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#1) The Perception of the 2008 Beijing Olympic Games in China and the World (November 2009)

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Abstract

This paper provides an analysis on internet news reports about the Beijing Olympic Games 2008. We focused on how China signaled throughout the Olympics to internal and external target groups. The analysis shows how the cultural areas “China”, “USA”, “Europe” and the “Rest of the world” perceived the Games. The results were interpreted regarding, firstly, the principal agent theories' signaling to reduce information asymmetry for business and tourism and, secondly, costly signaling to generate symbolic capital.

740 news reports were collected between July 1st and September 30th 2008, using “Google Alerts” with the keywords “Olympic Games Beijing 2008”. The reports were analysed with a quantitative content analysis using a coding frame. The results show that China used the Games to signal towards target groups, primarily to potential business partners/investors. The four cultural areas observed have different patterns on how communication about the Olympics was perceived in their media reports. However, China’s success to signal positively was weakened by several negative news reports.
Table of Content

1. Introduction........................................................................................................... 1
2. Literature Review.................................................................................................. 2
3. Theoretical considerations and framework............................................................. 5
4. Methodology and Research Design........................................................................ 7
5. Results................................................................................................................. 10
6. Conclusion .......................................................................................................... 14
7. References........................................................................................................... 15
1. Introduction

The investment of taxpayers’ money for Olympic Games often relies merely on fiscal growth externalities. However, due to the transitory nature of the directly induced economic impact by Olympics (Preuss, 2007a), there is ongoing controversy whether the monetary impact is positive for the host city (Matheson, 2009; Heisey, 2009; Baade & Matheson, 2004; Késenne, 1999; Crompton, 1995; Getz, 1994). A broader consensus among these authors seems to exist about the intangible factors induced by staging mega sport events (Szymanski, 2002, 9). The most prominent intangible effect of Olympics is the “free” promotion effect for the location (Chalip & Costa, 2006; Preuss, 2007a; Ritchie & Smith, 1991) and the non-use values such as the populations’ happiness and national pride (Barget & Gouguet, 2008; Bruni & Porta, 2007). Consequently, major sport events may be perceived primarily as a public investment in the regional image and, thereby, be used as a signaling tool for the host as, for example, a business location and tourism destination, aiming at the reduction of informational deficiencies with regard to potential investors and visitors. The economic impact closely related to the event is rather a side effect than the very goal and legitimacy of subsidies (Kurscheidt, 2007). Moreover, regional development strategies should not be focused on just one event as the policy intervention. Rather, bundling different events into a portfolio and embedding them into a broader strategy of place marketing and economic growth should lead to long-term development success (Gratton, Shibli, & Coleman, 2005; Chalip, 2004; Gratton, Dobson, & Shibli, 2000;). The potential role of an effective signaling to support such endeavours is therefore of high interest.

The intent of this study is to find out how China and Beijing used the 2008 Olympic Games in Beijing, which were staged from August 8th to 24th, to signal towards internal (national) and external (international) audiences. Additionally, we evaluated how the perception of these Chinese Olympic Games in the Chinese media differed from European media, US-American media and media from the rest of the world.

Therefore, we collected Internet news articles about the Beijing Olympic Games using the “Google Alerts” tool over a period from July 1st to September 31st 2008.
Furthermore, we distinguished between positive and negative internet-news reports from different regions (China, USA, Europe and others) to detect whether different cultural zones reported differently about the Games and thereby educated their population differently by the Internet news reports.

2. Literature Review

For this paper we will use two signaling theories to show how China used the Olympic Games in Beijing to signal information to target groups, particularly tourists and decision makers of international corporations.

This study is based on content analysis of Internet news reports about the Olympic Games 2008 (Krippendorff, 2004; Berelson, 1971). However, the intention is not to analyse the content in terms of sport coverage or the organizational progress, but the information produced about China as a potentially interesting place for tourists and foreign direct investments. Furthermore, we intend to look at the overall public relations the communist party of China was doing throughout the Games.

In the past some research was done on media content analysis of Olympic Games (Moragas Spà, Rivenburgh, & Larson, 1995; Schantz & Gilbert, 2001), however, we could find only a few research proposals on Beijing 2008 (Bladen, 2008; Finlay & Xin, 2008; Horne, 2008; Luo et al., 2008), with none of them concentrating on signaling.

