

AY 2011

EVENT MARKETING AS A PLACE BRANDING
STRATEGY

Success factors when leveraging international events

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CHAPTER 1: INTRODUCTION AND METHODOLOGY

SECTION 1.1: INTRODUCTION

1.1.1: Problem Discussion and Motivation

Nations, like other products, are brands, and they can leverage their brands to enhance their position in the global marketplace. According to UNWTO, destinations are fast becoming the new must-have fashion accessories, offering many of the same ways to show off wealth, class or group membership as expensive branded items¹. This puts destinations in direct competition with other lifestyle brands for the overall fashion accessory and lifestyle budget of travellers. Consider then, the massive \$467 million dollar 2007 total ad budget of Apple², a company that creates some of the most iconic design accessories of our decade, dwarfing the \$42 million spent in the same year by the Bahamas³ – a country completely reliant on its desirability as a brand and the highest spending destination in the Caribbean.

And a country's brand equity does not only apply to tourism. In an increasingly globalized marketplace, where the attention of customers is fragmented by more and more brands and achieving share of voice is becoming ever harder and more expensive, a small budget and political accountability are distinct disadvantages. Governments find it difficult to justify spending large amounts of public funds on promoting their nation brand in the hope of improving exports, enticing more foreign investors or attracting more tourists because results are hard to quantify. Yet no one would argue the point that country of origin influences everyday purchasing decisions. Consumers perceive added value in French wine, Japanese electronics and German automobiles. Conversely, in a 2005 survey by Interbrand, 79% of 243 executive-level branding professionals believed that a

¹ Morgan, Nigel, Annette Pritchard and Roger Pride (2010:4) *Destination Branding: Creating the unique destination proposition Revised Second Edition*, Elsevier Butterworth-Heinemann, Oxford, UK

² Blakely, Lindsay (2008) *Apple's Advertising Budget: Revealed* at <http://industry.bnet.com/technology/1000574/apples-advertising-budget-revealed/> accessed 20/06/10

³ Bahamas Press (2008) *Bahamas Leads Caribbean In Tourism Spending* at <http://www.bahamaspress.com/?p=2096> accessed 21/06/10

‘Made in China’ label hurt Chinese brands⁴.

Under these conditions, destination brand managers of niche country brands need to, in the words of Morgan et al. “...outsmart rather than outspend the competition – and in this battle traditional mass-marketing techniques cannot address the share-of-voice problem effectively.”⁵ I would argue that when we extend the competition to include multinational brands like Nike, Apple, Google, Louis Vuitton and their peers, this statement applies equally to larger nations, which also seek to gain an advantage in the global marketplace. Therein lies the problem for nation brands and those who work to develop them: how to maximize the efficacy of inadequate funds in order to achieve measurable returns that enhance the brand equity of the country.

1.1.2: Problem Definition and Purpose

The academic and professional study of nation branding is a relatively small but rapidly growing field. It is a contested field in which participants and pundits have difficulty agreeing on basic principles and theories. Still, governments around the world have been enthralled by the idea that it is possible to enhance the image of the nation, thereby gaining competitive advantage in a range of areas including tourism, international negotiations, exported goods, talent attraction and many more. One of the greatest challenges facing nation branders – those agents working deliberately to enhance the brand equity of the nation brand – is a lack of resources. In international advertising and marketing terms, most nation branding budgets are dwarfed by the brand power and sheer financial might of multinational corporations. However, while country branding faces limitations that large private companies do not, it also can operate in unique arenas. In this paper I will examine a possible remedy to the problem of scarce resources: the leveraging of large-scale, planned events to achieve greater-than-normal returns on investment in terms of brand value enhancement. It is my proposition that strategic marketing planning and judicious application of

⁴ Swystun, Jeff (2005:3) *The strategy for Chinese brands*, October 2005, http://www.brandchannel.com/images/papers/250_ChinaBrandStrategy.pdf, accessed 2010/10/07

⁵ Morgan, Nigel, Annette Pritchard and Rachel Piggott (2003:288) *Destination branding and the role of stakeholders: The case of New Zealand* in **Journal of Vacation Marketing** 2003; Volume 9; pp 285-298

public relations techniques and event-related advertising in connection with major planned events offer countries the possibility of substantially improving their brand image. I will examine three cases where major events have been leveraged for public relations purposes with varying degrees of success, to determine how event leveraging fits into the country's overall branding strategy, how the event was planned and executed and what gains or losses, if any, the event caused in financial terms and in terms of national brand equity.

1.1.3: Chapter Overview

This chapter briefly describes the field of nation branding and the questions being examined. Further, reasons for choosing the case study method are then presented, along with a brief discussion of the research approach and some empirical data sources.

Chapter 2 presents the theoretical framework for analyzing the case studies, along with an introduction to the academic field of nation branding. A further discussion is made of the main issues examined, namely scarce resources and limited share of voice. Finally event marketing is introduced as a viable, cost-effective nation branding strategy.

Chapter 3 contains the case studies that are the analytical basis for the conclusions in this thesis. Three country/event combinations have been chosen: 1) New Zealand and the *Lord of the Rings* movie trilogy, 2) China and the 2008 Beijing Olympics and 3) South Africa and the 2010 soccer World Cup. The cases are analysed using a combination of actual advertising and marketing material and plans, and secondary empirical data.

The findings in the case studies are summarized and drawn together in chapter 4, where a further comparative analysis is presented, and some success factors are identified.

The final chapter discusses the validity of the findings. Then, the value of event leveraging in

nation branding is gauged along with the potential long-term effects of such activities on a nation's brand equity. Finally, some implications for nation branding practitioners are suggested.

SECTION 1.2: RESEARCH APPROACH

1.2.1: Case Study Methodology

There are three main reasons why the qualitative, comparative case study method of research has been chosen for this project. First of all, the complexity of a nation brand image and its context requires in-depth analysis to understand. In his definition of a case study, Yin⁶ states "A case study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context, *especially when the boundaries between object of study and context are not clearly evident.*" (Emphasis added.) A nation brand is such a broad, amorphous concept, with so many stakeholders and such a diverse audience, that it is a prime example of this. Its exact boundaries are exceedingly difficult to identify, and it is therefore necessary to utilize a methodology that allows the analyst to address this. Dul and Hak⁷ add to this definition another distinctive feature of case study research: by focusing on a limited number of case studies, we are better able to utilize multiple sources to gain a more complete understanding of the issues at hand and their operational context. Analyzing the entire nation branding process from background and planning to implementation of specific events helps us identify possible cause and effect relationships.

A common, often reiterated criticism of the case study method is that it is impossible to generalize to the wider population from a single case and that the case study method therefore is useless. Campbell and Stanley gave voice to this classic criticism when discussing case studies as a scientific methodology, saying "Such studies have such a total absence of control as to be of almost

⁶ Yin, Robert K. (2003:13-14) *Case Study Research: Design and Methods (Third Edition)*, Sage Publications, London, UK

⁷ Dul, Jan and Tony Hak (2007:3-5) *Case Study Methodology in Business Research*, Butterworth-Heinemann, Oxford, UK

no scientific value. . . . Any appearance of absolute knowledge, or intrinsic knowledge about singular isolated objects, is found to be illusory upon analysis. . . .”⁸ Later researchers, however, have argued against such a dismissive attitude. Flyvebjerg⁹ quotes the example of Galileo disproving Aristoteles’ law of gravity – based on a single case and a single experiment. He argues that the critical point is more likely the case itself – if it is chosen well it is likely to have applicability to a more general population.

The experimental and exploratory nature of the case study method is the second reason for using it. The field of nation branding is new, both academically and professionally. In such a field, fewer ‘accepted truths’ exist. There are more questions than answers and a qualitative, exploratory approach may not only be desirable but also necessary to investigate the subject and discover answers to initial questions as well as indications useful in further lines of inquiry. According to Yin, “...case studies are the preferred strategy when how or why questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context...”¹⁰.

Finally, to be able to identify the success factors behind - and potential effects of - event leveraging in nation branding, it will be necessary to qualitatively compare the three distinct cases chosen. This will hopefully allow identification of fundamental success factors that go across cultural and geographical borders and are truly relevant to nation branding in a global context.

1.2.2: Data Collection and Sources

The materials and information supplied by government and private nation branding agents as will provide the bulk of data collected. Branding decisions and previous planning data as well as

⁸ Campbell, D.T. and Stanley, J.C. (1966: 6-7) *Experimental and Quasi-experimental designs for research*, Rand McNally, Chicago, USA

⁹ Flyvebjerg, Bent (2006:224-227) *Five Misunderstandings About Case-Study Research* in **Qualitative Inquiry** Volume 12 Number 2 April 2006, Sage Publications, London, UK

¹⁰ (2003: 1)

future 5 and 10 year plans are available online from such practitioners. A growing base of work concerning various aspects of nation branding is becoming available and will be valuable both as a secondary data source and a guide for the direction of inquiries. Lastly and perhaps most importantly; media output will have to be analysed to look at the 'end results' of the nation branding efforts, how these are received and how they correspond to the strategies they are designed to implement.

1.2.3: Major Data Sources

Three sources warrant separate mention: The Anholt-GfK Roper Nation Brands Index (NBI) is perhaps the most well known research into nation brand equity today. Simon Anholt coined the term 'nation branding' in 1996 and has since then been at the forefront of the field both as an academic and a practitioner. He created the NBI as a "...way to measure the image and reputation of the world's nations, and to track their profiles as they rise or fall."¹¹ The Index is based on interviews with up to 10,000 people, scoring 35-50 countries along six main dimensions.

Furthermore, the brand consultancy Futurebrand, Inc., annually creates and publishes the Country Brands Index (CBI) in cooperation with BBC World News. This is based on a different data set than the NBI: it incorporates quantitative research among approximately 3,000 international travellers as well as expert opinions and secondary statistical sources. Finally, the global Brand Asset Valuator poll is developed and published by Young & Rubicam BrandAsset Consulting. This database tracking consumer perceptions examines all kinds of brands and their value, among them some nation brands, and claims to be the most extensive in the world.

¹¹ GfK America (2010) *The Anholt-GfK Roper Nation Brands Index*, http://www.gfkamerica.com/practice_areas/roper_pam/nbi_index/index.en.html, accessed 2010/10/07

CHAPTER 2: THEORETICAL FRAMEWORK

SECTION 2.1: THE IDEA OF NATION BRANDING

In 1993 Kotler, Haider and Rein offered a definition for what they called "a place's image", calling it "...the sum of ideas, beliefs and impressions that people have of a place."¹² 15 years later, Dinnie defines a nation brand as "...the unique, multi-dimensional blend of elements that provide the nation with culturally grounded differentiation and relevance for all of its target audiences."¹³ The language is vastly different, but both definitions recognize that the nation image or brand exists within the minds of its audiences, implying (according to Dinnie) that it is not something that can be completely controlled by marketing. What then, is nation branding? Building on these definitions, we can simply say it is the effort to influence the perceptions of the nation *qua* brand in the minds of audiences. This definition does not say anything about the efficiency of the activities undertaken, only the goals with which they are performed. Because image is something perceived rather than what real, it should be possible to influence it in a positive or negative way. While national stereotypes are strong and powerfully rooted in our consciousness, they should not be regarded as completely immutable, nor should we regard ourselves as completely immune to communications seeking to influence our opinions on countries.

The term nation branding was coined by, or rather adapted from a phrase used by Simon Anholt. In a 1998 article he proposed the idea of regarding nations as *brands* and suggested that they should consider themselves in such a light¹⁴. This has given birth to a number of books and articles that are based on the assumption that there is such a thing as nation branding - an activity one can engage in to increase the brand equity of a nation through traditional marketing means. A number of

¹² Kotler, Philip, Donald H. Haider and Irving Rein (1993:141) *Marketing Places*, The Free Press, New York, USA

¹³ Dinnie, Keith (2008:15) *Nation Branding: Concepts, Issues, Practice*, Butterworth-Heinemann, Oxford, UK

¹⁴ Anholt, Simon (1998). *Nation-brands of the twenty-first century* (reprint) in **Journal of Brand Management**, Volume 5 Number 6, 395-406, Henry Stewart Publications, London, UK

writers have opposed this. From an ethical point of view (such as Drenttel¹⁵) it has been argued that introducing the language of branding into the foreign policy of a country will inspire a skewed focus on form rather than content or (according to Aronczyk) that the ‘distillation’ of image inherent in branding is unable to represent the nation accurately: “...branding cannot account for the plurality of voices, legacies and competing visions of the nation-state”¹⁶. From an academic point of view a similar argument has been made – that the public image and perception of a nation as a whole is much too complex to be affected by simple marketing campaigns (see Fan¹⁷).

Are we able to accurately define the identity of any country, even our own? The complexity of a national identity is staggering. When we think analytically of a country, this complexity is self-evident. However, our casual, everyday perception of a country is likely to be based on stereotypes, recent impressions and sweeping generalizations rather than analysis.

Most notable among critics is perhaps Anholt himself. In a recent interview he said "... to be honest I wish I'd never coined the damn phrase [nation brand] because in some ways it is incredibly misleading"¹⁸. He has elaborated on this, saying that "Many governments, most consultants and even some scholars persist in a naïve and superficial notion of ‘place branding’ that is nothing more than ordinary marketing and corporate identity, where the product just happens to be a country...".¹⁹ According to Anholt the country is most definitely a brand; it is just that we should not talk about branding it as we do any other product.

Regardless of this debate nation branding *does* exist. As countries, regions and cities around the world engage in costly research and commission tourism agencies and consultants to create

¹⁵ Drenttel, (2004) *My Country Is Not A Brand*, posted on the *Design Observer* website 11.25.04, <http://www.designobserver.com/observatory/entry.html?entry=2707>, accessed 13/06/2010

¹⁶ Aronczyk, Melissa (2008) «*Living the Brand*»: *Nationality, Globality and the Identity Strategies of Nation Branding Consultants* in **International Journal of Communication** Volume 2, pp 41-65, USC Annenberg Press, California, USA

¹⁷ Fan, Ying (2005) *Branding the nation: What is being branded?* in **Journal of Vacation Marketing**, Volume 12 Number 1, Sage, London, UK

¹⁸ Q Radio (2009) *Simon Anholt interview*, Q radio podcast on 14.10.09, accessed through iTunes Store on 02/06/2010

¹⁹ Anholt, Simon (2008) *Why Nation Branding does not Exist*, <http://kommunikationsmaaling.dk/artikel/why-nation-branding-does-not-exist/>, accessed 14/06/2010

strategies to strengthen their brand equity, hire advertising agencies to create viral videos, posters and slogans, and as academics write about their efforts and theorize on their efficiency, the term nation branding becomes a valid concept, and the discussion turns away from ‘whether’ to ‘how well’.

It is also important to be mindful of the fact that almost all countries already have a set of attributes in the minds of people, simply by way of being nations. When Aronczyk conducted interviews among working nation branding consultants, she found that "According to respondents, nations are already de facto brands, regularly projecting their assets, attributes and liabilities to a public at large, whether intentionally or not."²⁰ So with very few exceptions, i.e. where a country is unknown to an audience or it is too young and has not developed an image in the minds of its audience (e.g. some former Soviet states), nation brand consultants are dealing with an existing, often unmanaged “brand” that has a long history in the international marketplace.

Countries are complex and multi-faceted, and if we are to regard them as a product to be marketed, we also need to recognize the fact that to change the product-mix or offering of a country is more difficult than doing the same for a fast-food restaurant chain. One does not simply perform a line-extension or differentiate into another product category; the country is what it is and what can be most easily changed is the way in which it is communicated *about*. This is not to say it is completely impossible to change fundamental views of a nation, but perhaps more fundamental actions are required to permanently change national stereotypes. When Anholt created the Nation Brands Index, he based it on the idea that the brand equity of nations changes very little and very slowly, if at all²¹. In 2009, however, the US moved from 7th to 1st place on the rankings, showing unprecedented vertical movement. This was the same year that Barack Obama was elected president; perhaps showing that radical changes within a country affect people’s view of it. Anholt, however, is adamant that nation branding as it is today is useless. In a recent interview with The Jerusalem Post he said that “...nations in the Middle East today that are doing nation branding are just wasting their

²⁰ (2008:49)

²¹ Q Radio (2009)

taxpayer's money.” However, the same article quotes one of his opponents, Peter van Ham, using Israel as an example that built-up perception can be everything: “Anything Israel does can be seen as great, wonderful, defending Western civilization, or the same thing can be seen as oppressing Palestinians – depending on your world view”.²²

Several country characteristics will influence the possibility or difficulty of utilizing branding techniques. Country size, for example; in many cases, the smaller a country is, the less complex it is, the easier it is to marshal its resources and the more unified a national identity it is possible to project. Often the population is smaller and therefore easier to manage²³, and perhaps easier to unite to a common goal and common communication agenda. At the other end of this scale we could find the US - big in every sense of the world, multicultural, multipolitical, geographically vast and diverse and impossible to sum up in any but the most generic or esoteric terms.

It is clear to me that even though Anholt is reluctant to use the term nation branding, we must use it for want of something better – information presented to you can change your perceptions about something. This is the basis of all advertising and branding, and could be equally applicable to nation brands.

SECTION 2.2: WHY BRAND PLACES?

Nation branding is big business. Malaysia spent RM 600 million (almost \$200 million) promoting Visit Malaysia Year 2007²⁴, Australia recently allotted \$20 million to their re-vamped ‘Australia Unlimited’ campaign²⁵ and according to CNBC Business the total being spent on

²² Peim, Benjamin (2010:6) *Mideast countries tap pros to polish tarnished images* in The Jerusalem Post on 28/12/2010

²³ Gilmore, Fiona (2002) *A Country—Can it be Repositioned? Spain—the Success Story of Country Branding* in **Journal of Brand Management**, April 2002.

²⁴ Au-Young, Joyce (2007) *Branding Malaysia*, <http://www.temporalbrand.com/press/press-041206.shtml>, accessed 19/10/2010

²⁵ Markessinis, Andreas (2009) *Australia launches new ‘Brand Australia’ concept*, <http://nation-branding.info/2010/06/30/australia-launches-new-brand-australia-concept/>, accessed 19/10/2010

promoting countries, regions and cities worldwide now tops \$1 trillion annually²⁶. What, exactly, is it hoped that this spending will do for the place in question?

According to de Chernatony, the increasing use of branding techniques with regard to nations is grounded in "...the increasingly global competition nations now face in both their domestic and external market»²⁷. Countries find that they are competing in a manner similar to multinational corporations, and that they cannot assume that they exist in a vacuum where image – both their own and those of their competitors – does not matter. So what are they competing for, exactly? De Chernatony goes on to say that there are three major objectives to be achieved through nation branding: 1) attracting tourists 2) stimulating inward investment and 3) improving exports. Beyond this is the increasingly important aspect of attracting talent in an ever more globalized labour market²⁸. Going even further than this, other writers suggest a range of minor objectives: improving currency stability, aiding in restoring international credibility, restoring investor confidence in the country, reversing downgrading in international ratings, increasing political influence on the international stage, stimulating strong international partnerships and even enhancing nation building (stimulating internal pride, harmony, ambition and resolve)²⁹. For some countries more than others, nation branding activities may even be about distancing themselves from a darker past. South Africa, Germany, newer countries of the former Soviet Union and Eastern bloc³⁰ and even Japan spring most readily to mind. I would add one more goal: improving chances of membership in supranational groups and agreements, like Eastern European wishing to enter the EU. While mostly self-explanatory, the three major areas merit closer examination.

²⁶ Bowman, Jo (2010) *Corporate Makeover*, <http://www.cnbc.com/story/corporate-makeover/1102/1/>, accessed 19/10/2010

²⁷ In Dinnie (2008:16)

²⁸ Ibid

²⁹ Prerera, Presanna (2008) *Branding a nation with international recognition* in Sri Lanka Daily News, <http://www.dailynews.lk/2008/08/13/bus25.asp> accessed 14/06/2010

³⁰ Anholt, Simon (2007:117) *Competitive Identity: The New Brand Management for Nations, Cities and Regions*, Palgrave Macmillan, Houndmills, UK

2.2.1: Exports

According to Anholt, "A strong country of origin effect is one of the most valuable assets that a government can help its commercial and industrial sector to create."³¹ The commercial sector and the government create this effect together: An improved country brand leads to a boost in industry exports, which again improves the economy. "Once a country's brand begins to improve, a virtuous cycle comes into play; the country promotes the brands and the brands promote the country...Foreign policy promotes inward investment, which improves the environment for branded exports, which sustain the country image, which improves tourism..."³² This is key to Anholt's argument - it is the fundamental actions and changes in a country that affect its image and brand, not superficial campaigns. Governments need to support industry directly as well as promote the country abroad; increasing its brand value so that companies can gain added competitive advantage simply by invoking the name. But even though Anholt may be sceptical in his outlook, there are plenty of examples of brands that undeniably draw on nation brand equity in an effort to enhance their own. Take, for example, Apple Inc; why do all Apple products carry the mark 'Designed in California'? Why not 'Designed in the USA'? Or "Designed in Oregon", for that matter? It is all a matter of brand equity. California evokes images of the glamour of Hollywood, beach life, beautiful people, the progressive politics, the wine regions, the cutting-edge technology of Silicon Valley and the fact that the state is one of the largest economies in the world. For what else gets 'made in California'? Lockheed jets, surfboards, movies and money. This image of quality, innovation and success is the perfect association for a brand like Apple, and the perfect counterweight to the fact that their products are actually 'Made in China'.

