Bloom Consulting COUNTRIES, REGIONS & CITIES

In partnership with:

CITY NATION PLACE

# The Impact of Nation and Place Brands on the Local and Global Economy

## Nation and Place Branding Impact on Place Economies

Version 1.1
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# FOREWORD

Welcome to the second part of an exciting study aimed at developing a common framework for measuring the impact of Nation and Place Brands on the Local and Global Economy.

While Place Branding has become nearly indispensable within territory development and governance agendas, ongoing conceptual debates persist among academics and place branding professionals regarding what constitutes Nation Branding, how to effectively measure its impact, and which aspects influence the image of countries and places the most.

In collaboration with over 100 countries and cities, academia board members, and City Nation Place, Bloom Consulting initiated this research to address these pivotal industry questions. The first part of the study focused on analyzing the elements that shape general perceptions, resulting in the development of the Nation Brand Taxonomy Model ©. This model is already being utilized by countries and cities for comprehensive image management and policy development. This technical report presents the research findings of the second part of the study, which is dedicated to exploring correlations between general perception and place economy.

Bloom Consulting's dedication to research over the past two decades has yielded essential industry tools, including the Country Brand Ranking ©, the Brand Nought tool for crisis management, and now, the Economic Model for Nation and City Brands.

This study aims to streamline the efforts of nation, region, and city managers, governors, and Place Brand professionals by providing a model to measure the tangible impact of perception management, an otherwise intangible tool. Simultaneously, it aims to contribute to theoretical debates through its methodology, which emphasizes collaboration between academics, consultants, and practitioners in Nation and Place Branding.

With thanks to:

I. The collaboration of City Nation Place in the recruiting of the experts in the sample.
II. The technical support of Welphi, a research company specializing in the Delphi method.
III. The Advisory Board for the Scientific Supervision composed by Universitat Pompeu Fabra, Universitat Autònoma de Barcelona, Universidad de Salamanca.
IV. All Countries, Regions and Cities who participated in this study.

Kind regards,

José Filipe Torres
CEO, Bloom Consulting
Global Director for Nation and Place Branding

# ABOUT THE STUDY

# 1.1

## Perception, Nation Branding and Place Branding

When discussing perceptions of countries, cities, and places in general, we refer to the concept of a place as a social construct (Lefebvre, 1991), which is manifested through various dimensions: social practices, how individuals perceive a place through their senses, and the mental concepts they hold or conceive of regarding a place. Simultaneously, nations are viewed as "imagined communities" (Anderson, 2006), represented through national discourses constructed and reconstructed by political elites, mass media, and the public.

Building upon these theoretical foundations, we apply the concept of perception to both Nation Branding and Place Branding theory and practice as a crucial factor influencing individuals' choices and behaviors. We define perceptions as mental constructs continually shaped by what individuals hear and learn about a nation or place (discourses) on one hand, and by their direct experiences (physical reorientation of a place) or emotions felt through interaction with a city, region, or country on the other. It is important to note that these two dimensions are intertwined, as discourses significantly influence social practices and vice versa.

Despite the ephemeral nature of our study's objects, they undeniably have tangible effects. Perceptions surrounding a place or nation do indeed impact real outcomes, such as tourist bookings, investment decisions, and talent relocations.

# 1.2

## Challenge

Despite the increasing popularity of Nation Branding and Place Branding, a consensus regarding their definition and scope remains elusive in both practice and academia.

From an academic perspective, ongoing conceptual debates surrounding the definitions of Nation Branding and Place Branding span various disciplines, ranging from economics and marketing to urban studies, sustainability, political science, cultural studies, and social sciences. While this interdisciplinary approach to conceptualization is undoubtedly valuable, it presents the challenge of determining how to effectively measure the impact of Nation Branding, Place Branding, or City Branding on societies and economies, as well as which methods and indicators to utilize.

Nevertheless, as a strategic instrument, Nation Branding, Place Branding, or City Branding has become almost indispensable on agendas for territory development and governance. However, it is often limited to mere logos and, at best, promotional activities.

Therefore, this study aims to contribute to the discourse surrounding Nation Branding, Place Branding, or City Branding theory and practice by providing a tool for measuring the efforts in these domains, guided by an interdisciplinary approach. The challenge lies in moving beyond simplistic notions of good or bad perceptions of nations, defining the elements that shape these perceptions, and devising strategies to manage them in a manner that facilitates exports, tourism, and attracts talent and investment.

# 1.3

## Objectives of the study

Firstly, it is essential to emphasize that this study is a collaborative endeavor that engaged industry professionals from around the globe. This collaboration was pivotal in bridging the typical gap between theoretical knowledge production, often detached from practical realities, and practical experiences that may overlook theoretical perspectives.

The study is structured around two primary objectives:

I. Define what constitutes perceptions of countries and cities.
II. **Understand how much positive perceptions of a place impact its economic or social performance.**

This report primarily addresses the second objective, focusing on understanding the correlations between the general perceptions of countries and cities, and economy, as evidenced by tourism revenue, inflows of foreign direct investment (FDI), and the proportion of talent migration.

