

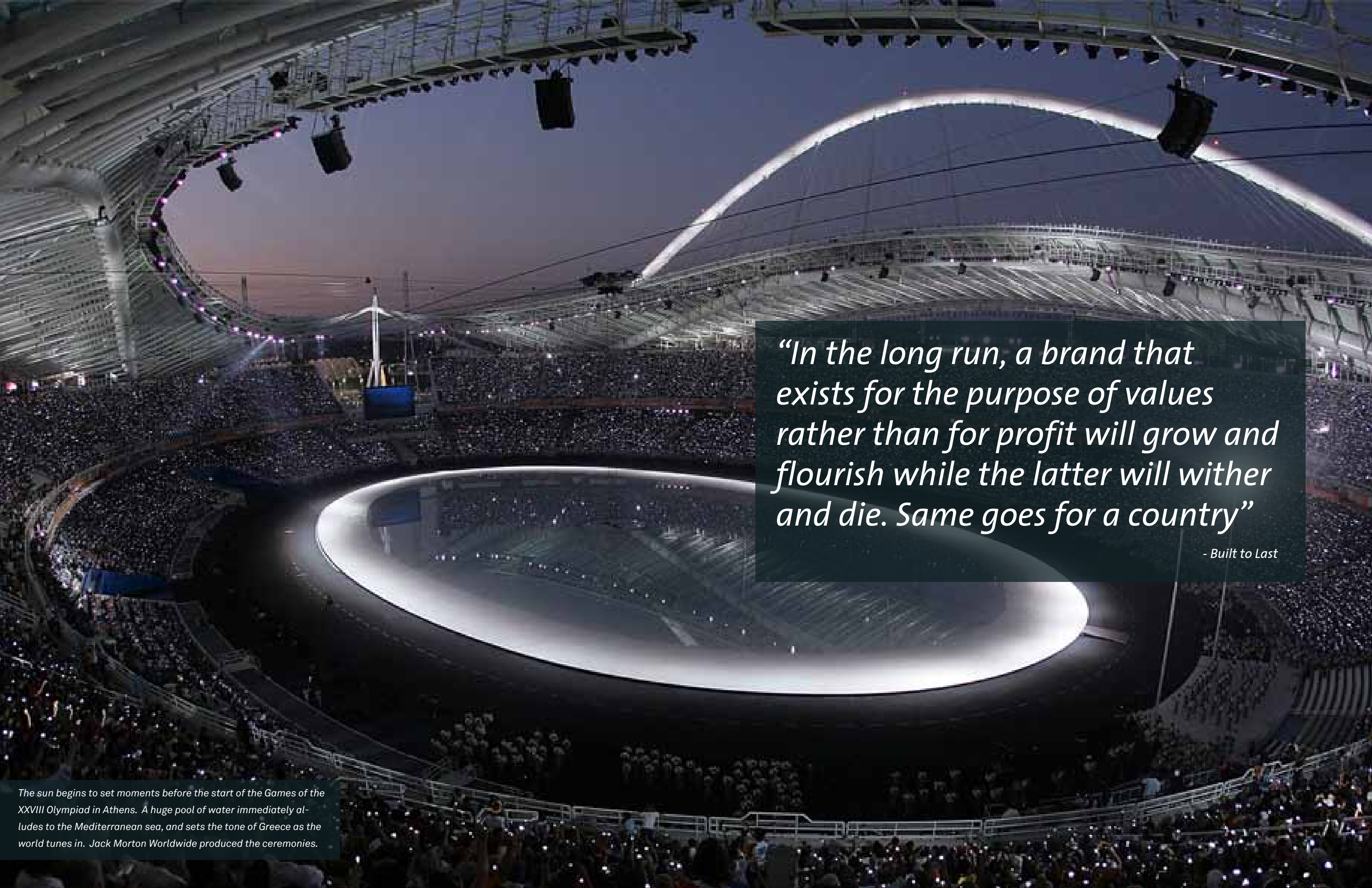


NATION BRANDING

The Mega-Event Debate

CZA&D

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“In the long run, a brand that exists for the purpose of values rather than for profit will grow and flourish while the latter will wither and die. Same goes for a country”

- Built to Last

The sun begins to set moments before the start of the Games of the XXVIII Olympiad in Athens. A huge pool of water immediately alludes to the Mediterranean sea, and sets the tone of Greece as the world tunes in. Jack Morton Worldwide produced the ceremonies.

