

Research series

Nation and Place Branding Impact on Place Economies

Technical report I (2nd edition – research on cities):

What constitutes people's perceptions
of countries and global cities?

2nd edition
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Index

Foreword

About the study

- Perception, Nation, Place and City Branding Challenge
- Objectives of the study

Methodology

- Delphi process
- Participants/experts

Delphi process in detail

- Outcomes of Round 1
- Outcomes of Round 2
- Outcomes of Round 3

Study results

- Takeaways and study limitations
- 13 Perception Elements of the Nation Brand Taxonomy Model ©
- 12 Perception Elements of the City Brand Taxonomy Model ©

Foreword

Welcome to the first part of the exciting study that challenges the so far unanswered question within the field of Nation and Place Branding – how to measure the proactive effort that goes into managing a Nation, Place or City Brand?

The study aims to develop a common framework for measuring the impact of Nation, Place and City Branding on a place's economy. This is the second edition of the study, which includes additional research on what constitutes perceptions of regions and cities.

Nation Branding and Place Branding is the systematic and coherent management of perceptions surrounding a country, nation or city that is inherent in political and social domains. In other words, Nation Branding and City Branding pursue not only economic goals but also offer governance tools for developing territories through social, cultural and environmental policies.

While branding as an instrument has become almost a must-have within territory development and governance agendas, conceptual debates about Nation Branding continue to proliferate among academics and Place Brand professionals.

Although there is no consensus on how to define Nation and Place Branding and measure their impact, the fact is that we live in a world where countries and cities are being urged to find new ways to stand out and distinguish themselves in the global race for talent, investment and tourists. This new reality undeniably calls for a comprehensive measurement tool to help build resilient Place Brands, and guide policies and actions.

This study will be useful for nation, region and city managers, governors and Place Brand professionals, while also contributing to the theoretical debates with its distinctive methodology based on collaboration between academics, consultants and practitioners in Nation and Place Branding.

Collaborations (or partnerships) and Academic Advisory Board

This research has been carried out by Bloom Consulting with:

- 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 specialising in the Delphi method
- III. The scientific supervision of an Academic Advisory Board composed by José Fernández-Cavia (Universitat Pompeu Fabra), Sara Vinyals-Mirabent (Universitat Autònoma de Barcelona) and Valeriano Piñeiro-Naval (Universidad de Salamanca)
- IV. All countries, regions and cities that participated in this study.

Kind regards,



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

About the study

Perception, Nation Branding and Place Branding

When talking about perceptions of countries, cities and places in general, we refer to the concept of a place as a social construct (Lefebvre, 1991) that is represented through several dimensions: social practices, how people perceive a place through senses, and what mental concept they have of a place or how they conceive it.

At the same time, nations are “imagined communities” (Anderson, 2006) being constructed through national discourses. However, we argue that they may also have physical representations through places (cities, regions etc.), policies and actions that convey national stories — that is, something that a person can experience.

Given those theoretical premises, we apply the perception concept to Nation Branding and Place Branding theory and practice. We understand it as a mental concept being constructed and re-constructed through what people hear and learn about a nation or place (the discourses) on the one hand, and, on the other hand, how people experience them, or what they feel through direct interaction with a country, region or city. Of course, it would be wrong to completely separate these two dimensions, since discourses have a huge impact on social practice and vice versa.

Moreover, we argue that perceptions, even though they can revolve purely around image, result in real actions, like decisions to visit, invest or live in a place, and therefore they have real consequences for countries, regions and cities. That is why it is so important to understand how those narratives are being constructed and circulated, and how they interrelate with people's experiences of a place.

Challenge

Despite the growing popularity of Nation Branding and Place Branding, there is no consensus on what it actually is and its scope in both practice and academia.

From the academia side, conceptual debates around the definition of Nation Branding and Place Branding continue to proliferate, varying from papers in economics and marketing to urban studies, sustainability, political, cultural and social sciences. While such an interdisciplinary approach to conceptualisation is no doubt necessary, it raises the challenge of how to measure the impact of Nation Branding and Place Branding or City Branding on societies and economies, and what methods and indicators to employ. Approximately twelve thousand academic papers exist on Nation Branding and Place Branding or City Branding, but only 0,1% of them touch upon the topic of measurement.¹

Yet, as an instrument, Nation Branding and Place Branding or City Branding has become an almost must-have on territory development and governance agendas. However, it is still commonly reduced to logos and, in the best-case scenario, promotional activities.

