FutureBrand Country Brand Index and has done so since it was first published in 2005. Paul Nursey (pers. comm.) Vice President of Strategy and Corporate Communications of the CTC, explains why:

We are passionate about the use of external benchmarks to manage and measure the performance of our brand. The FutureBrand Index is very closely aligned with our strategic brand-building model and is woven into our methodology. Our consistent strategy over several years has been to add depth and dimension to the Canadian tourism brand on the path to purchase from awareness to visitation. The CBI's Hierarchical Decision Model maps against a similar path and so we

can use it to track performance and optimize audience perceptions of specific dimensions, associations and attributes each year. There are also no other studies that measure global traveler perceptions of country brands in the same depth.

Importantly, while the CTC is clearly focused on developing the tourism brand, it takes a much broader view of the role for tourism:

The experiential brand promise of 'proof of a life less ordinary' is something that can only be effective if it is authentically reflected in visitor experiences and can be delivered at every touch point. This is why we're as interested in our performance across associations like Value System, Quality of Life, Good for Business and other measures as we are in pure Tourism – the brand is something that comes to life in every aspect of the Canadian experience and so we measure those aspects just as carefully.

Brand Canada's journey to success has been part of a long-term strategy to reinforce the country's unique assets through tourism marketing. It has built a set of five unique selling propositions that are single-mindedly reinforced in all brand activation:

1. Award-winning Canadian local cuisine.
2. Active adventure among awe-inspiring wonders.
3. Connecting with Canadians.
4. Personal journeys by land, water and air.
5. Vibrant cities on the edge of nature.

Nowhere was this strategy more conspicuously effective than in the Vancouver Winter Olympics in 2010. Major global sporting events such as the FIFA World Cup or the Olympic Games present an unparalleled opportunity for country brand-building. Pervasive media coverage across every channel, particularly since the rise of the social media and near-frictionless web content distribution, means that accounts of a country's preparation, delivery and team performance in a sporting event will be distributed to a global audience almost in real time. There are very few similar opportunities to reach audiences on a global scale with images of a country, its people and its unique culture. However, while media exposure is guaranteed, improving country brand strength in this context is not: effective leverage depends on making a strong connection between the event and the differentiating features of the host country brand. The CTC understood

this from the outset, as Michele McKenzie (pers. comm.), CEO of the organization, explains: ‘When it comes to building your country brand around global events like the Olympic Games, avoid the trap that you’re there to promote the games or the events themselves. From a tourism branding perspective, always focus on how the event can be leveraged to develop your platform. Both will benefit as a result.’ This has translated into a long-term media relations and marketing strategy that has built content and communications around the five unique selling points and Canada Tourism’s proposition ‘*Canada: keep exploring*’, introduced above. For example, the Commission invested millions of dollars in the creation of unique B-roll footage that painted a nationwide picture of Canada’s landscape, cities and other attractions, reinforcing its food, wine, outdoor living and friendly culture. When media organizations were looking for content to complement their coverage of the Games, this was readily available and widely used, so much so that the Commission estimates their specially prepared brand-driven content reached 8 billion people worldwide through rights-owning broadcasters. A similar approach was taken in media briefings and public relations, all of which were significantly enhanced by Canada’s ‘own the podium’ campaign and its eventual record-breaking number of gold medals in the event itself. In terms of tangible success measures, this systematic approach brought significant benefits to brand Canada in the aftermath of the event. Using their existing research tools, the CTC has seen a significant rise in unaided awareness – a critical dimension of brand strength – and an increase in ‘proof of travel’ to Canada (from 1.8 percent to 3 percent of those who have seen Canada Tourism advertising). But above all, Canada has seen a 30 percent increase in tourist arrivals since the Games from critically important emerging markets, showing that its strategy of moving people ‘down the path to purchase’ is having some effect. In terms of performance in the Country Brand Index, the CTC was particularly interested in perceptions of Canadian food (a specific image attribute in the CBI ‘Tourism’ association) in light of significant brand-building activity on this theme during the Games. This reinforces the CTC’s commitment to the continual fine-tuning and optimization of brand Canada, and single-minded use of the Games to bring the country’s unique selling points to life for potential visitors.

In terms of the future, Paul Nursey is clear about CTC’s priorities for the brand over the coming years:

Consistency is the golden rule of country brand management. Once you have a brand promise that the country can keep, single-mindedly use every opportunity to reinforce that promise through key selling points and messages over

the long term. But it's also important to keep your approach fresh and regularly review your brand identity, architecture and communications strategies to reflect the changing global context, consumer insights and competitor activity. In our experience, it takes three to five years to build a firm foundation for your tourism brand, and ongoing traveler perception measurement using external benchmarks like the Country Brand Index will remain vital to our understanding of how to optimize our brand to build lasting equity. It's an important part of ensuring that we focus on the areas where we can have most impact as a brand in our audiences' perceptions – there's no benefit in trying to be all things to all people and the depth of measurement in individual dimensions across the CBI helps us to be very targeted in our thinking.

Interestingly, the CTC is less concerned with maintaining its 'number one' position in the rankings. Paul Nursey adds: 'Our objective is to continually maintain a top five position in the CBI. The gaps between the leading country brands are so small that we consider a result in the top five a success – being number one is a great achievement.'

CONCLUSIONS

Brands are a combination of tangible and intangible assets. Consumer perceptions – from levels of awareness to associations and advocacy – are a vital measure of brand strength. But there are other tangible measures, from market share to fixed assets and sales that contribute to the total view of what a brand means. To the extent that you can be a 'consumer' of a country brand, as a traveler, investor or migrant, your perceptions of a place are part of its reality and drive your decision to visit. In fact, it is arguable that a country brand is something that can only ever be perceived objectively by outsiders – people who are not from the culture or place in question. These perceptions are formed through personal experience, reputation, media portrayal, relationships and a host of other factors, and can shift continually depending on personal circumstances. The Country Brand Index focuses on the views of international business and leisure travelers from around the world to present a global, aggregated view of these perceptions. To that extent it can provide a vital external view of country brand strengths and weaknesses that are otherwise not visible to country brand managers or stakeholders. As the Canadian Tourism Commission example shows, the Country Brand Index can be a vital tool in measuring external brand perceptions – an essential aspect of building a tourism brand for any country. But it also has value as a benchmark for other aspects of country brand strength, from perceptions of its value system to willingness to

recommend a place for work or leisure. As such, the Index continues to be a useful impartial guide for country brand managers in tourism, public affairs and government – all of whom have a vested interest in understanding the combined impressions of their country from a global perspective. However, it is clearly not an absolute measure of the tangible and intangible assets of a country, and should be used as part of a toolkit of independent research and information sources to understand the full breadth of complexity presented by sovereign nations. Above all else, the Country Brand Index is the only global, independent, traveler-derived research into perceptions of brand strength – making it a vital part of measuring the return on investment in brand-building activity. So if country brand strength is a journey, the Country Brand Index is a compass that can guide brand managers through the most complex territory.

The East West Nation Brand Perception Indexes and Reports: Perception Measurement and Nation Branding

Thomas Cromwell

INTRODUCTION

The East West Nation Brand Perception Indexes and Reports were developed as tools to quantify international perceptions of nations. Place branding is the general topic of this Yearbook, but our interest has been focused more narrowly on countries and the roles they play in the global community of nations. However, it should be pointed out that, in the realm of perceptions, what applies to a country is in many ways likely also to apply to a city, a region or other places that can be viewed through the lens of branding.

The East West Nation Brand Perception Indexes rank 200 nations (that is, the 192 member states of the United Nations, as well as eight major territories, such as Hong Kong) in quarterly and annual listings based on scores they achieve derived from the tone of news coverage received in a given period. (The indexes can be found at www.EastWestComs.com.) Coverage of these nations is analyzed in several dozen major international publications by algorithms that assess tone in text through the grammatical association of words and phrases with proper nouns. For most countries, there is considerable fluctuation in scores from quarter to quarter, and national events, and reporting on those events, can be correlated with scores, enabling countries to get a good sense of what in their news is driving perceptions up, and what down.

East West Communications' perception reports go considerably further in looking at mentions of a country in hundreds of publications, and comparing variations in perceptions between, say, the media in Europe and that in America, as well as comparisons with perceptions of other places of interest. The reports

identify which words improve perceptions, and which are damaging, enabling countries to design messaging that builds on their strengths and addresses their weaknesses. The reports also can identify the relative impact, positive or negative, of sectors on the overall perception of a country.

To develop its perception indexes and reports, East West Communications teamed up with Perception Metrics, a division of Social Science Automation, an Ohio-based company that has developed advanced text analysis tools. Thus when I speak of ‘the company’ in this chapter, I am referring loosely to experts at both Perception Metrics and East West Communications, who together developed the East West perception measurement products.

I should also point out that, for the present, our perception studies depend exclusively on English-language sources. The text analysis technology used has also been developed for the Russian and Chinese languages, and perhaps in a perfect (but probably overly-complex) world, perceptions of all places could be analyzed in all languages, and conclusions drawn from those results.

WHY PERCEPTION INDEXES AND REPORTS ARE USEFUL

Perception indexes to some extent measure brand value (of nations, in this case) on a comparative scale, but this is not their main function. The East West perception indexes and reports are primarily of value in providing needed information to those responsible for the reputation management of a nation. But then one could well ask if there is much value to being able to assess brand value of nations at all. For example, few would dispute that the USA has enormous brand value in comparison with almost all other countries. People from around the world consume American products and services, culture and entertainment, and there is a constant, unmet demand for emigration to the USA. Yet the country will often rank fairly low in perception rankings. Perhaps at the time of perception measurement a war that Washington is conducting is unpopular both at home and abroad, or just abroad, or the news from America is heavily colored by an economic crisis.

FOR COUNTRIES, QUALITATIVE MEASUREMENTS ARE MOST USEFUL

The desire to assign brand value to countries undoubtedly derives from the practice of assigning such value in the corporate world. There are various ways to assess the brand value of a country, but at best this is a very tentative science. One cannot draw too close a parallel with brand valuations in the

commercial world, where many transactions turn on the assessed value of brands. Products and services succeed (or fail) in marketplaces and the measure of that success or failure can be made, to a large extent, in dollar terms. Thus one often reads that a particular product accounts for a certain percentage of a market with a given dollar value. The value of brands determines the value of the company that owns them.

However, the metrics that are of questionable value in assessing country brand value tend to be quantitative, such as population and geographic size, gross domestic product (GDP), export volumes and values, levels of investment, tourist arrivals and related income. If instead of a country we were speaking of a company, equivalent data might be the number of employees, level of market penetration, turnover, sales, product pricing, share capital, and acceptance by the market.

Since countries are not generally bought and sold, a more useful set of measurements is qualitative, including GDP per capita, standard of living, environmental quality, educational standards, cultural values, ease of doing business, life expectancy, responsible government, political and economic freedoms, among others. For a company, one would describe employee compensation levels, work environment, management style, and market perceptions of the products and/or services the company offers, including a range of emotional associations.

This second, qualitative set of measurements almost certainly has a role to play in shaping perceptions of places (to the extent that places do register in people's perceptions). Modern humans live in an information age that allows them to be very aware of many places around the world to a fairly sophisticated level. Our perceptions of places tend to be a synthesis of accumulated bits and pieces of information about a place, information that might include famous political leaders, well-known media personalities, anecdotal evidence of national traits, tourism destinations, behavior on the world stage, impressions made by citizens of the country who travel abroad, and cultural exports.

Thus the quantitative measurements most useful in determining brand value in the commercial world are, in their correlative application to countries, the least useful in nation brand value assessment. This is important to recognize, since reputation has very little to do with size or global clout, and everything to do with good governance and quality of life delivered.

DIFFERING NEEDS FOR PERCEPTION DATA AND ANALYSIS

The consumers of country information and brand analyses need credible and quantifiable data on which to base decisions. Arguably, external

consumers will be looking for different sets of information than will residents of the country. I would argue that perception analysis can benefit both external and internal consumers of information, albeit for differing purposes.

External Consumers of Perception Information and Analysis

A tourist would not care if a country is the largest exporter of raw materials or has the third-smallest population in the world, but would care about the quality of life, the friendliness of the people, and the availability of services. This information will be identified closely with perceptions of the country.

A business investor might be more concerned with population size and wealth (that is, market size), strategic location, quality of the infrastructure, and business incentives. However, that investor will also want to know about standards of governance, transparency in government, the rule of law, the work ethic of citizens, ethical standards in business, and other factors that make a great difference when doing business and are closely associated with perceptions of the country.

Internal Consumers of Perception Information and Analysis

It is fairly safe to assume that all but a handful of heavily ideological regimes have as their primary objective the improvement of their country's economy and the standard of living of its people. In broad terms, it is also widely accepted that government policy can best contribute to this objective through achieving:

1. International reputation.
2. Foreign investment.
3. Trade, preferably dominated by exports.
4. Tourist traffic.

These are closely tied to perceptions of the country. Think of present-day international pariahs, such as Burma/Myanmar, North Korea, Sudan and Libya. Widely held negative perceptions about these countries greatly limits their international clout, the foreign investment they receive, the exports they are able to sell, and the tourists who want to visit them.

Countries need to manage their reputations and market themselves successfully to the rest of the world. Perception data and analysis should be high on the list of tools to be used for this purpose.

(For the purpose of this discussion, I am assuming that the primary audience for perception data and analysis is internal – countries wanting to improve their reputations.)

International perception measurement and analysis will not discover how a country is doing in expanding its GDP, but it will convey how others view the country and whether the chosen path is improving perceptions or not. Since international perception measurement and analysis of a country are de facto international measurement and analysis of its reputation, and since reputation is critical to economic and political/diplomatic success, undoubtedly such measurement and analysis is useful in providing information needed to address reputation deficiencies.

MEASURING AND ANALYZING PERCEPTIONS OF COUNTRIES

Most of the work in this field has traditionally been done through surveys. The obvious problem here is the sheer size of the market to be surveyed. This glaring weakness can be mitigated to some extent through a ‘natural selection’ process, whereby only those who are particularly familiar with a country (or place) would be of use as survey subjects. Thus people who have visited its tourist sites frequently, or invested in its economy, or dealt with its government, or all of the above and more, might be expected to have useful things to say about a country. Given this, how do you then locate these people?

Someone being surveyed will probably want to make relevant comments in response to questions, and this *reactive* input can contribute to a picture of a country shaped by ‘people in the know’. However, wider perceptions of a country are formed, not in response to questionnaires, but rather to flows of information that plant impressions in the minds of people over time. These perceptions are generated *proactively* by journalists and other purveyors of information covering news from a place that typically is printed, broadcast and/or put online to reach a sizeable audience. The extent to which this information reaches a given population is related to a range of factors, including the currency and relevance of the information, the educational levels of the population, and the proximity, affinity, historical associations and consequentiality to the audience of a nation being examined. The biases of reporters inevitably play a part in the tone of what they report, affecting perceptions and other, often quite subtle, influences (think of Hollywood’s impact on the reputation of America) that can color the perception of information.

THE MASS MEDIA AMPLIFY PERCEPTIONS

Most of the information we get about places, and the images produced in our minds by that information, comes to us through one form of mass media or another. Personal, first-hand experience can be important too, but only for the small percentage of any population that has spent time in the place in question. This is why East West determined that analysis of perceptions of place brands could best be done through the analysis of media coverage of those places. In many respects, the mass media serve as ‘perception magnifiers’ in so far as, typically, many people will read or see a report by a journalist, and in this way his views of a place are communicated to many others, thus magnifying their impact.

Clearly, most international news coverage tends to be driven by major events, and often ‘bad’ news prevails (disasters, accidents, crises, wars, terror attacks), but ‘good’ news about the world will eventually also be reported. In international coverage there is also an inevitable bias toward coverage of major nations. Put simply, they account for more in the world system and usually generate more news of all types. To some extent, East West has been able to counter this by limiting the impact of the volume of mentions in the calculation of scores that determine rank in our indexes.

By and large, it is possible to obtain digital versions of news coverage from almost all media channels, though a few allow access only to paid subscribers. Even broadcasters often reproduce their stories in written form and post them on their websites. Typically, East West uses 60 to 70 major international sources to compile the indexes, with the assumption that most of the significant stories worldwide will find their way, sooner or later, into some of these media. At the same time, the company recognizes that it is important to discount sources that may have a lot of coverage of one or two places, but the coverage is unreliable. Thus one would find a great deal of news about Belarus in the ‘*Belarus Bugle*’, but that reporting is likely to be highly unreliable because of the dictatorial nature of the government. Likewise, the ‘*Pyongyang Paper*’ would have numerous news items praising the country’s ‘Dear Leader’; but did he really score eight holes-in-one the very first time he played golf?

SOME INTERESTING RESULTS

East West has been producing perception indexes and related perception reports since the second quarter of 2008. There are some interesting observations that can be made based on the results so far. Note that countries are ranked on a global basis, but also as regional groupings. Rankings are by

score and volume of mentions. Alphabetical listings enable oscillations in the rankings to be tracked easily for each of the countries.

Singapore Rules Supreme

For every quarter since the indexes were launched in 2008, Singapore has ranked top among the 200 countries and major territories measured. Why is this? From my personal knowledge of Singapore and the government bodies there responsible for its reputation, it is the country that has invested the most in managing its brand. Singapore invests in studying its position in the world, and how it is viewed by others. This is done primarily through its Ministry of Information, Communication and the Arts. The relatively small size of the country (essentially a city-state), the continuity and consistency of leadership, and the sheer strength of government (largely, it should be said, through the people buying into sound policies) contribute to a national-level consciousness of, and commitment to, the importance of reputation building. The government is keenly aware of perceived rivals, such as Hong Kong, Dubai and Mumbai, and plans development strategies to position Singapore successfully against them. A measure of Singapore's success is the fact that countries around the world seek to emulate it. In the past, countries wanted to be 'the Switzerland of the Middle East' (Lebanon) or of Africa (Djibouti – yes, really). Now, one more often hears of countries wanting to be 'the Singapore' of their part of the world.

Regional Rankings can Cheer You On

While Singapore was topping the global rankings, Kazakhstan has consistently topped the annual rankings for Central Asia and the Commonwealth of Independent States(CIS). This is a remarkable accomplishment for a country that 'came from nowhere' when in 1991 it emerged from decades as a Soviet republic that few in the world knew anything about. What is more, many around the world have only heard the name 'Kazakhstan' as it is used derisively in the film *Borat*, which pictures Kazakhstan as a backward nation of primitives.

Kazakhstan is a vast nation (the ninth largest in the world, by size), but with a relatively small population of 15.3 million. As with Singapore, its leadership has enjoyed continuity and consistency, pushing for steady economic development over a couple of decades of independence. Most other countries in the region have experienced periods of moderate or severe instability (think of Armenia, Georgia, Kyrgyzstan, Russia or Ukraine, for example), or have governments that are widely viewed as being corrupt and/or dictatorial (Azerbaijan, Belarus, Uzbekistan, Turkmenistan, for

example). Ironically, then, *Borat* was based on the wrong country in that part of the world.

For Kazakhstan, its success on a regional level is encouragement to believe that its policies have worked well to push it to the front of the pack. At the same time, though, its 28th ranking in the world in 2009 demonstrates that it still has a long way to go to compete with countries such as Singapore.

BAD NEWS CAN HAVE A BIG IMPACT

There are many examples of this in the East West indexes, but I will simply point to a couple that I find interesting.

