
Osaka Renaissance News

No 9 October 2004

Welcome to “Osaka Renaissance News” - the email newsletter of Osaka City Government’s “Urban Revitalization Task Force”.

The Osaka Urban Revitalization Task Force

We are the first *City Task Force* established in Japan to address urban regeneration and revitalization at the same time. For this we are also collaborating with the central government’s “Urban Renaissance Program”. The role of the task force is to coordinate and promote the set of initiatives that taken together form the Osaka Revitalization Plan.

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This Issue: Osaka’s Brand Vision

This month’s issue is about how Osaka is developing a long-term vision for the city as the foundation for its brand strategy. “Osaka Renaissance News” is distributed through multiple email channels to spread the word about important initiatives taking place in Osaka.

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The Osaka City Blue Print for Urban Revitalization covers:

- Urban regeneration
 - Business stimulation (notably in knowledge industries)
 - Tourism and life-style services
 - Education – especially professional and life-time learning
 - Foreign direct investment
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CONTACT POINT

Osaka City Urban Revitalization Task Force

Toru Takahashi, Deputy Director, Office of the Urban Revitalization Committee

Tel: 06 6244 4315

Fax: 06 6244 4307

Email: ea0012@ii.city.osaka.jp

URL: www.osaka-saisei.jp/eng/index.html

OSAKA'S BRAND VISION

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AUTHOR'S INTRODUCTION

The phrase, “the people perish without a vision” could be recast for cities as, “without a brand identity a city dies”. That is effectively Osaka’s challenge. It wants to be an Asian trading hub, and even a world city, but it needs to work hard to build its brand image.

Brand marketers identify existing strengths or assets. The city has several committees and think tanks doing this now. Most agree that the city enjoys a number of “soft” assets, namely its people, who are friendly and outgoing, entrepreneurial, with a love of life, especially food.

Foreign advisers have recommended that Osaka view itself as a metropolitan area that includes neighbouring cities like Kobe and Kyoto in order to extend its boundaries and value offer. Urban planners from the UK view Osaka’s downtown redevelopment, around the station area in particular, as an opportunity to build

consensus among its citizens about what Osaka is going to be, which will build strong support for the vision.

For myself, I have a vision of a city that is: highly creative, slightly eccentric, confident of its regional roots, unusually (by Japanese standards) open to Asia and to the rest of the world, where new things are possible. It is not necessarily cosmopolitan (which suggests sophistication) but earthy and dynamic, befitting a trading centre with a long history as a commercial capital. For me this vision is a reason to stay and work in Osaka, because I expect this vision to become reality over the years. It is a reason as well for foreign companies in areas related to innovation and creativity to come here, so they can participate in this unfolding opportunity.

Alex Stewart

OSAKA RENAISSANCE NEWS

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The Osaka City Revitalization Task Force has commissioned Alex Stewart to author this series of newsletters. He is the president of Alexander Capital Access Co., Ltd., an investment catalyst and PR communications company based in Osaka. He is also an Executive Adviser to the Osaka City Revitalization Task Force. Questions about these articles can be directed to him at: alex@ac-access.com

OSAKA'S BRAND VISION

In this issue we look at how Osaka is developing its brand vision.

(1) Brand building

A city needs an “aspirational vision”, Werner Geissler, the recent head of P&G North Asia, told the city when asked how to attract foreign investment. Did the city, he asked, want to look like WaterWorld (the science fiction movie about a disintegrating post-modern world brought to life at the Universal Studios Japan theme park next to the port), or like Santa Monica? P&G develops brands by asking what consumers want, and building a good feeling around the product, which encourages loyalty. Cities he implies should do the same thing.

Urban planning specialists all agree that cities need to have a brand strategy to attract investment, tourism, and employment. As the real estate consulting company, Healey & Baker commented at a city brand conference, “a city is a brand, which they can use to position themselves in the international market”.

Brand building is a relatively new area of activity for cities in Japan. However, vision building, which is closely related to brand strategy, is not new.

Osaka for example began formulating Long-Term Plans in 1967. Currently there is an advisory committee to the Mayor, Dr. Junichi Seki, which is preparing an updated version of the 15-Year Plan, launched in 1990. A final update is due to be published around next March. It is already dubbed the “Seki Vision”.

(2) Long-Term City Plan

The updated Plan has three basic contours: the first is to make Osaka an Asian business and visitor centre; the second, to create industry knowledge clusters, especially around robotics; the third, to make the city more green and to make more use of its water assets (rivers and canals). Osaka's focus on Asia is part of the move by trade-related cities to become regional hubs. The focus on developing knowledge industries is part of the worldwide trend to create powerful research clusters which can draw investment and stimulate economic activity. The ability to attract knowledge workers and investment into research, or knowledge-based industries, requires the third element of the vision, the improvement of the living environment.

Worldwide competition among cities to attract investment has also helped Osaka to recognise that it does not need to copy Tokyo as it used to do, rather it needs to develop its own unique identity which differentiates it from Tokyo. Hence it needs to identify those assets which set it apart, or give it a competitive advantage.

(3) Osaka's Brand Assets

Interestingly, many of Osaka's assets are soft ones, as opposed to famous landmarks or obvious visitor attractions. "Don" Iwatani, former president of Panasonic USA, and an adviser to the city, has an interesting take on Osaka's brand strengths, because his perspective is both local and international. He spent almost the whole of his career with Matsushita in the US. He has recently returned to headquarters in Osaka and can see the city through a visitor's eyes as well.