It is relatively easy to identify the competitive advantage in this for Apple. According to Businessweek, "'Designed in California'...speaks volumes about why Apple is standing so far out from the crowd these days. At a time when rivals are outsourcing as much design as possible to cut

³¹ (2007:38)

³² Anholt, Simon (2005:130) *Brand New Justice: How branding places and products can help the developing world, Revised Edition*, Elsevier Butterworth-Heinemann, Oxford, UK

costs, Apple remains at its core a product company...design, after all, is what makes Apple Apple.”³³ With this link to a state characterized by cool living, affluence and a young, hip demographic Apple reinforces its own image of cool, sleek, designed premium products. Imagine if the box had said ‘Designed in Utah’. This connection probably also has a retroactive effect – California’s image likely gains from being repeatedly linked with Apple.

2.2.2: Tourism

In 2010 the global tourism trade was worth US\$919 billion³⁴ (up \$68 billion from 2009), and with this huge industry forming such an essential part of the economies of so many countries it is no surprise that serious destination marketing is taking place at government level. The competition in the market for a slice of this large pie is also increasing as more governments engage in national promotion and people become more adventurous in their choice of holiday destination. According to World Trade Organisation figures, in 1950 the top 15 destinations absorbed 98% of all tourism trade while today this figure is at 57%^{35,36}, with many of the newer destinations being smaller, developing countries.

Promoting tourism is perhaps one of the more recognizable and obvious ways in which a city, place or country attempts to brand itself. These campaigns use most of the same channels as other consumer oriented campaigns, such as print and television, while the Internet has allowed smaller nations with limited budgets to more easily reach worldwide audiences. The WTO suggests that the 21st century will see the emergence of holiday destinations as the new ”must have” fashion accessories³⁷. As destinations become regarded as more commonplace consumer goods, the market

³³ Burrows, Peter (2005) *Apple’s Blueprint for Genius* in Businessweek, www.businessweek.com/print/magazine/content/05_12/b3925608.htm?chan=mz&, accessed 15/06/10

³⁴ UNWTO (2011:1) World Tourism Barometer; Interim Update, April 2011 available at http://www.unwto.org/facts/eng/pdf/barometer/UNWTO_Barom11_iu_april_excerpt.pdf, accessed 25/05/2011

³⁵ World Trade Organisation Website (2010) *Tourism and Travel-related Services* http://www.wto.org/english/tratop_e/serv_e/tourism_e/tourism_e.htm, accessed 12/06/10

³⁶ The top ten destinations in terms of international tourism receipts are the US, Spain, France, China, Italy, Germany, the UK, Australia, Hong Kong and Turkey (UNWTO (2011:1))

³⁷ Morgan, Nigel, Annette Pritchard and Roger Pride (2010:4) *Destination Branding: Creating the unique destination proposition Revised Second Edition*, Elsevier Butterworth-Heinemann, Oxford, UK

is being segmented in the same way as a traditional market; some countries promote a family-friendly image while others position themselves as ideal locations for the honeymoons of newlyweds.

A good example of tourist destination marketing is Croatia. After the Croatian War of Independence, the country had an image problem because of continued hostilities with Bosnia and difficulties in establishing itself as a credible post-communist state. Despite the country constituting most of the coastline of the former Yugoslavia, the ongoing troubles in the 1990s caused a collapse in the country's tourism industry. In 1992 visitor numbers to the country reached a low of only 2,1 million visitors³⁸. After some uncoordinated attempts, Croatia began making serious efforts to rebuild its tourism industry in 1997, including designing a new logo, hosting large tourism related conferences and promoting Dubrovnik and its World Heritage status with glossy magazine ads. All of this was more or less focused on distancing the country from its past, Communism and its neighbours, and on promoting Croatia as something familiar and Mediterranean-like, as in this magazine commercial text:

*'Croatia – welcome back old friend...An old friend with a new name...The population is 90% Roman Catholic. So many aspects of Croatia will remind you of Italy, Spain and France, where strong family values remain and churches are always full on Sundays.'*³⁹

Visitor numbers had reached 9,3 million by 2008⁴⁰, which represents a 435% increase in 15 years. It is natural that the industry bounces back after war and the collapse of the tourism industry and that the country should see higher-than-normal growth in this period, but the level of growth can be helped by judicious promotion in the form of nation branding activities. With such potential benefits, it is understandable that countries are interested in spending nation-branding dollars.

2.2.3: Foreign Direct Investment

Attracting foreign direct investment (FDI) to a nation in an increasingly competitive

³⁸ Perko, Jasna and Marianne Idakovic (2008) *The rise and Fall of Croatian Tourism and the effects of the war of the 1990s*, Croatian Bureau of Statistics, Zagreb, Republic of Croatia

³⁹ Holiday Options Catalogue (1998:4)

⁴⁰ Perko and Idakovic (2008:4)

investment environment depends on the overall business image of the country; on how willing investors and companies are to put their money into its companies and financial systems, to open branches and outsource production there. This pie, like tourism, is very large - according to UNCTAD world FDI inflows in 2011 are expected to approach \$1.8 trillion.⁴¹ This report indicates the US as the largest recipient of FDI, with developing regions enjoying rapid growth. According to Dinnie⁴² the four key success factors in attracting FDI are: providing a stable economic and political environment, the availability of a skilled workforce, infrastructure and streamlined administrative procedures. As previously stated, FDI in developing countries is rapidly growing, but traditionally African countries have struggled with their nation brand equity. The term ‘continent branding effect’ has been used about African nations, where small/poor/unassuming countries have been associated with the images of the most ‘prominent and infamous’ of other countries on the African continent⁴³. It is not necessary to look further than one’s own prejudice to find evidence that the words ‘Africa’ and ‘investment’ cause at the very least some level of caution.

Running the longest-functioning democracy in Africa, the Botswana government has recently attempted to reduce the country’s reliance on its mining sector (mainly diamonds) for its fortunes⁴⁴. Two major investment firms have described it as the best credit risk on the African continent⁴⁵. As about a third of their GDP comes from a single luxury good, the recent recession hit the country especially hard, the economy contracted in 2009 and the economic incentive to diversify is strong. So how is Botswana situated in relation to the four key success factors mentioned above? The economic and political environments are stable - the country has enjoyed more than four decades of civilian leadership in a multi-party democracy, and its banking system generally adheres to international standards⁴⁶. Botswana Export Development and Investment authority (BEDIA)

⁴¹ UNCTAD, *World Investment Report 2009: Transnational Corporations, Agricultural Production and Development*

⁴² (2008:222)

⁴³ Anholt (2007:121)

⁴⁴ Botswana Export Development and Investment authority website (2010), <http://www.bedia.co.bw> accessed 14/06/10

⁴⁵ CIA World Factbook (2010A) *Botswana* at <https://www.cia.gov/library/publications/the-world-factbook//geos/bc.html>, accessed 14/06/10

⁴⁶ 2010 Index of Economic Freedom, Heritage Foundation,

advertises that "Botswana offers a secure environment for foreign capital with liberal and flexible foreign capital investment and its constitution prohibits the nationalisation of private companies"⁴⁷. Skilled labor is available through 12 years of compulsory schooling along with 27 higher education institutions including a public university⁴⁸. Infrastructure is well developed with paved roadways and fiberoptic internet service available in cities⁴⁹. These three factors are natural advancements for a developing country, but their relatively advanced state in Botswana provides a firm grounding for investment in the country. The fourth, streamlined administrative procedures, is perhaps where the country has made the greatest conscious effort to facilitate FDI, and what it promotes most strongly in order to brand Botswana as an investment destination. BEDIA (under the slogan "The Friend of the Investor") has established a One-Stop-Service-Centre which aims to help investors with all aspects of starting and running a business in the country, including work permits, licenses, water, electricity, land etc. - with minimal delays. They also arrange annual "Global Expo" business-to-business exhibitions, and publish a range of printed materials and e-newsletters aimed at providing information for potential investors. In short, Botswana has all the foundations for a powerful nation brand attracting inward investment.

The efforts of Botswana beg the question - did it work? To definitely answer whether and how much the steps taken by BEDIA have directly contributed to Botswana's bottom line is very difficult – as is often the case with advertising and branding. What we *can* say is that in the years 1990-1999 Botswana FDI net inflows averaged a little under \$16 million, while in the years 2000-2008 that figure was almost \$300 million⁵⁰. BEDIA was founded in 1997.

2.2.4: Others

While these three areas have traditionally been the mainstays of nation branding efforts, the

<http://www.heritage.org/Index/Country/Botswana>, accessed 14/06/10

⁴⁷ Botswana Export Development and Investment Authority website (2010)

⁴⁸ African Regional Universities Association (2010) *Botswana* <http://www.sarua.org/?q=Botswana>, accessed 14/06/10

⁴⁹ CIA World Factbook (2010A)

⁵⁰ World Bank and Global Development Finance 2010 (2010) *Botswana* <http://data.worldbank.org/country/botswana>, accessed 15/06/10

range of other goals should not be discounted. Consider the flow of highly skilled workers, perhaps especially of CEO-level managers. To attract individuals with high-level sought-after skills it is imperative that a country appears to them as an attractive place to live. Dubai has gone to great lengths to attract foreign business and talent and to accommodate these; for example both alcohol and pork are available to foreigners in certain areas even though Dubai is Islamic, the Jebel Ali Free Zone offers 100% foreign ownership and tax exemption for 50 years, zoos, indoor ski arenas and the world's largest mall have been built along with resort-like luxury accommodations, and leading universities have been attracted to set up campuses in the Dubai Knowledge Village (including initiatives by Johns Hopkins, Harvard and Wharton)⁵¹. In a world driven increasingly by the knowledge economy, the branding of nations to attract knowledge may ultimately be more important than the three traditional goals mentioned above.

SECTION 2.3: TRADITIONAL METHODS OF NATION BRANDING

2.3.1: Advertising Campaigns

Perhaps the most readily recognizable of branding efforts and the one most obvious to the general audience, the nation branding advertising campaign contains all the regular elements of advertising campaigns save perhaps coupons. According to budget, the campaigns utilize for example posters (often in traveller-frequented locations like airports), magazine ads (frequently appear in in-flight magazines like those of KLM, JAL, SAS etc. and travel magazines) and television advertising (ads aimed at both tourists and investors are heavily represented on internationally available channels like CNN). Also, and perhaps most importantly, a well-designed web site now seems to form the backbone or core of any such campaign, with most if not all other advertising directing audiences to seek out more information there. These web sites are often divided in sections for investors and tourists. As the audience attention gets increasingly fragmented, getting prospects to your site to sell to them may be the most important advertising skill of any nation brander.

⁵¹ Lee, HongJu and Dipak Jain (2009:239-245) *Dubai's brand assessment success and failure in brand management – Part 1* in **Place Branding and Public Diplomacy**, Volume 5 Issue 3, pp 234-246, Palgrave Macmillan, Houndmills, UK

2.3.2: Public Relations

PR initiatives by nation brand agents are important to capitalize on and supplement advertising. They include any number of activities not specifically concerned with buying advertising space in any media format, such as sponsoring journalists to visit, lobbying travel agents to feature the country more prominently, stunts designed to draw press attention, like the giant rugby ball placed in front of the Eiffel Tower in connection with the 2007 Rugby World Cup in New Zealand⁵² and stunts designed more to draw audience attention directly (like viral videos, for example the VisitDenmark video that was removed from YouTube after 800,000 hits because of complaints it promoted promiscuity.⁵³)

Public relations efforts also include event marketing, the focus of this paper, where PR initiatives connected with major events, designed to attract 'free press' and thus a higher return on investment, surpass traditional advertising in both scope and scale for limited periods of time.

At this point, it is useful to divide types of events into two categories; planned and unplanned. *Planned events* consists of all those events that agents of the country brand arrange or are able to influence, those events which grant the branding professional a measure of control over the image presented at the outset and which allows for a carefully thought out strategy to be implemented. It is this type of event that we will look more closely at in the case studies in the next chapter, simply because the other type is spontaneous and, while equally interesting, concerns the ability of the government and its PR representatives to deal with emergencies. This type fits better into the next category, *unplanned events* or *involuntary nation branding*.

Advertising and promotion are within the power of the brander to influence, but there is less control over all the other 'output' that affects a nation's brand equity.⁵⁴ Important in this regard is

⁵² Tourism New Zealand (2009B:34), *Pure As: Celebrating 10 Years of 100% Pure New Zealand*, Tourism New Zealand Manaakitanga Aotearoa, Wellington, New Zealand

⁵³ Irvine, Chris (2009) *Denmark's YouTube tourism video removed* at <http://www.telegraph.co.uk/news/worldnews/europe/denmark/6196088/Denmarks-YouTube-tourism-video-removed.html>, accessed 20/10/2010 (The video featured a Danish woman holding a baby, ostensibly trying to find her 'holiday fling' lover, the father of the child.)

⁵⁴ This includes foreign policy (though not necessarily the spin that follows), the actions of business people and tourists from a country 'representing' it abroad, the powerful word of mouth effect of

the way in which a nation handles unplanned events. These include all manner of incidents that are likely to have an effect on a nation brand but which are not precipitated by agents of that brand. Examples include natural and man-made disasters (the Fukushima Daiichi nuclear incident, the 2004 tsunami disaster in Asia, oil spills, massive forest fires, terrorist activity, civil unrest, political instability, corruption scandals and all kinds of "PR disasters". A good example of the latter is the *Borat* film and its impact on the reputation of Kazakhstan. A young country with no very clear international image, it gained infamy after the *Borat* film in which comedian Sacha Baron Cohen portrayed a fictional Kazhakstani TV reporter. Initially the government in Astana publicly condemned his portrayal of a 'backward' country, which of course only helped his promotional efforts of the film⁵⁵ – while they could arguably have profited on it by attempting to leverage the free worldwide media attention.

SECTION 2.4: THE PROBLEM WITH SHARE OF VOICE

2.4.1: Two New P's

A traditional analysis of a marketing mix often relies on the four P's framework⁵⁶ to deduce both success factors and strategic possibilities. For the particular situation of destination brands (extendable, in my view, to nation brands) Pride has suggested two extra P's: Politics and Paucity⁵⁷.

POLITICS means the political pressures that destination marketers face from a large number of stakeholders. Politicians need to show – within their political lifespan – that their economic allocations are correct and are therefore keen to see results faster than might be possible. They also need to represent their personal constituency, and local interests can run contrary to national ones.

those who have visited or had dealings with any agent of said country, and a range of other cases where the output is not planned, controlled and strategized.

⁵⁵ Saunders, Robert A. (2008) *Buying into Brand Borat: Kazakhstan's Cautious Embrace of Its Unwanted «Son»*, in **Slavic Review**, Volume 67 Number 1 (Spring, 2008), pp 63-80, The American Association for the Advancement of Slavic Studies, Pittsburgh, USA

⁵⁶ McCarthy, E.J.(1960), *Basic Marketing*, Irwin, Homewood, USA

⁵⁷ Pride, R. (2002) *Brand Wales. Natural Revival*. in Morgan, Nigel, Annette Pritchard and Roger Pride (eds) *Destination Branding: Creating the unique destination proposition*, Butterworths, Oxford, UK pp 109-123

Branding professionals urge patience and want to build the brand – preferably from scratch.

Businesses need to see fast returns in order to commit resources. Regular people may not care or see the point of nation branding.

National tourism organizations (NTOs) and branders are thus in a position where they must reconcile the interests of many stakeholders and create a brand that communicates an identity that all the interested parties find acceptable⁵⁸. In addition, this plethora of stakeholders is later to be part of the actual communication process of the brand – in a process that the branding organization has little or no control over⁵⁹.

PAUCITY means the scarcity of resources faced by most nation branders – especially those of smaller or developing countries. Country advertising budgets are small compared to the big hitters of the mass media marketing stage, and in governmental budgeting it is difficult to find funding for abstract gains – politicians, ever conscious of re-election, will naturally spend on things that can later be defined as an absolute success. Scarce marketing dollars need to count for as much as possible, and the marketer must consider alternative ways to garner attention. According to Piggott et al.⁶⁰, the under-analysed use of PR activities in destination branding may well have generated an immense value in terms of press coverage.

While both of these variables could be partly absorbed by the PEST framework, I find it useful to use the 6 P's approach here, because they are both internally influenced factors. Politics and funding are both key elements of the strategy around nation branding.

⁵⁸ Morgan, Nigel, Annette Pritchard and Rachel Piggott (2002:339) *New Zealand, 100% Pure. The creation of a powerful niche destination brand* in **Journal of Brand Management** Apr 2002; Volume 9 Number 4/5; pp 335-354

⁵⁹ Morgan, Nigel, Annette Pritchard and Rachel Piggott (2003:287) *Destination branding and the role of stakeholders: The case of New Zealand* in **Journal of Vacation Marketing** 2003, Volume 9, pp 285-298, Sage Publications, London, UK

⁶⁰ Piggott, Rachel, Nigel Morgan and Annette Pritchard (2010) *New Zealand and The Lord of the Rings: leveraging public and media relations* in Morgan, Nigel, Annette Pritchard and Roger Pride (eds) *Destination Branding: Creating the unique destination proposition Revised Second Edition*, Elsevier Butterworth-Heinemann, Oxford, UK pp 207-225

2.4.2: Addressing Fragmentation in the Attention Economy

The media have in the last few years undergone a series of revolutionary changes because of the digital revolution. The availability of more bandwidth⁶¹ as well as new transmission methods (IPTV, or television over the internet), means that there is room for many more channels. The competition of so much free content online, unfettered by commercials and schedules, instantly available with high speed broadband, coupled with sinking production and reproduction costs has led television companies to pursue a diversification strategy almost unparalleled in media history. Niche-specific channels have fragmented the market increasingly, creating fierce competition for viewers. Despite the recent recessions, 245 new channels were launched in Europe alone in 2009, bringing the total there to 7200. Of these, only 281 are now generalist channels. Traditional cable suppliers have stagnated in number while the numbers of digital terrestrial TV, IPTV and satellite providers are increasing⁶². The online media world is still growing at a staggering rate – the first Google index in 1998 had 26 million pages, in 2000 the number was one billion and in 2008 it passed an incredible one trillion⁶³. Mobile data technology is developing almost equally fast – with the deployment of 4G mobile broadband and the incredible growth of specialized content applications on smart phones meaning that the number of outlets for mobile data providers and advertisers is multiplying fast. Estimates put the growth in mobile advertising at 20-25% in 2011, and a survey made by Millennial Media puts the growth for advertising in apps specifically at 59%⁶⁴. The total media market and therefore the advertising audience are fragmenting faster than ever before. What does this mean for advertisers such as country branding agents?

According to Davenport and Beck, we are now in effect an attention economy. In our post-

⁶¹ A digital television channel occupies only roughly one-eighth the bandwidth of an analogue channel.

⁶² Digital TV News (2009) *Growth of the number of television channels and multi-channel platforms in Europe continues despite the crisis*, posted on the Digital TV News website on 03/01/2009, <http://www.digitaltvnews.net/content/?p=12410>, accessed 21/10/2010

⁶³ Google Blog (official) (2008) *We Knew the Web was Big* created 25/7/2008 at <http://googleblog.blogspot.com/2008/07/we-knew-web-was-big.html>, accessed 21/10/2010

⁶⁴ Gipson, Melinda (2010) *Survey: Apps Are Fastest Growing Category of Mobile Advertising*, posted at <http://www.digidaily.com/stories/survey-apps-are-fastest-growing-category-of-mobile-advertising/> on 08/10/2010, accessed 21/10/2010

industrial society “...attention has become a more valuable currency than the kind you store in bank accounts”⁶⁵. It is a “..highly perishable commodity. Once a moment’s attention is gone, it can never be brought back.” They quote Nobel prize-winning economist Herbert Simon saying “...a wealth of information creates a poverty of attention.”⁶⁶ Their definition of attention claims that «Attention is focused mental engagement on a particular item of information. Items come into our awareness, we attend to a particular item, and then we decide to act.»⁶⁷ So if you cannot capture the attention of the audience, and convince them, they will never act in a way beneficial to you. Your communication will simply become another part of the overall background noise of modern life. This noise makes it increasingly expensive to *buy* your way to people’s attention, because you necessarily have to cover more and more channels to do so. Therefore, you must *think* your way into it, by doing things differently or better. In nation branding, I believe the necessary boost for this can be found in leveraging events. When an international event takes place, a multitude of channels are already focused on one location, for free. Of course, this only gets you channels. To get attention, you must stand out.