# SCOPE AND METHO-DOLOGY

# 2.1 Hypothesis

Drawing from the premise that perceptions, though subjective, translate into tangible actions, this global study endeavors to unveil the correlations between the perceptions held by tourists, investors, and talent regarding cities and countries, and the subsequent decisions they make regarding visitation, investment, or relocation.
To scrutinize this hypothesis:

- Initially, the study validated the correlations between the general perceptions of countries and cities, namely Nation or City Brand, and the willingness to visit, invest in, or relocate to these places through dedicated research.

- Subsequently, a more nuanced analysis delved into the impact of perceptions on the economy, utilizing a statistical model that examined the correlation between empirical data sourced from secondary research and perceptions gleaned from primary research conducted on a global scale.

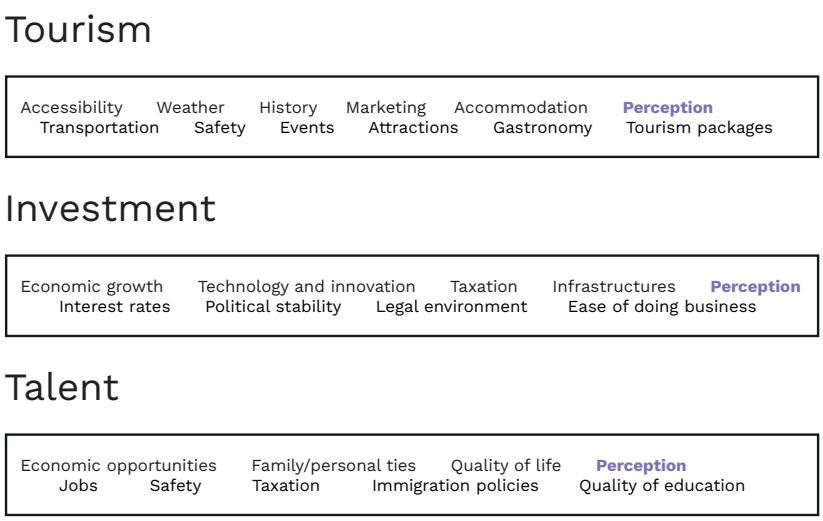
This technical report concentrates on elucidating the interplay between perceptions and economy. The first aspect, the relationship between perception and willingness, is expounded upon in detail in technical report #1 from this research series.

Decisions regarding visiting, investment, or relocating are multifaceted and influenced by numerous factors. As depicted in the graph below, these factors encompass accessibility, historical significance, culinary offerings, political stability, infrastructure development, legal framework, quality of life, safety protocols, taxation policies and many others.

While perception undeniably exerts an influence on individual decision-making processes, it constitutes merely one facet of the complex array of factors that drive economic behaviors. This study endeavors to explore the specific impact of perceptions on economic outcomes, rather than comprehensively analyzing the myriad factors that influence such behaviors.

**This presents a formidable challenge, not only due to the multifaceted nature of tourism, investment, and talent migration, but also because the focus is on the perceptions rather than the diverse marketing efforts.**

Figure 1: Examples of factors affecting tourism and investment and talent decision




# 2.2

## Scope of the study

The study encompassed a total of **55 countries**[1] meticulously chosen to reaffirm the global breadth of the research. Their selection criteria were guided by considerations of representativeness across various dimensions, including geographic location, size, and development level.

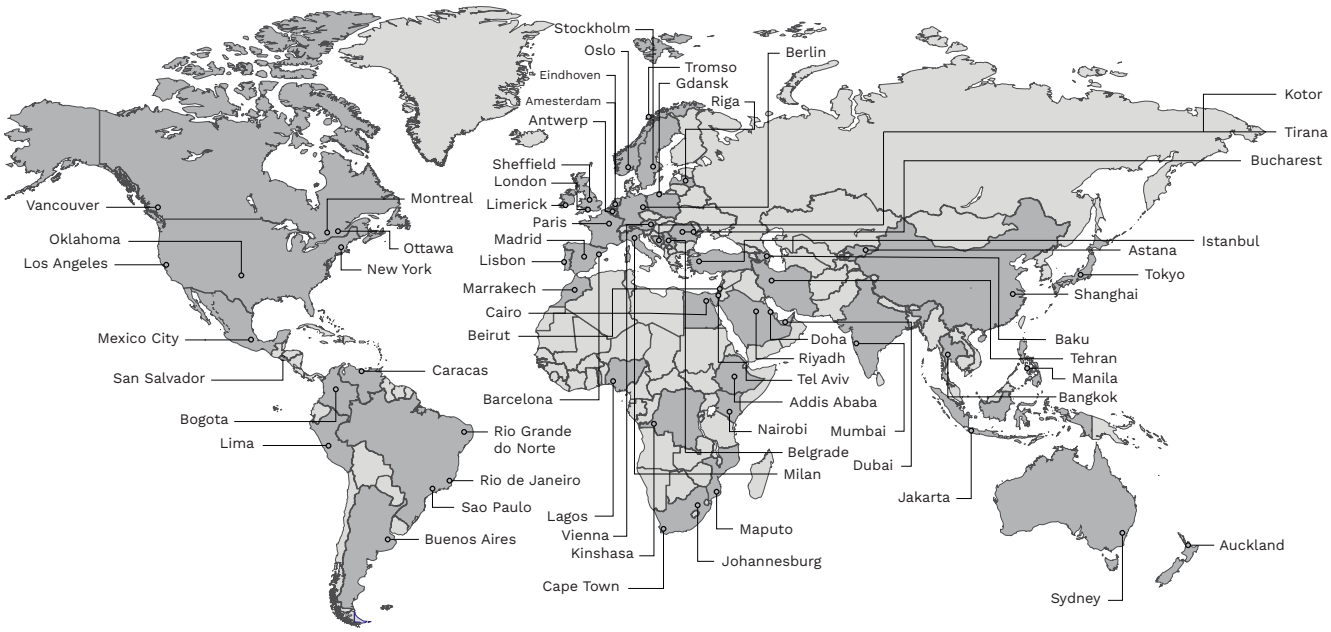
Furthermore, the study examined **63 cities**[1] worldwide, each carefully selected to offer a diverse and representative portrayal of the global landscape.
This selection encompassed international capitals, significant tourism, trade, or talent transaction, as well as other cities of interest.

