

FRANK M.GO & ROBERT GOVERS

INTERNATIONAL PLACE BRANDING YEARBOOK

MANAGING REPUTATIONAL RISK



2011



International Place Branding Yearbook 2011

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

PLACE BRANDING

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

International Place Branding Yearbook 2011

Managing Reputational Risk

Edited by
Frank M. Go & Robert Govers

palgrave
macmillan



Selection and editorial matter © Frank M. Go & Robert Govers 2011
Individual chapters © contributors 2011

Softcover reprint of the hardcover 1st edition 2011 978-0-230-27953-7

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No portion of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, Saffron House, 6–10 Kirby Street, London EC1N 8TS.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The authors have asserted their rights to be identified as the authors of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 2011 by
PALGRAVE MACMILLAN

Palgrave Macmillan in the UK is an imprint of Macmillan Publishers Limited, registered in England, company number 785998, of Houndmills, Basingstoke, Hampshire RG21 6XS.

Palgrave Macmillan in the US is a division of St Martin's Press LLC, 175 Fifth Avenue, New York, NY 10010.

Palgrave Macmillan is the global academic imprint of the above companies and has companies and representatives throughout the world.

Palgrave® and Macmillan® are registered trademarks in the United States, the United Kingdom, Europe and other countries.

ISBN 978-0-230-23963-0 ISBN 978-0-230-34332-0 (eBook)
DOI 10.1057/9780230343320

This book is printed on paper suitable for recycling and made from fully managed and sustained forest sources. Logging, pulping and manufacturing processes are expected to conform to the environmental regulations of the country of origin.

A catalogue record for this book is available from the British Library.

A catalog record for this book is available from the Library of Congress.

10 9 8 7 6 5 4 3 2 1

20 19 18 17 16 15 14 13 12 11

CONTENTS

<i>List of Figures and Tables</i>	ix
<i>Preface</i>	xi
<i>Acknowledgments</i>	xiii
<i>About the Book</i>	xiv
<i>Notes on the Contributors</i>	xvii
<i>Introduction by Frank M. Go and Robert Govers</i>	xxiv
Defining the Reputational Landscape	xxv
Five Steps to Managing Reputational Risk	xxxvi
<i>Organization of the Book</i>	xlvi

Part I Multidisciplinary Perspectives on Place Brand Reputation

I	From Competitive Identity to Governmental Social Responsibility: Place ‘Brand’ in an Interconnected World	3
	<i>Simon Anholt</i>	
	The Double-Edged Blade of Aid	5
	Governmental Social Responsibility: What the Market Is Telling Us	7
	Why Poor Countries Can’t Escape the Image Trap	9
2	Imagined Identities of Existing Cities: The Reputation Game	12
	<i>Slawomir Magala</i>	
	The Sexiness of a Contemporary City Branding	13
	City Branding as a Cultivation of Imagined Identities	16
	A Comparative Sociology of Advanced Marginality	20
3	Why Brand the Future with the Past? The Roles of Heritage in the Construction and Promotion of Place Brand Reputations	25
	<i>Gregory J. Ashworth & Mihalios Kavaratzis</i>	
	Introduction: The Past in the Present and for the Future	25
	The Links between Place Branding and Heritage Management	27
	Instruments	29
	Does It Work?	36

4	History Matters: The Path Dependency of Place Brands	39
	<i>Erik Braun</i>	
	Introduction	39
	The Place Brand and Place Branding	39
	Building a Place Brand from Scratch	41
	Is the Rotterdam Place Brand Path Dependent?	42
	Conclusions	45
5	Beyond the Fringe: Creativity and the City	47
	<i>Nicholas Ind & Louise Todd</i>	
	Introduction	47
	An Organic Perspective	48
	The Fringe	49
	The Fringe as a Brand	50
	The Fringe Stakeholders	51
	Informants' Perceptions of the Fringe: Positive and Negative Themes	54
	Fringe Brand Perceptions Revealed	54
	Further Informant Brand Themes	57
	Conclusions	57