Introduction

In recent years, marketers have coined the term 'Nation Branding' as an attempt to position countries in a new light, in order to attract perceived financial investments from abroad, revitalize local economies and of course, create economic opportunities for the advertising industry. They often use the phrase 'it will bring invaluable benefits.' But we know, anytime someone uses the word 'invaluable,' they usually don't understand how to measure it, or they don't want to know the answer.

I will thus attempt to measure the value of 'National Branding', and find out if in fact there is any substance to such an unqualifiable topic. When marketers talk about how to quantify a nation's brand, a common expression would arise that the hosting of mega-events is the one-all fix-all solution. Marketers are not wrong in making that link. After all, it was via this platform that countries from the United States to China have shown their supremacy in one way or another, and over the course of a brief but intense event, move international perception across a spectrum.

More importantly for marketers and businessmen, mega-events in recent years have had the reputation of having significant sponsorship rights, international television viewership in the billions, and lucrative advertising slots tagged along. The Los Angeles 1984 Olympic games have been accredited for turning the sporting extravaganza into a business opportunity for huge brands, which in turn lead to the games being economically viable and successful. Historically, it is also via mega-events that doors to new knowledge have opened, trade and cultural understanding between countries have been fostered. It is through Europe's world's fairs and expositions at the turn of the 20th century that mechanical inventions were revealed, spurring on the industrial revolution. But on hindsight, the hosting of a mega-event is a myopic view when taking into account the grander scheme of things that make up national identity, or a nation's 'brand'.

To a marketer it may be a fantastic opportunity, but to a shrewd politician the same act is viewed as propaganda, to an economist perhaps something else, and to an average citizen, maybe they could not care less. Everyone seems to have his or her own point of view on this same topic. One thing however has become a trend in hindsight that all agree on:

In recent years, enough economic and social studies have proven that mega-events leave large financial debts in their wake as they roll on, architectural icons have turned into dilapidated white elephants, and these events often divide and alienate local communities. People's homes have been razed, environments destroyed, and in the 21st century, nothing could be worse than a public relations disaster unfolding to the world instantly. So what's this thing about 'Nation Branding'?

Is it just a volatile, double-edged sword waiting to make or break a country reputation?

Thousands of Manchester United fans cheer in a stadium. The vibe of being in an arena with thousands of people singing in unison, is a brand experience no amount of money or advertising can buy.

“There are two schools of thought... or two ways to see the value of mega-events. Let us call it the foresight view, and the hindsight view.”

Foresight View

Qualitative reasoning to support the hosting of a mega event:

Mega-events can bring about economic advantages.

A common foresight view is that mega-events bring about great opportunities for the construction of public infrastructure at a rapid and quick pace. From large stadiums to public roads, the massive influx of opportunities would help any host city's economy in a massive way.

A chance for a nation to 'brand' itself -this is often cited as the main return for the hosting of a mega-event. It would bring 'invaluable, intangible benefits in the cultural and political world.

Rise in patriotism and civic unity.

A chance to 'increase' National reputation.

New International Perceptions

A qualitative view is that the hosting of mega-events provides the opportunity to move international 'perception' of the city from third tier to first tier. The view also states that mega-events provide the opportunity to place unknown cities on the map and bring unknown cultures to a global audience.

An opportunity to 'create jobs', via the construction of venues and services.

Hindsight View

Quantitative reasoning that arises post mega-event:

Nation branding cannot be defined in a quantifiable way.

What is a 'Nation's Brand? As much as 'brand' gives positive returns, the potential for negative reputation is extremely high. The recent 2010 New Delhi Commonwealth games was rigged with political bribery and financial scandal, and many would argue India image fared worse after the games. Years of public relations planning could go down the drain due to the acts or behaviours of a small group of people.