Thus, this study aims to contribute to the dialogue between Nation Branding and Place Branding or City Branding theory and practice, offering a tool for measuring Nation and Place Branding efforts guided by an interdisciplinary approach. The challenge was to deconstruct the good/bad binary approach to how nations are perceived, define what elements build these perceptions, and how they can be managed in a way to facilitate export, tourism, and talent and investment attraction.

¹Estimated number based on international academic resources with articles published on the topic.

Objectives of the study

First, it is important to highlight that this study is a collaborative effort that involved industry professionals from all over the world. This was crucial in overcoming the usual dichotomy between theory that produces knowledge, which is very often detached from how things happen in practice, and practice that omits the theoretical perspective.

The study has three objectives:

- I. **Define what constitutes perceptions.**
- II. Understand how much positive perceptions of a place impact its economic or social performance.
- III. Discover potential correlations between the proactive efforts in managing a Nation, Place or City brand and their economic performance.

This report touches upon the **first objective**, which is to define a taxonomy of perceptions.

Methodology

Firstly, the Bloom Consulting team and researchers from Universitat Pompeu Fabra, Universitat Autònoma de Barcelona and Universidad de Salamanca carried out desk research to identify the potential taxonomy of perceptions. This was based on a literature review, as well as Nation Branding, Place Branding, City Branding practices and indexes that measure country and place development, such as OECD and WEF resources.

The literature recap touches on three interrelated research and theoretic disciplines that correspond with Nation, Place and City Branding:

- Nation-building: sociological and anthropological perspectives on national discourses, policymaking, and national and international development.
- Place (city, destination, country, region, etc.) Branding: place identity, place narratives, placemaking.
- Urban development: sociological, geographical and anthropological perspectives on city and place construction, policymaking, their embeddedness within international context and global development.

The outcome of the first part of the study (Round 1 and Round 2), which resulted in the Nation Brand Taxonomy Model ©, showed that establishing Perception Elements for City Brands may call for adjustments to address the specifics of these places. The initial taxonomy was therefore re-evaluated and adapted in Round 3 to the context deemed relevant for regions and cities. As a result, The City Brand Taxonomy Model © was produced.

The initial taxonomy served as a base for the Delphi panel — an instrument that meets the objectives of the collaborative approach to the study.

Delphi process

The aim of this digital Delphi panel was to collect experts' views on the *Perception Elements* — the elements that contribute to changing people's perceptions of countries, regions, and cities. The Delphi method is regarded as a structured group communication process that allows a group of experts to move forward on a complex problem (Linstone, H. A., Turoff, M., 1975). Briefly, every Delphi process consists of a series of questionnaires deployed in several rounds in which the experts (also referred to as participants, panellists or respondents) complete the questionnaires. Between each round, the group responses are summarised and fed back to the participants (Hasson, F., Keeney, S., McKenna, H., 2000).

Therefore, the key aspects that characterise the Delphi process are:

- I. Controlled feedback,
- II. Iteration, given that the questionnaire is iterated over a few rounds by allowing respondents to modify their judgements,
- III. Anonymity, since the questionnaires are filled in in private, thus avoiding peer pressure (Rowe, G., Wright, G., 2001).

These features enable involving a high number of diverse and geographically dispersed experts (Bana e Costa, C. A. et al. 2023; Landeta, J., 2006, Freitas, Â. et al., 2018) which was deemed appropriate in our context.

Participants/experts: Round 1 and Round 2

Given the international scope of this study, we aimed to select participants from a broad range of nationalities while also trying to maintain a balance between different regions.

Additionally, we paid special attention to ensuring that participants' expertise related to the different *Perception Elements* is diverse.

Figure 1 illustrates the complete list of countries, regions and cities represented by the study's participants/ experts in rounds 1 and 2.



In rounds 1 and 2 of the study, which resulted in defining the *Perceptions Elements* for countries, the questions were anonymously answered by 47 experts, all of them Nation, Destination and Place Brand managers of countries (23), regions (4) and cities (20) from all over the world.

Participants/experts: Round 3

Figure 2 illustrates the complete list of regions and cities represented by the study's participants/ experts in round 3.



In round 3 of the study, which resulted in defining the *Perception Elements* for cities, the questions were answered anonymously by 17 experts, all of them Destination and Place Brand managers from cities (14) and regions (2) around the world.

