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Abstract

The Olympic Games are the largest global event that has brought each hosting city to global awareness together with major economic benefits. In bidding for the Olympics, the seller is a national Olympic committee that sets a city as a candidate. The buyer is the International Olympic Committee formed of 115 members that vote for the winner after an 18 months campaigning. The purpose of the study is to evaluate the Helsinki 2006 Olympic bid process from a place marketing perspective. The main objective of the research is divided into three sub-objectives based on the theory: 1) To find out the main objective for bidding. 2) To find out how place marketing was implemented in the Helsinki 2006 –bid process. 3) To evaluate the success factors of Helsinki 2006 –bid process.

The study shows that practices of place marketing were implemented while creating the marketing of Helsinki 2006. The main objective for the bid was to organise the best ever Winter Olympic Games and invite the sports youth of the world to compete in a country, where organising skills and spirit for sport are incomparable. The success factors chosen by the bid committee were not successful as the bid was not won. Although the bid organisation succeeded in creating the right image of Helsinki and Finland, it had no influence on the final decision. The case proved that success factors of place marketing were suitable for marketing, but had no emphasis on the final decision. The new concept of sharing the Olympic Games with Lillehammer, based on sustainable development was a too large step for the Olympic Movement, although it was accepted in the Olympic Charter. The case revealed that the most significant factors in the Olympic bid process were the structure of the bid organisation and the position of the representatives of the bidding country in international sports organisations, where most significant lobbying is done to influence the final decision. The case taught that the greatest defect of Finnish sport is the lack people in significant positions in international sports organisations.

A conclusion can be drawn that in large-scale international place purchase decisions, high level positions in international organisations are required from the place seller's side to ensure the success of place marketing. On a more general level, this case proves that place marketing follows the trend recognised in marketing research of organisations where more responsibility of marketing lays on the managerial level of multinational groups instead of the marketing department. The higher the position of the messenger, the more successful the outcome in marketing.

Key words	Marketing, place marketing, Olympic Games, bidding, Helsinki
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#### Tiivistelmä

Olympialaiset ovat maailman suurin tapahtuma, joka on tuonut kulloisenkin isäntäkaupungin maailman kartalle mittavien taloudellisten hyötyjen kera. Olympiahaussa myyjä on kansallinen olympiakomitea, joka asettaa yhden kaupungin ehdolle. Ostaja on kansainvälinen olympiakomitea, jonka 115 jäsentä päättävät voittajasta äänestämällä 18 kuukauden kampanjoinnin jälkeen. Tutkimuksen tarkoituksena on arvioida Helsinki 2006 -olympiahakua paikkamarkkinoinnin näkökulmasta. Pääongelma on jaettu kolmeen osaongelmaan tutkimuksen teorian pohjalta: 1. Selvitetään haun päällimmäinen tarkoitus. 2. Selvitetään miten paikkamarkkinoinnin keinoja on käytetty Helsinki 2006 -hakuprosessissa. 3. Arvioidaan Helsinki 2006 -hakuprosessin menestystekijöitä.

Tutkimus osoittaa, että Helsinki 2006 -olympiahaun markkinointia rakennettaessa käytettiin paikkamarkkinoinnin välineitä. Pohjimmainen syy hakea talviolympialaisia Suomeen oli halu järjestää maailman parhaat talviolympialaiset ja kutsua koko maailman urheiluva nuorisomaahan, jossa järjestämistaito ja urheiluhenki ovat vailla verta. Hakukomitean valitsemat menestystekijät eivät olleet oikeat, sillä hakukilpailua ei voitettu. Vaikka hakukomitea onnistui luomaan juuri oikean kuvan Suomesta ja Helsingistä, ei sillä ollut vaikutusta lopputulokseen. Tapaus osoitti, että paikkamarkkinoinnin menestystekijät soveltuivat olympiahaun markkinointiin, mutta lopullisen tuloksen osalta niiden painoarvo oli lähes olematon. Helsingin tarjoama uudenlainen, sääntöjenmukainen ja kestävä kehitys perustunut jaettujen olympialaisten konsepti Lillehammerin kanssa, oli liian suuri askel olympialiikkeelle. Tapaus paljasti, että olympiahaussa merkittävin painoarvo oli hakuorganisaation rakenteella sekä hakijamaan edustajien asemalla kansainvälisissä urheiluorganisaatioissa, joissa suurin päätökseen vaikuttava lobbaus tapahtui. Tapauksesta opittiin, että suomalaisen urheilun suurin puute on suomalaisten puuttuminen kansainvälisten urheiluorganisaatioiden merkittävimmiltä istuimilta. Tutkimuksen johtopäätöksenä voidaan todeta, että suurissa kansainvälisen tason paikkapäätöksissä tarvitaan riittävän korkearvoisia henkilöitä oikeisiin asemiin markkinoivan paikan puolelta, jotta paikkamarkkinointi olisi menestyksekkästä. Tutkimus tukee yleisesti organisaatioiden markkinoinnin tutkimuksessa esiintyvää muutosta, jossa markkinoinnin vastuu on siirtymässä markkinointiyksiköstä konsernijohdolle. Mitä korkeammassa asemassa viestin välittäjä on, sen tehokkaampaa on myös markkinointi.

Asiasanat	Markkinointi, paikan markkinointi, olympialaiset, hakuprosessi, Helsinki
Muita tietoja	



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**BIDDING FOR THE OLYMPICS –  
A PLACE MARKETING PERSPECTIVE**

**Case: Helsinki 2006 Candidate City for the XX Winter Olympics**

Master's Thesis  
in International Business

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# 1 INTRODUCTION

## 1.1 The Olympics as an event and bidding for them

The Olympic Games are the largest global event organised every four years by one city. The Games offer the host city a unique possibility to be the centre of global interest not only for the duration of the Games, but a total of seven to ten years; starting from the bidding phase to the actual Games and many years ahead after the Games as well. The city becomes strongly associated with the Games, and therefore, benefits in the long run from that event-related impact. There are several reasons that motivate a city to stage the Olympic Games. One is the nature of the event being the most prestigious, largest, peace-promoting multi-sport event of the world. In addition, it offers the politicians and industries of the respective country and city a unique opportunity to accelerate the improvements of infrastructure not only for sports, but also for housing, traffic, communication and other sectors of the economy (Preuss 2004). The organisation of the numerous political, economic, cultural, ecological and social issues related to the Olympics makes the project multidimensional complex (Roche 2002). These proposed benefits help many proponents embrace the Olympic Movement and push to propose hosting the Olympics (Burton 2003).

The Olympics have enlarged during the years to such a scale that, requirements to stage the Games and make them ‘the best ever’ demand immense financial support (Preuss 2004). The budgets of Olympic Games have increased immensely during the last three decades. Costs to be covered by the Organising Committee of each Olympic Games for organising a Winter Olympics are over US\$ 0.8 billion and for Summer Olympics it amounts to US\$ 2 billion (Persson 2002). Depending on how much of city reconstruction is calculated into the budget the amounts have gone up to US\$ 5 billion (Preuss 2004). The Olympic Games are historically specific, uniquely dramatic and memorable as such, not just in the changing casts of athletes’ performances and achievements, but nevertheless in terms of their locations and sites (Roche 2000). When considered the gigantic scale of the Olympics and the resources required for staging, it is reasonable to consider what kind of cities are sufficiently equipped to act as hosts (Preuss 2004). Mega events of this dimension are important for the whole national economy requiring partnership between the state and the private sector based on clear strategy of co-operation (Keller 1999). Without public investment smaller cities are unable to provide sufficient infrastructure for the Olympics due to their strained

budgets. In addition, private funding through sponsorship has become a lifeline for the Games. Commercialisation has brought new aspects to the Games. Sport, especially events associated with the Olympics, has not only become great entertainment, occupation and lifestyle, but solid business as well starting from the vigorous bidding competition to stage the event. The President of the International Olympic Committee (later IOC), Jacques Rogge, has admitted that without the support of sponsors the Games could not exist (International Olympic Committee 2008). However, the balance between over commercialised privately-funded Games, such as Atlanta 1996, and publicly-raised Olympics, such as Athens 2004, has been hard to find. For nearly 25 years, commercialisation has had a decisive influence on the success of the Olympic Movement and this strong dependency on industry might threaten the Olympic ideals. To assure the successful development of the Olympic Movement, industry will have to make certain concessions (Preuss 2004). Therefore, the Olympic Charter defines now in detail the nature of the event and its organisation and financing and in one way makes each Games equally inevitably standardised in many important respects and uniformly Olympic as each other (Roche 2000).

The Olympic Games are considered a profitable global media event. In Athens 2004, more than 300 television channels provided a total of 35,000 hours of dedicated coverage with 3.9 billion viewers in 220 countries (International Olympic Committee 2008). Broadcasting rights bring the greatest profit to the organising committees. For the 2006 Winter Olympics the amount was US\$ 0.8 billion and for the forthcoming Summer Games in Beijing it is estimated to amount to over US\$ 1.7 billion. The share of the organising committees is 49 percent and the IOC may keep 7 percent of the TV fees. The rest is to be distributed to the International Sports Federations and National Olympic Committees all over the world (International Olympic Committee 2008).

But do Olympic investments pay off? There have been arguments against the economic significance of this event. According to Andrew Simbalist, it is hard to make an argument that the Olympics are an economic benefit. The issue is whether the newly built facilities are going to be used in some meaningful way after the Olympics, or if they are going to take up a lot of space and cost a lot to maintain (Peabody 2007). The Olympics are prized image-boosters of modern societies and their economies. The Games have power to revive a flagging economy engine with injections of cash and bestow prestige and bring honour. (Keller 1999.) The opinion of Romney<sup>1</sup>, after organising the 2002 Winter Olympic Games in Salt Lake City, is that the Games make sense rather as a statement for peace than a money-making enterprise (Burton 2003).

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<sup>1</sup> Mitt Romney, 2002 Salt Lake City Winter Olympic Chief.



At the moment, many countries and cities have become active in bidding for international mega events and games. It is well-known that it is not just the national sports federations that benefit from these events – cities and entire countries share the limelight as well (SLU 2007). In fact, cities and regions have lately become more willing to bid for events than national sports federations. Among the number of all mega-events, the Olympic Games towers like a giant (Keller 1999). The advent of the mega-event as a global media event and effectively as a global cultural industry helps to explain the powerful motivations propelling urban leaderships to bid to host Games events (Roche 2000).

Considering the growth of the Olympics during the past years, and the complexity and high requirements to organise them, it has been argued that staging this gigantic event bears a financial risk for all hosts. According to Preuss (2004), the amount of bidding cities has nevertheless increased since 1977. The Los Angeles Games in 1984 can be seen as a turning point of Olympics from an economic perspective. Commercialisation of the Games turned the event potentially profitable, which led to an increase in candidates vying for the right to host the Games from then on, not only for Summer Olympics, but for Winter Games as well (Persson 2000).

For many years, host cities of Winter Games were selected on the strength of well-known ski resorts desiring for customer and tourism traffic. In the 21<sup>st</sup> century the variety of reasons for cities to bid has increased including the desire to promote nationalistic pride, willingness to stage a media event, a chance to rebuild an ailing economy through urban development and to increase tourism through image enhancement (Burton 2003). The Summer Olympics of Sydney in 2000 are a great example of how the event was seen as an opportunity to accelerate the awareness of Australia around the world and add depth and dimension to the ‘brand Australia’ (Chalip 2000).

The city-bidding competitions have become intense and fierce, with cities prepared to invest on a large scale to promote their cause. Average budgets for bidding to host the Winter Games are about US\$ 5 million and three times as much for the Summer Olympics (Persson 2002). The prime objective is to gain the support and the vote of the majority of the members of the IOC (Sheridan 1999). The motives are clear and familiar: guaranteed focus of televisual ‘eyes of the world’ during the period of the event and potential future tourists and investors. In addition to the contribution of making sporting history, becoming a member of the rarefied international club of Olympic cities with specific Olympic memories and architectural heritages increases

long-term awareness through the enduring relationship the place creates in the Olympic movement and its tradition (Roche 2000). Pierre Mairesse<sup>2</sup> sees that sport offers great additional opportunities for Europe to strengthen its competitiveness and employment (Ruuskanen-Himma 2007a). The interest towards the hosting city does not stop after the Games. It attracts visitors and business also in the post-Olympic period. Keller (1999) argues that a successful Olympic candidature means guaranteed business for the winner.

In terms of marketing, the way cities and regions differentiate themselves from each others in the bidding competition is through the presentation and implementation of their strategy. Each bidding city needs to consider all bidding elements and success factors when building image and brand for the city. The different marketing resources influence the host selection decisions made by the members of IOC. The role of the place marketers will be critical to the success of the place (Rainisto 2007). However, the bid committee of Sydney for the 2000 Summer Olympic Games argued that the IOC guidelines that provide a 'level playing field' for bidding cities are deficient in several ways. The opportunities outside regular marketing substantially misused on IOC members to influence their decision are unfortunately crucial in this bidding battle (Sheridan 1999). In 1999, after the corruption scandal of Salt Lake City, the rules were tightened by banning visits of IOC members to candidate cities and regulating the possibilities for direct influence. (International Olympic Committee 2008.)

The mission of the Olympic Movement is to spread its message around the world and it is made tangible and real in nature by keeping the Games permanently 'on the road' from nation to nation and city to city every four years. The Olympic event has rarely returned to the same city without at least a generation having passed. The general motto by de Coubertin," *the point is not to play to win but to take part, whether you win or lose*" applies as much, if not more, to the competing cities as it does to the athletes. (Roche 2000.) Each Olympic Games have been unique products of a unique configuration of power elites, including the IOC in a dominant role, the Organising Committees of Olympic Games with their national government sponsors as well as a particular combination of large multinational media and corporate sponsors (Roche 2000).

The formal selection process mandated by the IOC is highly politicised and publicly scrutinised by global media. It also initiates expenses never projected and is certain to involve thousands of local, state, regional and national government officials. The awarding of the Olympics depends on more than just the quality of the different

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<sup>2</sup> Head of the European Commission for Education and Culture Department.

candidates. Specific exogenous, geographical and policy factors often play a crucial role in determining the final result. (Burton 2003.)

The bid for the 1996 Summer Olympics that took place in 1989, was a great example of how a clearly focused marketing plan made the Olympics a major economic place event stepping over the quaint, amateur style of a century ago. Athens marketed itself to the IOC for more than three years arguing that 1996 marked the 100<sup>th</sup> anniversary of the modern Olympics that began in Greece like the ancient Olympics. However, as a surprise to everyone, Athens was turned down in favour of Atlanta through their comprehensive and co-ordinated effort involving both political and business communities (Kotler et al. 1993). Lobbying, television rights, modern stadiums and the greater possibility to make business out of the event were considered major factors affecting the choice.

The argument of Preuss (2004) for cities that already contain existing infrastructure and operational budgets to manage the challenge of hosting the Olympics and attracting the votes of IOC members turns out not to be valid any longer. Cities are not expected to build the arenas first and bid later, the bottom line is whether IOC members believe that a city can do what they are saying they will do while campaigning. In the bid for the 2002 Winter Olympics, Salt Lake City had technical laurels on their side, but they did not rely on this advantage only. The US\$ 7 million bid budget included wining, dining and indulging of all IOC members by U.S. embassies around the globe at the request of the State Department. (Repanshek 1995.)

The bid for the 2012 Summer Olympics in 2005 was considered metaphorically like a “*perfume bottle with New York London, Paris, Madrid*” (interview of Lumme 2.12.2007). These world metropolises perceived the Olympic Games as a transformation chance to make the regions even stronger. However, two very different strategies were applied between the two final round cities Paris and London. Paris put its efforts on two world class events: FIFA World Cup in 1998 and IAAF World Cup in 1999. They thought it was a sufficient evidence of experience of handling global scale events. England on the other hand recognised in the mid 1990’s a problem that they did not have connections to international sports federations. During a ten years period they systematically created posts for over 200 Englishmen in these federations by organising a remarkable amount of championships of smaller sports for juniors, youth and seniors. By establishing people into the organisations they gained experience and had messengers on a larger field than Paris. This was considered as the greatest strength that led to London’s victory. (interview of Tolonen 25.1.2008.)

## 1.2 International sports events organised in Finland

Finland has organised over a hundred international sports competitions in Olympic sports during the years 2000–2006. Finland has been recognised as a great event organiser by many superior quarters already in earlier decades. Primo Nebilio<sup>3</sup> stated after the 1994 Athletics European Championships, all mega events in athletics would be organised in Finland, if it was the IAAF's decision (Nylund, Laakso & Ojajärvi 2006). Granted that Finland organised successful Summer Olympic Games in 1952, it has not guaranteed success in bidding for the Winter Olympic Games. Encouragement to bid has come several times from the IOC Presidents Juan Antonio Samaranch and Jacques Rogge, but the factors to turn bids to victory have been missing. (Turun Sanomat 2007.)

According to the Fingerprint –research, Finns find themselves successful organisers of international competitions or events. Out of the 60 sports organisations and federations, 98 percent thought the event was run very well or excellent. Over 50 percent of the respondents are still willing to bid and organise games and events in the future. (SLU 2007.)

Finland has succeeded in organising several international sports championships in winter sports. The ice hockey championships of the International Ice Hockey Federation (IIHF) have been organised altogether six times in history. The last ones were held in spring 2003, Helsinki being the host city together with Turku and Tampere. The games acquired a larger audience than organisers expected with 450 000 spectators and the financial profit achieved by the organising committee made the event profitable. (Pöyhiä 2004.) This successful organising heritage encouraged the Finnish Ice Hockey Federation (later SJL) to bid for the 2012 World Championships that were eventually awarded to Finland in May 2007. Preparations for bidding were well planned by nominating the PR and Marketing Director of the IIHF Kimmo Leinonen as the Secretary General of the Organising Committee of SJL. As an employee of IIHF, the networks and experience of Leinonen were considered as the greatest strength of the bid committee and the members of SJL believed Leinonen would bring credibility for the bid campaign. (Finhockey 2007.) Finland won the last round of the bid over Sweden 64-35. The other countries that were dropped in the earlier rounds were Hungary, Denmark and the Czech Republic. SJL considers the hosting of the 2012 Championships as a great PR-event that will enable future development of ice hockey in Finland and help building a new stadium of international level. From a national image -point of view, it was important to win the bid for the 2012 World Championships while Lahti was

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<sup>3</sup> Chairman of International Association of Athletics Federations (IAAF) in 1994.

bidding for the 2013 Ski World Championships and having two world level competitions at the same time would have been unprofitable. (Jatkoaika.com 2007.)

In addition to ice hockey, Finland is one of the strongest ski sport countries in the world. One proof is that Finland has organised most FIS Nordic World Ski Championships in the city of Lahti with a record of six times. Over the decades Lahti and Finland have gathered great experience in hosting international events. Finland was one of the founders of the International Federation of Ski (later FIS) and has always obtained several positions in its several bodies. Although the Lahti 2001 games are remembered as the ‘doping games’ of the century in Finland, a new candidature is in process for 2013. As stated on the webpage of the candidature: *“The main goal of Lahti’s candidature is to convince the skiing world of Lahti’s desire, skill and courage to organise the best ever FIS Nordic World Ski Championships – with memorable moments and fresh views”*. (Lahti 2013; Suomen Hiihtoliitto.)

Although facilities for organising international competitions for all alpine disciplines do not exist due to the lack of mountains, efforts to remove that shortage are high and recognised (interview of Tolonen, 25.1.2008). In the planning phase of the opening competition of the Alpine World Cup in the 1990’s, there were more sceptics than supporters. However, the opening of the Alpine World Cup in November 2006 in Levi was a proof of goal-oriented hard work being rewarded by a successfully run interesting event with a high reputation. Through this World Cup event and Finnish international alpine stars, Finland has become an appreciated alpine country, the only one without mountains. (World Cup Levi 2008.)

The Levi World Cup has not only been profitable for the overall development of alpine sports in Finland, in addition it has been argued to have very meaningful media coverage for Lapland as a region. From a place marketing perspective the advantage of the World Cup event is considered enormous in terms of timing. The globally sent messages through media in the beginning of the season are strengthening the status of Lapland as an alpine resort prospering from December to April. Set backs, like bad weather conditions that cancelled the event in November 2007 are a recognised threat that requires serious strategic planning in order to gain the expected advantages and status. (World Cup Levi.)

Even though the World Cup has embarked at Levi, the slopes are not high enough to organise all FIS ski sport disciplines. There has been serious negotiations of bringing rock material from the mines of Siilinjärvi to lift the slopes of Tahko to meet the standards for proper championships in speed skiing. The investments required to fulfil such an infrastructural process would need serious consideration of the purpose and actual need for the slopes. However, it is a sign, that as a winter sport country, Finland

has the will and the dream to eventually host Winter Olympics in the future (interview of Tolonen, 25.1.2008.)

Finland has succeeded in organising also other than winter sports championships. The 10<sup>th</sup> World Championships of Athletics organised in 2005 (later WC2005) were a great example of Finland as a successful host. WC2005 was the largest global sports event of the year 2005 and the largest ever to be organised in Finland. The bid process differed from a usual IAAF bid, while London that had won the official bid, withdrew from hosting since the required public funds promised in the bidding phase were no longer available for building a new stadium. A new bid was organised and Helsinki handed in the application at the end of February 2002. In April 2002 Helsinki was awarded the host of the WC2005 over Rome, Berlin, Budapest and Moscow at the meeting of the board of IAAF in Nairobi. (Nylund et al. 2006.)

Not only did SUL (Finnish Federation of Athletics) benefit from the games, but the city of Helsinki and Finland in general was in global spotlight for nine days with altogether 6.5 billion television views. It was a proof that if desired, a small country can organise an international mega event (Saarnivaara 2006). Laakso, Kilpeläinen, Koistiainen and Susiluoto (2006) point that the greatest economic capital gained from WC2005 was the fact that the successfully organised games would help Helsinki to get this kind of events more easily in the future. Important networks for future organisation of mega events were formed directly after the event from the people involved in the arrangements as they gained valuable experience and skills. In addition Helsinki's reputation as a venue for such large-scale events became even stronger. The study also points out that this kind of mega events should not be seen as only single events, but also as opportunities and vehicles to maintain and increase important knowledge and good-will stock for the whole region. (Kilpeläinen et al. 2006.) The experience gained from those games enabled the organising of the Eurovision song contest in May 2006. The song contest itself succeeded in being an event of the whole Helsinki region with its several sub-events (Ruuskanen-Himma 2007b).

Finland is internationally recognised as a great event organiser. This opinion got even more support after WC2005 in the international media. The safety level of the country was also recognised and considered as a great strength for Finland as a future organiser as well. (Nylund 2006b.) Finland has tradition of organising events efficiently. The events are well-prepared and successfully implemented. (Nylund et al. 2006.)

The reason why some organisations have not been willing to bid and organise larger sports competitions or events is the lack of resources and the small size of these organisations. Reluctance to bid for international competitions is mostly due to poor

economic support. However, the lack of international competition activity, high costs of event promoters and lack of capable people to make the events happen were also recognised as defects. These problems fall especially on small sports federations (SLU 2007). The support small organisations are looking for from the Finnish Sports Federation (later SLU) falls on sponsorship, communications and general financing and comparison of bidding process of different games.

The Finnish Ministry of Education allocates a guarantee on possible losses, however only for Seniors World and European Championships. This deficit can only be obtained every five years by each national sport federation. According to Essi Puistonen, constructor of international affairs of SLU, this system has been criticised and the working group of the Finnish Ministry of Education on mega events has stated that a more coherent practice for the support of events is needed. It would work as a base for new partnership practices between the state, event organising committees and organising cities to improve the prerequisites of Finland as an international event organiser (SLU 2007).

### **1.3 Earlier studies related to the research theme**

#### ***1.3.1 Olympic research***

Most academic research on mega events deals with the impact of the event on tourism and the economy of the host countries. The largest economic study of the Games has been conducted by Holger Preuss (2004) describing the economic impacts of Summer Olympic Games. It analyses the various economic aspects that the Olympic Games mean for a host city and offers implications for future hosts.

Owen (2005) estimates the costs and benefits of Beijing hosting the 2008 Games and points the fallacy of economic impact studies. He argues that the prevalence of mega-events has led to acceptance of their findings by the public, media and even academic circles with almost no critical evaluation. Because of the high profile of such events, large and positive economic effects are taken as given and the studies confirm what is already believed. As a consequence, the mistakes made in economic impact studies are so numerous that making a lucid counter-argument can be difficult. In his research Owen states that according to experience from earlier Games, China should not expect

the types of effects predicted by economic impact studies. Theory and reality show that they simply do not exist.

Baade and Matheson (2003) assess critically the economic effects of Los Angeles 1984 and Atlanta 1996 Olympics. According to their study the evidence suggests that the economic impact of the Olympics is transitory, one-time changes rather than a steady-state change. Brunet (1995) makes an *ex-post* evaluation of Barcelona Summer Olympics, where he considers the organisation, finance, investments, costs and economic impacts of the games both to Barcelona and Spain. Getz (1999) has explored strategies for tourist destinations. Techniques to evaluate changes in destination image perceptions resulting from mega events are suggested by Larsson-Mossberg (1999). A model for economic trickle-down effects of mega events is presented by Andersson (1999). Ioannides (2002) considers the expected effects of Athens Olympics to the Greek economy. Wallman (2006) seeks to estimate the impacts generated from the Winter Olympic Games in Salt Lake City in 2002.

Maurice Roche (2000) has conducted a social-historically and politically emphasised study on mega-events paying specific attention to the Olympic Games. Areas of investigation concentrate on impacts of Olympics on national identities, marking of public space and time, and on versions of national citizenship and international society in modernity. According to Roche, mega-events are 'flagships' provided by power elites to promote their visions of society and the future.

A few studies have been conducted on bidding and the election of mega event hosts. Keller (1999) states that winning an Olympic host contest depends strongly on more than just the quality of the candidate city. In his list of successful factors geographical and political factors and co-operative work between public and private sector play a crucial role. Emphasis should be also on a stable financial footing, support of local population and the use of well-known personalities as messengers in the bid process. The socio-political message of the Cape Town 2004 bid has been evaluated by Hiller (1999). The main idea in the bid was improving the quality of life by implementing the Games leading to infrastructural progress and usage of new arenas. Persson (2000) emphasises the importance of the attributes that affect decisions made by the IOC members and lists the bidding elements of the 2002 Winter Olympics host selection process. The theoretical frame is on decision-making. Feddersen, Maenning and Zimmermann (2007) have compared bids from 1996 to 2002 to formulate the key success factors of Olympic bids. However, no studies were found from a place marketing perspective.

