Resident-City Identification: Translating the Customer Relationship Management Approach into Place Marketing Theory

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Resident-City Identification:
Translating the Customer Relationship Management Approach into Place Marketing Theory

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Abstract:
The aim of this paper is to determine why and under which condition residents enter into a strong and committed relationship with their place of living. We will present a model which outlines how cities could strengthen the resident-city identification by increasing the perceived place complexity. The model translates the Customer Relationship Management (CRM) approach of the general field of marketing (Customer-Company Identification) to the field of place marketing and combines it with theory development in Social Identity Theory and Theory of Organizational Identification.

We hypothesize that a strong residents-city identification results from identity fit between the city prototype and the self-concept of the resident. The proposed model outlines the important role of the perceived place complexity as moderating variable. We propose that higher perceived complexity of a city allows for higher perceived fit between the self and the city, higher optimal distinctiveness, and higher perceived attractiveness of identification with the city.

The question of how to increase identification with a place is crucial for place marketing and urban governance. Based on a review of existing research in social science we will outline the positive effects of identification on commitment, resilience towards negative information, selective information seeking and satisfaction. Practical implications for place marketers and potential for future empirical research are discussed.

Keywords:
Place Marketing, Resident-City Identification, Social Identity Theory, Place Prototype, Customer-Focused Marketing

Theme:
Planning and place marketing – theoretical implications (special session)
1. Introduction

Competition between cities for tourists, investors, companies and – more than ever – well educated residents is increasing (Anholt, 2007; Hoppers, 2003; Kavaratzis, 2005; Kotler *et al.*, 1993; Zenker, 2009). Place marketers therefore focus on building a strong favorable place identity (Anholt, 2007) to promote their city to an external target audience and to strengthen the identification with the place of the current residents to turn them into authentic ambassadors for their city. Unfortunately, city marketers often underestimate the difficulties of the task to establish a place identity. Cities as well as their target audience are highly complex. The city of Rotterdam for example contains of more than 100 different cultures (Braun, 2008) – not mentioning the different social classes which also do not necessarily share the same identity. However, the perception of places by an external target audience does often contain rather simple stereotypes (Zenker *et al.*, 2010). Places inhabitants on the other hand vary strongly and therefore make it nearly impossible to construct a simple homogeneous place identity. This effect of different perception of a city by citizens and non-citizens can be related to the general Out-Group Homogeneity Effect, i.e. the phenomenon that groups generally perceive their in-group to be more variable than an out-group (e.g. Mullen and Hu, 1989).

The current academic discussion shows considerable shortcomings in this respect (Grabow *et al.*, 2006; Zenker *et al.*, 2010). It mainly focuses on the explorative description of a certain city brand or identity without distinguishing between target groups or considering structural characteristics of mental representations of cities and is suffering a lack of a convincing theoretical foundation.

Hence, the aim of this paper is to present a theoretical model which outlines how cities could strengthen the resident-city identification by increasing the perceived place complexity, translating the Customer Relationship Management (CRM) approach of the general field of marketing (Customer-Company Identification) to the field of place marketing and combines it with theory development in Social Identity Theory (Tajfel and Turner, 1986) and Theory of Organizational Identification (Bergami and Bagozzi, 2000). We will outline how perceived place complexity might be a core variable in strengthening the identification of citizens with a city and still making the city identity more attractive for non-citizens. Furthermore, we will present a research agenda for empirical testing and discuss the use of our model for place marketing practice.
2. Place Marketing, Perception and Identification

Place marketing is “the coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city’s customers and the city’s community at large” (Braun, 2008, p. 43). Its aim is “to maximize the efficient social and economic functioning of the area concerned, in accordance with whatever wider goals have been established” (Ashworth and Voogd, 1990, p. 41). These definitions highlight two very important points: Even though an economic intention is part of the place marketing aims, increasing social functions – like place identification or the satisfaction with a place – is also a major aim. Second, it is a customer orientated approach which should integrate all customers of a city. This means that the aim is to increase the social function for all residents not only for one favorable group.