Part 2 Measuring Place Brand Reputation

6	The Anholt–GfK Roper Nation Brands IndexSM: Navigating the Changing World	63
	<i>Barry M. Feinberg & Xiaoyan Zhao</i>	
	Introduction	63
	The Nation Brand Hexagon [®]	64
	Methodology: NBI SM Mechanics	66
	NBI SM Perspectives, Analytics and Sample Findings	67
	Conclusions	75
7	Country RepTrakTM: A Standardized Measure of Country Reputation	77
	<i>Guido Berens, Charles J. Fombrun, Leonard J. Ponzi, Nicolas Georges Trad & Kasper Nielsen</i>	
	The Concept of Country Reputation	78
	The Country RepTrak TM Methodology	79
	Findings of the 2010 Country RepTrak TM Study	82
	Reputation Dimensions	83
	Supportive Behaviors	86
	Self-image	87
	What Drives Country Reputation?	89
	Conclusion	90
8	The FutureBrand Country Brand Index	92
	<i>Tom Adams</i>	
	What Are the Objectives of the Country Brand Index?	92
	What Is FutureBrand's Theoretical Position?	93

	What Research Methodology Does FutureBrand Use?	94
	Results of the 2010 Country Brand Index	96
	Case Study: Brand Canada – A Brand Management Success Story	97
	Conclusions	100
9	The East West Nation Brand Perception Indexes and Reports: Perception Measurement and Nation Branding	102
	<i>Thomas Cromwell</i>	
	Introduction	102
	Why Perception Indexes and Reports are Useful	103
	For Countries, Qualitative Measurements Are Most Useful	103
	Differing Needs for Perception Data and Analysis	104
	Measuring and Analyzing Perceptions of Countries	106
	The Mass Media Amplify Perceptions	107
	Some Interesting Results	107
	Bad News Can Have a Big Impact	109
	Methodology Meditations	110
	Conclusions	111
10	The Global Peace Index	112
	<i>Camilla Schippa</i>	
	Why Measure Peace?	113
	The Methodology of the Global Peace Index	113
	What Creates Peace: Structures and Attitudes	117
	The Economic Value of Peace	120
	The Overall Cost of Violence to the World Economy	121
	Cumulative Effects	123
	Sectoral Analysis	124
	Conclusion: The Way Forward?	126
Part 3 Chapters on Specific Themes		
11	Blessing or Burden: Do Major Sport Events Hosted by Developing Countries Have an Impact on Reputation? A Case Study of the 2010 FIFA World Cup™ in South Africa	133
	<i>Wadim Schreiner & Frank M. Go</i>	
	Introduction	133
	What Role Do the Media Play in Contributing Toward the Reputation of a Country?	134
	Potential Changes in the Overall Perception of a Country Following an Event	141
	Conclusions and Observations	144
12	Using University Ranking Systems to Build Nation Brand Reputation	147
	<i>Natalya S. Pak & Frank M. Go</i>	
	Introduction	147

	How University Rankings Affect Kazakhstan's Brand Reputation: A Case Study	149
	Concluding Remarks	153
13	Putting Greece on the Map: The Use of Cognitive Causal Mapping for Destination Management	155
	<i>Johan van Rekom & Peeter W. J. Verlegh</i>	
	What Does Cognitive Mapping Teach Us?	156
	Empirical Research	158
	Discussion	161
14	Place Marketing and Experience of Place in a Virtual Environment: An Empirical Analysis of the Importance of Hedonic Meaning	165
	<i>Ingvær Tjøstheim & Frank M. Go</i>	
	Introduction	165
	Theoretical framework	166
	Research Method	168
	Research Design and Measurement	170
	Assessment of the Models	171
	Discussion	173
	Concluding Remarks	176
15	Strengthening Brand America's Reputation Through Cooperation	177
	<i>Edward Burghard & Robert Govers</i>	
	Introduction	177
	The Case for Cooperation	179
	Strengthening Brand America	181
	Conclusion	184
	Bibliography	186
	Name Index	200
	Subject Index	207

LIST OF FIGURES AND TABLES

Figures

1.1	Integrated framework for brand co-creation based on Prahalad and Ramaswamy's building blocks of dialogue, access, transparency and risk	xxv
6.1	The Nation Brand Hexagon®	65
6.2	USA mini-hexagon, as seen by survey country, Argentina	71
6.3	Poland: country B favorability drivers (Shapley analysis)	73
6.4	Country D's self-perception versus global perception	74
7.1	Country RepTrak™ model	79
7.2	Validating the Country RepTrak™ model using SEM	81
7.3	Results for Country RepTrak™ Pulse 2010	82
7.4	Results for self-image on the Country RepTrak™ Pulse	87
7.5	Results for 'self-image gaps'	89
7.6	A multidimensional map of countries: the relative similarity of countries on the 11 attributes of the Country RepTrak™	90
8.1	The FutureBrand Hierarchical Decision Model (HDM)	93
8.2	Country Brand Index association dimensions	95
8.3	The 2010 Country Brand Index top 25 country brands	96
10.1	The Global Peace Index: levels of peace across the world, 2010	118
10.2	Cumulative peace dividend	123
10.3	Real GDP per capita, Costa Rica, 1950–2007	124
10.4	Real GDP per capita, Nicaragua, 1950–2007	125
11.1	Reputational scores for South Africa selected by the international media	137
11.2	Scores on South Africa per country reputational pillar, January 2008 to December 2010, plus average score	138
11.3	Preparing for the World Cup. Media coverage in Germany and South Africa two years ahead of the event	139
11.4	Percentage of coverage in the international media devoted to specific geographical areas (Asia, Africa and South America)	140
13.1	Overall cognitive causal map including only the most frequently agreed upon causal relations	159
13.2	Final model with HLM regression coefficients and <i>p</i> -values	163
14.1	Four research models	169