Most literature on event management mentions the Olympic Games because of its uniqueness being the greatest global event ever organised. In general, they focus more



on using the Olympics as an example of gigantic, spectator-driven events. Allen, O'Toole, McDonnell and Harris (2002) have covered in depth issues and strategies associated with planning, managing and staging festivals and special events. No specific studies on organising the Olympics are conducted within that literature. Also the influence and the value of the Olympic brand have been very popular international areas of study. The influence of the brand on sponsors, post host cities, Organising Committees and tourism have been covered in several pieces of literature.

All in all, Olympic research has mostly been conducted from the point of view of economic impact on the organising cities and regions. The common opinion is that the estimated economic benefits from the games should not be taken as granted. Mistakes made in former Olympic economic research and the wide range of acceptance of these given results has prevented the formulation of clear counter-arguments on the topic. On the other hand, studies on effects on country image and tourism have been recognised positive overall. However, no common course has been applied to measure these effects. The prestige and power of the Olympic brand and the Olympic circles seems to still dominate this field study on a general level. A summary of Olympic research can be found in Appendix 1.

### ***1.3.2 Research on international sports events in Finland***

Fingerprint – a co-operational research conducted by SLU and the Finnish Lottery, Veikkaus, has studied the preparedness and willingness of Finnish sport federations to organise international sports events in Finland. This has been a deficient area of information in Finnish sport and event management.

The WC2005 gave rise to several researches on the field of sports and mega events in Finland. Loikkanen, Laakso, Kilpeläinen, Kostainen and Susiluoto (2006) show in their study the great benefits the state and Helsinki made both economically and socially. The motivation for the study was to get relevant information on economic impacts of Finnish events for preparing a national mega event strategy for the future. Research conducted on WC2005 handled motives and experiences of consumers, the audience and thousands of volunteers as well as changes in sport culture. An interesting phenomenon was the tightening economic conditions of the championships, the partnership between different parties involved in the project and the investments made by the public sector. Much emphasis was also paid to economic and social goals of the organisers and the implementations of them in addition to the significance of the event for the city of Helsinki and its citizens.

Kuokkanen (2006) describes in her research the public of the WC2005 and analyses the experiences of consumers in this large event. According to her findings the games were found interesting not only by sports people, but others as well. She claims that WC2005 can be seen as an example of a change in the nature of sports events; highlighting consumption and engagement of new audience groups such as women. The commercial element was seen in product specifications of sponsoring companies and in sales of side products. A difference in spending habits between foreign sports enthusiasts and Finnish enthusiasts coming from outside the metropolitan area were recognised to the favour of foreigners.

Nylund (2006a) conducted several studies analysing how the image of Helsinki was perceived from different points of view. The first one is a study on attitudes towards the games among Finns. His research surveys were divided into Helsinki Metropolitan Area and the rest of Finland. The games were watched by a great majority of the aggregate audience. The results of an interview survey show that people in the metropolitan area felt predominantly positive about the event. Three quarters thought the event had been important to Helsinki and almost as many found the event successful. Satisfaction, enthusiasm and pride of Helsinki were the invoked feelings among the survey.

In his second study on WC2005 image issues Nylund (2006b) analyses how the Finnish press and media anticipated the event. The common themes in this coverage were in order of importance the pre-championship on preparations and advancing arrangements, second the actual sports event and third was security with the threat of terrorism. According to Nylund, much was also written about the significance of the games for tourism and international visibility of Finland and Helsinki in addition to the economic profit for the society.

Nylund (2006c) focuses on the international visibility of the event and images associated with it. The study was conducted by analysing articles of leading newspapers in six countries (Germany, Japan, Russia, Sweden, the UK and the USA). The study was made to analyse whether international media attention was acquired in the expected way, as it is one of the greatest motivators to apply for international mega events. Nylund's findings show that all six papers covered the games and on a significant international scale. However, Helsinki and Finland were left to little stereotypical attention, while the articles concentrated on national athletes and sports. Nylund argues that there is enough evidence to question the role of sports events in marketing a city or region.

A similar study on writings of the Finnish press was conducted by Ojajarvi and Valtonen (2006) analysing media attention in Finland. Crucial success factors were found in the arrangements, the audience, the atmosphere and the successful anti-doping

policy. Also economic and public image consequences were considered successful. However, the overall picture in the media turned out to be more negative than positive due to the critical post-writings concerning reputation, visibility, bad weather and the economy.

Studies on volunteer work at international sports events have been common in Finland. Itkonen, Ilmanen, Lämsä, Matilainen and Metsäranta (2006) studied the effects of WC2005 among volunteers, the national association of Finnish Athletics, its district organisations and sports clubs. The most important effect concerned the improved general image of athletics. In volunteer work, the motivation to do something without payment is crucial. The study of Itkonen et al. shows that the most important reason for volunteering was gaining a unique experience. Also the will to be part of the championships community was considered important, whereas traditional motives for volunteering were no longer as important.

The effects of WC2005 on the regional economy have been studied by Laakso, Kilpeläinen, Koistiainen and Susiluoto (2006). The results showed positive effects on the turnover of companies, production value added and employment in Helsinki region. However, as a single event WC2005 had a small impact on the economy of the Helsinki region, considering the size of the regional economy. The hotel and restaurant industry profited the most from the event, while tourism in general had modest effects due to the crowding out of normal tourists. Also the unpredictably rainy weather contributed to lower spectator figures and visitors to Helsinki in general.

A study from the management and leadership point of view of WC2005 was conducted by Eteläaho (2006) concentrating on the goals, strategies and risks of the games management. According to the research, an over-emphasis on economy at all stages of the games was due to the direct financial support from the society that turned out to be clearly inferior. The measurable goals of the games were a full stadium every day and economic balance (+ - 0). The marketing goal to attract new crowds, especially young men and women was successfully reached, even though the weather conditions were poor and safety requirements strict.

Heinimäki, Lindqvist and Jyrämä (2006) studied sponsorship at WC2005 from the point of view of companies and the audience. The research shows that sponsorship had a crucial role in company strategies as well as for the event itself. Strategic goals were closely linked to sponsorship and it was run by professionals. Companies were satisfied with the returns in money spent and with the unique opportunities for personal contacts with other sponsors, invited guests and the organising committee. According to the results of the audience survey, sponsors that did more than just displayed their logos or

advertisements at the stadium or media were best remembered for being involved with the event. This encourages building sponsorship towards a more complete entity.

According to Loikkanen et al. (2006), ex-post studies have been conducted on several events organised in Finland, such as Jyväskylä Rally in 1996, the Ice Hockey World Championships in 1998 together with ITC-car racing. One large ex-ante study was conducted when Nordic countries applied for UEFA 2008. The evaluation of its economic impact was done on the basis of what was known about tourism and related consumption effects in previous cups in 1996 and 2000.

As a summary of Finnish studies, their main interest is in economic effects of mega events. There are no explicit project analyses using cost benefit analysis even as a starting point, although relevant aspects of CBA are included in many studies. Studies of Finnish events often recognise the problem of displacement effects, but they do not, however, study and try to measure such effects in order to measure the net effects of the events. Explicit profitability analyses from various stakeholders' view-point are rare too. Research made on international sports events organised in Finland are summarised in Appendix 2.

## **1.4 Purpose of the study**

One of the challenges of the present Finnish government is to strengthen the capabilities of Finland to bid and possibly host future international large-scale events. There is great demand for a system that would facilitate sports organisations to bid and organise mega events (Ruuskanen-Himma 2007a). According to Pihlakoski<sup>4</sup>, Finland is lacking research knowledge on events and their effects on regional and public economics. What is economically essential for Finland is the incoming money from event guests, tourists and companies that spend money. Research information on different events and bids should be gathered together and used as a base in local decision-making. Emphasis should lay on social capital and city culture. Finland should more clearly define its country brand to use media visibility better and more efficiently. That is where Finland succeeded in the Eurovision, but co-operation between sports events and the centre of tourism promotion MEK is still too exiguous (Ruuskanen-Himma 2007b). Mega events should be seen not only as single events, but also as opportunities and instruments to create, maintain and add event management knowledge and 'good reputation capital' to the region (Nylund et al. 2006).

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<sup>4</sup> Chairman of Finnish Athletics Federation (SUL)

As said before, the WC2005 was an enormous success for Finland. Everything worked well during the championships and Finland got more international visibility than expected. Even the public sector made a surplus of €4 million all possible costs and regression considered (Saarnivaara 2006). Even if the World Championships of Athletics are considered the 3<sup>rd</sup> largest global event after Summer Olympics and FIFA World Cup, and Finland has persuasive experience of organising international championships in winter sports, Finland has not succeeded to host Winter Olympics. Winning an Olympic bid is a large scale process of marketing the candidate city for the members of the IOC. The target group is the IOC members who need to be persuaded by the characteristics of the place during the bid process.

Taking into consideration the above facts, **the purpose of this study is to evaluate the bid process of Helsinki 2006 for the XX Olympic Winter Games from a place marketing perspective.** The main research objective is divided into the following sub objectives:

- To find out the main objective for bidding
- To investigate how place marketing was implemented in the Helsinki 2006 bid process
- To evaluate the success factors of the Helsinki 2006 bid process

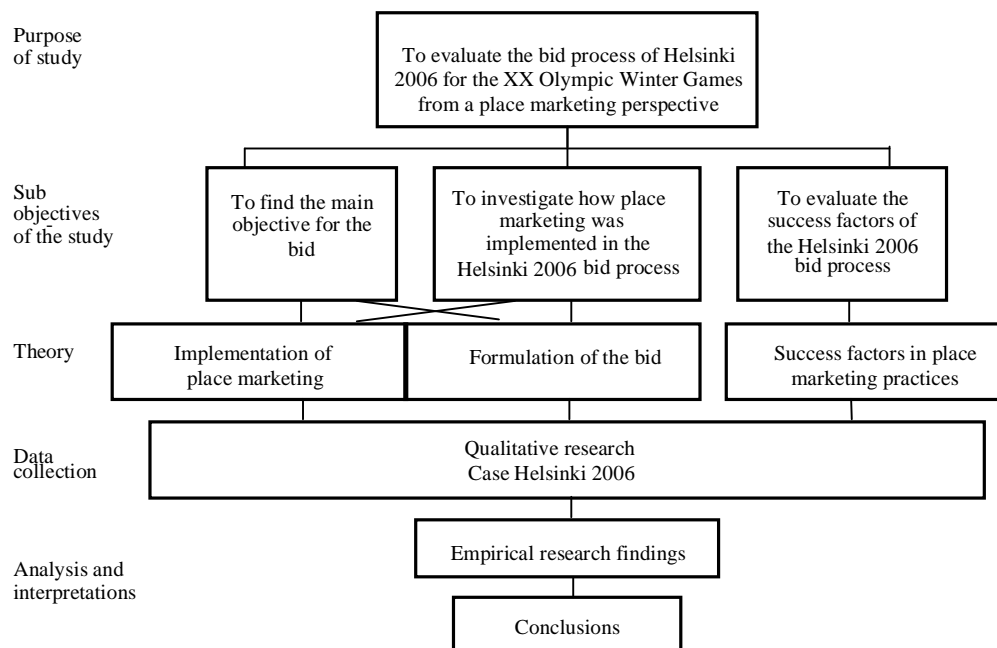


Figure 1. The structure of the study

Figure 1. demonstrates the structure of the study. The purpose of the study is divided into three sub-objectives that are referred from theory. The qualitative research on the case of Helsinki 2006 Candidature City for the XX Olympic Winter Games is conducted based on the theory. Empirical research findings are derived from the qualitative research. Conclusions drawn from empirical research findings close the study with organisational implications, policy recommendations and suggestions for further studies.

## 2 PLACE MARKETING

### 2.1 An overview of place marketing

Struggle between places whether to attract tourists or businesses, takes place these days on a worldwide basis. National governments are trying hard to progress general conditions the host economy is able to offer. The weapons of place marketing are being used to attract direct investments and new industries. (Kotler, Haider, Rein & Hamlin 2002.)

Like many marketing ideas, the global phenomenon called place marketing has its origins already in the 1850's in the USA (Rainisto 2003). However, many obstacles and issues needed to be worked out before the new theory was born. Different forms of marketing are required for the different organisation forms that have different goals to achieve. As a consequence, the concept of place marketing has also needed theoretical extension. Place marketing discussion has required development of three new marketing concepts, which were formed by gathering together several different trends (Ashworth & Voogd 1994), namely 1) marketing in non-profit organisations or marketing in non-business organisations, 2) marketing aimed at enhancing the consumer and society's well-being, social marketing, and 3) the concept of marketing images to non-existent products. The concept broadened the idea of marketing to include issues of the immediate, long-term and indirect profit, customers' benefits, behaviour and social attitudes. In the 1970's it became obvious that marketing as such could be used for places as well, although, the singular objectives lead to some differences in strategies and the operational implementation. These concepts arranged the way for an integrated concept of place marketing, and demonstrated that marketing can be efficient by offering new tools for public organisations. (Ashworth & Voogd 1994.)

Place marketing has been divided into three generations. The first was rather random chasing, where as the second was target marketing for certain industries and improving infrastructure. The third and present place marketing generation is competitive, selective and sophisticated niche thinking (Kotler et al. 1999). Strategic components of the concept, strategic positioning and differentiation of the place are given particular attention. Potential, new place marketing target groups are specific social and ethnic groups, such as retired people, and new themes, such as the environment (Kotler et al. 1999; Gold & Ward 1994).

In recent years, the idea that territories can be branded like products has found widespread application. Cities and regions compete for the interests of inhabitants, firms and visitors in a larger extent than in the past. Advancing European integration has turned it to a hard-fought battle. Several high profile places have invested in knowledge institutes, creative industries and high infrastructure and amenities that have to do with the quality of life. It is argued to be exaggeration to claim that such location factors no longer play a role in development of regions (Hospers 2007). However, the infrastructural provisions for regions within large parts of the European Union have become so similar that it is the small details, such as the image of an area and people's relationship to it that have become increasingly important development factors (Ispen & Kost 2007). Decisions on choice of location are based more on soft factors such as an area's image (Hospers 2007).

Places are becoming increasingly interested in the strategic marketing model. Place selling was a dominant form of promoting locations before place marketing. As the name indicates, place selling is a more operational approach to promotion, which is strongly based on various forms of advertising. In recent times, place marketing has become a prominent feature of the economic development strategy, place development (Rainisto 2003).

Kotler et al. (2002) define place marketing as designing a place to satisfy the needs of its target markets. Marketing is successful when citizens and businesses are pleased with their community, and the expectations of visitors and investors are met. At its core, place marketing embraces four activities:

- Designing the right mix of community features and services
- Setting attractive incentives for the current and potential buyers and users of its goods and services
- Delivering products and services of a place in an efficient and accessible way
- Promoting the values and images of the place to make potential users fully aware of the distinctive advantages of the place

There has been criticism about large place marketing inputs to attract visitors and outside interest. The necessity of investing public funds in creating an image through expensive branding campaigns, instead of improving the situations in the city is to question. However, there are other more efficient methods to get similar results. Free publicity through informative press that report on the place might not only save funds, but have greater effects as well. An objective evaluation creates more credibility than a subjective praise (Hospers 2007).

Lead times for booking world class expos and conventions run even ten years to the future that require well-thought-out strategies and marketing activities. For prestige



events, such as the Olympics, the place wars are particularly fierce, and long-term strategic marketing is critical (Kotler et al. 1993). The implementation phase of place branding requires many years and the process should be eternal. Repositioning of a country brand can take from 10 to 15 years. The systematic long-term approach of work, consistency, sufficient financial resources and intelligent focusing are key elements to be exploited to secure success in the place branding process. Examples of successful nation branding include Spain and Australia that have attracted enormous amounts of tourists after the Summer Olympics organised in Barcelona and Sydney (Rainisto 2007).

Major holistic works on place marketing are conducted by Kotler, Haider and Rein (1993; 1999; 2002). They originate from traditional marketing, containing theoretical discussions and best practice cases. Anholt (2002) states in his foreword that since the 1950s, 766 major publications by 789 authors have been published on the topic of place marketing. Over a period of some 50 years, this strongly makes place marketing a major field of study. Several authors of the issue point out that there is a rarity of real case histories on place marketing.

Researchers on place branding work on fields of economics, geography, architecture, marketing, cultural and policy studies. This wide ranges of disciplines involved shows how multidisciplinary the topic of place branding is (Hospers 2007). Place marketing has become a crucial and current field of study within marketing. Gold and Ward (1994) have edited a collection of articles examining how places have been marketed in the past centuries and how they were marketed in mid 1990's. Emphasis is paid on the promotional tools. Kotler et al. (1993) take a look at places from the ground up in exploring the ways how to advantageously position places in increasingly demanding and competitive markets. Through case studies, theories of marketing tools are created and presented in his books. Kotler et al. (1999) were argued to be the first ones to define the term place marketing (Rainisto 2003).

Theoretical place marketing studies have focused mainly on characteristics and image issues. Theory development would need more theoretical modelling and field research to get criticism regarding real needs of the places for refined developments. Branding related to places has been discussed first freshly and then also in context of nations and countries (Anholt 2002; Gilmore 2002; Kotler & Gertner 2002; Olins 2002). The branding of places smaller than whole countries, for instance, regions, cities or locations have been discussed only by a few authors. Hankinson (2001) has discussed the branding of locations and towns, and Rainisto the branding of city-regions (2000; 2001).

Development of the place marketing theory gathers in one set of tools the essential elements by using techniques that are more practical for places. The argument is whether relationship marketing offers a new paradigm for the field (Coviello, Brodie, Danaher & Johnston 2002; Kotler et al. 1993). For places, this indicates that relationship building practices should belong to place marketing; relationship marketing emphasises the value building to the customer as a partnership relation. Theory development would need more field studies to get feedback about the relativity of relationships in place marketing.

Rainisto (2003) builds in his doctoral dissertation a framework and analyses place marketing practices from the perspectives of the process, assessment criteria and success factors. The main research focus is on marketing management aspects in place marketing.

## **2.2 Implementation of place marketing**

Place marketing is an aspect of place development (Ashworth & Voogd 1994). The core of marketing concept is to understand customer needs and wants (Gummesson 1999; Rainisto 2000). Marketing's contribution is to organise effectively the use of the resources to achieve the overall targets. The basic idea in all marketing involves the whole organisation to solve customers' problems by producing added value and creating customer satisfaction. (Kotler 1997.) It is a very important strategic decision for a place to start systematic place marketing. This is also a matter of resources because there must be sufficient organising capacity that is crucial for the success of the place marketing. In a city region there are usually several communities, which have their own individual marketing strategies. The creation of a common regional marketing strategy requires a common agreement of all the parties.

Kotler et al. (1993) have summarised the various elements of place marketing in a framework shown in Figure 2. The process comprises target markets, marketing factors and a planning group. The planning group that is in the heart of the figure is responsible for the planning and control process of place marketing. Its initial task is to organise a planning group made up of citizens, business people, local and regional government officials and experts to validate the importance of collaboration between the public and private sectors and the need to involve all stakeholders in shaping the future of the place. The three tasks of the planning group are to 1) define and diagnose the community's condition in matter of its major problems and their causes; 2) to develop a vision of the long-term solution to the community's problems based on a realistic

assessment of the values, resources and opportunities of the community; 3) to develop a long-term plan of action involving several intermediate stages of investment and transformation.

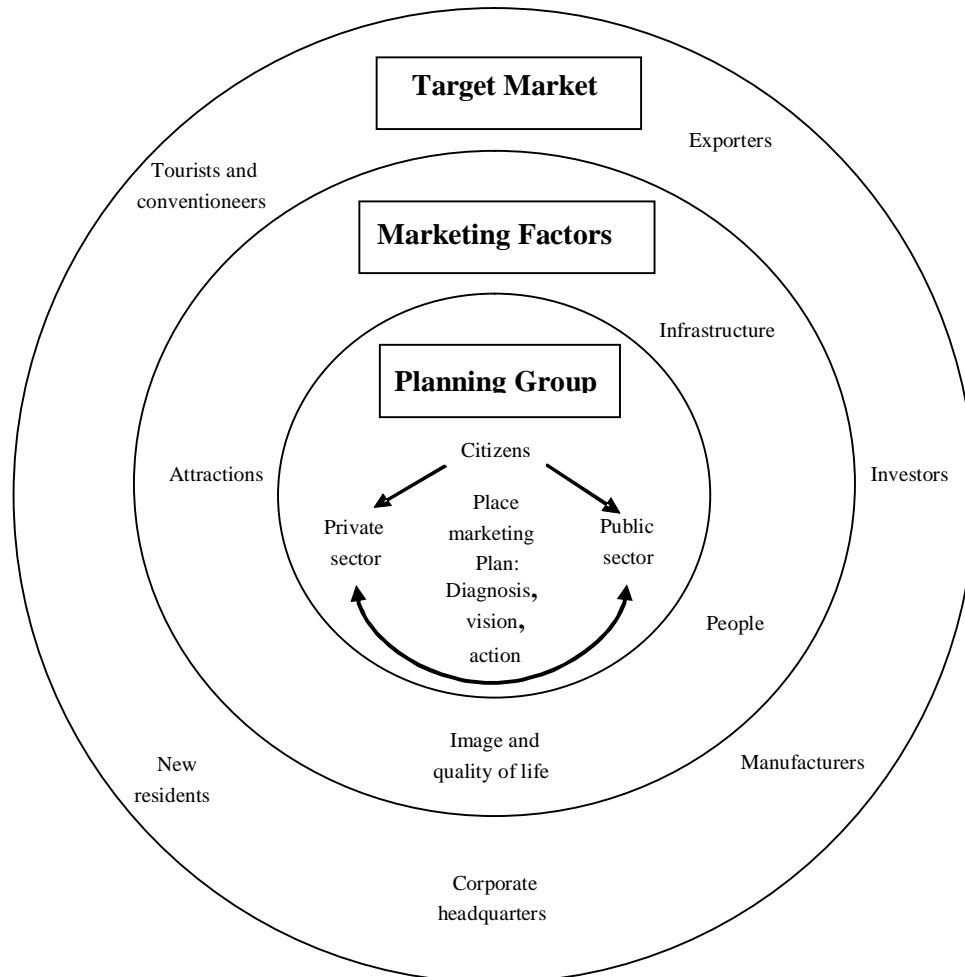


Figure 2. Levels of place marketing (Kotler et al. 2002, 46)

The long-term plan involves then the improvement of four major marketing factors that are in the middle circle of Figure 2. Attractions may be needed to improve the quality of life to sustain current private and public support and to attract new investment, people or business. Infrastructure and basic services need to be assured to the satisfaction of citizens, businesses and visitors. The image and improved quality of life must be discussed through vigorous image and communication programmes. People, covering citizens, leaders and current institutions, must give support to the place to make it hospitable and enthusiastic about attracting new companies, investment and visitors to its community.

The outermost circle of the figure represents the target markets that are satisfied and attracted with the marketing factors of the middle circle in a most successful way. These selected segments and customers can be goods and service producers, corporate headquarters, regional offices, outside investment and export markets, tourism and hospitality business or new residents. The fortunes of a place depend, in the final analysis, on the collaboration of the public and private sectors, teamwork among governmental units, business firms, voluntary and civic associations and marketing organisations. (Kotler et al 1999.)

In place marketing, the product needs to fit the customer's demands. The target of the place can only be reached when this task has been fulfilled. Places must find ways to differentiate and position themselves for their target markets by defining and communicating their features and creating competitive advantage. Segmentation is a core task in targeting the customers in place marketing. However, places do not always identify their target groups, leading to an imprecise focus that reflects on the marketing message (Kotler et al. 1999).

There can also be a gap between the realities of a place as a product and its marketing communication (Ashworth & Voogd 1994). A place can make a range of investments to improve the ability to invest and visit, and the liveability of the place product. According to Kotler et al. (1999), a place product comprises four components, namely: 1) Place as character. Aesthetic urban design reveals a great deal of 'the sense of the place', and makes a statement about a place because it reflects how values and decision-making combine issues affecting development. 2) Place as a fixed environment. A compatible basic infrastructure with the natural environment makes the urban design possible, but cannot guarantee a place's growth, although its absence is a serious liability. Strategic marketing planning must deal intelligently and creatively with the various infrastructure proposals. Also, infrastructure development needs to be adjusted to the overall place development priorities. 3) Place as a service provider. Like place design and infrastructure, successful places demand good public services, which can also be marketed as a place's primary attraction and product. Programmes for improving security, education and attractions need to be developed. 4) Place as entertainment and recreation. The traditional institutions serving this function are the restaurants, parks, zoos, sports arenas, and more complex combinations of attractions are emerging.

**Place marketing process:** To define a set of activities to produce a specified output to a particular customer or market is the starting point of a place marketing process. It has a beginning, an end, and clearly identified inputs and outputs. A process is therefore a structure of how the work is done (Davenport 1994). A place marketing process

consists of analysing marketing opportunities, developing marketing strategies, planning marketing programmes and managing the marketing effort (Kotler 1997; Rainisto 2007).

The process of place marketing starts with strategic analysis of the place together with the work of the vision and mission statements (Kotler et al. 1999; Rainisto 1999). A SWOT analysis is a recommended tool to summarise and make visible the strengths, weaknesses, opportunities and threats of the place and its environment. The analysis is prerequisite for successful further development (Kotler et al. 1999).