As already mentioned before, it is a considerable challenge that the perception of cities and their identities varies strongly between the different target groups. According to Kavaratzis (2004) these perceptions are formed by three types of city communication: (1) the primary communication, which is related to the city’s actions itself, even though communication is not the main goal of these actions. It includes the architecture and real place offerings as well as the city’s behavior and therefore we would label it place physics; (2) the secondary communication the formal communication through official canals like all forms of advertising or public relations and therefore we call it place communication; (3) the tertiary communication finally refers to the word of mouth reinforced by media and foremost the residents itself. Thus we label it as place word-of-mouth.

These communication categories again highlight the different important roles of residents in the place marketing process. They are part of the place physics and identity, second they are one target group of the place communication and third, they are place ambassadors through their word of mouth communication (Braun et al., 2010). This shows the urgent need to integrate residents in the marketing process, which will only take place, if residents identify with their place of living.

Identification can be defined as establishing a meaningful link between the self and the target for identification. Such a meaningful link comprises an integration of attributes of the identification target within the self-concept. In other words, identification or self-categorization broadens self-conception and links aspects of the self to a group prototype (Turner, 1985; Turner et al., 1987). Prototypes are mental representations of a category that specify core-attributes that characterize a category and distinguish it from other categories.
A city prototype can be defined as a set of attributes that are central to the mental representation of a city and differentiate it from other cities.

Identification, i.e. assimilation of the self to a prototype can serve several goals. Social identity theory (Brewer, 1991; Hogg and Abrams, 1988; Tajfel and Turner, 1986) proposes that identification with social categories can serve a positive self-perception by integrating positive characteristics of a social category within the self-concept, and by providing a sense of belonging (Baumeister and Leary, 1995). Furthermore, incorporating group norms in the own normative system reduces uncertainty and facilitates decision making (Hogg, 2000).

Identifying with a city such as Berlin or New York for example, we can enhance our self-esteem by assimilating to attributes such as cosmopolitan and innovative and can justify behavior referring to values and norms associated with citizenship. Identification with a city allows us to feel truly at home in a place, not only in a physical sense as a mere resident, but also in a figurative sense of feeling a strong connection between the self and the place on the level of emotions, cognition, and values. The most famous passage of the speech of Kennedy in Berlin 1963 illustrates the far reaching meaning of identification with a city. Kennedy said: “Two thousand years ago the proudest boast was *civis Romanus sum* [I am a Roman citizen]. Today, in the world of freedom, the proudest boast is 'Ich bin ein Berliner' (...) All free men, wherever they may live, are citizens of Berlin, and, therefore, as a free man, I take pride in the words 'Ich bin ein Berliner!'”

Recent research has addressed identification in a variety of contexts such as identification with social groups on different levels of self-categorization (Hogg, 2000; Turner, 1985; Turner et al., 1987), identification with organizations (Bergami and Bagozzi, 2000), or identification with brands (Aaker, 1997) and companies (Bhattacharya and Sen, 2003). We relate our RCI model to this research and theory development. However we will also outline factors that influence the formation and the strength of such a meaningful link between a city prototype and the self-concept of residents (and as for example in Kennedy’s case non-residents) that have received little attention in former work on identification, namely structural aspects of a prototype.

3. **The Resident-City Identification Model**

In the following we will outline the Resident-City Identification model (RCI model, Figure 1) and describe in detail the building blocks of this model which are derived from theory and empirical research on identification and self-categorization in marketing research and social psychology. Parallel to the definition of prototypes in prior research and theory development
(e.g. Turner, 1985; Turner et al., 1987) we define a city prototype as set of attributes that are central to the mental representation of a city and differentiate it from other cities. Research has shown that mental representations of cities are multidimensional (Echtner and Ritchie, 1991; Kavaratzis, 2008; Merrilees et al., 2009). City prototypes are shaped by factors such as urbanity & diversity, nature & recreation, job chances, and cost efficiency (Zenker et al., 2009). These super-ordinated factors include a broad range of variables such as (among others) demographic characteristics of its citizens (e.g. age, race, educational background, employment), the political landscape, infrastructure, history of the city, economical and geographical aspects, and more abstract attributes associated with these variables (e.g. modern/old fashioned, liberal/conservative, tolerant/intolerant, flexible/rigid, rich/poor). Some factors such as infrastructure can be improved in a top down approach to make a city more attractive. Others, such as geographical characteristics or history cannot be changed or are in constant transformation in interaction with the residents such as the political landscape.

