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Conference Paper
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50th Congress of the European Regional Science Association: "Sustainable Regional Growth and Development in the Creative Knowledge Economy", 19-23 August 2010, Jönköping, Sweden

Provided in Cooperation with:
European Regional Science Association (ERSA)

Suggested Citation: Braun, Erik; Zenker, Sebastian (2010): Towards an Integrated Approach for Place Brand Management, 50th Congress of the European Regional Science Association: "Sustainable Regional Growth and Development in the Creative Knowledge Economy", 19-23 August 2010, Jönköping, Sweden, European Regional Science Association (ERSA), Louvain-la-Neuve

This Version is available at:
http://hdl.handle.net/10419/118799

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Towards an Integrated Approach for Place Brand Management

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Abstract:

The number of cities claiming to make use of branding has been growing considerably in the last decade. Competition is one of the key drivers for cities to establish their place as a brand and promoting that place to visitors, investors, companies and residents. Unfortunately, place marketers often believe that the place brand is a controllable and fully manageable communication tool. Yet a brand is by definition a network of associations in consumers’ minds and is therefore based on the perceptions of the different target groups, making branding a multi-faceted subject. Furthermore, the perception of a place (brand) can differ significantly given the various target groups’ diverse perspectives and interests. Hence, place branding theory as well as practice should focus more on the place brand perception of its different target audiences and develop strategies for how places can build an advantageous place-brand architecture.

Combining insights from a literature review of place-related academe and marketing academe, this paper outlines an integrated approach to place brand management called the Place Brand Centre. After reviewing the literature on place branding, brand architecture and customer-focused marketing, the paper contends that a target group-specific sub-branding strategy is central for effective place brand management of cities. Gaps for future research and practical implications for place brand management are discussed.

Keywords:
Place Branding, Place Brand Management, Place Marketing, Place Management, Urban Planning, Customer-orientated Marketing

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

Competition among cities for tourists, investors, companies, new citizens, and most of all qualified workforce, has increased (Anholt, 2007; Hospers, 2003; Kavaratzis, 2005; Zenker, 2009). As a result place marketers are keen on establishing the place as a brand (Braun, 2008) and promoting that place to its different target groups. Unfortunately, place marketers often believe that the place brand is a controllable and fully manageable communication tool. Yet a brand is by definition a network of associations in consumers’ minds (Keller, 1993; Keller & Lehmann, 2006) and is therefore based on the perceptions of the different target groups, making branding a multi-faceted subject. Furthermore, the perception of a place (brand) can differ significantly given the various target groups’ diverse perspectives and interests (Zenker et al., 2010). Hence, place branding should focus more on the place brand perception of its different target audiences and develop strategies for how places can build an advantageous place-brand architecture.

The current academic discussion shows considerable shortcomings in this respect (Grabow et al., 2006) – since it mainly focuses on the explorative description of a certain city brand without distinguishing properly between target groups (e.g. De Carlo et al., 2009; Low Kim Cheng & Taylor, 2007) and lacks a convincing theoretical foundation. Hence, the aim of this paper is to translate a conceptual framework from brand architecture literature to the context of place brand management, taking into account the discrepancies between the place brand perceptions in the mental representation of different target groups.

2. Place Marketing and Branding – History and Status Quo

Initially, the broadening of the concept of marketing in the late 1960s and early 1970s under the influence of Kotler & Levy (1969) did not include place marketing on the agenda of marketing academe. In 1976, O’Leary and Iredal were the first to identify place marketing as a challenging field for the future, describing place marketing as activities “designed to create favourable dispositions and behaviour toward geographic locations” (p. 156). The first publications really dedicated to place marketing came from regional economists, geographers, and other social scientists (see for an overview: Braun, 2008) with an article of Burgess (1982) questioning the benefits of place advertisement as one of the first examples. Unfortunately, most of the publications throughout the 1980s and early 1990s were limited to promotional aspects of places. In the early 1990s, the scope of the contributions widened and
several attempts have been made to develop a strategic planning framework for place marketing (e.g. Ashworth & Voogd, 1990).