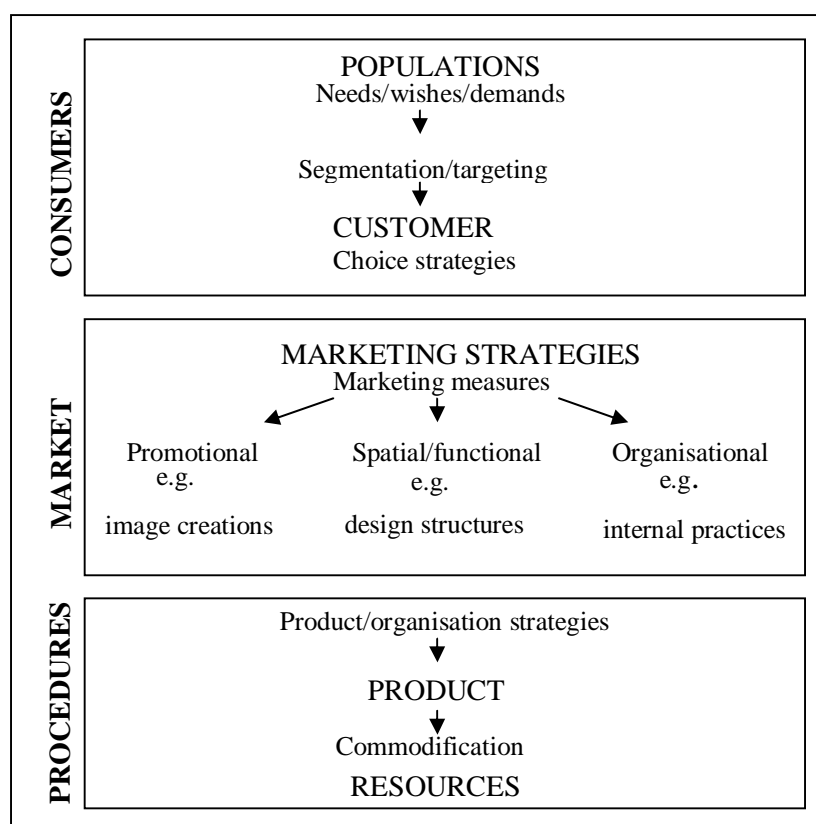


Figure 3. Elements in place marketing process (Ashworth & Voogd 1994, 43)

The elements in a place marketing process are divided into three perspectives in the framework of Ashworth and Voogd (1994). Each of these perspectives; procedures, market and consumers; are different from elements in traditional marketing. The distinctive character of place marketing, that is more than a simple transfer of techniques, is determined by these differences of perspectives that are presented in Figure 2. First, the perspective of the consumers, the place buyers, needs to match the right approaching strategy. Therefore the importance of choosing the right target group

is crucial. From the perspective of the market, the marketing strategy chosen according to the target segment creates marketing measures through promotional, spatial and organisational possibilities. The procedure perspective implements the marketing strategies with the product strategies to make the non-commercial product by nature commercial and purchasable for the place buyers.

Place marketing can include the selling of a preferred package of conveniences or the advertising of the entire place through images linked with it. Places are sold as goods to many different groups of consumers and customers for diverse purposes. Public and private organisations can be producers of a place product. The choice between comparable products on the place market is open to the customers. Pricing of places is generally indirect, vague and often non-monetary. Advertising and promotion are only a few of many possible ways to marketing places. The goals of the organisation and choice of marketing strategies define the actions. Many strategies may be simultaneous requiring each a different mix of marketing activities. (Porter 2001; Rainisto 2001; Kotler & Gertner 2002).

Features of a place product are the non-monetary price of purchase and intangibility of non-business products, the extreme lack of frequency of purchase, lack of behavioural reinforces the need to market to a diverse entire market, and the extreme levels of involvement. The political aspect is strongly involved in the place's decision process. (Rothschild 1979.)

The major players in the place marketing process are presented in Figure 4. It is vital to find solutions to motivate and co-ordinate the various stakeholders for the regional interests (Rainisto 2001). The actors in place marketing consist of local, regional, national and international players. Local actors are divided into public and private actors. Public sector actors have a major responsibility in place marketing that may originate from high unemployment, half-empty hotels or poor business. The responsibility is taken by the city mayor or other public executives that require development of place marketing strategies and plans. Implementation is taken by public agency managers in charge of transportation, education and recreation. The mayors themselves can sometimes provide and inspire visions, appoint agency heads and win the support of vital private sector actors. (Kotler et al. 1999.)

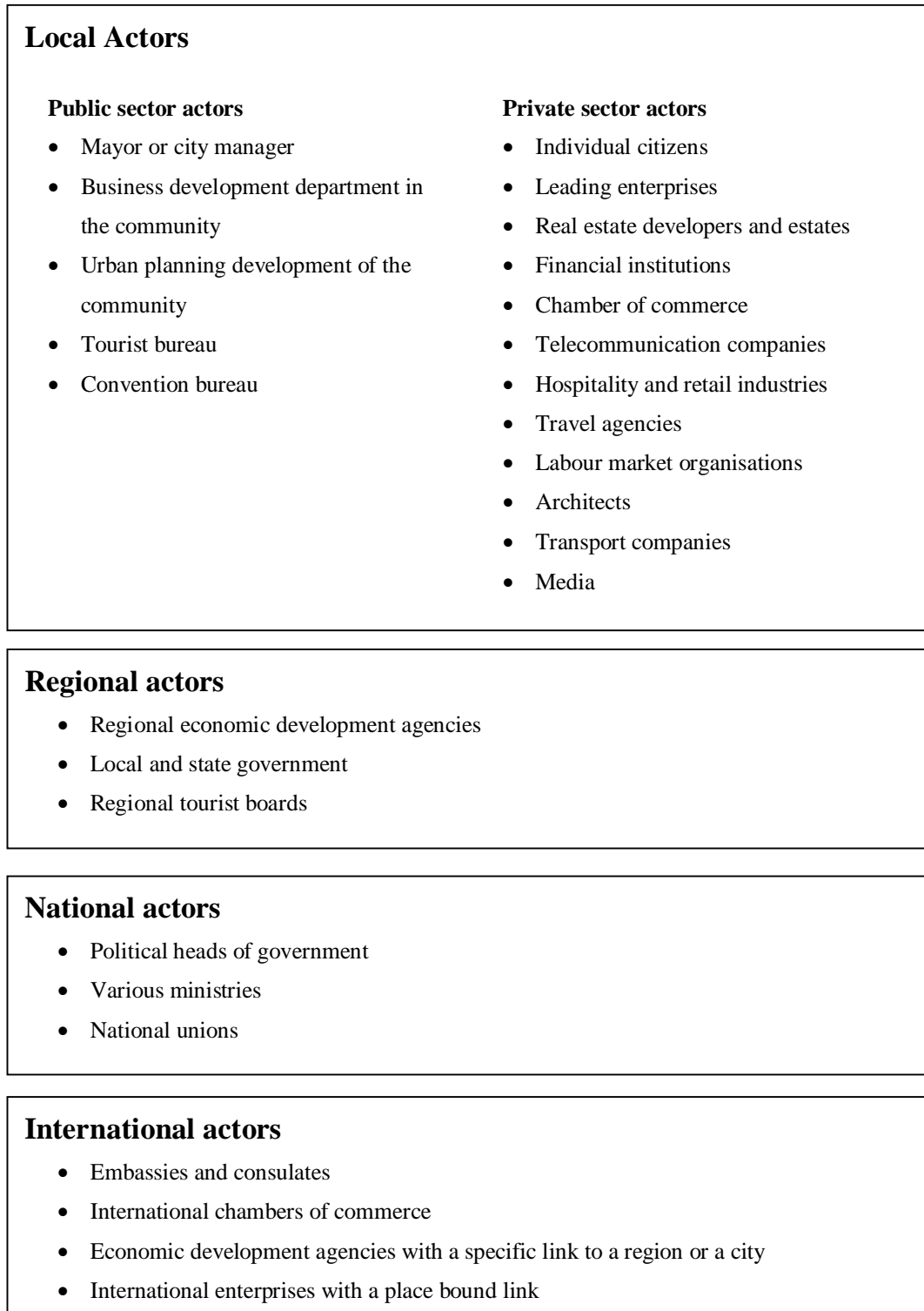


Figure 4. Major actors in place marketing process (Kotler et al. 1999, 34)

The interest of private sector people in any economy are clear and therefore they play a major role in supporting positive action. Hotel and restaurant operators get involved along with retailers and other business leaders through local chamber of commerce and trade associations. The funding and confidence of financial institutions are necessary to support the design and implementation of place marketing plans. The challenge is to coordinate public and private interest groups to work cohesively together and agree on the ends and means to be pursued. Bringing disparate groups together to support a common goal takes leadership that can be more challenging than running a single business or government agency. This same formula applies as well on a regional, national and international level. The more international the level of playing field, the stronger the cohesion should be to produce a common image. (Kotler et al. 1999.)

Cross marketing is helpful in the process, when practicing place marketing. Cross marketing means constantly marketing between and amongst place players leading to all the parties being winners and benefiting from each others' possibilities. For example, visitors are not only tourists but potential links to enterprises and investors in their home countries with the ability to influence their employers to arrange an international meeting in the location (Rainisto 2003). Through fragmented images, a place can be marketed in diverse ways to different place consumers (Kotler & Gertner 2002).

It is useful in place marketing to realise in general, how place buyers proceed in their decision-making process. Place buyers examine a variety of factors in choosing a place, be it the holiday destination of a family, a business firm preparing to build a manufacturing plant or the IOC electing the future host of the next Olympic Games. Regardless of the particular type of selection decision, there are common elements to all place selection decisions. The five stages of buying tend to be: problem recognition, information search, evaluation of alternatives, purchase decision and post purchase behaviour. (Kotler et al. 1993.) The stages of buying are presented only in short as this research concentrates on the seller's perspective.

In problem recognition, the place buyer can have different roles such as the initiator, who first recognises the problem, need or opportunity, takes some action to gather information and spreads it to others. The influencer gets involved at some stage in the decision-making process and exerts some influence on the decision. The decision-maker has the authority to make the final decision or some decision along the way. The approver can either approve or reverse the final decision. The buyer implements the final decision and finally the user consumes the product or service. (Rainisto 2003.)

Information search can be avoided if the buyer is well informed, has a strong initial place preference or must make the decision quickly. However, if information is searched, the amount of search undertaken by the planner depends on the level of initial



information and the value placed on additional information. Place marketers are interested in the major sources of information that the buyer consults, the categories being personal sources, commercial sources, public sources and experimental sources. The type of place decision together with the personal interest of the buyer makes the influence of the information source relatively variable. Most information is usually received from commercial sources, whereas personal sources are the most trusted ones. Each source plays a different role in influencing the decision. (Kotler et al. 1999; Rainisto 2003.)

By evaluating the alternatives the buyer tries to organise the information and arrive at a final decision. The assumption that a buyer makes product judgments on a conscious and rational basis is not perfectly reliable. The buyer sees first a place as a bundle of attributes. For conventions facilities, capacity, accessibility, services and costs are examples of attributes to be considered. Second, buyers vary in finding other attributes more important than others. Importance weights are then attached to the relevant attributes. The image the buyer has about the place is the third phase stage to overcome. They are sets of beliefs the buyer holds about a particular place that can vary from the true attributes owing to the buyers own experiences and the effect of selective perception, distortion and retention. Each attribute should also have a utility function to describe the varying expectations of the buyer on each factor. The combinations of attribute levels with highest utilities make up the planners ideal place. Attitudes towards the place alternatives arrive to the buyer through some evaluation procedure. For buyers who only care about one attribute, their choice is easily predicted. However, the choice set consists of cities that vary in their appeal and most buyers consider several attributes but assign different weights to them. The model called the expectancy value model of buyer choice is only one way of describing how buyers evaluate alternatives. It is therefore essential for place sellers to find out the meaningful attributes. (Kotler et al. 1999.)

One factor that can intervene between the purchase intention and the purchase decision is the attitudes of others. They can reduce or increase the purchase probability of the place buyer. The extent of influence from outside depends on two things: the intensity of the other person's negative attitude and the perception of the other person's credibility. The more intense the other person's negative attitude and the closer the other person is to the buyer, the more the buyer's purchase intention is adjusted. The buyer forms a purchase intention on the basis of expected benefits and costs. Unanticipated situational factors can erupt to alter the purchase intention. Perceived risk heavily influences a buyer's decision and can even postpone the decision if buyers cannot be certain about the purchase outcome. The marketer must understand the factors that

provoke a feeling of risk in buyers and provide information and support to reduce the perceived risk. (Kotler et al 1999.)

The marketers work does not end when the product is bought but continues into the post-purchase period. The buyer's satisfaction is based on the closeness between the buyer's expectations and the places perceived performance. Buyers also form their expectations on the information received from sellers, friends and other sources. This suggests that the seller must make claims that faithfully represent the likely performance of the place to make the buyer experience satisfaction. Marketers can also take action to minimise the amount of post-purchase dissatisfaction. Smart organisations welcome customer feedback and respond quickly and positively in redressing customer grievances. (Kotler et al. 1999.)

**Place branding:** In contemporary marketing, branding is central, as it integrates all success factors in one formula. Brands are the basis for long-term success of firms and organisations and drive major mergers and acquisitions. Branding is a potential option for places to establish a place with desired associations. Places can be branded just like products and services. Place branding aims especially at increasing the attractiveness of a place. (Fikkers & Coenen 2007; Rainisto 2003.)

The branding process is a long-term, systematic involvement requiring a sustained effort to take the place further along the learning curve. The process starts by forming a working group. In the following stage professional qualitative and quantitative research is needed to find out how the nation brand is perceived at the moment internationally by the target markets and by its own residents. These research findings are analysed and consulted with experts, players and stakeholders. In the following strategy building phase the core idea and the identity of the nation brand are formed with the umbrella brand and the sub-brands. Good communication systems during the whole process are vital as this phase lasts from 12 to 18 months. (Rainisto 2007.)

There are several strategic decisions in the branding process for a place. To embark branding can be a good starting point for place marketing. The choice of the brand name is often obvious and the name of the city situated in the centre of the region is most often selected. When branding geographical locations like products and services, the actual name of the location serves often as the brand name. A branded place makes people aware of the location and connects desirable associations. (Rainisto 2003.)

Brand positioning is a fundamental strategic decision and a place should position its unique attraction image among the other places in the desired segment. Positioning identifies the brand in the market in relation to the competition. The whole marketing programme including objectives, strategies and tactics is derived from brand positioning (Loden 1992). It is necessary to also analyse the customers' reasoning through very

concrete benefits and evaluate the kind of brand relationship the target groups has with the place. The issues of personality and exclusive sales propositions of the location must be studied in comparison with the competitors. The more closely the offering is focused, the easier it is for the offer to succeed in the segment (Keller 1998). Useful and available tools in the niche marketing are positioning the use of regional marketing, exclusive channels of distribution and premium value pricing. Core identity of the place must be homogeneous with the contents of the practices, not imitated from rivals. Narrow specialised marketing, such as ‘place niche marketing’, appears to be useful for most places, as the place relations connected to the place image are crucial in terms of outcome. Using a corporate brand strategy can lead to a market domination in selected customer segments. Even small market niches can be enough to realise the targets for the place on the global market. (Loden 1992; Keller 1998.)

Branding is a holistic development that influences the whole place by bringing added attraction. A combination of unique attraction factors that make a place different from its competitors are possible to discover for each place. A nation can increase its profile in its target markets through a strong brand which is based on the identity of the nation. (Rainisto 2007.)

Place management has a great challenge in keeping the location progressive and to attract new place development and investments to the location, not forgetting to keep the existing businesses and residents content. When developing a place product, new clever managerial methods are needed. Place products need to be changed according to place customer’s needs. Central in place branding management is building identity for the place (Rainisto 2007.)

Building strong brands requires clear brand identity and brand position as well as regularity over time. **Brand identity** is the state of will and the active part of the image building process that reflects how the brand wants to be perceived (Aaker 1996). For place branding, brand identity is a unique set of brand associations that the place management wants to create or maintain. Core identity is also a central driving force in place branding including the major elements of place attraction. (Keller 1998; Rainisto 2003.)

**Brand image** is the perception of a brand in the minds of people. It is what people believe of a brand, a reflection of the brand personality. But there can be dissonance between the intended image and the message received by its audience. Competing claims of other places will influence the message especially if the communication strategy is not fixed substance and core values of the place. The choice of core values shaped to the core identity is critical for the emerging image of a place. (Rainisto 2007.) Figure 5 demonstrates the relation of brand identity, brand position and brand image.

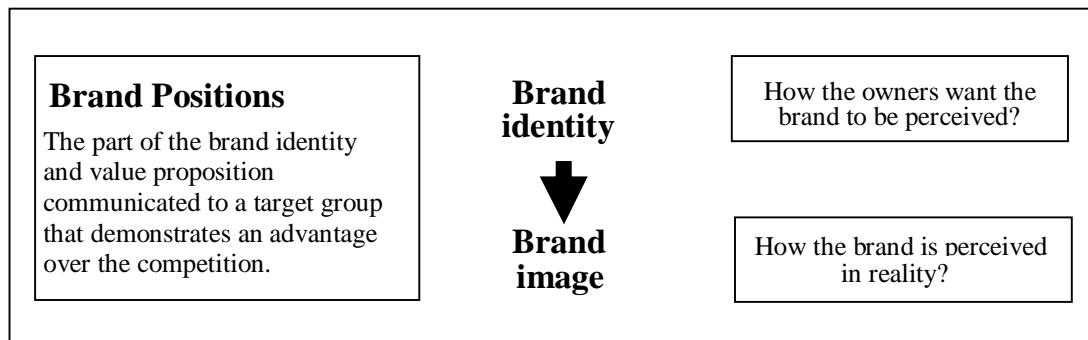


Figure 5. Building of brand image from brand identity and brand position (Keller 1998, 154)

A place needs to be differentiated through unique brand identity if it wants to be perceived superior in the minds of place customers. For places, the creation of added value for place customers is a real challenge. The process of making place-oriented added value 'visible' requires a high level development system of the place product. Branding can be used to make the place offer "visible" in a compatible way (Hankinson 2001). A place brand is created when a place manages to create favourable brand associations in the minds of the targeted customers leading to the possible consummation decision of the place customer. (Rainisto 2003.)

The key issue of decision-making for place customers is perceived quality. Perceived quality is a key driver of customer satisfaction, and is the main positioning dimension for corporate brands, when functional benefits cannot play a decisive role. Place brands resemble corporate umbrella brands, to some extent, and can benefit from the value of a place's image. The creation of quality perception for a place is impossible unless the quality requirement has substance in the major attraction factors. However, perceived quality may differ from actual quality when customers' motivations and perceptions are changing rapidly (Aaker 1996; Kotler 1997). As brand identity is the starting point for attraction building, more emphasis needs to be placed on brand identity than before by uniting the most important attraction factors in one marketing message, the place's identity. Cities cannot escape the trademark of their nation. The image of the home country has a strong influence on potential competitiveness of a city. (Rainisto 2003.)

### 2.3 Success factors in place marketing practices

Many studies have been pointing out different success factors in place marketing. Successful place marketing customs seem to have common properties and emphasise

the importance of the role of management and leadership, local development, public-private partnerships and process coincidences. Additional important factors influencing the success of place development and marketing practices could be initiatives focusing on local resources and development, national and international links and networks in the global marketplace, and political harmony to reach agreements and establish community involvement. The theoretical framework created by Rainisto (2003) to understand the construction of place branding, consists of these various elements named as success factors. (Figure 6.)

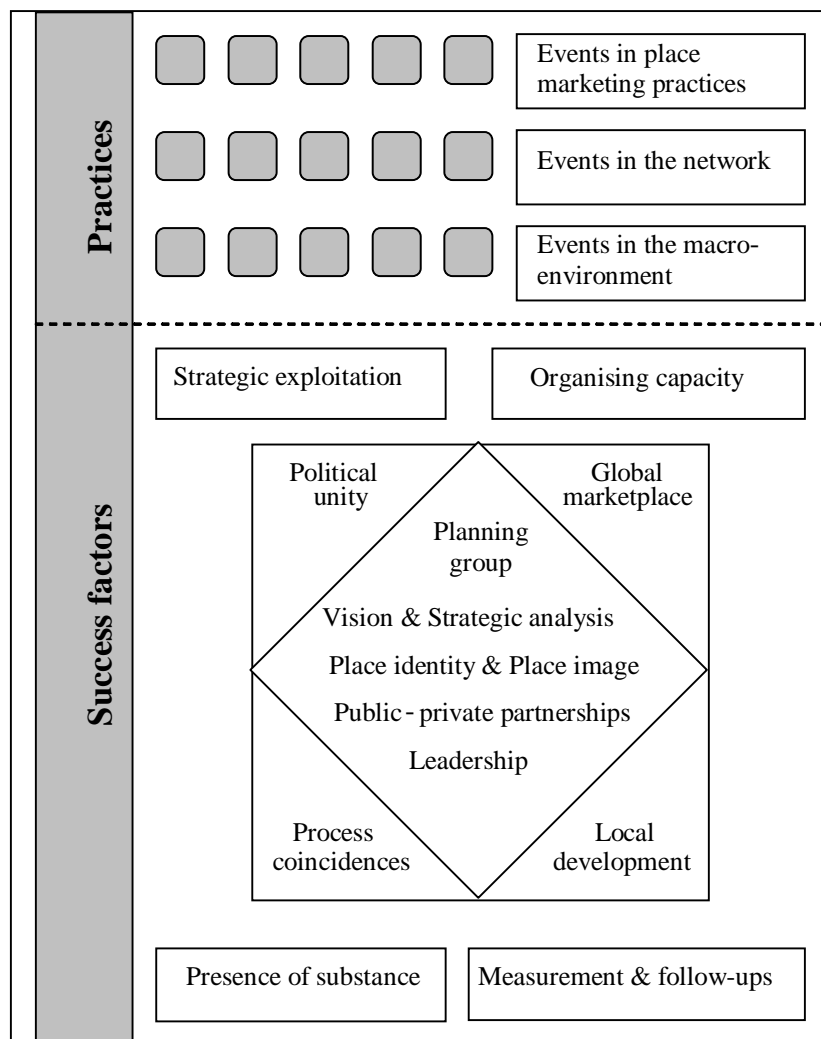


Figure 6. Success factors of place branding (Rainisto 2003, 227)

The success factors in Rainisto's model are divided into three dimensions. The core building elements in place marketing are the elements in the inner part (planning group, vision and strategic analysis, place identity and place image, public private partnerships

and leadership). Success factors explain why practices taken in place marketing are either successful or unsuccessful. The degree of success can be measured through the goals set in the assessment criteria. A specific success factor represents the ability and capability of a location to take the particular issue into consideration in the place marketing practices of a location. (Rainisto 2003.)

**Planning group:** The organ responsible for the process of planning and executing the place marketing practices of a location is called the planning group (Rainisto 2003). It is recommended to use a special planning group in place marketing of international practice. The responsibilities of the planning group are (Kotler et al.1999):

- Defining and analysing the place's condition through SWOT analysis
- Developing a vision based on realistic assessment and analysis
- Developing a long-term plan for investment and transformation

A place's ability to use all available players in place development and in place marketing to generate new ideas, develop and implement the policy for the place, has been also called the 'organising capacity'. The organising capacity comprises the issues of the maintenance of the vision and strategic work, the level of public-private partnerships and the quality of leadership (Kotler et al.1999).

**Vision and strategic analysis:** Major essential elements suggested in the literature, concerning the vision and strategy work in place marketing are presented below. Unfortunately, places often do not completely succeed in managing this quite standard marketing practice (Aaker 1996; Kotler et al. 1999):

- A clear understanding of what is wanted. The vision should be established together with stakeholders, and a broad agreement on a long-term vision is needed. The short-term and long-term goals, as well as the operational consequences of the visions, need to be understood and defined.
- An honest and thorough analysis (SWOT). To decide on the unique combinations of attractions on which the place concentrates. The major trends and developments must also be understood in the analysis.
- Definition of customer segments and the target markets of the place.
- Place product must be adapted to customer's needs, and benefits to customers must be described honestly in concrete terms. Reality and created expectation must meet. Confused messages weaken the arguments.
- The competitors must be known, as should the choice of customers. A competition analysis is needed.
- A real point of difference, the unique selling point, must be created. This explains why target groups choose to come to the place and not to another location.

**Place identity and place image:** When a place has created a clear concept of its desired identity, the foundations of its image have been established. If place marketing communication in place marketing practices is successful, the place can expect that its future image will be just as desired by the place marketing planning group that is formed of place strategists.

Place identity is how a place is desired to be perceived. A place identity is a unique set of place brand associations that the management wants to create or maintain. The associations represent what a place stands for and imply a promise to customers from the place organisation. (Modified from Aaker 1996.)

Place image is the sum of beliefs, ideas and impressions that people have of a place. Images represent a simplification of a large number of associations and pieces of information connected with the place. (Ward 1994; Kotler & Gertner 2002.) A place's image must be valid, believable, simple, distinctive and appealing (Kotler et al. 1999).

It is important in business marketing, as it is in attracting tourists, to evaluate the place image against the images of the competing regions from the point of view of the place customers, and bear in mind that different target groups hold different images of the same place. (Rainisto 2003.)

**Public-private partnership:** Successful cooperation between public and private sector players; private firms and institutions; gives the place more critical mass and also new organising capacity. Partnerships also provide a low-cost opportunity to learn about a partner's skills and resources before making a major commitment or alliance. In this relationship new opportunities may also be found such as new development projects. Partnerships also help to find other resources to support a place marketing project's resources. (Kotler et al. 1999.)

**Political unity:** This element of the framework suggests the strong presence of a political element in place marketing. Political unity means agreement about public affairs in general among the political decision makers. With regard to the complexity of the place product itself, the demand for political unity and consistency increases the management challenge in place marketing. (Kotler 1993; Rainisto 2003.)

**Global marketplace and local development:** Global marketplace suggests that like corporations, places too, have to compete on very international playing field. Local development indicates the importance for a place to take care of its local development, in order to survive in the competition. Strong local development activity, together with a global perspective and international approach, form a strong foundation for place development. (Rainisto 2003.)

The local economic base of a place should be built strong, and the present companies and residents kept satisfied. The global challenge brings more competition, but creates

also new possibilities such as new potential niche markets. A place can learn to benefit from its local geographical advantages by focusing on being the best in its location for the selected clusters and fields of industries. (Rainisto 2003.)