Delphi process in detail

We conducted the Delphi questionnaire online using the Welphi platform (www.welphi.com). The questionnaire was designed to be carried out in three rounds to reach a recommended level of agreement of no less than 70%². The goal of the first round was to define a list of *Perception Elements* with which to proceed to the subsequent round that aimed to define a consensual list of *Perception Elements*. The second round was the final one in defining the *Perception Elements* for countries and producing the Nation Brand Taxonomy Model ©, thus completing the first part of the study. It also provided a basis for the third round, in which the *Perception Elements* were refined and adapted to the context relevant for cities. The goal of the third round was to evaluate these *Perception Elements* for regions and cities and, consequently, create the City Brand Taxonomy Model ©.

Outcomes of Round 1

In the first round, we presented participants with the list of 12 *Perception Elements* created by Bloom Consulting and its academic partners. We then asked them to comment, for example, by proposing changes to the *Perception Elements*, and to add any new items they believed were missing from the list. After analysing the information that the participants provided in the first round, the initial list was updated, leading to a revised list of 13 *Perception Elements*.

² Based on a review of benchmark studies that also used Delphi method

Outcomes of Round 2

This list was then used to structure the second round, in which participants had to indicate whether they agree that the *Perception Element* “may constitute general perception of a country, nation, region or city.” The question was – “How much do you agree or disagree that each of the elements (*Perception Elements*) may constitute the general perception of a country, nation, region, or city? Please express your level of agreement for each Perception Element.”

Participants could respond by means of a 5-level Likert scale [8] with answers ranging from *Totally Agree* to *Totally Disagree*. Additionally, they could indicate *Unable to rate*. As in the first round, participants could also add comments whenever they felt the need to.

Here are some examples of the comments received:

Governance and Internal Policies: “Applies mostly for countries, and in particular the well-known/important ones. In my opinion, the less well-known the country, the less this influences the perception.” (Representative of a public institution of international relations)

Well-being and Healthcare: “The health service and health of people is a good addition; however, I suspect it will be difficult for individuals to be able to know and assess this... Perhaps it is more about access to healthcare and good living conditions and infrastructure, such as clean water, quality housing, power, sanitary systems rather than aspects such as mental health.” (Respondent responsible for marketing and insights for a Nation Branding institution)

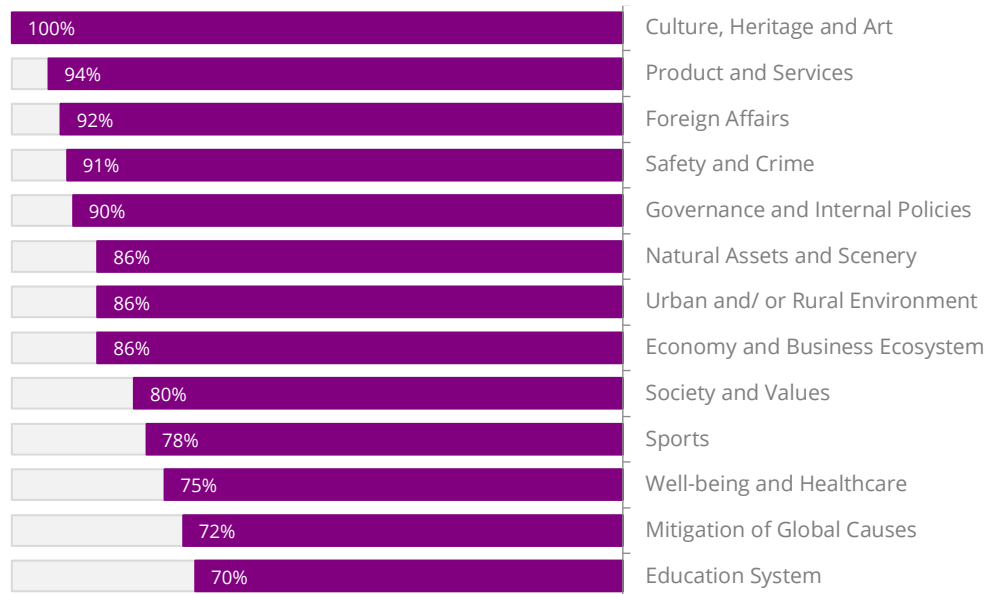
Product and Services: “This is key, with innovations, experience and uniqueness becoming increasingly important as a decision driver.” (Representative of a public institution for tourism promotion)

Urban and/or Rural Environment: “Probably more applicable to city rather than nation, but it depends on how well known a particular institution is and its association with city vs nation, e.g., the Louvre is more strongly associated to France or Paris, or even a place like Hollywood, and its association to the USA.” (Representative of a public institution for Nation Branding).