2.4.3: Competition in the Nation Brand Field

International travel and FDI are growing annually. International exports are doing the same thing, helped in no small part by the globalization of the marketplace on the internet, and even in education the nation brand begins to tell, with more and more universities offering competitive, international degrees. As more countries are becoming aware of this, competition in the nation branding field becomes fiercer all the time. Newcomers in the field are also at a distinct disadvantage – the biggest nation brands have promoted themselves for hundreds of years, even though they have never thought of it as such. One advisor to the Presidential Council on Nation Branding in South Korea lamented the country’s disadvantage thus: “Korea's problem is that it doesn't have an Eiffel Tower. Paris doesn't need a slogan -- it's Paris ... Paris would be attractive even if its slogan was 'Go to hell.' In

⁶⁵ Davenport, Thomas, and John Beck (2001:3) *The Attention Economy: Understanding the New Currency of Business*. Harvard Business School Press, Boston, USA

⁶⁶ Ibid (2001:11)

⁶⁷ Ibid (2001:20)

fact, it might actually be that.”⁶⁸

Because of their complex natures, basis in ingrained stereotypes and many stakeholders, influencing the perception of a nation brand is a slow process, and in general those who begin early will see returns first. Single events *can* have an impact however – the problem is choosing the right event and leveraging it in the right way.

SECTION 2.5: EVENTS AND NATION BRANDING

2.5.1: Why Host Events?

Place marketing through event leveraging is not a new phenomenon, and several academics and researchers have argued its usefulness. According to for example Jun and Lee “... international sports events have been one of the most pursued place branding tools in raising global awareness and familiarity of a place ...”⁶⁹. In a study where they examined whether simply participating in an international event could have beneficial effects on country image, they found that people’s “...attitudes to an international sport event are positively linked toward participating countries...” and that “... even participating in an international sport event could evoke favourable imagery of the place from global viewers”⁷⁰. Chalip and McGuirly examined the efficacy of bundling destination attractions with sport events, saying, “The findings of this study demonstrate the potential value of marketing the event and the host destination jointly”⁷¹. Of course where there is potential for gain there often is a matching risk of loss. Emerging countries may wish to demonstrate their ability and rapid development through international events. They may see the advantage in cost of using event

⁶⁸ Glionna, John M. (2009) *How about, 'South Korea: Way better than you think it is'?* In the LA Times 03/05/2009, available at <http://articles.latimes.com/2009/may/03/world/fg-korea-brand3>, accessed 21/10/2010

⁶⁹ Jun, Jong Woo and Hyung Min Lee (2006:43) *Enhancing global-scale visibility and familiarity: the impact of World Baseball Classic on participating countries* in **Place Branding and Public Diplomacy** Vol 3 Issue 1, 42-52

⁷⁰ Ibid (49)

⁷¹ Chalip, Laurence and Johanne McGuirly (2004:279) *Bundling sport events with the host destination* in *Journal of Sport & Tourism*, 9: 2, 267-282, Routledge, London, UK

hosting, and may be tempted by what Jun and Lee call the ‘apolitical nature of sports’.⁷² However, they caution that “...international sports events could end up being a place branding nightmare.”⁷³ Western media have deeply rooted stereotypes about developing countries, and these may quickly come to the forefront when something goes wrong, as with the 2010 Commonwealth Games in India. While there are potential gains in positive image creation and transfer, care must be exercised, both in choosing to host an event and in choosing the event itself.

2.5.2: Choosing Events that Align with Brand Image

Xing and Chalip (2006) argue that choosing an event that matches the place it is held is important, because this will lead to greater returns in terms of branding effect: «Co-branding theory suggests that pairing an event with a destination will engender some transfer of image between event and destination brands. The match-up hypothesis predicts that the direction and intensity of image transfer will depend on the quality of fit between event and destination brands.»⁷⁴ They go on to explain this image transfer in terms of schema;

“A schema is an abstract cognitive structure that specifies the concepts and categories via which objects and experience are represented and interpreted...shared schema enables consumers to link the two brands, and thus facilitates the strengthening of the shared brand attributes in memory. A shared schema may also provide a pathway for attributes that are not shared to be transferred from one brand to another.”⁷⁵

In other words, if some of the basic ideas we hold about a nation and an event are similar it is easier for either of the two co-brands to draw image currency from the other. The challenge is finding an event that shares schema with your nation.⁷⁶

⁷² Jun and Lee (2006:50-51)

⁷³ Ibid. (45)

⁷⁴ Xing, Xiaoyan and Laurence Chalip (2006:49) *Effects of Hosting a Sport Event on Destination Brand: A Test of Co-Branding and Match-up Models* in **Sport Management Review**, 2006, Volume 9, pp 49-78, SMAANZ, Texas, US

⁷⁵ Ibid. (53)

⁷⁶ An increasingly popular shortcut to this is utilizing the co-branding effect of television and celebrity culture as a nation branding strategy. A recent example includes the Australian government investing almost \$3 million dollars to host the taping of a series of the Oprah Winfrey show. Winfrey along with

2.5.3: Which events to host?

Choosing events, then, can be one of the most important nation branding decisions to make. Some countries seem to follow the ‘shotgun’ approach, hosting as many events as possible – exemplified by activities seen recently in Dubai.⁷⁷

Xing and Chalip, however, claim that «In order for hosting an event to affect brand image or intention to visit, the consumer must notice that an event and its host destination are paired, and must then make the cognitive effort to remember and process that information.»⁷⁸ Further, they say, the more something appeals to an individual the more of an effort they make to remember it. This clicks well with the attention economy theory – events must be chosen that elicit the focused mental engagement of the audience. This again means that ideally one should aim for major events that engage vast audiences – and if these are unavailable – events that interest the target audience for your nation brand (which predicates a clear nation branding strategy with identified target audiences). While every event does not have to match the destination perfectly, the total portfolio of events a nation hosts in a period of time clearly should.

Also, the findings of Xing and Chalip suggest that which two brands are matched matters less than what is claimed about the pairing itself – that is, the connection that is marketed to the audience. If this is true, then the job of the nation brander should be taken very seriously, because this connection is one largely created through marketing.

200 staff members were flown in (Qantas Airways, the Australian carrier, provided the flights and had John Travolta fly the plane) and the first show featured Winfrey and other celebrities discussing Australia as a destination. In this way, a lifestyle show is connected with a lifestyle good (travel). (Rogow, Geoffrey and James Glynn (2010:1,23) *Oprah pitches Australia* in *The Wall Street Journal* on 15/12/2010.)

⁷⁷ Examples of Dubai’s prodigious event industry include Leaders in Dubai business forum, the Dubai International Film Festival, the Dubai Motor Show, the Dubai Airshow, the Dubai Shopping Festival, the Dubai Desert Classic, the Dubai World Cup (the richest horse race in the world) and the Dubai Rugby Sevens. (Lee and Jain (2009:244))

⁷⁸ (2006:57)

CHAPTER 3: CASE STUDIES

SECTION 3.1: CHOICE OF CASE STUDIES

In order for the comparative case study analysis in this paper to produce the most accurate and useful indications and conclusions, the case studies themselves need to be carefully chosen. To find the right material, a few criteria were set⁷⁹:

- At least one of the three events must be non-sports-related. Not all large, high profile international media events are sports – great branding potential exists in various arts-related events like music festivals, awards ceremonies or exhibitions.
- The three nations should be geographically and conceptually⁸⁰ diverse. If this is truly a global marketplace, the most efficient way to identify success factors that apply universally is by choosing nations that quite far apart both in terms of location, size, brand equity, historical influences and current brand position.
- The events should be of certain size – that is, they should have had or expected to have had substantial coverage in international media for a period of at least two weeks. With smaller events reliable data for analysis may be unavailable.
- The events should have international appeal; that is, either through content or

⁷⁹ I have avoided studying countries with which I have any personal experience.

To be able to analyze the nation brand as it is projected by a given country and perceived by the international audience, I felt it better to exclude most of my own prejudices and preconceptions as a starting point. Had I used countries I knew better I would have strong preconceived notions about those places which would have no doubt biased my assessment of their nation branding efforts.

⁸⁰ By this I mean the ‘type’ of nation it is. Argentina and Brazil are both large, South American countries famous among other things for their soccer prowess and national dances, and are conceptually more similar than Argentina and Iceland.

participants they should have intrinsic appeal to audiences in diverse nations worldwide. Because of the higher broadband connectivity level and media saturation this will in practice mean a slant towards Western and developed Asian countries, as these form a larger part of international media audiences. Choosing ‘local appeal’ events indicate communication and branding efforts localized and customized to national tastes.

Considering these criteria, the following three nation/event combinations have been chosen:

1) New Zealand and the *Lord of the Rings* film, 2) China and the Beijing 2008 Olympics and 3) South Africa and the 2010 World Cup. These represent a wide field of both nations and events and should produce the desired broad base for analysis that can lead to valid conclusions. The events chosen, as we shall see, were all major and captured headlines for a prolonged time. In addition media pundits in each case commented specifically on which effect the event would have on the image of the country. All three have an evident or stated strategy for their nation brand building. Finally, all three nation brands have a unique set of challenges. New Zealand is relatively small, had low visibility and low budgets. China has a problem with image discrepancy – between self-image and image viewed from the outside, real image and desired image, past image and future image. South Africa still has the heavy baggage of apartheid to cope with along with the African continent-branding effect and the perception of danger and high crime rates. For all three event leveraging offers an opportunity to counteract some of their specific brand issues.

SECTION 3.2: NEW ZEALAND AND THE LORD OF THE RINGS

3.2.1: Background

In 1998, the New Zealand Tourism Board⁸¹, handed several advertising agencies research

⁸¹ The NTB is actually the organizational descendant of the world’s oldest national tourism organisation, the Department of Tourist and Health Resorts founded in 1901. (Tourism New Zealand (2009C), *100% Pure History*, <http://www.tourismnewzealand.com/about-us/100percent-pure-history>, accessed

showing why people came to New Zealand, what they thought of it once there and indicating New Zealand's ideal visitor profile. They gave the agencies a clear brief and a five week deadline; New Zealand wanted a new brand, one that could be promoted globally. As the story goes, it was three marketing executives at M&C Saatchi on a flight from Australia to Europe who came up with the *100% Pure* tagline.⁸² Since its first appearance in a television ad on July 31, 1999, the *100% Pure* brand has been remarkably well received by consumers, critics, professionals and academics. The campaign has won numerous awards including the Pacific Asia Tourism Association (PATA) Grand Award for marketing⁸³. New Zealand's visitor numbers rose by 10% and visitor spending by 20% the first year of the campaign and visitor numbers grew by a total of 50% in the 10-year period 1999–2009. The comparable growth figure for its nearest neighbor Australia was 23%. In 2002 www.newzealand.com had 1,4 million user sessions, in 2008 this figure was 10 million – in the same period the number of unique users increased almost fivefold⁸⁴. In 2005, Interbrand valued the exposure generated by 100% Pure New Zealand at roughly \$13.6 billion dollars⁸⁵.

3.2.2: Brand and Strategy - SWOT and Marketing Mix Analysis

To analyze the *Lord of the Rings* as a public relations event and its effect on the New Zealand nation brand, we need to analyse the brand itself. By doing a SWOT and six P's analysis we will get an overview of the 'product' New Zealand and its marketing, and the following discussion on brand strategy will make more sense.

The *100% Pure* tagline and 100% logo (the slash in the % sign is shaped from the North and South islands of New Zealand) has been synonymous with all communications from TNZ (Tourism

18/06/10)

⁸² Tourism New Zealand (2009B:12), *Pure As: Celebrating 10 Years of 100% Pure New Zealand*, Tourism New Zealand Manaakitanga Aotearoa, Wellington, New Zealand

⁸³ Tourism New Zealand (2009A), *Ten year milestone for 100% Pure New Zealand*, <http://www.newzealand.com/travel/trade/whats-happening/news/2009/june/ten-year-milestone-for-100-percent-pure-new-zealand.cfm>, accessed 18/06/10

⁸⁴ Tourism New Zealand (2009B:10-17)

⁸⁵ Cropp, Amanda and Vincent Heeringa (2009:22) *Brand New Zealand* in NZ Marketing September-October 2009, HBMedia, New Zealand

New Zealand) since the middle of 1999, and has been hailed and written about as an example of highly successful destination marketing by academics and professionals alike.

Beyond personal judgement and common sense, the data in the analysis have been gathered from Morgan et al. (2002, 2003, 2010), Piggott et al. (2010), Moilainen and Rainisto (2009), Dinnie (2008) as well as the Tourism New Zealand website www.newzealand.com and their publications (2009A, 2009B, 2009C).

<p>STRENGTHS</p> <ul style="list-style-type: none"> • Landscape • Maori culture • Size • Aligned stakeholders • Name • Extreme sports • Good online presence 	<p>OPPORTUNITIES</p> <ul style="list-style-type: none"> • Niche Player • Export Products • Changing travel preferences • Events
<p>WEAKNESSES</p> <ul style="list-style-type: none"> • Budget limitations • Small share of voice • Low visibility • Geographical location 	<p>THREATS</p> <ul style="list-style-type: none"> • Internal politics • Strong competitors • Economic situation

Strengths

These form the basis for potential New Zealand's competitive advantage. Perhaps foremost among these is the fact that New Zealand has exclusive access to a scarce resource: its own landscape and natural beauty. Inherently unique indigenous cultures are always a source of potential differentiation, and the Maori culture with its focus on oneness with nature and striking visual

characteristics is well suited to combination with the landscape component.

One of the major problems inherent to nation branding is the vast number of stakeholders that want to influence the communications and marketing strategies of the nation brand – and this is often most strongly felt in the intersection between public and private interests. In New Zealand in 1998, however, there was a collective will to succeed, and the need for unity of message was realized by the government and by the members of the New Zealand business community – to the extent that they agreed to pool up to 5 % of their European budgets to raise awareness of the country ⁸⁶.

Some authors have pointed to the country's name itself; the word New is positively charged and can be leveraged in marketing and branding.

New Zealand also has an active extreme sports scene, another feature which ties in well with wild nature and dramatic landscapes.

TNZ created an interactive journey planner for their web site early on, was the first destination to place tourism information on Google Earth, and the first to establish a considerable presence on YouTube with destination marketing⁸⁷. These features are now perhaps expected, but nonetheless extremely important – pointing customers at an online portal is no good unless that portal will close the sale.

Weaknesses

New Zealand is a small country and has a small tourism advertising budget, which translates to a small share of voice as discussed earlier.

At the outset of the 100% branding effort the country did not have a strong brand name or a very strong perception in the customer's mind. In fact, Anholt paraphrases a researcher who was commissioned by the New Zealand government to do worldwide research to discover what people thought of New Zealand: "He concluded that they didn't"⁸⁸. While this may have been ameliorated

⁸⁶ Morgan, Nigel, Annette Pritchard and Rachel Piggott (2003:289) *Destination branding and the role of stakeholders: The case of New Zealand* in **Journal of Vacation Marketing** 2003, Volume 9, pp 285-298

⁸⁷ Tourism New Zealand (2009C)

⁸⁸ Anholt, Simon (2005:123) *Brand New Justice: How branding places and products can help the*

in its target markets, it is no good pretending that New Zealand is now universally well known.

The country is far away not only conceptually (literally ‘at the end of the world’) but also in reality. It’s nearest neighbour is Australia, and even that is 2000 kilometres away. The long-haul carbon emission-heavy travel necessary to reach it is a weakness that needs to be taken into account, especially in eco-minded times where it is considered less than fashionable to fly too much and too far. Added to this is the simple inconvenience of flying for extended periods and the high cost of airline tickets – which in a recession or post-recession environment where consumers cut costs may be the single most important weakness of New Zealand the leisure travel destination. One direct competitor has in fact capitalized on this weakness. Commuters on the London underground could in 2007 see posters featuring snow-capped mountains reflected in fjords below, captioned with “Norway. Closer than New Zealand.”⁸⁹

Opportunities

Substitutes for travel to New Zealand do exist in the form of direct competitors like Canada, Ireland, South-Africa, Norway and Australia, all of whom have similarly dramatic and unique natural features and indigenous cultures, and operate in some of the same markets as New Zealand. However, this field is much smaller than the plethora of brands competing in for example the sun & sand area. Thus, when the brand manages to establish itself in the minds of the audience as a viable alternative for an outdoors experience holiday, the competitive field is relatively speaking smaller.

Another potential for a destination brand lies in the virtuous cycle discussed above; image reinforcement of both products and nation brands through building the reputation of export products; in New Zealand’s case the prime candidates would be wine, lamb and kiwi fruit.

New Zealand teams and athletes excel at sports like rugby and sailing, major international arenas where the country brand can be both leveraged and enhanced. With national sports or pastimes, the cost to develop arenas and event hosting capabilities can be lowered through use of

developing world Revised Edition, Elsevier Butterworth-Heinemann, Oxford, UK
⁸⁹ Watt, Simon (2007) *Climate Change Update – Key business issues for general counsel* published 19 June 2007 at <http://www.bellgully.com/resources/resource.01310.asp>, accessed 27/10/10

existing infrastructure, and getting support among stakeholders (i.e. inhabitants) is easier.

Finally, if travel is indeed the new fashion accessory, it stands to reason that exotic locations are a more 'exclusive' accessory. Marketing the uniqueness, difference and even the inaccessibility of New Zealand to the segment that want to 'show off' their travel portfolio is an opportunity to tap into an exclusive market. In a more recent relaunch of the New Zealand brand, marketers use the inaccessibility factor. The main ad points out that the country is the last on the planet to be discovered and inhabited, the voiceover says "Welcome to the youngest country on Earth." and the rest of the video features a collage of people enjoying outdoors activities in stunning landscapes, accompanied by the song Forever Young.⁹⁰

According to the predictions of Futurebrand, publisher of the Country Brand Index, "The Internet is the single most powerful and efficient marketing channel for the travel and tourism industry...niche travel will continue to grow in variety and influence ... the new middle classes are emerging from China and India, and while tourism development and industry is a major priority for mature countries, emerging economies are catching up quickly."⁹¹ All of these predictions present us with potential opportunities for New Zealand: Internet marketing is already one of their strengths, they are a niche travel brand, and for middle class customers in India and China, New Zealand is much closer than for the middle classes of Europe or the US.

Threats

New Zealand's direct competitors had before the launch of *100% Pure* doubled their tourism ad spending, threatening New Zealand's market share. Also, in 2001 the country was facing a looming economic crisis for local businesses – agriculture, the biggest contributor to GDP, had recently been hit by drought. The economic situation today is similar - New Zealand had one of the

⁹⁰ Tourism New Zealand (2010) *The Youngest Country* available at <http://www.tourismnewzealand.com/campaigns/consumer-marketing/the-youngest-country>, accessed 09/01/2011

⁹¹ Futurebrand (2010:13-14) *2009 Country Brand Index / Executive Summary*, Futurebrand, Inc., London, UK(2010:13-14)

longest (though shallowest) recessions in the OECD, as well as a more than doubling of unemployment levels⁹². This economic downturn might affect overall country image, funds available for marketing purposes and the general level of service and product quality experienced by visitors.

The changing tourism industry along with emerging markets (with improved infrastructures) turning to tourism for foreign exchange revenue means the competitor set is growing; new and “undiscovered” locations are becoming available to travellers. As competition becomes fiercer and the number of players in the field increases, differentiation and sustainable competitive advantage naturally become more difficult.

Having performed market research, TNZ created a profile of the travellers most likely to seek out New Zealand as a destination. They wanted discovery, they were often young, perhaps backpackers. They connected New Zealand with the untouched, the pure.⁹³ Research showed that overseas travellers were looking first for landscape, then adventure, people and culture. TNZ defined the core of the programme⁹⁴ as “New Pacific Freedom”, exemplifying the values “contemporary and sophisticated, innovative and creative, spirited and free – emotive expressions that are combined against the backdrop of New Zealand’s stunning landscape.”⁹⁵ This sounds vague and a bit general, but the single most important thing the TNZ did was actually to make the landscape the core of their proposition⁹⁶. If we look at the two example adverts included in Appendix A, it becomes evident that the main character in these - and indeed the majority of their marketing communications - is the New Zealand landscape. By marketing something real about the country, something which cannot be changed, which is an important reason why people come to the country and is a stand-out differentiating factor, the marketing campaign has created a firm foundation on which to build.

This focus on the landscape became the hallmark not only of the campaign but also of the

⁹² New Zealand Treasury (2010) *Special Topic: Recession and Recovery in the OECD* at <http://www.treasury.govt.nz/economy/mei/jan10/03.htm>, accessed 27/10/10

⁹³ Morgan, Nigel, Annette Pritchard and Rachel Piggott (2002:347) *New Zealand, 100% Pure. The creation of a powerful niche destination brand* in **Journal of Brand Management** Apr 2002; 9; 4/5; pp 335-354

⁹⁴ Only internally in the organization; the external tagline was always 100% Pure.

⁹⁵ Tourism New Zealand (2009B: 14)

⁹⁶ Morgan et al. (2002: 348)

website and of event capitalization. This consistency has been a key to the success of the destination product New Zealand.