For Iwatani, food heads the list of Osaka's strengths, describing it as delicious and reasonably priced, especially compared with Tokyo or New York. On top of this, he says, the service is quite different from the more mechanical and aloof style of Tokyo. The next advantage is the location of Osaka, which is at the centre of Kansai, handy for the tourist cities of Kobe and Kyoto. This makes Osaka an ideal base from which to visit the region. Next, he notes the friendliness of the people. Osakans are sometimes called the Latinos of Japan. The friendly service and love of food have something to do with this characteristic. His final point is the difference in living costs compared with Tokyo. Lunch in Osaka is rarely more than Y700, compared with rarely less than Y900 in Tokyo.

To build on its assets, Iwatani proposes that the city's first step should be to

make itself attractive to tourists, by promoting itself as a base for visiting the better-known tourist spots around Osaka. Once people start visiting in larger numbers, he argues, it will encourage more business visitors. This will then eventually stimulate more investment.

Iwatani shares the view that Osaka should make itself into an Asian hub. He believes that Osaka offers the stability that China and other parts of Asia do not offer, hence it is more suitable for locating regional headquarters. To achieve this, the function of Kansai International Airport needs to be strengthened, which he argues could be achieved by making it a cargo hub, and then later a passenger hub, once tourism expands.

The city can claim that it is moving in this direction. It has made tourism a priority, as you can read in the April issue of Osaka Renaissance News. It is also working hard to make Osaka an Asian hub. However, it accepts that it is not using all of its Asian assets sufficiently to gain positive PR. For example, the city could capitalise more on the fact that it has more citizens of Asian origin than any city in Japan, and that its port, despite being only fifth largest in Japan, has the largest volume of trade with China.

Another of Osaka's assets is its reputation for innovation. It is the home of such offbeat, but highly successful business ideas as karaoke, revolving sushi restaurants, and cup noodles. Many still believe its business climate encourages entrepreneurial success stories. A more identifiable asset is its strong small and medium size business base. Most of these companies are owner businesses, which can make decisions more quickly compared with companies in

Tokyo that tend to have a big company mentality.

(4) Urban Redevelopment Projects

The reason however that talk of branding Osaka is so exciting now is that the city has a major opportunity to redevelop key centres of the city. The most notable of these is the rail freight yard, called Kita Umeda, next to where the private railway and city subway lines converge [see June issue of Osaka Renaissance News]. Successful redevelopment of the site will enable the city to create an actual physical landmark and focal point, which it currently lacks. It can also use the opportunity to express the future vision of what the city wants to become – i.e. a knowledge capital, open to the world, oriented to Asia, and full of greenery and water.

(5) City Leadership

Barcelona is one of the best examples of a city with a big vision, which it has successfully communicated to its citizens and the world outside. Barcelona's vision has been the product of strong leadership, notably figures like Pasqual Maragall, who was the mayor in charge of Barcelona's successful bid to host the 1992 Olympics. Since then it has used the promotion of major events as its main branding strategy.

Leadership is an important part of vision building. In the last few years, strong regional leaders have emerged in Japan as well, most notably the Governor of Tokyo, Shintaro Ishihara. The Mayor of Osaka works in a more subtle way, but as the "Seki Vision" label indicates, he is recognised as a visionary within the city. He also has a solid background in local government. This includes two terms as deputy-mayor, during which time he was also part of the city's bid to hold the

Olympics in Osaka. His grandfather, Hajime Seki, was Mayor of Osaka from 1923 to 1935, and considered to be the city's most famous mayor. He is best known for the construction of the 4-km Midosuji Boulevard through the centre of the city.

One of Dr. Seki's priorities after taking office in December 2003 was to promote his vision of Osaka outside Japan. In 2004, he made several "top sales promotion" visits to the US, Europe, and China, which were opportunities as well to exchange views. During his visit to the UK, he studied several urban regeneration sites and community projects. In London, he was also a guest of the Financial Times at a "power breakfast" designed to strengthen ties with the global media.

(6) Deregulation

In both the UK and the US Dr. Seki was able to study at first hand the ways in which local governments partner with the private sector to develop public infrastructure projects. Such partnerships are a natural by-product of public sector deregulation. In Japan, government is now moving in this direction. One of the key initiatives is to allow local governments to designate special deregulation zones for specific activities in order to help stimulate urban and economic regeneration.

Deregulation was one of the key responses to the fiscal crisis, which gripped most major cities in Europe and the US 20 or more years ago. Cities then were falling into bankruptcy and central governments did not have enough resources to support them. The same thing has happened in Japan. Osaka has been hit especially hard by the slower rate of growth in the economy and the expanding budget deficit. However,

this is also producing the sense of crisis, which is essential to institute change. Since countries in Europe and the US have already passed through this stage, Osaka can learn from their experience how to develop solutions for urban regeneration, including effective branding strategies.

(7) Public Relations

PR plays a key role for PR in terms of developing a brand strategy, which most people in Osaka agree needs strengthening. Important starts have been made however. The first is the establishment of the City Revitalisation Task Force (the sponsor of these newsletters), which is charged with focusing and facilitating the city's revitalisation strategy. More recently, an Osaka Brand Committee was

established, in which the city government participates together with other key stakeholders in the community.

When funding is tight PR has to take many forms. One of these is that all of the people accept and know what the city is working towards. This is probably still the key challenge. First however, the final vision statement now under preparation has to be finalised. After it is published, sometime in the Spring, it will need a mixture of high-level promotion and grass roots support to ensure that the Osaka renaissance becomes a reality.

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