Sports: “People pursue wellbeing under the influence of City or Nation Brands, and lifestyle sports will be activated accordingly, but it does not seem to have a big impact on professional sports teams or players. Conversely, sports teams or famous athletes affect City Brand reputation.” (Representative of a public institution for City Branding).

The second round allowed for the establishment of the Nation Brand Taxonomy Model ©, consisting of 13 *Perception Elements*. One of the outcomes of the second round was that, given the specifics of a city, especially when it comes to place governance, the *Perception Elements* cannot be fully applied to the city scale. Although the panel proved the initial hypothesis that certain *Perception Elements* should be adjusted to specific scales, most of the *Perception Elements* defined in this round are applicable to places of any scale, from city to country. Still, the interpretation for cities might differ, and that is why we launched a third round to this study, focused on defining what constitutes perceptions of cities.

Figure 3 illustrates the complete list of elements that impact perceptions of a country.



(The percentages indicate the sum of *Totally Agree* and *Agree* responses.)

With 100% agreement, the most agreed-upon element is **Culture** in a broad sense. This includes art, heritage, traditions, gastronomy, history and relevant characters. It is the only element to achieve absolute assent, receiving 69% *Totally Agree* and 31% *Agree* responses.

Product and Services (94% agreement) is the second-most agreed-upon element, and is judged in terms of quality, authenticity and level of innovation. So, in this case, perception stems from how one rates a place's commercial offering.

The only other three elements that exceed 90% agreement are **Foreign Affairs** (public diplomacy, international presence, political leaders, foreign policies), **Safety and Crime** (taking into account the relevance of conflicts, security, terrorism, police brutality, jurisdiction, political stability, and digital security) and **Governance and Internal Policies** (comprising, as well the level of transparency, the quality of the legal system, political leaders or public policies).

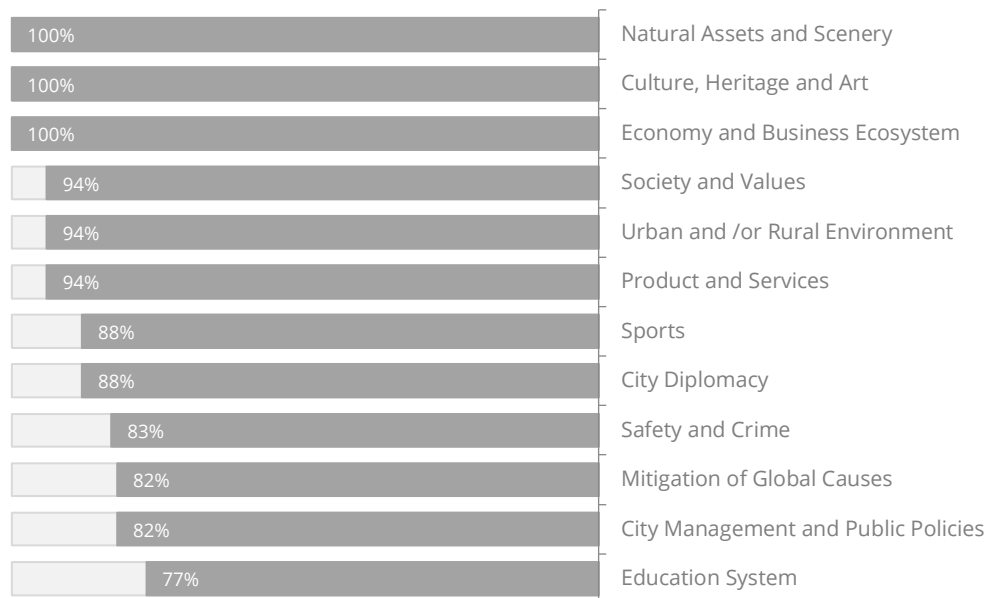
Some elements received between 80% and 90% agreement, and these are: **Economy and Business Ecosystem** (business culture, labour market, legal system, financial services, etc.) **Urban and/or Rural Environment** (quality of public and living spaces, water availability, pollution rate, quality of public transport and services, city resilience, inclusive public spaces, etc.), **Natural Assets and Scenery** (landscapes, natural reserves, national parks, flora, fauna, aquatic ecosystem, etc.) and **Society and Values** (inclusiveness, solidarity, hospitality).