[1] For more details, please check “List of subjects of the study – Countries” or “List of subjects of the study – Cities” tables in the Annex.

Figure 2: Maps with the scope of the study

**Countries**


**Cities**



# 2.3

## Introducing the research technique

To investigate the association between perceptions and the socio-economic development of countries and cities, a linear regression statistical model was employed. The model analyzed two key variables:

1. **General perception**, specifically the Nation Brand perception of countries and cities, derived from an ad hoc survey conducted among global audiences by Bloom Consulting.
2. **Hard data** encompassing statistics on tourism receipts, inflows of foreign direct investment (FDI), and migration population, sourced from official resources, reports, or directly provided by the respective places.

# 2.3.1

## Variable 1 Sample distribution and screening

Bloom Consulting designed the sample of respondents for the General perception variable to guarantee global coverage and representation. This was accomplished by creating three respondent clusters from the Americas, Europe, and the Rest of the World (Asia, Africa, and Oceania), each accounting for approximately 33.3% of the responses. This distribution was based on 55 individual countries of origin, as outlined below.

Table 1. Sample of respondents

| | |
|---|---|
| **Europe** (Share 33%) | France, Germany, Italy, Netherlands, Spain, Sweden, Türkiye, United Kingdom |
| **Americas** (Share 32%) | Argentina, Brazil, Canada, Costa Rica, Mexico, United States |
| **Asia, Africa, Oceania** (Share 35%) | Australia, China, India, Singapore, South Africa, United Arab Emirates |

The General perception variable for countries involved **2,151 respondents**[2], while for cities involved **2,503 respondents**[2]. Each respondent underwent a rigorous screening process to ensure their suitability for providing insights about Places in general.

To assess the general perception of the selected countries and cities, respondents utilized a 6-point Likert scale, ranging from:

- Extremely negative perception
- Negative perception
- Moderately negative perception
- Moderately positive perception
- Positive perception
- Extremely positive perception

Responses from individuals who did not respond to follow-up questions were excluded. Additionally, answers from nationals of the countries or cities under study were omitted to maintain the international perspective of perceptions.

[2]For more details, please check “Details for respondents – Countries” and “Details for respondents – Cities” tables in the Annex.

## 2.3.2

## Variable 2 Hard data sources

For the purposes of the study, the **Hard data** variable concerning the economy of countries and cities was represented by the following three data sources:

- International Tourism receipts, avg 2019-2021 from UNWTO
- FDI inflows, avg 2010-2021 from UNCTAD
- Talent migration population, 2020 from UN migration report

Due to the lack of official data for cities, the hard data was collected either through ad-hoc desk research or through data partners - the city authorities.

## 2.3.3

## Statistical model "perception – economy"

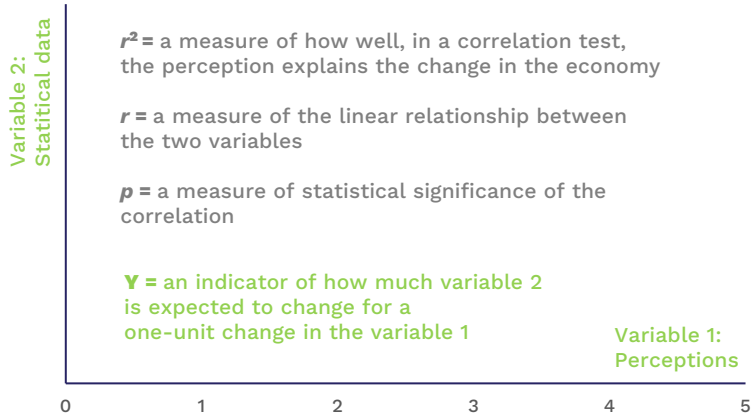
A correlation strategy was employed to investigate linear associations between **General perception** (variable 1) and **Hard data** (variable 2) using a series of statistical coefficients:

- ***r* (Pearson's Correlation Coefficient):** The Pearson correlation coefficient measures the linear relationship between general perceptions and economy. In statistics, the coefficient ranges from -1 to 1.
    - If *r* is close to 1, it indicates a strong positive linear relationship (as one variable increases, the other variable also increases).
    - If *r* is close to -1, it indicates a strong negative linear relationship (as one variable increases, the other variable decreases). If *r* is close to 0, it indicates a weak or no linear relationship between the variables.
- ***r*² *(Coefficient of Determination):*** r-squared ($r^2$) tells us how well, in a correlation test, the independent variable (here perception) explains the changes in the dependent variable (here economy). It ranges from 0 to 1.
    - A higher R-squared ($r^2$) value indicates that more variance in the dependent variable can be explained by the independent variable.
- ***p*-value:** The *p*-value associated with each coefficient in the correlation model indicates the statistical significance of the model.
    - A low *p*-value (typically below a chosen significance level, commonly 0.05) indicates that the coefficient is statistically significant, suggesting that the independent variable has a significant effect on the dependent variable.

  - A high *p*-value (above a chosen significance level, commonly 0.05), on the contrary, suggests that the coefficient is not statistically significant, indicating that the independent variable may not have a significant effect on the dependent variable.

- **Y (Dependent Variable):** In the context of linear regression, Y typically represents the dependent variable, hence economy in this study, also known as the response variable. It's the variable that we are trying to predict or explain based on the independent variable which is the general perception of countries and cities. This coefficient indicates how much the dependent variable is expected to change for a one-unit change in the independent variable.

Figure 3. Linear regression model



# EXECUTIVE SUMMARY

# 3.1

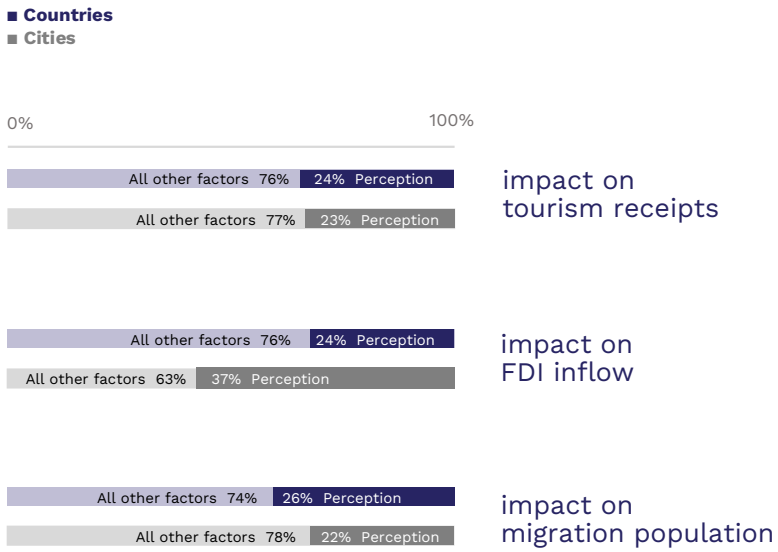
## Perceptions as a key factor in places´ economies

# The impact of each aspect of perception on the overall tourism, investment, and talent economy amounts varies from 23% to 37%.

Perception accounts for 24% and 23% of tourism receipts for a country and a city, respectively. Similarly, perception impacts 24% of foreign direct investment inflows in a country and 37% in a city. Regarding talent, perception explains approximately 26% and 22% of the net migration population for a country and a city, respectively.

The coefficient of determination depicting the correlations between perceptions and tourism receipts, foreign direct investment (FDI) inflows, and migration population is visualized in the following graphs.

Figure 4. Correlations summary graph




Source: Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

# 3.2

## Practical application of the model

## The study confirmed the hypothesis of a linear correlation between the perception of countries and cities and their respective economies.

Furthermore, the statistical model demonstrated the hypothetical economic impact of a one-unit (0.1) perception improvement thanks to Nation Branding and City Branding efforts, or any other factors that contribute to improving perceptions.

This calculation can be of extreme value for Countries and Cities to use as a Key Performance Indicator to assess how much their Nation or City Brand is impacting or contributing to their economy.

Comprehending the intricate interplay between perceptions and economic impact holds paramount importance for governmental bodies, tourism authorities, IPA's, talent attraction entities and the private sector. This understanding facilitates strategic actions activities and policies in alignment with prevailing perceptions, precise economic gain projections, and competitive positioning.

The formula developed by Bloom Consulting and detailed in the following chapters outlines the step-by-step calculations of the impact of perceptions on the local economies, specifically:

- **Understanding the current impact of perceptions on the economies of places.**

- **Estimating the hypothetical economic impact of perception improvement.**

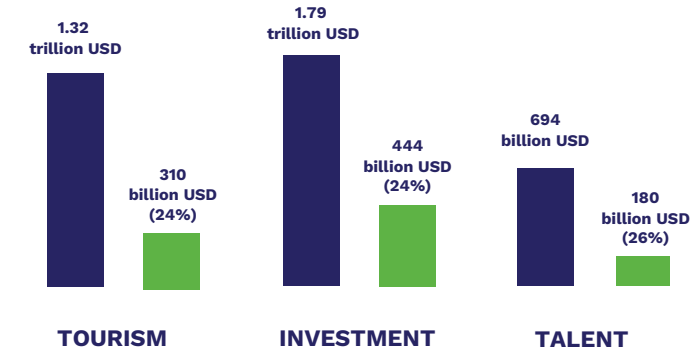
The regression analysis reveals key insights into how small perception changes can, on average, lead to substantial economic benefits. A 0.1 increase in a country's perception is projected to result in an average 12% rise in tourism receipts, while cities can expect a larger boost of 17% on average.