It is important to note that from the early 1990s onwards, place marketing was discussed in the wider context of structural change in cities and regions (Van den Berg & Braun, 1999), arguing that marketing has become more important because of economic restructuring and city competition. Furthermore, the attempts to reimage cities have received considerable attention from place-related academe. Paddison (1993) observed that places have adopted “targeted forms of marketing to bolster directly the process of image reconstruction” that are essentially different from the previous (planning) practice in cities.

Place marketing received another considerable push onto the agenda of marketing academe thanks to a series of books by Kotler et al. (1993; 1999; 2002) on *Marketing Places*. These books were important for the recognition of place marketing, but the impact should not be overstated. Even now, place marketing is a subject in the periphery of marketing academe. A possible explanation for this only moderate attention from marketing scholars could be the nature of place marketing itself. After all, place marketing deals with numerous diverging target groups, complex and related products, as well as different political settings in which marketing decisions are made (Van den Berg & Braun, 1999). For example, other ‘family members’ of the ‘place marketing family’, e.g. those with a single focus on tourism marketing, have received much more attention from marketing scholars.

At the start of the new millennium, the focus in the debate on place marketing shifted somewhat in the direction of another ‘family member’: place branding (e.g. Kavaratzis, 2008). As a matter of fact, the branding of places (and cities in particular) has gained popularity among city officials in recent years. This is illustrated by the development of city brand rankings such as the *Anholt-GMI City Brands Index* (Anholt, 2006) or the *Saffron European City Brand Barometer* (Hildreth, n.d.). Places are eager to garner positive associations in the place consumers’ mind. In marketing academe, the interest for this subject is on the wax, albeit moderately, although it has not been addressed in one of the top-class marketing journals. In comparison with destination branding, where Balakrishnan (2009) and Pike (2005) conclude that there is a paucity of academic research, the attention for place branding could be higher. Nevertheless, the numbers of interesting contributions are growing: Medway and Warnaby (2008) observe that places are being conceptualized as brands, referring to the work of Hankinson (2004) and Kavaratzis and Ashworth (2005) in particular. Recently, Iversen and Hem (2008) have discussed place umbrella brands for different geographical scales.
At this point, we argue that it is a great challenge for marketing researchers to ‘translate’ contemporary branding insights and methods to the context of places; and a good translation is not literal but in the spirit of the text. The first argument in support of this statement deals with the variety of place customers and their diverse needs and wants. From a theoretical point of view, the main and broadly defined target groups in place marketing and place branding are: (1) visitors; (2) residents and workers; and (3) business and industry (Kotler et al., 1993). However, the groups actually targeted in recent marketing practice are much more specific and complex. Tourists, for example, could be divided into business and leisure time visitors (Hankinson, 2005). Even more complex is the group of residents: a first distinction is the internal residents and the external potential new residents. Within these groups specific target audience segments could be found, like students, talents or the so-called creative class (Braun, 2008; Florida, 2004; Zenker, 2009).

As already mentioned, these target groups do not only differ in their perceptions of a place but foremost in their place needs and demands. Leisure time tourists, for example, are searching for leisure time activities like shopping malls or cultural offerings; investors, however, are more interested in business topics. Furthermore, the city’s customers are usually not simply interested in a ‘dot on the map’; they need a suitable environment for their purposes. So as residents search for an attractive living environment, and businesses look for a suitable business environment, the same reasoning applies to visitors as well. It is inevitable that there are potential conflicts and synergies between the needs and wants of different target groups. Therefore, brand communication for the city’s target groups should be developed with these factors in mind.

A second related argument states that places are complex products. One’s location cannot be seen separately from other useful locations – hence the place offering is not a single location but a package of locations. Consequently, the product for tourists in London, for instance, overlaps to some extent with the product for the city’s residents. Similar to a shopping mall – as an illustrating metaphor – a place offers a large assortment for everybody and each customer fills his or her shopping bag individually.