Evaluating their marketing strategy within McCarthy's four P's framework⁹⁷ supplemented by Pride's two extra P's⁹⁸, reveals the following: In terms of POLITICS, NTOs generally are in a position where they must reconcile the interests of many stakeholders and create a brand and identity that all the interested parties find acceptable⁹⁹. In addition, these stakeholders are then to be part of the communication process of the brand – stakeholders that the branding organization has little or no control over¹⁰⁰. The intervention of the former minister of Tourism into marketing initiatives made the CEO and several directors resign from New Zealand Tourism Board (later TNZ). This sort of internal strife and politicking is extremely disruptive to any strategic planning process. Furthermore, the 12 regional councils and 26 regional tourism organizations of New Zealand are also part of the public marketing efforts originating in the country, all of them promoting their own region¹⁰¹. Their responsibilities in this regard and the relationships between them are highly ambiguous. To overcome the inherent difficulty of politics for the destination brand New Zealand, TNZ developed a strategy to ensure better relationships with stakeholders, steps of which included developing a communications plan with roadshows, industry presentations and the Maori, creating a CRM database to improve relationship management, enhancing the tourism website to include better information for businesses, as well as creating an in-house intranet to improve communications. In addition, they secured relationships and funding for marketing from business partners and the cooperation of Air New Zealand¹⁰². These were important as initial groundwork for the marketing strategy to come; without adequate buy-in from stakeholders, commitment levels might soon have faltered and the message been diluted.

TNZ dealt with PAUCITY (i.e., limited resources) by focusing a lot of resources on their

⁹⁷ McCarthy, E.J.(1960), *Basic Marketing*, Irwin, Homewood, USA

⁹⁸ Pride, R. (2002) *Brand Wales. Natural Revival*. in Morgan, Nigel, Annette Pritchard and Roger Pride (eds) *Destination Branding: Creating the unique destination proposition*, Butterworths, Oxford, UK pp 109-123

⁹⁹ Morgan et al. (2002: 339)

¹⁰⁰ Morgan et al. (2003: 287)

¹⁰¹ Ibid. (290)

¹⁰² Ibid. (291-292)

online platform, by utilizing event leveraging efficiently and relying on cooperative promotion.

Their award winning web site was redesigned in 2001 following customer research and aims to turn e-browsers into e-buyers¹⁰³. Because the travellers profiled were seen as web-savvy individuals, the web site was a key concern - as was being at the cusp of the developing cyber scene.

PRODUCT may seem odd to discuss when we are talking about an entire country. However, the travel experience is just a combination of numerous products. The airline ticket, the hotel accommodation, the souvenirs, the theatre visits, the treks and hikes, the car rental, the food – all of these products and services form the whole experience the traveller pays for and takes home. These products are mostly beyond the realm of control of those in charge of the country brand. One way to achieve some influence over their individual quality is through the institution of a labelling programme – like the Qualmark Green ecolabelling programme instituted in 2008 by Qualmark tourism quality assurance agency. The mark achieves two goals – setting performance standards that allow TNZ influence over the destination product, as well as focusing efforts toward sustainability and a ‘green’ image, which is inevitably necessary when the main slogan is *100% Pure*¹⁰⁴ and wild, untouched nature is the mainstay of advertising campaigns.

In my opinion, the most important aspect of the Product category is to avoid disappointing the traveller by marketing a product that cannot be delivered. In this respect the focus on landscape is ideal – the chance of a mountain disappointing is a lot lower than many service-based experiences.

PRICE is also different when it comes to destination brands, and largely beyond the sphere of control of destination marketers. The TNZ web site is curiously devoid of pricing information, however it does contain a lot of information for different traveller segments. This avoidance can be related to the relatively high costs connected with travel to New Zealand.

PLACE involves important stakeholders for TNZ: the distribution channels. An affable relationship with travel agent networks worldwide is necessary for securing those travellers not web-savvy enough to book on their own. To enhance the quality of selling New Zealand, TNZ sends

¹⁰³ Ibid. (295)

¹⁰⁴ Westgate, Justin (2009:5) *Brand Value: The work of ecolabelling and place-branding in New Zealand tourism*, Ministry of Tourism Research Scholarship 2009

representatives to train travel agents and also flies agents to New Zealand, thus familiarizing the channels more thoroughly with the product. However, TNZ's main channel is undoubtedly the internet – their web site facilitates contact with and booking of a range of services. The key markets chosen for media activity are Australia, Japan, the USA, the UK, Germany and Singapore. These are the countries from which the largest numbers of visitors come to New Zealand, with the Japanese and German visitors as the biggest spenders¹⁰⁵. The choice of these target markets only on the basis of current visitor numbers is a bit limiting – perhaps it would have been prudent to include other Western countries with similar affluence levels and profiles, to tap into a bigger potential market. Indeed, the visitor numbers of New Zealand seem to have plateaued since 2005¹⁰⁶. Finally, PROMOTION for the *100% Pure* campaigns has included newspaper, billboard and TV ads, all focused around the landscape theme and all contributing to the consistent branding of New Zealand. According to Piggott et al.¹⁰⁷, it is also possible that PR activities, the effects of which have so far not been extensively analyzed, have generated immense value in terms of media coverage generated. They point to specific cases of event capitalization; the hosting of the Americas Cup 2001-2003 as well as the filming of the *Lord of the Rings* (henceforth: *LotR*) trilogy in New Zealand. Both events generated media interest in the country, though the dramatic footage of the fantastically successful movie trilogy brought an astounding level of coverage to the landscape of New Zealand, aligning with the focus of *100% Pure*. More recently, TNZ also capitalized on New Zealand hosting the Rugby World Cup in 2007, when a giant Rugby ball was inflated in front of the Eiffel Tower and London Bridge, branded with *100% Pure New Zealand*. An estimated 25,000 people visited the ball and tens of millions saw it on TV reports¹⁰⁸. The value of this exercise can only be guessed at. Currently, the prequel to *LotR* is being filmed on location in New Zealand.

¹⁰⁵ Morgan et al. (2002: 348)

¹⁰⁶ Tourism New Zealand (2009B: 10)

¹⁰⁷ Piggott, Rachel, Nigel Morgan and Annette Pritchard (2010) *New Zealand and The Lord of the Rings: leveraging public and media relations* in Morgan, Nigel, Annette Pritchard and Roger Pride (eds) *Destination Branding: Creating the unique destination proposition Revised Second Edition*, Elsevier Butterworth-Heinemann, Oxford, UK pp 207-225

¹⁰⁸ Tourism New Zealand (2009B: 34)

In summary: New Zealand's branding strategy is centred largely on the New Zealand landscape/nature, on its grandeur, its vastness, emptiness and almost mystical qualities.

3.2.3: Type of Event

The filming of J.R.R. Tolkien's epic *Lord of the Rings* book is one of the most publicized and discussed book to movie conversions of all time, not to say one of the most successful film franchises of all time. Briefly, the story describes an epic struggle between good and evil in a fictional fantasy world, centred on the heroic quest and journey of the lead character. It is one of the top box office grossing movies of all time, films 1, 2 and 3 ranking 21st, 13th and 3rd, respectively. Each one grossed in excess of \$800 million and the trilogy as a whole won 17 Academy Awards and grossed a staggering \$2.9 billion worldwide¹⁰⁹. Each film was at least 2.5 hours long, and for the most part took place outside in striking landscapes shot on location in New Zealand.¹¹⁰

3.2.4: Fit With Country Brand

It is perhaps a bit strange that the movie should have branding value for New Zealand at all – after all, unlike movies like, *Australia* or *Notting Hill*, *Lord of the Rings* is a fantasy with no actual geographic connection to New Zealand. The fantasy world of Middle-Earth is simply projected onto the (often CGI-enhanced) backdrop of New Zealand. The connection, the shared schema discussed above, must be created and pointed out clearly to audiences for the branding to have an effect. This is where nation brand marketing comes in.

Considering the core brand values we have identified for New Zealand; the stunning landscape, adventure, freedom, mystical beauty and a connection with nature, the event fit is an almost perfect one. For a lot of the audience, what they see in *LotR* is the first New Zealand

¹⁰⁹ IMDB.com (2010) *All-Time Box Office: World-wide* at <http://www.imdb.com/boxoffice/alltimegross?region=world-wide>, accessed 28/10/2010

¹¹⁰ The trilogy was directed by Peter Jackson (himself a New Zealander), distributed by New Line Cinema, produced by Wingnut Films (Peter Jackson's company) with most of the special effects supplied by Weta Digital (also founded by Jackson, the studio won an Academy Award for Visual Effects for each of the three films).

landscape they have ever seen – and they are presented with a polished, Hollywood enhanced version of it. Through the eyes of the main character discovering the world for the first time, film viewers are treated to camera shots that linger on the cinematically impressive landscape and on the kind of almost empty shots that are highly reminiscent of TNZ advertising material. The characters are often alone in a wide-open landscape, just as in the advertisements included in Appendix A. On a more abstract level, the plot of the movie fits well with the New Zealand brand: It is an adventure, just like going to New Zealand is sold as an adventure for the traveller. Finally, the trilogy is completely fantasy-based, and also highly non-political. This means the level of controversy surrounding it was likely to be low, indicating that close ties held a lower risk for the nation brand.

3.2.5: Practical Leveraging of the Event

The New Zealand government set aside \$2.2 million dollars for marketing and promotional programmes specifically to promote the connection with the movie¹¹¹. These were spent on a range of activities in several locations worldwide, including:

- Advertisements (billboards) where New Zealand landscape was combined with the title “Best Supporting Country in a Motion Picture” or claims that “the set hasn't been taken down yet.”¹¹²
- Hosting the World Premiere of part three of the trilogy, *The Return of the King* (see below)
- Appointing Energy Minister Pete Hodgson as ‘Minister of the Rings’ in charge of overseeing “...opportunities that New Zealand could seize from the film.” The New Zealand Herald reported that the Government was “...keen to use Lord of the Rings ... to raise the profile of the country internationally...”¹¹³
- The Events and International Media Programme, with the primary aim of getting increased

¹¹¹ BBC News Online (2002) *Kiwis hope for Rings success* posted 22/03/2002 at http://news.bbc.co.uk/2/hi/in_depth/entertainment/2002/oscars_2002/1887625.stm, accessed 28/10/2010

¹¹² Beatty, Bronwyn (2006) *The Currency of Heroic Fantasy: The Lord of the Rings and Harry Potter from Ideology to Industry*, PhD thesis at Massey University, available at <http://muir.massey.ac.nz/bitstream/10179/512/1/02whole.pdf>, accessed 29/10/2010

¹¹³ New Zealand Herald (2001) *Minister of the Rings* published 07/09/2001, accessed http://www.nzherald.co.nz/movies/news/article.cfm?c_id=200&objectid=215288 on 29/10/2010

broadcast media coverage, is a permanent fixture at TNZ and not specifically designed for use with *LotR*. However, in the period June 2001 to June 2002, their promotional work included hosting 472 media organizations including 52 TV crews. Across 27 New Zealand events specifically, they hosted more than 300 visiting media and achieved coverage in outlets like *Le Figaro*, *Vogue*, *The Telegraph* and *National Geographic Television*, to mention a few.¹¹⁴

- Images from the CGI work in the film were used in the Shanghai 2010 World Expo New Zealand exhibition. See Appendix B for an example.

Other activities endorsed but not funded by the government include:

- Documentary film and book production, including various ‘Making of...’ documentaries and Ian Brodie’s ‘*Lord of the Rings Location Guidebook – Extended Edition*’
- Tour companies, like <http://www.lordoftheringstours.co.nz> offering special tours of the movie locations – these are also endorsed by the TNZ through the Qualmark scheme.
- An internationally touring museum exhibition called “*Lord of the Rings Motion Picture Trilogy – The Exhibition*”

3.2.6: Success and Success Factors

NFO New Zealand claimed a 3% increase in tourism numbers due solely to the *Lord of the Rings* exposure, and 27% of 2002 visitors quoted the film as a factor in deciding to go to New Zealand.¹¹⁵ This is a substantial increase, and the tourism growth in New Zealand continued up to 2005.

Perhaps the most important success indicator of the *Lord of the Rings* marketing is having attracted the production of prequel *The Hobbit* as well – though at considerable cost (see below).

¹¹⁴ Lennon, J. John, Hugh Smith, Nancy Cockerell and Jill Trew (2006) *Benchmarking National Tourism Organizations and Agencies: Understanding Best Practice*, Elsevier, Oxford, UK

¹¹⁵ NFO New Zealand (2003)

Clearly, bringing the production of the Lord of the Rings to New Zealand was in the short term good for the local economy no matter the branding effects. In itself, the movie project generated GDP in terms of labour and materials purchased from New Zealand companies.

As an event to be leveraged for promoting the nation, the success and value of *The Lord of the Rings* is best defined by all the media attention given to the entire process of making the movie trilogy, starting from hype around the choice of shooting location, through pre/main/post production and culminating in the theatrical release of the movies over a three year period, along with the awards won by them each year. It is this interest that represents the PR potential of the event as a whole, and how much it is leveraged depends largely on the nation branding agents. It is difficult to put an accurate figure on the “value” of the media interest in New Zealand generated *LotR*, and no total estimate has ever been made. However, various consultancies have evaluated parts of the whole. For example, based on the 170 journalists meant to attend (actual figure closer to 500) McDermott Miller estimated that just hosting the world premiere of the *Return of the King*, the third movie, would be worth \$25 million in international media exposure.¹¹⁶ Tourism New Zealand has made an attempt to calculate the value of New Zealand’s exposure *in* the first of the films, basing their calculations on number of cinema viewers, number of minutes of destination coverage in the film (22 minutes), cost of advertising time and other variables. They figured this exposure to be worth around \$42 million.¹¹⁷ Placement in blockbuster films can be a boon for any brand, also a country. Futurebrand calls them “... just about the best marketing tool you can utilize for a city or country; what ‘The Lord of the Rings’ did for New Zealand or the way the film ‘Australia’ tied in with the country’s latest tourism campaign is invaluable.”¹¹⁸

For this event leveraging to be successful the following factors must be present:

- Good ‘fit’ between event and nation brand, including what is claimed about their connection –

¹¹⁶ Wellington local government (2003)

¹¹⁷ Yeabsley, John and I. Duncan (2002:59)

¹¹⁸ Futurebrand (2010:14)

just as the landscape is the backdrop of the film it is the backdrop of your holiday.

- A solid brand strategy created without the event, into which the event is properly integrated.
- An accommodating government (see below).
- Success of the event itself (the film could have flopped).
- Embracing the *Lord of the Rings* product and leveraging it.

The commitment of the New Zealand government to leveraging the Lord of the Rings franchise continues with the filming of its prequel, *The Hobbit*, based on another J.R.R. Tolkien book. The project ran into difficulties with a dispute between the studios and the New Zealand Actors' Equity over pay and conditions for actors. The union instituted a "no work" boycott that jeopardized the project as a whole, with studios threatening to move the production to England. The New Zealand government stepped in, and after two days of crisis talks, they pledged to spend NZ\$7.5 million to help with marketing costs for the films, gave the studios a NZ\$20 million tax break (on top of NZ\$45 million already given) and even put to parliament a change in labor law specifically relating to the film industry.^{119,120}

The New Zealand government, it appears, is unwilling to forego the prestigious project and will go to practically any length to keep it in the country. Even though this action clearly concerns more than branding effects – there are jobs and GDP issues at stake, with economists predicting the value of the movies to the economy at NZ\$ 2 billion – the actions of the government are nation branding in themselves. In terms of attracting foreign direct investment it would look bad for the government to sit back and let the union dispute sabotage a \$500 million project – while stepping in and saving the day signals a willingness to do serious business.

¹¹⁹ Associated Press (2010A) *Peter Jackson: The Hobbit may shoot in England* posted on 21/10/2010 at <http://www.washingtonexaminer.com/world/director-warns-hobbit-movies-may-be-shifted-out-of-new-zealand-as-warner-loses-confidence-105412863.html>, accessed 28/10/2010

¹²⁰ Associated Press (2010B) *'Hobbit' films to be made in New Zealand* posted on 27/10/2010 at http://www.boston.com/ae/movies/articles/2010/10/27/hobbit_films_to_be_made_in_new_zealand/, accessed 28/10/2010

SECTION 3.3: CHINA AND THE BEIJING 2008 OLYMPICS

Because sports events are the most ubiquitous of international media events¹²¹, much academic research exists on them. We will turn to perhaps the strongest of all sport event brands, the Olympics, and look at the pairing of the world's largest sports event with the world's largest nation - China.

3.3.1: Background

China is today the world's most populous country. Throughout history it's size, location and resources have made it important. A long and eventful past sees China shaping the region around it through millennia of dynasties, wars, trade and military might. Modern China is no different. Its communist history, recent move into capitalism and rise as an economic power is one of the defining changes of our time. With economic growth has come the increased interest of the international press. And while New Zealand has, for the most part, a lack of major political conflicts and a rather non-threatening image of nature, sheep and friendly people, China is the opposite. The massive country has an image problem – a problem rooted in reports of human rights violations, in environmental issues, in a past and present as the world's low-cost/low quality producer, in a failed communications policy and in fear of a world power that seems to grow with no bounds. Perhaps more important than this though are the multiple and conflicting images that exist of China, its self-image as a nation versus how it appears abroad

3.3.2: Brand and Strategy – SWOT and Marketing Mix Analysis

In a recent research paper, Zhang¹²² outlines the history of Chinese public diplomacy¹²³ from 1949 to the present day, dividing it into three eras. In the first era, starting with the CPC taking

¹²¹ Though not the biggest – the single biggest televised event in the world is the annual Miss World competition, with audience claims ranging from 1 to 2.5 billion viewers.

¹²² Zhang, Juyan (2008) *Making sense of the changes in China's public diplomacy: Direction of information flow and messages* in **Place Branding and Public Diplomacy** (2008) Volume 4, pp 303-316, Palgrave Macmillan, London, UK

¹²³ Public diplomacy, nation brand and country brand essentially all refer to the same thing; the image a national entity projects.

power, the Chinese government took its cue from the Soviet Union as far as communications policy was concerned. Information was mostly propaganda, represented by “...one-way agitation, ideological indoctrination, exaggeration, self-promotion and even radicalism, accompanied by the polemical rhetoric of anti-colonialism, anti-imperialism, anti-‘revisionism’, as well as calls for world revolution.”¹²⁴ Messages were not differentiated to various audiences any more than they were overly concerned with facts or truth.

The second era of Chinese public diplomacy stretches from 1978 to 2003. In this period, starting two years after the death of Chairman Mao, public communication was still tightly controlled and pretty much one-way without much regard for the audience, but there was a sense that it was necessary to promote China favourably (as a destination for investments in light of a recent move towards capitalism). This meant toning down (though not abolishing) the propaganda aspect. After the 1989 Tiananmen Square incident (possibly one of the worst nation brand-affecting incidents of all time) the CPC decided something must be done. In a 1990 meeting the Politburo of the CPC set up the SCI office, which was essentially charged with controlling and improving international public diplomacy¹²⁵. In the following years there were several limited and superficial attempts at improving image – dressing politicians in Western suits or approaching Western PR companies. Communications were also more along the line of informing about and introducing China in a non-confrontational manner.

The third era began with the shift happening when President Hu Jintao and Premier Wen Jiabao took power in 2003. In communications and public policy this new order is characterized more than anything by the introduction of the term *heping jueqi* – China’s Peaceful Rise. This concept, the brainchild of scholar Zheng Bijan, refined at a major conference in 2004, was according to one scholar “...a response to a school of thought among some Western scholars and policy makers known as “China Threat Theory”” This theory likened the rise of China to that of Germany at the

¹²⁴ Ibid. (307)

¹²⁵ Ibid. (308-309)

start of the 20th century.¹²⁶

However, the *heping jueqi* idea unfortunately met with difficulties. For example, the translation of the meaning of the ideograms that formed the term could also be interpreted as Peaceful Earthquake. Even with the reading of Peaceful Rise critics of China were quick to point out the discrepancy between the term and the reality of a modern China dealing with the Taiwan issue and making major investments in its own military. The concern for the Chinese earthquake was still present, voiced by scholars as well as politicians, such as Japan's 2005 foreign minister Taro Aso referring to China's military buildup as a 'considerable threat'¹²⁷ or former US Defense Secretary Donald Rumsfeld saying "Since no nation threatens China, one must wonder: Why this growing investment? Why these continuing large and expanding arms purchases?"¹²⁸ at a conference the same year.