Austria

In late April 2008, Austria was rocked by the Josef Frizl incest scandal, in which Frizl was found to have imprisoned his own daughter in his basement and fathered seven children with her. (For an overview of what happened and the widespread concern and analysis it engendered, see an article by Keb Bobu at: <http://www.thecuttingedgenews.com/index.php?article=482>.) It is not my purpose here to add to the writings about this case, except to note the impact it had on the perception rankings of Austria. Away from scandals, Austria typically ranks in the teens and twenties (out of 200). It is one of the most beautiful countries in the world, both in terms of its natural assets and its rich culture. It has a modern economy and an elevated quality of life. Yet so severe was the negative coverage of the Frizl scandal, especially as it came on the heels of two other widely publicized cases of incest, that Austria's rank dropped to 146/200 for the second quarter of 2008. It recovered to 26/200 for the third and fourth quarters, but Austria has been hit like this both before and since. There have been neo-Nazi and banking scandals in addition to the domestic abuse outrage. Each has taken its toll on perceptions of Austria. Few countries are immune from scandals, but why does it appear that Austria gets hit so hard by them? It might be because, apart from such negative reporting with large-scale global coverage, not much other news comes out of Austria. This is something the Austrian government might want to examine: what steps can it take in terms of policy-making and communications to build greater positive national brand consistency.

China

After its winning bid to host the 2008 Olympic Games in Beijing, China embarked on a massive program of investment in infrastructure to prepare

the capital city. Stories about these efforts were disseminated around the world, albeit balanced against articles on the trenchant pollution in Beijing, the heavy-handed tactics used by the Chinese authorities to get things done, and other issues. Despite the huge build-up to the Olympics, however, China's rankings plunged in the spring of 2008. There were two main drivers of the bad news: a huge earthquake in Szechuan, and worldwide protests against China's occupation of Tibet that disrupted the passage of the Olympic flame as it moved slowly from country to country on its way to Beijing. For the second quarter of 2008, China ranked 138/200. However, once the Games started, in August that year, and all eyes followed the athletes, good news overwhelmed coverage of China's negatives, and by the third quarter China's ranking had risen to 7/200. Nevertheless, given the nature of its government and policies, all the global sports events in the world would not be able to insulate the country as a whole from the negatives associated with the regime. By the third quarter of 2009, China's score was at 172/200, and in the first quarter of 2010 it was 139/200.

METHODOLOGY MEDITATIONS

Weaknesses in East West Communications' perception measurement methodology are related to the limited sources used: several dozen international English-media in a universe of tens of thousands in most of the world's languages. To counter this weakness, researchers have to use sources that are as representative as possible. There is a human element necessarily inserted here: which sources, as a group, are the most representative? Any list is bound to be subjective.

However, in comparison to the other methods being used (as in the Anholt-GfK Roper and FutureBrand rankings), the East West Nation Brand Perception indexes and reports draw on a much larger audience. Furthermore, the views reflected in the media coverage of a nation are in the public domain, and both reflect and shape public opinion. Experts on a place will naturally have far more information about it than the general public have, such that surveying their views will tend to confirm trends in the opinions of specialists. But their views, however distilled, do not represent a broad reflection of reputation.

The other potential weakness of East West's methodology is the accuracy of the algorithm used to assess tone in written text. To address this, the results produced by computers collecting and analyzing large amounts of data are compared with tests done to check the computers' accuracy. Through this process the East West algorithm has been adjusted to produce very accurate results.

CONCLUSIONS

Perception data and analyses are useful tools primarily for internal audiences; that is, the decision-makers who have a say in shaping the reputations of their countries. For the rest of the world, the data can be interesting, but it is only useful to a limited degree. For a country's decision-makers, however, knowing the issues and sectors that are driving perceptions, including the specific causes, provides the basis for designing policies and messaging that build on the country's brand strengths and address its weaknesses.

Perception indexes and reports can contribute to the assessment of a country's brand value, at least on a comparative scale, but their real value is seen in uses related to nation positioning, branding and communications in general.

The Global Peace Index

Camilla Schippa

The Global Peace Index (GPI) represents a ground-breaking milestone in the study of peace. It is the first Index ever to rank the nations of the world by their peacefulness and to identify potential drivers of peace.

The GPI ranks 149 nations according to their ‘absence of violence’. The Index is composed of qualitative and quantitative indicators from highly respected sources, which combine factors internal to a country and external to it. It developed and compiled by the Institute for Economics and Peace, a global think-tank dedicated to the research and education regarding the relationship between economic development, business and peace. An international team of peace and statistics experts oversee the development of the Index, with data collated and calculated by the Economist Intelligence Unit (EIU).

The Index is composed of 23 indicators, ranging from a nation’s level of violent crime and its military expenditure, to its relations with neighbouring countries and level of respect for human rights. It has been tested against a range of potential ‘drivers’ or determinants of peace – including levels of democracy, transparency and education. The team has used the latest available figures from a wide range of sources, including the International Institute of Strategic Studies, the World Bank, the Stockholm International Peace Research Institute, various UN entities and peace institutes, and the EIU.

The GPI affords policy-makers important insights into what specific areas should be the focus for possible conversion into building place brand assets, which in turn would result in reputation gain. Analysis of the GPI against results of global public opinion polls has found that peacefulness is a very important part of the underlying concept that people around the world employ when they say that a country is having a positive or negative influence in the world.

WHY MEASURE PEACE?

The major challenges facing humanity at the start of the twenty-first century are global – climate change, lack of fresh water, ever-decreasing biodiversity and overpopulation. These challenges are now well documented and supported by thousands of scientists, academics and leading think tanks. It is impossible to accurately portray the devastating effects these problems will have on all nations, unless unified global action is taken.

Global challenges call for global solutions and these solutions will require cooperation on a global scale unparalleled in human history. Peace is the essential prerequisite, because without peace humanity will be unable to achieve the levels of cooperation, inclusiveness and social equity necessary to solve these problems, let alone empower the international institutions needed to regulate the challenges. The Global Peace Index is intended to contribute significantly to the public debate on peace. Its ambition is to go beyond a crude measure of wars, and explore systematically the texture of peace. The hope is that such a quantitative measure of peacefulness, comparable over time, will allow for a greater understanding of the mechanisms that nurture and sustain peace. This in turn will provide a new platform for further study and discussion, intended to inspire and influence world leaders and governments to further action.

The notion of peace and its value is poorly understood. There are competing definitions of peace, and most research into peace is, in fact, the study of violent conflict. It is not a subject of study that is considered essential in economics, history, literature, political sciences or international relations.

The difficulties of defining peace may explain why there have been so few attempts at measuring it. But unless it is measured, peace cannot be fully understood. Furthermore, without measurements, it is impossible to determine whether specific actions are helping or hindering the achievement of peace.

THE METHODOLOGY OF THE GLOBAL PEACE INDEX

To enable it to measure peace, the IEP has defined it as ‘the absence of violence’, as research has found that most people understand this to be an indicator of peace. This definition also allows for the measuring of peacefulness within, as well as between, nations. Using this definition, the IEP ranks independent countries using metrics that combine both internal and external factors.

The indicators that form the index were selected by an international panel of experts comprising academics, business people, philanthropists and members of peace institutions. As with all composite indexes of this

type, there are issues of bias and arbitrariness in the factors that are chosen to assess peace and, just as seriously, in assigning weights to the different indicators (measured on a comparable and meaningful scale) to produce a single synthetic measure. In order to minimize these dangers, the choices of indicators and the weights assigned to them were agreed following close and extensive consultation with the expert panel.

Twenty-three indicators of the existence or absence of peace were chosen by the panel of independent experts as being the best available datasets reflecting the incidence or absence of peace, and contain both quantitative data and qualitative scores from a range of trusted sources. These indicators are divided into three key thematic categories: measures of ongoing domestic and international conflict; measures of societal safety and security; and measures of militarization.

Measures of Ongoing Domestic and International Conflict

The Global Peace Index is intended as a review of the state of peace in nations over the previous calendar year, although several indicators are based on data covering the previous two years (2008–9 in the case of the 2010 GPI). The advisory panel decided against including data reflecting a country's longer-term historical experience of domestic and international conflict, on the grounds that the GPI uses authoritative statistics on ongoing civil and transnational wars collated by the Uppsala Conflict Data Program and the International Peace Research Institute, Oslo. These, combined with two indicators scored by the EIU's analysts, comprise five of the 23 indicators:

- Number of external and internal conflicts: 2003–8.
- Estimated number of deaths from organized conflict (external).
- Number of deaths from organized conflict (internal).
- Level of organized conflict (internal).
- Relations with neighboring countries.

Measures of Societal Safety and Security

Ten of the indicators assess the levels of safety and security in a society (country), ranging from the perception of criminality in society, to the level of respect for human rights and the rate of homicides and violent crimes. Crime data are from the UN Office of Drugs and Crime. The difficulties

of comparing international crime statistics are well known. Five of these indicators have been scored by the EIU's team of country analysts:

- Perceptions of criminality in society.
- Number of refugees and displaced people as a percentage of the population.
- Political instability.
- Level of respect for human rights (Political Terror Scale).
- Potential for terrorist acts.
- Number of homicides per 100,000 people.
- Level of violent crime.
- Likelihood of violent demonstrations.
- Number of jailed population per 100,000 people.
- Number of internal security officers and police per 100,000 people.

Measures of Militarization

Eight of the indicators are related to a country's military build-up – reflecting the assertion that the level of militarization and access to weapons is directly linked to how much at peace a country feels internationally. Comparable data are readily available from sources such as the International Institute of Strategic Studies (IISS):

- Military expenditure as a percentage of GDP.
- Number of armed services personnel per 100,000 people.
- Volume of transfers (imports) of major conventional weapons per 100,000 people.
- Volume of transfers (exports) of major conventional weapons per 100,000 people.
- Budget support for UN peacekeeping missions: percentage of outstanding payments versus annual assessment to the budget of the current peacekeeping missions.
- Aggregate number of heavy weapons per 100,000 people.
- Ease of access to small arms and light weapons.
- Military capability/sophistication.

All scores for each indicator are ‘banded’ on a scale of 1–5. Qualitative indicators in the index have been scored by the EIU’s extensive team of country analysts, and gaps in the quantitative data have been filled by estimates by the same team. Indicators consisting of quantitative data such as military expenditure or jailed population have been measured on the basis of the distribution of values across all countries between the maximum and minimum values.

TABLE 10.1 Weightings based on the relative importance of each of the indicators

Indicator	Weight (1–5)
Internal peace	60%
External peace	40%
Perceptions of criminality in society	4
Number of internal security officers and police per 100,000 people	3
Number of homicides per 100,000 people	4
Number of jailed population per 100,000 people	3
Ease of access to weapons of minor destruction	3
Level of organized conflict (internal)	5
Likelihood of violent demonstrations	3
Level of violent crime	4
Political instability	4
Level of disrespect for human rights (Political Terror Scale)	4
Volume of transfers of major conventional weapons, as recipient (imports) per 100,000 people	2
Potential for terrorist acts	1
Number of deaths from organized conflict (internal)	5
Military expenditure as a percentage of GDP	2
Number of armed services personnel per 100,000 people	2
Funding for UN peacekeeping missions	2
Aggregate number of heavy weapons per 100,000 people	3
Volume of transfers of major conventional weapons as supplier (exports) per 100,000 people	3
Military capability/sophistication	2
Number of displaced people as a percentage of the population	4
Relations with neighboring countries	5
Number of external and internal conflicts fought: 2003–8	5
Estimated number of deaths from organized conflict (external)	5

Sources: IEP and EIU.

The panel of international experts apportioned weightings based on the relative importance of each of the indicators on a scale of 1–5. These are shown in Table 10.1. Two sub-component weighted indices were then calculated from the GPI group of indicators: (i) a measure of how much at peace a country is internally; and (ii) a measure of how much at peace it is externally (its state of peace beyond its borders). The overall composite score and index was then formulated by applying a weight of 60 percent to the measure of internal peace and 40 percent for external peace. The heavier weight applied to internal peace was agreed within the expert panel following robust debate. The decision was based on the innovative notion that a greater level of internal peace is likely to lead to, or at least to correlate with, lower external conflict.

The Global Peace Index (see Figure 10.1) has generated unparalleled worldwide attention to the issue of peace and has been received very favorably around the world – in political, philanthropic, non-governmental and scholarly circles. It has generated thousands of articles in the worldwide media and received prominent coverage on television networks including CNN, BBC World, MSNBC TV and CNBC.

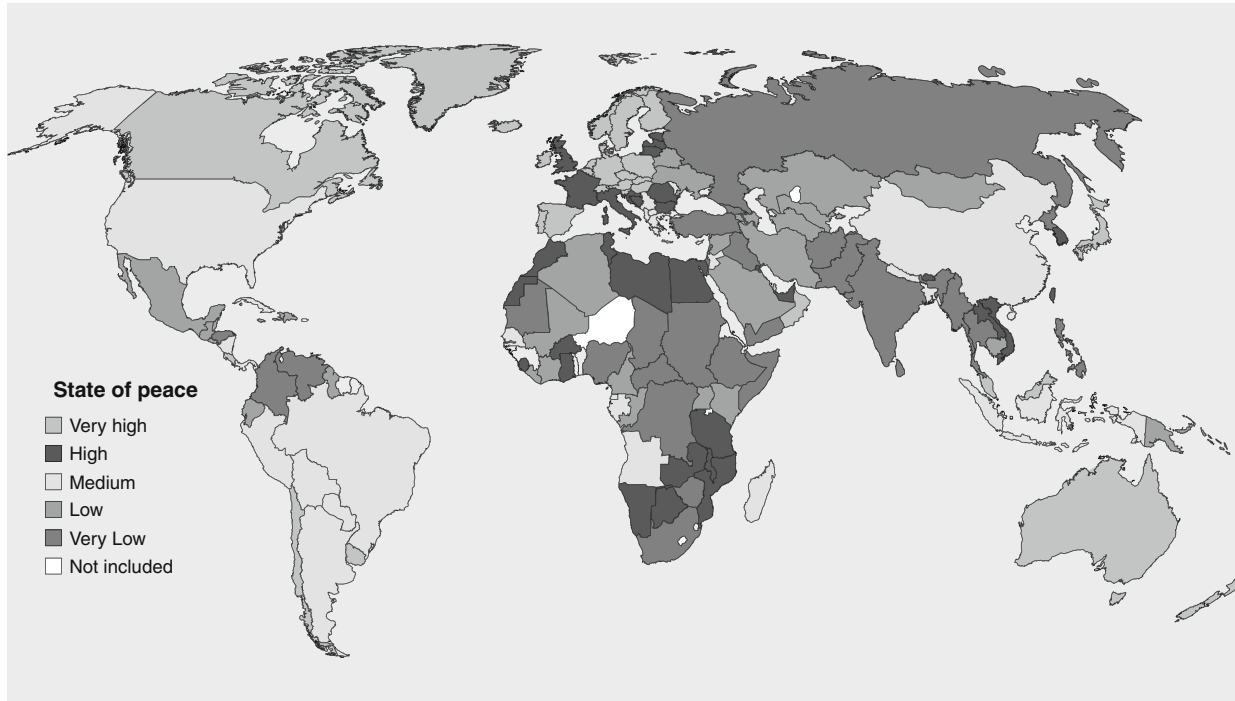
The GPI's principal aim is to investigate positive peace. It does this by identifying correlations with other indexes and databases, and investigating the relative importance of a range of potential determinants or 'drivers' that may influence the creation and nurturing of peaceful societies, both internally and externally. It can be used as a foundation on which to establish a measure of the incidence of peace. However, it cannot on its own explain why the absence of violence occurs, and whether groups of countries exhibit similar deficiencies that result in an absence of peace.

In addition to the 23 indicators, the GPI has identified a large number of secondary indicators that measure government competence and efficacy; strength of institutions; the political process; international openness; demographics; regional integration; religion and culture; education; and material well-being. This list of potential drivers of peace is by no means exhaustive: it is limited to indicators for which data is both available from credible sources for all 149 countries, and comparable and consistent in its measurement. Correlating these data sets against the GPI has enabled a fact-based understanding of the structures and attitudes that sustain peace.

WHAT CREATES PEACE: STRUCTURES AND ATTITUDES

Peace lies at the heart of managing humanity's many and varied challenges, but it does not exist on its own. In many ways it is a proxy for many other things that create the optimum environment for humanity to flourish. These can be defined as the structures that create peace, and the social attitudes that support it.

FIGURE 10.1 | The Global Peace Index: levels of peace across the world, 2010



Source: Economist Intelligence Unit.

Based on the research that has been conducted in recent years by the Institute for Economics and Peace using GPI data, peaceful societies can be characterized as having a set of common structures and social attributes that can be identified through statistical analysis. When peace is viewed as consisting of these characteristics or attributes, then the word ‘Peace’ can be seen as a proxy for describing an inter-related set of structures.

These structures and attitudes are:

- *Well-functioning government* – strong relationships across a number of governance indicators show that well-functioning governments need to have many aspects working correctly if they wish to help create peace.
- *Sound business environment* – business competitiveness and economic freedom are both associated with the most peaceful countries, as is the presence of regulatory systems that are conducive to business operation.
- *Equitable sharing of resources* – low infant mortality and high life expectancy are characteristics shared by peaceful countries, while the Gini coefficient is moderately correlated with the GPI’s internal peace measure.
- *Acceptance of the rights of others* – a commitment to human rights is a key characteristic of peaceful countries, a claim supported by very strong correlations with three indices measuring human rights. Also important are societal attitudes toward foreigners.
- *Good relations with neighboring states* – countries with positive external relations are more peaceful and tend also to be more politically stable, have well-functioning governments, be regionally integrated and have low levels of organized internal conflict.
- *Free flow of information* – peaceful countries tend to disseminate information in a way that enables access, and leads to better decisions and rational responses in times of crisis.
- *High participation in education* – higher mean years of total schooling are closely related with the most peaceful countries.
- *Low levels of corruption* – strong correlations with corruption-related indices suggest that the most peaceful countries are also often the least corrupt.

These qualities act as a *facilitator*, making it easier for people to produce, businesses to sell, entrepreneurs and scientists to innovate, and governments

to regulate. A focus on these structures is essential in order to increase the peacefulness of a country and in turn, its international place branding/reputation.

The work the IEP carried out in collaboration with the Program on International Policy Attitudes (PIPA) at the University of Maryland, USA, to gather multinational attitude research and correlate it with the Global Peace Index has in fact demonstrated that the more peaceful a country, the more positively that country is perceived by the citizens of other nations.

For several years, the BBC World Service has polled 20 or more nations about which countries are perceived to have a 'mainly positive influence' or a 'mainly negative influence' in the world. The world public assesses other nations such as France, the UK, Japan, the USA, Russia, China, Iran and Israel in terms of their positive or negative influence in the world. These annual global evaluations produce considerable discussion among the policy community. Correlation between the BBC poll and the Global Peace Index was found to be very strong, at $r = 0.88$.

THE ECONOMIC VALUE OF PEACE

The GPI and its underlying data are also instrumental in allowing a better understanding of the economic value of peace. The research found that peace does in fact have a monetary value independent of the human values with which it is associated. It can be expressed in terms of the additional value to global GDP that would ensue from creating a peaceful world.

In 2009, the Economists for Peace and Security (Brauer and Tepper Marlin 2009) used GPI data to calculate the monetary impact of violence on the world economy. The analysis concluded that a total cessation of violence would generate a 'peace dividend' equivalent to approximately 13.1 percent of the 2007 gross world product. This was divided into two categories labeled Dynamic Peace and Static Peace. Dynamic Peace referred to the total additional economic output likely to occur as a result of the liberation of human, social and physical capital, which was suppressed by violence and was calculated at 8.7 per cent of global GDP in 2007, or US\$4.8 trillion. Static Peace captured the economic activity that would be transferred from violence-related industries to peace-related ones, that is, expenditure on prison guards could be transferred to spending on more teachers because of the need to imprison fewer people. This was calculated at 4.4 per cent of global GDP, or US\$2.4 trillion. When combined, the Static and Dynamic Peace dividends comprise a total peace dividend of 13.1 percent or US\$7.2 trillion.

The Institute for Economics and Peace commissioned an extension of this analysis for 2010 to identify trends in the peace dividend over time and to estimate the impact by industry sector for each of the countries included in the GPI. This additional analysis was carried out in collaboration with Dr Jurgen Brauer,¹ Professor of Economics at Augusta State University, Georgia, USA.