Third, we perceive places different than we perceive products of companies. Lynch (1960) already demonstrated that we receive various signals from places through buildings, public space, arts, street design, people, personal experiences or experiences of peers. All these factors communicate something about the place and are potential key associations in the minds of the city’s target audiences. This variety of intended and unintended communication
of places (see also Kavaratzis, 2008) leads to a dissimilarity in the way we perceive places in comparison to commercial brands.

Finally, a translation of a marketing concept has to deal with the political and administrative environment in which these decisions are taken. Place branding is a subject of political decision-making and therefore has to do with municipal administrative organisation(s) and policy-making procedures (e.g. Braun, 2008). This setting cannot be compared to regular business practice and thus sets the margins for place brand management. All these arguments indicate that some approaches to branding are more suitable than others.

3. Development of the Place Brand Centre

A corporate brand is the visual, verbal and behavioural expression of an organisation’s unique business model, which takes place through the company’s mission, core values, beliefs communication, culture and overall design. (Kavaratzis, 2009; Knox & Bickerton, 2003). Adapting this definition of a corporate brand for the context of place branding and in the comprehension of the brand as a network of associations in consumers’ mind (Keller, 1993; Keller & Lehmann, 2006) we would define a Place Brand as: A network of associations in the consumers’ mind based on the visual, verbal, and behavioural expression of a place, which is embodied through the aims, communication, values, and the general culture of the place’s stakeholders and the overall place design. Essential for this definition is that a brand is not in reality the communicated expression or the ‘place physics’, but the perception of those expressions in the mind of the target group(s). These perceptions lead to brand effects such as identification (Anholt, 2007; Azevedo, 2009; Bhattacharya & Sen, 2003), satisfaction (Bruhn & Grund, 2000; Zenker, Petersen et al., 2009) or other effects like information-seeking bias, commitment and intention to stay, as shown in Figure 1.

**Figure 1: The concept of place brand perception**

As already mentioned, the brand perception differs strongly between target groups, because of different knowledge levels of the target audience (Brakus et al., 2009) and the different demands for a place (e.g. Zenker, 2009). In conformity with the social identity
theory, for example, the external target audience (out-group) shows a much more common and stereotypical association set with a place, while the internal target audience (in-group) has a more diverse and heterogeneous place brand perception (Tajfel & Turner, 1979; Zenker et al., 2010). An equal brand communication for both target groups would disregard the complexity of a place and probably fail. For an advanced customer-focused place brand management, a diverse brand architecture is needed to match a specific target audience with a specific place sub-brand. Unfortunately, this customer-focused view – an essential part of the general marketing discussion (Webster, 1992) – is not yet common sense in the public sector (Buurma, 2001), nor in place marketing practice. However, place marketers could find strong parallels in the development of corporate marketing organization and learn how to deal with the complexity of the multiple target groups.

The concept of brand architecture (Aaker, 2004; Aaker & Joachimstahler, 2000) shows hierarchical structures of brands (in the corporate context) with different strategies for multiple target groups. With the Branded House approach, a brand architecture is built with still-independent sub-brands that are marked (additionally) with the corporate umbrella brand (Petromilli et al., 2002). The aim is to build a strong overall umbrella brand with the help of the target group-specific product sub-brands. This approach is not limited to product and company brands; it could also be extended to product or company brands that include a place brand (Uggla, 2006), or fully to the place branding context (Dooley & Bowie, 2005; Iversen & Hem, 2008; Kotler & Gertner, 2002; Therkelsen & Halkier, 2008). In contrast to our colleagues, we are not using the brand architecture in the context of an umbrella (country) brand and regional or provincial (city) sub-brands. The idea is to develop a brand management structure with target group-specific sub-brands and a place (e.g. city) umbrella brand. Very much like the modern organizational structures of marketing departments in companies (Homburg et al., 2000; Workman et al., 1998), the marketing structure of places should be organized by their target groups (Braun, 2008) as shown in Figure 2. We call this conceptual model the Place Brand Centre, including a branded house approach with target group-specific sub-brands for all different groups chosen to be targeted and a place umbrella brand that is represented by the shared overall place brand perception by the entire target audience. In our concept, firstly, the perception of the target group specific place sub-brand will be influenced by the communicated place sub-brand and the specific offer of the place – what we call the place physics (black arrows). Secondly, the perception of the target group is also influenced through the communicated umbrella city brand and the overall place physics (gray arrows). Finally, the perception is additionally influenced – in line with our second
argument – through the perception of the other place sub-brands (white arrows). The overall place umbrella brand perception on the other hand is built by the communicated place umbrella brand; by the place physics; and finally by the perception of the different sub-brands.