The special focus on signaling through a mega (sport) event is not new. Due to the great worldwide interest in the Games and the “media hype” (Preuss, 2007b) Olympic Games provide an important public relations opportunity. In earlier times one motivation to stage the Games was to demonstrate the superiority of a political system. The communist regimes of the 1970s and 1980s as well as the German Reich in 1936 saw the Games as a chance to prove the superiority of their systems (Riordan, 2007; Riordan & Arnaud, 1998; Krüger, 1972). More recently, the motivation has been to announce or demonstrate major changes in the host city and country to the world. For example, Munich wanted to show that West Germany had rid itself of its Nazi past (Guttmann, 2002; Daniels, 1996). South Korea wanted to showcase its modern, high-technology national industries and replace its image as a
developing country (Denis, Dischereit, Song, & Werning, 1988). Australia used the Games to enhance the tourist image of Australia as a whole and not just of Sydney (Morse, 2001) and was keen to raise its international profile as "being more than merely a good source for raw material" (Parker, 2001, 9). Finally, Beijing was keen to demonstrate the growing importance of China to the world economy by delivering 'High-Tech Games' (Lin, 2004) as well as to demonstrate it’s great cultural past, which is interesting for tourism.

Signaling is used in many fields and aspects of life. It refers to sending out signals to convey information about unobservable qualities of the sender in order to minimize the information asymmetry or to accumulate symbolic capital.

There are many disciplines of science using signaling theory, such as information economics (Jensen & Meckling, 1976; Rothschild & Stiglitz, 1976; Spence, 1973; Akerlof, 1970), business and marketing (; Cai, Duxbury, & Keasey, 2007; Boulding & Kirmani, 1993), anthropology, biology and evolutionary science (Palmer & Pomianek, 2007; Bliege-Bird & Smith, 2005; Getty, 2002; Cronk, 1994; Nur & Hasson, 1984; Zahavi, 1975) and sociology (Veblen, 1994 [1899]; Bourdieu, 1977; Mauss, 1924).

Out of these different approaches to signaling, we will focus specifically on two signaling theories. First, we draw parallels to the reduction of information asymmetry such as used in the principal-agent-theory by Spence (1973) who firstly explained the theoretical framework in his job market-signaling example. Second, we will draw attention on the costly-signaling theory developed in particular in anthropology and sociology (Veblen, 1994 [1899]; Bourdieu, 1977; Zahavi, 1975).

Signaling theory is an essential part of the principal-agent-theory described by Jensen & Meckling (1976). A fundamental aspect of the principal-agent-theory is the information asymmetry between a better-informed agent and a less-informed principal. The principal does not exactly know the intention and the motivation of the agent. Agent and principal have an overall common aim, however the agent does not only want to maximize the principals benefit, but also his own. Due to the hidden characteristics of the agent during the selection the principal may choose agents with suboptimal characteristics. This management problem is called "adverse selection". In order to decrease the information asymmetry, either signaling,
screening or self-selection can be used. In the signaling approach, the agent can send signals to convey otherwise hardly observable qualities and information to the principal and thereby lowers the probability of an adverse selection. However, it is only beneficial for the agent to produce a signal if the advantage of the production of signals is greater than the costs to produce it, while the opposite is true for the competitors (Picot, Dietl, & Frank, 2005), which is also called a separating equilibrium (Spence, 1973).

Another type of signaling theory is the costly-signaling theory. Whenever the communication is not based on a fact but on overall public relations messages such as showing the superiority of a political system, the strength of a country or its development, often costly-signaling can be observed. Not much general research is available regarding costly-signaling throughout mega sport events. Clausen (1997) first mentioned a kind of event signaling as a strategy to use cultural events to signal information about a place. Kurscheidt (2006, 2009) and Preuss (2007a, 2007b) later investigated sport-event signaling in greater detail. Garcia (2007) also focused on Olympic Games signaling, but rather indirectly only on the production of cultural symbolic capital.

This costly-signaling theory was first mentioned by Veblen (1994 [1899]) and first published in the context of theoretical biology by Zahavi (1975). Also being called “handicap principle”, this theory describes the use of costly signals, which are supposed to be hard to imitate because of inherent signaling costs, to reliably convey information about the sender. The sender has to invest significantly into these signals and the less they are of use the more trust-worthy they are. An example from biology for costly signals are large antlers on deer, which are hard to maintain and can be seen as a potential risk to the owner. So, being able to maintain such large (not useful and therefore risky) antlers signals eligibility for being a potential mate or ally (Palmer & Pomianek, 2007). Veblen (1994 [1899]) and Bourdieu (1977) illustrate costly signaling by saying that conspicuous expenditures are an ultimately strategic action designed to build up and accumulate symbolic capital. Thereby, the highest profits in symbolic capital can be attained when
someone acts in ways that reliably demonstrate lack of interest in material acquisition by engaging in conspicuous consumption and therefore lavish spending.