Crowding out locally

Congestion due to a mega-event results in local residents leaving or temporarily relocating away from the city's services or goods in order for specific 'mega-event related' tourists to arrive due to lack of hospitality space – i.e. Limited hotel rooms, road closures, over crowding or redirecting of public transportation. Actual increase in city population at the time of the mega-event is often negligible. It is unlikely that there will be a sustained increase in the city's population or business activity post mega-event, or it is simply not quantifiable. Economic benefits are often negligible. Total tourism revenue is unchanged, all that has happen is supplant, not supplement or increase actual revenue figures.

Crowding out externally

Foreign Tourists that would have visited the city for other reasons other than to attend this mega-event may postpone their visit to the region till a different time, cancelling out added revenue of attending the event on top of other reasons.

Reshuffling of local economic activity (Substitution Effect)

The average local resident's financial & fiscal situation remains the same, regardless of the hosting of the mega-event. Choosing to spend their money on one thing, means giving up something else. A local tourist, who spends money at the mega-event, would have spent his money at another service or entertainment option anyway, so the local economy is not actually making more revenue from the mega-event. Total local tourism/ entertainment revenue of the host city remains generally unchanged.

Capital Revenue vs. Labor Revenue

Most economic revenue from the rise in room and service rates during the lead up to a mega-event goes to the capital revenue of the service provider, not the average employee of the hotel. Therefore it does not revitalize the local economy because local labor has no rise in wages or rise in spending capabilities post-event. Room rates may have to be slashed post-event due to the mass exodus of the specialized 'event related' population, and any extra profits may eventually be negligible.

Development and construction fears

A drop in foreign tourism prior to the mega-event due to fears of widespread construction in the year leading up to the event. As the event draws closer, it leads to Crowding Out. The artificial inflation of property prices in a city immediately preceding the event alienates lower income communities and upsets the balance of the city's economy.

Corporate interests first

Corporate sponsorship within the world of mega-events could mean the cost of organizing it breaks even, but this also often means it is the large corporate bodies and political conglomerates that leave with the most profits, in terms of television rights and licensing deals, not the average citizen of the host city.

Cost, cost, cost!

Infrastructure is always a cost. The government funding sunk into infrastructure means capital to spend on other public services, ranging from health care to education is reduced. This needs to be supplemented either by increase government loans, bonds, debts, borrowing, or increased taxes. Expensive, top rated materials used for very specific, high maintenance venues cannot be up kept post event is an example of true costs that cannot be recouped. Again it results in social alienation followed by political unrest.

Lack of transparency

Due to the strict and time sensitive nature of mega-events, the power of decision making often lies in the hands of a few people. As the day of the event draws ever closer, the awarding of tenders often result in a lack of transparency or democracy, ranging from forced evictions of property or land, bribery or favouritism, or even the destruction of natural environments for the sake of quick urbanization. As much as Marketers praise mega-events as an opportunity to draw people together, the lack of transparency due to the hurried nature of organizing mega-events always alienate a certain section of the local community in reality.

So where does this leave us? Is there a proposed recommendation?

Small Things First, Big Things Last

The core of branding a nation must lie in altruism, not only in economic gain. Put the interest of improving the health (both physical, psychological and emotional) of the local community first, and economic gain as a by-product of that. Everything from school camps, Remembrance Day or regional festivals count to a community's identity. Mega-events might be an opportunity to compliment this improvement of 'national health', perhaps as a celebratory moment / milestone to nation building, but a mega-event is certainly not a solution to any problem or social challenge. It most defiantly is not a legitimate form of communal revitalization in itself.

Focus on the ex-post, not the ex-ante

Focus on the hindsight is what the government committee should to take into account even before deciding to make a bid. Cites and nations that want to have a strong brand through staging a mega-event must focus 90 percent of their efforts on what happens post-event, and the 'legacy' of what is left behind. For example, having a 20-year plan in place for an Olympic games shows robust understanding by all that the journey continues long after the circus leaves town. Having a series of reoccurring smaller local events waiting in place to use venues vacated in the wake of the mega-event is a very likely solution to ensure infrastructure remains in use and become self-sustaining. These localized events should be precluded to the bid process, meaning either way; they would have taken place or have a high demand with or without the mega-event.

Timing is critical

Time the bidding for a mega-event to coincide with a recession or period of economic depression. This would ensure new jobs are created, revitalize the stalled economy, and pull the city through till an upswing occurs.