Similarly, a 0.1 improvement in a country's perception leads to an average 15% increase in FDI inflows, whereas cities could see a 21% rise on average. Migration population is also significantly affected, with a 0.1 increase yielding an average 18% growth for countries and 24% for cities.*

Extrapolating this calculation to the countries and global economy, the hypothetical accumulative impact of perception on investment, tourism, and talent attraction amounts to **934** billion US dollars annually, a figure equivalent to approximately **1% of global GDP**.

Figure 5. Impact summary graph

**All Countries in the World**
**Perception impact**




International tourism receipts (average 2019-2021) Source: UNWTO; Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

FDI inflows (average 2010-2021) Source: UNCTAD; Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

Migration population net (2021) x average salary Source: UN migration; Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

*If you are interested in an example of how this model can be applied in practice, please feel free to contact us at contact@bloom-consulting.com for Addendum that details a specific case.

# STUDY RESULTS BY DIMENSION

# 4.1

## Impact of perceptions on tourism

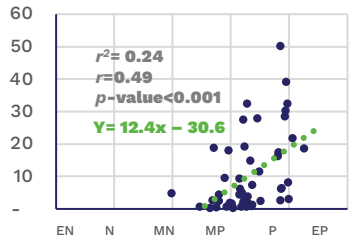
International tourism receipts stem from the aggregate expenditures made by international visitors within a specific destination. These expenditures encompass various categories such as lodging, transportation, dining, entertainment, and other associated travel costs incurred by visitors from foreign nations (World Bank, 2022).

The subsequent graphs depict the correlation between **General perceptions**, obtained from the ad hoc survey developed specifically for this study by Bloom Consulting, and international tourism receipts **Hard data**. The findings exhibit statistical significance for both countries and cities, as evidenced by a *p*-value of < 0.001, indicating an improbable occurrence by chance.

As demonstrated in Figure 6 and 7, here is moderate to strong correlation between perceptions and international tourism receipts of countries and cities (The Pearson correlation coefficient (*r*) stands at *r*=0.49 and 0.48 respectively). This implies that places with better **General perception** have higher tourism receipts (**Hard data)**.

Figure 6. Tourism receipts (avg 2019-2021)

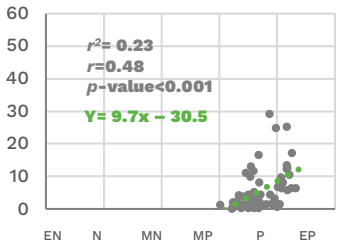
**COUNTRIES**
(Tourism billion USD)




Source: UNWTO, Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

Figure 7. Tourism receipts (2019)

**CITIES**
Tourism (billion USD)




Source: Desk research (WTTC, National Bureaux of Statistics, city councils, ...), and Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

Scale of perceptions: EN: Extremely negative (0), Negative (1), Moderately Negative (2), Moderately sitive (3), Positive (4), Extremely positive (5).

Additionally, the coefficient of determination ($r^2$) averaging at 0.23 suggests that approximately 23% of the variance in tourism receipts can be elucidated by perceptions of cities and countries.

Nevertheless, despite the significant association between the two variables, other factors contribute to 77% of the variance in tourism receipts. These factors may include accessibility, historical significance, weather conditions, events, lodging options, culinary offerings, among others.

Delving into the regression analysis output, an incremental increase of 0.1 in a country's perception would hypothetically represent an increase in tourism receipts by 12%, equating to a USD 1.24 billion rise. Similarly, a 0.1 increment in a city's perception would hypothetically amplify tourism receipts by 17%, equivalent to USD 0.97 billion.

# 4.2

## Impact of perceptions on Foreign Direct Investment (FDI)

Foreign direct investment refers to the sum of equity capital, reinvestment of earnings, and other capital. Direct investment is a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy.
(Source: World Bank Foreign direct investment, net inflows - BoP, current US$)

The subsequent graphs depict the correlation between **General perceptions**, obtained from the ad hoc survey developed specifically for this study by Bloom Consulting, and the inflow of Foreign Direct Investment (FDI) **Hard data**. The findings exhibit statistical significance for both countries and cities, as evidenced by a *p*-value of < 0.001, indicating an improbable occurrence by chance.

As demonstrated in the in Figure 8 and 9, there is a moderate, to strong positive correlation for countries and a strong positive correlation for cities (The Pearson correlation coefficient (*r*) stands at *r*=0.49 and 0.61 respectively), signifying that places with better **General perception** have higher Foreign Direct Investment (FDI) inflows (**Hard data)**.