Figure 1: The Resident-City Identification Model (RCI)

While the content of a city prototype is hard to influence, other prototype properties are more open to change. Structural variables such as group heterogeneity and perceived prototype complexity are crucial for the evaluation of a social category (e.g. Mummendey and Wenzel, 1999; Park et al., 1991) and can more easily be influenced than actual content variables. This should be also true for city prototypes.

3.1 Prototype structure

We regard complexity of a city prototype as the key moderator in resident-city identification. We propose that a highly positive mental representation of a city will not automatically lead to identification with this city, but that identification will be determined by the degree of prototype complexity. First we will define prototype complexity. In a second step we will
outline how prototype complexity can facilitate identification with a city by increasing identity attractiveness, identity fit and optimal distinctiveness (Brewer, 1991).

Mummendey and Wenzel (1999) outline four structural properties of prototypes. First, a prototype can be defined clearly along unambiguous core attributes or be a more fuzzy mental representation. Transferred to the domain of city prototypes, a mental representation of a city can be clear with high certainty about the defining attributes or characterized by vague ideas about the place. While a vague representation might lead to more moderate or tolerant evaluations (Mummenday and Wenzel, 1999), it is however, also associated with uncertainty. Given the importance the choice of a place to live has for most individuals, uncertainty might not be desirable in the communication and perception of a place prototype. Furthermore, communicating core-attributes of a city in a vague and ambiguous way in place marketing is problematic from an ethical perspective if it is done to cover up negative aspects and can reduce the perceived trustworthiness of the communicator (Trueman et al., 2004). Thus, in the following, we focus on the other three structural properties of prototypes always assuming a clear definition of core attributes.

The second structural characteristic is the scope of the prototype, i.e. whether it is multi-dimensional or one-dimensional. A city or a region can have one very dominant core-attribute such as being highly industrialized or multiple core-attributes for example being a place with a strong industry, but also with a vivid cultural life, and ethnically diversity.

Third, the distribution of elements of the category represented by the prototype on these dimensions can vary. A city can be perceived to be an open minded place. However, the distribution of this attribute for different parts of the city can be perceived as highly variable. For example, while New York might be perceived to be an open minded place, this perception might be different for Manhattan and Queens.

The fourth structural property of a prototype according to Mummendey and Wenzel (1999), prototype complexity, combines a mulit-dimensional scope, i.e. a higher number of core-attributes with a higher variance of substructure of the city on these dimensions. In the following we will outline how perceived complexity of a city prototype can facilitate resident-city identification by influencing determinants of identification such as identity attractiveness, identity fit, and optimal distinctiveness.

### 3.2 Identity attractiveness

A highly positive city prototype can make identification with the city attractive in enhancing self-esteem by inclusion of positive aspects of a city in the self-concept. However, few places
have positive attributes only. In identifying with a place, the self has to cope with negative attributes of the city that are extended to its citizens. New York for example is not only regarded to be a sophisticated and open minded place, but also to be loud and hectic.

A higher level of perceived complexity might help to buffer against the impact of negative core attributes of a city. Prototype complexity can be related to self-complexity (Linville, 1985; 1987; Rafaeli-Mor and Steinberg, 2002) and compartmentalization (Showers, 1992), that is the salience of the multi-dimensionality of the self and the degree to which positive and negative self-knowledge is sorted into distinct categories (separating negative attributes out into less central self-aspects). A higher perceived self-complexity and a low perceived overlap between self-aspects can reduce so called spill-over effects, i.e. the effect that feelings and inferences associated with one self-aspect affect other self-aspects (Linville, 1987). If we transfer this reasoning to the mental representation of a city, a more complex mental representation with low overlap between core-attributes of a city should help to buffer against extreme evaluations and reduce spill-over effects of negative attributes into the evaluation of the general city prototype. A negative attribute of a city such as a high crime-rate should cause more damage if the prototype of the city is low in complexity. This negative attribute might color the entire mental representation of a place negatively. A more complex representation, such as knowledge of areas with high and areas with low crime-rate as well as salience of a number of different and positive attributes might lead to a more favorable evaluation.