Before presenting the outcomes of the research, some simple observations based on the literature are worth considering:

- The figures used are conservative; estimates could place the peace dividend significantly higher.
- Additional world GDP growth in any one year could be doubled, at the minimum, if there were to be a cessation of global violence.²
- The global financial crisis saw the global economies contract by 0.6 percent in 2008/9. An economic downturn occurs about once in every 10 years; however, world economic growth could have been some 8.5 percent higher if the world had been peaceful.
- Studies of violence in Latin-American countries show that GDP growth lost through violence is not recoverable; that is, there is a compounding effect on the gap between the actual and the potential economy which increases with decreasing peacefulness, but when peace is restored the lost growth is not regained.
- Countries with high per capita income, large GDPs and lower levels of peacefulness have the largest possible gains in absolute terms. This is highly relevant for multinational corporations, who have an interest in tapping into the peace dividend.

THE OVERALL COST OF VIOLENCE TO THE WORLD ECONOMY

The total economic impact from a cessation of violence would have been US\$28 trillion for the four years 2006–9), or US\$7.4 trillion (12.9 percent of gross world product) in the year 2009 alone. This amount comprises the new economic activity that would have been generated in a time of peace (dynamic dividend), as well as the economic activity that would have shifted from violence-related activities to peace-related activities (static dividend) (see Table 10.2).

One way to appreciate these numbers is by noting that the Dynamic Peace dividend is higher than the annual growth in total world economic output. Another way is to note that the world economic and financial crisis

**TABLE 10.2 Dynamic, static and total peace dividend,
2006–9 (in US\$ billions)**

Year	Actual GDP	Dynamic dividend	Static dividend	Total dividend
2006	48,802	4,026	2,147	6,173
2007	54,975	4,435	2,418	6,854
2008	60,755	5,112	2,673	7,785
2009	57,522	4,889	2,531	7,420
Total	222,054	18,460	9,770	28,232

Sources: IEP and EIU.

of 2008/9 reduced gross world product by little more than 1 percent. In contrast, the calculations of gross world product generated by peace suggest that violence has had a much higher impact on overall economic performance. The decline in per capita world economic output occurs on the order of once every ten years, while the suppression of output caused by violence is ongoing; in other words, an annual affair.

This analysis seems to indicate that if policy-makers had in the past spent as much time focusing on reductions in violence as they have on the global financial crisis, the economic payoff could have been huge. In addition, if we look at the mayhem caused by the global financial crisis, then improved peacefulness could easily have the opposite effect, with substantial gains in profits, cooperation and well-being. Additional economic wealth creates opportunities to fund activities that may be difficult or unattainable in its absence. This is specifically relevant to many of the major challenges facing humanity today.

While it is hard to imagine a world totally at peace, one in which there is no violence, it is possible to imagine that a 25 percent increase in peacefulness is within humanity's grasp. If an improvement of 25 percent in global peacefulness could have been achieved during the period 2007–11, would have triggered an annual US\$1.75 trillion in additional economic activity.

It is evident that only a partial reduction in violence would therefore yield a substantial increase in global GDP, releasing enough wealth to address many of the major challenges facing the world today. These funds could be used to finance a myriad of essential activities such as infrastructure investments, better social policies, renewable energy, debt repayment, enhanced global food security or better water usage. As an example, the US\$1.75 trillion would be more than sufficient to pay off Greece's debt, fund the achievement of the Millennium Development Goals (MDGs) and meet the EU's 20-20-20 climate and energy targets.

CUMULATIVE EFFECTS

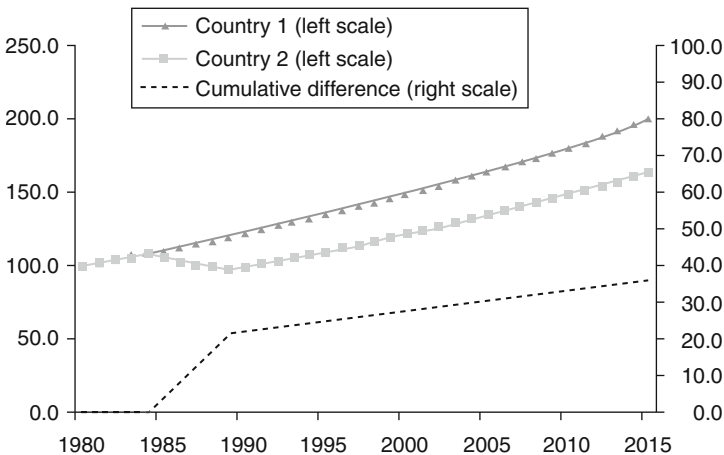
Measuring the cumulative effects of peace on total economic output can highlight the development gap caused by violence. For the four years for which the calculations for the Dynamic Peace dividend have been calculated (2006–9), the cumulative value of forgone output has reached US\$18.4 trillion, equivalent to adding the combined economies of Russia, Brazil, India and Indonesia³ to the current world output.

The hypothetical example given in Figure 10.2 shows how the GDP differential between a peaceful and non-peaceful country will increase for ever, even for a relatively minor war of short duration.

The chart represents two countries, each with five years of equal GDP growth (2 percent per person per year). In 1985, Country 2 experienced violence such that growth fell by 2 percent per year. Over the span of 35 years depicted in the chart, Country 1's GDP per person doubled, from 100 to 200. In contrast, Country 2 lagged behind by nearly 40 points. The divergent paths of GDP are clear enough during the time of violence, but because Country 2's base had been lowered during its war years, the GDP differential between the two countries remains.

It can be shown that the gap between the lines representing the two countries amounts, by 2015, to the equivalent of eight years of lost economic output. For Country 2 to catch up with Country 1 by the year 2015, Country 2's post-violence growth rate would have to equal 2.8 percent more per year – that is,

FIGURE 10.2 Cumulative peace dividend



Sources: IEP and EIU.

40 percent faster than Country 1 – a very difficult goal to achieve. Even then, the cumulative gap would have amounted to four times Country 2’s initial GDP of 100, or the equivalent of four years of output loss.

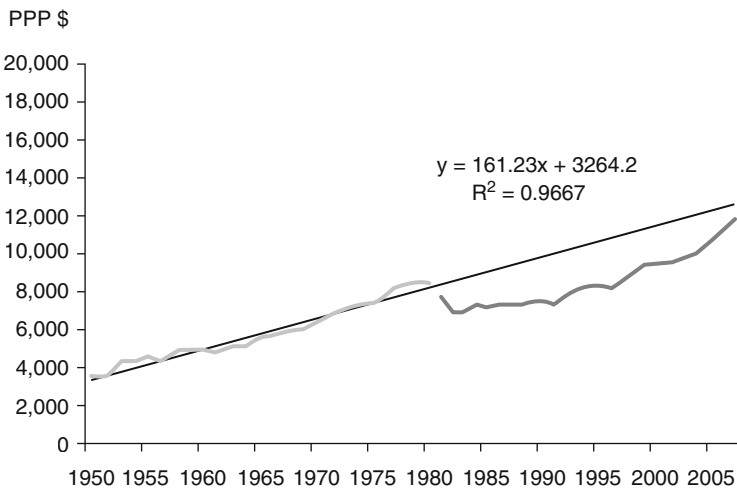
Instead of speaking of Countries 1 and 2, consider the example of Costa Rica shown in Figure 10.3. While that country did not suffer from war or civil war, its neighbors did – they fought a decade-long war in the 1980s. The spillover effects affected Costa Rica badly, through the disruption of trade and tourism. By 2007 the country still had not recovered from the cost its neighbors had imposed, shown clearly by the curve in the chart after 1980.

Costa Rica fared well compared to its neighbor, Nicaragua, which did experience a war and has clearly paid a more severe price in terms of lost GDP output (see Figure 10.4). In this chart, the GDP⁴ (the line beginning just before 1980) does not even begin to trend upward, nor converge with the trend line based on the pre-conflict GDP growth average.

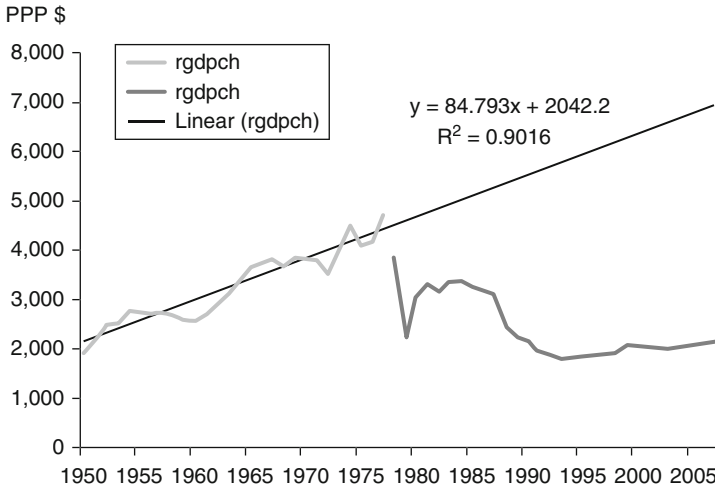
SECTORAL ANALYSIS

The research can also move deeper, into analyzing what the dividend would be to various economic sectors from eliminating violence. The value of the peace dividend will vary from country to country depending on the size of each of these sectors. For example, India’s economy is highly dependent on

FIGURE 10.3 Real GDP per capita, Costa Rica, 1950–2007



Source: Computed from Penn World Table v6.3.

FIGURE 10.4 Real GDP per capita, Nicaragua, 1950–2007

Source: Computed from Penn World Table v6.3.

agriculture, which in 2008 comprised 19 percent of the economy. Therefore the peace dividend would amount to US\$31 billion for the agriculture sector, while the wholesale/retail sector's peace dividend would amount to US\$26 billion. This compares with the USA, where the agriculture sector accounts for 1.1 percent of the economy and the wholesale/retail sector accounts for 15.2 percent. The peace dividend for these sectors would be calculated at US\$13.1 billion and US\$185.01 billion, respectively.

Globally, it was found that two sectors in particular stand to benefit significantly from a decrease in violence. These are the global manufacturing sector, which in 2008 could have gained up to US\$906 billion (17.7 percent of the Dynamic Peace dividend), and the global wholesale, retail trade, restaurants and hotels sector, which could gain up to US\$742 billion (14.5 percent of the Dynamic Peace dividend).

Table 10.3 summarizes estimates of the size of the peace dividend for each sector, in billions of US dollars. There has been no attempt to estimate the Static Peace dividend for industry sectors, as it is difficult to separate what proportions of an industry sector are spent on violent and non-violent activities. An example would be of a construction company: it could build either a jail or a power plant. This level of detail is not contained in national accounts; however, it would be safe to assume that the power plant would yield higher productivity than the jail. A shifting of economic activity that has been sunk into violence or protection against

TABLE 10.3 Sectoral allocation of the global Dynamic Peace dividend, 2006–8 (unweighted; in US\$ billions)

Sector*	2008	%	2007	%	2006	%
Agriculture, hunting, forestry, fishing	277.49	5.4	232.06	5.2	201.72	5.0
Utilities and mining	403.45	7.9	334.93	7.6	307.43	7.6
Manufacturing	905.97	17.7	777.84	17.5	703.80	17.5
Construction	291.41	5.7	250.76	5.7	226.52	5.6
Wholesale, retail trade, restaurants and hotels	742.44	14.5	645.55	14.6	590.30	14.7
Transport, storage and communication	368.75	7.2	319.91	7.2	288.73	7.2
Other activities	2,122.72	41.5	1,873.56	42.2	1,708.57	42.4
Total	5,112.23	100.0	4,434.61	100.0	4,027.06	100.0

*Sectors are based on international standard industrial classifications.

Sources: IEP and EIU.

violence could be diverted to other activities that create future capacity or fund immediate needs.

The research carried out by the IEP based on four years' GPI data provides a quantifiable demonstration that improving peace can transform the global economy and release the wealth needed to tackle debt, fund economic expansion and create a more sustainable environment.

Gross world product in 2009 reached just over US\$57 trillion. On the baseline scenario, had the world been at peace, world economic output might have reached US\$62.4 trillion, an increase of 8.5 percent, and greatly exceeding the output losses caused by the economic crisis of 2008/9 of about -0.6 percent. A reduction in levels of violence of just 15 percent would in fact equal the output loss caused by the world economic crisis of 2008/9.

For the four years during which the calculations have been carried out, the cumulative value of forgone output has reached US\$18.5 trillion. If the Static Peace dividend is added, then the total economic impact of a reduction in violence expands to US\$28.2 trillion. The sums involved are large, and the case for peacemakers is easily made.

CONCLUSION: THE WAY FORWARD?

There are many significant and inter-related challenges facing humanity. These challenges are global in nature. What creates peace also creates the optimum environment to solve these challenges as well as creating the

additional economic wealth to fund the solutions. Therefore peace is a prerequisite for the survival of society as we know it in the twenty-first century.

The Global Peace Index is a useful tool to better understand which aspects of a society need particular attention, and to guide policy in ways that will both secure a more peaceful society and build place brand assets which, in turn, would result in reputation gain.

TABLE 10.4 Results of the 2010 Global Peace Index

Rank	Country	Score	Rank	Country	Score
1	New Zealand	1.188	34	Laos	1.661
2	Iceland	1.212	35	Taiwan	1.664
3	Japan	1.247	36	Bhutan	1.665
4	Austria	1.290	37	Tunisia	1.678
5	Norway	1.322	38	Vietnam	1.691
6	Ireland	1.337	39	Kuwait	1.693
7	Denmark	1.341	40	Italy	1.701
7	Luxembourg	1.341	41	Croatia	1.707
9	Finland	1.352	42	Lithuania	1.713
10	Sweden	1.354	43	South Korea	1.715
11	Slovenia	1.358	44	United Arab Emirates	1.739
12	Czech Republic	1.360	45	Romania	1.749
13	Portugal	1.366	46	Estonia	1.751
14	Canada	1.392	47	Mozambique	1.779
15	Qatar	1.394	48	Ghana	1.781
16	Germany	1.398	49	Egypt	1.784
17	Belgium	1.400	50	Bulgaria	1.785
18	Switzerland	1.424	51	Zambia	1.813
19	Australia	1.467	51	Malawi	1.813
20	Hungary	1.495	53	Sierra Leone	1.818
21	Slovakia	1.536	54	Latvia	1.827
22	Malaysia	1.539	55	Tanzania	1.832
23	Oman	1.561	56	Libya	1.839
24	Uruguay	1.568	57	Burkina Faso	1.852
25	Spain	1.588	58	Morocco	1.861
26	Costa Rica	1.590	59	Namibia	1.864
27	Netherlands	1.610	60	Bosnia and Herzegovina	1.873
28	Chile	1.616	61	Panama	1.878
29	Poland	1.618	62	Greece	1.887
30	Singapore	1.624	63	Gambia	1.890
31	United Kingdom	1.631	64	Nicaragua	1.924
32	France	1.636	65	Albania	1.925
33	Botswana	1.641	66	Moldova	1.938

(continued)

TABLE 10.4 Continued

Rank	Country	Score	Rank	Country	Score
67	Indonesia	1.946	109	Mali	2.240
68	Equatorial Guinea	1.948	110	Uzbekistan	2.242
68	Jordan	1.948	111	Cambodia	2.252
70	Bahrain	1.956	112	Guatemala	2.258
71	Argentina	1.962	113	Armenia	2.266
72	Cuba	1.964	114	Haiti	2.270
73	Swaziland	1.966	115	Syria	2.274
74	Gabon	1.981	116	Algeria	2.277
75	Rwanda	2.012	117	Turkmenistan	2.295
76	Cyprus	2.013	118	Côte d'Ivoire	2.297
77	Madagascar	2.019	119	Azerbaijan	2.367
77	Paraguay	2.019	120	Kenya	2.369
79	Senegal	2.031	121	South Africa	2.380
80	China	2.034	122	Venezuela	2.387
81	Bolivia	2.037	123	Mauritania	2.389
82	Nepal	2.044	124	Thailand	2.393
83	Brazil	2.048	125	Honduras	2.395
83	Macedonia	2.048	126	Turkey	2.420
85	United States of America	2.056	127	Ethiopia	2.444
86	Angola	2.057	128	India	2.516
87	Bangladesh	2.058	129	Yemen	2.573
88	Montenegro	2.060	130	Philippines	2.574
89	Peru	2.067	131	Burundi	2.577
90	Serbia	2.071	132	Myanmar	2.580
91	Guyana	2.095	133	Sri Lanka	2.621
92	Mongolia	2.101	134	Lebanon	2.639
93	Dominican Republic	2.103	135	Zimbabwe	2.678
94	Trinidad and Tobago	2.107	136	Central African Republic	2.753
95	Kazakhstan	2.113	137	Nigeria	2.756
95	Papua New Guinea	2.113	138	Colombia	2.787
97	Ukraine	2.115	139	North Korea	2.855
98	Jamaica	2.138	140	DRC	2.925
99	Liberia	2.148	141	Chad	2.964
100	Uganda	2.165	142	Georgia	2.970
101	Ecuador	2.185	143	Russia	3.013
102	Congo (Brazzaville)	2.192	144	Israel	3.019
103	El Salvador	2.195	145	Pakistan	3.050
104	Iran	2.202	146	Sudan	3.125
105	Belarus	2.204	147	Afghanistan	3.252
106	Cameroon	2.210	148	Somalia	3.390
107	Mexico	2.216	149	Iraq	3.406
107	Saudi Arabia	2.216			

NOTES

1. Dr Jurgen Brauer is Professor of Economics at the James M. Hull College of Business, Augusta State University, Augusta, GA, USA (www.aug.edu/~sbajmb) and Visiting Professor at Chulalongkorn University, Bangkok, Thailand.
2. In 2007, world economic growth was 5.2 percent, comprised of 2.7 percent for the advanced economies, 2.1 percent for the USA, and 7.9 percent for developing countries (source: IMF, *World Economic Outlook*, October 2009).
3. Russia US\$1.2 trillion, India US\$1.2 trillion, Brazil US\$1.6 trillion, Indonesia US\$540 billion (source: IMF, 2009, op.cit.).
4. Costa Rica and Nicaragua are measured in population, inflation and purchasing power parity adjusted in international dollars.

PART 3

Chapters on Specific Themes

Blessing or Burden: Do Major Sport Events Hosted by Developing Countries Have an Impact on Reputation? A Case Study of the 2010 FIFA World Cup™ in South Africa

Wadim Schreiner & Frank M. Go

INTRODUCTION

In May 2004, the announcement that South Africa had been selected as the host country for the 2010 FIFA World Cup™, the first on African soil, elicited exhilaration, yet at the same time trepidation, both locally and internationally. Government and business wondered whether the country had sufficient character to host such an esteemed mega-event. Granted, South Africa had hosted both the Rugby World Cup (1995) and Cricket World Cup (2003) successfully, but, the FIFA World Cup™ was clearly a different ‘ball-game’, perhaps one only matched in magnitude and importance by the Olympic Games.

As the six-year countdown to kick off – and simultaneously the world’s most intense focus on South Africa – began, intensive preparation lay ahead. The country needed to ensure that its infrastructure could support the tournament, but in particular it was essential to ensure that the nation would be behind the event. As a result, the South African government focused a massive effort on doing exactly this – certainly no easy task considering the many social challenges facing the country. There was an expectation that the tournament would leave a legacy to buoy future economic expansion,

but also to improve the perception of the country internationally. Did these expectations materialize? This is the central question of this chapter: Did the hosting of the FIFA World Cup™ add to the reputation of South Africa? In answering this, we shall consider both the role of the media in contributing toward the country's reputation, and potential changes in the overall perception of South Africa.

We illustrate that major events do little to improve a country's reputation if there is a limited or non-existent focus on post-event awareness management and reputation management strategies, if South Africa is considered a case in point. While not the main focus, we shall also consider the implications for other countries involved in mega-event preparations. How can these countries maximize the opportunities presented to them through the hosting of these prestigious events? And, in particular, what does this mean for other developing countries hosting the FIFA World Cup™ in the near future?