Figure 8. FDI inflows (avg 2010-2021).

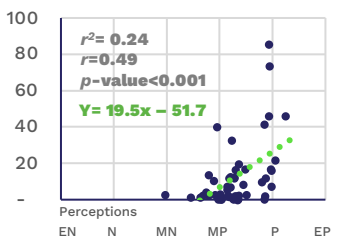
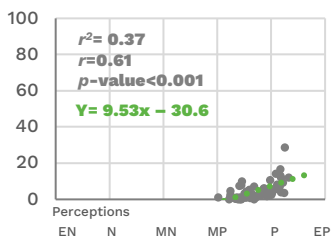



Figure 9. FDI inflows (2022).




Scale of perceptions: EN: Extremely negative (0), Negative (1), Moderately Negative (2), Moderately positive (3), Positive (4), Extremely positive (5)

Additionally, the coefficient of determination ($r^2$) diverges for countries and cities, with countries exhibiting an $r^2$ of 0.24 and cities achieving a higher level of 0.37. This implies that perception accounts for 24% of the variance in FDI inflow for countries, while for cities, perception explains 37% of FDI inflow. Hence, perception, as the independent variable, exercises a substantial impact on FDI inflows, the dependent variable, for both countries and cities.

While perception can elucidate up to 30.5% of the variance in FDI inflow, it is not the sole determinant. Other crucial factors can influence FDI inflow, including taxation policies, political and regulatory stability, financial incentives among others. However, this study aims solely to explore the impact of perception, not the collective weight of all other elements, for which alternative methodologies and technical approaches should be adopted.

Delving into the regression analysis output, an incremental increase of 0.1 in a country's perception would hypothetically represent a 15% increase in FDI inflows, corresponding to USD 1.95 billion for countries. Similarly, a 0.1 enhancement in perception for cities would hypothetically result in a 21% upsurge in FDI inflows, equivalent to USD 0.95 billion.

# 4.3

## Impact of perceptions on Talent

The migration population refers to individuals who have migrated from their country of birth to their current country of residence, encompassing those who still hold the nationality of their home country (OECD, 2010).

The subsequent graphs depict the correlation between **General perceptions**, obtained from the ad hoc survey developed specifically for this study by Bloom Consulting, and the migration population **Hard data**. The findings exhibit statistical significance for both countries and cities, as evidenced by a $p$-value of $< 0.001$, indicating an improbable occurrence by chance.

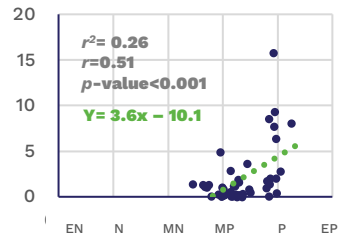
As demonstrated in Figure 10 and 11, there is a relatively higher value correlation between perceptions and migration population of countries and cities (The Pearson correlation coefficient ($r$) stands at $r$=0.51 and 0.47 respectively). This implies that places with better **General perception** attract more talent (**Hard data)**.

On average, perception influences 24% of the talent migration population for both countries and cities. This is elucidated by the coefficient of determination ($r^2$), which registers at 26% for countries and 22% for cities.

Figure 10. Migration population (2020).

**COUNTRIES**

Talent migration population (million).

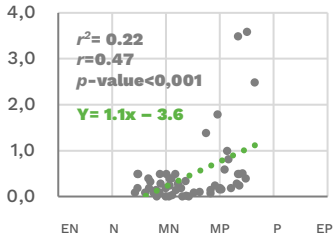



Source: UNCTAD, Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

Figure 11. Migration population (2022)

**CITIES**

Talent migration population (million)




Source: Desk research, Bloom Consulting "The Impact of Nation and Place Brands on the Local and Global Economy" study

Scale of perceptions: EN: Extremely negative (0), Negative (1), Moderately Negative (2), Moderately positive (3), Positive (4), Extremely positive (5)

However, there remains a substantial gap of 76% when explaining the migration population, which cannot be solely accounted for by perception. Other factors such as job opportunities, education quality, salary levels, taxation policies, and safety considerations also play significant roles.

Applying the regression analysis a 0.1 increase in perception would hypothetically represent a yield of 18% in the migration population for countries, equating to an additional 0.36 million expatriates. Similarly, a 0.1 improvement in perception would hypothetically result in a 24% increase in the migration population for cities, leading to an additional 0.10 million migrants.

# IMPACT OF PERCEPTIONS ON THE GLOBAL ECONOMY

# 5.1

## Impact of perceptions on the global economy

This chapter focuses on explaining the extrapolation of the impact of perceptions on the global economy. In order to do this analysis, we followed a three-step approach, on a country level:

**Step 1:** Understanding the global value of each one of the dimensions (tourism receipts, foreign direct investment inflow and talent migration population).

**Step 2:** Using the coefficient of determination of each of the dimensions to calculate the total value that perception is accountable for, in the case of tourism receipts, foreign direct investment inflow, and migration population.