3. Theoretical considerations and framework

The theoretical considerations about the framework of our study are described in Fig. 1. Deeper detail and description on the framework can be found in Preuss (2007b, 79-82).

![Flowchart of information about the Olympic Games throughout national and international media](source)

**Fig. 1:** Flow of information about the Olympic Games throughout national and international media

Source: Preuss (2007b, 80)

The Chinese government, consisting of the ruling Communist Party (CP), has control over the organizing committee of the 2008 Beijing Olympic Games (BOCOG) and constitutes the interior politics, providing great influence on the organization of the Beijing Olympic Games themselves. The CP also has control over the Chinese media. Signaling China's power, unity, self-confidence and other content created potential conflict with the interior and exterior political environment. These factors effect the
Chinese and international media reported on the Games. Negative news from Chinese media were basically blocked and not published, at least for the most part.

In China, the governmental news agency Xinhua is exclusively responsible for permission and distribution of information from abroad. “Media companies that want to sell information and images to China have to censor themselves and are not allowed to deliver news which ’...endanger Chinas national security, reputation and interests...’ Beyond that and according to the vague regulations, pieces of information are not allowed, that ’...endanger the economic and social order...’ or that ’...endanger the social stability...’. Similar regulations apply for information that ’...undermine Chinas national unity, sovereignty and territorial integrity...’” (n.n., 2006a). The Olympic coverage for the Chinese population can be used successfully for the internal political agenda. The positive news reports precisely meet the needs of many Chinese people, because the Chinese public associates way more to winning the bid to host the Games back in 2001 than just the honour of being the host. Winning the bid comforts the wounds in the national sentiment caused by 150 years of colonization attempts by the west, terrible attacks by Japan and not least many self-destructive years of Cultural Revolution. By hosting the Olympic Games China feels strong again, accepted as a global power, just the way it has seen itself for the last 2000 years (Preuss & Guder, 2008; Seitz, 2006).

The international media reported more openly and the news outside China was not to be controlled by the CP. However, the generally positive news on the sports was influenced by the ”collective memory“ the world media has about previous Chinese political actions and also about Chinas role at previous Olympics. The international media compared all actions taken by the host nation regarding the Olympics to previous actions in order to formulate their news reports accordingly. That is the reason why messages about human rights, Tibet, doping, environment etc. were constantly used in foreign media news.

The focus of this study, as highlighted in Figure 1, was analysing the Internet news reports from Chinese and international media. What content was reported, to
whom? What were the differences between the news reports from Chinese and international media in different parts of the world?

Fig. 1 further illustrates how the national and international media were addressing the target groups. On the one hand, the positive news reports from China can be seen as a reduction of information asymmetry (showing the strengthened location factors of the capital Beijing and China in general) as well as the building up of "symbolic capital" through costly signaling, e.g. by constructing the Olympic venues in an impressing architecture much more costly than a normal sufficient venue and way ahead of time. The positive reporting of the international media addressed the same effects. However, the negative reporting added further information about China. Due to the globalization the Chinese audience was also partly aware of this reporting.

4. Methodology and Research Design
This study is based on quantitative content analysis (Krippendorf, 2004; Berelson, 1971), in our case a quantitative analysis of Internet news using a coding frame.

For the data collection we used “Google Alerts”, which is a service offered by the Internet conglomerate Google. “Google Alerts” sends out daily emails with links to news reports on keywords - for this study we used “Olympic Games Beijing 2008”. Accordingly, mostly news reports in English were collected, which come either from English-speaking areas of the globe (USA, Europe) or from sources that target an international audience like the host China itself. This way 740 news reports were collected over the period from July 1st to September 30th.

“Google Alerts” is a tool working with the so-called “Google PageRank-algorithm” (Brin & Page, 1998). More precisely, "Google Alerts" uses the StoryRank-version, sorting out those news reports on which the highest number of other web pages link to. In other words the assortment of news reports by "Google Alerts" concerning the content is not given because the selection is based on the links from other pages to each news report. Therefore our analysis is not representative for the overall content that was given by all news reports. Neither the overall number of news
reports, nor the overall number of reports on a specific topic can be detected. However, using "Google Alerts" we collected those English Internet news reports, which were presumably most viewed. At least the selection of media news represents those with the highest subjective importance and impact on the viewers. During the time of data collection, the number of the daily news was limited to the ten top news reports per day, with some days providing less than ten news reports.