Methodology

In addressing the questions posed, we shall be looking primarily at traditional media coverage, and thus the differences in media reputation from a pre-, during and – post-World Cup point of view. Through content analysis of 135 examples of media in 45 countries, our research tracks changes in reporting and media attitudes toward South Africa. Findings are compared with observations from other international events such as the 2006 FIFA World Cup™, held in Germany, and the 2008 Olympic Games held in Beijing. The chapter will also draw on a number of surveys conducted post-World Cup, to ascertain whether perception of South Africa among international stakeholders has changed significantly as a result of the tournament.

WHAT ROLE DO THE MEDIA PLAY IN CONTRIBUTING TOWARD THE REPUTATION OF A COUNTRY?

Global Perceptions of South Africa

Among many theories about the effects of mass media on populations that have survived for many decades is the hypothesis that the mass media, simply through paying attention to some news and ignoring the rest, will have an impact on the population. The most widely known model, by McCombs and Shaw, argues that

audiences not only learn about public issues and other matters from the media, they also learn how much importance to attach to an issue or topic from the

emphasis media places upon it. What reaches the public is the result of decisions made by political leaders, reporters and editors. It is this power of the press – the ability to structure the unseen environment of symbols – which has been called the ‘agenda-setting function’. (McCombs and Shaw 1976, p. 18).

Thus the model advocates that matters given the most attention in the media will be perceived as the most important. Cohen (1963, p. 13) stated that ‘the mass media might not have been very successful most of the time in telling people “what to think”, but media are stunningly successful in telling their audience “what to think about”’.

South Africa, like all other African countries, has been at the receiving end of a negative and largely stereotypical perception (Schreiner 2003). Prior to 1994 and the first democratic election, the country faced continuous scrutiny over its apartheid policies, but the election of President Mandela and the formation of the country’s first democratic parliament changed the way that the world viewed the country. Following the election of Thabo Mbeki to the Presidency in 1999, the international media seemed finally to have accepted that the country would not follow other African countries into civil war, and importantly, that it was on its way to establishing itself as an economic power in Africa. Democratic developments were acknowledged and hailed as exemplary in Africa, though it was impossible to overlook the basic challenges being faced following decades of oppression.

It was within this context that many in South Africa saw the awarding of the 2010 FIFA World Cup™ as a way to demonstrate to the world that, indeed, it was perception, rather than reality, which influenced media coverage.

Understanding Media Coverage: Analysis of the 2010 World Cup Coverage in the International Media

And indeed, coverage of the World Cup was exceptionally positive. However, this must be benchmarked against coverage about South Africa that was unrelated to the tournament. This provides further insight into which factors ultimately affect a country’s overall reputation, and so limit bias in data analysis. One of the authors, on behalf of Media Tenor, developed a methodology that converts media coverage into reputational scores based on ‘nation brand pillars’, but applicable for media content analysis rather than survey-based categories. When developing the method, the author considered the few measurable models developed to date. The six-pillared¹ Anholt ANBI (2006) is certainly the best-known of these. However, it draws heavily on economic sources, and is thus not representative of some

pertinent media issues such as crime and violence. Gudjonsson's (2005) much simpler Nation Branding Influencer Map, based on four pillars², was found to be more appropriate as it better reflected the nature of news media. However, through the use of subcategories the developed model ensured that Anholt's criteria were also captured.

The model, using Gudjonsson's pillars, is based on an in-depth analysis of media coverage in 45 countries, spanning more than 181 print and broadcast media reporting on South Africa³ between 1 January and December 2010 (the project is ongoing). Every report with significant relevance to South Africa was selected,⁴ with both the context of the coverage as well as explicit comments made by sources scrutinized on a scale of 1–10 (1 being exceptionally negative and 10 exceptionally positive).

To observe the smaller changes in scores, the 10-point scale was 'stretched' to become a 100-point scale, which would show differences in opinions on a wider scale (54.5 rather than 5.45). The month-by-month analysis is shown in Figure 11.1.

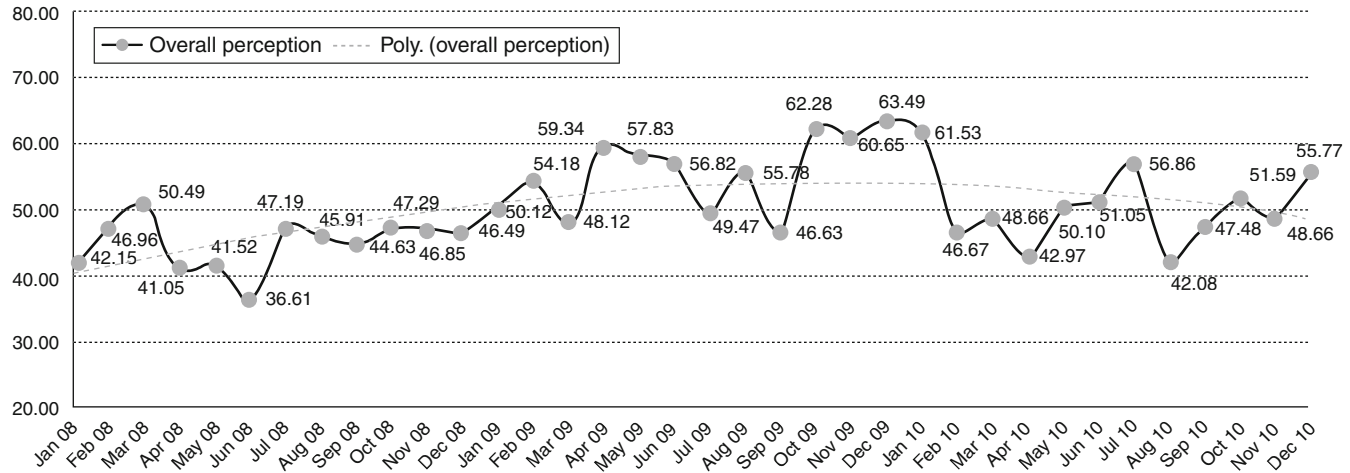
The results affirm a volatile reputation perception for South Africa. Despite coverage volumes increasing up to April 2009, largely on the basis of a change in political leadership, positive gains did not seem to last longer than a few months before negative events (mainly of a social character – for example, Zuma's increasing number of wives and children) brought reputational scores down again. Immediately after the World Cup, which saw an upsurge to a reputational high of 56.65, but public services strikes pulled this score down again. It took a further four months to recover. In terms of awareness, volumes of international coverage, at a high of over 1,800 reports during the World Cup month, returned to approximately 220 for the month of December 2010. As can be seen from Figure 11.2, World Cup and Tourism did raise awareness and to a certain extent overall perception, but this had been limited to actual World Cup (organizing) coverage, and did not affect any of the underlying, mostly social, issues associated with the country. The results show that, no matter how big an event, unless social issues remain critical, all other reputational pillars are not strong enough to have an impact on overall perceptions.

The Event in Context: Media Coverage of the 2006 FIFA World Cup™ in Germany and the 2008 Olympic Games in Beijing

When considering the World cup in context of other mega-events such as the 2006 World Cup in Germany and the 2008 Olympic Games in Beijing, published research findings⁵ indeed indicate that both World Cup tournaments received similar coverage by their respective media (see Figure 11.3), with

FIGURE 11.1 Reputational scores for South Africa selected by the international media

South Africa: Media Reputation Score

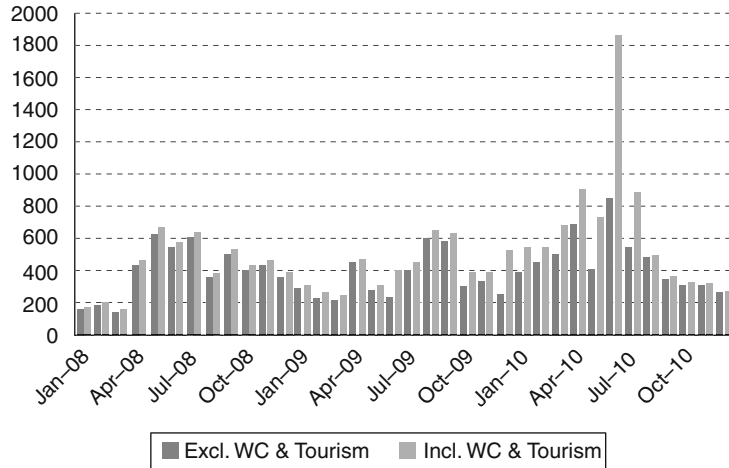


Source: Media Tenor.

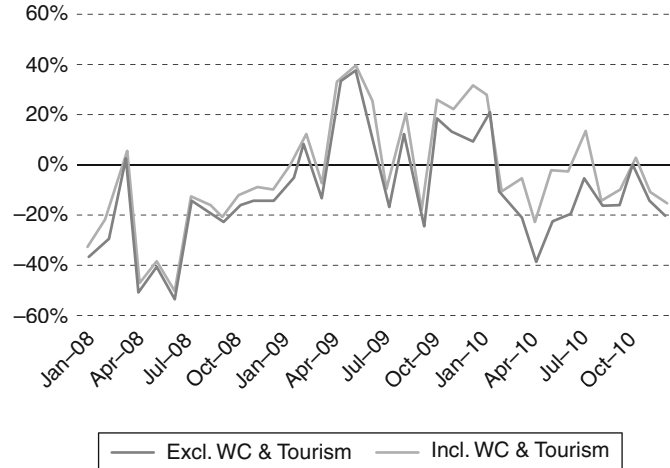
FIGURE 11.2 Scores on South Africa per country reputational pillar, January 2008 to December 2010, plus average score

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09
Country	38.33	46.04	55.15	48.50	36.94	41.29	45.83	48.08	43.33	60.00	68.92	65.63	50.27	53.66	54.20	53.73	61.24	58.94
Society	41.45	35.63	48.08	37.98	35.53	48.90	47.25	45.64	50.83	38.64	42.27	50.64	55.05	56.86	48.66	51.36	55.07	52.74
Business	22.04	39.22	51.79	54.39	64.95	64.90	53.78	47.77	51.99	54.79	56.83	47.00	52.37	48.12	55.66	50.49	58.21	51.86
Politics	39.68	47.78	45.94	38.19	40.00	30.59	44.62	45.20	41.85	43.61	40.72	36.89	48.28	48.64	52.36	52.65	57.79	55.47
Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Average
50.49	64.67	57.22	67.78	66.85	65.48	64.68	49.10	53.28	50.38	51.91	51.17	52.64	51.65	52.90	51.22	47.96	52.16	53.66
39.72	47.20	36.47	53.16	45.20	55.22	57.15	47.30	47.98	44.96	47.94	50.10	49.66	48.32	48.73	50.14	45.18	47.99	47.36
46.21	52.49	58.69	61.00	52.87	56.54	56.55	50.53	48.15	51.07	45.62	49.18	50.68	49.07	46.19	49.46	51.26	51.90	51.49
58.15	62.70	59.85	60.00	64.78	53.64	59.34	49.08	47.71	44.99	48.29	47.80	51.02	46.95	47.01	48.88	48.56	49.90	48.86

Volumes of coverage on SA



Ratings on SA



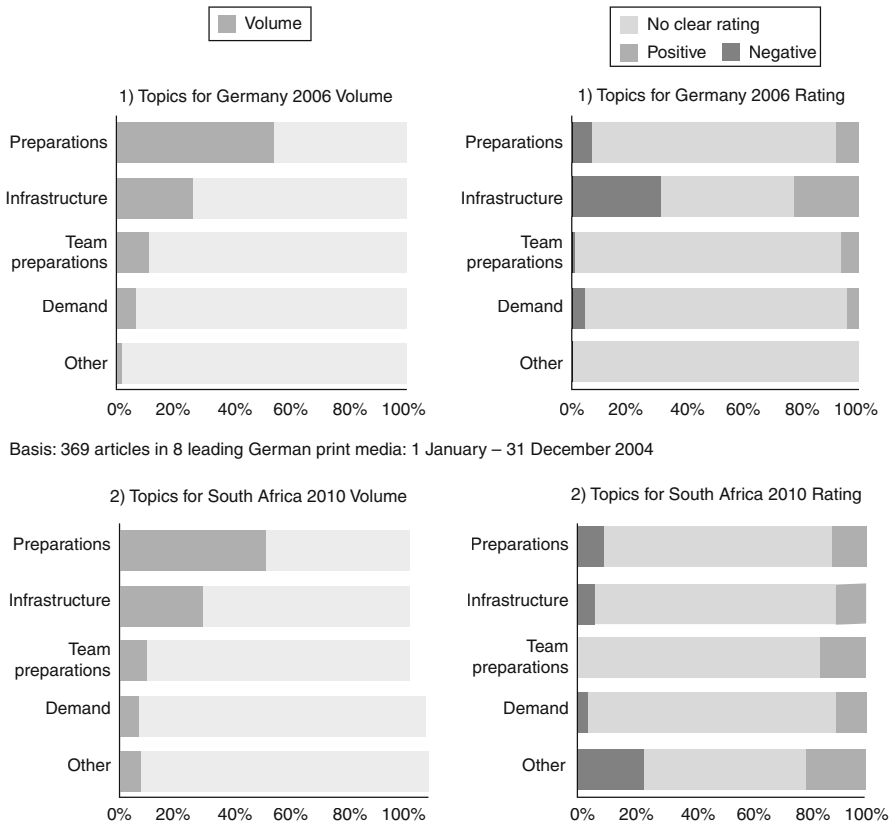
Volume of coverage on South Africa in general, including and excluding World Cup and Tourism coverage. The chart on right shows a balanced rating including and excluding World Cup coverage.

Source: Media Tenor.

the only exception being of a higher coverage of ‘other topics’ in South Africa (namely, crime). Coverage about the World Cup itself remained similar, irrespective of the different social, economic and political conditions of the two countries. Therefore, the underlying impact on reputation might be based on non-event related coverage.

This is supported by findings on the 2008 Olympic Games.⁶ The percentage of coverage in the international media devoted to specific geographical areas (Asia, Africa and South America) are shown in Figure 11.4. International news coverage for this region and South Africa during the mega-events is very similar. However, if one looks at the underlying issues

FIGURE 11.3 Preparing for the World Cup. Media coverage in Germany and South Africa two years ahead of the event

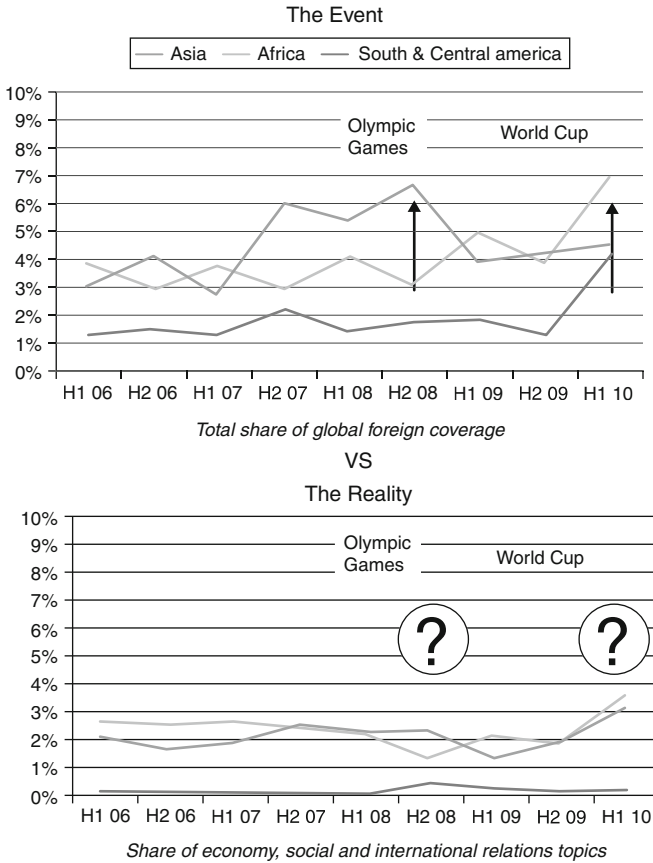


Basis: 369 articles in 8 leading German print media: 1 January – 31 December 2004

Basis: 769 articles in 10 leading South African print media: 1 January – 31 December 2008

Source: Media Tenor.

FIGURE 11.4 Percentage of coverage in the international media devoted to specific geographical areas (Asia, Africa and South America)



Source: Media Tenor, as represented by the authors.

of a country, such as its economic development, social issues as well as international relations, reporting remains low, irrespective of whether a major event is taking place or not. It seems that a large event creates media awareness, but does not necessarily lead to an increase in coverage for non-event related issues. Even if attention has been generated, it seems that it does not lead to more in-depth reporting on underlying subjects. Without this, it is unlikely that the image of a country will change significantly, particularly if the social aspects (as in the case of South Africa with the public-service strikes) does not support such a change.

The rules of media coverage seem to apply to developed countries hosting events in the same way as they apply to developing countries. The difference perhaps lies in the existing perceptions. For example, Germany is seen as a successful country and has an overall positive reputation. Media coverage of a major event, although not adding depth, at least sustains this positive coverage. For China and South Africa, plagued with generally negative perceptions, coverage of a major event similarly sustains existing perceptions, or only improves them insignificantly (see also Berkowitz *et al.* 2007, pp. 164–78).

Observations

While the coverage of the World Cup created an increased awareness about South Africa in the international media, this awareness was not sustained beyond the tournament, with media attention afterward returning to levels similar to 2009. Despite reputational scores being considerably higher than in previous months, these also returned quickly to pre-event levels, mainly driven by non-responsiveness to social issues. This is also evident when compared to other international mega-events, so is not unique to the South African context.

POTENTIAL CHANGES IN THE OVERALL PERCEPTION OF A COUNTRY FOLLOWING AN EVENT

Five pieces of survey research have been conducted since the end of the World Cup that shed some light about the perception foreigners have about South Africa.⁷ It must be emphasized that all the research was conducted either during or immediately after the end of the World Cup, and as such only reflects short-term impressions of changes in perception.

Reputation Institute Research

The Reputation Institute,⁸ conducted a survey (Reputation Institute 2010) following the 2010 World Cup as part of its annual CountryRep assessments, covering 27 countries worldwide.

Even though South Africa is marketed more successfully as a tourism rather than an investment destination, according to the report, an overall ranking improvement was observed. South Africa could now be grouped with the USA, Mexico and Peru, and not with its previous grouping shared with Iran and Israel. According to the findings, South Africa experienced an overall visible improvement in its external reputation in the period immediately following the World Cup.

SABMiller Research

Beverage company SABMiller compiled a pre- and post-World Cup survey among people in the UK (SABMiller 2010). Contained in a short assessment, the results do not indicate a methodology, sample or period of assessment, other than that it ‘was conducted to benchmark the relative success of the event amongst 4,000 influential people within the UK’.

According to SABMiller’s results, the event has proved to be ‘a resounding success for South Africa in terms of creating more positive awareness and familiarity around the country’. Seventy-two percent of British respondents indicated that the World Cup had helped to redefine South Africa, by improving people’s perception of it (41 percent changed their perception of South Africa as a direct result of the event). Additionally, 44 percent felt positive pre-tournament in terms of investment opportunities, and 42 percent post-event are now more positive toward South Africa as a tourist destination, and it is believed that the positivity is significantly higher as a result of the experiential nature of the South African brand.

On the negative side, while the World Cup was seen to position South Africa positively, on the whole the respondents did not feel that the event would benefit the majority of people within the country.

GCIS Tracker Research

According to research undertaken on behalf of Government Communication and Information Systems (GCIS) in South Africa, an increase in positive exposure to South Africa post-World Cup was noted across all assessed international regions (the report does not state explicitly which regions were assessed). West, Southern and Central Africa have been the most positive about South Africa, with North Africa, the Middle East, and South and Central America also showing significant increases. East Asia was identified as the only region that ‘slipped in terms of positive view of South Africa’ (GCIS 2010).

According to the research, ‘the highest mentions remain around South Africa’s scenic beauty and the country as a tourist destination. Less is known about South Africa’s business and investment landscape’.