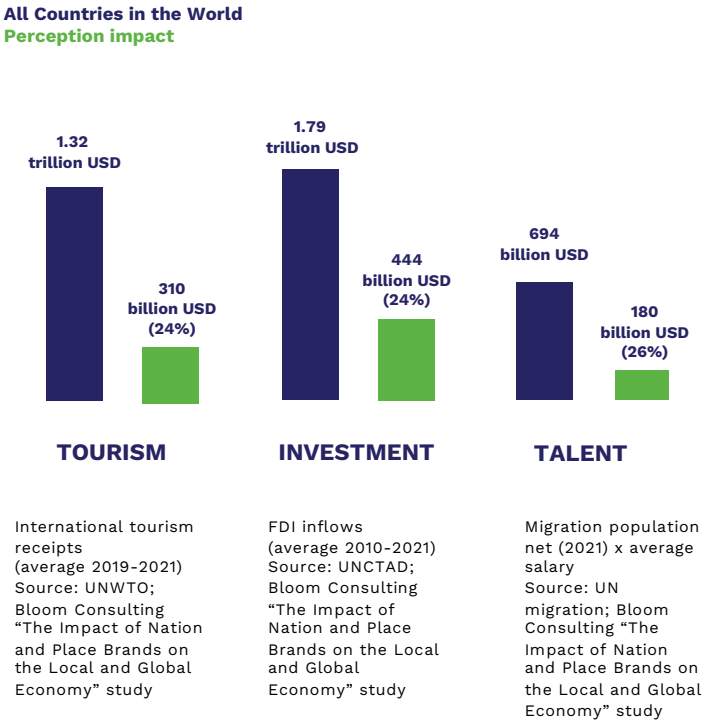
**Step 3:** Summarizing all the impact of perception, in monetary value, for all dimensions globally, and putting this number into context.

The global tourism sector witnessed an average international tourism expenditure of $1.32 trillion USD (UNWTO, avg 2019-2021). This study suggests that perception can explain 24% of a country's tourism expenditure. Applying this knowledge, perception contributes to approximately $310 billion USD of the total tourism receipts income.

The average annual foreign direct investment inflow reached 1.79 trillion US dollars between 2010 and 2021. Assuming that perception impacts a 24% of the FDI inflow, it translates into 444 billion US dollars of net foreign direct investment inflow, in the global economy.

In 2021, the total revenue resulting from talent attraction, measured in terms of the average salary of the migrant population globally, reached $694 billion US dollars. Assuming that perception can explain a 26% of the total migration population of a country, the resulting overall impact of perception is $180 billion US dollars of economic value.

Figure 12. Impact summary graph




Hence, the cumulative impact of perception on investment, tourism, and talent attraction amounts to **934** billion US dollars annually, a figure equivalent to approximately **1% of global GDP**.

To put this figure into context, it would be comparable to the size of the renewable energy market[3], the creative economy sector[4], three-quarters of the pharmaceutical industry[5], or even twice the size of the medical devices[6].

[3]Statista, (2022): Renewable energy market size worldwide in 2021, with a forecast for 2022 to 2030.
[4]United Nations Conference on Trade and Development, (2021): The creative economy takes center stage.
[5]Statista, (2023): Distribution of global pharmaceutical market revenue from 2010 to 2022, by region.
[6]Statista, (2023): Medical Devices – Worldwide.

# CONCLUSIONS

# 6.1

## Key Insights

The four most important take aways from this study are the following:

**1) It is statistically demonstrated that there is a correlation between general perception and the economy that ranges from moderate to strong**
The statistical analysis confirms a positive correlation between perception and the economic performance of countries and cities. Correlation coefficients (r) ranging from 0.47 to 0.61 underscore a significant relationship between strong branding and economic metrics such as FDI inflows, tourist receipts, and migration. Ultimately, this research confirms that countries and cities with stronger Nation or Place Brands are associated with a better economic performance.

**2) Measuring Impact: Nation and Place Brands account for 22-37% variation in tourism, investment and migration**
This study contributes to the literature by quantifying the exact influence of Nation and Place Brands on place economies. Nation and Place Brands have a significant impact on place economies, accounting for between 22% and 37% of the variation of all international tourism receipts, foreign direct investment inflows, and talent migration population, that is measured for the first time. This further illustrates the importance of perception on city and country economies.

**3) 0.1 Increase in perception metric yields between 0.95-1.24 billion USD in economic benefits in tourism and investment**
On average, 0.1 unit increase on the Likert scale hypothetically corresponds to increases of 1.24 billion USD and 0.97 billion USD in tourism receipts, 1.95 billion USD and 0.95 billion USD in net foreign direct investment inflow, and 360 thousand and 100 thousand expatriates, for countries and cities respectively.

**4) Perception accounts for at least 1% of world GDP**
This study indicates that combined, perception's economic impact on tourism, investment, and talent attraction adds up to about 934 billion USD for countries. This means that, according to the study, perception accounts for roughly 1% of all countries' total GDP.

# 6.2

## Implications

**Practical formula for enhancing Nation and Place Brands**
This study is relevant to all countries and cities that wish to increase tourism, FDI, and attract skilled labour. By applying the statistical models developed and provided in this research paper, countries and cities can quantify exactly how much perception explains their own economy, as well as predict the economic effects of a change in perception. Therefore, the formulas provided can be applied in a practical sense to enhance Nation and Place Brands.