Other elements are **Sports** (78% agreement), **Well-being and Healthcare** (75%), **Mitigation of Global Causes** (72%), and **Education System** (70%).

Outcomes of Round 3

Based on the feedback received in the previous round, Bloom Consulting adapted the list of *Perception Elements* to reflect what constitutes perceptions of cities. Whilst most elements that were defined and agreed upon for countries were also deemed applicable to cities, two elements were adapted – Governance and Internal Policies (changed to City Management and Public Policies) and Foreign Affairs (changed to City Diplomacy). The revised list was then sent to the participants for subsequent evaluation, applying the same methodology of using the Likert Scale as described above regarding Round 2. As a result of this round, one *Perception Element* – Health and Well-being – did not receive the 70% agreement score and was thus eliminated. Consequently, a City Brand Taxonomy Model © was produced, consisting of 12 *Perception Elements*.

Figure 4 illustrates the complete list of elements that impact perceptions of a city.



(The percentages indicate the sum of *Totally Agree* and *Agree* responses.)

With 100% agreement, the three most agreed-upon elements are: **Natural assets and Scenery, Culture, and Economy and Business Ecosystem.**

Of these three elements, **Culture** received the highest amount of *Totally Agree* responses – 71%. This is followed by **Natural Assets and Scenery** with 65% *Totally Agree* responses, and **Economy and Business Ecosystem** scoring 53%. These three elements are suggested to have the strongest impact on people's perceptions of cities.

Three elements have an aggregated score of 94%: **Society and Values, Urban and/or Rural Environment, and Products and Services.** Of these three, **Urban and/or Rural Environment** scored the highest percentage of *Totally Agree* responses (59%), highlighting that the liveability and quality of public spaces are seen as a major factor in driving people's perceptions of cities. It was followed by **Society and Values** (41% of *Totally Agree* responses), and then **Product and Services** (35%).

Five elements scored between 80% and 90%. These are: **Sports** (88% agreement), **City Diplomacy** (88%), **Safety and Crime** (83%), **Mitigation of Global Causes** (82%) and **City Management and Public Policies** (82%).

Only one perception element – **Education System** – received less than 80% agreement (with 25% of *Totally Agree* and 53% of *Agree* responses). This element represents the number and quality of schools and universities, libraries, and the accessibility of educational institutions.

Study results

Takeaways and study limitations

Definition of a framework

The first objective of the “Nation Branding and Place Branding impact on place economies and societies” study – to define what constitutes perceptions about countries, regions and cities – allowed establishing a framework for further research. The framework allows deconstructing an image of a nation, region or city, measuring its distinctive elements and understanding exactly what impacts their reputation.

Further reports will address the other objectives – measuring the weight of each *Perception Element*, and how positive perceptions about a place impact its economic or social performance. The *Perception Elements* themselves serve as a guide to later define the policies required to improve the general perception of a country, region or city.

Comprehensive yet flexible tool for measurement

Although the *Perception Elements* model can be applied to various scales and cases, it is important to consider certain factors when evaluating and interpreting perceptions. As we saw from the various levels of agreement in the Delphi panel, not all *Perception Elements* have an equal influence on general perception. For example, Mitigation of Global Causes is more volatile and depends on how nations, regions and cities respond to the global events and challenges like pandemics, climate change, poverty and inequality issues.

Thus, it is crucial to measure the type of perception to understand whether a place’s real efforts in the field are reaching key audiences. Moreover, certain *Perception Elements* may be of high importance to certain countries, regions and cities due to ongoing political, social or economic factors, while others may have different priorities.

A step towards reaching industry consensus

Apart from providing a comprehensive tool for measurement, the study aims to contribute to the ongoing theoretical debates around Nation Branding, Place Branding and City Branding. The distinctive methodology developed together with academics is based on a collaborative approach that derives neither purely from expert opinions, nor academic theories, but rather creates a theory together with place stakeholders, drawing from their insights. Thus, the study and its results are validated by academia – researchers from leading universities, as well as practitioners – Country, Region and City Branding managers from around the world.