### 3.3 Identity fit

For identification with a place or a city, a certain degree of identity fit is necessary. Identity fit refers to similarities in core-values and core-attributes of the self and the prototype that is target in the identification process. While a one-dimensional prototype with a low variance might be a target that is hard to hit, we propose that a high prototype complexity can increase perceived fit and the feeling of belonging. If the prototype of a city is communicated to be young and creative with low variance on these dimensions of city quarters and inhabitants, this allows the experience of identity fit only for a very small group of residents. Although most residents might find these characteristics desirable, only few will be able to link these attributes strongly to their self-concept and identify with the city prototype. A broader scope offers more opportunities to link the self to the city prototype in a meaningful way. Furthermore, a higher perceived complexity of a city prototype reduces the threat caused by core-attributes and values of a city that contradict personal attributes and values. Under high
prototype complexity, the contradicting attribute is only one among many under low complexity conflicting attributes will have a higher salience and impact.

3.4 Optimal distinctiveness
While identity fit facilitates identification, it is questionable, whether a 100 percent fit is desirable. Complementary to a need to belong (Baumeister and Leary, 1995), we have also a need to stay recognizable as unique individuals. Optimal distinctiveness is defined as an optimal balance between embracing the core-attributes of a prototype and insisting on individual uniqueness (Brewer, 2003; 1991; Sheldon and Bettencourt, 2002). A complex place prototype offers leeway to find an optimal equilibrium between assimilation to the prototype and distinction of the self.

If the resident-city identification is strengthened, beneficial consequences should be occur. In the following we will now outline these consequences and will explain why we postulate a positive influence.

3.5 Commitment
A citizen, in contrast to a mere resident, has made a meaningful link between the self-concept and the city prototype. This link is likely to increase commitment with the city. Research on referent informational influence (Hogg and Abrams, 1988; Turner, 1991) shows that increasing conformity to norms and goals of a social group cannot only be achieved via social pressure, but also via self-categorization. An individual under referent informational influence follows norms and values of a social group and pursues its goals not because the group applies pressure in form of punishment or reward, but because the individual has incorporated these norms and goals in the self-concept via identification with the group. While individuals motivated by social pressure can be assumed to fall back in non-normative behavior once the pressure is removed (e.g. when unobserved), individuals who identify with the prototype and its core-values, will show commitment also in the absence of pressure because norms and goals have become their personal norms and goals.

Research on identification with organizations (e.g. Bargazzi and Bergami, 2000) shows a strong association between identification and loyalty of members of this organization. Thus, commitment should also extend to the intention to stay in a city and to make long terms plans such as buying a house, etc. which in turn will lead to more commitment.
3.6 Information seeking bias
Establishing a link between the self and a city prototype should also have beneficial effects on how individuals search information about the place they live in (or plan to move to). Social Identity Theory (e.g. Tajfel and Turner, 1986) proposes that individuals feel a need to enhance self-esteem by self-categorization. To achieve this goal, it is likely that identification with a city leads to a bias in perception and information seeking in favor of positive information about the city. Identification should also make individuals more resilient and lenient towards the negative information they cannot avoid to process. However, research indicates that if negative information exceeds a certain magnitude reactions to this information might be more extreme under high identification, because the self-concept is more affected than under low identification (Hibbard et al., 2001; Kramer, 1991). Thus, while we are more lenient towards small flaws under high identification, we might be more extreme in our reaction when learning about major shortcomings and failures associated with “our” city.

3.7 Satisfaction
Furthermore, higher identification with a city will increase satisfaction with the city. As part of our self, we evaluate the city much more positive and therefore we will be also more satisfied with the place offerings. Additionally, identification has been shown to be related to less turnover in organizations, a relationship mediated by job satisfaction (Van Dick et al., 2004). The same can be expected for identification with a city which should lead to a higher chance of residents staying at a certain place, which should also be related positively to perceived satisfaction with their place or living. In fact, commitment with a place has also been shown to have a strong influence on the perceived satisfaction with a place (Zenker et al., 2009).