**A new reference framework for strategic brand governance**
These results have significant implications for stakeholders in Nation and Place Branding. By quantifying the influence of perception, this study illustrates the profound impact of effective brand management on an economy. The model could be practically utilized to make data-driven decisions with regards to the public spending, strategic planning and policy implementation addressing tourism, FDI, and talent attraction.

# 6.3

## Limitations

**Additional considerations**
It is important to always consider the specificities of the data used to create the graph, such as the sample of countries being limited on the list of countries and cities that were involved on the study, as well as the potential biases in the data, reflecting the perceptions of certain groups of people.

**Other factors and causality**
Additionally, it is important to note that the correlation does not mean causality. Therefore, it is crucial to aknowledge that while this relationship appears significant, it must be aknowledged there are potentially unmeasured variables exerting influence over the relationship between perception and tourism, investment, and migration.

**Exceptions within the analysis**
This model can explain the relationship between perceptions and tourism receipts for all subjects of the study, except for the United States of America (USA), which had to be excluded from the analysis. The USA was considered as an outlier due to its exceptionally high international tourism receipts, exceeding average of the remaining countries by over five times.

This model can explain the relationship between perceptions and foreign direct investment inflows, for all subjects of the study, except for the USA, China, and Austria. The USA was considered as an outlier because of its highly developed economy and strong reputation, and China, with its rapidly growing economy with strong focus on innovation. The exclusion of Austria from this analysis is primarily attributed to the negative value of the foreign direct investment inflow data. Following the same rationale of countries, Shanghai was excluded from the model of cities.

The outliers for the correlation of countries were the USA and Middle East, because of the different volumes of the data compared to the average overall values. The USA can be characterized by a completely diverse talent pool, with global reputation and cultural appeal, while the Middle East is characterized by economic diversification and development, as well as varied cultural and religious aspects. Based on the same rationale of countries, Riyadh, Dubai, Doha, and Istanbul were identified as outliers.

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# Annex

Table A. Details for respondents - Countries

| Cluster | Number of participants | Share |
|---|---|---|
| Europe | 708 | 32,9% |
| Americas | 690 | 32,1% |
| Rest of world (Asia, Africa, Oceania) | 753 | 35,0% |

Table B. Details for respondents – Cities

| Cluster | Number of participants | Share |
|---|---|---|
| Europe | 817 | 32,6% |
| Americas | 849 | 33,9% |
| Rest of world (Asia, Africa, Oceania) | 837 | 33,4% |

Table C. List of subjects of the study – Countries

| Continent | Countries |
|---|---|
| Europe | Albania, Austria, Belgium, Estonia, Finland, France, Germany, Italy, Lithuania, Poland, Portugal, Serbia, Slovakia, Sweden, Türkiye, United Kingdom |
| Americas | Barbados, Canada, Chile, Colombia, Costa Rica, El Salvador, Jamaica, Mexico, Peru, Puerto Rico, United States of America, Uruguay, Venezuela |
| Asia | Armenia, Azerbaijan, China, India, Indonesia, Iran, Israel, Japan, Kyrgyzstan, Maldives, Myanmar, Qatar, Saudi Arabia, Thailand, United Arab Emirates, Vietnam |
| Africa | Egypt, Ethiopia, Kenya, Mauritius, Morocco, Nigeria, South Africa, Sudan |
| Oceania | Australia, New Zealand |

Table D. List of subjects of the study – Cities

| Continent | Cities |
|---|---|
| Europe | Amsterdam, Antwerp, Barcelona, Belgrade, Berlin, Bucharest, Eindhoven, Gdansk, Istanbul, Kotor, Limerick, Lisbon, London, Madrid, Milan, Oslo, Paris, Riga, Sheffield, Stockholm, Tirana, Tromso, Vienna |
| Americas | Bogota, Buenos Aires, Caracas, Lima, Los Angeles, Mexico City, Montreal, New York, Oklahoma, Ottawa, Rio de Janeiro, San Salvador, Sao Paulo, Vancouver, Rio Grande do Norte |
| Asia | Astana, Baku, Bangkok, Beirut, Doha, Dubai, Jakarta, Manila, Mumbai, Riyadh, Shanghai, Tehran, Tel Aviv, Tokyo |
| Africa | Addis Ababa, Cairo, Cape Town, Johannesburg, Kinshasa, Lagos, Maputo, Marrakech, Nairobi |
| Oceania | Auckland, Sydney |

# Thank you very much!

## Research performed by:

Bloom Consulting COUNTRIES, REGIONS & CITIES

Bloom Consulting, founded in 2003, specializes in the development and evaluation of Nation Brand, City Brand, and Placemaking strategies for governments around the world. We collaborate with prime ministers, presidents, mayors, tourism bureaus, and trade and investment agencies. Bloom Consulting has extensive experience in the field of Place Branding, having worked across six continents. Additionally, Bloom Consulting is an official data partner of the World Economic Forum.

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