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**Article — Published Version**

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Intereconomics

*Suggested Citation:* Hospers, Gert-Jan (2004) : Place marketing in Europe: The branding of the Oresund region, Intereconomics, ISSN 0020-5346, Springer, Heidelberg, Vol. 39, Iss. 5, pp. 271-279

This Version is available at:

<https://hdl.handle.net/10419/41801>

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Gert-Jan Hospers\*

## Place Marketing in Europe The Branding of the Oresund Region

*European regions increasingly compete to attract and retain residents, entrepreneurs and visitors. As the location choice of people is based more and more on such soft factors as an area's image, most regions apply a strategy of "place marketing". In this context, the Scandinavian Euregion of the Oresund is often highlighted as "best practice". How should we assess the marketing of Europe's regions and what can be learned from the case of the Oresund?*

At present, it is conventional wisdom to see places as being engaged in a process of "territorial competition" in a world economy that is becoming more and more integrated. We can observe how areas – be it countries, regions or cities – really try to out-compete each other in the fear of being wiped off the map.<sup>1</sup> One might say that just like companies, places too are increasingly in the hands of the discipline of the market. Locations in fact increasingly compete to attract and keep inhabitants, companies and visitors. At the moment, this battle is being especially hard fought among regions in the developed world of Northern America and Western Europe. Especially in the European Union mobility is growing and territorial competition is gaining in importance. This trend is linked partly to the ever advancing process of European integration that has led to growing similarities in the regional "hardware": every area that wishes to have something of a high profile has developed a rich supply of infrastructural facilities, universities, high-quality shops and renowned museums and theatres. The growing similarity in the regions, demonstrated especially in a comparable range of high quality amenities, is seen particularly in Europe's metropolitan core zone, known – because of its shape – as the "Blue Banana".<sup>2</sup> In this relatively homogeneous and prosperous area running from South-East Britain through the Benelux, the German Ruhr-Rhine area,

Switzerland, and Northern Italy, regions have come to resemble one another over time. In short, the trend of "McDonaldisation" is no longer restricted to business; standardisation can be observed in the European geo-economic landscape as well.

If anything, the convergence of European regions in terms of their amenities has led to the increasing importance of "soft location factors". In fact this means that small details and vague elements, such as a region's image, can be decisive for decisions by companies or individuals looking for a place to settle or to visit. As the economist Tiebout has noted, due to their mobility people in the end can vote with their feet.<sup>3</sup> To truly make a difference in this struggle among regions, it no longer suffices for authorities simply to invest in the appeal of local amenities. In addition to that, places must consider ways in which they can create an image for themselves with the aid of their particular facilities. In order to maintain and stimulate their attractiveness for the outside world regions must reflect on what sort of profile they want to have. For this a clear competitiveness strategy is required. After all, if someone is free to choose, in the end it is the most attractive region that will win. The local parties involved in this process are confronted with a variety

<sup>1</sup> Cf. M. E. Porter: *On Competition*, Cambridge MA 1998, Harvard University Press; L. Budd: *Territorial competition and globalisation: Scylla and Charybdis of European cities*, in: *Urban Studies*, Vol. 35, 1998, pp. 663-685.

<sup>2</sup> Cf. D. Delamaide: *The New Superregions of Europe*, New York 1994, Dutton; O. B. Jenssen, T. Richardson: *Being on the map: the new iconographies of power over European space*, in: *International Planning Studies*, Vol. 8, 2003, pp. 9-34.

<sup>3</sup> Cf. C. M. Tiebout: *A pure theory of local expenditures*, in: *Journal of Political Economy*, Vol. 64, 1956, pp. 416-424.

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of questions. Which target groups (inhabitants, companies, visitors) should they focus on? What sorts of activities (culture, economy and/or leisure) should be employed in the regional competitiveness strategy? How do they want their region to be known to the outside world? Providing answers to such questions requires a great deal of creativity on the part of the local authorities, the citizens and the business community. Regions can hope to distinguish themselves from others only by finding creative solutions and in this way hope to beat their rivals. In other words, today's fierce territorial competition requires from those involved that they become "creative regions".<sup>4</sup>

The present article is devoted to a creative strategy pursued by many European regions now, to wit the strategy of "place marketing" or "branding", i.e. all those promotional activities of an area to increase the attractiveness of the region as a place for working, living and spending free time.<sup>5</sup> In the article, we particularly aim to explore the what, how and why of this process of seeing regions as products being sold in the market. Interesting questions emerge immediately: is place marketing a valuable strategy? What can be said about this approach from a theoretical point of view? What experiences do regions in Europe have with place marketing? To deal with such questions, the article is organised as follows. After a comparison with the logic of marketing in business life we focus on the particularities of promotion strategies aimed at fostering the competitiveness of areas. First, we have a look at the relevant theory. Subsequently, the scarce empirical-oriented literature on place marketing is reviewed. After that, we turn to the Scandinavian Oresund as a prominent case study of selling a European region in practice. We try to identify why this area is often seen as a case of "best practice" of regional branding and also explore the reasons for the recent doubts that have arisen about the alleged success of the Oresund. Finally, the article ends with some conclusions and lessons for the field of place marketing.