3.8 Citizenship behaviour and intention to stay
Commitment, biased information seeking and satisfaction will be crucial for the decision to stay or to move to a city (Zenker and Gollan, 2010) and to show citizenship behavior, i.e. spontaneous and positive behavior that goes beyond their duties of a citizen defined by law and social norms (e.g. Katz, 1964). This can lead – as highlighted before – to an upward spiral in which the wish to stay or move to a city and to engage in citizenship behavior increases the activity as ambassador for the city. Therefore our model could be understood as a dynamic one and should also be empirical tested in that manner.
4. **Future research**

The many issues proposed here need empirical testing in the laboratory and in the field. In our model, we use concepts that have been studied in social psychology, but there is virtually no experimental research on how individuals react to increasing complexity of a place presentation. Here explicit, but also implicit measures of attitudes can be regarded to be informative. Field studies should measure the actual perceived complexity of a place and its relationship to outcome variables outlined in the RCI model. Here, validated measures for perceived self-complexity and compartmentalization (Brown and Rafaeli, 2007; Showers, 1992) could be adjusted and used to assess place complexity. Furthermore, validated measures for identification or self-categorization are available that can be easily used to assess identification with a place (Schubert and Otten, 2002). In experimental as well as in field studies the role of complexity tolerance and ambiguity tolerance (Furnham, 1994), as mediators of beneficial effects of complexity should be examined to test for inter-individual differences in an “optimal” level of complexity.

5. **Discussion**

Forming a suitable place identity is indeed a challenging task for place marketers. Since the identities of the residents themselves are very diverse it is crucial to find a more complex place identity to improve the possibility for identification for this important target audience in place marketing. As shown in our resident-city identification model the positive outcome for place identification are various and makes a complex place identity very valuable. On the other hand a place identity that is too complex might have the problem of being not clear enough in its communication. Also the problem of distinction from other places arises, since the unique identity of the place could be seen as somewhat vaguely if the place identity is communicated too complex. Structural features such as a high complexity cannot replace a prototype content that does characterize the city and distinguishes it from other places; in short that gives the city a unique and easily recognizable face. This problem will be most appear for the external target audience, since they show most response on very simple and stereotype driven place communication (Zenker et al., 2010). Thus, the challenge for place marketers is to find the optimal level of complexity in their place identity communication.

Nevertheless, practice shows that a place identity communication which is too simple and just focuses on an external target audience will be much more dangerous for the place marketing process. The city of Hamburg, for example, mainly concentrates on a stereotype image of Hamburg as “city on the waterfront”, with “rich” and “creative” residents, offering a
various range of cultural programs like “musicals” to its visitors (Hamburg Marketing GmbH, 2009). This image strongly fits the perception about Hamburg for its external target groups, but it neglects the image for most of its actual residents (Zenker et al., 2010). This finally results in low identification with the Hamburg brand and even public protest about place marketing activities in a “Not in our Name”-campaign from Hamburg residents (Gaier, 2009; Oehmke, 2010). Hundreds of citizens protested against the gentrification caused by the government to attract tourists and the so-called creative class (Florida, 2004). They do not want to be branded as a creative city and could not identify with the communicated identity of the city. Due to the limited concentration on attracting wealthy new residents and tourists, a big mistrust occurred between the city marketing and large parts of the population. Consequently, this event demonstrates the urgent need for a more complex and differentiated place identity communication.

A more complex brand-architecture with a city umbrella brand and different target group specific sub-brands could be helpful to communicate a more heterogeneous and complex picture for the city of Hamburg identity (Braun and Zenker, 2010). In this case, the cities sub-brand for its resident could include a more complex place identity and at the same time the brand communication for the external target audience could be more focused on a simpler identity communication. This variety in the place identity could also lead to a more authentic communication and should result in a higher identification with the Hamburg identity by all target groups.

6. Conclusion
Our presented model of resident-city identification shows clearly the positive outcomes of place identification. It seems therefore important to make place identity communication more complex to improve the possibility for the audience to identity with the city. Furthermore, positive outcome variables of a resident-city identification were shown and combined into a theoretical research agenda. Now empirical research is needed to test this model of the resident-city identification and for a deeper understanding of the problem of optimal complexity of a place identity. Ideally, this article will not only stimulate further research, but also help professionals to think about place management in terms of place identification and to concentrate more on the actual residents of a place as important part of the place marketing process.
References