Tables

6.1	Anholt–GfK Roper Nation Brands Index SM overall brand ranking (top 10 of 50 nations)	68
7.1	Top scores for the Appealing Environment dimension	83
7.2	Top scores for the Effective Government dimension	84
7.3	Top scores for the Advanced Economy dimension	85
7.4	Top scores for Supportive Behavior dimension	86

7.5	What drives country reputation globally?	91
10.1	Weightings based on the relative importance of each of the indicators	116
10.2	Dynamic, static and total peace dividend, 2006–9	122
10.3	Sectoral allocation of the global Dynamic Peace dividend, 2006–8	126
10.4	Results of the 2010 Global Peace Index	127
13.1	Averages and standard deviations of destination country attributes	160
13.2	Estimated coefficients and variances of HLM models	162
14.1	Discriminant validity test 1: crossloading of items, composite reliability and AVE	172
14.2	Discriminant validity test 2: convergent validity, correlations between latent constructs	173
14.3	Assessment of the four models	174

PREFACE

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

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

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

FRANK M. GO
ROBERT GOVERS

ACKNOWLEDGMENTS

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

2011 INTERNATIONAL PLACE BRANDING: MANAGING REPUTATIONAL RISK

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

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

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

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

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

YEARBOOK OBJECTIVES

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

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

OVERVIEW

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

The various approaches are set out in three parts:

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

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

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

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

AUDIENCE

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

NOTES ON THE CONTRIBUTORS

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

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

Gregory J. Ashworth was educated at the Universities of Cambridge, Reading and London (UK) and was awarded a PhD in 1974. He has taught at the Universities of Wales, Portsmouth in the UK and, since 1979, in Groningen, The Netherlands. Since 1994, he has been Professor of Heritage Management and Urban Tourism in the Department of Planning, Faculty of Spatial Sciences, University of Groningen. He is also a Visiting Professor at the Institute of Conservation, University of Gothenburg, Sweden. He received an honorary doctorate from the University of Brighton in 2009. His main research interests include heritage management, urban tourism and place marketing.

Guido Berens is an Assistant Professor of Corporate Communication at Rotterdam School of Management, Erasmus University, The Netherlands.

Erik Braun is a Senior Researcher and Lecturer in Urban Economics and Urban Management at the Erasmus School of Economics, Erasmus University, Rotterdam, The Netherlands. His specialization is city marketing and he has been invited by many cities in Europe as a city marketing expert. He is the (co)author of several books, numerous research reports and has published in

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

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

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

Barry M. Feinberg specializes in international media, marketing and public opinion research. He developed a relationship with Simon Anholt to form the Anholt–GfK Roper Nation Brands IndexSM. He heads GfK’s International Social & Public Affairs Research team. In addition to GfK, he has held senior research positions at Burson-Marsteller, Warner Communications, the US Commission on Civil Rights and the United States Information Agency.

He is a frequent speaker at industry and company conferences in the USA and around the world. He received his PhD in Communications and MA in Journalism from the Newhouse School of Public Communications, Syracuse University, NY. He has a BA in Sociology from the City College of New York. He is a member of the World Association for Public Opinion Research (WAPOR) and the American Association for Public Opinion Research (AAPOR).

Charles J. Fombrun is chairman of Reputation Institute, New York, USA and the author of six books and over 100 journal articles. He is a graduate of Columbia University and a former Professor of Management at New York University's Stern School and the University of Pennsylvania's Wharton School.