The competitive environment is different in each country. Additionally, important differences in taste, lifestyle, consumer attitudes and purchasing power create new sub-markets. Many local brands have, therefore, advantages resulting from local market position, regional cultural awareness and differences. It is necessary to identify differences in consumer behaviour and adjust the branding and marketing programmes to create the necessary customer value. The local marketing effort further connects with customers, and helps to understand the market needs so as to further improve the offering. (Murphy 1992.)

Local attractions make a place unique provided that these can be turned into customer benefits on a broader scale. In the place selection process, the stages of the place buying develop from large patterns to more specific options, resulting in the local image and profile of the place getting increasing value. Very famous places obviously attract more of a certain type of resources than small, less-known places. In strategy work, a place must, therefore, understand its real competitive position, in order not to undertake unrealistic goals. Almost every location has something special that can be worked up into an interesting offering, find the right customers and market segments, and create customer added value for them. (Aaker 1996; Loden 1992.)

**Process coincidences:** Unexpected happenings that deserve special attention concerning their active role in the place marketing process itself are considered as process coincidences. The terms ‘unexpected relevancies, connections or events’ have also been used when referring to similar contexts. There is no earlier model in place marketing, which has as clearly emphasised the importance of *force majeure* issues, process coincidences. It is not infrequent, that various issues affect the performance of places to be successful, independent of their own actions. (Rainisto 2003.)

Unexpected connections or events sometimes influence investment decisions in very subjective ways. A personal connection (common friend), shared interest (art, sport, nature, wine, etc.) of unusual importance to one party may be discovered to be shared with equal passion by the other party. This sometimes forms the basis of trust building or relationship building, which ultimately becomes relevant for the overall decision. Surprisingly, investments have often been influenced by unexpected but relevant factors. (Kotler et al. 1999.)

Process coincidences can be positive or negative at nature. Examples of positive coincidences are the enlargement of the European Union for the member states, creating a large market (which could also have negative process coincidences for some places



such as cost factors or criminality) or the development of biotechnology, bringing global interest for clusters. Negative externalities, that are a result of inequality in marginal private costs and marginal social costs, form a major group of negative process coincidences (Jensen-Butler et al. 1997). The media is a very important catalysts for public opinion. Strong citizen's movements can influence the rational decision-making as control is no longer in people's hands. In this era of rapid flow of information, opinion processes occur, for instance, concerning nature protection. (Rainisto 2003.)

**Leadership:** The term leadership indicates the highly qualitative contents of management as a success factor in place marketing practices. Leadership can be considered the most critical challenge in place development and place marketing and place development. Leadership may be individualised in a charismatic person, or it can be collective, being present in a political party. (Aaker 1996.)

Leadership will be in many cases the decisive point that will differentiate the winners and losers in the place war. The study of Rainisto (2003) argues that good leadership can decisively help a place to prosper even if the place has only modest physical resources. Further, unprofessional leadership can ruin a place regardless of its previously perceived positive image and good resources. It is a task of the management of a place to actively look for efficient working tools and coordinate their deployment. Without good leadership few place marketing projects will be successful. (Rainisto 2003.)

On the sides of the prism are the elements that meet the challenges in the network and the place marketing practices are performed in the macro-environment. Additional strain to the challenges of place marketing is brought through organising capacity, presence of substance, strategic exploitation and measurement and follow-ups. The presence of these ability factors is crucial when practicing place marketing.

There must be enough **organising capacity** present for the management of the strategic part of the process, as well as for the operational implementation of the programmes. Organising capacity comprises the capabilities of the management and the resources of the place suggesting that also political unity is needed to achieve the necessary organising capacity for the place. The 'state of affairs' is the **presence of substance** that has been reached by means of, for instance, organising capacity and the process of the systematic strategic analysis. (Rainisto 2007.)

**Strategic exploitation** of individual, core issues is essential in place marketing. Operative actions bring success only by accident without strategic thinking. Therefore, both the strategy work and the implementation on the operative levels are needed for success. Although the strategic work is the most demanding part of the place marketing

challenge, **measurement and follow-ups** ensure the ideal way of execution. What stands for in place branding is you get what you measure. All the success factors of the framework are connected and interacting with each other supporting the process of successful practices. (Rainisto 2007.)

### **3 THE OLYMPIC HOST SELECTION PROCESS**

The Summer and Winter Olympics are rotating events with varying host cities from Olympiad to Olympiad. The hosting of the Games is awarded by the IOC members to a city, which is judged to distinguish itself best from other candidate cities. All candidate cities have to provide the IOC with a bid containing a complete account of how they intend to organise the Games. These bids are then evaluated in a process that takes more than a year to complete. The final selection of a host city is made by secret balloting. If no city obtains a majority in the first round, the candidate with the fewest votes is eliminated at each round of voting until one candidate receives more than 50 percent of IOC votes. The results are published after each round. (International Olympic Committee 2008; Persson 2002.)

The selection of Olympic cities is a process requiring interested National Olympic Committees (NOCs) supported by their national governments to first organise a national inter-city competition to select a nationally representative candidate city. Bids to the IOC are then made by these nationally chosen cities. The IOC assesses them by short-listing and makes the final selection. (Roche 2000.) All parties involved in the Olympic host selection process, including the IOC, International Sports Federations, NOCs and the Organising Committee of the Olympic Games are presented in detail in Appendix 3.

#### **3.1 Characters of the host selection process**

The host selection process of the Olympic Winter Games resembles to a great extent a normal business-to-business purchase transaction of products. According to Persson (2002), the sellers are the bid organisations of the host candidate cities. The buyer is the IOC organisation who executes the contractual arrangements with the selected host city. The supplier is the city. The product is the hosting of an Olympic Games that includes sporting and cultural events during a period of 16 to 17 days under world-wide TV-coverage. The influencers of the bid selection process are messengers of the bid committees, other actors, mainly from the IOC, and information channels. They circulate information and add decision criteria to the process. To control the flow of information to the decision-makers, gatekeepers from the administration of the IOC and one appointed IOC member supervise the candidate cities and their bids. The evaluators of the bids are the Evaluation Commission of the IOC. The bid selectors are the active individual members of the IOC. The decision makers who select the vendor or supplier of the product are the 115 active members of the IOC. The final decision is made in

secret ballot. The users of the product are the athletes, spectators, media, sponsors, international sports federations and the NOCs. The payment the IOC pays to the selected host city is more than US\$ 500 million in the case of Winter Olympics. This payment originates from the IOC's contracts with TV networks and international sponsors. The IOC payment is supplemented by the awarding of the sole right to organise the Games. The host selection process is visualised in Figure 7.

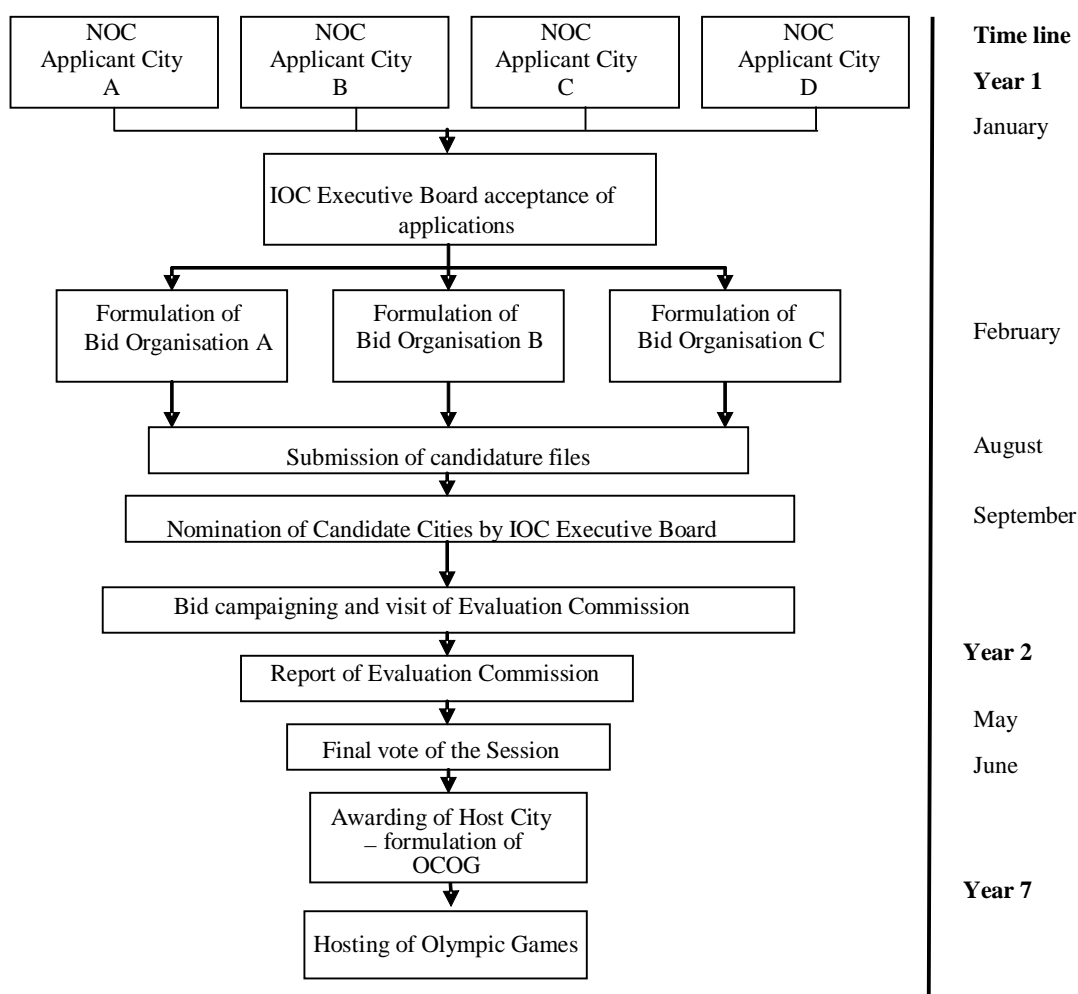


Figure 7. The host selection process (modified from International Olympic Committee 2008)

In a normal business-to-business operation the purchase decision is made by people representing one or just a few different nationalities. The vital difference with the Olympic bid selection is that the IOC members deciding in the host selection process represent more than 75 countries and nationalities. The information input is delivered to the IOC members by the IOC Evaluation Committee, the IOC Electoral College,

International Sports Federations, bid committees and their messengers and by other actors and channels. The development of alternatives is made by the cities through their bids, offering a total organisation of Olympic Winter Games. The choice criteria are set by the IOC and the individual active IOC members. (Persson 2000.)

No other election process that makes its decision through secret ballot has been found to have as many nationalities as the IOC. Due to this secrecy, it is remarkably difficult for the bidders to gain knowledge about the previous voting of these nationalities. Hill (2000) states that enterprises design marketing strategies too often in general terms and carries them out through general courses of action. The consequence can then easily be lack of congruence between the companies' functional strategies and their markets. Therefore, Hill suggests that marketing organisations should base their strategy on exact knowledge of particular market components rather than on general ideas. (Hill 2000.)

### 3.2 Bid components

The purchase of a bid is a process of communication, which usually consists of a message, a communicator, a channel and a receiver. The bid messages describe how the total organisation of the Winter Olympics is planned. The messengers communicate these messages to the recipient IOC members and other actors in the process, and different channels circulate the messages within the bid process. The term bid components is an all-embracing term for messages, messengers, other actors and channels. (Persson 2000.)

Persson (2000) examined the Olympic host bids in previous studies and found that the 90 bid components comprised of 50 messages, two types of communicators (15 messengers and 17 other actors, of which one was also a messenger) and nine channels. The merits of these bid components are contingent on the candidate city and different cities have different prerequisites to offer a high level of important components in the bid. However, if the candidate city has been informed about which components are of importance for IOC members the information could help them improve the quality of at least a few components. This points out that the two deciding factors in the struggle for bid victory should be the choice of bid components and the quality of them. (Persson 2000.)

**General evaluation themes identified by the IOC:** The objectives of the IOC listed in the Olympic Charter; independence, expansion of Olympic Movement, prestige of IOC and attractive Olympic Games; are condensed into operators by Persson (2000).

These objectives that are also interpreted as goals of the IOC and the Olympic Movement have been constant since the beginning of Modern Olympics and are never to change.

Messages that bring political independence and financial resources to the IOC contribute to the independence operator. Bid offers that support the communication of the Olympic message over the globe contribute to the expansion of the Olympic Movement. Some messages can be formulated in a way to bring prestige to the IOC. Messages contributing towards a fair, safe and spectacular execution of the Games as well as satisfying the well-being of all visitors, viewers and athletes support the attractive Olympic Games operator. (Persson 2000.)

The elements required in the bid book, set in the Olympic Charter, are divided under 18 themes. They are required to ensure smooth organising of the Olympic Games prevailing Olympic values. Clarifications need to be submitted on all 18 themes to prove the readiness of the candidate to host the Games that will take place seven years ahead from the bid. The most essential part is the last theme that requires fixed governmental guarantees about finances and obligations of each theme. The contents of the bid books clarify for the IOC the plans the candidate city has for organising the future Games. The clarifications made on these themes are listed in detail in Appendix 4.

**Bid-winners:** A general expression of corporate strategy is the necessity to meet customer's needs (Hill 2000). In Persson's study (2000) the success of the bidder's choice of bid components is evaluated in accordance with the perceptions of the IOC members on different components. The research contained a participant-observation in three bid processes<sup>5</sup>, two archive studies and two surveys. The first archive work was made on the elections of all Olympic cities from the beginning of modern Summer Olympics in 1896 to 2000 and all Winter Olympics from 1944 to 2002. The second archive examined the compiled views of bid committees on which bid messages they believed influenced the IOC members' bid choices by studying the video recordings of the final presentations of the bid committees that were presented two hours before the final election at the IOC Sessions. The first study was carried out to obtain the views of bidders on all bid components. The purpose of the second investigation was to figure out the views of the IOC members on the same bid components. Both surveys were carried out after the election process for the 2002 Winter Olympic Games, which were awarded to Salt Lake City. (Persson 2000.)

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<sup>5</sup> Persson took part as a bid worker in the bid processes for the 1994 and 1998 Olympic Winter Games and as a bid committee president for the Swedish candidate city in the 2002 Winter Games.

Persson (2000) argues that the best way of winning an Olympic host bid contest is not simply to use bid components that individually are considered "very important" by the greatest amount of IOC members. The bid must attract a majority of IOC members meaning that a well-planned bid must include a specific set of bid components that are considered 'very important' by the same majority group of the IOC. These bid components are called bid-winners.

Persson's research contains limitations. It is known that cultural influences and preference points of people are subject to accelerated change by time (Kotler 1993). It is also known that the settings of an Olympic host selection process is renewed on each occasion from both, the bidders' and the IOC members' side. The body of the IOC members is renewed by some 10 percent between each bid process and bid rules are often subject to change. Although the bid committee should acquire specific knowledge of the individual IOC members' actual preferences with regard to bid components, one important prerequisite that does not change is the goal of the IOC. As long as personal objectives of IOC members do not prevail the goals of the IOC, the large-scale thoroughness and uniqueness of Persson's study supports to use his research results named 'bid-winners' to evaluate the success of the bid in this present study. The fact that Persson's study was conducted on the latest Winter Olympics bid process before the Helsinki 2006 bid supports the convenience of the bid-winners to be used as evaluations factors of success in the case of Helsinki 2006. Bid-winners of Persson's study are presented in Table 1.

Table 1. The bid components graded 'very important' by a majority of the IOC respondents (Persson 2000, 18)

<b>Bid-winners</b>	<b>Others</b>
Olympic village	Support for the bid
Transportation	Visits to bid city
Sports/arenas	Sports organisation
Finances	Security
Media centre	Bid city characteristics
Telecommunications	National, regional characteristics
Information technology	Care of the athletes
	Compact Games
	Accommodation
	Evaluation Commission
	Programme of the Games
	Medical and health services

### 3.3 Formulation of the bid

When submitting a successful bid campaign a place benefits from an improvement in its public recognition score. Not to harm the image with a failing candidature, it is advisable for the destination to make sure it has the required facilities for success. Experiences of earlier candidates can be very helpful in this context. The concept behind the candidature has to be carefully planned together with the presentation and implementation of the campaign as presented in the figure bellow (Keller 1999.)

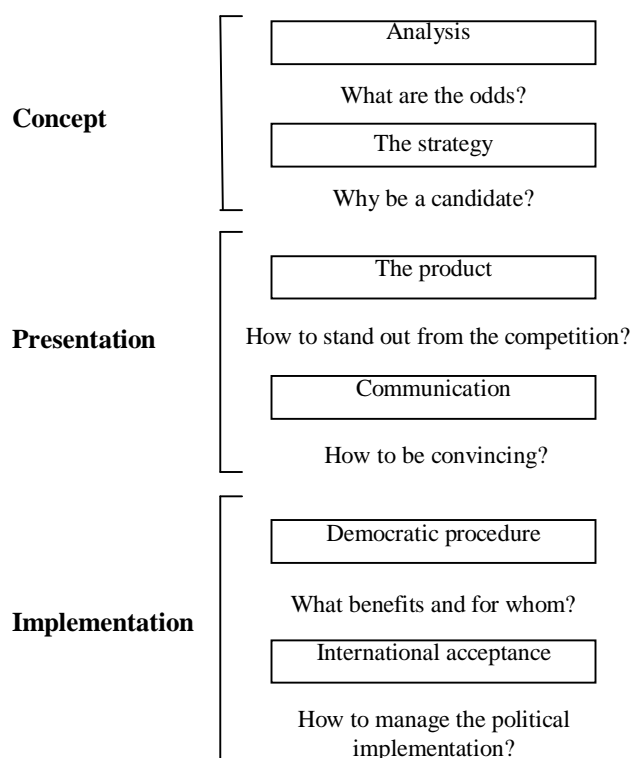


Figure 8. Strategic procedures and questions for a successful candidature (Keller 1999, 143)

In planning a bid, the simplest pre-evaluators are financial and time resources. The average budget of a winning bid has been estimated to be from US\$ 8-15 million. The timing of the bid campaign is also crucial and the preparation for it should start when the previous host election for the same type of Olympic Games has been completed indicating four years before the host election. (Persson 2000.) In creating the concept, as presented in the upper part of Figure 8, it is essential to make an analysis of the chances



for success against the existing candidates. This is possible at the preliminary application phase that is free of charges. At this point it is valuable to consider the bidder's position in the fair distribution of the Games cycle that is North America – Asia – Europe for the Winter Olympics. According to Persson's research (2002) there is no sense in applying if it is not the turn of one's continent. Neither do earlier applications bring any advantage. If the chances to satisfy IOC objectives compared to other applicants are considered better, it is time to submit the definitive application confirmed with the deposit fee of US\$ 100 000 and decide on socio-economic and cultural objectives to be achieved in the candidature strategy. (Keller 1999.)

The next stage is to identify the preferences of the IOC members and distinguish the product from its rivals in the presentation strategy that is the middle part of Figure 8. Emphasis should lay, in addition to the bid-winners, on what will be done once the Games are awarded and not what has happened in the past (Persson 2000). To be able to develop something unique and innovative, the product has to offer sustainable benefits expected by the local population, authorities and private sector partners. Before lobbying for the international sports authorities, the product needs to be accepted by those concerned. Specific knowledge and observation is required to identify the limits within which one may influence the decision of a policy making body of sports. (Keller 1999.)

Messenger positions should be filled with the most influential persons of the committee. The committee as a whole should include experts in the seven bid winning messages. An appropriate bid committee should thus include the following messengers (Persson 2000):

- The bid committee chairman
- The bid committee president
- An Olympic gold medallist
- The IOC members in the bid country
- The Mayor
- The NOC president/ secretary general
- Experts in:
  - Olympic Village
  - Arenas
  - Transportation
  - Finances
  - Telecommunication
  - Information Technology
  - Media

In addition to the respective IOC members the marketing of the bid should take into consideration other influential actors such as the IOC Evaluation Commission, the IOC Selection College, the IOC President, top management of US TV Networks and the owner of Adidas and International Sports and Leisure.

Persson (2002) also points out that using bid components with low importance drives the attention of the IOC members away from important components, which can be harmful. Therefore, the marketing strategy of the bid campaign should be based on preliminary studies of IOC members and carefully chosen bid components.

## 4 EMPIRICAL RESEARCH DESIGN

### 4.1 Research approach

The difference between qualitative and quantitative research is not about quality but procedure. What separates them apart is the overall form and emphasis of the study. Qualitative research is rational, explorative and intuitive at nature. When analysing the data, skills and experience of the researcher play an important role. In qualitative methods, understanding and interpretation are emphasised over testing and verifying. (Ghuri & Gronhaug 2005.)

The aim of qualitative research is to illustrate real life, dealing with quality and meaning rather than absolute quantity. The idea is that reality is incoherent, and therefore reality cannot be dealt in arbitrary ways, but as clearly as possible. (Hirsjärvi et al. 2003.) Qualitative research aims typically towards comprehensive understanding where data is collected in real life, people are preferred means in data acquisition, induction derived from the data is used in order to show unforeseen aspects, sample group is not random but suitable for the research, research plan evolves throughout the research, and cases are seen as unique and dealt accordingly. (Hirsjärvi et al. 2003.) Qualitative research aims towards deep exploration in order to provide rich, detailed, holistic description and explanation. Therefore small samples are a norm. (Daymon & Holloway 2004.) In this research, people were the preferred means in data, and access to the sample group of Finnish NOC members were the main criteria in selecting the case. The case of Helsinki bidding for the 2006 Winter Olympics was unique at nature but can be used as a tool in building future Olympic bids.

This research is qualitative at nature. It is not always desired or even possible to use quantitative research methods. The possible reasons to use qualitative techniques include preferences of the researcher and the user of the research, handling sensitive information, prevailing subconscious feelings, explaining complex phenomena, taking a holistic outlook, and developing new theory. Why this research was chosen to be conducted in a qualitative manner depended on the holistic dimension and the research question. It would also be a positive outcome if the approach could result in a new outlook in theory. Personal preference of the researcher towards qualitative methods was also a factor. (Malhotra & Birks, 2006.)

The research approach is more inductive at nature supported by the collection of qualitative data. The inductive approach supports the more flexible structure of the

research. In inductive approach, the researcher is also part of the research process. The inductive research can take longer to complete than deductive as the data collection takes longer and the analysis has to emerge gradually. The inductive approach bears also the risk of not finding useful data pattern and thus no new theory will emerge. (Saunders, Lewis & Thornhill 2007.)

It is relevant that qualitative research aims at specifying individual cases from the perspective of people involved in them or through the semantics given (Koskinen, Alasuutari & Peltonen 2005). In this case study, the members of the case organisation took part actively through interviews. The opinions and perspectives of the interviewees gave relevant significance to the research.

This study is conducted as a case research, while phenomenon is unique and conducted by one organisation in Finland. That clearly outlines the amount of cases. Case study is the most commonly used qualitative research method in business economics science (Koskinen et al. 2005). A case investigation is holistic and systematic description of the quality of a phenomenon. Reality is observed from different angles through concrete, specific and detailed analysis. The voice and action of participants can be heard through direct quotations of speech that are also used in this research. According to Syrjälä et al. (1994), case studies are real situations that cannot be artificially organised. The aim of this thesis is to understand this selected case more in depth. It aims at collecting information on a versatile and thorough way (Syrjälä et al. 1994). The case itself, truly involved people and influential relations within and between institutions today, are the main concerns of the research that aims at finding out how this specific case acts. The aim is not to make wide generalisations as in extensive case studies. (Eriksson & Koistinen 2005.)

‘Why’ and ‘how’ questions are asked in case observations according to Yin (2003). While the purpose of this study is to find out how place marketing was implemented in the bid process of Helsinki 2006 for the XX Winter Olympics, it is reasonable to conduct a case research by interviewing the members of the bid committee of Helsinki 2006. A case study was also chosen while this phenomenon is unique and no earlier empirical studies have been conducted on the research topic. The point of view and experiences of the chosen interviewees are more important for the study than finding general actions.

## 4.2 Selection of case

This research will be conducted as a case study. One or a few cases chosen for a specific purpose are studied. The case can be an organisation or enterprise or a department of some organisation. Also processes can be cases. Theories, concepts and ideas can be tested and compared through case observations. What is important in selecting a case is to outline the case fairly clearly from other contexts. This study was clearly outlined to Winter Olympics and the bid process of Helsinki 2006 as it was the latest bid the Finnish NOC has participated in and therefore gave access to empirical material for the researcher. (Koskinen et al. 2005.)

According to Syrjälä et al. (1994), a case study is flexible in looking for data from where it is available. The case selection is a discretionary choice. A central matter of selection can be for example whether the case is reachable or if a trustworthy relationship can be achieved. The selection of case is formed through the original purpose of the thesis and the formulation of sub objectives.

The target of a case study can be determined through many things. A typical case can be chosen to enable the transferability of results into other similar researches. On the other hand, research can also be unique, exceptional and instructive. Those researches aim at finding out special features. Research can also be critical or a borderline case in evaluating a theoretical frame. A research can also be revealing if the researcher succeeds in describing a phenomenon that has not been discovered through scientific research (Syrjälä et al. 1994). In this research the phenomena of Olympic bidding is observed from the perspective of place marketing. This research can be applied, to some extent, in formulating future bids for international events, mainly to Finland, but in the case of Olympic bids, to other countries as well.

The bid process of Helsinki 2006 for the XX Winter Olympic Games was chosen as the case for this study due to the uniqueness of the process. It is the latest bid the Finnish NOC has taken part in, which enables the use of the experiences and produced materials for data analysis. An Olympic bid process was chosen due to the impact the Olympics have on global awareness and the success of Finland as an event organiser. Also, the researcher's personal interest towards the effects of Olympic Games was one strong motivator in choosing the case. Consideration was used when choosing the case. The selection of one case was supported by the availability of resources and the time frame of this research. A more specific description of the case can be found in Chapter 5.1.