Prepare for disposal even before construction

Are there enough rising talents who can use specialized equipment post event? Do equipment go to other institutions within government bodies (i.e. School gyms, community centers etc.) or do they get privatized and auctioned off? Are materials used to construct temporary venues biodegradable and environmentally friendly? In order for the infrastructure to minimize cost, disposal or licensing of these infrastructures to private bodies must be factored in before the hosting of a mega-event is even taken into consideration.

Reuse and recycle

Focus on using existing venues and not building new infrastructure. Games that have been able to break even were those that used existing infrastructure to supplement their mega-events, rather than constructing new ones. Cities that were due to upgrade these venues anyway regardless of the mega-event performed the best.

Canada received tremendous applause with their 'Red Mittens' campaign launched in conjunction with the Torch Relay in the lead up to the XXI Olympic Winter Games in Vancouver. It was a simple and cost effective object that spread quickly across the country. Part of its success was that everyone, regardless of age or location or financial status, could participate in this simple activity.

How this affects Nation Branding:

A clearer definition needed

Defining what is Nation Brand properly and understand what is at stake. Nation Branding cannot be a substitute for Nation Building.

It's a marathon

Nation building is a fragile concept is only successful in the long run. It is a marathon. It exists in the grand scheme of things, 20 – 30 years down the road. It lies in understanding our past so that we can make future generations stronger and better. It first and foremost is an ideology construction by the citizens of those nations, not a way to make quick money or to monopolize political power.

Participated by all

Participation is at the heart of this brand. Nation-building lies in the small things – Plan a mega-event to fit in within a series of much longer re-occurring smaller events will generate inclusion and participation by all. Allow the brand of the country to accumulate over time, peaking 10 years post-mega-event. It would be unwise to stop nation branding once the event has past.

Domestic first, international last

Focus on branding domestically, before internationally. For example, is there a sporting culture emerging in the city, ready to occupy these infrastructures once the high-profile use of it is over? Is there an arts culture or to fill in the gaps? If not, start by cultivating that culture first, till a tipping point has been reached.

Owned by all

Understand that marketers, economists, or politicians do not own nation building. It is a shared effort by all, only made possible by the citizens who must believe in it for it to succeed. What each of them can do is contribute in their own way via a long-sighted perspective. Again a mega-event is never the solution of nation building.

Equity may not mean economic revenue

Equity of nation building lies in a community of people, not foreign perception or in economic gain. There are other forms of equity: Cultural, social, and political. Keep them happy; build patriotism and communal spirit by ensuring that a real legacy is left after the mega-event. Create real jobs, not mega-event related jobs and fizzle out once the event has passed. Understand that discourse can be addressed, and transparency plays a key role in nation building. By conducting public consultations throughout the entire process not on trivial matters but on larger philosophical long-term objectives for the community, you will have social and economic inclusion by all, and much stronger national brand.



Conclusion

While the prospect of economic growth is the driving force behind bids for hosting mega-events, the legacies that follow their hosting are difficult to quantify, and are often not in terms of economic revenue. If we can quantify the hosting of mega-events in the context of long term national rejuvenation, rather than immediate financial gain, the value of hosting mega-events is put into a correct perspective. If public events help improve a nation's emotional and psychological well-being so that citizens in turn feel a greater sense of empowerment and purpose to their lives, then it is very plausible that a mega-event is able to boost overall national productivity, or health in the work-force. We have seen how the Beijing Olympics have helped Chinese feel a greater sense of national unity and introduce a 'sporting lifestyle' to citizens, both of which continues till this day, years after the games have passed. National pride and identity are not economically measurable qualities in themselves, but everyone will agree they are the lifelines to a nation's overall reason for being.

After all, as a soccer fan in South Africa said after the 2010 FIFA World Cup, "I found myself caught up in the primordial business of waving flags, stirring national anthems, and watching our beautiful stadiums glowing like jewels in the African darkness on my television ... such things are almost invaluable."

Audience participation kits wait on the stands of the Olympic Stadium before the closing ceremony of the Games of the XXVIII Olympiad. A simple torchlight in this kit transforms the sporting arena into a visual spectacle when 60,000 people turn it on simultaneously.

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