Frank M. Go is Professor and Director of the Centre for Tourism Management at the Rotterdam School of Management (RSM), Erasmus University, The Netherlands. Prior to his present post he served within business faculties at universities in Canada and Hong Kong. His research focus is on marketing strategy, destination images and brand identity, ICT and innovation, and sustainable business development. He serves as Academic Director of a joint MSc program between the RSM and the Hotel School, The Hague, The Netherlands, and is a visiting professor at Rikkyo University, Tokyo, Japan and the Open University Business School, UK. Go has also (co-) authored more than 125 journal articles, official reports and book chapters, in which most of his writing has focused on the need to integrate technological, market and organizational change in travel, destination and hospitality contexts to improve the effectiveness of organizations.

Robert Govers is Adjunct Associate Professor at the Consortium University of Leuven, Belgium. He is also the co-founder of www.placebrandz.com, a virtual community for place branding professionals. In addition to this he is a visiting faculty member and consultant working with the Hotel School, The Hague, the Rotterdam School of Management, IULM University in Milan, the University of Turin, and several institutes in Dubai. Prior to his return to the Benelux, he worked in Dubai as a senior lecturer. Together with Frank Go he is the author/editor of several books on place branding and has also co-authored several journal articles and conference papers in the field of place branding, tourism, hospitality and quality management, e-commerce in tourism, and tourism research and marketing. As a project manager, Robert has been involved in many consultancy projects for organizations such as the International Air Transport Association (IATA), the European Commission, the Flemish Government and various Dutch ministries and tourism promotion

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

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

Mihalis Kavaratzis is Lecturer in Marketing at the School of Management of the University of Leicester, UK. His research focuses on place marketing and place branding, and he was awarded a PhD in City Marketing from the University of Groningen, The Netherlands. His work on place branding has appeared in journals such as *Place Branding and Public Diplomacy*, *Journal of Place Management and Development*, *Cities*, *Journal of Town and City Management* and *Journal of Brand Management*, among others. He is the co-editor (with G. J. Ashworth) of *Towards Effective Place Brand Management: Branding European Cities and Regions* (2010, Edward Elgar). He is also co-organizer (with A. Kalandides) of the International Place Branding Conference series.

Slawomir Magala is Professor of Cross-cultural Management, and Chair of the Department of Organizational Sciences and Human Resource Management at the Rotterdam School of Management, Erasmus University, The Netherlands. He is involved in global consulting and training in post-communist and pre-capitalist countries including China, India, Estonia, Kazakhstan and Namibia. He is the author of *Cross-Cultural Competence* (Routledge, 2005); has written on values: ‘Social Life of Values. Cross-Cultural Construction of Realities’, in Barry and Hansen (eds), *The SAGE Handbook of New Approaches in Management and Organization* (2008); on meaning in organizations and in academic communities (*The Management of Meaning in Organizations*, Palgrave Macmillan, 2009); and on ‘Ethical

Control and Cultural Change (In Cultural Dreams Begin Organizational Responsibilities)', (*Journal of Public Affairs*, 2010). He is interested in visual sociology and multimedia aesthetics, has translated Susan Sontag into Polish and wrote 'Perplexing Images. Relational Identities in Cultural Tempospaces' in Lowe (ed.), *Managing in Changing Times. A Guide for the Perplexed Manager*, Sage, 2010).

Kasper Ulf Nielsen is Executive Partner of Reputation Institute. Kasper holds an MSc in Intercultural Management from Copenhagen Business School.

Natalya S. Pak is Associate Professor at the English Language Department, Kazakh-British Technical University (KBTU), Kazakhstan. Her professional interests include different issues in English language teaching methodology, professional qualification development in Kazakhstan, test writing and team teaching, among others. National educational reform and inclusive education have recently become the focus of her research interests. Currently she is a Fulbright Visiting Scholar at Ball State University, Indiana, USA. Prior to this position she was dealing with issues of quality enhancement, national and international accreditation, and university ranking as the head of the KBTU Quality Assurance Department.

Leonard J. Ponzi is Managing Partner of Reputation Institute, New York, USA, and is responsible for its global research and analysis. He holds a PhD from Long Island University, NY, and an MBA from Syracuse University, NY.

Camilla Schippa is Director of the Institute for Economics and Peace (IEP), an independent not-for-profit research institute dedicated to building a greater understanding of the key drivers and measures of peace, and to identifying the economic benefits that increased peacefulness can deliver. She has held positions at the United Nations for over a decade. Until 2008, she was the Chief of Office of the United Nations Office for Partnerships within the Executive Office of the UN Secretary-General. Over the years, she guided the development of high impact public-private partnerships in support of the Millennium Development Goals and has contributed to the creation of numerous strategic alliances between the United Nations and corporations, foundations and philanthropists. She managed liaison with regional commissions, UN programs, funds and specialized agencies, diplomatic missions and NGOs. As Secretary to the UN Fund for International Partnerships (UNFIP) Advisory Board, she oversaw the planning of Board meetings and was responsible for portfolios of funding valued at over US\$100 million. While at the United Nations, she also assisted in overseeing the activities of the UN Democracy Fund,

led the United Nations' engagement in the area of Sport for Development & Peace, and was part of the team responsible for setting up the Peacebuilding Support Office.