According to Ramo "Peaceful rise simply wasn't credible. It ran counter to decades of Western images about China and, as a result, felt more like propaganda than honest insight into Beijing's intentions."¹²⁹ This dichotomy between projected and interpreted meaning was counterproductive because the message was seen as propaganda again, and the term was soon dropped in favor of a perhaps friendlier Peaceful Development, the phrase that is now arguably at the heart of China's current nation branding policy together with the concept *hexie shijie*, or Harmonious World¹³⁰, introduced by President Hu Jintao. He stated that "The Chinese nation loves peace. China's development, instead of hurting or threatening anyone, can only serve peace, stability and common prosperity in the world."¹³¹

¹²⁶ Ramo, Joshua Cooper (2007:8-9) *Brand China* published by The Foreign Policy Centre, London, UK

¹²⁷ BBC News Online (2005) *Japan alarmed by Chinese 'threat'* posted 22/12/2005 at <http://news.bbc.co.uk/2/hi/asia-pacific/4551642.stm>, accessed 03/11/2010

¹²⁸ MSNBC.com (2005) *Rumsfeld: China buildup threat to Asia* posted 4/6/2005 at <http://www.msnbc.msn.com/id/8091198/>, accessed 04/11/2010

¹²⁹ Ramo (2007:10)

¹³⁰ Hu Jintao speech at UN High-Level Plenary Meeting (2005) *Build Towards a Harmonious World of Lasting Peace and Common Prosperity* delivered 15/09/2005, accessed at <http://www.fmprc.gov.cn/eng/wjdt/zyjh/t213091.htm>, accessed 04/11/2010.

¹³¹ Ibid.

Directly refuting the Chinese threat theories, his statements are the highest and most obvious level of nation branding – a state leader outlining his country’s image. However there is a problem with China doing this; the historical baggage of decades of alternating propaganda, silence and denial has ensured that China has very little of what Ramo calls ‘reputational capital’¹³², capital that can be spent among other things to defuse tense international situations. Reputational capital is really the corner stone of nation branding – it is that gut feeling you have about a given country, the feeling that decides whether you initially view any communications about or from a country in a positive or negative light.

In his analysis of China’s historic and contemporary image problem, Ramo points to the *discrepancies between images* as the biggest issue; between the intended and the understood, the real and the communicated, the inner and the external. He argues that the only way forward is for China to find an image that is truthful, that communicates all the various parts that make up China as a whole, both good and bad. By doing this they will build up the necessary reputational capital on the global stage.¹³³ Some movement towards this has already been made; Party powerful Li Changchun dictated in 2004 that public diplomacy should “... focus on the real China and make it accepted by foreign audience...” and that international publicity should be performed better suited to the audiences abroad¹³⁴.

But on what can this international publicity be built? What are the advantages and disadvantages, the internal capabilities of China as a brand or a product?

¹³² (2007:27)

¹³³ Ibid

¹³⁴ Aoyama, Rumi (2007) *China’s Public Diplomacy*, in Shin Kawashima, eds. *China’s Foreign Policy*, Yamakawa Press, Tokyo, Japan

<p>Strengths</p> <ul style="list-style-type: none"> • Existing soft power • Speed and thoroughness when implementing measures • Positive growth image • Gradual opening of China is seen as a positive development • Resources 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Human rights issues • Governance issues • Environmental issues • Threat image • Low cost/ low quality goods image • Huge social gaps • Size • Image gap
<p>Opportunities</p> <ul style="list-style-type: none"> • Current level of interest • Establish a ‘white brand’ for audiences to project their wishes onto • Focus of the government • Chinese media going abroad 	<p>Threats</p> <ul style="list-style-type: none"> • Overconfidence • ‘Broad’ player, major competitors • Focus on passive explanations • A very positive image may lead to disappointment and problems later

Strengths

China has already started one long-term nation-branding programme via the Confucius Institutes. The institutes are non-profit organizations focused on promoting Chinese language and culture abroad as well as supporting local Chinese teaching. Critics have claimed that these are part of a major propaganda offensive by China; one professor and former diplomat described them as “...a propaganda vehicle for the Chinese communist party, and not a counterpart to the Goethe

Institute or Alliance Francais.”¹³⁵ Despite criticism however, the programme is expanding rapidly. In July 2010 there were 316 Confucius Institutes and 337 Confucius Classrooms established in 94 countries and regions worldwide¹³⁶, all subsidized by Beijing. This growing network can be leveraged further for nation branding purposes, acting as information hubs and distributing factual information, but should be employed carefully to avoid fulfilling the image of propaganda vehicles.

Because of the unique governmental situation in China, the country also has an advantage in terms of implementing decisions – the nation has shown itself capable to build, change and overcome challenges at staggering speeds as long as sufficient political will is present. Nation branding often requires substantial change in communication policies and governmental outlook.

Very few qualities are as powerful as the image of positive change. There is no denying that the change curve in China over the last 20 to 30 years has been a positive one; first of all in terms of economic growth, but also human rights issues, openness and reduced military hostility. The constant stream of news about China’s current economic, industrial and scientific success can be built on; similar positive concepts can be introduced and tagged onto that of growth; change, innovation, frontier thinking, possibilities, fast wealth, flexibility, newness etcetera.

Finally, the massive economic success of China has roots in the vast resources of the country; resources that can be put to good nation branding use. These resources encompass for example an extremely varied range of natural landscapes – China can present itself as green and beautiful nature if it wants to, indeed a focus on these resources may counteract the environmental image they currently have.

Weaknesses

As discussed governments are judged largely on their actions and real changes as well rather than on branding alone; words must be backed up by deeds. In this area China has some real

¹³⁵ Lane, Bernard (2007) *Confucius deal close despite concerns*, posted 22/08/2010 in The Australian <http://www.theaustralian.com.au/higher-education/confucius-deal-close-despite-concerns/story-e6frgcjx-111114235740>, accessed 04/11/2010

¹³⁶ Xinhua News (2010) *316 Confucius Institutes established worldwide*, posted 13/07/2010 at http://news.xinhuanet.com/english2010/culture/2010-07/13/c_13398209.htm, accessed 04/11/2010

challenges to overcome in order to make its brand more palatable to Western audiences. Reports on human rights violations that are then immediately denied by Beijing is probably one of the fastest ways to hurt the China brand (exemplified by the Nobel Peace prize debacle of late 2010), as are the issues surrounding Taiwan and other territorial disputes. These are weaknesses hard to overcome through anything but real change, or at least through an open dialogue – perhaps admitting to the difficulties of being a growing country and economy is the better option; better than denial and non-communication at least.

Almost equally problematic are the multiple environmental issues connected with China. In a world heavily preoccupied with the environment and the green cause, repeated news reports of industrial pollution at record levels in Chinese cities alongside the projected oil consumption of the Chinese nation make audiences in the West worry¹³⁷. A massive population means overall change in lifestyle has a huge impact – in the first four months of 2010, 250,000 new cars hit the streets of Beijing. Acid rain is an issue in 200 out of 440 monitored Chinese cities, and the number of accidents fouling the air and water doubled in the first half of 2010¹³⁸. On a global business stage this is an Achilles' heel in public relations terms for any new Chinese venture, both public and private. If investment in China becomes an image liability, corporations will look at other, less controversial options.

The 'Made in China' label has long meant low-cost/low-quality products to Westerners. There is no denying it; Chinese merchandise is more well known for copycatting than innovating and the label more accustomed to be hidden away than proudly displayed. The China brand does not aid in exports; they are promoted on their own merits and on price rather than gaining from their country of origin. A good country brand Offers a positive country-of-origin effect, which can be leveraged like for example watch maker TAG Heuer does with the slogan 'Swiss avant-garde since 1860'.

¹³⁷ And probably happy that they can point to someone as a greater danger to the environment than them.

¹³⁸ Jacobs, Andrew (2010) *In China, Pollution Worsens Despite New Efforts*, posted 28/07/2010 in The New York Times at http://www.nytimes.com/2010/07/29/world/asia/29china.html?_r=1, accessed 10/11/2010

China has huge social gaps; the growing wealth in coastal regions and cities is starkly contrasted to poverty in the interior and in the countryside. Differences within a country make it difficult to communicate a holistic brand idea; very few descriptors are true for the entire Chinese country and society. Very few large, multiethnic countries have a good, clear nation brand or easily identifiable core value (America being the most notable exception, see below) India faces social gap issue. As a stark contrast to China, however, India has embraced variety and plurality as an image. The ‘Incredible India’ campaign focuses on vibrant colours and uses a wide variety of images, with subtitles using language like this: “28 states. 22 languages. 1652 dialects. 340 days of sunlight. A very warm welcome.” (See appendix C for the actual ad.) While this does not address the poverty issue, it is a way to turn an image difficulty to an advantage.

According to Ramo (who used data from the comprehensive global BAV survey of the attitudes to different countries among adults in 18 countries), there is a stark difference between the image Chinese have of their country and the image others have. For example: ranked on a scale from 0-100 on the attributes ‘Reliable’ and ‘Trustworthy’, Chinese ranked China near 100, while all others ranked them near 0. Problems will arise when Chinese nationals communicate what they think is a truthful image of their country, which audiences abroad then see as a complete falsehood. Nation brands are a matter of perception, and some way must be found to align these two successfully.

Opportunities

The Chinese government is aware of the branding problem it has and is willing to address it. China has an opportunity to do so in the current international environment. The level of interest in the country and in almost any change, initiative or communication from it is unprecedented. If all eyes are turned to the East, as economic commentators like to tell us, then most of them are looking at China. Ramo argues that China’s biggest opportunity is to try to establish itself as a “white

brand”, a brand onto which “...we can project our hopes and dreams and desires...”¹³⁹. This is not unprecedented in nation branding; think of the ‘American Dream’ – the ultimate white brand. It is so powerful that it connotes any positive feature that consumers wish to ascribe to it. China is already the canvas onto which a world of entrepreneurs project their dreams and desires for profit and success, and perhaps this ideal of growth and innovation can be synonymous with the country, giving us instead a ‘Chinese Dream’.

Chinese media are going global; this, perhaps the most pervasive form of soft power is becoming available beyond the borders of China. The children’s TV show *Pleasant Goat and Big Big Wolf*, a competitor to *Hello Kitty*, is massively popular within China; 600 episodes have been made as well as a movie, an amusement park and vast amounts of merchandise. The show is so far being broadcast in a dozen other countries¹⁴⁰.

Threats

Part of the problem with extreme growth and a wide gap between internal and external image is overconfidence. If Chinese brands are sold based on their self image, before the advent of an actual, strong China brand, there will be a discrepancy between message and the reality the audience experiences, a discrepancy that can be interpreted as untruthfulness.

By only focusing on denials, explanations and what China is not, there is a sort of vacuum where the world may need to be told what China actually *is*.

It may also be dangerous for China to promote an unequivocally positive brand. It is still a developing country in need of support in many ways, but its growth and apparent success of late threatens to lose it some of that support. China must find an image idea that marries the positive aspects of growth with the fact that it may be detrimental to ‘conceal’ areas that are in need of development.

With a general idea of China’s capabilities, we turn to the marketing mix used to ‘sell’ it:

¹³⁹ (Ibid:41)

¹⁴⁰ Aoyama, Rumi (2009) *Mickey Mouse, Hello Kitty and now Pleasant Goat? Chinese Soft Power and the Global Advance of Chinese Animation*, in the Daily Yomiuri Online, posted 27/09/2010 at http://www.yomiuri.co.jp/adv/wol/dy/opinion/international_100927.htm#top, accessed 07/11/2010

POLITICS in China is characterized by a one-party system. While this does have the advantage of superficially unanimous and sometimes efficient action, the presence of corruption¹⁴¹ along with the sheer size of the country can lead to internal strife and inefficiencies. While regions may need to promote themselves for various reasons, it is important that there is no discrepancy with the overall brand image to avoid the preception of untruthfulness. This is even more important in the cases where officials in practical terms undermine the efforts of the Chinese tourism industries. For example, in the months ahead of the Beijing Olympic games a new, stricter visa policy was enforced by the Chinese government "In order to secure a safe environment in Beijing..."¹⁴². The results were a serious downturn in visitor rates with several major hotels reporting a 40% drop in occupancy rates.¹⁴³

PAUCITY is intimately connected with politics in China: there are funds available for what is deemed necessary by the authorities. Ahead of the Games nation branding was deemed necessary, leading to a massive international ad campaign using 100 Chinese stars (see below). Official websites created were not as efficient and 'slick' as that created for New Zealand however. However, China is currently experiencing paucity in another resource; Ramo's 'reputational capital'¹⁴⁴. This is dealt with partly through a more open approach, stressing the nonthreatening image of China. However, to properly address it, China needs to heavily emphasize openness and truth, completely avoiding the propaganda of the past. This might build trust and reputational capital.

Because the PRODUCT consists of many parts that form travel and business experiences related to China, it is naturally quite diverse. We saw that New Zealand had set up the Qualmark

¹⁴¹ In the 2010 Transparency International *Corruption Perception Index* China ranks as the 78th least corrupt country in the world, scoring 3.5 out of 10. (Transparency International (2010) *Corruption Perception Index*, available at http://www.transparency.org/policy_research/surveys_indices/cpi/2010/in_detail#1, accessed 07/11/2010)

¹⁴² Barboza, David (2008) *Visa limits undermine Beijing's tourism hopes* in The New York Times 20/06/2008, available at http://www.nytimes.com/2008/06/20/world/asia/20iht-visa.1.13853662.html?_r=1, accessed 21/01/2011

¹⁴³ Incidentally, all outdoor parties for the whole of the Olympic period were cancelled.

¹⁴⁴ (2007:27)

Green quality branding scheme to try and exercise some control over many of their nation-branded products. China claims to be concerned with product quality standards, and introduced various standards following their entry into WTO in 2001. In particular, there was a crackdown on copycat products in the runup to the Olympics including vast confiscations, increased policing of markets and vendors and a change in law that halved the threshold for income from the sale of illicit goods that constitute a crime.¹⁴⁵ Also, the China Quality Certification Center¹⁴⁶ assigned technical experts to train workers among manufacturers of Olympic licensed goods.¹⁴⁷ Curiously, the demands on foreign products in China also seems to be very strict – in March 2010 a government test found 60% of imported luxury brand items to be substandard¹⁴⁸. Finally, the service face of Beijing was given a facelift: thousands of taxi drivers were taught some English, an English help line for visitors was set up and local citizens were educated in how to queue up in lines.¹⁴⁹

PRICE in China is perhaps the most clearly branded of all aspects: cheap. Brand China, at least for now, means "cheap". It would be very difficult to change this fast, and also quite possibly detrimental to overall brand image. Although luxury brands are making inroads into China, the copycat image will still mean it is difficult to promote China as an expensive, high-end shoppers paradise.

In terms of PLACE China is sold as a tourism destination in many markets, as it is now becoming one of the most travelled-to locations in the world, set to become the world's top tourism

¹⁴⁵ Fan, Maureen (2008) *China's Olympic Turnabout on Knockoffs* in The Washington Post on 13/06/2008, available at <http://www.washingtonpost.com/wp-dyn/content/article/2008/06/12/AR2008061204167.html>, accessed 21/01/2011

¹⁴⁶ CQC is part of the Administration of Certification & Accreditation of China.

¹⁴⁷ China Certification & Inspection Group (2008) *China Quality Newspaper: CCIC Provides Tailored Service Solution for Olympic Licensed Products* available at http://www.ccic.com/web/static/articles/catalog_2c94ec8a295e418401295e45670a0001/2010-11-09/article_ff8080812c24d11b012c2fa6146700a6/ff8080812c24d11b012c2fa6146700a6.html, accessed 21/01/2011

¹⁴⁸ China Daily (2010) *Foreign luxury retail brands fail quality control test: study* posted 16/03/2010 at http://www.chinadaily.com.cn/china/2010-03/16/content_9594836.htm, accessed 07/11/2010

¹⁴⁹ Barboza (2008)

country within five to seven years.¹⁵⁰ Because China is interested in FDI and trade, those countries with deep pockets are natural focuses for sales channels, as are those with large markets. The Confucius institutes as well as Chinese businesses doing business outside China are perhaps the most important channels for the China brand, as official communications from the Chinese government are still viewed with scepticism in many quarters.

PROMOTION of China in the traditional sense has been different. The mass-communication propaganda model from the first era naturally had an effect on brand image, but probably not the intended one. In recent times China has been playing catchup to other, more developed countries – using events like the Olympics and the current World Expo, and lately also turning to traditional mass media methods. China recently put out a nation branding commercial, timed to coincide with president Hu Jintao’s 2011 visit to the USA and summit with President Obama. The ad ran on six giant screens on Times Square in New York, 300 times a day for a total of 8400 showings from mid-January to mid-February.¹⁵¹ The commercial consists of famous and ordinary Chinese people, featured with subtitles like ‘Chinese beauty’ (showing Chinese international models), ‘Chinese Space Travel’ (showing Chinese astronauts) and ‘Chinese influential wealth’ (showing CEOs of Chinese multinational corporations). It finishes with hundreds of headshots flying into a central character under the title ‘Chinese Friendship’, turning into just ‘China’.¹⁵² When their intention to make such ads became known, “The State Council, China's Cabinet, said the ads will promote an image of prosperity, democracy, openness, peace and harmony.”¹⁵³

China and its State Council still seem trapped in a passive, explanatory mode. The advertisement and statement above show a focus on directly counteracting long-held images of China, effectively communicating that China is democracy, peace and harmony and not dictatorship,

¹⁵⁰ Xinhua News (2011) *World Tourism Organization chief expects China to become world's top destination* posted on 21/01/2011, available at http://news.xinhuanet.com/english2010/travel/2011-01/21/c_13700884.htm, accessed 21/01/2011

¹⁵¹ Kang, Liu (2011) *Opinion: Media-savvy China's charm offensive* posted 20/01/2011 at <http://edition.cnn.com/2011/OPINION/01/19/china.commercial/>, accessed 24/01/2011

¹⁵² Footage available at http://v.youku.com/v_show/id_XMjM3OTYxMTA0.html

¹⁵³ Associated Press (2010C) *Yao Ming, others film ads to boost China's image* posted 04/08/2010 at <http://movies.yahoo.com/news/movies.ap.org/yao-ming-others-film-ads-boost-chinas-image-ap>, accessed 07/11/2010

aggressor and ‘earthquake’. China is your friend, they seem to want to say. However, a focus on prosperity and increased openness are definite improvements; these focus on the two things China really needs – to be seen as truthful in their communications in order to build up ‘reputational capital’, and then using this capital to back up a message of peaceful prosperity and innovation, or even of ‘newness’ as Ramo pundit argues¹⁵⁴.

Major sports events are an attractive way to further this agenda because of their apolitical nature. They can allow China to build image without being challenged in the same way.

3.3.3: Type of Event

From its roots in Ancient Greece through its revival by Pierre de Coubertin to its current incarnation, the Olympic Games represent an ideal of fairness in competition, of equals meeting to compete, leaving differences of politics and religion behind. They are ostensibly apolitical – for example having a separate flag, incorporating all colours from all flags around the world. The Olympic Oath was also designed to remove nationalism from the Games, naming athletes as representatives of *teams* rather than countries¹⁵⁵. Furthermore, the ideas of peace and unity and of participating rather than winning is key to the Olympic spirit and image.

3.3.4: Fit with Country Brand

‘Citius, Altius, Fortius’ (‘faster, higher, stronger’) is the Olympic motto. The games are about bettering oneself, about peaceful competition and about being part of a globalized world. One would be hard pressed to find an event with a better profile for China’s desired image of bettering itself, of prosperity, development, peace and harmony. Arranged almost like a big coming-out party for China (re)joining the world, the slogan for the Beijing games ‘One World One Dream’ is, according to the Chinese Organizing Committee, “... of China, and also of the world. It conveys the lofty ideal of the people in Beijing as well as in China to share the global community and civilization and to create a

¹⁵⁴ Ramo (2007:38-40)

¹⁵⁵ Wendl, Karel (1995:4-5) "*The Olympic Oath - A Brief History*" in **Citius, Altius, Fortius** (Journal of Olympic History since 1997). Winter 1995, International Society of Olympic Historians, Fochteloo, Netherlands

bright future hand in hand with the people from the rest of the world.”¹⁵⁶

3.3.5: Practical Leveraging of the Event

The Chinese Organizing Committee defined three core concepts for the 2008 Olympic games; People’s Olympics, High-Tech Olympics and Green Olympics¹⁵⁷. According to Berkowitz et. al., the ‘People’s Olympics’ are about showing the world China’s improved relationship with its citizens, improved transparency and a new stance on human rights. The authorities believed that “Continued cultural exchange will allow the rest of the world to learn more about Chinese culture, better understand Chinese people, and thus have a higher level of comfort when dealing with China.”¹⁵⁸ China wanted to showcase harmony, openness and democracy with these games to improve the image of Chinese governance. With the ‘High-Tech Olympics’ China wanted to take a step away from the ‘Made in China’ label and towards being recognized as a high quality/high value producer, showing their capabilities in arranging technologically advanced games – as evidenced by the now-famous stadiums built and the MAGLEV train track built to open with the Games. This goes toward improving the China nation brand in terms of attracting FDI and helping exports. In addition to this the Games were partnered with already famous Chinese brands like Lenovo¹⁵⁹, achieving a co-branding effect, tying successful brands more tightly to China. Finally, through the ‘Green Olympics’ initiative China spent in excess of \$12 billion on various environmental projects, and aims towards environmental goals that are very aggressive but at the same time very difficult to measure.¹⁶⁰

China did get a lot of press before and around the Olympics concerning the extreme measures

¹⁵⁶ Beijing Organizing Committee for the Games of the XXIX Olympiad (2008A) *One World One Dream* at the Official Website for the Beijing 2008 Olympic Games at <http://en.beijing2008.cn/spirit/beijing2008/graphic/n214068253.shtml>, accessed 10/11/2010

¹⁵⁷ Beijing Organizing Committee for the Games of the XXIX Olympiad (2008B) *Goals and Concepts* at the Official Website for the Beijing 2008 Olympic Games at <http://en.beijing2008.cn/bocog/concepts/>, accessed 10/11/2010

¹⁵⁸ Berkowitz, Pere, George Gjermano, Lee Gomez and Gary Schafer (2007:172) *Brand China: Using the 2008 Olympic Games to enhance China’s image in Place Branding and Public Diplomacy* Volume 3, pp 164-178, Palgrave Macmillan, London, UK

¹⁵⁹ Ibid (173)

¹⁶⁰ Ibid. (174)

taken to make Beijing ‘presentable’ to foreigners and journalists before the games; factories were shut down, half the cars in Beijing forbidden to drive on any given day¹⁶¹, migrant workers, beggars and masseuses were removed from the city, pirated Hollywood films pulled from stock shelves, dog meat taken off menus, 50,000 tissue packages distributed along with warnings of a \$7 fine for spitting in public¹⁶², and residents were even forbidden from hanging their washing out to dry. While these measures probably provided a better ‘look’ for the city short-term, their long-term benefit is questionable. After all, stories of these actions play into the image of the oppressive state and are all-too-memorable to international audiences.

