

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

ADDENDUM

Nation and Place Branding Impact on Place Economies

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Note

This document serves as an Addendum to the original paper titled "The Impact of Nation and Place Brands on the Local and Global Economy." While the full theory and methodology are comprehensively detailed within the main body of the original paper, this Addendum focuses on providing a practical example of how the theoretical framework can be applied in real-world scenarios.

Practical application of the model

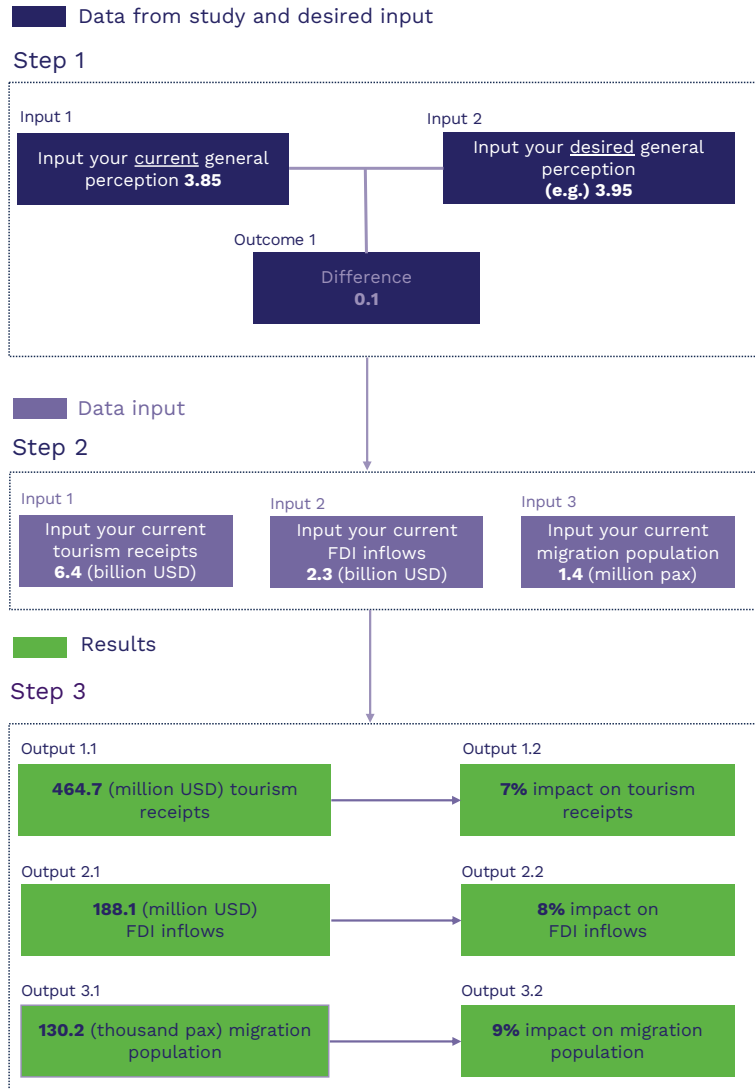
The attached diagram (Figure 1) demonstrates the potential economic impact of improving a country's perception. The calculation model estimates that a small improvement in perception - specifically a 0.1-point increase - can lead to measurable economic gains in key areas.

In this example, **Step 1** of Figure 1 shows that the current general perception of a Country or City, based on a 0-5 Likert scale where 0 is very negative and 5 is very positive, is 3.85, with the goal of raising it by 0.1 to reach 3.95. This difference initiates the subsequent steps.

In **Step 2**, key economic indicators of a specific Country or City are inputted: current tourism receipts, FDI inflows, and the migration population. For illustration purposes, the tourism receipts are 6.4 billion USD, FDI inflows are 2.3 billion USD, and the migration population is 1.4 million people.

Finally, in **Step 3**, the hypothetical economic impact of the 0.1 perception improvement is calculated. The results show a projected 7% increase in tourism receipts, translating to an additional 464.7 million USD. FDI inflows could rise by 8%, resulting in a 188.1 million USD increase. Lastly, the migration population is projected to grow by 9%, adding 130.2 thousand more people for the Country or City.

Figure 1. Step by step calculation of the perception change value in economies



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

This Addendum highlights the practical significance of the theoretical model developed in the original paper, demonstrating how even a modest improvement in perception can yield substantial economic benefits. The example provided emphasizes how crucial it is for countries and cities to understand the relationship between perception and economic impact and to use this understanding to guide strategic actions, policies, and investments.

Thank you very much!

Research performed by:

Bloom Consulting COUNTRIES, REGIONS & CITIES

Bloom Consulting, founded in 2003, specialises 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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