Wadim Schreiner is the Managing Director of Media Tenor South Africa in Pretoria and Board Member of Media Tenor International in Zurich. Media Tenor's research in terms of national and international media trends has been widely published in South African and international media, in terms of both political and economic analyses. He has a master's degree in Business Communication & Journalism from the North West University, South Africa, the topic of his thesis being 'News Flow In and Out of Africa: The Image of Africa in International Media'. He has read in media theories and communication methods at the University of Stellenbosch, the University of Cape Town, and has led a number of seminars at universities around the country. He has spoken at several media and journalism conferences in the USA, South Africa, Asia and Africa, and has published a number of research articles in international journals and books on South African and international media trends. He is a columnist for *The Media*, South Africa's media industry magazine. He is currently studying towards his Doctorate at the Rotterdam School of Management, Erasmus University, The Netherlands, focusing on nation branding.

Ingvar Tjøstheim is a Senior Researcher at the Norwegian Computing Centre in Oslo, Norway. The Norwegian Computing Center is a private independent research foundation that carries out contract research and development projects in the areas of information and communication technology and applied statistical modeling. He has specializes in ICT, visual technology, market research applications, e-inclusion and e-accessibility. Currently he is also a PhD student at the Rotterdam School of Management, Erasmus University, The Netherlands.

Louise Todd is a Researcher and Lecturer based in the School of Marketing, Tourism and Languages at Edinburgh Napier University Business School. She completed her PhD at Edinburgh Napier University, where her research concerned the Edinburgh Festival Fringe, its brand image, and the types of stakeholders' brand relationships. She has an M.Phil. in Art and Design in Organisational Contexts and an undergraduate degree in Fine Art, both from the Glasgow School of Art. Louise has worked in a number of arts, festivals, media and educational organizations, mainly within marketing and communications-related roles.

Nicolas Georges Trad is Executive Partner of Reputation Institute. Nicolas earned his MSc in Intercultural Management from Copenhagen Business School and holds an MBA from UADE, Buenos Aires, Argentina.

Johan van Rekom is an Assistant Professor in Marketing Research at the Department of Marketing Management, Rotterdam School of Management at Erasmus University, Rotterdam, The Netherlands, where he was also awarded his PhD. His research interests include organizational identity, the effects of organizational identity on the motivation of organization members, cognitive structures at the individual and the organizational level, and the essence of brands – including travel destinations. His research has appeared in the *Journal of Management Studies*, *Marketing Letters*, *Corporate Reputation Review* and the *Journal of Business Ethics*, among others.

Peeter W. J. Verlegh is an Associate Professor at the Department of Communication Science, University of Amsterdam, the Netherlands, where he teaches brand communication. His research focuses on cultural and social influences on consumers, and his PhD dissertation was on country-of-origin effects, under the guidance of Professors J.-B. Steenkamp and the late Matthew Meulenberg. His research is published in, among others, the *International Journal of Research in Marketing*, *Journal of Consumer Psychology*, *Journal of Consumer Research*, *Journal of Economic Psychology* and *Journal of International Business Studies*.

Xiaoyan Zhao is co-chair of GfK's Global Research Council and is the Director of the Anholt–GfK Roper Nation Brands IndexSM. Since the late 1980s, she has conducted research in more than 40 countries, from Argentina to Zambia, including the first-ever national poll in Kazakhstan, election polls in Russia and Ukraine, and the Western European Opinion Leader Forum. She has delivered insights presentations and workshops around the world on a variety of themes including globalization and cultural affinity, the evolution of values and social concerns, consumer media and technology behavior, and global brands. She has a doctoral degree from Stanford University, USA, specializing in International Communication and is a member of the European Society for Opinion and Marketing Research (ESOMAR) and the World Association for Public Opinion Research (WAPOR).

INTRODUCTION

Frank M. Go and Robert Govers

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

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

DEFINING THE REPUTATIONAL LANDSCAPE

What Has Changed?

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

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

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

Source: Hatch and Schultz (2010).

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

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

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

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