The Games also presented themselves through a media campaign; the official Olympic Song and video launched 100 days before the Games was called “Beijing Welcomes you” and featured 100 famous Chinese artists against backdrops of traditional China with the Forbidden City, Tai Chi and the arts as well as the modern city with futuristic Olympic arenas. The lyrics (in Chinese) were all about openness and friendship with lines like “The whole world is our friend”, “The doors of my home open wide” and “...after an embrace, there will be understanding, you will love this place.”¹⁶³

3.3.6: Success and Success Factors

Unlike New Zealand and Lord of the Rings, the Chinese nation branding goal was not to improve tourism, but rather to improve overall image and build trust and reputational capital. While results may be difficult to measure in actual figures, some observations can still be made: The abovementioned draconic measures to create a ‘glossy’ Beijing for the Games received a lot of attention in the press, as did the demonstrations worldwide as the Olympic torch did its tour. This is seriously damaging branding-wise, as it did precisely the opposite of what China wanted: brought the focus right back to the oppressive regime. The execution of the Games themselves, however, was a success. According to Aidan White, General Secretary to the International Federation of

¹⁶¹ Zhang, Renyi (2008) *Olympic Insider: Air Quality in China*, iTunes audio podcast, Texas A&M University, Texas, USA

¹⁶² Demick, Barbara (2008) *Hiding a host of ills under the red carpet* posted 21/07/2008 in the Los Angeles Times online at <http://articles.latimes.com/2008/jul/21/world/fg-makeover21>, accessed 11/11/2010

¹⁶³ Media clip available at <http://www.youtube.com/watch?v=0XbIZqg4v7w&feature=share>

Journalists, “The Olympics were a great success ... also for journalism ...”¹⁶⁴. White gives a generally positive report on Post-Olympic China in terms of media freedom, indicating that hosting the Olympics had in some way a positive effect on this. To have foreign journalists claim it has become a more open society is extremely valuable to China. There are also positive effects from the Olympics in terms of urban renewal and renewed infrastructure in Beijing, a boost to tourism overall and a boost to industrial growth. The Beijing Statistical Bureau estimates that Olympic-related spending has added 2,5 % annually to the overall economic growth of Beijing since 2002¹⁶⁵.

We can thus identify the following success factors in the leveraging of the Olympics:

- A message in line with goals
- Long-term work
- A good fit
- Focus of the government
- Successful execution of the event

China wanted to be seen as more open and tried to communicate this through the Games and their execution. They started well ahead – the ‘Green Olympics’ initiative was even initiated prior to the IOC decision and was probably important in getting the games. All three major areas of leveraging were focused on areas of China’s image that needed attention, and as such the overall message of the Games were in line with the goals of improving China’s image overseas.

The event was well fitted to the desired brand. The idea of friendly competition, so essential to the Olympic Games, is exactly the idea China wants to implant in the minds of its audience – that they are friendly competitors, working towards the common good.

¹⁶⁴ White, Aidan (2009) *Media Freedom in China*, iTunes audio podcast, Coventry University, Coventry, UK

¹⁶⁵ Sands, Lee M. (2008) *The 2008 Olympics’ Impact on China* posted at the online China Business Review at <http://www.chinabusinessreview.com/public/0807/sands.html> accessed 20/06/2011, The US-China Business Council

It is also clear that the Chinese government took seriously the organization of a successful event as well as trying to meet the stated environmental, democratic and technological goals of the Games. They were the most expensive Olympic Games ever held, with an estimated investment of well over \$40 billion dollars¹⁶⁶ – meaning it cost about four times as much as the 2004 Athens Olympic Games¹⁶⁷. This, along with the effort to polish the outward appearance of Beijing for the Games shows that the authorities were well aware of the importance of using this event well and were willing to commit resources to it – even though their methods were flawed and ultimately, in my analysis, strengthened the strong-arm image of the Chinese government.

At the recent Commonwealth Games in India, with construction delays, poor athlete living conditions and several prominent competitors withdrawing from the Games, in the words of an Indian sports historian, “The Games are officially a disaster. The people of India feel dejected. Instead of boosting our profile, we are now objects of pity around the world ... We have lost our chance at an Olympic bid for 2020. Who will trust India now?”¹⁶⁸ This is exactly the fate that would have faced the Chinese had they been unsuccessful in organizing their Games. However, the Games were by and large a success, organizationally speaking. However, while their success as a whole has had an undeniable impact on China’s international image, the blundering mistakes in strong-arming their own population to polish the Games, tarnished the successfulness.

SECTION 3.4: SOUTH AFRICA AND THE 2010 WORLD CUP

3.4.1: Background

"New Year's Day, the 1st of January 2010, marks the beginning of the most important year in

¹⁶⁶ Xinhua News (2008) *Beijing Olympics – China’s come-of-age show* posted on 24/12/2008 at http://news.xinhuanet.com/english/2008-12/24/content_10551718.htm, accessed 11/11/2010

¹⁶⁷ Huffington Post (2010) *Greek Financial Crisis: Did 2004 Athens Olympics Spark Problems In Greece?* Posted on 3/06/2010 at http://www.huffingtonpost.com/2010/06/03/greek-financial-crisis-olympics_n_598829.html, accessed 11/11/2010

¹⁶⁸ Wax, Emily and Rama Lakshmi (2010) *As Commonwealth Games loom, ‘unfit’ athletes’ village adds to India’s problems*, posted on 24/09/2010 in The Washington Post at <http://www.washingtonpost.com/wp-dyn/content/article/2010/09/23/AR2010092303652.html>, accessed 11/11/2010

our country since 1994."¹⁶⁹, said South Africa's president Jacob Zuma in his New Year's speech marking the start of that year. "We have won the greatest marketing opportunity of our time, the rights to host the FIFA 2010 Soccer World Cup ... The year 2010 must be the year in which for the first time, we all communicate positive messages about our country to the world – the successes and possibilities. We have to put the culture of negativity behind us ... Together we must ensure long-lasting benefits for the country. There is a lot to be gained from the World Cup...".¹⁷⁰

President Zuma had great faith in the possibilities inherent in hosting such a grand international event. By comparing it to the year in which South Africa held its first democratic elections, the year in which Nelson Mandela was elected president, the year the country made its new beginning against a very dark historic backdrop, Zuma not only highlighted the importance of the event in his opinion, but leveraged the past as well as the event to make headlines. That very past is a recurring problem for South Africa, not only through a legacy of areas of extreme poverty, crime and general lack of safety, deep fault lines in the population and extremist groups threatening the overall stability of the country but also through damaged reputational capital. In a review of the current situation in South Africa, *National Geographic* pointed out that "South Africa's modern infrastructure, enviably chic airports, cosmopolitan restaurants – its public face – all support the suggestion that its tragic history is just that, history ... But scratch the surface of any community, and one way or another there it is, the A-word."¹⁷¹. Perhaps this is the best possible example of the lingering effect a 'dark past' can have on a nation brand. While conscious prejudice against South Africa based on apartheid may have disappeared from the consciousness of the world, it is likely still there behind the scenes, colouring the perceptions and ideas of both inhabitants and foreigners.

A difficult past is not the only factor plaguing South Africa. According to Anholt¹⁷², African

¹⁶⁹ South African Government (2009) *2010 New Year's message to the Nation by President JG Zuma* posted 31/12/2009 at South African Government Information site: <http://www.info.gov.za/speeches/2009/09123114151001.htm> accessed 22/11/2010.

¹⁷⁰ The Times Live (South Africa) (2010) *Zuma says 2010 as important as 1994* posted 01/01/2010 at <http://www.timeslive.co.za/incoming/article246024.ece>, accessed 22/11/2010

¹⁷¹ Fuller, Alexandra (2010) *Mandela's Children* in **National Geographic Magazine** (June 2010), pp 80-109, The National Geographic Society, Washington, D.C., USA

¹⁷² Anholt, Simon (2007:120-122) *Competitive Identity: The New Brand Management for Nations, Cities and Regions*, Palgrave Macmillan, Houndmills, UK

countries suffer from a 'continent branding effect' where countries are closely identified in the audiences' minds with the overall or general characteristics of the continent on which they are situated. This is especially damaging for those countries at the head of the pack in development terms, those third world countries with resources and possibilities who are dependent on a shift in their image to attract foreign money and tourists and to remove stigma from their exported products. With abundant natural resources, the 26th largest GDP in the world and the 18th largest stock exchange worldwide¹⁷³, South Africa is the only African member of the G20. However, it is still in Africa. The African continent figures mostly in Western and Asian media in connection with war, disease, famine and aid – a negative coverage overall. A 2005 study by Boston University of the Africa coverage in major American print media over 10 years found that: “...coverage of Africa, by the leading sources of American media, is, at best, dismissive of the continent’s progress and potential, and thus leading to continued “exotification” and marginalization of the African continent. *At worst, coverage disregards recent trends toward democratization, betraying an almost contemptuous lack of interest in the potential and progress being achieved on the continent.*” (emphasis in original)¹⁷⁴. It was also found that South Africa far and away was the country most covered of all African countries, but still with a predominantly negative slant. For example, out of 153 stories on HIV and AIDS in Africa in the period examined, 115 were about South Africa.¹⁷⁵ Of course, there are also real problems in South Africa. There are racial tensions, areas of extreme poverty, an unemployment rate of 25.3%¹⁷⁶, and the country experiences on average 46 murders and 187 reported sexual offences per day (both figures are now dropping)¹⁷⁷.

¹⁷³ CIA World Factbook: South Africa, (2010) <https://www.cia.gov/library/publications/the-world-factbook/geos/sf.html>, accessed 22/11/2010

¹⁷⁴ Millner, Marlon (2005:8) *A Survey of American Media Coverage of African Democracies: 1994-2004* Research paper prepared for Boston University, The African Presidential Archives and Research Center, African Presidential Roundtable 2005, Johannesburg, South Africa, April 8, 2005. Available online at <http://www.bu.edu/aparc/resources/studies/mediacoverage062805.pdf>, accessed 23/11/2010

¹⁷⁵ Ibid. (4)

¹⁷⁶ Statistics South Africa (2010) *Latest Key Indicators* at <http://www.statssa.gov.za/keyindicators/keyindicators.asp>, accessed 23/11/2010

¹⁷⁷ Smith, David (2010) *South Africa murder rate falls sharply* posted on 9/09/2010 on The Guardian online edition at <http://www.guardian.co.uk/world/2010/sep/09/south-africa-murder-rate-falls>, accessed 23/11/2010

3.4.2: Brand and strategy - SWOT and Marketing Mix Analysis

<p><i>Strengths</i></p> <ul style="list-style-type: none"> • Change as a strength • Resources • Nature • Nelson Mandela 	<p><i>Weaknesses</i></p> <ul style="list-style-type: none"> • Continent brand • Apartheid history • Civil unrest • Ghetto areas • Unclear nation brand
<p><i>Opportunities</i></p> <ul style="list-style-type: none"> • Greater media presence than other African nations • Wildlife documentaries • Hosting TV shows • Being 'first in Africa' • Products (e.g. Amarula, wine) 	<p><i>Threats</i></p> <ul style="list-style-type: none"> • Becoming too African or not African enough • Regional unrest • Being only a safari destination

Strengths

South Africa has a very dark, violent history that might be tempting for nation branding agents to hide away. However, this would be a monumental mistake: this history can be turned to an advantage. By focussing on the difficulties overcome in the struggle against apartheid, a struggle that ended with Nelson Mandela as president, South Africa can promote the idea that achieving the impossible is within the grasp of the country. It has accomplished one of the greatest changes in modern history in a relatively brief time. As far as competitive advantage goes, South Africa's past can be its most unique selling point. It is dramatic, well known and impossible to copy. It is fronted by the face of Nelson Mandela, who is almost a brand in himself.

South Africa is a country rich in both natural and human resources. Education is a priority; an investment level of 5.3% of GDP and about 20% of total government expenditure places it among the highest in the world.¹⁷⁸ There is a large mining industry in the country; South Africa is the

¹⁷⁸ Southafrica.info site (2010) *Education in South Africa* by Brand South Africa, at <http://www.southafrica.info/about/education/education.htm>, accessed 23/11/2010

world's largest platinum producer.¹⁷⁹ And perhaps foremost of South Africa's natural resources is nature itself: the biodiversity of the country supports a thriving safari travel industry which includes the world famous Kruger National Park.

Weaknesses

The greatest weakness of South Africa is the continent brand effect. Western perceptions and prejudice may lead investors and tourists to regard all of Africa as backward, as a lost cause or simply not worth one's interest. However, distancing oneself too much from the continent is not a great idea either – this will probably estrange locals and neighbours alike. If South Africa tries to be perceived as 'not African', this will seem based on an obvious untruth or a misunderstood self image. This basic image flaw will then affect the perception of all other communications originating from South Africa as a brand.

The history of apartheid can be a weakness – but only if it is denied, hidden, somehow subjected to PR spin or not put into context. The same goes for South Africa's current social problems – travellers and business people are wary to put their money in unsafe areas, and South Africa is not a safe country by Western standards. Furthermore, corruption is rife in official South Africa, weakening the brand identity whenever discovered. Lastly, the slogan 'Alive with Possibility!', discussed further below, is powerful but a bit unclear and needs qualifying. Alive how? Which possibilities?

Opportunities

While we have seen that South Africa coverage in international media has largely been negative, at least the country is more present in the minds of international audiences than most other African nations. This awareness, enhanced by the World Cup, can be leveraged to good result. And by being the 'front runner' of Africa, South Africa can perhaps exert a positive influence on the

¹⁷⁹ Businessweek (2010) *South African Platinum Mines Ordered to Limit Mining for Safety* posted 16/07/2010 at <http://www.businessweek.com/news/2010-07-16/south-african-platinum-mines-ordered-to-limit-mining-for-safety.html>, accessed 23/11/2010

nation brand of other African nations. Also, because of their economic and infrastructure situation and the development stage of South Africa, the country is able to perform ‘firsts’ in Africa – which will get coverage in news media. Another part of media coverage is the large amount of wildlife documentaries shot in the country, which portray South Africa’s unique flora and fauna. So far these have had a tendency to disassociate themselves from the country in general, but through judicious lobbying it is not impossible for Brand South Africa to influence documentary makers to show a perhaps slightly wider angle of the country. This can be further leveraged through seeking to host international TV shows of a wide variety; striking locations and low costs are attractive to the TV industry, especially with the growth of extreme outdoors adventure reality shows like *Survivor*. Finally, there are products that could be marketed to enhance South Africa’s image; for example the *Amarula* liqueur as well as South African wine.

Threats

Being the representative of Africa to the world (e.g. in the G20) in the media holds two threats: being too African (stereotypes and prejudices) and not being African enough (alienating internal stakeholders, neighbours and investors). In addition, there are other emerging markets in Africa which can be considered direct competitors to South Africa; Kenya and Tanzania are more famous for wildlife, Botswana is a strong democracy with wildlife opportunities, and is very safe.

Regional unrest may affect South Africa and their brand equity at any given time: the prime example is the situation in Zimbabwe with President Mugabe. This regional unrest also causes mass population movement that can destabilize neighbouring countries.

Finally, it is important that South Africa avoids selling itself as only a safari destination – that would be creating a one-sided image hard to alter later.

The International Marketing Council of South Africa was established in 2002, with the stated purpose to “...help create a positive and compelling brand image for South Africa.”¹⁸⁰ and primary

¹⁸⁰ Brand South Africa (2010A) *Who we are* at <http://www.brandsouthafrica.com/who-we-are.html>.

objective to “...develop and implement a pro-active marketing and communication strategy for South Africa, and to promote South Africa - Alive with Possibility!.”¹⁸¹ ‘Alive with Possibility!’ is the brand concept developed by Brand South Africa through a process using existing research, more than 25,000 interviews in South Africa and abroad as well as focus groups with targeted groups of stakeholders such as the media, politicians and the business community. Tourism South Africa uses the related ‘South Africa – It’s Possible’. The slogans are paired with the South African flag. In view of the strengths of the country, the African wildlife element, the indigenous culture as well as the idea of Africa as the cradle of life all play into the ‘Alive’ part. Possibility is a powerful, positive word, and one in my opinion well suited to selling South Africa because it is a very mobile, dynamic word that reflects a country in constant change – hopefully for the better. The slogan is doubly useful because it can equally apply to business and to tourism possibilities. Communications and TV ads from Brand South Africa focus heavily on the possibility aspect: One ad starts with Nelson Mandela (first behind bars and then outside) saying “Today I woke up to a place that said to me: Be free.”, then a javelin athlete in a wheelchair saying “I woke up in a place that said: Be what you want to be.”¹⁸², and so on. It focuses on the change from yesterday to today. Other videos focus on business opportunities, low cost production capabilities, etc. A theme throughout is the idea of change from the past, where the past of the country is accepted and included in the marketing approach. By marketing a reality too well known to be denied or ignored, South Africa is going in the right direction. Not only do they avoid being seen as burying a difficult past, but also they can leverage that past in a positive way; demonstrating the country’s ability to change, adapt and renew itself even in the face of adversity.

In terms of POLITICS, the marketing strategy for Brand South Africa has a problem with conflicting groups whose interests are difficult to align. By performing many interviews and broad

accessed 23/11/2010

¹⁸¹ Brand South Africa (2010B) *What we do* at <http://www.brandsouthafrica.com/what-we-do/17-what-we-do.html>, accessed 23/11/2010

¹⁸² Brand South Africa (2010C) *Today I woke up...* video, available at <http://www.brandsouthafrica.com/marketing-materials/248-today-i-woke-up.html>, accessed 24/11/2010

research Brand South Africa was able to tap into the ideas of a wide cross-section of the population in order to build a broad consensus for the country brand. In addition, multiple government bodies are stakeholders in the International Marketing Council, including South African Tourism, the Department of Trade and Industry, the Government Communication and Information System, Gov.za (the e-government initiative in South Africa) and the 2010 South Africa World Cup organisation¹⁸³. This can be an advantage and a disadvantage, as multiple active stakeholders can contribute conflicting messages. It seems unnecessary that Tourism South Africa should have a different slogan ('It's Possible!') from the overall 'Alive with Possibility!'.

For a developing country, PAUCITY may be a bigger challenge than for developed ones – when great parts of the population lives in poverty, how do you justify hosting an international event? South Africa has tried to use cheaper, alternative channels to circumvent this: online video ads, a well developed internet site for the country, a programme called Global South Africans (marketing through a network of influential, well placed South Africans abroad) and co-marketing with other African nations to share costs as well as advantages.

The South Africa PRODUCT is highly complex: a big country geographically and in terms of population, it has a varied flora and fauna, many resources and a well-known, eventful history. In addition there are social and safety problems that will no doubt affect your experience as a traveller or investor, and it is critical not to be seen to be trying to deny or ignore those elements that are detrimental to the South Africa product experience. Denial of the reality could cause a backlash effect. Rather, Brand South Africa has chosen to focus on changing the problems, as with the "Today I woke up..." commercial described above, and the message of improvement inherent in this change. This focuses on what is real, which also allows focus on other features of South Africa completely separate from apartheid, crime and unemployment. South Africa does not employ a quality control system like the New Zealand Qualmark, but their marketing seems to communicate a sense that "We have shortcomings. That's OK." As an alternative to widespread quality control this is certainly cost-efficient and possibly very smart for a developing country. Brand South Africa also

¹⁸³ Brand South Africa (2010A)

markets the country as the Gateway to Africa, a relatively secure country with sound infrastructure that affords access to the rest of the continent.¹⁸⁴ As perceptions of African countries change, South Africa may lose the advantage of being a leader on the African continent. It is therefore prudent to emphasize the country as the gateway to Africa before this happens, so that businesses and travellers will choose South Africa as a point of entry even after the development-related competitive advantage erodes.