The content of the news reports was analysed by three criteria. First, the origin of the news reports was sorted in four geographical (and cultural) areas. We distinguished China from the USA, Europe and the “rest of the world”. It is of interest to identify a difference in reporting between the sender of the signals, China, and the world power USA, the multicultural Europe with many small countries and the "rest of the world". This last group is basically determined by news reports from Canada (n= 75), Asia and the Middle East (n=53), Africa (n=24), Australia and New Zealand (n=23) and South America and the Caribbean (n=5).

Second, the topics of the news reports were interpreted by their content, as displayed in Tab. 1.

<table>
<thead>
<tr>
<th>No</th>
<th>Category</th>
<th>Content</th>
<th>N</th>
<th>Category related to signaling</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sport</td>
<td>Sport</td>
<td>303</td>
<td>news are logically the central messages of the Olympics and will not be analysed</td>
</tr>
<tr>
<td>2</td>
<td>Costly signaling</td>
<td>High Tech; architecture; great organization</td>
<td>24</td>
<td>news are related to costly-signaling</td>
</tr>
<tr>
<td>3</td>
<td>Information asymmetry: Business</td>
<td>Business climate; people; organizational skills; security</td>
<td>81</td>
<td>news are related to reduce “information asymmetry” concerning China/Beijing as a business relations</td>
</tr>
<tr>
<td>4</td>
<td>Information asymmetry: Tourism</td>
<td>Tourism; people; environment</td>
<td>30</td>
<td>news are related to reducing “information asymmetry” concerning China/Beijing as a tourist destination</td>
</tr>
<tr>
<td>5</td>
<td>System critics</td>
<td>Freedom of Press; Human rights</td>
<td>47</td>
<td>news are related to positive or negative criticism on the Chinese political system</td>
</tr>
<tr>
<td>6</td>
<td>Others, non-Olympic</td>
<td>Others and non-Olympic</td>
<td>263</td>
<td></td>
</tr>
</tbody>
</table>

Tab. 1.: Categories of content analysis related to signaling theory
Category one includes information about the sport itself and is not focus of this study. The second category consists of observation related to costly-signaling and contains information about extraordinary state-of-the-art technology, modern venues, impressive general infrastructure and great organisational skills of the Chinese. These news reports are based on the costly-signaling approach, because it was reported how China was spending enormous resources to convey information building up symbolic capital (Veblen, 1994 [1899]; Bourdieu 1977). The third and forth category relate to news reports narrowing the informational asymmetry to attract tourists and to improve business relations and attract (foreign) investors. These categories deal with the signaling providing information about given facts to a less-informed receiver (principal), trying to bridge the information gap for otherwise hard to attain information. The last analysed category is related to criticism on the political system in China, which affects both China as a business and tourism destination. A residual group contains 303 other news reports not important for the focus of this analysis. These topic-related categories, being grouped from 27 original and highly precise categories, meet the three criteria for coding frames, which are precision, exclusivity and exhaustivity (Bortz & Döring, 2006).

Third, we differentiated between news reports assessing the topics in a negative way and those doing it either in neutral or positive ways. Accordingly, news reports with a negative judgment of it’s content, which are fairly easy to detect, are placed in the “negative” category and the others in the “positive/neutral” category, which provides a high degree of objectivity. Objectivity is maximised by conservative interpretation of data - however, we must admit that we are still judging from a European-socialised background. While the origin of the news demands no subjective interpretation, it is more difficult with the interpretation of the content.

The collected news reports were analysed using a quantitative content analysis. The reports are sorted according to a coding scheme, differentiating origin, content and judgment of that content. This coding scheme can be exemplified with a sample news report:

1) Origin: USA
2) Content: Category 5 „System criticism“
3) Example: “Olympic Torch Bearer wrestled to the ground for showing support for Tibet” (Eligon, New York Times, 2008)
4) Judgement of the content/topic: Negative

In order for a news report to be sorted to the category „System Criticism“, its content, at least for the biggest part, has to deal with topics related to system criticism, in our example specifically "human rights" and "freedom of speech and freedom of press". If a news report deals mostly with one topic and mentions others on the side, the particular report was treated as if it had only the main topic. But if a news report had more than one headline, dividing it into several independent news reports, they were treated as such.

5. Results

Out of all the news reports collected (n=740), most stem from web pages originating in the USA (n=288), representing 39%. Second most news reports were from Europe (n=137, 19%), followed by China (n=135, 18%) The "rest of the world" combined amounted to 180 reports, which were 24% of our sample collected over a period starting five weeks before and ending five weeks after the Olympics. For our analysis we only used 182 news reports, because they fitted in categories 2 to 5 (Tab. 1) and are indicated by darker colour in Fig. 2.