Consideration was also used in choosing the interviewees for this study. Broad expertise of Finnish sports, Olympic bidding and participation in the Helsinki 2006 bid

process were considered as requirement. Interviewed people were members of the Helsinki 2006 bid committee. Interviews were conducted to find out how place marketing was implemented in the bid process. The Secretary General of the Finnish National Olympic Committee since 1996, Jouko Purontakanen, was the representative of the NOC that started the process on behalf of the Finnish NOC. He took part in the process from the beginning in charge of the planning group and while the process proceeded he participated as a core member in the promotional work at international events and sports competitions. Jari Piirainen was hired as project manager of the process in February 1998. His role was to keep the whole process together. Before that he had been an active member in the Finnish Ski Federation, and in August 1997 Piirainen was nominated as youth coaching manager of the Finnish NOC. Today, Piirainen is the CEO of the Finnish Ski Federation. Peter Tallberg is the Finnish member of the IOC since 1976. His role in the process was to give information of his colleges to the bid committee and influence their decision-making through personal contact. His unique experience, accumulated knowledge and talent were extremely important to the process from the beginning on. Tallberg was interviewed to find out the perspective of IOC members during the bid process. The interviews answer all sub objectives as well as the main purpose of the study.

### **4.3 Data collection**

When design requirements have been specified, decisions must be made on how requirements should be met and information collected. After choosing how to measure the concepts, the type of data (primary or secondary) should be selected and decided on how that data should be gathered. If secondary data is not available to help answer the research questions, one must collect the relevant data for the study and research problem from primary sources. The type of required primary data depends upon the research problem and research design. The normal choices of primary data collection in qualitative research are observations, surveys and interviews in addition to other written or visual material. (Ghauri & Gronhaug 2002; Marshall & Rossman 2006.) Practical reasons often justify the choice of an interview. An interview can be more informative, less time consuming and leave out other methods. Koskinen, Alasuutari and Peltonen (2005) also note that it is easy to be misguided when observing a certain phenomenon if one does not confirm his or her findings by interviewing. The selection of how to conduct the interview and who should be interviewed, have a great importance in selecting the case for the research.

In this research, data was collected through interviews and document observation. Observation and interviews were chosen as methods of data collection due to the nature of the study. Primary material such as the video tape of the final presentation of the Helsinki 2006 bid, presented in Seoul before the final voting for the host of XX Winter Olympics in June 1999, was given for the purpose of this research by the Secretary General of the Finnish NOC. In addition, documents and marketing materials, such as brochures, magazines and memorandums that were produced during the Helsinki 2006 bid process were observed by the researcher.

In an interview, the aim is to collect information in a methodically determined way. Interviews are conducted under circumstances set by the interviewer. (Hirsjärvi & Hurme 1995.) Interview was the chosen form of data collection in this study after the researcher had observed all documents, as information on the success of the bid process was not available in documents found in the city archive. It was essential to hear the opinions of the people involved in the process. While interviewing, the interviewer can make observations and control the interview situation and environment. The interviewer can note possible disturbing effects during the interview or perceive unwillingness of the interviewee that affect on the validity of the research (Malhotra & Birks 2006). All interviewees were willing to answer the questions of the researcher. No disturbance occurred when conducting the interviews.

Descriptive and analytical surveys and questionnaires are the most popular data collection methods in business studies. (Ghauri & Gronhaug 2002.) In general there are three different types of interviews classified by their prescriptive. Structured interview refers normally to survey research interviews, where the researcher sets the questions and the running order of them and offers even answer possibilities. A semi-structured interview allows the interviewee more freedom. Answering in own words, deflection from the question outline and even proposal of own questions are made possible for the interviewee. An unstructured interview strives to minimise the influence of the researcher on the interview. At clearest form, the interviewer has only a general interest that he/she wants to talk about with the interviewee. (Koskinen et al. 2005.) The interviewer is there to give lead questions. (Ghauri & Gronhaug 2002.)

A central instrument that guides the interview is a clear outline. The two principal functions are to make sure the interviewee presents the required questions and to let the interview flow as naturally as possible. Researchers argue that the outline works as a memory tool that helps to realise what has already been covered and what still needs to be emphasised. (Koskinen et al. 2005.)

Before starting this research, the first pre-interview was conducted to find out general courses of action of the IOC in the host selection process and the nature of Winter

Olympics from the perspective of marketing actions. The Television and Marketing Services' Managing Director of the IOC, Timo Lumme was interviewed in December 2007 for this purpose. The second pre-interview was conducted to find out the state of Finnish sport and earlier bids as a part of the Finnish society. Senior Inspector of the Finnish Ministry of Education, Hannu Tolonen was interviewed in January 2007 to increase the knowledge base of the researcher on the Helsinki 2006 bid process and the relation of the state and the Finnish NOC. The results of the pre-interviews will not be used in the results of this research. They were used to specify more clearly the direction of the chosen theory for this research.

The interviews of this research were agreed first by contacting the Secretary General of the Finnish NOC, Jouko Purontakanen, who gave also primary documentary to the researcher. After going through the material the researcher agreed an appointment with Purontakanen for the first interview. Purontakanen was the connection who gave the contact information of the other interviewees. Making appointments went well and in a co-operative sense, while the interviewer managed to interview Piirainen and Tallberg separately on the same day. The topic of the research was presented to the interviewees in advance, however no questions were shown before the interview. All interviewees participated actively in the interviews.

#### **4.4 Data analysis**

Analysis of data does not take place in a single stage after collecting the data. It is a continuous, systematic process which runs simultaneously with data collection. In analysing qualitative data, the aim is to produce new information by clarifying the data. The purpose is to condense the data without losing information. In other words, it aims at increasing the informative value of data by clarifying and simplifying scattered data. Data analysis is the process of bringing order, structure and meaning to the mass of unstructured data. While undertaking fieldwork one should be searching for common themes start coding or develop some early concepts. (Daymon & Holloway 2002; Ghauri & Gronhaug 2002.)

When analysing interviews, a decision to be made is whether to begin with case analysis or cross-case analysis. (Patton 1990.) Interviews can be analysed in three different ways. They can be resolved and directly analysed by trusting the intuition of the researcher. Another way is to resolve the data and use coding to be able to analyse it. A third way is to combine the above with resolving and coding that leads the



researcher to data analysis. (Eskola & Suoranta 1998.) Coding was not considered essential in this research; therefore the first way was applied by the researcher.

In the interview guide approach, answers from different interviewees can be grouped by themes from the guide. It constitutes a descriptive analytical framework for analysis. (Patton 1990.) There are several techniques to group qualitative data and more are developed all the time. Dividing the data into categories by theme, type and content are quantitative analysis techniques that are ways of dividing analytical methods of qualitative research. Making a clear difference between these methods is hard, while they are all involved with one another. Therefore it is common to combine several methods. (Eskola & Suoranta 1998.) The method of analysis depends on phenomenon to be researched, the problem setting and the extent of the data in qualitative research. (Hirsjärvi & Hurme 1995).

As a structured interview was used in this research, themes were used in data analysis. Through the use of themes coming out of theory, the data can be classified and analysed. The operationalisation chart (Appendix 5) of this research was used in creating the interview questions (Appendix 6). The data was studied thoroughly before forming the themes. Quotes from interviews were used to enliven the text and to strengthen the interpretations of the researcher. The researcher aims at bringing up the contribution of theory and empirical data by using the operationalisation chart. In this research the outline of interviews was based on an operationalisation chart constructed around the purpose of the study and its sub-objectives. The theory produced themes that defined the questions of the interviews. Theory aims at describing the research phenomenon on a general level. The objectives of the research are aimed to be answered through the interviews. In this way the theory and empirical data are combined in this study. The themes were formed according to the theoretical frame of this research. The operationalisation chart helps in clarifying the purpose of the study and its sub-objectives.

#### **4.5 Trustworthiness of study**

The issue of trustworthiness is for the researcher to persuade his or her audiences that the findings of the study are worth taking into account of and paying attention to. To enable this persuasion, researchers have conventionally found it practical to consider the following four issues: truth value, applicability, consistency and neutrality of study. (Lincoln & Guba 1985.)

**Credibility** refers to how well the findings of the researchers correspond to reality. To increase the credibility of the research activities like prolonged engagement, persistent observation, and triangulation can be taken by the researcher (Lincoln & Guba 1985). The author has been involved with this topic already while carrying out her Bachelor's thesis in November 2005. Due to the limitation of the former thesis, the author's interest towards the Olympic phenomena has grown ever since. The author has been involved with Finnish sports federations for more than a decade and had personal interest in international events organised in Finland. Also, the broad writing over the organising of the Beijing 2008 Games have kept the author's interest high towards the topic and given new perspectives and ideas to study. The interest and devotion of the researcher on the topic has thought her a great deal about Olympic bidding, however not to a level of an expert.

Prolonged engagement is required also for the author to be able to detect possible distortions that might creep into the data. The purpose is to render the researcher open to multiple influences, both mutual shapers and contextual factors that govern on the phenomena being studied. This includes dealing with personal distortions and distortions introduced by the respondents that are in most cases unintended. (Lincoln & Guba 1985.) Due to the fragile nature of some interview questions distortion could have been possible in this study. However, no sense of pleasing the interviewees from the researchers side was needed or to be considered. The interviewees were willing to discuss both positive and negative topics of the Helsinki 2006 Olympic bid and did not try to misconstrue the investigator's questions. Conceptual factors were common for both the researcher and the interviewees via their prolonged engagement on the topic while they were engaged in the bid process. The interviews were conducted in Finnish excluding the possible misinterpretations of answers or questions. As the bid process of Helsinki 2006 took place nine years ago, the interviewees pointed out that everything is based on what they remember. Therefore, the documents and data given by Purontakanen, and found at the city archives were essential to add credibility of this research as they are the original documents produced during the process.

Enough time was reserved for all interviews on behalf of all participants and the researcher was told that the interviewees were willing to answer further questions later via e-mail or phone call if necessary. Recording the interviews and then transcribing the data increases the credibility of this research and provided an opportunity to use quotations.

Persistent observation is a technique to identify most relevant characteristics and elements to the problem and focusing on them in detail (Lincoln et al. 1985 304). The theoretical frame of this study was carefully constructed out of the literature on place

marketing. The theoretical frame was strengthened by a doctoral dissertation made on Olympic Winter bidding. The results of that doctoral thesis were used as the gauge of this study. The real focus was, as identified by the purpose of the study, to evaluate the success of the Winter Olympic bid of Helsinki 2006. Thus, the researcher had to make assumptions, test them through semi-structured expert interview, and relate them to the themes of the theory. Several interviews were made, which increases the credibility of the research findings. The fact that this study is conducted from the perspective of the bid committee members of Helsinki 2006 disposes limitations as the results are based on their experiences. To find out the true success factors of the bid process would require conducting the research from the point of view of the IOC members.

According to Lincoln and Guba (1985) the technique of triangulation is the third method of improving the likelihood that the results and interpretations will be found reliable. The use of multiple and different sources, methods, investigators and theories are the four different modes of triangulation (Lincoln & Guba 1985). Within the time and resource constraints of this research, triangulation took place when using multiple data sources. To some extent triangulation of methods took place because in addition to interviews, secondary data was used extensively when familiarising oneself with the research topic.

There exist also other measures that can be taken into account when assessing the credibility of the research. With the use of the operationalisation table, the researcher was able to interconnect the purpose of the study to the theoretical framework and data collection.

The responsibility of the researcher is to provide a data base that makes **transferability** judgments possible for potential appliers. The purpose of transferability is to provide proper description of the methodological choices and case selection in order to enable possible transfer. (Lincoln & Guba 1985.) Lincoln and Guba (1985) emphasise that researchers cannot achieve complete transferability in qualitative studies, but the data should be described in such detail that the potential appliers are able to judge the transferability themselves. Thus, for a research to be transferable, the data must be collected in a transferable way, and the selection of research focus must be explicit.

In this study transferability was improved by describing the selection of case in detail. The primary data of this research supported the theories of the theoretical frame and the use of an operationalisation table enabled the researcher to link the research findings to the theory. Although the Helsinki 2006 bid process was a unique case, it fulfilled the theoretical aspects of place marketing theory and therefore can be

transferred to other Olympic bid studies conducted from the perspective of place marketing.

Interdependency of the empirical findings and the research itself are assessed in **dependability** (Lincoln & Guba 1985). Dependability provides the research an assessment of the research situation. When conducting a research the researcher must take into account not only different external variants to the research but also factors that depend on the researcher and the phenomenon itself. (Tynjälä 1991.) The researcher has made a thorough reading on Finnish sport events and Olympic bidding and organising of the Games. Especially, in qualitative studies the influence of the interviewer on the results is traditionally considerable (Patton 1990). Dependability of the study can be decreased by describing the circumstances which prevailed during the research as accurately as possible. The level of detailed description should be high enough to enable another researcher to repeat the study. As some questions needed more specific explanation to one of the interviewees, the dependability suffered to some extent.

To decrease dependability, the data collection process and the decisions made during the process have been described in detail. In addition, during the interviews leading questions were avoided. In the interviews the atmosphere was tried to be made as informal as possible and there were no major interruptions during the interviews that would have had impact on the received information.

In qualitative research, **conformability** is seen as the criteria for neutral approach. This can be reached when the researcher has conformed with various techniques that the research is trustworthy and applicable to other scenarios. (Tynjälä 1991, see also Lincoln & Guba 1985.) A well and carefully done research design makes it possible for a reader to follow the flow of the research and estimate its trustworthiness. Also the chapters on data collection aim to increase the conformability by reporting the research process in detail, so that readers are able to evaluate how the research was conducted. The design of this research is very thoroughly and carefully written, as it is the main idea of this research outside the research question.

## 5 EMPIRICAL RESEARCH FINDINGS

### 5.1 Case Helsinki 2006

Finland has been bidding for the Winter Olympic Games in total of five times without success. The latest bid of the Finnish National Olympic Committee began in fall 1997 when the background research for the Winter Olympic process was done. The idea came from the Finnish NOC, after the change in paragraph 38.2 of the Olympic Charter in 1990 allowed shared organisation of the Olympic Games between neighbouring countries<sup>6</sup>. As Finland does not have high enough mountains to organise all alpine sports, Norway and Lillehammer were considered as a solution for this problem. According to Purontakanen, there was a meditative meeting that was organised together with the state holding a representative from the state treasury and members of Finnish NOC board and the city of Helsinki. After estimating the costs of the bid and the guarantees required for the Games, it appeared to be a profitable process that was then set in action. The idea was presented to the Norwegian NOC that was willing to offer this service. The Finnish NOC was in charge of planning the structure of the bid organisation, and also of the future OCOG as well as planning the structure of the Games and facilities. The contract with the cities of Helsinki, Lahti and Lillehammer (Norway) and the National Olympic Committees of Finland and Norway was signed by the end of the year agreeing that the Finnish Olympic Committee would send an application to the IOC in January 1998 and set Helsinki as an applicant city together with Lahti (Finland) and Lillehammer (Norway). The Bid Association, that was the juridical element, consisted of 19 persons representing the Finnish and Norwegian Olympic Committees, the cities of Helsinki, Lahti and Lillehammer and the Ministry of Education of Finland (Appendix 7). The Bid Committee and office were established right after the Nagano Winter Olympic Games, where the first public announcement of Helsinki's candidacy was launched<sup>7</sup>. (Pirainen 1998a) The whole organisational chart of Helsinki 2006 is presented in Figure 9.

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<sup>6</sup> Paragraph 38.2 of the Olympic Charter (IOC Regulations) includes the possibility to share the Olympic arrangements with a neighboring country for geographical or topographical reasons. (Helsinki 2006)

<sup>7</sup> The office could start its work only on the 15<sup>th</sup> of April due to decisions on office location and personnel. The office was located at the Olympic Stadium of Helsinki.

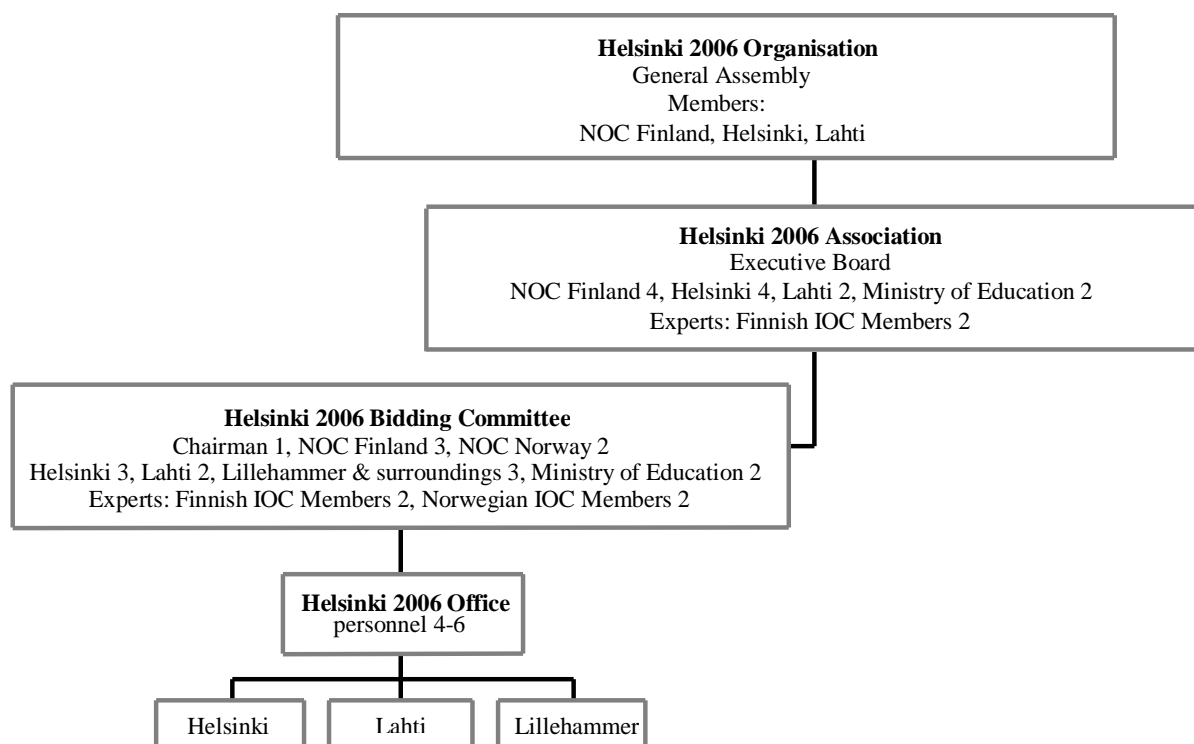


Figure 9. Organisational chart of Helsinki 2006 (Application Files 1999)

The filing of the application books was carried out during the summer 1998. Approximately 120 people from Finland and Norway were involved in this pre-preparation process. The demanding process resulted in a high quality result that was evaluated to resist comparison to rivals' files. At this point, it was discovered that the final selection would be based on other factors than the application files (Pirainen 1998b). On August 31<sup>st</sup> 1998, two members of the bidding committee submitted the official application files to the IOC. On September 3<sup>rd</sup> 1998, the IOC Executive Board informed that the application had been accepted and Helsinki became an official candidate city. After the compulsory application period, marketing was the core function, and therefore the personnel was strengthened with two people in charge of international marketing. This strategic decision left more resources to domestic marketing that was seen essential to show the IOC members that Finnish people seriously wanted to organise this magnificent event (Pirainen 1998a). In mid-November, the Evaluation Commission appointed by the IOC visited Helsinki.

The overall budget for the bid process was FIM 15 million (some €2.5 million). The share of marketing was FIM 2.2 million including all produced material (print material, PR material, electric material, gifts, bid books etc.) and the design of the symbol. Events organised during the year were also mostly for marketing purposes. Members of the bid committee took part in dozens of events around the world, and around Finland

while promoting the project (Appendix 8). The Evaluation Committee of IOC visited Helsinki in November 1998 accruing costs of FIM 0.8 million. The costs of events rose altogether to FIM 2.2 million during the process. Other costs included the US\$ 100 000 fee for the IOC, services bought from Lillehammer and Lahti and other financial costs. In addition to this budget, private funding was planned to upgrade the level of marketing operations to ensure a better success for the last months of the campaign. (Toimintakertomus 1998.)

Six candidate cities took part in the host selection process. In addition to Helsinki, the other candidates for hosting the 2006 Winter Olympic Games were Sion in Switzerland, Torino in Italy, Klagenfurt in Austria together with Tarvisio in Italy and Planica in Slovenia, Poprad-Tatry in Slovakia and Zakopane in Poland. The Games were eventually awarded to Torino at the Session of the IOC in Seoul. (Helsinki 2006.)

## 5.2 The objective for bidding

The main concern why Helsinki decided to take part in the high level bid contest against its middle-European rivals Torino and Sion, was the will to organise successful Winter Olympic Games in terms of both, sport achievements and economic profitability, as the rule 38.2 in the Olympic Charter enabled organising Games in two separate countries due to geographical matters. As Piirainen pointed out, the dream for hosting this event has been alive for decades. Tallberg reminisces how Finland's former representative Erik von Frenkel, at the age of 90, threatened Lord Killian in 1976 not to give up his position at the IOC before Finland is awarded the Winter Olympics. This clearly shows how strongly the Winter Games have been wanted to Finland. Finland has hosted the Summer Olympics but the interviewees see that the Winter Olympics belong more naturally to Finland.

According to Purontakanen, the **mission** was to organise successful Olympic Winter Games in terms of economical factors and sport achievements. As such a remarkable winter sport country Finland is, the NOC felt it was Finland's turn to invite the sports youth of the world to compete on Finnish territory. The financial motive, including remarkable profits coming from the IOC broadcasting fees and TOP sponsor programmes from organising the Olympics, was considered very meaningful as well. Purontakanen considers that Helsinki 2006 could have been only profitable, since 90 percent of the required facilities already existed. The profits that would have been generated for sports development, and consequently increase the success of Finnish athletes in all sports, were a motive as well. Organising great events such as the

Olympic Winter Games increases motivation and inspiration to do sports and vivifies the sports club level. All interviewees emphasised that the core motivator came purely from sport.

From a perspective of the society, the bid was considered a way of showcasing Finland and Helsinki on a global level. The considered macroeconomic effects the Games would have had on the region were expected in tourism and employment. Purontakanen condensed the factors in the following words:

*The meaning itself that we want to organise the Games was the greatest influencer in it, but they are all combined together with the phenomena of Finnish sport culture and the image of Finland around the world and the economic factors.*

The SWOT analysis of Helsinki 2006 was the following (Table 2.):

Table 2. SWOT analysis of Helsinki 2006

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• Finland's turn to host the athletes</li> <li>• 90% of facilities already exist &gt; economic Games &gt; sustainable development</li> <li>• Proof of organising skills</li> <li>• Winter sport spirit and culture</li> <li>• Success in winter sports</li> <li>• Snow safety</li> <li>• Political independence and safety</li> <li>• YLE – Finnish broadcasting</li> <li>• Gender equality</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of mountains</li> <li>• Long distance to Lillehammer</li> <li>• Shared Games</li> <li>• No significant representatives in IF's</li> <li>• Too obedient according to rules</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Influence on society</li> <li>• Financial profit</li> <li>• To showcase Helsinki and Finland</li> <li>• To develop Finnish sport</li> <li>• To create inspiration for sports at all levels</li> <li>• To add networking at international level</li> <li>• To benchmark Finland with other countries</li> </ul>	<ul style="list-style-type: none"> <li>• Distance to Lillehammer</li> <li>• Unpredicted building needs</li> <li>• Weather conditions</li> <li>• Possible scandals</li> </ul>



The considered **strengths** of the bid were the awareness of Finland as a winter sport country, success on a very broad range of winter sports and the deep and long culture in all winter sports. As Finland was still a snow safe country at that time; Helsinki, Lahti and Lillehammer were offering great winter conditions and facilities for all sports. The organising skills of Finns that were proved in earlier world championships in different sports were on an exceptional level compared to other candidates. In addition, the safety and independency of Finland from global politics, and issues as no conflict sensitivity and clean nature, were more general strengths. Environmental issues were of great importance from the beginning on, as well as the usability of the newly built sites after the Games. Sustainable development was one of the core issues in the bid campaign. Economical issues such as no need for heavy investments were relevant, and excellent spectator forecasts gave more support for the bid. Martin Saarikangas states in his speech in the bid book the following strengths (Application Files 1999, 7):

*“The state of readiness of the sporting venues is one of the main arguments in favour of Helsinki. Ninety percent of the facilities already exist and therefore the bid committee of Helsinki 2006 is applying the principles of sustainable development so close to the Olympic ideal.”*

As stated in the memorandum of the bid committee, the purpose was also to highlight the fluid border crossing co-operation that supports Olympic objectives in this novel competition aggregated by combining the power and skills of Finland and Norway. Tallberg also pointed out that the remarkable talent and skills in international broadcasting of the Finnish television, YLE, were a major strength. Also gender equality that is of very high importance for Finns was in Tallberg’s opinion a strength, however, perhaps less important than the previous ones.

The greatest **weakness** was the geographical fact that Finland was missing the vertical interval to provide facilities for super-G and speed skiing. Due to this handicap, the service was purchased from Lillehammer, which created the two other major weaknesses: the distance between Helsinki and Lillehammer and the shared Games between two countries. The disappointment of Purontakanen is present in his comment:

*It was the first, and probably the last time that we tried if the IOC old men are of the opinion that the time has come to share the Olympics like it is done in the FIFA World Cup, but they just were not ready for it and I doubt whether they will ever be.*

The lack of Finnish sports leaders in remarkable positions in international sports organisations influencing decisions was considered as a shortcoming. Without having people at the core of decision-making and influencing the decision-makers on a personal

level, it is way harder to convince and gain the votes of people, no matter how good arguments the bid contains. Purontakanen gives more insight to in his argument:

*That was recognised in the Session in Seoul. The fact that the Games went to Italy and not to the worst rival, Sion, was based purely on the fact that the Italian sports “mafia” how we call it, are mostly members of the IOC while they are chairmen of IF’s and therefore have seats in the IOC. In that way they could gather their own troops that then again with their own channels could influence on their decisions. So it was a purely lobbed, a political lobbying how they gathered the votes that made them win the whole bid. And that is what we are missing, we don’t have the people.*

The **opportunities** seen in the process were according to Purontakanen the same factors as for the mission. As Tallberg stated, the Olympics have had the same message for all organising cities in history: they have always brought a region to global awareness by being the greatest media event of the year and added value to the reputations of cities in that sense. The influence the Olympic events have on the society, and the possibilities to showcase Finland and Helsinki on a global scale, were considered unique. Tallberg highlighted the importance of Finnish societal factors such as recognition of very high standard of living as well as very strong organising skills, high educational level, independency, and success in European Union as very positive factors. The Games would have brought all these factors to global awareness. Tallberg also pointed out the immense financial benefit the Games would have eventually brought to the region:

*It would have been an extremely wonderful thing for the inhabitants of Helsinki because economically it would have been a fantastic thing because US\$ 2 billion could not have been misused to organise a 16 days event in this country even if you would stand on your head. So it would have brought money to the region.*

Purontakanen stated from a perspective of sports the resources the Games would have brought to develop sport and give a possibility for international benchmarking that would contribute to networking within different sports at an international level. This would have had an influence on healing and strengthening Finnish sports in general in and especially promoted winter sports on a very broad range. As a consequence it would have lifted the self esteem of Finns and ensured success in sport as well.