IMC/SA Tourism Research

The International Marketing Council of South Africa (IMC), the agency set up to promote South Africa as an investment destination, alongside SA Tourism, responsible for destination marketing, conducted research pre- and post-World Cup. The report by SA Tourism (SA Tourism 2010) mentions 309,554 visitors

travelling to South Africa as a result of the World Cup, with a total expenditure by them totaling R3.64 billion, extrapolated from a sample of 3,000 tourists questioned, who were departing from either air or land ports.

It concludes that, overall, there has been a significant improvement in South Africa's brand following the tournament. In terms of 'total awareness', a 7 percent point change was recorded, from 78 percent to 85 percent pre- and post-World Cup. Positivity increased by 6 percent from 37 percent to 43 percent. The 'long term consideration' improved by 7 percent from 31 percent to 38 percent.

According to the IMCs report (*Quantitative Feedback of International Visitors and Media*) based on 509 interviews with international visitors, overall South Africa's reputation as a tourist destination has improved, but serious concerns were noted about some of the underlying social issues (IMC 2010).

The Anholt–GfK Roper Nation Brands IndexSM

The Anholt–GfK Roper Nation Brands IndexSM for South Africa was released in October 2010. The Index includes an assessment of attitudes toward South Africa during the World Cup. According to Anholt (NBI 2010, p. 9) 'the picture presented by the NBI following South Africa's World Cup is a very mixed one, and although there are some scraps of good news here and there, the overall result is nothing like the major reputational boost that South Africa was hoping for from the event'.

According to Anholt–GfK Roper's survey, in 12 out of 19 countries polled for the 2010 survey, South Africa's image has declined since 2009. Anholt attributes this decline in international perceptions to the phenomenon of 'disappointed expectations' (NBI 2010, p. 10). He argues that 'many people had a falsely positive view of South Africa before the World Cup, perhaps partly as a consequence of the lavish promises and images which South Africa has been projecting since the end of Apartheid through tourism promotion, export promotion and other forms of sectoral marketing'. Anholt does not call these promises dishonest, but simply refers to them as 'partial versions of reality':

'The extensive media coverage of the country before and during the event ... simply served to correct this view downwards ... Many people around the world [now] experienced something of the complete reality of the country for the first time ... and found it failed to live up to their expectations.'

Observations

Based on the availability of research data, it is difficult to assess the impact of the 2010 FIFA World CupTM on international perceptions, for

various reasons. First, different methodologies have been used to apply measurements. Second, the sample group has been different for each research report undertaken. Third, the actual questions asked have generally not been disclosed. From the findings, as well as the discussion in the above sections, however, several observations on the impact of the FIFA World Cup™ on the reputation of South Africa can be made. South Africa's reputation as a tourism destination has improved, though it remains to be seen if this can be translated into further arrivals. However, people were aware of South Africa as an investment destination, but not necessarily increased positivity. Future research on foreign direct investment (FDI) and corporate investment would have to assess whether this indeed has been based on associations gained through the tournament. Anholt–GfK Roper's results reflect a different perception compared to other surveys. Could this be because most surveys were commissioned by South African institutions or organizations, with a stake in the hosting of the World Cup, either through being a governmental agency or through commercial interests (SABMiller)? Additionally, all research, including Anholt–GfK Roper's was undertaken immediately after the World Cup, and as such, no medium- to long-term reputational impact can be ascertained. Only future research will be able to show actual changes in the reputational shift of international respondents, and will likely depend on the way in which South Africa deals with socio-political challenges that have been identified as possible negative impact points by all the above research.

CONCLUSIONS AND OBSERVATIONS

The international euphoria around the World Cup lasted exactly a week following the tournament, after which the events around the renewed xenophobic attacks and the violent public service strike brought the media coverage of South Africa right back to where it had been before: a part of Africa, a continent marred by violence. The created awareness appears not to have been sustained beyond the World Cup, and is unlikely to do so unless South Africa proactively finds other means to capitalize on this. The danger lies in that the increased attention around the World Cup created an increased gap for any type of news to be moved to the top of the international media agenda. Unless this void is filled, the 'bad news syndrome', as displayed by the global media, is likely to dominate the agenda of South Africa even more. This is in line with agenda-setting thought. Volume of coverage is critical to attract people's attention, but it is the *type* of coverage that influences overall country perception. In the case of South Africa,

volumes were driven through event and tourism coverage, not on business or, most importantly, on social aspects of the country. When the ‘hype’ subsided, those issues remained – and pulled down reputation. It is for this reason that mega-event strategies have to include not only the actual event communication, but also address social aspects of the country, if a country wants to capitalize reputationally on the generated awareness. In addition, such communication should continue beyond the event. In this, however, one needs to be mindful of Anholt’s ‘partial reality’, as contained in the NBI Assessment of South Africa, in that the communication needs to be based on actual social improvements, and not on visions of reality alone.

With this in mind, what could the findings mean for countries, particularly developing countries, hosting the FIFA World Cup™? Is it to increase awareness? Is it to increase likeability? Is it to change existing associations or to create new ones?

Brazil is the host of the next FIFA World Cup™ in 2014 and will be hosting the Olympic Games in 2016. In this regard a main issue emerges: Whether and to what extent hosting the Olympics will increase Brazil’s chances of increasing its country brand awareness to such an extent that this awareness will be carried over for reinforcement during the 2016 Olympic Games. Will it be able to sustain any new positive perceptions created?

What could the reasons be for Russia hosting not just one mega-event (World Cup 2018), but many similar large events (host of the IAAF World Athletics Championship in 2013, the Winter Olympics in 2014, and a Formula 1 race from 2015 onwards)? Again, Russia hardly needs to increase global awareness, but the country is in dire need of improving its external reputation, which has been tainted by accusations of corruption and democratic uncertainties. For Qatar, the host of the 2022 FIFA World Cup™, it is likely that both awareness and new associations will be needed, since the country has not been on the receiving end of much international recognition.

This chapter set out to consider whether hosting a mega-event – in this case the FIFA World Cup™ – added to the reputation of South Africa. The role of the media in contributing toward the reputation of South Africa was examined, as well as potential changes in the overall reputation of the country. The research indicates that it is not at all clear. It is ambiguous as to whether the World Cup has shifted perceptions to a degree that would have an impact on the medium- to long-term reputation of the country. Even though the World Cup generated significant awareness about the country, the focus did not impact on the many underlying issues of global concern: crime, safety, health, education and employment, for example, which are still being reflected negatively. These areas did not see the same economic

expenditure as that, for example, spent on infrastructure, and thus the lack of impact was possibly to be expected.

While the World Cup has brought South Africa much closer to the rest of the world, with closeness comes greater scrutiny. Unless developing countries are mindful of their obligations both to maintain the awareness, as well as to correct the underlying reality issues that will eventually support the perceptions, the hosting of mega-events will remain largely non-beneficial in the short to medium term.

NOTES

1. Namely, Tourism, Exports, Governance, Investment & Immigration, Culture & Heritage, People.
2. Social, Economics, Politics and Geography (Gudjonsson 2005).
3. For more information on the content analysis methodology used by Media Tenor, visit www.mediatenor.com.
4. Editorial coverage in news and business sections featuring government, politics, nature, business, society and sports coverage not focussed on results, among others.
5. *Media Tenor Journal*, 160, www.mediatenor.com.
6. *Media Tenor Journal*, 160, www.mediatenor.com.
7. All information discussed in this section has been made available to the authors by the International Marketing Council of South Africa. We would like to thank Wendy Shepherd for the provision of the material.
8. Reputation Institute, describes itself as 'the world's leading reputation consulting firm [and] a pioneer in the field of brand and reputation management' (as stated on the organization's website).

Using University Ranking Systems to Build Nation Brand Reputation

Natalya S. Pak & Frank M. Go

INTRODUCTION

In the ‘new age of innovation’ (Go and Govers 2010) the skills and knowledge people employ on a daily basis in their jobs are affected by the twin forces of globalization and information technologies. In turn, society depends increasingly on higher education to equip citizens with the skills needed to access a vast array of information through technologies and, with social and cultural understanding, the embedded knowledge of history, geography and foreign languages.

As a consequence, higher education, and in particular academic research, has become the focus of intense policy and geopolitical interest around the world – an object of marketization and a part of global battle for world-class excellence (Hazelkorn 2009). Accordingly, the quality and status of the higher educational institutions have become vital indicators to decision-makers from all over the world, in distinguished centers such as Kuala Lumpur (Malaysia), London (UK), New York City (USA) or places less well-known in the world’s educational society, such as Almaty or Astana in Kazakhstan.

These days, the term ‘ranking’ has become ubiquitous: politicians, particularly from Western industrialized countries, regularly refer to rankings as a measure of economic strength and ambition; potential students tend to use them as a provider of information to make a better choice; and national governments consider them as a measure of the quality of education and a means of ‘place branding’ development.

University rankings provide information that decision-makers, including potential students and their parents, employers and other stakeholders, use to identify the preferred university ‘partner(s)’. In 2009, nearly 20 million people viewed the ranking results on QS (Quacquarelli Symonds Ltd)

and partner websites. In addition, more than 600 newspapers and other media published these results. Later, new media partners around the world are anticipated to broaden coverage, including *US News & World Report*, *Chosun Ilbo* (South Korea), *The Guardian* (UK) and *Nouvel Observateur* (France).

Because of the global media exposure, university rankings serve increasingly as a vehicle to boost the competitiveness of the universities included in these information resources. As a result, they are very influential, playing a dominant role in positioning universities in a certain way in the minds of decision-makers and providing strong international public opinion. By extension, they have an impact on the brand reputation of the nation where a particular university of choice is located. At the time of writing, the university rankings mainly feature higher educational institutions located in the Western hemisphere.

Despite its obvious benefits, the present university ranking system has its shortcomings, affecting primarily the emerging economies. In particular, the latter have not been given the opportunity to participate in the decision-making process with regard to the foundation, development and implementation of the core criteria that are used for the evaluation of academic and scientific performance. As a result, in order to integrate with the global educational community, emerging economies have to participate in rankings emulating Western educational standards and patterns that are commonly accepted.

The current university ranking system has created an uneven 'playing field', leaving the emerging economies at a competitive disadvantage. In this context, the reaction of Victor Sadovnichy, the Rector of Lomonosov Moscow State University (MGU), one of Russia's leading universities, with strong academic traditions, skilled staff and a sufficient scientific base, appears both justified and relevant. He called upon the global educational community and ranking agencies for a more objective and fairer approach to university ranking (Gerasimova 2010). Moreover, ethnocentric approaches no longer reflect the nature of an interdependent world in which emerging countries are playing a role of increasing significance in terms of their economic development and increasing political weight.

Until recently, the institutional structure of preglobalized educational systems formed the main basis for the ranking of universities. However, the situation changed in 2003 when Shanghai Jiao Tong University (DJT), China, published its first global ranking document, the Academic Ranking of World Universities (ARWU). Though initially its main aim was to discover the global standing of top Chinese universities, the ranking has attracted a great deal of attention from universities, governments and public

media worldwide. And it appears that Jiao Tong University's clarion call for fair practice has been heeded by American and European interests.

Global rankings are a recent development. ARWU in 2003 was followed by Webometrics and the Times Higher Education–QS World University Ranking–THES–QS (Times Higher Education Supplement–Quacquareli Symonds) in 2004 (since 2010 these two have separated and are now known individually as the THE (Times Higher Education World University Ranking and the QS World University Ranking). The Taiwan Performance Ranking of Scientific Papers for Research Universities that appeared in 2007 and US News & World Report's (USNWR) World's Best Colleges and Universities has been published since 2008. They all evaluate higher educational institutions using a range of different indicators, which are weighted differently according to each ranking system. In ARWU, the number of Nobel or other major prizewinners employed by a university and highly-cited researchers is viewed as a proxy for scientific excellence, but the THES–QS used a different approach, of prioritizing academic peer and employer review.

In future, the Field and Subject ranking data provided by the leading world agencies will inquire with greater precision into specific field/subject areas along with new regional rankings. Though the field/subject rankings are already being conducted by some world ranking publishers (for example, the THE, the ARWU, the Taiwan and others), they have not exhausted all their mechanisms.

However, these are encouraging signs of an ongoing commitment to develop methodologies which reflect the diversity of models in higher education across the world. A fair system of university ranking – that is, one which includes the diversity of models in higher education – affords emerging economies the scope for development. First, it allows for a representation of national culture. Second, this can be linked to a sound communications infrastructure for the delivery of appropriate skills and knowledge. Third, combining a more equitable approach to global university rankings with nation brand reputation building can improve international relations and bridge the North–South divide.

HOW UNIVERSITY RANKINGS AFFECT KAZAKHSTAN'S BRAND REPUTATION: A CASE STUDY

As an example of an emerging economy we have chosen the Republic of Kazakhstan, a newly born state, which gained its independence in 1991. After the collapse of the USSR, like all the other 15 Soviet Republics, the

country began its own independent development in all spheres, including education. Since then it has been actively introducing the principles of democracy into its political and social spheres, creating a civil society and a modern system of education.

It appears that the world community does not know much about the Republic of Kazakhstan (RK). People associate it with politically and economically unstable Afganistan. Moreover, the reputation of the country suffered a negative impact because of the movie *Borat*, which presented a deprecating image of the country. In the Central Asian region, Kazakhstan is positively identified as a provider of peaceful and stable policy, especially by chairing the Organization for Security and Co-operation in Europe (OSCE) in 2010. Kazakhstani nation brand reputation is also associated with oil and gas production in the Caspian Sea area. However, this 'nation branding' should work together with other forms of public diplomacy (Go and Govers 2010).

In fact, Kazakhstan already has its national educational brand reputation, based on the deep academic experience of the leading universities founded more than 70 years ago in the framework and traditions of the Soviet higher education system. Such universities as Al-Farabi Kazakh National University, Satpayev Kazakh National Technical University, Abai Kazakh National Pedagogical University, Kazakh National Agrarian University and Gumilyov Eurasian National University, from among the 145 higher educational institutions that exist in the country at present, do not need any recognition or advertising at the national level because their names and reputation are well known and respected by the population, businesses and employers.

After obtaining the status of 'National University', the listed establishments have acquired a number of privileges inside the country regarding resourcing, funding and governmental support, in comparison with the other providers of higher education. At the same time, though, they still have very little chance of being known worldwide for a number of reasons. The most significant among them are:

- The universities are thinly represented at both regional and world levels, and very little and sometimes no information is available about them in the English language resources.
- They lack contact with international agencies and academic experts.
- The methodology of leading global academic rankings differs from the Kazakhstani national ranking.

- Most international rankings prioritize research activity, whereas Kazakhstani national scholars are very often restricted in this respect, for many reasons.
- National scholars are barely recognized in the international arena since they have low citation indexes because of the lack of publications in the English language.
- The majority of universities lag behind in the internationalization of higher education, with only a small percentage of foreign students and faculty members.
- The universities' links with graduates and recruiters are weak.
- The national postgraduate education (master's and doctorate) is at the time of writing undergoing reconstruction and further development.

However, in order to be recognized by the international academic community many universities of Kazakhstan are following the global ranking chase, often at the expense of their regional competitive differentiation and national interests. They have to adhere to the existing educational brands, which are forced on them by foreign agencies as reliable tools of evaluation of academic reputation throughout the whole world, thus serving as a lever to protect nation brand reputation.

At the time of writing, Kazakhstan, like many other emerging countries, has failed to enter the world rankings and compete with the leading American and European universities, which are more advanced in the codified knowledge-based sphere and research. In attempting to copy their American and European counterparts, emerging economies tend to find themselves at a standstill in their national development.

Before 2010 no Kazakhstani university has achieved the supreme goal of entering the world rankings. There were no national universities among the top 200 or even the top 500 universities in such most dominant world rankings as the THE World University Ranking and ARWU Academic Ranking of World Universities. There are no national universities among the top 100 universities in the Asian rankings either, since the leading positions are taken by Japanese and Chinese universities. However, experts such as Z. Zaitseva, the Director of QS Marketing in Central and Eastern Europe and Central Asia, claims that being among the top 600 or 700 world universities is not as honorable as being in the top 200 or 500, but it is not bad at all when considering that there are 17,000 higher educational institutions in the world (Lukitchyova 2010).

The positive image of Kazakhstani higher education is also being strengthened in the international arena. An example of this is the IREG 4 (International Ranking Expert Group) conference entitled 'International and National Rankings: Similarities and Differences', which took place in Astana (the capital of Kazakhstan) in June 2009 and was organized jointly by the Ministry of Education and Science of the Republic of Kazakhstan, IREG and UNESCO-CEPES. Among the participants were 60 experts from 28 countries and rectors of 60 leading Kazakhstani universities. One of the main tasks was to introduce the international experts to the national higher educational institutions.

More optimistic news came at the beginning of September 2010: Gumilyov Eurasian National University entered the list of the 500 top world universities and took the 451st position in the QS World University Ranking 2010, compared to being ranked 501st in 2009 (Koval 2010). There are three more universities that have the potential to improve their performance in the future and claim higher places than those in the range 550–700. Among them are: Al-Farabi Kazakh National University, Satpayev Kazakh National Technical University (KazNTU) and Buketov Karaganda State University (KarSU). There is every reason to believe that by 2020 there will be even more Kazakhstani universities in the international rankings (this target was set by the President of Kazakhstan, N. Nazarbayev, in 2010), and through this the country's national brand reputation will grow.

On the whole, rankings bring a positive change to higher educational institutions, which work hard to achieve a better performance, and thus improve the quality of education. This is important, not for those who are at the top, but mainly for those who are positioned in the lower ranks. Rankings also have a profound impact on academic decision-making and behavior, and Kazakhstani higher education leaders believe that rankings are worth following to remain within the commonly accepted educational policy.

As a result, the biggest changes the national universities are hastily introducing in the reputation race are: rebalancing teaching/research and undergraduate/postgraduate activity; allocating resources toward those fields that are likely to be more productive; encouraging faculty members to publish in the English language in respected international journals; head-hunting for outstanding international scholars; attracting foreign students, and others.

In this context, the role of government in branding is a decisive factor for the transformation of the existing structure of the economies of emerging countries into knowledge-based, technology-driven systems. Officials of these countries attempt to develop and exploit new technologies in order

to obtain a competitive advantage and good business performance. An illustrative example of this is the foundation of a new higher educational institution in Astana.

Building a new university (along the lines of a world-class university) in the capital of Kazakhstan is considered to be the biggest national project at the time of writing with regard to higher education reforms. It aims to establish an academic environment in the Central Asian region: a modern model of integration in the spheres of education, science and industry, an exchange of students and teachers, and joint educational programs. Pre-service and in-service staff training will be carried out via the accredited programs of university partners. The creation of a new international university will be one of the steps that will facilitate the integration of Kazakhstan into the world educational community as well as fostering its national brand reputation.

CONCLUDING REMARKS

On the whole, rankings, in their short existence, 'have already left an enduring legacy and transformed quality assurance and research assessment exercises into tools pursuing world-class excellence. They underpin an almost universal drive by governments around the world to restructure their higher education systems, concentrate resources into more efficient, productive and visible "Centers of Excellence"' (Hazelkorn 2009). Being a manifestation of globalization and the 'marketization' of higher education, they also proved themselves to be good measures of national competitiveness, providing public accountability and transparency, and promoting national and global brand reputation. The role of governments in academic nation branding is crucial, mainly for providing staff training investment and research funding.

However, since rankings stimulate research activity, influence decision-making and build up public opinion, their assessment systems and cross-cultural comparisons need to be developed on the basis of equity while choosing the indicators and the weighting. It is vital to develop a fair methodology, which could embrace different educational models including those of the emerging countries.

At the same time, if the emerging economies are willing to compete in future in the field of higher education on an equal basis and have similar opportunities to their Western counterparts, they would need to do their utmost to protect their own educational standards and national diversity. On the other hand, they should also try to benefit from the achievements of

the established educational brands by integrating into a global educational community and channeling all their resources into the knowledge-based industries, which is key to the flourishing modern economy. Finally, all this will lead to fostering international cooperation to cope with intense global competition and build country reputation.