![Bar chart: Share of news reports by origin](image)

*Fig. 2: Share of news reports by origin*
From those 182 reports analysed by category related to signaling it can be seen that the highest percentage (43%) comes from China. The Communist Party was certainly most interested in reducing the information asymmetry to attract future tourists and direct foreign investments as well as using the Games to build up symbolic capital. The other regions under consideration had only 16.7% (USA), 22.6% (Europe) and 24% (rest of the world) news reports fitting in the signaling categories.

Figure 3 illustrates the number of analysed news reports, distributed into the six categories “Sports” (n=303), “Costly Signaling” (n=24), “System Criticism” (n=47), “Information Asymmetry Business” (n=81), “Information Asymmetry Tourism” (n=30) and “Others/non-Olympic” (n=263). It must be mentioned that we used 8 reports twice, because they fitted in two categories.

Taking a closer look at the assessment of the content of the news reports, some facts can be observed (Fig. 4). Whereas the reports on “System Criticism” show an overall balanced assessment of 22 (47%) positive/neutral and 25 (53%) negative reports, it is discernible that the Chinese media published mostly positive reports on these topics (8 positive/neutral and just one negative published in Hong Kong
regarding prejudices against the handicapped in Chinese society). The reports from the USA and Europe are opposite, with 33% and 15% positive/neutral.

![Graph showing news reports by category, origin, and value](image)

*Fig. 4: Share of news reports by category, origin and value*

All reports on topics related to costly-signaling were positive/neutral in their judgement. In the categories "Information Asymmetry Business" and "Information Asymmetry Tourism", the results concerning the assessment are similar. All collected news reports from Chinese sources were positive/neutral in both categories. US media had 13 (76%) positive/neutral and 4 negative reports on business-related topics and 6 (66%) positive/neutral and 3 negative news on topics used to reduce the information asymmetry for potential tourists. From European media sources 5 (56%) positive/neutral and 4 negative news reports on “Information Asymmetry Business” and 6 (86%) positive/neutral and 1 negative on “Information Asymmetry Tourism” were collected.

While the real share of news on the Beijing Olympic Games cannot be analysed, we can at least weight the number of reports in the different categories by their share on all reports during the observed period. This way it can be seen what kind of signaling pattern was most important among the mostly linked web news reports.
Relatively seen Europe and the "rest of the world" were criticizing the political system of China most, whereas only a small percentage of news reports from the USA addressed "system criticism". More than half of all signalling-related reports originating from China were about conveying information on business-related location factors, which can be interpreted as the main focus of the signaling used by the Chinese. Compared to the other origins, more US news reports dealt with "costly signaling", probably because of a general interest of the US-American public for
extravagant things. However, in general it can be seen, that the reduction of information asymmetries in the field of business and tourism was most important in all regions under consideration.

6. Conclusion
The Olympic Games in Beijing 2008 created many news reports all over the word. Many of them were related to signaling in all three analysed contexts (costly signaling, info-asymmetry business & tourism).

This paper illustrated that Mega Sport Events, such as Olympic Games, can be used by the host to signal towards interior and exterior audiences. As seen in Fig. 5, where, for example, the host China used the world-wide media coverage to convey information on business-related location factors to potential internal and external investors. This is not new for Mega Sport Events. Being on the stage of the world media, signaling regularly is used by "free riders" trying to use the media hype to reduce information asymmetries, which are not related to the Olympic Games. In China that was related to Tibetan conflicts as well as the attacks of the Olympic Torch Relay just in order to criticise the Chinese politics. This abuse of the Olympic media hype was also observable in Sydney 2000, where there were many reports published on the treatment of Aborigines or in Atlanta 1996, where news reports about the situation of the black population were communicated.

Its effectiveness for China and Beijing has to be determined more closely, since negative news reports dampen the effect of the positive ones. It could be shown that the effects of signaling efforts can also be negative, since international media cannot be controlled by Chinese authorities. China must have been anticipating this outcome. However, our results show that the positive news outweighed the negative news reports. It is in particular to be seen that even the reports on "system criticism" were more positive than negative in the "rest of the world".

The perception of the Beijing Olympic Games 2008 differed between the regions “China”, “USA”, “Europe” and the “Rest”, with Europe and the “Rest” reporting in a
quite different way about China. All concentrated mostly on transmitting business-related information.

7. References


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