No serious **threats** were recognised at the time of the bid, except Tallberg’s view on the distance to Lillehammer. Although the distance and travelling was well planned and

sounded like a smoothly coordinated transportation system, in reality it was considered too long and uncomfortable by the members of the IOC. As Tallberg stated:

*The distance is what it is, and you have to remember that flying to Lillehammer was not a simple process but it would have required in addition to flying long bus journeys and that would have meant that only a few IOC members would have had the interest to go to Lillehammer. And it would have given quite a negative image for Finland.*

In terms of economic issues, Finland has always succeeded in keeping the budgets in international sports events. However, Piirainen wanted to bring up the unpredicted issue of financial risks in organising the Olympics:

*If we would have had to build something more than planned, the threats would mostly have to do with finance. Could we have been able to, as we still strongly believe, to keep the Games budget? With the experience we have from earlier world championships in different sports we can keep costs under control. After many Olympics, organisers have often realised that it went totally out of hand. Usually it has to do with building costs.*

Although Finland was a snow safe country at the time of the bid, it is sensible to understand how unpredictable the influence of global warming is today. The effects it has on winter conditions today would have been a major problem at the time of the Games in February 2006. Also, the doping scandals of Lahti in 2001 would have been a serious problem, but they were not predictable at that time.

### **5.3 Implementation of place marketing in Helsinki 2006**

The place marketing strategy for the Helsinki 2006 bid campaign was formulated on emphasising the strengths of the bid as well as turning the weaknesses into strong arguments, offering a new and fresh concept for the Olympic Movement. The goal was to convince the IOC members that the time was right for shared Games. Special efforts were made to influence directly on the IOC members by persuading them with the above facts, as well as with the strengths of Finland as a society and the will Finland had had to host the Winter Games for years.

The **place marketing process** was started right after the announcement of setting Helsinki as an applicant city in Nagano in March 1998. The bid office was established and the planning of the marketing strategy was started directly. Implementation of

marketing began on time to increase the awareness of the Helsinki 2006 –campaign within the members of the IOC. The target group was enlarged from the IOC members to international sports federations that influence the IOC members by giving statements on venues and technical regulations. Tallberg, as a member of the IOC, pointed the importance in the interview:

*You have to remember that even if the final decision is made by IOC members, chairmen of sport federations are very important. They bring the message forward and very often, especially nowadays in the IOC after 1999 when the big change appeared, that chairmen of sport federations are members of IOC. At the same time after 1999, 15 chairmen of NOCs were chosen as members of IOC and 15 active athletes like Saku Koivu. The opinion of these people is mostly influenced through their sport federation.*

Within the IOC members, the bid committee tried to find the main personalities that influenced others' opinions. According to Purontakanen emphasis was set on the persons that dominate winter sport competitions, countries that participate in winter sports, never forgetting that every vote counts:

*On the other hand, the guy from Brazil has the exact same vote to give, so of course he is as important. But the main emphasis was put on, while our strategy was built on the facts and strengths we had, the emphasis was more on the people that pay attention to those factors and that can outline what it is about.*

State officers were also one target group. Since the Finnish and Norwegian ministries of education were involved in the bid process, state relations were used in terms of influence to get support for the project. However, that tactic was applied by all bid committees and was therefore not as influential according to Piirainen.

The Salt Lake City corruption scandal affected the process in such a way that almost all marketing plans needed to be re-planned in January 1999. However, as the Helsinki bid committee had kept a gentle line from early on, the marketing strategy required not as many changes as for bidders had to do, after this operation.

**Promotional factors** used in marketing were, according to Purontakanen, kept within all the rules set by the IOC, which was not necessarily the case in bids of other candidates. However, as Finns are of a certain type, it was clear for the bid committee not to turn the promotion into something that would not represent the Finnish way of conducting. The promotional factors were based on facts in a typical Finnish way, as Piirainen's comment clearly describes:

*We are this engineer nation that thinks with wheel brains. We think that if we tell someone that we have a good ski stadium, then they believe it and come to do sport there. So we went quite a lot with facts and in addition we tried to add emotion to it.*

As direct influencing on IOC members was banned due to the Salt Lake City scandals in the beginning of 1999, it left only regular means of promotion like brochures and newsletters available. They were then sent every now and then to the members of IOC and to IFs. Finnish Embassies were activated to invite IOC members in central countries to increase their awareness on Finland in general. The bid committee participated on a wide range of different events where the international sports society gathered. Stands of Helsinki 2006 were put up at almost all competitions that took place during 1998 and 1999. The need to be present was recognised, and efforts to carry out that promotional part were high, as Purontakanen reminisces:

*I remember one of my trips, it was to Sydney where a congress of winter sport federations took place and the Executive Board of the IOC was there of course; and we needed to have a stand there. No one was actually going there so they named me to go and so, it was incredible, I flew through Bangkok to Sydney and I was there at 4 am in the morning. Then I was lucky to get a room where I slept from 4 to 8 and after that I went to the hotel lobby where I put up our stand with all the Fazerin Sininen -chocolate and I stood all the damn day there, slept one night and flew back the next morning. I'm sure I gained quite some votes. Think about it now, it was just madness!*

Quite a few personal appointments were organised, but no outsourced services were used. The central promotion was travelling to different sport events and meeting sports people there. For personal appointments, the connections of Peter Tallberg and Pirjo Häggman with IOC members were essential to know their personal interests, still on a level accepted in the IOC regulations. According to Tallberg the most important events are the meetings where networking happens. Especially meetings of the Association of National Olympic Committees, the European Olympic Committee and the General Assembly of International Sports Federations were of major importance. All events and meetings the bid committee of Helsinki 2006 participated in are shown in Appendix 8.

The Bid Committee produced also a film that supported the final presentation in Seoul. In Finnish standards it was a major investment. The final presentation was practiced many times by the bid committee and experts were used to make every detail right, as it was known from former experience that the value of the presentation had influence on the final selection. Purontakanen reminisces the event in the following way:

*Anna Sorainen was the head performer and others speaking there were of course Martin Saarikangas and Tapani Ilkka and as a minister we had Suvi Linden. The film was directed by Ere Kokkonen, think that we made such an effort that we hired a professional movie director who thought through the whole script and how it would be. And we practiced it so many times with devotion and I think it was a good result. That was really something we put a lot of effort on. We taught every man proper pronunciation of every word and so on.*

For the delegation present in Seoul, the Committee aimed to gather a group of famous sportsmen like Lasse Viren and Arto Bryggare with the delegation. Stands serving Finnish food and beer were constructed, and even Santa Claus was brought to create more spirit. But especially a lot of work was put on the final presentation.

The promotion was run on a small budget, as the possibilities of other candidates were known and therefore the use of public media was left aside. The budgets to cover public media like TV commercials, tabloid notifications or magazines were considered unprofitable. The people to be reached were the IOC members that make the final decision, therefore personal contacting or via NOC's of different countries were considered more important. However, one international sport magazine, Sport Intern, was invited to Finland through Tallberg's relations and the writings were very supportive for Helsinki.

In terms of **spatial and functional factors**, the bid committee of Helsinki 2006 had divided the marketing strategy into two separate units: the national strategy to engage all Finnish people involved with the bid hegemony and the international strategy to convince the IOC members of Helsinki's preparedness to host the XX Winter Olympic Games. The international marketing emphasised clearly on Helsinki. Norway was part of the bid only due to the high-level mountains, and the success of Lillehammer in 1994 was emphasised to show that the high level of facilities would remain as high. The relationship between Norway and Helsinki was more like a business purchase where the Finnish NOC was the buyer and Lillehammer the seller. Great effort was put on Finland and especially Helsinki. The spirit of the 1952 Summer Olympic Games, how they were the last real Summer Games, had a major role in the campaign. The strengths of Finland as a clean, spacious country with a high quality of life and wide enough hotel capacity with a guaranteed price level were used as arguments as well. The Finnish obedient style of doing things is highlighted in Purontakanen's comment:

*We were able to convince, we were actually even naïve in getting exactly by the book binding guarantees of the price level of the hotels and how much capacity there should be. Where as in Torino, nothing was like it was promised in the bid. They had only promised, but we*

*had guarantees with what we could prove, but this is again one of our weaknesses that we are a little too conscientious in these things. We try to set the example until the end and do everything punctually.*

The wide range of competitions and other international events organised in Finland was emphasised and presented in the brochures highlighting organising skills, the atmosphere and the broad range of inspiration for sports throughout generations and the great circumstances and facilities for winter sports. Both, the already existing facilities and sports achievements played a major role in the marketing process of the bid campaign.

The strengths of Finland as a safe society with an old democracy and gender equality together with the clear atmosphere, clean nature and water were emphasised. Also the business phenomena like Nokia and competitiveness of Finland with a high level of education were also highlighted, however not considered the most essential strengths, as Piirainen states:

*All these societal factors were involved in the campaign, but what the value then was in the final selection, it seemed to be quite small.*

In terms of **organisational factors** the members of the bid committee were accurately chosen to have the right people influencing in the right places. The bid office was formulated of 6-7 people that were hired to work on the bid as their daily job. The members of the bid committee were members of the cities of Helsinki, Lillehammer and Lahti; the Finnish and Norwegian NOCs and the ministry of education that participated on confidential posts. The strengths of having a small group were the ease of coordination and control.

Purontakanen lists as the most important people in the bid the members of IOC (Tallberg and Häggman) and the chairman of the bid committee Martin Saarikangas, a well-known charismatic cosmopolite who put enormous effort and devotion in the process. The experience of the Norwegians and their connections was highlighted as well as the role of Andre Chaquer as a Frenchman in charge of the international marketing due to his linguistic skills and networks. These members were the main messengers of the bid process.

Embassies were also combined to the marketing in their respective countries. Sports federations in Finland that were co-operating with their international head organisations were supported to spread the message. The core group was, however, formed of the people who travelled and were in natural connection with people to influence. As Purontakanen stated:

*It would not have worked to send just some famous Finn somewhere that would have first used the time to tell who he or she is. The*

*emphasis was more divided, like I went there where other European NOCs gathered and Tapani Ilkka that is known in athletics circles, while he has been working in that environment all his life, went there and so on and in that way we approached on a personal level. Lasse Viren and that kind of people were used too.*

Piirainen found it presumable to evaluate afterwards whether the organisation consisted of the right people as the bid was not won. Being awarded world championships in single disciplines is also hard, however, manifold simpler than winning an Olympic bid. What is required is a national strategy crossing sport discipline borders for international influence where Italians are light years ahead as Piirainen stated:

*They have tentacles everywhere. They are so well-infiltrated into international federations in positions of presidents, secretary generals, technical committee boards or into different these kinds of positions. And once you make it to the decision-making level, the circles are quite small. We Finns have a lot to learn in this lobbying and influencing on a long-term perspective on different issues, through different channels that include the people of sports federations, but also ministers, embassies, members of the parliament on a national level.*

To find out the impression IOC members had about Finland and Helsinki, the most important resource of information was the IOC biography where all members were presented in detail. The experience of the Norwegian IOC members in addition to Tallberg, were of high importance in detecting the preferences of their colleges. According to Piirainen quite a lot of background research was submitted and along the way special files containing information on IOC members were offered for money. However, they were not accepted while they were found as incorrect and untypical for Finnish behaviour. Purontakanen pointed out the ease of accessing information from the internet was different at the time of the bid process. Therefore, Purontakanen also thinks that none of the candidates used any powerful personal motives that would have influenced the IOC members' choice. The general name of the game is reflected from Purontakanen's comment:

*I think Torino trusted on Nebiolo's character that he would in the last phase take care of the whole thing. That's how I think it went after all, although it was nicely and neatly done. While the ethical scandal was all the time behind the bid, I think it limited everyone's acts quite a bit.*



As the Finnish NOC was bidding for the Winter Games, Helsinki was a clear choice for the bid city. According to Purontakanen it was a facility question. As the capital of Finland, in matter of size, Helsinki had the required level of hotel capacity and other infrastructure that could not be found anywhere else in such close geographical distances as there are in Finland. The network of ice rinks required for Winter Games could be found only in Helsinki region, which was a natural reason to support the choice. Helsinki is also the centre of international relations with its effective airport. The fact that Lahti was just around the corner, and a new high way was to be finished before the Games, created the impression of Lahti being a neighbouring city. Also, the connection to Lillehammer would have been too hard to handle from any other Finnish city. All interviewees mentioned that if Finland still bids in the future for the Olympics, Helsinki would still be the only right bid city and alpine and ski disciplines would be held in Lahti and Kuopio. Other cities would need immense investments that would not support the idea of sustainable development.

The creation of brand Helsinki 2006 was built in common understanding. Discussion was conducted on factors of implementation. The planning and realisation of the process was very flexible and the whole committee was able to implement, in a relatively short time frame, all that was planned. According to Purontakanen the committee had a common understanding and great co-operation with the city of Helsinki. Eeva-Riitta Siitonen was the city mayor at that time and co-operation with her was completely fluent. The city of Helsinki listened to the bid committee in large matters. In the opinion of Piirainen it went surprisingly well, considering that representatives of two countries were working together. In addition, Piirainen sees that it was positive that the IOC set strict rules on campaigning, because Helsinki would not have won the Games with money. The budget was FIM 15 million and considered enough for the whole 1.5 year project.

Helsinki was considered strong compared to its rivals by all interviewees. Tallberg pointed out that Helsinki had gathered valuable heritage from the Summer Games in 1952. Piirainen emphasised the clean and white nature, the size of Helsinki as a large city compared to small villages like Albertville in 1992. He thought Helsinki was definitely of the right size as a metropolis with good services, capacity and good traffic connections. Purontakanen pointed that no other competitor had so much proof of having organised so many winter sport competitions than Helsinki. The bid committee considered Torino and Sion as their worst enemies, but still did not feel worse as Purontakanen stated:

*When we were standing at the stands, we did not have to be ashamed of ourselves not for a single bit. I think we were in our opinion very*

*much walking straight, holding our chests high, because our only handicap was that Lillehammer was so far.*

According to the report of the IOC evaluation commission whilst the individual venues were considered excellent, the distance between Helsinki and Lillehammer and the fact that a large portion of the Games would have been held in Norway, may have led to organisational and operational burdens. As the EU was not as developed as it was at the time of the Games, the IOC members had difficulties to believe such border-crossing co-operation could work.

The **brand identity** was built by emphasising on the issues that would bring up the facts in a natural and comfortable Finnish way. Purontakanen reminisces that Helsinki was presented as a European, clean, free, democratic, sport supporting and safe city. Adjectives such as fresh and positive were repeated several times by Piirainen and Tallberg. The friendly people and atmosphere in the city were also highlighted. The emphasis was not on the fact that Helsinki was a capital city. More important was to create an image of smoothly running Games. As Purontakanen stated, it would have been a wrong strategy to emphasise on city features against an old and cultural city like Torino. Of course features of Helsinki as the European capital of culture in 2000 and the 450<sup>th</sup> anniversary of the city were highlighted to some extent, however emphasis was clearly more on sport and issues related to venues and facilities.

The international marketing strategy for the last six months of the bid process was built around arguments such as appealing on emotions combined with hard facts; to spread the 'love of sport' –atmosphere, human closeness and humanity, usage of drama and equality in sport and in Finland in general. In addition, a memorandum handed to the IOC members was written to make the above short messages more thorough.

The **message** of the bid campaign was formulated around five strengths in the marketing campaign named 'For the love of sport'. The first message covered was transportation. A special brochure was provided to highlight the well planned and quick access from Helsinki to Lillehammer. The air shuttle from Helsinki to Lillehammer was stated to be shorter than distances between Paris and Albertville by bus or the train connection from Tokyo to Nagano. In addition it was pointed that all travel expenses for athletes, accredited coaches and members of the Olympic Family would be covered by the organising committee. Olympic slogan 'Citius, altius, fortius' was benefited in building the idea of a fast connection. Saarikangas pointed on the final presentation video this strength with the following words (Finnish National Olympic Committee 1999):

*"The transportation between Helsinki and Lillehammer is already as smooth as ice. Passengers have been gliding over the Nordic borders*

*with great ease for decades. Time-winning transportation systems and infrastructures have crushed distances. This is a result of state-of-art technology and a great degree of integration between the Nordic Countries.”*

To appeal on emotions, the atmosphere of Helsinki 1952 Summer Olympic Games was brought up by using old pictures of joyful moments reminding of the successfully run event. The state of Finland ranking first in the world for Olympic medals per capita was one way of showing the will for being the best in the world and organising the best ever Olympic Winter Games.

The quality, capacity and distances of the Olympic Villages from the venues were the third strength. Well-known successful Finnish athletes were used to enforce the importance of having the right to compete on their home arenas. They highlighted the quality of services of the Olympic Villages, the weather conditions that do not require alternative accommodation like in Alpine countries and the location of the Olympic Villages from a short distance of the venues also from the point of view of paralympian athletes.

All in all, the power of an innovative Olympic concept built on short times between already existing venues, average travelling times of 10 minutes for athletes, award winning road and air traffic, and guaranteed easy access for all was believed to be the future of the IOC. The values of the campaign; responsible use of the environment, sound economics and the love of sport; were considered to offer a bright future for the Olympic Movement as Saarikangas stated on the final presentation video (Finnish National Olympic Committee 1999):

*“Helsinki is offering a new and exciting concept for the Olympic Movement of the next millennium. We feel that the Helsinki 2006 concept is part of the solution to the current moral challenges of the IOC. We are tendering a single joint bid that will bring together the world’s best resources in Olympic Winter Sports competition. Helsinki and Lillehammer, Finland and Norway, are the combination the world of winter sports needs to organise the best Olympic Winter Games in history. Our bid places a special focus on the performance of athletes, the protection of the environment and the lowest possible financial risk.”*

The **brand identity** of Helsinki 2006 was, in the opinion of all interviewees, perceived in the right way by the IOC members, even though inviting IOC members to visit the bid cities was forbidden during the bid process. According to Purontakanen, all feedback was extremely positive; people were thrilled about the bid apart from the suspicions whether the Games could be shared between two countries. All images and

beautiful blue colours were found magnificent, and people knew Helsinki from before and had great memories from there. The images that were communicated were perceived in the right way, and as they were facts, they could not have been argued. However, the relevance of the perceived image in the bid campaign was questioned. Tallberg also thinks that if the rules would not have been changed to having two finalists at the Session, Finland would have had better chances to influence the decision of IOC members through perceived image at the final Session.

#### 5.4 Success factors of Helsinki 2006

The **bid-winners** were divided under four topics. The first topic was the high level of preparedness. As 90 percent of the sport stadiums already existed, constructions would not have exhausted the environment. Emphasis was set on sustainable development. In addition, the high capacity of educated and linguistically talented volunteers and an enthusiastic sports public were lifted as important factors. Meteorological conditions were also taken as one of the strengths in the field of preparedness. Secondly, Finland has experience in organising high class events including dozens of international championships in Finland. In addition to being successfully organised, they have also been financially profitable. Stability and safety factors were also paid value in this section. Thirdly, strong skills in many fields were highlighted through Finnish Olympic success over the years (altogether 431 medals won). Traditions in equality and global leadership in information technology were prioritised. Last was mentioned the richness of possibilities in cultural supply, high hotel capacity in number and quality and the excellent international and national route connections that were the fourth theme of Helsinki 2006 bid committee's success factors.

Piirainen also mentioned the concept of three Olympic Villages as a success factor. The size of the Helsinki Olympic Village was even designed in such a way that athletes that would have finished their competition in Lillehammer would have had the possibility to come to Helsinki for free to see the other disciplines instead of heading home directly.

The **planning group** was considered to have succeeded well in its task. The best proof of it, according to Purontakanen, was that Helsinki made it to the second round at the Session with ease. Tallberg also pointed out that the success of the planning group can be measured in the significance of the position Piirainen was awarded after the bid process, as he was nominated the secretary general of SLU (Finnish Sport Federation).

Piirainen himself emphasised that the materials and arguments were of very high quality, however, the significance of them seemed to be unfortunately small at the end.

The **vision and strategy** did not work out as ultimately the bid was not won. As Helsinki and Finland were missing the mountains, the step to an era of shared Games was insuperable for IOC members to take. The lobbying strategies created around the vision of shared games were not enough. Although the planning group thought they had done well their work, the result was still not in their hands. As Purontakanen put it metaphorically:

*You could say that the operation went well, but the patient died.*

The targeted **place identity** was successfully adapted, as the **place image** perceived in a correct way by the IOC members. Finland was also present in the media and the analyses conducted on Finland corresponded to the created identity. However, changing the image of Lillehammer not being far away, and proving that Nordic co-operation would not have caused any problems, were too large challenges to overcome. On the other hand, Purontakanen saw the benefits the bid process had for future events and Finland in general:

*I am sure it has given birth to bid victories in several later bids in different sport events. Not as alms, but as concrete facts that proved our ability to organise great sport competitions by promoting our enthusiasm for sports, organising skills, our society, our facilities, that was something we did great marketing for. In a way the money we put, FIM 2.2 million was after all a small price for the extremely significant marketing we did thinking about the future of international championships organised in Finland or the Finnish society in terms of tourism or any other field.*

The **public and private partnership** between the sectors was considered brilliant by Purontakanen, neither did Piirainen see any conflicts in it. Piirainen pointed out the importance of cultural differences in contacting ministers and being in personal contact with them without needing to communicate through some bureaucratic process that was more common in other countries:

*It even surprised our rivals when they realised that we go to talk to the minister if we have something that needs to be discussed and not that we would need to be in the position of a door mat.*

What made the co-operation smooth was that the right people were involved in the operations. Also, co-operation with the Norwegian members was smooth as they were actively involved in the process. Even the Norwegian king was supporting the bid as

well as the Finnish President. As sport and the spirit of the event were having a very positive public approach, the process led to very successful co-operation.

**Political unity** was very strong behind the bid and a lot of emphasis was put on showing the IOC members that the whole Finnish nation was behind the process. The Helsinki 2006 bid process was seen as the great opportunity of the entire Finland to showcase and raise awareness of the nation in a new way. Therefore, help from all possible quarters in Finland and abroad was considered essential. Support of domestic marketing was gathered through statements and opinions. Visual material was available at the Helsinki 2006 –office. The profitability of the Games was clearly emphasised for the citizens of Helsinki as well. On the state level, all parties of the government were also enthusiastically behind the bid. The Finnish unity proved its power also in this issue; the bid gained unanimous support of all parties. Also, within Finnish sports circles, the role of the NOC got considerably stronger and brought the sports people closer to each other as the Olympism took great steps forward.

**Compared to other rivals** Helsinki was recognised, according to Purontakanen, for its exceptional success in winter sports and for organising the most winter sport championships. Piirainen stated that even if Helsinki had many arguments separating it positively from the other candidate cities, they seemed not to be sufficient. They were visible facts that kept Helsinki ahead of others in the evaluation of the IOC Executive Board, but did not convince the IOC members at the final Session. Economic stability, readiness of venues, no need for needless constructions and large amounts of expected spectators were positioning Helsinki above others. The enthusiasm and fanaticism of Finnish spectators for sports was difficult to comprehend by the IOC members, as Purontakanen clearly remembered:

*First they were not to believe the statistics of ice hockey spectators, but once they realised that they were true, right from the 1997 Ice Hockey WC they were thrilled.*

In terms of similarities, Helsinki was almost as large as Torino as a city and both of them had the same plan of three Olympic Villages. The two Alp villages of Torino 2006 –concept were also far away from the main Olympic city and the athletes living there would not have had the possibility to stay in the main village. However, it did not seem to have an influence on the final decision, as Italy had, perhaps, stronger channels in use during the process. According to Tallberg, one reason was the professional lobbying strategies Italians have had for decades that had a great influence on decisions made within the IOC members. In his opinion, as a member of the IOC seeing all the campaigns, Torino was no better than Helsinki in terms of marketing and campaigning according to the rules. As Italy had so many more countries around itself, influencing

the majority of IOC members was clear. Tallberg pointed out the tight relations to main sports organisations:

*Let's say that the axel Torino-Lausanne was very close and there were lots of people moving around. Of course Torino also had a strong position in political lobbying and they used it very well.*

Several **unpredicted coincidences** happened during the bid process. The major setback was, according to all interviewees, the effects of the Salt Lake City scandal on Pirjo Häggman's position as she was just hired to the bid office and then she had to resign from her IOC membership and leave the process. Purontakanen reminisces it as a very discouraging episode. As the case came out chairman Saarikangas wanted Häggman out of the bid office as soon as possible, but it did not help in avoiding the media circus that started afterwards, which certainly harmed the bid to some extent.

The strong lobbying of the Italians surprised also the members of the bid committee. How little real arguments and facts had to do with the final decision and the later organised Games was shocking for Piirainen:

*Now, after the Games we can see that the way how Torino got the Games in the bidding phase and how they then carried through the Games were two different issues.*

The Helsinki bid committee realised that decisions were made according to other facts than the bid books, and behind the scene where everyone did not have access to. Piirainen also pointed out that, although this kind of action was still committed within the rules, it was very far away from the Finnish way of acting. However, the lesson was educational for the future.