Putting Greece on the Map: The Use of Cognitive Causal Mapping for Destination Management*

Johan van Rekom & Peeter W.J. Verlegh

Holiday destinations inevitably evoke vivid imagery and associations. Think, for example, of the beauty of the Geiranger fjord in Norway, the romantic lights of the Paris Eiffel tower or the Parthenon in Greece. Such landmarks are exemplifications of what the country offers. The Geiranger fjord exemplifies the natural beauty of Norway, the Eiffel tower represents romantic Paris, and the Parthenon represents the many remains of ancient Greece. These images communicate attributes and ideas that people relate to them (MacKay and Fesenmaier 1997), turning destinations into naturally grown brands with rich association networks. Many countries, as holiday destinations, evoke images of which commercial brands might be jealous. But nature sometimes needs a little help, and deliberate positioning of a destination country as a brand may have its pay-offs. Not every country enjoys the benefits of free publicity to the extent that Paris or Norway do. Moreover, even successful destinations may face the need for repositioning. Coastal regions in the Mediterranean, for example, feature the risk of commodification, as the rapid growth of sun-and-sea tourism has transitioned into a stage of maturity (Buhalis 2000; Sedmak and Mihalič 2008). Greece might provide a good example. In 2005, the Greek rate of tourism growth had slowed to 4 per cent, lagging behind competitors such as Turkey (Vasiliades 2008).

The repositioning of a destination country is often cumbersome. Tourism promotion has only a minor impact on travelers' perceptions (Govers *et al.* 2007). Most destinations have a rich history and image. People learn about destination countries in geography classes. These images are consolidated

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with repeated reports in the media (Papadopoulos and Heslop 2002). Even more than for commercial brands it is vital to build on the unique attributes a destination already has (Gilbert 1990). How can we figure out which destination country's attributes should be taken as a given, and which are modifiable? Quantitative approaches to destination image measurement often focus on particular attributes at the expense of its holistic aspect. Qualitative studies measure this holistic aspect better, but do not facilitate statistical or comparative analyses (Stepchenkova and Morrison 2008), which are so useful for segmenting visitor populations and positioning against competing destinations. A combination of both approaches would be desirable (Echtner and Ritchie 1993). One important way to realize this combination is by relying on potential visitors' knowledge structures, in which the attributes that serve for destination comparison and segmentation (Stepchenkova and Morrison 2008) are embedded. These structures serve as shortcuts for information processing (Nadeau *et al.* 2008). Mapping potential visitors' causal cognitive structures may also provide the *Gestalt* view (Woodside *et al.* 2007). Empirical research into causal cognitive structures is surprisingly absent in the literature on destination image.

WHAT DOES COGNITIVE MAPPING TEACH US?

Scholars in the area of cognitive psychology suggest a primordial role for the causal relations people believe to exist. Causal explanations serve as a particularly useful and efficient mechanism for organizing and understanding the world (Anderson *et al.* 1980; Chater and Oaksford 2006). Causal relations are any relations in which one attribute of a concept can be said to depend upon another (Sloman *et al.* 1998). The more consumers perceive an attribute to be the cause of other attributes, the more they believe that the attribute is essential and makes a destination what it is. Van Rekom *et al.* (2006) found that the larger the number of other attributes caused by a given attribute – that is, its 'causal status' (Ahn 1998), the less people perceived the brand still to be the same brand without that feature.

Hypothesis 1: The more people believe that an attribute causes the other attributes of a destination, the less they will perceive that destination to be the same destination without that feature.

The more an attribute of Greece is perceived to cause other attributes, the more consumers (tourists) may be inclined to think that, without that attribute, Greece would no longer be Greece. In other words, 'removing' or 'modifying' this attribute could seriously affect the integrity of the *Gestalt*

of the destination. In line with this, Van Rekom *et al.* (2006) refer to these perceptions of a feature being essential to the brand as the ‘perceived necessity’ of a brand attribute. People’s tendency to rely on causal explanations in making sense of the world around them has implications for the way they deal with the past. They often favor historical paths over superficial, visible properties when they try to make sense of the world. Causal histories of how something came into being may even override other types of information (Blok *et al.* 2007). Because causes are assumed to precede their effects, the more causal attributes of a destination are likely to be seen as being more historical that is, as having a longer history for the country in question.

Hypothesis 2: The more people believe that an attribute causes the other attributes of a destination, the more the attribute is perceived to be a historical attribute of the country.

People may thus expect causal attributes to have existed for a long time. Combined with the perception that other attributes follow from these most causal features, this property evokes the perception of causal features as ‘authentic’, and deeply rooted in a destination’s character (Gilmore and Pine 2007). More causal features are thus perceived to be authentically representative of a concept. For Greece, more causal attributes should thus be perceived as being more ‘authentically Greek’.

Hypothesis 3: The more people believe an attribute to cause the other attributes of a destination, the more they perceive it as authentic; that is, ‘authentically Greek’ in the case of Greece.

However, long-lived features may have not have caused many other things, but may just be perceived to be old, and in this way still convey an impression of being ‘authentically Greek’. Taylor (2001) observes that it is conventionally the past that is seen as a model for what is original. In the context of heritage tourism, Kolar and Zabkar (2010) observe that a historical aura is very important for experiencing the authenticity of heritage sites. Likewise, Groves (2001) found that participants in focus groups believed that products that had existed in Britain over a long period of time were more authentically British.

Hypothesis 4: The more a feature is perceived to be a historical attribute of a country, the more it is perceived as being authentic: that is ‘authentically Greek’ in the case of Greece.

In Florida's (2002) seminal research on creativity, respondents often defined 'authentic' as the opposite of 'generic'. If people indeed believe an attribute to be completely home-grown and historically rooted in a specific destination, they are thus less likely to believe that the same attribute is strongly linked to other destinations. Being 'authentically Greek' thus may connote being unique to Greece. Taylor (2001) observes how uniqueness is ascribed to objects deemed to be 'culturally authentic'. Groves (2001) found 'authentic British food' to be perceptually related to being 'unique to Britain'.

Hypothesis 5: The more people believe a feature to be authentic (for example, 'authentically Greek'), the more they believe it to be unique for a destination (for example, 'unique for Greece').

EMPIRICAL RESEARCH

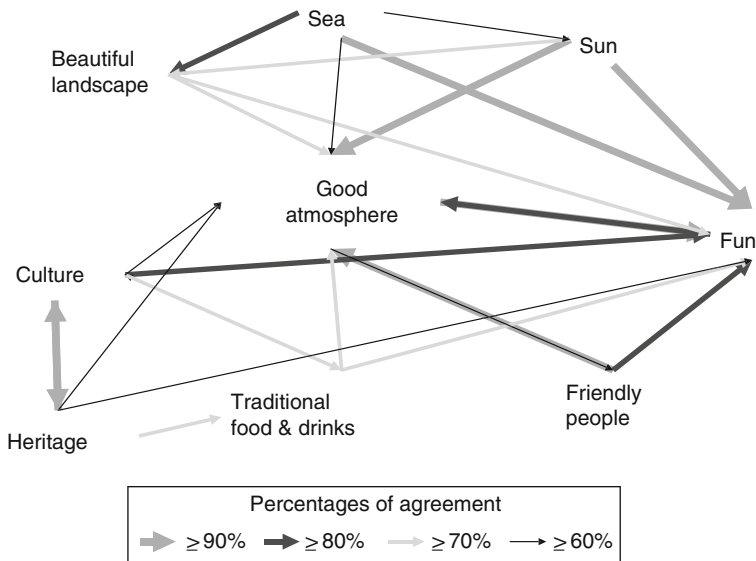
To create a cognitive causal map of Greece (see Figure 13.1), a pre-study was conducted. Ten respondents, representative of the chosen research population, were asked which features came to mind when thinking of Greece as a holiday destination. Table 13.1 lists the features mentioned by at least half of them. These served as input for the questionnaire. For the main study, a questionnaire assessed for each feature which of eight other features was the reason for its popularity. To this end, it included nine tables, one for each feature. Each table contained eight statements, such as: 'Greece has [feature A] because Greece has [feature B]'. For each statement, respondents checked one of the following: 'Yes, I agree', 'I agree but this does not apply to Greece', 'These two features are unrelated' and 'No, on the contrary'. 'Yes, I agree' was coded as '1'; 'I agree but this does not apply to Greece' was coded as '0', 'These two features are unrelated' was coded as '0' and 'No, on the contrary' was coded as '-1'. The total number of features related to a particular feature was then computed as the straightforward sum of these numbers.

The other questions were phrased as follows: 'Would Greece still be Greece if only [feature X] was absent? Respondents answered on a seven-point scale ranging from '1' = 'Yes, it is absolutely still Greece' to '7' = 'No, it is absolutely no longer Greece'. They indicated on a Likert scale their agreement with statements that each of the features had 'always been there in Greece' (1 = totally disagree; 7 = totally agree). They indicated whether it was authentically Greek on a scale, ranging from 1 = absolutely authentically Greek to 7 = absolutely not authentically Greek (reverse-coded for analysis). Uniqueness was asked on a scale, ranging from '1' = 'absolutely

not unique for Greece' to '7' = 'absolutely unique for Greece'. Respondents rated Greece on the nine features ('1' = does absolutely not apply', '7' = 'applies absolutely'). People marked to what extent they liked each of them ('1' = absolutely yes', 7 = 'absolutely no', reverse-coded for analysis). Respondents indicated gender, age, and whether they had been to Greece before.

In line with the desirability of de-commodification, the empirical research project focused on people who might be attracted to a more upmarket positioning for Greece, and who were willing to pay more than the commodity price for a destination. Therefore the sample was drawn from among educated professionals; that is, white-collar workers in the communications and consulting industry. The questionnaire was handed out personally to fifty professionals from four different organizations and picked up personally to maximize response. This allowed direct access to representatives of the target population for a potential Greek repositioning. Forty-four respondents returned completed questionnaires: 15 male and 29 female. Their average age was 32. Thirty had been to Greece, 14 not. Table 13.1 gives the descriptive statistics for all nine features.

FIGURE 13.1 Overall cognitive causal map including only the most frequently agreed upon causal relations



Source: Van Rekom et al. (2010).

TABLE 13.1 Averages and standard deviations* of destination country attributes

Country attribute	Mentions first phase	Causal status	Perceived necessity	Always been there in Greece	Authentically Greek	Unique	Liking	Applies to Greece
Sun	6	3.84 (1.76)	5.43 (1.35)	6.25 (1.20)	4.14 (2.01)	2.84 (1.88)	6.39 (1.02)	6.66 ^a (0.48)
Traditional food and drink	10	3.41 (2.16)	5.20 (1.42)	6.00 (1.20)	5.16 (1.84)	3.73 (1.98)	5.86 (1.37)	6.43 ^a (0.79)
Heritage	6	4.23 (1.83)	5.84 (1.20)	5.98 (1.45)	5.16 (1.98)	4.32 (1.96)	5.73 (1.44)	6.23 ^a (1.38)
Friendly people	5	2.86 (2.32)	4.20 (1.30)	4.66 (1.36)	3.68 (1.75)	2.80 (1.47)	6.20 (1.27)	5.27 ^a (1.48)
Sea	6	4.20 (1.72)	5.48 (1.42)	6.61 (0.92)	4.39 (2.06)	3.18 (1.79)	6.27 (1.02)	6.59 ^a (0.73)
Culture	5	4.45 (1.62)	5.86 (1.11)	6.41 (1.04)	5.23 (1.87)	4.32 (2.00)	5.98 (1.21)	6.64 ^a (0.69)
Good atmosphere	8	3.23 (1.78)	4.50 (1.28)	5.14 (1.32)	4.27 (1.62)	3.32 (1.71)	6.16 (1.16)	5.84 ^a (1.20)
Beautiful landscape	6	3.80 (2.10)	4.82 (1.51)	5.68 (1.29)	4.80 (1.72)	3.41 (1.78)	6.05 (1.26)	6.09 ^a (1.01)
Fun	5	2.55 (2.33)	4.16 (1.41)	4.91 (1.29)	4.00 (1.73)	3.11 (1.66)	6.11 (1.13)	5.55 ^a (1.30)

Notes: ^{a, b} Averages sharing the same superscript do not vary significantly in the degree to which they apply to Greece.

* Numbers in brackets represent standard deviations.

Source: Van Rekom *et al.* (2010).

Hierarchical linear modelling (HLM) (Raudenbush and Bryk 2002) served to estimate average regression coefficients for our target population. HLM estimates the averages and variances of the intercepts and regression slopes across respondents, while allowing for variation in the regression coefficients for the different individuals in the sample. The *t*-test associated with that parameter thus provides a direct test for H1. Table 13.2 shows that this coefficient is 0.37 ($p < 0.01$), which confirms H1. H2 is supported by a significant average regression coefficient in model 2 (0.34; $p < 0.01$). The significant average coefficient in model 3 supports H3 (0.23; $p < 0.01$). Hypothesis 4 implies that the relation between the extent to which an attribute causes other attributes and its perceived authenticity is partially mediated by the degree to which people think it ‘has always been in Greece’. Model 2 in Table 13.2 shows that the relation between the causal status, and the degree to which ‘this attribute has always been in Greece’ (that is, the mediator) is also significant. If these two variables are regressed simultaneously on perceived authenticity, the coefficient of causal status reduces from 0.23 in model 3 to 0.14 in model 4. The corresponding Sobel’s *Z* is 2.12 ($p = 0.02$), showing that the relation between causal status and perceived authenticity is significantly mediated by the degree to which people perceive an attribute to ‘have always been there’ (Baron and Kenny 1986).

Hypothesis 5 implies two mediations: the first is the relation between an attribute’s causal status and the degree to which it is perceived to be unique to Greece via the degree to which a feature is ‘authentically Greek’. The results shown in Table 13.2 indicate that an attribute’s perceived authenticity mediates the effects of the attribute’s causal status on the extent to which it is perceived to be ‘unique to Greece’ (Sobel’s *Z* = 2.06; $p = 0.02$). Perceived authenticity also mediates the relationship between causal status and the perception that an attribute ‘has always been there’ (Sobel’s *Z* = 2.60; $p = 0.01$) (see Figure 13.2).

DISCUSSION

This research developed and tested cognitive causal mapping to gain an insight into peoples’ images of Greece as a holiday destination. This method combines the advantages of attribute-based approaches to destination management and more Gestalt-like approaches. The more that people believe a certain attribute is responsible for the other attributes of Greece as a tourism destination, the more they believe that that Greece would no longer be the same destination without this attribute. This ‘causal status’ of destination attributes predicted the degree to which people believed these

TABLE 13.2 Estimated coefficients and variances of HLM models

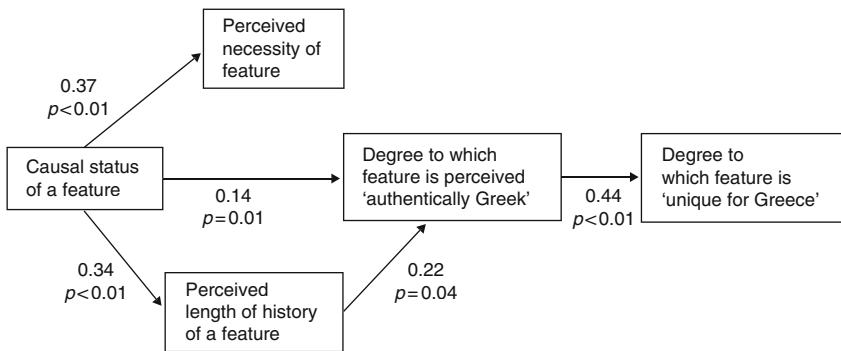
Model	Dependent	Intercept	Causal status	Perceived length of history of a feature	Degree to which a feature is authentically Greek ¹	Proportion of within-person variance explained
Model 1	Perceived necessity Between-person var. ¹	5.06 (0.12)*** 0.51***	0.37 (0.05)*** 0.03*			0.17
Model 2	Length of history Between-person var.	5.74 (0.13)*** 0.67***	0.34 (0.03)*** 0.00			0.19
Model 3	Authentically Greek Between-person var.	4.54 (0.21)*** 1.82***	0.23 (0.05)*** 0.01			0.08
Model 4	Authentically Greek Between-person var.	4.54 (0.21)*** 1.85***	0.14 (0.05)** 0.01	0.22 (0.10)* 0.24***		0.22
Model 5	Uniqueness for Greece Between-person var.	3.45 (0.23)*** 2.23***	0.12 (0.05)** 0.14	0.19 (0.06)** 0.03		0.14
Model 6	Uniqueness for Greece Between-person var.	3.45 (0.23)*** 2.23***	0.06 (0.04) 0.01*	0.04 (0.05) 0.02**	0.44 (0.06)*** 0.07***	0.37

Notes: * Significant at 5 % level; ** Significant at 1 % level; *** Significant at 1 %₀₀ level.

Numbers in brackets in cols 3, 4, 5 and 6 represent the standard errors of the coefficient estimates.

Source: Van Rekom *et al.* (2010).

FIGURE 13.2 Final model with HLM regression coefficients and p -values



Source: Van Rekom *et al.* (2010).

features existed in the past, and the degree to which they came across as authentically Greek – which, in turn, predicted the degree to which attributes were unique to Greece. The extent to which specific destination attributes appear to cause its other attributes influences to some degree how people view these attributes – as more historic, authentic and, by extension, unique.

It is interesting to see how the Gestalt-like character of a destination appears to be reproduced in cognitive causal mapping. The attributes on which most other attributes of a destination depend seem to provide the glue that molds them into a whole. The role of glue is not reserved for any specific attribute, but shared by all of them. However, the higher the causal status of a destination attribute, the more powerful its role as ‘glue’. The most causal attributes seem indeed to assume the role of core features that provide meaning to the whole. At the same time, the research approach proposed here preserves each individual’s cognitive causal structure. This way, it is possible to segment markets based on people’s cognitive maps – a more refined way of segmenting the market than merely relying on attributes alone, because the method proposed here also stores part of the specific implications of each attribute seen through the eyes of each specific respondent.

As with any study, this one has its limitations. First, it is based on a small sample – even though it is definitely not a student sample but a sample of professionals. Note, however, that cognitive mapping techniques often rely on small samples, and that this method produces fairly stable cognitive

maps, even with a limited number of respondents (see, for example, Van Rekom *et al.* 2006). Second, our data collection was at the country level. On the one hand, the country level of destination branding has been the modal focus of destination image studies (Pike 2002), but on the other, countries are more heterogeneous than regions within countries. This may have led to more encompassing, general destination attributes than if we had chosen to investigate the destination image of a specific region within Greece. For example, focusing on Athens or Crete might have led to more specific attributes. Replication of our hypothesis testing in such circumstances would be very interesting.

For the practical management of a destination as a brand, our outcomes are twofold. First, we show the more causal features provide the glue that makes a destination what it is. For Greece, this applies in particular to its culture and its heritage, which enjoy the highest causal status (see the left-hand column in Table 13.1) and which are considered to be the most authentically Greek and unique to Greece. These attributes provide valuable starting points for the further positioning of Greece based on what is already there. If potential visitors view an attribute as being relatively unique for a destination, it can more easily and more fruitfully be claimed to firmly position a tourism destination (Gilbert 1990). Our research has also been useful in uncovering an important caveat: Table 13.1 shows that what is most liked about Greece is still the sun and the sea, even more than the culture or the heritage, so moving away from the image of a sun-and-sea destination might thus not be a good idea. However, further building on the culture and heritage attributes might make sense, provided it happens against a background of the sun and the sea. Table 13.1 shows that Greece has a favorable position, in particular on those attributes that were pivotal in making the country what it is today. The advice that can be distilled from this research project is that Greece, as a destination brand, should be positioned with stories about and reminders of its heritage and its culture, but always against a visible background of a bright sun and deep blue sea.