PRICE is an important selling point in the Brand South Africa marketing strategy, especially towards the business market. It points out the economic advantages of doing business in a developing country: “South Africa’s exchange rate makes living and doing business more affordable. The country also offers competitive labour costs and relatively low corporate tax rates. ... [South Africa] offers investors a unique combination of first-world infrastructure and emerging market resilience... the government remains committed to encouraging investment and continues to formulate investor friendly policies.”¹⁸⁵

Finally, in terms of PLACE or distribution channels, South Africa is featured in travel agencies as a destination, but also through the Global South Africans network. In addition, as a developing country South Africa has a share of voice through aid agencies willing to communicate on their behalf. This is a useful tool, but also dangerous as it implies that the country needs help, and aligns it closely with other, less developed African nations. Target markets for Brand South Africa are a bit vague, but the language and general feel of the communication tend to indicate a largely Western and affluent Asian market. Finally, as with New Zealand there is a major focus on the online web portal. A new portal for ‘business tourism’ is also in the making, focusing on business opportunities in South Africa.

PROMOTION for the ‘Alive with Possibility!’ brand includes online video work, television ads, magazine ads, web ads, social media, a media tour in November 2010 as well as other event work including the 2010 Soccer World Cup. In connection with the World Cup, a lot of sponsor-

¹⁸⁴ Brand South Africa (2010D) *South Africa: Gateway to Africa*, at <http://www.southafrica.info/africa/>, accessed 24/11/2010

¹⁸⁵ Brand South Africa (2009) *Take the South African story to new heights* booklet published by The International Marketing Council of South Africa, Johannesburg, South Africa

related ad material using Africa-related imagery was released.

3.4.3: Type of Event

Since the first World Cup was held in Uruguay in 1930, the tournament has been one of the most popular international events and media happenings in the world. It is different from the Olympics perhaps most because of the amount of money involved in and viewing figures associated with international level soccer. For example, the 2004 European Soccer Championship final was watched by 153 million viewers, quite a lot more than the opening ceremony of the Olympics that year at 127 million.¹⁸⁶ Soccer clubs generate hundreds of millions of dollars in revenue. The number of international superstars playing on national teams, along with the massive sponsors behind the sport and the enormous media and audience appeal of soccer worldwide means the potential gains from hosting and leveraging this event are substantial.

3.4.4: Fit with Country Brand

In South Africa, soccer is a national pastime, with the South African team (nicknamed ‘Bafana Bafana’ (the boys) as national heroes. The representative team first played in 1992 – two years before the first democratic elections in South Africa. Soccer is the most widely played sport in the country, with a professional soccer league, a large fan base and, perhaps surprisingly, no hooliganism.¹⁸⁷ This wide support of the sport in the population is an advantage in terms of hosting the event – it is easier to get support for the tough decisions and expenditures necessary to manage the event. In addition, the idea of fair play and equality in football is well matched to brand South Africa where equality is at the heart of the country’s history. The slogan “Alive with possibility!” also resonates well with the Soccer World Cup: there are possibilities for glory and fame essentially

¹⁸⁶ Brook, Stephen (2004) *Euro final tops TV sports league*, posted 23/12/2004 on The Guardian online edition at <http://www.guardian.co.uk/media/2004/dec/23/broadcasting>, accessed 23/11/2010

¹⁸⁷ Brand South Africa (2010E) *Football in South Africa* at <http://www.southafrica.info/about/sport/soccer.htm>, accessed 22/11/2010

open to any team. Also the vibrancy and liveliness of the South Africa character communicated in ad materials resonates very well with a sporting event in general, and the very lively and enthusiastic fan base for soccer in particular. Finally, in Africa soccer is seen as a way out of poverty for many. Because of this the World Cup in many ways symbolizes those possibilities.

3.4.5: Practical Leveraging of the Event

Brand South Africa ran campaigns in the build-up to the World Cup just like China did in the build-up to the Olympics. Unlike China however, the focus was not on welcoming the audience in particular, but rather on life, rhythm, football, music and enthusiasm. One video ends with the slogan “Rhythm like you’ve never seen before ... Come and feel it.... South Africa, Alive with Possibility!”. The focus on life and vibrancy is in line with selling a nation in change, and counteracts the dark history backdrop. All ads are careful to include a representative selection of skin colours as well, although this is not necessarily emphasized. In conjunction with the World Cup, many sponsors as well as local producers attempt to leverage the event to gain extra advertising returns.¹⁸⁸ Whenever something obviously South-Africa related is included in these there is also a country branding effect going the other way. As an example, the two ads found in Appendix D both exemplify this in different ways. Since both of them have the official World Cup logo they are tied in with the event. Both ads use play on words related to the World Cup in their text, and both feature typically African imagery (nature, Masai tribesmen, elephants). Interestingly, neither is a South-Africa related ad – one is for a liqueur, the other actually for Tanzania. Still, I would argue that considering the stated intention of the South African organizing committee to make this an *African* event rather than a South African one (thus emerging as the de facto leader of Africa, placing itself equal to but above other nations, like a gateway to Africa) as well as the continent branding effect, any positive

¹⁸⁸ Even ‘freeriders’ took advantage of this to an unprecedented level at this World Cup, not only Pepsi and their commercial, but the now-famous ‘Bavaria Beer Babes’, where the Dutch company had hired 36 women to represent them by wearing their orange mini dresses in the stands. Their pictures went around the world, with the women even getting arrested and charged by FIFA, giving Bavaria even more free ad time.

branding may have a positive effect on Brand South Africa. The official 2010 World Cup song is in the same vein: ‘Waka Waka – This time for Africa’ contains, beyond the title which is also the chorus, lines like “We are all Africa” and a video with famous soccer players wearing a shirt with the words ‘This time for Africa’.¹⁸⁹

The local South African tourism industry also leveraged the South African brand to their advantage, Township tours are arranged, and for the World Cup one entrepreneur even built a fake township for visitors to live in. Finally, Brand South Africa has been careful to market the stadiums being built as a way to strengthen local sports infrastructure, trying to lessen the negative view of some of this as a waste of money.

3.4.6: Success and Success Factors

The single most important branding factor for South Africa in the hosting of the FIFA 2010 Soccer World Cup was that the event itself was a success, closely followed by honesty in branding and good country/event fit. Traditional prejudice against Africa as an organizer and producer of anything much more than raw materials meant that the expectation was perhaps more of failure than success. Because of this, and because this was the first of the truly gigantic sports events to be hosted in Africa, the potential for positive brand equity from a professionally executed Cup was tremendous.

FIFA, the international governing body of soccer, gave the World Cup a 9 out of 10, calling it the best World Cup ever. It generated a record more than \$4 billion revenues for the organisation and the tournament added an estimated 9.3 billion rand to the South African economy¹⁹⁰. FIFA polls showed that 91% of South Africans felt their country was more unified than before the tournament and 87% felt more confident than ever about their country’s capabilities. Similarly, a poll of international visitors found that 83% planned another visit to South Africa in the future, and 94%

¹⁸⁹ Music video available at <http://www.youtube.com/watch?v=pRpeEdMmmQ0>

¹⁹⁰ PriceWaterhouseCoopers (2010) *FIFA World Cup Revenues Were US\$4 Billion, Highest Ever*, posted 26/08/2010 on Big4 website at <http://www.big4.com/news/pricewaterhousecoopers-fifa-world-cup-revenues-were-us4-billion-highest-ever-1561>, accessed 22/11/2010

would happily recommend going there to friends and family¹⁹¹. The latter was probably helped by the efficient policing of the World Cup – according to INTERPOL the event was without any major incident.¹⁹² Being able to host a successful World Cup without major problems or violent incidents is probably the best branding that could be done. It proves the change and innovation components of Brand South Africa and show off capabilities of the country – both for business and tourism. Since the Cup was a media success as well, the appeal of the event was leveraged to gain maximum brand equity. It is estimated that more people watched the final match than watched the opening ceremony of the 2008 Beijing Olympics, and one brand and media intelligence company estimated that South Africa received editorial coverage worth around 25 million rand in the 100 days following the World Cup.¹⁹³ One South African business consultancy firm called the impact of the World Cup on Brand South Africa “massive” and reported that both general internet traffic on the first World Cup day and twitter traffic at the time of the final match set new records¹⁹⁴.

The success in hosting the World Cup and the branding work in conjunction with it may have broken down some prejudice towards African nations in general and South Africa in particular – meaning that the country has more reputational capital which can be expended on attracting visitors, investors and selling their products abroad. Of course, one World Cup does not do all this on its own, it is merely an important building block in the overall marketing strategy. Considering the success of the event though, it is small wonder that rumours already abound about the country’s intention to bid for the 2020 Olympics.

¹⁹¹ IANS (2010) *South Africa’s was the best World Cup ever: FIFA* posted on 23/09/2010 at <http://sify.com/news/south-africa-s-was-best-world-cup-ever-fifa-news-international-kjxxEdbejbi.html>, accessed 23/11/2010

¹⁹² INTERPOL (2010) *2010 World Cup a security success for host South Africa confirms INTERPOL*, posted on 13/07/2010 at <http://www.interpol.int/Public/ICPO/PressReleases/PR2010/PR058.asp>, accessed 22/11/2010

¹⁹³ South African Tourism Services Association (2010) *South Africa’s Brand – 100 Days after the World Cup* posted 10/11/2010 at http://www.satsa.com/pages/News_Section_Details.asp?NewsSectionID=3&NewsID=1657, accessed 23/11/2010

¹⁹⁴ Saunders, Gillian (2010) *Grant Thornton says World Cup dramatically increased national brand value for South Africa*, posted 29/10/2010 at <http://www.gt.co.za/News/Press-releases/Strategic-solutions/2010/2010wcbrand.asp>, accessed 23/11/2010

CHAPTER 4: FURTHER ANALYSIS AND DISCUSSION

SECTION 4.1: POTENTIAL AND RISK

For New Zealand, the *Lord of the Rings* and the consequent attention of movie audiences and media all over the world represented an opportunity to market their main competitive advantage, the New Zealand landscape, in a way that fitted well with the New Zealand brand. For China, hosting the Olympics was a coming of age, a way to demonstrate to the world their capabilities and intentions, and do so in a way that attempted to disprove some of the criticisms faced by modern China. For South Africa, the World Cup came as an opportunity to prove the capability of an African nation (and by extension other African countries) to arrange an international event, to wake up international audiences to the presence of Africa as a viable destination for investment and travel, and to counteract the deep-seated prejudices held in international media about the continent. For all three, the events were an opportunity for receiving a greater-than-normal return on their marketing investment. However, hosting and leveraging these events also entailed considerable risk.

All three nation brands, while trying to build equity, were in danger of incurring damage to their image. Had the *Lord of the Rings* failed, the dollars spent on co-marketing would have been wasted, the resulting financial problems could have affected the local economy and the New Zealand image could have been marred by a connection with a hugely expensive film project that flopped.

The China Olympics cannot be called a complete PR success: the zeal of the Chinese government in trying to show off a polished country led to many negative headlines in media around the world, which may be what is best remembered. However, the event itself went off almost without a hitch, and put China in many more headlines in international media in a nonpolitical, non-environmental, non-human rights related context. Had the execution itself been failed, this would have seriously compromised China's desired image as a modern, efficient country and a trustworthy

business partner. For South Africa, the danger was that any failure in the event or its promotion would have reinforced the Africa stereotypes held by the developed world. That would make it even more difficult for South Africa (or any African nation) to compete successfully to host an international event in the future. It would also have damaged the image the country has begun to create as an investment destination, a tourism destination, the voice of Africa and a serious member of the G20.

In my analysis both New Zealand and South Africa were highly successful. They achieved some if not all of their nation branding goals and benefited from an image boost because of this. China achieved a moderate level of success, especially in terms of bragging rights and developed country standards. In hindsight, we can identify some of the common factors shared by all three countries that contributed to their success, as well as some differences in the way they chose to leverage the events to further nation brand building.

SECTION 4.2: COMPARISON OF SUCCESS AND STRATEGIES

My three case studies all used different practical approaches to leveraging their event. By looking for similarities we can identify patterns in successful event leveraging in nation branding.

4.2.1: Event leveraging agent

In all three cases, a separate organization, whose primary aim was to promote the nation brand, existed and was involved in leveraging the event. In New Zealand, this was Tourism New Zealand, in China the SCI Office and in South Africa it was Brand South Africa. A separate entity with the interests of the nation brand as their only priority can deal with problems encountered in the areas of Politics or Paucity, for example. When budgetary resources and decision makers' attention are limited it is essential to have lobbyists working exclusively on behalf of the nation brand. In addition, a more focused entity will perform more focused strategic planning, and follow up on the

implementation of those strategies.

4.2.2: Good event/nation brand fit

In all three cases, the event profile and country branding ambitions were well matched, providing the opportunity to create a believable connection (schema) in the minds of the audience. The striking nature and a sense of adventure in New Zealand's image were communicated effectively through an adventure film set in a beautiful fantasy world. The Chinese desire was to be seen as a technological contender, a state that takes its people and the environment seriously and as a 'peaceful giant'. All these things are inherently possible through the Olympic games – the architecture and technology on display were impressive, green efforts were at least recognized in the media and the Olympic spirit supports the myth of peaceful competition as no other event does. In South Africa, the sport of soccer, with millions of fans around the world and a trophy representative of realizable, dreams and achievements, was well suited to a country founding its image on change and possibility, and one eager to prove itself on a par with any first world country in organizing a large event.

4.2.3: Success of the event

The success of the event itself is intrinsic to its beneficial leveraging. Problems in the execution of a major event are likely to receive a large amount of press, detracting from the neutral or positive coverage that can be leveraged to the advantage of the nation brander. Success also provides a backdrop for messages about the nation brand and (in the case of South Africa and China) is integral to conveying an image of competence. In all three cases, the practical execution of the events was largely successful.

There were some notable *differences* in how the three countries leveraged their events, and in my analysis, there are three main reasons why the event leveraging in the case of South Africa and New Zealand was generally more successful than that of China.

4.2.4: Proficient use of interactive media

Both South Africa and especially New Zealand use social media, viral videos, blogs and well-designed, user-friendly internet portals to get their message across. While China was online as well, there were no official blogs or twitter streams, and videos were few and far between. Again the reputation and policies of the Chinese government are a detriment – even if international social media were used more, the online community might take a dim view to such communications coming from a country famous for attempting to control freedom of speech, blocking sites like Twitter, Facebook, Wikipedia and Blogspot. Efficient use of the web is perhaps especially important for China as opposed to South Africa considering the time zone they are in – events in South Africa take place in almost the same time zone as Europe and could be watched live on TV by that audience – while those in China are mainly at night for the European continent, meaning a lot of people would probably use the web for updating rather than watching events live in real time.

4.2.5: Honesty

Even though it was the stated intention of China to show people the ‘real China’, they tried too hard to put on their very best face. China’s reputational capital is very low, meaning propaganda gestures enjoy no credibility. Using the voice of a child deemed ‘too ugly’ to sing at the opening ceremony while showing off another, more comely child is extremely foolish because it is highly likely to leak to the press at some point. This fakery was effected because a member of the politburo saw a rehearsal and did not think the face of the child chosen was suitable – a clear-cut case of political interference in nation branding efforts. The ceremony’s musical designer Chen Qigang said that “The main consideration was the national interest. The child on the screen should be flawless in image, in her internal feelings, and in her expression.”¹⁹⁵ This shows a lack of understanding of how

¹⁹⁵ Spencer, Richard (2008) *Beijing Olympics: Faking scandal over girl who ‘sang’ in opening ceremony* in The Telegraph, posted 12/08/2008 at <http://www.telegraph.co.uk/sport/othersports/olympics/2545387/Beijing-Olympics-Faking-scandal-over-girl-who-sang-in-opening-ceremony.html>, accessed 26/01/2011

untruthfulness will be interpreted in the worst way possible – as will all other draconian image polishing measures taken (such as measuring the width of the smiles of all volunteers).

4.2.6: Part of the big picture

In the cases of New Zealand and South Africa, the events were leveraged as part of an already existing campaign – appearance and focus were in line with previous and following communications. In the case of China, however, the previous low level of public communications and relations work and the lack of a well-advertised nation brand or slogan meant that the Olympics event leveraging was a sudden explosion of messages where they might all drown each other out. In the case of nation brands, a long-term and continuous branding effort is necessary to have a lasting effect. While China has continued the effort in terms of hosting the Shanghai 2010 World Expo, there is still a lack of a sufficiently cohesive branding programme for the events to fit into. For a graphic representation of the comparative success factors of my three case studies, please look at Figure 1a-1d in Appendix E. Looking at these gives a clearer picture of the various strengths and weaknesses of the three event leveraging efforts, and clearly shows the areas in which China, in particular, falls behind the other two.

SECTION 4.3: LINKING BRAND IDENTITY TO EVENT

‘Attaching’ the nation brand to the event is a critical factor in being able to have a co-branding effect. If the event exists in a vacuum disassociated from the nation brand, co-branding is weakened. In all three cases linking event and brand was done by utilizing some of the core characteristics of the brand identity in the event promotion itself. In New Zealand the long landscape-heavy sequences in the *Lord of the Rings* achieved this as well as the extensive tour business that cropped up and the international advertising campaigns that focused on the landscape as seen in the film. For China, the three focus areas outlined and promoted for the Olympics – the High-Tech Olympics, the Green Olympics and the People’s Olympics – were in line with the stated branding goals of the country. In

South Africa, the World Cup slogan “KeNaKo. Celebrate Africa’s humanity”¹⁹⁶ expresses well the way South Africa seeks to represent Africa, the focus on democracy and a better present than the past. In addition, ads and leveraging focuses on nature and on the change and possibility elements. While all three cases have achieved some success in linking event to brand, New Zealand seems to have been the most successful. This is mainly due to two things: their message was consistent, simple and repeated often. This was supported the nature of the *Lord of the Rings* project, running over a period of many years with four reiterating ‘peaks’ of public attention: the initial news of the book being made into a film along with the choice of New Zealand as a location, and the theatrical release of the three films with a space of 1 year between them (in 2001, 2002 and 2003).

¹⁹⁶ Cape Town Magazine (2010) *2010 FIFA World Cup Slogan* at http://www.capetownmagazine.com/news/2010-FIFA-World-Cup-Slogan/10_22_3262, accessed 24/11/2010

CHAPTER 5: CONCLUSION AND IMPLICATIONS

SECTION 5.1: RESEARCH LIMITATIONS AND VALIDITY

Because nation brands are so complex, dealing with them in the space of this thesis is naturally done through largely qualitative rather than quantitative research. However, I feel the wide span of case studies used does validate my findings. It is also natural for this - and indeed most - research on nation branding to focus primarily on the tourism component. The tourist's image of a country may have an effect on its business image (a well-run, successful tourism industry and tourism branding may indicate potential for other industries), but it is perhaps less likely to work the other way around (holidaymakers may not care how great a return foreign investors can expect from a given country). In addition, the main caretakers of a nation brand (in terms of actively working for the development and promotion of the brand) are often national tourism organizations (NTOs), and tourism is the natural focus of their interest and expertise.

SECTION 5.2: THE EVENT AS A BRAND CARRIER

In 2009, the United Nations World Tourism Organization published a *Handbook on Tourism Destination Branding*, with the stated purpose to 'equip and inspire' destination managers in branding their destinations. The organization describes events as a way to reinforce a destination's brand values, accelerate regeneration programmes, inspire civic pride in citizens, and anchor the image of a place and sometimes even change it.¹⁹⁷ The event, they say, can be a powerful tool in developing, projecting and carrying the national brand image. (The handbook deals with tourism destination branding, but these elements are relevant for all aspects of building the nation brand.)

¹⁹⁷ UNWTO (2009:20-22) *Handbook on Tourism Destinations Branding*, World Tourism Organization, Madrid, Spain

Large, international events can command great attention in the media. This means that such events can raise the brand awareness of countries; regardless of what effect the event itself has on that particular brand. As I have tried to show, creating a connection between a nation brand and such an event is critical to the success of leveraging it efficiently and thus tapping into its PR potential. There is more to the event/brand equation, however, than just ‘free’ publicity. Truly successful event leveraging attempts to use the positive perceptions held by the audience of the event itself to enhance the perception of the country where that event takes place.