**Figure 2: The conceptual framework of the Place Brand Centre**

In 2008, for example, the city of Berlin started a successful internal branding campaign (*be Berlin*), aiming to strengthen the identity of the Berlin residents (Kavaratzis and Kalandides, 2009). As of 2009 the city has tried to use this brand to also attract tourists and investors (Berlin Partner GmbH, 2009), but has met less success because the concept is not fitting for tourists and investors (i.e. how should I *be Berlin*, if I am not living in Berlin?). In regards to the *Place Brand Centre* we would recommend developing distinct sub-brands for tourists (like *visit Berlin*) and for investors (*invest in Berlin*), which could enable target group-specific brand communication. This will be helpful for building strong sub-brand perceptions within the target groups. However, it is important to highlight that these sub-brands are not independent. A communicated tourist brand (*visit Berlin*) with a focus on the cultural offerings of the city (museums, theatre, etc.) will also influence the sub-brand and overall brand perception of residents or companies and will be influenced by them, too.

Drawing from our fourth argument, another advantage of creating target group-specific sub-brands would be the already established organizational structure in city governments (e.g. the separation of tourism office and business development). By employing this concept,
policy-making procedures and place sub-brand management should be more efficient, which will lead to new tasks for the place brand management of the place umbrella brand. In our model, the co-ordination, monitoring and communication between the sub-brand units become key aspects.

But still, the branding process is not limited to communication. The most important point is the place physics – the real characteristics of a place – because they strongly influence the perception of the place brand. In this regard, place brand management also means developing the place to fulfil the customers’ demands; and in a second step to communicate an honest picture of the place (Ashworth & Voogd, 1990; Morgan et al., 2002; Trueman et al., 2004).

4. Discussion and Implication for Place Brand Management

In our opinion, the Place Brand Centre approach fulfils all criteria for a good translation of a marketing concept to the context of places. The model will be helpful for place brand managers dealing with the diverse target audience and it is bound to improve the target group-specific communication. Place sub-brand managers could concentrate more on the specific demands of their target audience and identify their place competitors more easily (Zenker, Eggers et al., 2009). In addition, a target group-specific sub-brand is likely to increase the positive brand effects, such as brand identification by the target audience, because the customer will identify more with a matching specific brand than with a general one-fits-all place brand. Furthermore, we believe that public protests about place brand management and the exclusive focus on a special target group (e.g. tourists or the creative class) – an example being the current ‘not in our name’ campaign for the city of Hamburg (Gaier, 2009; Hammel, 2009) – could also be avoided with this strategy.

For academia we recommend two different main directions for further empirical research: First, it should be empirically proofed that a target group-specific place brand has a stronger impact on dependent outcomes (e.g. place satisfaction or place identity) than a simple one-for-all place brand. Second, the actual discussion in Hamburg, concerning the complexity of the phenomenon of diverse place brand stakeholders, warrants more research about the general question of place brand management in relation to place governance.

With our Place Brand Centre approach, we also hope to improve the actual discussion of place brand management for cities, stimulate future empirical research, and encourage the general interest in this still-young academic field of place marketing and branding.
References