Place Marketing and Experience of Place in a Virtual Environment: An Empirical Analysis of the Importance of Hedonic Meaning

Ingvar Tjøstheim & Frank M. Go

INTRODUCTION

Experience of place is multifaceted. A place has many offerings and meanings and, for consumers, each product, service, event or place is likely to have several meanings attached to it. Typically, for a consumer, these meanings are not stable, but tend to be dynamic (Levy 1959) and therefore represent a challenge for place marketing. What particular meanings should destinations emphasize in marketing campaigns? And why? In general, almost any destination refers repeatedly to a select number of sights and attractions in advertisements. But from a traveler's perspective there may be other attractions, as well as the familiar ones, that might be far more relevant when deciding whether to visit a particular destination. Accordingly, effective place marketing depends on informed decision-making. Therefore, relevant market research and market studies are necessary. In particular, tools that are used in market research should correspond to the multifaceted nature of place experience.

Today, people are online and connected to the internet not only by their PCs and laptops, but on their mobile phones, game devices, media-players and tablets. With very few exceptions these devices are made for viewing and downloading multimedia content. The video-gaming industry is playing a key role in the technical development of computer graphics and processors, which are needed to show visual content with high resolution and in three dimensions (3D). What is happening in this industry influences the

structure and conduct in ‘non-gaming’ sectors, albeit with a lag, including the knowledge domain of tourism marketing.

The research reported in this chapter presents an analysis of word-of-mouth marketing evoked by a virtual environment (VE). In a virtual environment a user will have a feeling of actually being there. This mental process is referred to as telepresence. The VE might be an invented place that only exists in a fantasy world, or a place that a traveler can actually visit. It is this second alternative that is of particular interest for place marketing. For marketers, word-of-mouth communication is important. In this context we investigate whether there is a relationship between the experience of a place in a VE and a person recommending the place to other travelers.

In this study, we used the city of Los Angeles as the destination. The PlayStation3 game *Midnight Club: Los Angeles (LA)* uses this city as a backdrop for the story and the game plot. In the game, streets and buildings in some of the well-known areas of LA are replicated with an attention to detail. Some video games have a tourism mode, which means that the user can explore a particular place. This is done as a non-gaming activity and not as part of the game plot. While this feature is unavailable in the case of *Midnight Club: Los Angeles*, it is possible to turn off the sound and substitute it with an audio-guide made for visitors to Los Angeles. The participants in our study experienced sightseeing in LA in this virtual environment while listening to a guide.

This chapter is organized as follows. First, we review the theoretical framework. Second, we outline our research method, and the experiment procedures. Third, we present the data analysis, and finally, we discuss the results and conclude by considering what these imply for both theory and practice.

THEORETICAL FRAMEWORK

Telepresence, Affordance, Hedonic Meaning and Word-of-Mouth Marketing

Telepresence has been the subject of research for more than two decades. Consequently, a study domain has emerged that focuses on knowledge about how multimedia, motion and game technologies evoke feelings and actions. The term telepresence refers to tele-operations technology that affords the user a remote presence in a different location via feedback systems and, subsequently, the ability to see and feel what is happening there (Minsky 1980). Telepresence has antecedents that go back as far as the 1950s, when it emerged in the academic context of film theory (Bazin 1951/1967). Telepresence is a concept with several components. It concerns remote presence, a mediated

experience or medium-induced experience (Bolter 1994; Fischer 1995), and represents a psychological state or subjective perception (Lee 2004). The highly cited definition by Lombard and Ditton (1997) emphasizes the psychological state and defines telepresence as 'an illusion of non-mediated' i.e., the extent to which a person fails to perceive or acknowledge the existence of a medium during a technologically mediated experience. According to Baren and IJsselsteijn (2004), there are more than 30 telepresence measures or scales that have been developed for the purpose of capturing the feeling of 'being there'. They all have spatial presence as a key component or subconstruct. Spatial presence involves perceptions of sensorial 'real' environments. Schwartz (2006), in his study of video games, cites a player who says 'you feel as if you're in a real town/city with other people' (p. 315) when playing the game.

In addition to telepresence, there is another theory that serves as a foundation for this study, the theory of affordance. Gibson (1979), a perceptual psychologist, introduced the term affordance in his book, *The Ecological Approach to Visual Perception*. Affordance refers to a construct known as 'response-dependent', that is, triggered (instantiated) by virtue of a behavioral response (for example, a catching, a throwing) a subject would have relative to the property bearer (Scarantino 2003). A perceptual affordance is a perceptual cue to the function of an object that causes an action on the part of a respondent. For example, a visual presentation contains information about the behavioral possibilities available to the user. It is this action and behavioral aspect that the affordance concept captures. In the context of sightseeing in a virtual environment there are a number of actions that can be referred to as properties of perceptual affordance. A tourist looks at a building or attraction, and at that particular moment he or she might think, 'I will walk to the front door and enter the building.' In what follows, we use the term affordance for this perceptual possibility as a reference to action. This does not always happen. There is a difference between sitting and watching something on a screen as just viewing, as a passive experience, and having the feeling of possibilities for action. For example, someone looks at a website of a destination, the person might think about what s/he knows about place. That same person may recall an event that has recently happened in that particular place, such as a natural disaster. Another person, who is also looking at the same website, may see him/herself visiting an event that is advertised on the website. It is this second example, reflecting the mental state of this person, which corresponds to the notion of perceptual affordance. Li *et al.* (2002) proposed a new classification of affordances, namely virtual affordances. They define virtual affordance as what a 3D visual product can offer for consumer inspection within online environments. Algharabat and Dennis (2010) operationalize virtual affordance as '3D lets me feel like I am

holding a real laptop and rotating it.’ Intention to buy is a possibility for action and can be understood as a type of affordance.

Hedonic components in a consumption experience emphasize the enjoyment or pleasure the experience offers, quite apart from realizing any utilitarian benefit (Holbrook and Hirschman 1982). The hedonic consumption paradigm emphasizes ‘those facets of consumer behavior that relate to the multi-sensory fantasy and emotive aspects of product use’ (Hirschman and Holbrook 1982, p. 99). This concept is used in tourism studies (Snepenger 2004, 2007; Joseph-Mathews 2009; Hosany and Witham 2010), with good reason because tourism is to a large extent about experiences. Murphy *et al.* (2000) conceptualize tourist destinations as an amalgam of components that form a holistic experience of the place visited. Snepenger *et al.* (2004) assert that tourism places can be differentiated in terms of their normative hedonic, utilitarian, social and consumption meanings.

According to Govers and Go (2009), place marketing is the traditional segmentation, targeting and position approach to the promotion of place. In place marketing the hedonic and experiential aspect of consumption is essential (Govers and Go 2009, p. 36). There are a number of studies in tourism documenting the importance of recommendations and word of mouth (Litvin *et al.* 2008). One question considers how the hedonic aspect relates to word of mouth. Based on the fact that experience of place is multifaceted and complex, it is not feasible to design a survey instrument that contains everything that a destination offers to travelers. There are, however, validated instruments proposed by Snepenger *et al.* (2004, 2007) that can be used to capture the hedonic meaning of a tourism destination.

How Does Hedonic Meaning Relate to Word of Mouth?

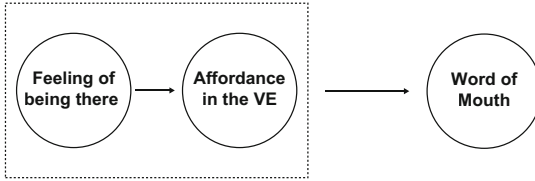
The research question we address in this chapter considers whether hedonic meaning has a significant effect on word of mouth. How useful is hedonic meaning in explaining whether or not a person recommends the destination to other travelers? In a virtual environment, is it more important to have a feeling of being there – that is, telepresence – than hedonic meaning? Or is it perceptual affordance which refers to what the person thinks s/he would do at the destination? Another factor that might play a part is place identity.

RESEARCH METHOD

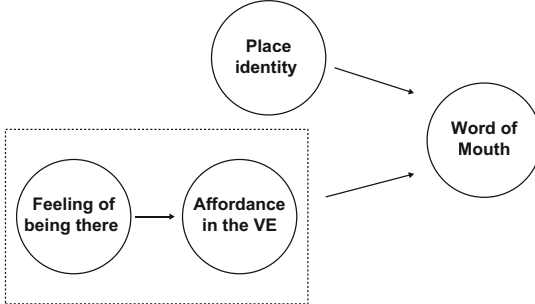
We are interested in the relationship between factors and therefore adopt the partial least squares (PLS) modeling technique to assess and compare alternative models. Figure 14.1 presents four models, the most basic first and the more complex models following.

FIGURE 14.1 | Four research models

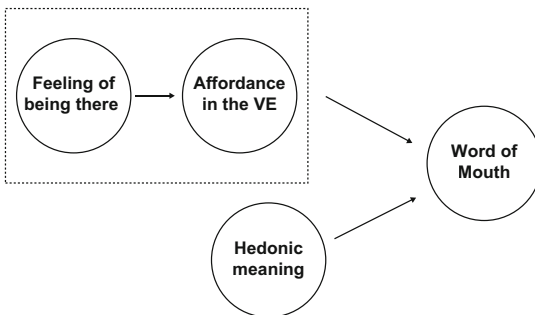
Research model 1: Telepresence, affordance and Word of Mouth



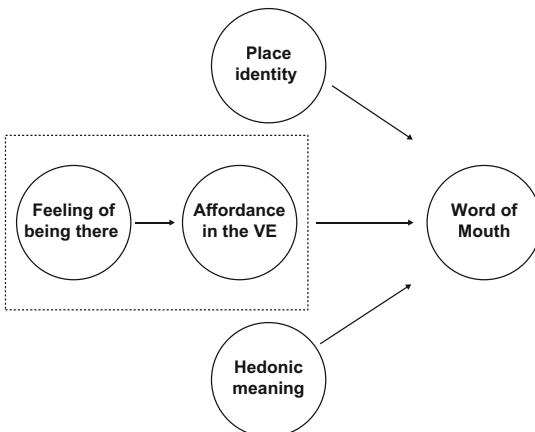
Research model 2: Place identity and Word of Mouth



Research model 3: Hedonic meaning and Word of Mouth



Research model 4: Hedonic meaning, place identity and Word of Mouth



To investigate the predictive power of the models, and size effects, we followed the recommendations of Chin (1998).

RESEARCH DESIGN AND MEASUREMENT

We use the latest gaming technology, a PlayStation 3 game, *Midnight Club: Los Angeles*. It is a 3D environment mimicking areas in the city of Los Angeles with a high degree of accuracy. In the city, the participants in the study took part in sightseeing as a common tourist activity. As noted earlier, the game as such does not contain a sightseeing tour, but this was made possible by turning off the sound in the game and replacing it with an audio clip taken from the Tourcaster production of the 'Hollywood Audio Tour'. The audio was provided by a laptop computer placed in front of the participant – the sightseer. In the instructions, no information was given regarding the name of the game, only that 'You are now going sightseeing in LA on the screen in front of you.' To synchronize the visuals with the sound, the interviewer gave instructions such as 'Now please stop and listen to the guide'; 'Please continue on Hollywood Blvd to the traffic light in front of the Highland Center'; 'Please park in front of the shop opposite Grauman's Chinese Theater and listen to the guide' and so on. The participants used a steering wheel with the option 'bumper view', which meant that the participant does not see the car, only the street, the environment in front of the car. Twice in the narrative the guide says something like 'Please leave the car or park the car'. Besides the sound not being integrated fully with the game, but coming from a laptop, the visuals and the narrative fit well together. After the task and surveys were completed, the participants were shown the cover of the game. The post-study questionnaire revealed that none of the participants had actually played the game *Midnight Club: Los Angeles* before participating in the study.

We chose to apply a within-subject research design, which meant that all participants had the same sightseeing experience and were all assessed with the complete set of measurement scales. The participants in the study were students, recruited from a class of international summer students (19), two classes at two different business schools (25), and through an electronic billboard for university students (16). Of the 60 participants, 60 percent were female and 40 percent male; 48 percent were between 19 and 24 years old; 27 percent aged between 25 and 29; and 25 percent were 30 years or older. Of the participants, 75 percent answered that they used video or computer games approximately once a month or more rarely, and 25 percent monthly to daily.

The Temple Presence Inventory (TPI) was used to measure telepresence (Lombard and Ditton 1997). The TPI uses a 7-point Likert scale, and prior

research has validated the scale (Lombard and Ditton 1997; Nunez 2007). Tjøstheim and Go's (forthcoming) paper shows that telepresence can also be captured with a three-item scale. These three items serve as a proxy for the full TPI scale. When the purpose is not to analyze subconstructs of telepresence a three-item scale seems to work well.

Affordance in the virtual environment was measured using a four-item scale developed by the authors and based on Li *et al.* (2002, 2003). The word-of-mouth scale is a three-item measurement from Maxham (2001). We also used a place identity scale from Kyle and Chick (2007), originally developed by Williams *et al.* (1992). Hirschman and Holbrook (1982) proposed the hedonic and utilitarian meaning measure with a semantic differential scale. Snepenger *et al.* (2004, 2007) has applied this scale in the tourism domain. In this study we used the Snepenger scale to measure the hedonic meaning.

ASSESSMENT OF THE MODELS

The statistical software package for partial least squares (PLS) was used to analyze the data (Ringle *et al.* 2005). PLS is based on iterative ordinary least squares (OLS) regression. It is a structural equation modeling technique used to examine the psychometric properties of constructs and the relationships between constructs. Hence PLS is a useful tool when the purpose is to analyze the relationships between latent variables. There is a set of quality criteria recommended for PLS. The minimum sample size required is seven to ten times the larger number of paths leading to an endogenous construct. The sample size ($N = 60$) is adequate for estimating the proposed PLS path model (Chin *et al.* 2003). We assess the convergent validity, reliability and discriminant validity of all latent constructs before testing the research models. Convergent validity is suggested if factor loadings are 0.60 or higher (Bagozzi and Yi 1988) and each item loads significantly on its latent construct (Gefen and Straub 2005). Discriminant validity is suggested if all measurement items load more strongly on their respective construct than on other constructs. The square root of average variance extracted (AVE) of each construct should be higher than the inter-construct correlations – the correlations between that construct and any other constructs (Fornell and Larcker 1981). An AVE above the recommended 0.5 threshold indicates a satisfactory level of convergent validity. Tables 14.1 and 14.2 show that the quality criteria are met, thus supporting further analysis of the research questions.

The next step was to assess and compare the models. PLS is based on least squares estimation with the primary objective being to maximize the

TABLE 14.1 Discriminant validity test 1: crossloading of items, composite reliability and AVE

Constructs/items		Affordance evoked in the VE	Feeling of being there	Hedonic meaning	Place identity	Word of mouth
Affordance Mean: 3.69 Composite reliability: 0.86, AVE: 0.61	Q12Interaction With	0.81	0.59	0.38	0.40	0.45
	Q12c					
	WalkTakePhotos	0.82	0.57	0.33	0.36	0.39
	Q12e					
	WalkThrough Doors	0.77	0.61	0.39	0.27	0.31
	Q26GoShopping	0.72	0.38	0.37	0.38	0.41
Feeling of being there Mean: 4.69 Composite reliability: 0.89, AVE: 0.73	Q12a					
	FeltPhysical Presence	0.48	0.82	0.20	0.09	0.18
	Q12fFeellnThe Street	0.69	0.93	0.33	0.30	0.36
	Q12gPlace SpatialPr	0.59	0.81	0.29	0.28	0.29
Hedonic meaning Mean: 4.85 Composite reliability: 0.88, AVE: 0.72	Q23Beautiful	0.42	0.21	0.85	0.33	0.56
	Q23Pleasant	0.49	0.38	0.92	0.34	0.71
	Q23Soothing	0.23	0.21	0.76	0.34	0.40
Place identity Mean: 2.49 Composite reliability: 0.86, AVE: 0.55	Q22Identity1	0.31	0.29	0.17	0.72	0.38
	Q22Identity2	0.36	0.16	0.26	0.84	0.49
	Q22Identity3	0.24	0.16	0.23	0.61	0.28
	Q22Identity4	0.27	0.13	0.24	0.71	0.32
	Q22Identity5	0.45	0.28	0.33	0.79	0.45
Word of mouth Mean: 5.15 Composite reliability: 0.97, AVE: 0.92	Q21Recommend	0.53	0.36	0.65	0.55	0.98
	Q21ShouldGoTo	0.45	0.28	0.59	0.51	0.94
	Q21WoM	0.45	0.33	0.71	0.48	0.96

TABLE 14.2 Discriminant validity test 2: convergent validity, correlations between latent constructs

	Affordance evoked in the VE	Feeling of being there	Hedonic meaning	Place identity	Word of mouth
Affordance evoked in the VE	0.78				
Feeling of being there	0.70	0.85			
Hedonic meaning	0.47	0.33	0.85		
Place identity	0.45	0.28	0.34	0.74	
Word of mouth	0.50	0.34	0.68	0.54	0.96

Note: Diagonal elements are square roots of the AVE.

explanation of the variance in a structural equation model's dependent construct. In this study "Word of Mouth" is the dependent construct. The essential criterion for this assessment is the coefficient of determination (R^2) of the endogenous latent variables. Chin (1998) describes R^2 values of 0.67, 0.33 and 0.19 in PLS path models as substantial, moderate and weak, respectively. If certain inner path model structures explain an endogenous latent variable by only a few (for example, one or two) exogenous latent variables, as in this study, a 'moderate' R^2 may be acceptable. For each effect in the path model, one can evaluate the size of the effect by means of Cohen's (1988) F^2 . The effect size F^2 is calculated as the increase in R^2 relative to the proportion of variance of the endogenous latent variable that remains unexplained. According to Cohen (1988), F^2 values of 0.02, 0.15 and 0.35 signify small, medium and large effects, respectively (see Table 14.3).

The effects sizes (F^2) of Model 2 versus Model 1 are moderate. This is also the case for Model 3 versus Model 2, and Model 4 versus Model 3. However, the essential criterion for this assessment is R^2 . For Model 1 this is weak. Models 2, 3 and 4 have moderate variance, which is acceptable, given that both models have few constructs. In particular, it is worth noting that there is a positive and a medium to strong result for effect size when Model 3 is compared to Model 2. The effect size is 0.31, which is close to 0.35, the threshold for a strong size of effect.

DISCUSSION

When interpreting the statistical analysis it is essential to keep two important factors in mind. The first relates to ecological validity, which refers to

TABLE 14.3 Assessment of the four models

	Model 1 Feeling of being there → Affordance → Word of mouth		Model 2 Affordance + Place identity → Word of mouth		Model 3 Affordance + Hedonic meaning → Word of mouth		Model 4 Affordance + Hedonic meaning and Place identity → Word of mouth	
	β	<i>t</i> -value	β	<i>t</i> -value	β	<i>t</i> -value	β	<i>t</i> -value
Feeling of being there → Affordance in the VE	0.70	12.14***						
Affordance in the VE → Word of mouth	0.50	7.61***						
Affordance in the VE → Word of mouth			0.30	4.15***				
Place identity → Word of mouth			0.41	6.02***				
Affordance in the VE → Word of mouth					0.25	4.25***		
Hedonic meaning → Word of mouth					0.56	7.72***		
Affordance in the VE → Word of mouth							0.13	1.92
Hedonic meaning → Word of mouth							0.52	7.10***
Place identity → Word of mouth							0.30	4.93***
R^2		0.25		0.36		0.51		0.58
F^2				0.17		0.31		0.17

Notes: β = Path coefficients; + $p < 0.10$; * $p < 0.05$, ** $p < 0.01$; *** $p < 0.001$.

how well a method measures actions that are representative of naturally occurring behavior. Second, it is important that the study is theoretically sound. The statistical analysis has little value if the demands of these two criteria are not met because the research design is weak and the study is not based on relevant and established theories. This study was built on relevant literature and theories with a good reputation. From a statistical and analytical perspective we view the results, therefore, as being both valid and interesting. The key finding relates to hedonic meaning, the concept that Holbrook and Hirschman introduced in marketing and consumer behavior in the early 1980s. Govers and Go (2009) wrote that ‘When people visit a place it is above all a hedonic product’ (p. 17) and ‘place experiences can indeed be categorized as a form of hedonic consumption, where the experience is an end in itself’ (p. 147). The findings in this study give empirical support to this notion. The participants did not travel to Los Angeles; the ‘visit’ took place on a screen, but this does not mean that the participants had an artificial experience, an experience that has nothing to do with a traveler’s experience in situ. A 3D environment replicating a city can create a feeling of having been in that city. Hirschman and Holbrook (1982) define hedonic consumption as those facets of consumer behavior that relate to the multisensory fantasy and emotive aspects of product use. Therefore hedonic consumption and hedonic meaning have relevance for tourism and place marketing.