5.2.1: Image transfer

Xing and Chalip researched¹⁹⁸ the destination/event relationship based on the co-branding theory that indicates that such a pairing will cause some image transfer between the two, and on the match-up hypothesis which tells us that quality of fit will decide level of transfer. Their findings indicate that events impact destinations more than the other way around. This means that we can accurately describe the event as ‘carrying the nation brand image’. Very little further research exists as to how much image transfer exists between major events and their host locations. But Xing & Chalip did find that if the destination brand is little-known however, the event brand will be assimilated to the destination brand in a greater degree – and vice versa. This means that nations lacking a strong country brand image may use a major, well-known event as a catalyst to raise their profile. This does not mean that branders can simply choose an event that has a profile they would like for their country. Recalling the argument from chapter 2 – a country is what it is and is not re-brandable in the traditional sense of the word. Even if a country has a low profile it still has distinctive features that can create a basis for competitive advantage, and these features should help define the key concepts of a desired nation brand. Choosing something conceptually far away from the truth will almost inevitably lead to audiences being either disappointed with the nation itself or feeling that the nation branding communication was untrue. As an example: the small European

¹⁹⁸ Xing, Xiaoyan and Laurence Chalip (2006:49,70-73) *Effects of Hosting a Sport Event on Destination Brand: A Test of Co-Branding and Match-up Models* in *Sport Management Review*, 2006, 9, 49-78, SMAANZ, Texas, US

country Luxembourg has a relatively low profile. It is picturesque, with castles and old European charm, and it is extremely well located in the centre of Western Europe. But if Luxembourg decided to raise their profile by hosting a major international event, it would be a mistake to choose to host the X Games 2012 extreme sports championship and leverage it to present Luxembourg as an extreme sports destination. If the event and destination are both well known to the audience, Xing and Chalip indicate that the event brand will function more as grounds for comparison against the country brand identity. In this case the problem with poor fit is a more immediate one as people naturally match the two. Also, a mismatch may sometimes depress evaluative ratings of the destination.

5.2.2: Controlling perceptions about the connection

I already discussed Xing and Chalip's finding that the match matters less than what is claimed about it. This is important because it is specifically where marketing and branding make a difference. By asserting the connection between event and brand, marketers define the context and the criteria used for evaluating the nation brand. We see this for example in China's use of the 2008 Olympics (the Green Olympics, People's Olympics and High Tech Olympics). By positing these specific claims about what the Olympics represented, China attempted to influence international interpretation of what the Games accomplished. While it is difficult to manipulate international press en masse, by making strong claims such as these China attempted to create boundaries and direction for coverage. Of course, self-imposed boundaries mean that whatever is within these boundaries is scrutinized extra carefully, and being unable to deliver on these promises leads to unexpectedly negative coverage.

5.2.3: Integrating event into overall nation branding

The most important way to make an event an efficient brand carrier, however, is by ensuring that it is clearly part of the overall nation branding process. There must be a good fit between nation brand and event. It needs to appear as part of a larger integrated process rather than as a stand-alone

happening. Stakeholders of the event and the nation brand need to cooperate, and communications during the event cannot be at odds with those before or after it. I previously discussed the lack of a clearly visible overall nation branding process in China. This lack means that event leveraging looks like a one-off communication, and in my analysis this means that any publicity efforts during events are tied more closely to the event than to the nation brand and therefore not seen as relevant beyond the event– which makes them less effective than if they were one part of an ongoing campaign.

SECTION 5.2: VALUE OF EVENTS IN NATION BRANDING

To define the value of events in nation branding is a difficult task; the value of branding exercises is generally a topic of much debate and uncertainty, as it is hard to collect definitive data on changes in the perceptions held by an audience as a whole and present evidence of their cause and effect relationships. It is as difficult to accurately quantify and define someone's 'gut feeling' about a given country as it is to do so with consumer goods – with an important difference. Whereas large corporations like Coca-Cola can track worldwide sales data and attempt to identify changes in consumption patterns immediately after a major initiative is launched, it is more difficult to do the same for a country. The complexity of measuring 'success' for a nation brand involves interpreting data as diverse as tourist arrival numbers, foreign investment interest, and the word of mouth spread by businessmen travelling to the country. As previously indicated, country branding is a long-term exercise, and it can be difficult to pinpoint exactly which effort caused which changes, and when they showed up. There are surveys that attempt to track the views of large numbers of people in certain markets over a relatively long period of time. The most notable of these are the Anholt-Roper Gfi Nation Brands Index, the Country Brand Index and the Global BAV poll. These provide indications that can be used concurrently with other data to make assumptions about cause and effect relationships. There are other indicators, such as those used in the case studies in chapter 3, which can be used alongside qualitative analysis to try to identify some of these relationships. General media coverage, especially online, is becoming easier to monitor, even with the growing proliferation of channels.

Probably the most concrete way to identify the value of events to nation branding would be to compare if less money was spent on staging an event to achieve the branding equivalent that would have needed to be spent on advertising the nation brand by itself. One study¹⁹⁹ concludes that the claims from sports promoters of the positive economic impact are almost always overstated and should be treated with caution, but the same study quotes examples of after-effects of such events reaching as far as 30 years into the future. On a time-scale such as this it becomes difficult to keep track of anything other than debt remaining outstanding on stadiums built and projects executed. However, what we can say is that it is likely to be impossible to achieve the level of focused media coverage, audience attention and potential branding leverage through a regular advertising campaign that can be accomplished by hosting an event like, for example, the Miss Universe competition or the annual Nobel Peace Prize award ceremony²⁰⁰. As long as the event is successful and the initial fit is good, NTOs and other nation brand managers have plenty of opportunity to leverage it to build considerable brand equity.

SECTION 5.3: AVOIDING OVER-IDENTIFICATION

5.3.1: The danger of failure

The idea that it is possible for the event and place to become too tightly tied in with each other in the minds of the audience members is the flip side of efficient event leveraging or even the hosting of an unexpectedly highly publicized event. If a given nation (or region or city) ties their brand too tightly to an event so that the event and the place are effectively one and the same in the perceptions of the audience, several problems can occur. First, if the event fails not only does the

¹⁹⁹ Matheson, Victor A. (2006) *Mega-Events: The effect of the world's biggest sporting events on local, regional, and national economies*, College of the Holy Cross, department of economics faculty research series, paper no. 06-10*, College of the Holy Cross, Worcester, MA, USA

²⁰⁰ Recurring, geographically fixed annual events differ slightly from the case studies discussed in this paper. While they too offer the potential for event leveraging, there is no news value specifically in the fact that the Peace Prize ceremony is held in Oslo – since the venue is the same every year.

failure impact the geographic region's image, it might be perceived as a failure of the nation itself.

And failure in this sense encompasses the following:

The event in question can be cancelled altogether, losing the entire opportunity for event leveraging – like the Olympics during WWII. Sometimes, embarrassing PR crises take place during the event and dominate the international reportage, such as doping scandals that occur during the Tour de France every year. Next, while it is common for international events to have difficulty sticking to budgets, sometimes huge deficits due to underfinancing or cost overruns become the focus of attention. Consider the example of the 1967 World Expo in Montreal, which despite being considered a success incurred a massive deficit of \$210 million (1967 dollars).²⁰¹ Finally, serious disruptions caused by hooligans, terrorists or protesters can completely dominate the image held of an international event. The 1972 Munich Olympics will forever be remembered not for sporting achievements, the city or the country where it took place or its execution – but for the murder of Olympic athletes by terrorists.

People tend to stereotype, and if that stereotype is represented by a failed event, it can be very difficult to reverse the process and disassociate a place from the failure. As an example of extreme place/event association, consider the American town of Woodstock – still synonymous with its 1969 hippie music festival (although this was actually held in the neighbouring town of Bethel). Mentioning Woodstock without somehow mentioning the festival becomes like mentioning banking without talking about money. While it has indeed made a very small place very famous, the image of free love, drugs and rock and roll associated with Woodstock seems to be eternally linked to that particular place.

5.3.2: Moving on after the event

The key for nation branding agents is to leverage an event as much as possible, but not to expect the positive effect to last forever without reinforcement. The brand value of an Olympics

²⁰¹ Morency, Daniel (2006) *expo67* Web site, based on official guides to the expo published in 1967 and 1969. Available at <http://expo67.morenciel.com/an/references2.php>, accessed 28/01/2011

diminishes after a while, and looking forward to the next big thing offers a much more positive message than just focusing on what a country has achieved in the past. It is in this sense that becoming something more than the host country for the World Cup in 2010 is critical to South Africa's country brand value. As the most recent case study it has the greatest opportunity to carry its influence to another branding exercise, both by continuing the general branding work without constantly referring back to the World Cup, and by attempting to attract other events by leveraging the success of that earlier one. South African nation branders seem to be aware of this, as just two days after the World Cup finals in Johannesburg, the South Africa Sports Confederation and Olympic Committee announced the country's intention to bid for the 2020 Summer Olympic games²⁰².

SECTION 5.4: IMPLICATIONS FOR PRACTITIONERS

In practical terms, nation brand perceptions change slowly. Nation branding cannot change what a country *is*, it cannot change the immutable qualities that form the core of the nation; the culture, the people and the landscape. It can, however, increase awareness and promote those qualities that are true competitive advantages. But the environment within which a nation brand operates can change quickly, which can change its fortunes. If adventure holidays go out of fashion then a lot of adventure holiday destinations will lose part of their attraction, even though no aspect of the nation itself or its branding efforts have changed. Brands are essentially perceptions, and perceptions are easily influenced by outside factors – even by fashions or fads.

5.4.1: Know the product

Nation branders should make sure they do not know only the saleable points of their country; they need also to familiarize themselves thoroughly with negative realities and perceptions of their

²⁰² Associated Press (2010D) *South Africa to Bid For 2020 Olympics* at News One website, posted 13/07/2010 at <http://cdn1.newsone.com/entertainment/sports-entertainment/associated-press/south-africa-to-bid-for-2020-olympics/> accessed 12/12/2010

country. Acknowledging these and even sometimes finding a place for them in the nation brand is preferable to suddenly being surprised by ‘bad press’ and then denying, ignoring or trying too hard to ‘spin’ the truth.

5.4.2: Be the first mover

Nation branding is likely to intensify in years to come. Many emerging nations will perceive the success of states like New Zealand in heightening their profile and awareness, or consider the World Cup in South Africa a worthwhile branding effort. They may realize that perceptions can be changed by utilizing media communications and event leveraging, thus avoiding a negative continent branding effect (e.g., Africa), and decide to engage in country branding themselves.

According to Rita Clifton, Chairman of Interbrand, “The politics of envy in place branding will ensure an acceleration in its take-up. There is nothing like seeing a ‘competitive’ country get its branding act together as a stimulus to others — whether this is event or opportunity driven...”²⁰³

For practitioners, this means that the field will get more crowded, and it will become harder to define something truly unique as a competitive advantage for a given country. It also means there may be important first-mover advantages in staking a claim to a competitive advantage one shares with other countries. There is no practical reason why some other country on the African continent cannot be the ‘gateway to Africa’, but if South Africa is able to firmly establish this as part of their identity, others may have difficulty claiming it for themselves. Furthermore, as the field thickens, more similar nations vie for consumer attention and share of voice becomes more and more difficult to obtain. Events and their possibilities for attention will become interesting not only because of their potential greater returns but as a way to stand apart. This again indicates a higher level of competition in bids for these events, something that may be a severe disadvantage for smaller or poorer nations without the resources to create separate nation brand offices, run major advertising campaigns abroad or hire international publicity firms.

²⁰³ Clifton, Rita (2004) *Opinion Pieces: Where is Place Branding Heading?* In **Place Branding**, Volume 1 number 1, pp 12-35, Henry Stewart Publications, Alabama, USA

5.4.3: Events are a limited resource

A more crowded field with ever-dwindling resources requires practitioners to be more creative than ever, to find those key aspects about a country that can be promoted well and that are the basis for competitive advantage. It also means that the limited resource of attractive events will become even more sought-after in the future. It may mean that larger nations have an advantage in winning the more important events simply because organizers will be risk averse.

It may also mean the emergence of a far greater number of annual place-specific events (such as in Dubai). One advantage of place-specific events is that it is easier to place the name of the country in their titles, which means that coverage of the event necessarily means mention of the country name in association with it. Nation branders must be wary of watering down their brand through over-exposure, but at the same time should not be too afraid to take risks in hosting events, because the rewards can be great.

SECTION 5.5: CONCLUSIONS

Nations can be treated as brands, and they need to act and think as such to be successful in an increasingly saturated marketplace. An increasing number of countries hire professionals to create and execute branding strategies on their behalf. And in the current attention economy²⁰⁴ nation branders need to be more creative than ever.

This paper has demonstrated that events can be leveraged for nation brand building purposes, and that they offer a way to achieve greater return on investment than traditional advertising methods. All three case studies show evidence of positive effects on their brand equity that are hard to imagine arising from an ordinary branding campaign. New Zealand now has a growing film industry and many more foreign visitors. China was given nods of approval by its greatest detractors – journalists.

²⁰⁴ Davenport, Thomas, and John Beck (2001:3) *The Attention Economy: Understanding the New Currency of Business*. Boston: Harvard Business School Press.

South Africa proved that it could perform on a par with first world countries – something very hard to convince audiences of just by using commercials. By carefully aligning the choice of event with the overall nation brand image, by working with stakeholders on all levels of involvement, by engaging with audiences worldwide to discover their ideas about the country and then working to integrate or change those ideas, and by understanding both the positive and negative sides of their own product in order to create a consistent branding effort that has the necessary long-term view of nation brand image - nation branders can choose the right events for their particular brand.

When Xing and Chalip claim that the fit of place and event are critical because it dictates how well image may be transferred from one to the other²⁰⁵, they might have been talking about New Zealand and the *Lord of the Rings*. The film completed the image of New Zealand from the dramatic landscape imagery to its sense of adventure and exploration. This fit also demonstrates an attention to the overall nation branding strategy necessary for success. New Zealand was already a streamlined, functioning brand before the *Lord of the Rings* trilogy came along, and it continued to be so afterwards.

Having chosen well, nation branders, through the judicious use of advertising, traditional mass media, social media, interactive media and even word-of-mouth, through choosing the right collaborators and sponsors for their event, through making sure that the nation brand and the event are intrinsically bound to one another for a certain period of time before, during and after the event, and by finding the right way to tell audiences about the connection between place and event, they can leverage that event to create a greater return on invested effort.

In this process, nation branders must remember that nations are already brands – even if they have not been actively campaigning on the nation branding scene. While audience members may not have seen a single South Africa commercial before the 2010 World Cup, no one can claim to be ignorant

²⁰⁵ Xing, Xiaoyan and Laurence Chalip (2006:49) *Effects of Hosting a Sport Event on Destination Brand: A Test of Co-Branding and Match-up Models* in **Sport Management Review**, 2006, 9, 49-78, SMAANZ, Texas, US

of the dramatic history of that country, and most people will have an opinion or feeling about it. And as I argued in chapter 2, it is impossible to change the people, culture, nature or history of a country – nation branding can and should focus on how these facts are communicated. Even the dark history of a nation can be embraced and turned into a branding asset – like South Africa did by acknowledging its past but focusing on change and the future.

The nation brand perception is mutable because it exists in the eye of the beholder – something we saw clearly in the vast difference between how the Chinese and the rest of the world view China. A thorough understanding of these perceptions and discrepancies is crucial to avoid the appearance of deceit and untruthfulness. As the China case showed, a more thorough understanding of the international China image may have convinced officials there that micromanaging the public face of Beijing through draconian measures was probably the worst thing they could do.

And this is a much wider issue at stake than just avoiding embarrassing branding faux pas. The core of any nation branding process must be based on realities and consistent actions derived from those realities. In a globalized world with easy and instant access to information, it is critical to present an image that reflects at least some part of reality. It can be selective and it should certainly play to the strengths of a given nation, but it must be honest. In the words of branding professional Wally Olins: «You do not change people's perceptions of a country with advertising. You change people's perceptions by finding the truth, finding an idea that embraces that truth and putting it through everything they do.»²⁰⁶

²⁰⁶ Olins, Wally (2007), interview in *Monocle Magazine*, pp. 60-61 (Wally Olins, Chairman, Saffron Brand Consultants), Seymour International, London, UK

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APPENDICES

APPENDIX A: NEW ZEALAND ADVERTISEMENTS



(Tourism New Zealand (2011))

APPENDIX B: NEW ZEALAND PAVILLION AT THE WORLD EXPO



(Shanghai Expo 2010 – private photo)

APPENDIX C: INCREDIBLE INDIA ADVERTISEMENT



(Indian Ministry of Tourism (2008))

APPENDIX D: PRODUCT ADVERTS LEVERAGING THE WORLD CUP

THE OTHER TROPHY FROM AFRICA.





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(The Holland Herald 2010)

APPENDIX E: COMPARATIVE SUCCESS FACTOR GRAPHS

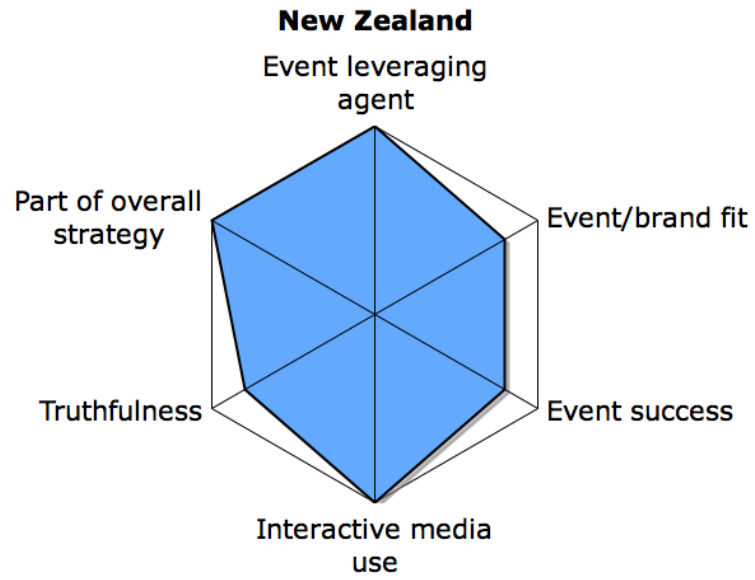
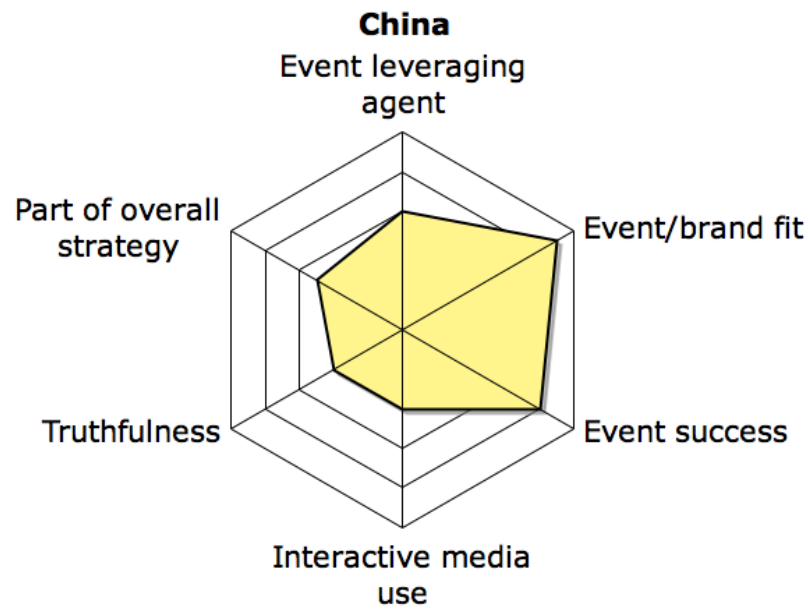
Figure 1a*Figure 1b*

Figure 1c

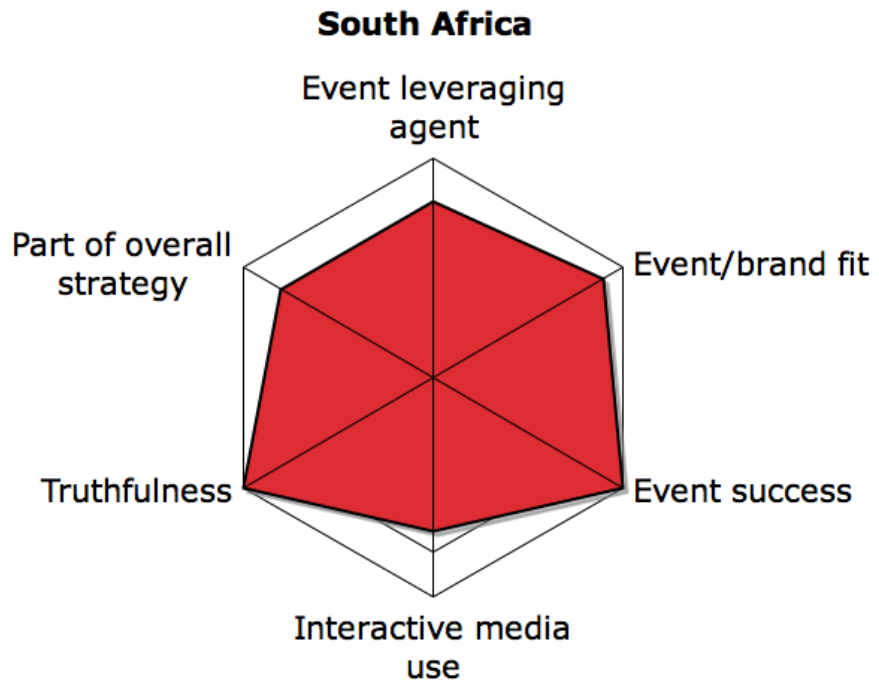


Figure 1d