One more unpredicted coincidence was the disappointment caused by IOC members that the Helsinki bid committee thought of having on their side, who at the end turned their back and voted for the rivals. Tallberg emphasised the role of the IOC members of Finland's neighbouring countries that had been applying for the Games earlier. This clearly came out in Tallberg's comment:

*I am sure some did not talk for Finland in a supportive way since it would have been an enormous set back for them if Helsinki would have come out the blue and got the Games.*

**Leadership** of the bid process was seen successful by Purontakanen and Tallberg. Piirainen found himself non-competent to answer such a question as he was the project leader. Piirainen found it also important to be critical on the issue as the main goal was not achieved. In terms of budget and schedule tasks were smoothly run as neither limits were exceeded. Tallberg found the leadership of the process very successful in relation

to what was learned and the level of the position Piirainen was nominated to after the process. The position of the secretary general of the Finnish Sport Federation would not have been awarded to Piirainen unless he would not have proved his brilliant skills in leading the bid process.

In the bid **IOC objectives** were emphasised to some extent. That was, however, taken into account mostly only in the bid books where educational and cultural aspects of Olympism are required compulsory statements. As Purontakanen put it, they could not be left out. The bid committee of Helsinki had well planned the whole concept, but Piirainen's opinion was very clear on the issue:

*I can say that from my experience that is the compulsory stuff that everyone knows how to write nicely and they have absolutely nothing to with the decision then made by the IOC members. But if there are around one hundred IOC members, there are maximum five persons who think these values and the continuance of Olympism are of high importance no matter how wonderful the thought ever is. But the value in deciding the winner of the competition is seriously small.*

What was brought up by Purontakanen and Tallberg was the ideology of clean sports and anti-doping that Finland stood as a role model for still at that time. However, if Helsinki would have been awarded the Games and the Lahti doping scandal of 2001 would have taken place while preparing for the Winter Games, it would have been a serious issue that might have had very unpleasant consequences for the event.

In terms of **timing** all interviewees found the timing in geographical matters right for Helsinki to bid. All agreed that as it was Europe's turn to host the Games, and thus, the timing was right. Although Lillehammer had hosted the last Winter Games in Europe, the re-usage of the facilities in Lillehammer was only seen positive as people could freshly remember how well things worked in Norway.

The bid committee of Helsinki had a strong belief in whether time would have finally been right for shared Games. The IOC members proved not to be ready for such a change, although the rule had been written in the Olympic Charter. Finland is still recognised today for this bid as Piirainen reminisces:

*Someone at the IOC still uses the expression "rule Finland", meaning that if you don't have the geographical facilities you can find a neighbouring country that could share the Games with you.*

Piirainen pointed that it depends on the direction Jacques Rogge takes, whether shared Games will take place in the future. However, in 1999 time was not yet right. Tallberg mentioned that, in his opinion, Rogge's idea behind the Youth Olympic Games is to offer the possibility to such countries as Finland, that do not have full facilities for



Winter Olympics to be able to host an Olympic event. Therefore, Tallberg sees that the rule of shared Games will not see daylight as long as there are countries that are able to offer the entire Games within borders of one country.

The **budget** for the Helsinki bid was seen optimal. The plans were run within the frame and the rules set by the IOC, and the result, especially in terms of materials produced, was considered satisfying. If financial possibilities would have been greater it would not have affected the end result in the opinion of Piirainen. Purontakanen pointed that the office team was fairly small compared to others and maybe a few more people could have been hired for that purpose. This bid was not a question of money, rather of connections, and of knowing the right people. Putting more money in it would have only been irritating afterwards, as it would not have changed the result. What was considered positive was the financial support of the state and the city of Helsinki.

The greatest **defects** of the missing connections in terms of lobbying, and not having enough Finnish representatives in important positions in international sports federations. The work of Tallberg and the Norwegian IOC members was excellent on their respective levels, but they were missing the back up for it. This is where Italians had the greatest advantage. The significance of having people in leading positions in international sports federations cannot be underestimated as Tallberg stated:

*You still have to remember that Finland has still very few internationally remarkable positions in international sports federations. Compared to Italy that had in reality five seats in IOC at that time, Finland had only one. Also compared to the Presidencies Italy had in sports federations, they were over ruling the cabinets with enormous lobbying power.*

Tallberg pointed out that not much could have been done differently. Purontakanen argued that the bid committee could have been a bit more professional by having a few more people hired for the actual lobbying work instead of relying on volunteers that were doing hard work on the bid process alongside their own professions. It would not have been a large financial question, but on the other hand Purontakanen saw it as the Finnish way of doing things that also brought spirit to the process.

The greatest lessons learned from the process were, according to Purontakanen and Tallberg, the need to be 100 percent committed to this battle. A competition of this level needs special means and connections that Finland was missing at the point of the bid. The greatest benefits to this bid will remain to be seen in the future if Finland will get its mountain to Tahko, and consequently will bid again for the Winter Games to accomplish the long lived dream. For that purpose this bid was the best background work ever done according to Purontakanen.

## 5.5 A summary of most significant empirical research findings

The main purpose of this study was to evaluate the bid process of Helsinki 2006 for the XX Olympic Winter Games from a place marketing perspective. As the bid of Helsinki 2006 did not win the candidature competition, the main empirical findings concentrate on the factors that did not lead to the main goal. All sub-objectives of this study are answered in the empirical research findings that are summarised in Table 3.

**Finding 1:** Lack of Finnish persons in significant positions in international sports federations was a great weakness in the bid process. Other channels used to spread the messages proved to be of low influence at the final election. The bid organisation would have required more connections and stronger influencers within the international sports organisations to drum the idea of shared Games and renovating the ideology of the IOC. The IOC members are strongly influenced by the presidents of international sports federations that have expertise in their respective sports. The forums of international sports federations are the greatest playing fields for lobbying, wherefrom IOC members gather their information. Vice presidential seats, that Finns are mostly representing at the moment, are not strong enough decision influencers and therefore a national strategy should be implemented to gain presidential seats in international sports organisations.

**Finding 2:** Sharing the Games between two neighbouring countries will not see daylight as long as one candidate is offering all Olympic disciplines within the borders of one country. The IOC is a very old fashioned organisation that does not adapt to new and fresh ideas quickly. According to the interviewees of this research, although the Olympic Charter contains the rule 38.2 saying: in terms of geographical reasons two neighbouring countries can share hosting of Olympic Games; as long as there is one country bidding for the Games that can offer all facilities within the borders of the same country, shared Games will not come true. The trend of border crossing co-operation and finding sustainable solutions for the environment were not significant enough in the final decision at that time. The ideological thought of two different countries sharing the organising of the Games is considered harder to overcome than the geographical distance between the countries. The rule 38.2 is considered more as an opportunity for such countries as Finland to bid for the Games; however the Games will probably never be awarded to them.

**Finding 3:** The messages of the bid campaign were sustainable development, transportation, Olympic village, an innovative Olympic concept and the success of Finns in sports. The main message of the Helsinki 2006 bid; sustainable development that value wise supports Olympic ideology, was not valued highly enough by the IOC members. The idea of offering a fresh and new ideology of sustainable Olympic Games

was considered a too large step in this case. Transportation became a major issue as the distance to Lillehammer required an air bridge solution. The solution offered was considered too difficult to handle in reality. Olympic Villages got credits for being close to the sport stadiums, but critics for the size of the rooms. The innovative Olympic concept was too modern to be implemented where as the success of Finns was recognised as a strength in the campaign. Thus, only the fifth message resonated well with the IOC members.

**Finding 4:** The bid strategy contained messages that were based on true facts and arguments. The facts were carefully chosen emphasising Olympic objectives and values and they were recognised as positive factors by the Evaluation Commission. As the final decision was made by IOC members, they lost their value while the character of the bid competition turned into a lobbying contest. Acting like an obedient role student in the bid process and having all guarantees required by the IOC did not make a difference in the final result. Once Torino hosted the Games, many guarantees differed from what was promised in the bid books.

**Finding 5:** In terms of place branding, the bid process was successful in the sense of image perception. The messages used to create the right brand identity were corresponding to the image perceived by the IOC members. The image of Finland was as positive and fresh as identified, but the significance of the image was unfortunately small on the final decision of the IOC members.

**Finding 6:** A larger budget would not have improved the final result of the bid. A wider financial ground could have enabled hiring more people in the bid organisation and given possibilities for a more professional grip. However, it would not have solved the problem of not having significant people in influencing positions in international sports federations. According to the study, the budget was considered sufficient as the difference in influencing the opinions of the IOC members was not made in terms of money.

**Finding 7:** Unexpected coincidences played a major role in the success of the bid process, and had both positive and negative effects on the bid process. The Salt Lake City scandal had a positive effect in terms of tightening the rules of marketing to prevent corruption. This was considered positive as the chances of each candidate seemed more equal. However, it did not prevent the lobbying power of the Italians, which surprised the bid committee of Helsinki. The consequence that Häggman had to resign from her seat at the IOC decreased the chances of Helsinki winning the bid by one vote. Alike did Finland loose one important messenger in the process. Italians that had already five seats in IOC, in addition to a remarkable amount of presidencies in

international sports federations, had in that sense tentacles to influence the majority of the IOC members.

**Finding 8:** The timing of the bid was considered right by the bid committee. In terms of rotation (America-Europe-Asia), it was the turn of a European country to host. The fact that the latest Winter Games had been organised in Lillehammer were seen more as a strength than weakness, as all the facilities in Norway were in great condition. The bid committee also believed the time to be right for the IOC to take a major step forward by awarding the Games for a shared bid.

**Finding 9:** The greatest defect of the bid was the fact that Finland is missing a high enough mountain where all alpine disciplines can be organised. This major defect led to consequences of sharing the Games, and to transportation issues that additionally decreased the possibilities of Helsinki winning the bid. These defects could not have been diminished in any terms of place marketing. The only solution would have required more significant people in the bid organisation that did not exist in Finland at that time.

**Finding 10:** The main objective for the bid was to fulfil a dream of decades of finally hosting the Winter Olympic Games, as Finland is recognised as such a strong winter sport country. The fact that 90 percent of the facilities were already existing and the rule in the Olympic Charter allowed shared Games gave support to hand in the application for the bid. The amount of Olympic medals won in relation to per capita inhabitants and the breaking records in spectator numbers strengthened the image of one of the strongest winter sport countries. In addition to the economic benefits the Olympics would have brought to the region, all these facts were supporting Helsinki to make a long wanted change in IOC ideology by awarding the Winter Games for it. Although the Games would have affected positively on many industries in the region, the main motive came after all from sport. With such experience in organising successful international sports events, Helsinki wanted to offer successful Games both economically and in terms of sport.

**Finding 11:** Public-private partnership was brilliant during the bid process. It brought the different parties involved in it much closer to each other and gave rise to a fruitful co-operation that has benefited future projects as well. Although representatives of two countries were involved, no conflicts appeared during the process. Common understanding was found from the beginning and the state representatives were willing to listen to the ideas of the bid organisation members. The channels and connections of the state bodies, embassies, business world and other organisations were used in many ways. A true spirit of teamwork was accomplished; however it did not help in winning the candidature process.

**Finding 12:** Political unity was very strong behind the candidature. A special national marketing campaign was created to gain the support of the nation and make citizens aware of the process. Unity was also crossing borders within the parliament and it truly unified the nation on many levels. It also made the status of the NOC more important within Finnish sports federations and tightened co-operation within sport circles in Finland. The message and significance of Olympism took large steps forward as well.

Table 3. The main empirical research findings of the study

<b>Finding 1</b>	Finns are not having enough people in significant positions in international sports federations that would influence on the decision-making of the IOC members. A national strategy is required to overcome this weakness in lobbying techniques that are the overruling channels in the Olympic bid process.
<b>Finding 2</b>	Despite the rule 38.2 in the Olympic Charter, the IOC members were not ready to share the Games between two countries. The geographical distance between Helsinki and Lillehammer was even greater in terms of psychological distance. The weakness of not having the Alps within the borders of Finland was too significant.
<b>Finding 3</b>	The messages of the bid campaign were sustainable development, transportation, Olympic village, an innovative Olympic concept and the success of Finns in sports. These messages were too weak to overcome the minds of the IOC members.
<b>Finding 4</b>	The messages of the bid campaign were based on facts that supported IOC objectives. Also all required guarantees were submitted in the bid. However these factors did not seem to have much influence on the final decision. The obedient way following all rules and instructions does not help significantly in the Olympic bid process.
<b>Finding 5</b>	The brand identity created on Finland was strong and the image perceived was right; however it did not have any significance on the final selection by the IOC members.
<b>Finding 6</b>	Although the budget for the bid process was smaller than other candidate cities had, it was considered sufficient as the bid could not have been won with money. However, with more money more people could have been hired in the bid organisation and the bid could have had a more professional grip.
<b>Finding 7</b>	Unexpected coincidences had both negative and positive effects on the bid process. The Salt Lake City scandal tightened the marketing rules, which was seen positive in terms of fairness between candidates. The resigning of Häggman had serious negative effects as well as the surprisingly wide lobbying of Italians.
<b>Finding 8</b>	The timing of the bid was seen right. In rotating matters it was the turn of a European city and the bid committee of Helsinki thought the IOC would have been ready for a change by awarding the Games for a shared bid.
<b>Finding 9</b>	The greatest defect of the bid was the geographical factor of not having mountains in Finland which led to the other major defects: sharing the Games with Norway, organising border crossing transportation and not having the right people to drum through a new, fresh concept for the IOC.
<b>Finding 10</b>	The main objective for the bid was to fulfil the dream of finally proving that such a great winter sport country as Finland is, with 90 percent of already existing facilities and most Olympic medals won per capita, should have the right to host the most prestigious winter sport event.
<b>Finding 11</b>	Public-private partnership was brilliant although representatives of two countries were involved. The bid campaign was a true issue of all parties involved in the bid organisation that brought the sports federations, the state offices, the NOC, the business world and the neighbouring countries closer in terms of co-operation.
<b>Finding 12</b>	Political unity behind the bid was very strong and a lot of emphasis was put on spreading the message and spirit of this national dream. Support for the event was very strong.

## 6 CONCLUSIONS

### 6.1 Concluding discussion of empirical findings in the light of theory

When bidding for the Olympic Games, candidate cities go through a rival campaign by offering their city as the best place to host forthcoming Olympics. The nature of the Olympic bid process contains, to a large extent, features of place marketing. However, the outcome of it cannot directly be predicted from success factors of place marketing. Olympic bidding is a unique process where organisational factors play a significant role, and influencing the majority of the IOC members requires strong relations to opinion influencers. The role of running a good looking bid campaign cannot be underestimated, however it is only the compulsory work all candidates need to accomplish to participate.

As place marketing theory suggests, the **Olympic bid process** is competitive, selective and sophisticated niche thinking. The bid process fulfils the description of a place marketing process as being a set of activities to produce a specified output to a particular customer or market. Marketing of the Helsinki 2006 bid process started with an analysis of marketing opportunities, development of marketing strategies, planning of marketing programmes and managing the marketing effort. Theory emphasises the importance of systematic place marketing which is partly true for the Olympic bid process as well. As a very strong Olympic sport country and host of the 1952 Summer Games, Finland and Helsinki were well recognised in the candidature process. Marketing can be considered systematic as Finland has been organising successful international sports events continuously and in that sense increased awareness, proved its abilities and gave the signs of willingness to host also large competitions such the Olympics. Although a special marketing strategy was created for the bid process according to the SWOT analysis of the bid, events and competitions organised before and after the bid, are parts of systematic marketing of Finland as a high class organiser of international sports events. The strategy of the bid was to some extent regional and had a common goal agreed with all the parties, but it emphasised on the sports perspective very strongly. Even if the bid was not won in the case of Helsinki 2006, it was best marketing for future events to be organised in Finland and the greatest benefits will be realised especially if Finland still bids for the Winter Olympics in the future once geographical facilities allow it.

As the theory of Ashworth and Voogd (1994) suggests, **the perspective of the buyer** needs to match with the right approaching strategy. In the case of Helsinki 2006 the

perspectives of the IOC members were certainly diverse. The background work to figure out preferences of the target group was conducted to some extent, but the approaching strategy to influence on a majority of the target group was not successful. This points out that promotional and spatial factors are not that significant in measuring the possibilities to influence the target group. **Organisational factors** and channels to spread the messages are of much higher significance as lobbying dominates the nature of the Olympic bid process. This case supports the general trend of organisational marketing research, which suggests to lay more corporate marketing responsibility on managerial level, while managers are in most influential positions.

This study supports the model created by Persson arguing that in addition to the IOC members, that make the final choice, leading members of international sports federations are a significant part of **the target group**, while they strongly influence IOC members' opinions. A better asset for the candidate would be to have own countrymen in head positions to influence opinions within international sports circles that are the channels of influence. This highlights the importance of organisational factors in the Olympic bid process. It is very important to identify the circles where influential people are needed. After knowing where most essential decisions are made, it requires a long-term process and strategy to gain positions in powerful institutes. As personal influence is very relevant in this process, it can be interpreted as a feature of relationship marketing. This study can therefore be considered as an additional empirical proof of the importance of relationship marketing in place marketing.

**Actors** participating in the Olympic bid process support the theory of involving local, regional, national and international players in the process. However, in the case of Helsinki 2006, public sector actors did not have the main responsibility in place marketing as the theory states. Public state representatives were listening and supporting the place marketing process that was mostly accomplished by the bid organisation. The nature of the Olympic bid process asserts the national NOC to be in charge of the whole process. As the idea for bidding came from the Finnish NOC and sport, the inspiration for support was also part of the work of the bid organisation that led to strong political unity and fruitful co-operation between public and private sectors. The shared candidature with Lillehammer made the playing field more international and enforced the challenge of bringing disparate groups together for a common goal.

As in contemporary marketing, **branding** was considered central in the case of Helsinki 2006. Success factors with desired associations were carefully chosen and based on facts. Although the Games were shared, choosing Helsinki as the brand name and main city was clear from the beginning. Lahti and Lillehammer were mentioned, but not highlighted in any significant extent. The effects the bid had on these two cities

were not discussed in this study. The length of the bid process supports the theoretical claim that a place branding phase lasts from 12 to 18 months. Research to figure out the perceived image of the IOC members on Helsinki was done and the image created during the bid process corresponded strongly to the brand identity built by the bid organisation. The respective case study proves that Olympic bid process branding follows place branding theory as the city brand is positioned against its competitors. No matter the amount of good arguments Helsinki had, the two weaknesses, not having the alpine sports in the same country and not having significant positions in international sports federations to drum through the fresh ideology of shared Games and sustainable development, were too hard to overcome the minds of the target group. The image of the city of Helsinki had no influence on the final decision. This proves that the nature of decision-making by the IOC members is not influenced by brand image. In contrary, it highlights the importance of the channels of influence in the bid process. Hosper's theory that decisions on choice of location are based more on soft factors such as an area's image is not valid for the Olympic host selection.

According to Rainisto's theoretical model on success factors, places do not completely succeed in **managing standard marketing practices**. In the case of Helsinki 2006, a clear understanding of what was wanted existed. The weaknesses found in the SWOT analysis were considered to be manageable, as the timing was thought right to make a change in the minds of the IOC members. It can be concluded that the reality of the bid organisation and the reality of the IOC members in terms of possible Nordic co-operation and the distance between Lillehammer and Helsinki did not meet. The combination of success factors and bid-winners was not convincing enough, as the trend of lobbying overruled the bid process at the end.

The statement of Persson that emphasising **Olympic objectives** as bid components would have some influence on the final decision seemed not as important according to the case study. Olympic objectives were considered part of the compulsory paper work that has to be in the bid files, but has a relatively low influence on the final votes. The **bid-winners** listed by Persson were all covered in the marketing strategy of the Helsinki 2006 bid process. Out of the seven bid-winners of Persson, Olympic village and transportation received partly negative feedback from the IOC Evaluation Commission. The size of the rooms in the Olympic village of Viikki and the distance of the Olympic village of Lillehammer from Helsinki were questioned. Although special effort was set on easy transportation, as the air bridge to Lillehammer needed to run smoothly, it became one of the major weaknesses the bid never succeeded to overcome. Considering



other bid-winners in Persson's model, telecommunications and YLE<sup>8</sup> were recognised significant only by Tallberg. Piirainen and Purontakanen did not mention that factor while listing bid-winners. However, one has to remember that a nine year period has passed between the bid process and this study, and it can have influenced the memory of the interviewees. Not having representatives of telecommunications in the bid organisation can be considered as a decreasing success factor according to Persson's model. As Finland represents world-class in broadcasting, the facilities of YLE could have been emphasised more in the bid campaign. However, as the weaknesses of the bid were in a missing mountain and the distance to Lillehammer, greater emphasis on one bid-winner might not have changed the situation. To conclude the contribution on Persson's bid-winners, it can be argued that the Helsinki 2006 had too many weaknesses in the bid-winners that did not satisfy the majority of the IOC members. This supports the model of Persson, but while this study was conducted from the perspective of the seller, not the buyer, it is unfavourable to make generalisations on the topic.

**Sports organisations** that were listed by Persson in the category of 'other important factors', however not 'bid-winners', played a major role in this bid process. The amount of lobbying that happened through the sports organisations cannot be underestimated in considering the final result of this study. This clearly emphasises that the bid-winners listed by Persson were not fully reliable in this case study and underlines the fact that each Olympic bid process is unique as the members of the IOC change as well as the character of the candidate cities participating in it.

The significance of **global marketplace and local development** can be argued to have significance in the Olympic bid process as the IOC members spend almost two weeks in the Olympic city at the time of the Games. Some part of the target group is influenced by the spare time facilities the city is offering. As recognised in this study, Helsinki was not even considering competing against an old city like Torino offering tenfold more cultural and leisure possibilities. It can be one factor that had a negative effect on the success of the bid.

The successful **public-private partnership** was a strong factor in the Helsinki 2006 bid process. However, although the partnership was successful, its real effect on the success of the bid result can be questioned. No significant connections in terms of lobbying were created during the process on an international level concerning public sector representatives. Although leading figures of both countries were supporting the bid, the effect was rather small after all. This partnership gave easier access for all the

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<sup>8</sup> The Finnish National Broadcasting company

information required in the bid books, which was only the compulsory part of the bid. For future bids it would be essential to truly have influential people involved in the bid organisation and tentacles doing the background work in international sports organisations to complete the work.

**Process coincidences** seemed to have a relevant position in this study. The effects were considered more negative at nature, like the event of Salt Lake City that led to the retreat of Häggman from the process. Also the surprisingly high level of lobbying that surprised the bid organisation of Helsinki can be considered as a process coincidence. Process coincidences are always unique events that can be perceived differently and are therefore hard to generalise as being a general part of the Olympic bid process.

**Leadership** is of great importance in the bid process for the Olympics. To be able to run the process in time within the rules and financial frames is a demanding task. If leadership meets those requirements, it is not yet a sign of success in the Olympic bid process. The leader of the process needs to have access to the opinion influencers within the IOC either through personal channels or messengers of the bid organisation.

In a holistic way the bid process was a good showcase of Finland that probably brought added value for the region, however the effects were not measured within the frames of this study. The writings in international magazines during the bid process were free publicity for Helsinki and Finland. However, as the Games were not awarded to Finland, the negative influence of losing the candidature competition might affect the general competitiveness image of Finland, as Keller states in his model. Losing a candidature is a sign of having some weaknesses that need to be fixed. In the case of Helsinki 2006 the matters were the missing mountain and lack of a national strategy to gain important positions in international organisations.

## 6.2 Organisational implications and policy recommendations

**Organisational implications:** To make the bid process successful the bid organisation needs powerful people to influence on opinions in international sports federations. Without having people in leading positions possibilities for lobbying are minor. Seeing behind the scene is important to know the real script of the game.

Consideration should also be used in jumping in a candidature process. A call from the IOC or having a rule in the Olympic Charter that Olympic Games can be shared, are not signs that the Games will be awarded to the candidate. IOC has its own motives in inviting many countries to the competition. The IOC is also a very old fashioned organisation and offering a different concept that would require a psychological change

does not take place during one bid. As long as there is one candidate able to organise the Games in the traditional pattern, offering a different bid can be considered very risky. Attention in terms of timing should also be paid at the geographical locations within the continents. Many bidding NOC's have learned the rhythm of America-Europe-Asia, but the location within that continent should also be considered carefully.

The weaknesses of the bid process should not be more significant than the strengths. One strong weakness can be more harmful than many smaller weaknesses if that weakness is a true turning point that divides opinions strongly. In positioning the candidature with other candidates, weaknesses should not differ too significantly from the weaknesses of others.

An Olympic bid process is a great example of sector crossing co-operation that improved partnership of private and public actors in Finland. It can offer opportunities for further co-operation to improve national and international goals on many fields. As a global phenomenon the Olympics bring important decision-makers together for a common goal creating an important forum to develop and discuss national place marketing strategies to improve the competitiveness of the country.

**Policy recommendations:** As the weakness of the Helsinki 2006 –bid was the missing mountains, efforts for making an environmental achievement to elevate the mountain in Tahko is seen as the only possibility to keep the dream of hosting Olympic Winter Games in Finland alive. As long as Finland does not have all facilities within the borders of the country, it is not recommended to bid for the Games as this case proved.

The Finnish culture of relying on facts and being obedient by following rules exactly to the point can be considered as a strength in the sense that it leaves nothing to doubt. However, as the global competition gets more fierce and demanding, playing on wider fields requires wider tactics and obstacles in several places. Not having the channels to influence in right places diminishes the value of the facts as the message does not get through to the right place.

Finland should work on a national strategy to acquire leading positions in international sports organisation to have people to influence the decisions made by the IOC members. Serious steps to overcome this problem have been put in action by the Finnish NOC by creating a programme to educate young people towards those positions. On a more general level, the trend is common in several other industries and politics as well. To overtake more competitive power in the international competition, Finland should work on the national strategy to lead Finns towards more significant positions in international institutions and multinational companies. The more significant the position is, the more successful place marketing it offers for the country.

### 6.3 Suggestions for further studies

To increase the reliability of the results in this study, it would be interesting to find out the point of view of the buyer in this purchase. The factors that led to Torino's victory presented in this research are only interpretations of the members of the Helsinki 2006 bid committee. To be able to find out those real factors, IOC members of the year 1999 would need to be interviewed. As this case took place already nine years ago, it could be hard to reach all members of the IOC to find out the main influencers on the decisions and most significant bid-winners. As Italy was one candidate in this bid competition and Italians overrule many international sports federations, it would be interesting as well to find out how much influence this factor would have on a bid where Italy is not participating.