By letting hedonic meaning compete with place identity we can show that hedonic meaning has a stronger effect on word of mouth than place identity. The result of the structural modeling indicates that hedonic meaning can explain whether or not a person will recommend the destination to other travelers. The R^2 increases from 25 to 51 when hedonic meaning is included in the model. This is a medium to strong increase in the effect size, and a clear indication of the usefulness and relevance of hedonic meaning.

Since the travel industry began to use electronic booking in the early 1970s, technology has played a key role in more and more areas in the industry. In particular, this is true for travel planning and travel marketing. One of the strengths of VR and 3D technologies is how lifelike and realistic environments and avatars can be made with computer graphics, often making it difficult to distinguish between photorealistic computer images and photographic images (Lyu and Farid 2005). In this study we used gaming technology as the base for a sightseeing experience in a city. A tourist experience is multifaceted and it is not possible to capture every aspect with telepresence, affordance, hedonic meaning, place identity and word of mouth, the concepts included in this study. There is a need for research that investigates the experience of travelers in situ as well as in a virtual

environment. This will broaden our understanding of the tourist consumption experience and its implications for place marketing.

CONCLUDING REMARKS

It is not always feasible to carry out studies with visitors when they are actually at the destination. The use of new technology such as 3D might fill a gap in this case. It is also an advantage to be able to undertake studies with potential travelers – for example, individuals who are considering several possible destinations. From a destination marketing point of view, being able to perform realistic studies about the ways that potential travelers think and how they react to marketing and advertising is highly relevant and important. This study contributes to our understanding of how 3D technologies can be used to capture (i) travelers' experience of place; and (ii) the relevance of hedonic meaning in explaining whether or not a traveler recommends a destination to other travelers.

For marketing, this study has implications on how to apply gaming technology – for example, for advertising and product placement. Three-dimensional technology and gaming technology afford the tourism marketing knowledge domain new opportunities that remain, as yet, neither tested nor used. Finally, the decision-makers of a particular destination can use a virtual environment to present sights and attractions very effectively with a high degree of realism and thereby draw users into an experience of place. Then it is up to the creativity of the marketers and tourism researchers to design new studies that will bring new knowledge to the field.

Strengthening Brand America's Reputation Through Cooperation

Edward Burghard & Robert Govers

INTRODUCTION

Place branding is concerned with managing the reputation of cities, states, regions and nations. More specifically, it intends to build name awareness; a distinctive, believable, authentic, meaningful, memorable and co-created image; as well as loyalty among (potential) tourists, investors, traders, expatriates and the like. In addition, Govers and Go (2009) state that place branding departs from the identity of place and is hence supply driven, in contrast to marketing, which, as is well known, should be demand driven. Ultimately, when the analysis of identity and image is completed, and the choices for brand values and intended image are made, it is wise to think about how this 'corporate place brand' will be accessible and communicable to the various target groups. However, it is a mistake to start a branding process by looking at customer needs and wants. Govers (2010) argues (see www.placebrandz.com) that there are three reasons why it is not wise to take a marketing approach to place branding.

The first reason lies in psychology. Perceived images in the minds of consumers consist of networks of associations. These networks contain many different associations and inferences (ideas about landscape, climate, culture, politics or economics). While some of these might be relevant to tourism, they could also be relevant to new potential investors or residents (talented people that places try to attract as economic drivers). In addition, consumers are overwhelmed with information from various channels, and their perceptions of places are therefore influenced by the media, friends, relatives, personal experiences, popular culture and much more besides. This means that, with regard to places, consumers construct mental associations in many domains and at various levels, ranging from political, social and cultural, to historical inferences and memories of major news events,

catastrophes, conflicts or celebrations as well as knowledge of the products that come from these places. Subsequently, consumers will use this general image to decide on their next holiday destination, investment location or place to live. It is a network of association that people will call upon whenever they think about places. It is a misunderstanding to assume that one can open and close 'boxes of perceptions' whenever a consumer is targeted as a tourist or expat versus an investor. The perceptual network is always there and one can only hope to be able to add additional associations to it or bend existing associations in a favorable direction. It is an illusion to think that through place branding one will be able to completely control this overall image, let alone to think that it will be possible to create different images among variable and segregated target markets. What is more, today's tourist can be tomorrow's investor and a new resident the day after.

The second reason why place branding must not be confused with marketing is that whenever a city, region or country creates a brand from a market perspective it runs the risk of ignoring the fact that the shape and substance of the concept of place is still in reality produced by residents, local public and private actors, and civil society in general (Anholt 2010). To reduce place to an abstracted brand for tourists, for example, will soon result in antagonism from certain local interest groups and probably result in brand failure, considering the negative 'internal branding'. To avoid this, it is essential to create the conditions for local brand ambassadorship by building the brand based on the sense of place and identity of the local population and societal actors.

It is therefore recommended that as many public and private actors as possible should be involved, and commitment be gained from civil society and public opinion. To opt for a market approach to branding would not help in this respect, because certain economic sectors and actors will not feel part of such an initiative and will continue to act independently. This will have a negative effect on the effectiveness and efficiency of the place branding initiative, and can even be counterproductive, and is the third reason why place branding and marketing should not be confused.

It is exactly this cooperation that is essential for successful place branding, so the notion that place branding is synonymous with place marketing is very likely to undermine the former's success. Place branding acts rather as a strategy, which informs the marketing of the product offering of place – that is, tourism, treasury (investment opportunities), trade and talent (migration). Consider it a 'corporate brand'. As such, cooperation is essential and a co-creation approach to place branding, clearly distinguishable from sector-led marketing initiatives, provides the only way toward establishing and sustaining a successful place brand. Several authors have emphasized this point.

Go and Govers (2010) make the case for managing place branding, from integration to interaction; that is, not just establishing a delicate balance between stakeholders, but actually facilitating networking and the building of relationships. Lemmetyinen and Go (2010) applied this to the Baltic macroregion. Hankinson (2004), presented a place brand model ‘based upon the concept of a brand as a relationship with consumers and other stakeholders, focusing on behaviours rather than communications and reality rather than image’. As Gnoth (2002) argued, ‘brand development is therefore more likely to succeed by being managed “bottom up” rather than “top down”’. In other words, the required network structures to be formed in the industry to sustain a branding exercise need to develop a brand community that creates communication and interaction patterns, which overcome the lack of a powerful channel captain’. Finally, more recently, Warnaby (2009) argued that co-creation, interaction and relationships will become more important in place branding when approached from the contemporary service-dominant logic perspective (Vargo and Lusch 2004a, 2004b).

THE CASE FOR COOPERATION

‘Brands need to be managed and controlled. It thus becomes a focal issue as to who controls and manages a country brand, especially if its potential national brand extensions – service providers together with their potential partners from primary and secondary industries – lack community, vision and control’ (Gnoth 2002, p. 267). ‘Consulting, co-opting, and involving stakeholders, followed by distilling from their input the essence of a place’s personality, is probably the toughest part of the destination branding exercise’ (Polunin 2002, p. 3), but it is important that everyone is heard and that all stakeholders, interest groups and layers of society are involved. Cooperative brands are stronger brands (Cai 2002).

Anholt (2002, p. 234) not only explained how branding might help to improve the national product offering, but at the same time how such offerings might help in ‘branding the nation ... by encouraging first-hand experience of the country through [for example] tourism’. Furthermore, Anholt argued that: ‘just as corporate branding campaigns, if properly done, can have a dramatic effect on the morale, team spirit and sense of purpose of the company’s own employees, so a proper national branding campaign can unite a nation in a common sense of purpose and national pride’ (Anholt, 2002, p. 234). Later, Anholt (2007, 2010) stressed that it is not about ‘campaigning’ but about policy, action and substance. Nicholas Ind refers to this as ‘living the brand’ (Ind 2003, 2004), while Hankinson (2004, 2007) refers to place brands as relational networks linking customers, services providers and other stakeholders. One could

even argue that, because of the strategic, long-term nature of place-branding projects, it should be divorced from the time-frame of political cycles. As a consequence, the private sector should play an important leadership role. But such leadership roles and cooperation have to be facilitated.

What is needed is the creation of place-brand communities (Gnoth 2002; Van het Klooster *et al.* 2004) as 'communities of practice', in which people learn at the intersection of community, social practice, meaning and (cultural) identity (Wenger 1998):

Communities of practice come together around common interests and expertise – whether they consist of first-line managers or customer service representatives, neurosurgeons or software programmers, city managers or home-improvement amateurs. They create, share and apply knowledge within and across the boundaries of teams, business units, and even entire companies – providing a concrete path toward creating a true knowledge organisation. (Wenger *et al.* 2002, back cover)

As Wenger *et al.* suggest, we need to cultivate our communities of practice as ways to consult, co-opt and involve stakeholders, and create common ground (based on the creation, sharing and application of common knowledge). The brand community, as first suggested by Gnoth (2002) and later Van het Klooster *et al.* (2004), indeed seems to be a promising concept for fruitful application in the place-branding context: 'For it is only through value-oriented, networked cooperatives and shared vision that a place brand community can evolve' (Gnoth 2002, p. 269). Van het Klooster *et al.* (2004) approach brand communities as distributed community-based knowledge initiatives and discuss their requirements based on Wenger:

The success of the brand community depends on the commitment and development of shared vision between the different stakeholders. This is a difficult process since all stakeholders operate in their own local context, holding different values and perspectives and only limited resources to interact with other stakeholders and develop a common ground, that is to say, a sense of community. (Van het Klooster *et al.* 2004, p. 12).

A strong community fosters interactions and relationships based on mutual respect and trust. Reciprocity is of major importance within a community. Without it, the community is unlikely to sustain ... The levels of participation are very organic as stakeholders are constantly evaluating their goals and looking for new ways in which the community can contribute to their individual needs and those of the collective. Rather than force participation, successful communities 'build benches'

for those on the sidelines, for example through a (digital) newsletter or website with the latest news, as well as private spaces for personal networking. (Van het Klooster *et al.* 2004, p. 16, based on Wenger *et al.* 2002, pp. 57 and 133)

Such communities can nowadays easily be brought to life in an online environment.

Maathuis (1999, p. 229) discusses how a corporate brand can be transferred to business units and products. When place brands prove to have similar properties to trade brands, it would be interesting to address the ‘transmittability’ of such brands in a place-branding context. Could the brand community not only create a strong place brand, but at the same time facilitate the ‘transmittability’ of this brand on to the various stakeholders and the smaller geographical units that are part of the larger place brand (that is, brand hierarchy, such as provinces within countries or counties within larger regions), as suggested by Gnoth? The Strengthening Brand America (SBA) initiative is such a brand community that attempts to link ‘corporate brand America’ with its constituent state brands.

STRENGTHENING BRAND AMERICA

Historically, Brand America has benefited from a strong global reputation. A bronze plaque inside the Statue of Liberty quotes from a poem by Emma Lazarus entitled ‘The New Colossus’: ‘Give me your tired, your poor, your huddled masses yearning to breathe free, the wretched refuse of your teeming shore. Send these, the homeless, tempest-tost to me, I lift my lamp beside the golden door!’ The promise of personal freedom to pursue life, liberty and happiness is extremely compelling. The expectation is that hard work and smart risk-taking will be rewarded with success; that dreams can be realized in spite of obstacles. The promise of the ‘American Dream’ has proved to be relevant for much of the world’s population, based on the continual inflow of immigrants who leave their birth countries for the promise of a better life.

But, post-Second World War, Brand America has faced increasing problems. The promise is no less relevant than it was in 1776, when first penned in the Declaration of Independence (4 July). But, the authenticity of the promise has increasingly come into question. The world is constantly evaluating the congruency of Brand America’s promise and performance, and is concluding that there is a dissonance between the ‘walk’ and the ‘talk’.

To assess the global strength of Brand America, one can turn to several measures. The first is the Anholt–GfK Roper Nation Brands IndexSM. It is a quantitative research study of citizens around the world that evaluates perception of countries across six dimensions: (i) exports (image of

products and services); (ii) governance (opinion of government competency and fairness); (iii) culture and heritage (appreciation of contemporary culture); (iv) people (reputation of citizens); (v) tourism (interest in visiting); and (vi) investment and immigration (power to attract people and money). In 2008, Brand America was ranked at No. 7, based on study results (Anholt–GfK Roper 2009), certainly not the ideal position for any brand to be in. In their first book on Brand America, Simon Anholt and Jeremy Hildreth (2005) wrote ‘It is essential to recognize the difference between the long-term management or rebuilding of Brand America – measured in decades, not months or years – and the fixing of negative perceptions in the short- to medium-term.’ Their assessment was that the problem was not with the promise of Brand America, but rather with the credibility of the messenger. Others supported the perspective of Anholt and Hildreth. The PEW Global Attitudes Project Report (2007) concluded, ‘Since 2002, the reputation of the United States has declined in most parts of the world. Favorable ratings of America are lower in 26 of 33 countries for which trends are available.’

A second measure to track is Brand America’s share of foreign direct greenfield investment inflow reported by the UNCTAD (2007). Based on the *World Investment Report*, Brand America’s share had been declining throughout 2007. This decline suggests that capital investors felt other locations around the world offered a more competitive value proposition than Brand America for greenfield dollars.

Clearly, Brand America has been challenged, and thoughtful action is required if it hopes to reverse the apparent erosion of its global reputation. The former federal government tried but was not successful in addressing the challenge. The challenge was framed as a public relations issue rather than an issue of dissonance in Brand America’s authenticity. However, the historical lack of success clearly argues strongly that (to paraphrase Stephen Covey) you can’t talk your way out of a problem you behaved your way into. No amount of investment in public relations tactics will change global opinion of Brand America. What was required was a sound strategic plan to effectively realign Brand America’s promise and performance.

This is one of the aims of the Strengthening Brand America (SBA) initiative (see www.strengtheningbrandamerica.com). The core concept of this effort is to build the brand through strong cooperation. It is asserted that improving the quality and increasing the strategic importance of place branding at the state level is a way of helping to improve the value proposition of Brand America within the global business community. The underlying hypothesis is that stronger individual state brands will translate (in aggregate) into a stronger Brand America.

The hypothesis views the global capital investment market as a complex adaptive system with states and countries playing the roles of agents, constantly acting and reacting to each other's actions. The overall competitiveness of Brand America is therefore determined by individual decisions made by the states (and within the states, by communities and collaborative regions). The adaptive capacity of the system is a function of its ability to learn and apply knowledge for increased flexibility in decision-making and problem solving. Strengthening the economic development community understanding of successful reapplication of product and corporate branding principles will help to improve a location's value proposition and make it more competitive for foreign direct investment (FDI) inflow. It will help Brand America to evolve and adapt to the ever-changing environment created by an interdependent global economy.

The SBA project is a community of practice designed to catalyze the transfer of branding. The initiative targets three key audiences – (i) private-sector branding experts with the knowledge needed to create strong global state brands; (ii) public-sector economic development professionals with the responsibility for making investment decisions in place branding at the community, region and state level; and (iii) students with an interest in a career as an economic development professional and who represent the future place brand investment decision-makers.

The SBA project has made several important and unique contributions to the economic development community, including (a) making state level foreign direct investment trend data publicly available for analysis and benchmarking; and (b) providing a novel analysis comparing media buzz between the USA and the EU during the global economic crisis. The project is also raising controversial issues, such as the role of negative campaigning in economic development: issues that, when discussed and debated, will help the community to mature and improve place-branding practice.

For example, the SBA initiative has been successful in moving aggressive and negative state investment promotions campaigns beyond the pure place-marketing logic to address the wider issue of branding and the damage that these sorts of short-term marketing tactics can do to the 'corporate brand America'. On 26 August 2009, *USA Today* (Matheny 2009) ran a story entitled 'States Knock Heads to Lure Businesses'. The story showcased new attack campaigns designed to encourage business relocation. According to *USA Today* (Matheny 2009):

Las Vegas is running ads in California warning businesses they can 'kiss their assets goodbye' if they stay in the Golden State. In New Hampshire, economic development officials pick up Massachusetts business owners at the border in a limousine

and give them VIP treatment and a pitch about why they should relocate there. Indiana officials, using billboards at the borders and direct appeals to businesses in neighboring states, are inviting them to 'Come on IN for lower taxes, business and housing costs.'

This type of communication places a wider branding issue and brand damage approach to place marketing at centre stage and led the SBA project to initiate a discussion among place branding community members. The discussion showed a general feeling that such negative promotional campaigning, from a branding perspective, can be detrimental to Brand America's reputation among global capital investors. The SBA's point of view is that strong state brands make a strong Brand America, and it is concerned that when one state seeks to gain an advantage by denigrating the image of another, it may ultimately weaken the image and reputation of the whole nation. Virtual brand communities such as the SBA project seem to be useful mechanisms to raise such discussions, clarify conflicting interests between various stakeholders and the short-term marketing versus long-term branding perspectives and, most important, to build a cooperative and dynamic interactive social network where ideas can be shared.

CONCLUSION

There are hopeful signals that improvement of Brand America is not only possible, but probable. The UNCTAD (2008) data on FDI greenfield inflow showed signs of a meaningful share gain compared to 2007. The Anholt–GfK Roper Nation Brands IndexSM (Anholt–GfK Roper- 2009) indicated an unprecedented leap in global perception from the previous year's No. 7 ranking to No. 1 and the Nobel Peace Prize (2009) was awarded to President Barack Obama in part because of the perception that Brand America is serious about behaving in a manner more consistent with its promise. The 'Obama effect' on international reputation has therefore been demonstrated and is perceived to be unprecedented. The latter, of course, raises questions about the limits of perception and promise: 'Yes we can' and the pursuit and delivery thereof. It requires professional proof; an evidence-based approach to measure the true impact of real policy changes on reputation, and the 2010 mid-term elections and WikiLeaks Cablegate crisis will probably be no catalyst. One can question, therefore, whether the coordination of cooperation will be achieved, but in the meantime, for now at least the perception of change has assisted with cooperation toward the living brand. Even the new edition of Anholt and Hildreth's book (2010) claims that Brand America is still the biggest brand of them all.

The key to strengthening Brand America is to focus on being better at ‘walking the walk’. Effective application of place branding through cooperation is one way to ensure that adequate attention is paid to assure the authenticity of Brand America. The SBA project will catalyze improved application of place branding by economic development professionals, and is one way to ensure the restoration of a globally strong Brand America in the slipstream of the ‘Obama effect’. Cooperation, dialogue and mutual respect are the key building blocks for this.

The SBA community is used by professionals from 135 countries. It holds over 30 interviews with experts, including Fortune 1000 CEOs, economic development experts and branding experts, and over 120 blog posts share insights into proven community branding applications. The Place BrandAid initiative is an excellent example of how the SBA project encourages collaboration. Immediately following the BP oil spill in the Gulf of Mexico, economic development professionals and private-sector marketing experts were asked to share their insights, encouragement and counsel on how to repair the damage to the images of communities affected by the environmental crisis. Community members from around the world (34 in total) readily responded to the request, selflessly providing quality input for local tactical consideration. Place BrandAid establishes a new, aspirational standard of cross-state and cross-nation collaboration in economic development that promotes the tenets of cooperation, dialogue and mutual respect. As such, it builds not only on President Obama’s impact on perceptions and reputation, but also on his approach to leadership.

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