### From Product to Place Marketing

The strategy of place marketing has been inspired by the principles of marketing strategy in business.<sup>6</sup>

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<sup>4</sup> Cf. C. Landry: *The Creative City: A Toolkit for Urban Innovators*, London 2000, Earthscan; Z. Hémel: *Creative Steden!*, The Hague/Delft 2002, Forum/Delta Metropolis.

<sup>5</sup> Cf. P. van Ham: *The rise of the brand state: the postmodern politics of image and reputation*, in: *Foreign Affairs*, Vol. 80, 2001, pp. 2-6; D. McNeill: *New Europe: Imagined Spaces*, London 2004, Arnold.

<sup>6</sup> Cf. G. Kearns, C. Philo: *Selling Places*, Oxford 1993, Pergamon Press; P. Kotler, D. Haider, I. Rein: *Marketing Places*, New York 1993, The Free Press.

Firms develop marketing strategies to sell their products at a profit. Moreover, by means of a trade mark (brand) companies try to distinguish themselves from competitors. Marketing should contribute to the process of acquiring and keeping customers and in that way result in "market getting". The success of this is mainly determined by the question how customers perceive a product. Perception, however, is a "mind-game": choosing and buying a certain product is mostly a matter of forming an image, since humans have to decide under conditions of what has been dubbed "bounded rationality".<sup>7</sup> Customers cannot know all alternative options and that is why they manage with the knowledge they do have. Consequently, they usually rely on the reputation products evoke. In economic psychology this "imagined knowledge" is known as "cognition". As people do not know everything when they take decisions, they use whatever knowledge they may happen to possess. Using this perception, people construct an image of reality for themselves. The view we have of the world is therefore always biased and coloured. The knowledge of a product that consumers have is formed by previous purchases and by sources from the outside, e.g. statements in the mass media. Especially through advertising, companies try to manipulate the opinion people have and – just like marketing-based firms such as Coca Cola and Nike – they try to develop a "strong brand".

Whatever counts for products, counts for places as well. Places are like products in that they satisfy needs and wants for different target groups. For a place, three groups of "customers" are relevant:

- inhabitants that wish for an appropriate place to live, work and relax
- companies looking for a place to locate their production facilities, do business and recruit employees
- visitors seeking leisure facilities in the cultural and entertainment domain.<sup>8</sup>

Also the image we have of geographical units is formed in the way we perceive products. In this context geographers prefer to speak of "spatial cognition": the knowledge people have of spatial unities such as regions and cities or simply "the subjective

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<sup>7</sup> Cf. H. A. Simon: *A behavioral model of rational choice*, in: *The Quarterly Journal of Economics*, Vol. 69, 1955, pp. 99-118.

<sup>8</sup> Cf. P. Kotler, D. Haider, I. Rein, op. cit.; L. van den Berg, E. Braun: *Urban competitiveness, marketing and the need for organising capacity*, in: *Urban Studies*, Vol. 36, 1999, pp. 987-999.

knowing of a space".<sup>9</sup> Empirical research has repeatedly shown how selective the image is that people have of territories and how much influence this has on their spatial behaviour: people apparently take their decisions to live, work or entertain themselves somewhere not only on the basis of the objective characteristics of an area, but also on the image that place evokes. The information people have of a particular place is the sum of earlier visits or stays in that area, articles in the media and stories of others. It is not necessary to have been in, for instance, Scotland, Sicily or Bavaria, to know something about these regions. No matter how well we think we know an area, our image of it remains limited and coloured. The spatial image has, in other words, a big influence on the choice of a place for actors to settle down. Thus, just like entrepreneurs, authorities cannot escape from selling their region in one way or another.

Studies of spatial cognition show that a region's image is influenced in a positive manner by the extent to which the region is known in the outside world. In other words, the proverb "unknown is unloved" and its corollary "known is loved" are relevant here.<sup>10</sup> It would also seem that Albert Einstein's famous statement ("It is easier to split an atom than a prejudice") applies to the image forming of regions. This explains, for example, why well-known metropolitan areas such as Amsterdam, Munich and Paris are often seen by outsiders as more creative and liveable than they really are. At the same time, locations that are relatively unknown to the wider public or that are stigmatised by history, such as the German Ruhr Area, Wallonia (Belgium) and Silesia (Poland), have a negative image, though all the ingredients necessary for an attractive region may be present there. The history of such stigmatised conurbations often plays a decisive role. The three regions just mentioned, for example, have all been burdened for years with a traditional industrial image as polluted "rustbelts". Attempts to promote such localities as attractive areas will probably always lose out to those that are already seen as "cool" and "trendy". Thus, creative regions across Europe such as Greater London, Brussels and its surroundings, as well as Catalonia have a "first mover advantage". This is a clear example of what the economist Myrdal once

denoted the "Matthew effect", a phenomenon named after the old biblical principle: "For whosoever hath, to him shall be given ... but whosoever hath not, from him shall be taken away even that he hath" (Matthew 13:12), or in simple words: the rich become richer, while the poor become poorer.<sup>11</sup> In short, one might say that the saying "success breeds success" applies to places as well.