13 Perception Elements of the Nation Brand Taxonomy Model ©

Here we present the final taxonomy of *Perception Elements – The Bloom Consulting Nation Brand Taxonomy Model ©* – that constitute how countries are perceived. Nation Branding professionals can use this model to measure the impact of their efforts, track how perceptions change over time, and what other factors influence these changes (for example, how certain crises influence certain perceptions).

Figure 5 illustrates the complete list of elements that impact perceptions about a place and an approach for measuring each of them based on the 5-level scale 1- Extremely negative 2 – Negative 3 - Moderately positive 4 – Positive 5 - Extremely positive.

The Bloom Consulting Nation Brand Taxonomy Model ©



2023 © Bloom Consulting - Any country is welcome to use this model.

13 Perception Elements in detail

Perception Element 1: Governance and Internal Policies

Transparency, Legal system, Political leaders, Public policies

Perception Element 2: Foreign Affairs

Public diplomacy, International presence, Political leaders, Foreign policies

Perception Element 3: Mitigation of Global Causes

Poverty, Inequalities, Peace, Nature conservation, Sustainable development goals etc.

Perception Element 4: Economy and Business Ecosystem

Business culture, Labour market, Legal system, Financial services etc.

Perception Element 5: Product and Services

Quality, Authenticity, Innovations

Perception Element 6: Culture, Heritage & Art

Traditions, Art scene, Gastronomy, Historic events and personas, Tangible and intangible heritage

Perception Element 7: Sports

Sport teams, Athletes, Celebrities, Sports culture

Perception Element 8: Urban and/or Rural Environment

Quality of public and living spaces, Water availability, Pollution rate, Quality of public transport and services, City resilience, Inclusive public spaces, etc.

Perception Element 9: Natural Assets and Scenery

Landscapes, Natural reserves, National parks, Flora, Fauna, Aquatic ecosystem, etc.

Perception Element 10: Education System

Accessibility of educational institutions, Public engagement in science, Digital literacy etc.

Perception Element 11: Society and Values

Inclusiveness, Solidarity, Hospitality

Perception Element 12: Well-being and Healthcare

Public health infrastructure, Life expectancy, Mental health services, Access to medical assistance

Perception Element 13: Safety and Crime

Conflicts, Security, Terrorism, Police brutality, Jurisdiction, Political stability, Digital security etc.

12 Perception Elements of a City Brand Taxonomy Model ©

Here we present the final taxonomy of Perception Elements – The Bloom Consulting City Brand Taxonomy Model © – that constitute how cities are perceived. City Branding professionals can use this model to measure the impact of their efforts, track how perceptions change over time, and what other factors influence these changes (for example, how certain crises influence certain perceptions).

Figure 6 illustrates the complete list of elements that impact perceptions of a place and an approach for measuring each of them based on the 5-level scale 1– Extremely negative 2 – Negative 3 – Moderately positive 4 – Positive 5 – Extremely positive.

The Bloom Consulting City Brand Taxonomy Model ©



2023 © Bloom Consulting – Any city or region is welcome to use this model.

12 Perception Elements in detail

Perception Element 1: City Management and Public Policies

City management, Urban and public policies, City resilience, Corruption, Level of public services

Perception Element 2: City Diplomacy

Public and cultural diplomacy, International presence, Political leaders, Inclusion policies

Perception Element 3: Mitigation of Global Causes

Poverty, Inequalities, Peace, Nature conservation, Sustainable development goals etc.

Perception Element 4: Economy and Business Ecosystem

Business culture, Labour market, Legal system, Financial services etc.

Perception Element 5: Product and Services

Quality of services, Economic sectors etc.

Perception Element 6: Culture, Heritage & Art

Traditions, Art scene, Gastronomy, Historic events and personas, Tangible and intangible heritage

Perception Element 7: Sports

Sport teams, Athletes, Celebrities, Sports culture

Perception Element 8: Urban and/or Rural Environment

Liveability, Quality of public and living spaces, Quality of public transport and services, Water availability, Pollution rate, Public spaces, Accessibility etc.

Perception Element 9: Natural Assets and Scenery

Skyline, Beauty of parks and natural spotlights etc.

Perception Element 10: Education System

Number and quality of schools and universities, Libraries, Accessibility of educational institutions

Perception Element 11: Society and Values

Inclusiveness, Solidarity, Hospitality

Perception Element 12: Safety and Crime

Crime, Terrorism, Police brutality, Security, Political stability etc.

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- Nation and Place Analytics
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