To better prepare for possible future bids, it would be interesting to study the strategic techniques other Olympic candidates have had to find out a possible common pattern. As each bid process is unique and based on personal opinions of IOC members that change during the years, it could be very challenging and no generalised pattern would probably be found. However, it would be interesting to see which powers within international sports organisations are strongest and how political relations influence within this non-profit organisation.

From a place marketing perspective it would be interesting to make a research on the influence this bid process had on the general image Finland acquired globally during this process and what effects it had on the Finnish economy if any. Showcasing Helsinki and Finland for 18 months could point towards a significant lift in terms of image. However, as the candidature did not lead to a victory, it would be interesting to find out the influence, either positive or negative, it had on the image of the Helsinki region and Finland on a general level.

For the state of Finland it would also be interesting to study what kinds of relations were created during this process that led to different fruitful co-operations between different sectors and institutions. Also the application of the knowledge gathered from this process in different bodies would be interesting to study to find out the true national benefits this process had on strengthening a national place marketing strategy for Helsinki and Finland.

Further studies on the level of positions Finns hold in other international organisations than only sports organisations, would enable the generalisation of the main research finding of this research. To find out the level of significance lobbying has in international decision-making in other organisations, would help in creating a national strategy to increase the competitiveness of Finland in general.

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## APPENDICES

### Appendix 1 Earlier studies on Olympic research

Author	Year	Title	Research method	Main empirical findings
Feddersen, Anne – Maenning, Wolfgang – Zimmermann, Philipp	2007	How to Win the Olympic Games – The Empirics of Key Success Factors of Olympic Bids	The paper examines the probability of success of application campaigns to host the Olympic Summer Games on the basis of quantified determinants through econometric analysis based on 43 bids for the years 1992-2012.	Findings show that average distance of sport venues to the Olympic Village have negative influence, where as temperature has a positive influence. Unemployment was considered as a great effort of the applicant city, if it had high unemployment.
Wallman, Andrew	2006	The Economic Impact of the 2002 Olympic Winter Games in Salt Lake City	Wallman seeks to estimate the impacts generated from the Winter Olympic Games in Salt Lake City in 2002 by constructing an Arellano-Bond dynamic panel data regression. The predictions were compared to actual figures.	Using sample predictions the study estimate Salt Lake City's Olympic impact in employment is roughly between 20,487 and 36,150 job-years, between US\$ 381 and US\$ 2,470 to real per-capita personal income, and a decrease of US\$ 273 to US\$ 2004 in real average wages.
Owen, Jeffrey G.	2005	Estimating the Cost and Benefit of Hosting Olympic Games: What Can Beijing Expect from Its 2008 Games?	Owen estimates the costs and benefits of Beijing hosting the 2008 Games and points the fallacy of economic impact studies.	In his research Owen states that, according to experience from earlier Games, China should not expect the types of effects predicted by economic impact studies. Theory and reality show that they simply do not exist.
Preuss, Holger	2004	The Economics of Staging the Olympics – A comparison of the Games 1972-2008.	It analyses the various economic aspects that the Olympic Games mean for a host city through a qualitative economic research.	Preuss argues that including all costs, organising Summer Olympic Games might not be as profitable in the long run. The thoroughness of the study gives very valuable information for future hosts of Olympic Games. The study shows that Olympics require for new organisers enormous infrastructural constructions that might not find use after the Games. Preuss highlights also the importance hosting the Olympics has on the image and global awareness for the country.

Baade, A. Robert – Matheson, Victor	2002	Bidding for the Olympics: Fool's Gold?	The study makes a critical assessment of the economic effects of Los Angeles 1984 and Atlanta 1996 Olympics	According to their study the evidence suggests that the economic impact of the Olympics is transitory, one-time changes rather than a steady-state change.
Ioannides, Y. M.	2002	An Economists' Thoughts on the Economic Impact of Athens 2004	The research considers the expected effects of Athens Olympics to the Greek economy.	Ioannides study focused on showing that organising the Olympics was after all to some extent profitable for Athens and Greece. Costs of infrastructural constructions did not rise over the profits gain from the event itself.
Persson, Christer	2000	The Olympic Host Selection Process. Doctor's dissertation. Business Administration and Social Sciences.	Persson examines the factors that affected the decision-making of IOC members in the host selection process from the perspective of individual and group decision-making.	According to Persson's study future bidding cities should emphasise on "bid-winners" that were recognised most important from the point of view of IOC members. The study suggests a formula for future bidders of Winter Olympic Games.
Roche, Maurice	2000	Mega-events and Modernity: Olympics and expos in the growth of global culture.	Roche has conducted a social-historically and politically emphasised study on mega-events paying specific attention to the Olympic Games. Areas of investigation concentrate on impacts of Olympics on national identities, marking of public space and time and on versions of national citizenship and international society in modernity.	According to Roche mega-events are "flagships" provided by power elites to promote their visions of society and the future.
Keller, Peter	1999	Marketing a Candidature to Host the Olympic Games: The Case of Sion in the Swiss Canton of Valais (Wallis), Candidate for the Winter Olympics in the Year 2006.	Keller studies the marketing of Sion's Winter Olympic bid for 2006 Winter Olympic Games.	A winning Olympic host contest depends strongly on more than just the quality of the candidate city. In his list of successful factors geographical and political factors and co-operative work between public and private sector play a crucial role. Emphasis should be also on a stable financial footing, support of local population and the use of well-known personalities as messengers in the bid process.
Hiller, Harry	1999	Mega Events and Urban Social Transformation: Human Development and the 2004 Cape Town Olympic Bid	Hiller evaluates the socio-political message of the Cape Town 2004 bid from the point of view of improving the quality of life by implementing the Games leading to infrastructural progress and usage of new arenas.	According to Hiller's study Cape Town would benefit from hosting Olympic Games by improving the quality of life in terms of infrastructure and economic benefits. However, the required level of both factors is growing faster than the African economy can follow.

## Appendix 2 Earlier studies on sport events organised in Finland

Author	Year	Title	Research method	Main empirical findings
Eteläaho, Anu	2006	Kisahanke kisaorganisaation johdon näkökulmasta: Johtamisen tavoitteet, strategiat ja riskit	The article evaluates the management and the implementation of the goals and strategies of WC2005 from the point of view of the organising managers.	Management was led from an economic point of view through out the games, while public support was scarce. This had an effect on all functions both in the planning phase and practice. The unpredictably bad weather conditions also affected on management.
Heinimäki, Eija – Lindqvist, Hanna – Jyrämä, Annukka	2006	Kisojen sponsorointi yritysten toteuttamana ja yleisön kokemana	The thesis was made on sponsorship of WC2005 from the point of view of companies and the audience by measuring goals, risks and effectiveness. The other part evaluated the experiences of the audience considering the visibility of sponsors.	The research shows sponsorship had a crucial role in company strategies. Strategic goals were closely linked to sponsorship and run by professionals. Companies were satisfied with the returns in money spent and with the unique opportunities for personal contacts with other sponsors, invited guests and the organising committee.
Itkonen, Hannu – Ilmanen, Kalervo – Lämsä, Jari – Matilainen Pertti – Metsäranta Outi	2006	Elämyksiä ja yhteisöllisyyttä etsimässä: MM-kisojen vaikutus liikunnan kansalaistoimintaan	The research studied the effects of WC2005 among volunteers, the national association of Finnish Athletics, its district organisations and sports clubs.	The study of Itkonen et al. shows that the most important reason for volunteering was gaining a unique experience. Also the will to be part of the championships community was considered important, where as traditional motives for volunteering were not as important any longer
Kuokkanen, Anna	2006	Kisat yleisötapahtumana: Yleisön rakenne ja kisavierailuun vaikuttaneet tekijät.	Kuokkanen the public of the WC2005 and analyses the experiences of consumers in this large event.	The games were found interesting not only by sports people, but others as well. WC2005 can be seen as an example of the change in the nature of sports events highlighting consumption and engagement of new audience groups such as women. The commercial element was seen in product specifications of sponsoring companies and in sales of side products. A difference in spending habits between foreign sports enthusiasts and Finnish enthusiast coming from outside the metropolitan area were recognised to the favour of foreigners

Laakso, Seppo – Kilpeläinen, Päivi – Kostiainen, Eeva – Susiluoto, Ilkka	2006	Kisojen aluetaloudelliset vaikutukset	The study concentrates on the effects of WC2005 on the regional economy by examining regional demand impulses. In this way multiplier and crowding out effects are included in the study.	The results showed positive effects on the turnover of companies, production value added and employment in Helsinki Region. However, as a single event WC2005 had a small impact on the economy of the Helsinki Region, considering the size of the regional economy. The hotel and restaurant industry profited the most of the event, while tourism in general had modest effects due to the crowding out of normal tourists. Also the unpredictably rainy weather contributed to lower spectator figures and visitors
Loikkanen, Heikki – Laakso, Seppo – Kilpeläinen, Päivi – Kostiainen, Eeva – Susiluoto, Ilkka	2006	Economic Impacts of the Helsinki 2005 World Championships of Athletics	The purpose of the study was to acquire relevant information on economic impacts of Finnish events for preparing a national mega event strategy for the future. Research conducted on WC2005 handled motives and experiences of consumers, the audience and thousands of volunteers as well as changes in sport culture.	An interesting phenomenon was the tightening economic conditions of the championships, the partnership between different parties involved in the project and the investments made by the public sector. Much emphasis was also paid to economic and social goals of the organisers and the implementations of them in addition to the significance of the event for the city of Helsinki and its citizens.
Nylund, Mats	2006a	Suurtapahtuman kotiyleisöt: MM-kisat, kaupunkilaiset ja kansalaiset.	Nylund's study is on attitudes among Finns towards the games. His research surveys were divided into Helsinki Metropolitan Area and the rest of Finland.	The games were watched by a great majority of the aggregate audience. The results show that people in the metropolitan area felt predominantly positive about the event. Three quarters thought the event had been important to Helsinki and almost as many found the event successful. Satisfaction, enthusiasm and pride of Helsinki were the invoked feelings among the survey
Nylund, Mats	2006b	“Suuri lupaus”: Kisojen ennakointi suomalaisessa lehdistössä.	Through document analysis, Nylund analyses how the Finnish press and media anticipated the event.	The common themes were in order of importance the pre-championship on preparations and advancing arrangements, second the actual sports event and third was security with the threat of terrorism. Much was also written about the significance of the games for tourism and international visibility of Finland and Helsinki in addition to the economic profit for the society.

Nylund, Mats	2006c	Kisojen näkyvyys ulkomailla: Kuuden maan valtalehden vertaileva sisällön analyysi	The study focuses on the international visibility of the event and images associated with it. The study was conducted by analysing articles of leading newspapers in six countries (Germany, Japan, Russia, Sweden, UK and USA)	Findings show that all six papers covered the games and on a significant international scale. However, Helsinki and Finland were left to little stereotypical attention, while the articles concentrated on national athletes and sports. Nylund argues that there is enough evidence to question the role of sports events in marketing a city or region.
Ojajarvi, Sanna – Valtonen, Sanna	2006	Kisat mediajulkisuuden puntarissa	The study focuses on analysing media attention in Finland through document analysis.	The overall picture in the media turned out to be more negative than positive due to the critical post-writings concerning reputation, visibility, bad weather and the economy. Crucial success factors were found in the arrangements, the audience, the atmosphere and the successful anti-doping policy. Also economic and public image consequences were considered successful.
SLU	2007	FINNGERPRINT: Arvokisat Suomeen -kyselyn tulokset	A co-operational study on the preparedness and willingness of Finnish sport federations to organise international sports events in Finland conducted through a questionnaire survey.	Finns find themselves successful organisers of international competitions or events. Out of the 60 sports organisations and federations, 98 percent thought the event was run very well or excellent. Over 50 percent of the respondents are still willing to bid and organise games and events in the future.



### Appendix 3 Parties of the host selection process

The **International Olympic Committee** is a non-governmental, non-profit organisation of unlimited duration, in the form of an association with the status of a legal person. This means that the IOC has no external owners to report to and it has no formal connections or ties to any governmental body.

The IOC is the supreme authority of the whole Olympic Movement. It owns all rights to the Olympic symbols, flag, motto, anthem and Olympic Games. Its supreme organ is the Session, which is the general assembly of members, held at least once a year. The Session has been open to the media since 1999. An Executive Board consists of the IOC President, four Vice-Presidents and ten other members. All members of the Executive Board are elected by the Session through secret ballot for a four-year term. Presidential mandate is limited to eight years and renewable only once for four years. The IOC Session can be considered the parliament of the IOC, whereas the Executive Board is the government.

The IOC is composed of vigorous and honorary members and an administration managing the Olympic Movement and organising the Olympic Summer Games and Olympic Winter Games. Following the corruption allegations made in December 1998 against the Bid Committee for the XIX Olympic Winter Games in Salt Lake City in 2002, the structure of the IOC underwent a modernisation. This was undertaken in a very short space of time, with radical decisions taken during 1999. After this evolution procedures for electing candidate cities of 2006 were amended and visits by IOC members to candidate cities were abolished. Today the size of the IOC is limited to a maximum of 115 members, 15 members to come from International Sports Federations (later IFs), 15 from the NOCs, 15 active Olympic athletes elected by their peers at the Olympic Games and 70 other as individual members. Members of IOC must be nationals of a country in which they have their domicile and in which there is a National Olympic Committee. IOC members are representatives of the IOC in their respective country and not delegates of countries within the IOC. The term of office for all members is renewable every eight years through re-election and the age limit for members is 70 years. The IOC chooses and elects its members among qualified persons by its nominations committee. All Olympic Movement members have the right to present nominations. (International Olympic Committee 2008; Persson 2000.)

The principal rule is that there cannot be more than one member elected in a country, unless the country has not organised earlier Summer or Winter Olympic Games. The IOC President can furthermore designate ten members from any country and in total there may be a maximum amount of three voting members in a country. (IOC 2008.)

The role of the **National Olympic Committees** (NOC) in the Olympic process is to develop and protect the Olympic Movement in their respective countries. All national federations affiliated to International Sports Federations governing sports included in the programme of the Olympic Games are members of the NOC of the country. The approval of the respective NOC of a bid city is compulsory in

the process selecting the national bidding city. The NOC makes the formal application to the IOC after approving the city. (IOC 2008.)

The NOCs are responsible of organising their countries' participation in Summer and Winter Olympic Games. The members of IOC hold in general top positions in their NOCs, often as presidents or secretary generals or at least as members of their boards (IOC 1995, 2). The NOCs are grouped into a world Association of National Olympic Committees (ANOC) and five continental associations. (Persson 2000.)

The **International Sports Federations** (IFs) are responsible for controlling and managing the technical aspects of their sports at the Games and for giving technical approval to all the sports facilities. As international non-governmental organisations governing one or more sports on a world level, they are in a position to provide all necessary advice for preparing projects concerning their sports. IFs establish and apply the rules of their respective sports and are responsible for their enforcement.

Presidents of most important IFs, International Amateur Athletic Federation (IAAF), International Federation of Football Associations (FIFA) and International Ski Federation (ISF); are all members of IOC. Their abilities and accordance between the sports federations and the IOC are corner stones in building the Olympic Games. They are all highly respected in sports societies. (Persson 2000.)

The organisation of the Olympic Games is entrusted by the IOC to the NOC of the country of the host city as well as to the host city itself. For that purpose an **Organising Committee for the Olympic Games** (later OCOG) is established by the host city. From the time it is constituted, instructions are received from the IOC through communication. (IOC 2008.)

The OCOG executive body includes the IOC member or members in the country, the president and secretary general of the NOC and at least one member representing the host city. In addition, it generally includes representatives of the public authorities and other leading figures. The OCOGs are mostly formed from the bid committees after the Games have been awarded to the winning candidate city, seven years before the Games take place. (IOC 2008.)

The Olympic Charter is the contract entered between the IOC, the National Olympic Committee and the host city (Host City Contract) and the instructions of the IOC Executive Board. The contract is valid from the time of constitution of the OCOG until the end of its liquidation. Today, OCOGs have turned into enormous managerial entities employing hundreds of people. The Organising Committee starts its work with a period of planning followed by a period of organisation which culminates in the implementation or operational phase. (IOC 2008.)

#### Appendix 4 18 evaluation themes identified by the IOC

<b>Theme 1</b>	National, regional and candidate city characteristics	Political, economic and social structure and stability; jurisdiction, responsibility, prerogative and public opinion.
<b>Theme 2</b>	Legal aspects	Organisational chart of the Organising Committee. Rights and obligations for the host city; protection of Olympic Movement and symbols.
<b>Theme 3</b>	Customs and immigration formalities	Regulations of immigrants and entry-visas for the country, health and vaccinations; guarantee of letting all holders of Olympic identity and accreditation card (athletes, leaders, IOC members, media) to enter the country
<b>Theme 4</b>	Environmental protection and meteorology	Report on public authorities' environment and natural resource management system and their cooperation, responsibilities and working methods. Temperature and humidity table on last 10 years for competition area.
<b>Theme 5</b>	Finance	Financial guarantees available to ensure the financing of the construction period; economic effects that the Olympic Winter Games will have if elected; potential economic shortfalls; guarantee of reasonable price level for services and goods.
<b>Theme 6</b>	Marketing	Fulfilment of all immediate priorities: Joint Marketing Programme, commitments from all public or private entities to protect the Olympic image and prevent ambush marketing, projected and substantiated conservative revenue forecasts from major marketing sources.
<b>Theme 7</b>	Programme of the Games	The exact dates of the Games and a daily plan schedule. Provide relevant confirmation to make sure no other national or international event will take place during or a week before or after. Guarantee how Paralympic Games will be organised.
<b>Theme 8</b>	General sports concept	Information about the concept and planning in all areas relating to general sports organisations, and also the planning for each sport on the programme of the Olympic Winter Games
<b>Theme 9</b>	Sports	Envisaged programme for all sports, experience of sports organisations, sites, agreements with the International Sports Federations.
<b>Theme 10</b>	Olympic Village	The location, distances and sizes of accommodation for the athletes and the leaders; budget of NOC athletes and travel costs.
<b>Theme 11</b>	Medical, Health services	Information on health system, water quality, arrangements for the Games by the relevant public health authorities
<b>Theme 12</b>	Security	General security criteria, categories of emergency plans, risks posed by activist minorities, public and private organisations involved with security during the Games

<b>Theme 13</b>	Accommodation	Meeting accommodation requirements and demands, tariffs and planning
<b>Theme 14</b>	Transport	Transportations for all the visitors of the Games. Main strategic, operational and client group objectives with regard to traffic management and performance during the Games
<b>Theme 15</b>	Technology	Timing, results processing, accreditation, ticketing, recruitment of volunteers, circulation of information to the various media, members of the Olympic Family and general public at the venues and throughout the world
<b>Theme 16</b>	Media	Showing the location and services of the media centre; experience of international transmissions.
<b>Theme 17</b>	Olympism and culture	Description of all ceremonies to promote the philosophy of the Olympic Movement.
<b>Theme 18</b>	Guarantees	Governmental guarantees about finances and obligations of each theme.

## Appendix 5 Operationalisation Chart

Purpose of study	Sub objectives	Theory	Examples of interview questions
<p><b>The main objective is to evaluate the bid process of Helsinki 2006 for the XX Olympic Winter Games from a place marketing perspective</b></p>	<p>To find out the main reason for bidding</p>	<p>2.2 Implementation of place marketing 3.3 Formulation of the bid</p>	<p>What was the vision of the bid? What was the mission of the bid? SWOT analysis</p>
	<p>To find out how place marketing was implemented in the Helsinki 2006 bid process</p>	<p>2.2 Implementation of place marketing 3.3 Formulation of the bid</p>	<p>How much background research was made for the bid? Who were the major players in the process? How was brand identity created? How was brand image perceived? How was the brand positioned within competitors?</p>
	<p>Evaluation of success factors of Helsinki 2006</p>	<p>2.3 Success factors in place marketing practices 3.2 Bid components 3.3 Formulation of the bid</p>	<p>What were the chosen success factors of the bid? What unpredictable coincidences were met during the process? What were the limitations of the bid process?</p>

## Appendix 6 Interview questions

### Background information

1. Tell briefly about your background?
2. What was your role in the process of Helsinki 2006?
3. How long were you involved in the process?

### Main objective for bidding

4. When did the idea of bidding start?
5. What was the mission for bidding?
6. What was the vision of the bid?
7. What were the considered strengths of the bid?
8. What were the considered weaknesses of the bid?
9. What elements were seen as opportunities?
10. What elements were seen as threats?
11. What was the set goal for the bid?
12. What was the strategy of the bid's marketing?
  - a. Promotional factors?
  - b. Spatial factors?
  - c. Organisational factors?

### Place marketing

13. When was the process started?
14. Who were involved in the bid process?
  - a. Who were the messengers?
15. What was the target group of the process?
  - a. What was the message delivered?
16. What were the marketing factors of the process?
  - a. What were the channels of marketing?
17. Who formed the planning group of the process?
18. What role did the IOC have in the process? How did it influence the strategic decisions?
19. What other actors were catered?

### Place branding

20. How much background research was made on the image of Finland perceived by IOC members?
21. Why was Helsinki chosen as the main city?
22. Was there mutual understanding in formulation of the brand?
23. How was the brand positioned within competitors?
24. What kind of brand identity (how the brand wants to be perceived) was created?
25. What brand image was acquired from the bid? (IOC feedback)

### Success factors

26. What were the chosen success factors?
27. How did the planning group succeed?
28. Did the vision and strategy work out?
29. Was the place identity successfully adapted as place image?
30. How successful was the public-private partnership?
31. Was there political unity behind the bid decisions?
32. Was there some factor that made Helsinki special compared to others?
33. What unpredictable coincidences were met in the process?
34. How was the product led?
35. How much attention was paid on IOC objectives?
36. Was the timing correct?
37. Was the budget large enough?
38. What were the limitations of the bid process?

## Appendix 7 Helsinki 2006 bid committee

### 2006 BOARD OF ASSOCIATION

Eeva-Riitta Siitonen, Chair	City of Helsinki
Harry Bogomoloff	City of Helsinki
Tuija Brax	City of Helsinki
Arto Bryggare	City of Helsinki
Tapani Ilkka, Vice President	Finnish Olympic Committee
Esko Aho	Finnish Olympic Committee
Kalervo Kummola	Finnish Olympic Committee
Jane Erkkö	Finnish Olympic Committee
Ulla Juurola	City of Lahti
Matti Kataja	City of Lahti
Kalevi Kivistö	Ministry of Education

### Bid Committee

Martin Saarikangas, Chair	
Eeva-Riitta Siitonen, vice chair	City of Helsinki
Antti Viinikka	City of Helsinki
Pertti Mustonen	City of Helsinki
Kari Salmi	City of Lahti
Hannu Roine	City of Lahti
Harri Syväsalmi	Ministry of Education
Raija Mattila	Ministry of Education
Tapani Ilkka	Finnish Olympic Committee
Marjo Matikainen-Kallström	Finnish Olympic Committee
Jouko Purontakanen	Finnish Olympic Committee
Martin Myrmael	Norwegian Olympic Committee
Arne Myhrvold	Norwegian Olympic Committee
Rirmor Aaro Spiten	Commune of Oyre
Anders A. Fretheim	Commune of Ringebun
Audun Tron	Commune of Lillehammer

In addition Pirjo Häggman, Peter Tallberg and Hannu Laurell were used as expert members.

## Appendix 8 Events visited by members of Helsinki 2006 bid committee

Date and location	Occasion
<b>Meetings and Congresses</b>	
25.-27.3.98 Lausanne	Candidate Info
21.-26.4.98 Montevideo	AIPS
27.-30.4.98 Sydney	IOC summer sports + Executive Board
17.-24.5.98 Prague	FIS Congress
19.-25.5.98 Namibia	World Women's Congress
30.5.-3.6.98 Orlando	FIMS
31.5.-6.6.98 Lausanne	IIHF Congress
1.-5.6.98 Seville	Presentation of IOC Executive Board + NAOC
15.-19.6.98 Stockholm	ISU Meeting
13.-16.9.98 Seoul	IOC Executive Board
17.-20.9.98 Reykjavik	Meeting of Felles Committee
25.-27.9.98 Athens	EWS Meeting
14.-16.10.98 Monte Carlo	GAISF Meeting
17.-19.10.98 Malta	Engso Meeting
12.-15.11.98 St. Petersburg	EOC Meeting
26.-27.11.98 Salzburg	EU Sports Forum
11.-14.12.98 Lausanne	IOC winter sports + Executive Board
<b>International Competitions</b>	
<b>1998</b>	
15.-19.4.98 Helsinki	Horse show jumping WC Finals
April-May 98, Switzerland	WC of Ice Hockey
10.6-12.7.98 France	Soccer World Cup
11.-19.7.98 Moscow	World Youth Games
19.7-2.8.98 New York	Goodwill Games
28.7-2.8.98 Annecy	Yu WC / youth
August 98, Finland	Sailing WC (2,4m)
8.-22.8.98 Venezuela	Central-American Games
18.-23.8.98 Budapest	YU EC
30.8.98 Lausanne	Triathlon WC
11.-21.9.98 Malaysia	Commonwealth Games
7.-15.11.98 Lahti	Weightlifting WC
6.-20.12.98 Thailand	Asian Games
<b>1999</b>	
5.-10.1.99 Herenveen	Speed skating EM
11.-17.1.99 Winterberg	Bobsleigh EM
25.-31.1.99 Königsee	Luge MM
30.1.-6.2.99 Korea	Asian Winter Games
31.1.-14.2.99 Vail	Alpine Ski WC
1.-14.2.99 Cortina	Bobsleigh WC
5.-7.2.99 Hamar	Speed skating WC
6.-14.2.99 Kontiolahti	Biathlon MM
February 99, Ramsau	Skiing WC
February 99, Tatra	EYOD Winter Games
5.-7.3.99 Maebashi	Athletics, in hall WC
19.-21.2.99 Sofia	Short Track WC
21.-28.3.99 Helsinki	Figure Skating WC
20.-22.4.99 Munich	Basketball European League
April-May 99 Norway	WC of Ice Hockey
23.5.-6.6.99 Egypt	Handball WC