Consequently, more and more regions in the highly developed world seem to realise that apparently minor details such as an area's image can be decisive for companies wishing to settle in the region and for people looking for a place to live or spend their holidays. A bad image perceived by one or more of these target groups can drive them away and mean a loss of income for the region in question. More and more places are therefore finding it insufficient merely to invest in the provision of their facilities. In addition to developing this "hardware" (hard location factors) they increasingly invest in the "software" of territorial competitiveness, i.e. the soft location factors. These investments often take the form of public efforts to communicate the attractiveness of an area as a place to live, work and relax. This strategy of positive image-forming is known as "place marketing" or "branding".<sup>12</sup> Currently it is a popular instrument which, it is hoped, will contribute to making areas known and to improving their reputation. Not everyone is convinced about the merits of this strategy though. Some analysts, for example, have criticised the use of marketing as an instrument of regional policy, as they fear a process of manipulation and selling out to the business community.<sup>13</sup> The selling of areas in the market, they argue, brings about a "commodification of places". By treating places as products authorities run the risk of neglecting the human aspect of areas, which may conflict with the public responsibilities of government. In practice, however, regions make extensive use of headline-grabbing slogans and promotion campaigns to put themselves on the map. Though the effect of this place marketing strategy is difficult to measure, it would seem that some places really have succeeded in developing a strong brand. There are many examples of this throughout Northern America and Western Europe, such as "Austin: The Music Capital of the USA", "Toronto: A City which

<sup>9</sup> Cf. R. G. Colledge, R. J. Stimpson: *Analytical Behavior Geography*, Beckenham 1987, Croom Helm; J. Veitch, H. Arkkelin: *Environmental Psychology: An Interdisciplinary Approach*, Englewood Cliffs 1995, Prentice Hall.

<sup>10</sup> Cf. J. R. Gold, S. V. Ward: *Place Promotion: The Use of Publicity and Marketing to Sell Towns and Regions*, Chichester 1994, John Wiley & Sons; M. Johnson: *Talent Magnet: Getting Talented People to Work for You*, London 2002, Prentice Hall.

<sup>11</sup> Cf. G. Myrdal: *Economic Development and Underdeveloped Regions*, London 1957, Duckworth.

<sup>12</sup> Cf. P. van Ham, op. cit.; D. McNeill, op. cit.

<sup>13</sup> Cf. G. Kearns, C. Philo, op. cit.; M. Gomez: *Reflective images: the case of urban regeneration in Glasgow and Bilbao*, in: *International Journal of Urban and Regional Research*, Vol. 22, 1998, pp. 106-121.

Works”, “Munich: Strong on Soft Location Factors”, “Sardinia: Proud to Be Different” and “There is Nothing Beyond Groningen”. The scarce evaluations of such concrete expressions of place marketing show that the image people have developed of the regions in question has become more realistic and has been positively influenced over the years.<sup>14</sup> Some people even indicated that had it not been for the campaigns, they would not have considered these locations as places of business, residence or leisure.

### The Strategy of Place Marketing

If anything, place marketing may be a powerful strategy complementing the efforts of authorities to foster the physical attractiveness of the area in question. Ideally, the brand a place communicates should be the shortest translation of those particular things an area is proud of or wants to stand for. Ideally, place marketing closes the gap between what an area really is (“identity”), what outsiders think about it (“image”) and how the location wants to be known in the outside world (its “brand” or desired reputation).<sup>15</sup> To close this gap, it is necessary to communicate and promote the area’s particular attraction and distinctive advantages. At the same time, in practice, it is remarkable how little trouble regions take to distinguish themselves from their rivals. For instance, the American urban areas of Sikeston (Missouri), Webb City (Missouri) and Davison (Michigan) have all adopted the profile of the “City of Flags”. Similar copycat behaviour can be observed in Europe, where many authorities are dazzled by Silicon high-tech dreams and hope to copy the alleged success of Silicon Valley. Inspired by this Californian high-tech area more and more regions are presenting themselves as being “Silicon” or “Valleys” – without emphasising their own uniqueness. Examples of such “Silicon Somewheres” are Silicon Glen (Scotland), Dommel Valley (Southern Netherlands), Silicon Saxony (Eastern Germany) and Language Valley (Flanders).<sup>16</sup> By giving themselves this sort of profile, none of these regions make it clear how they differ from one another nor do they give any idea of

what they have to offer to people looking for a place to work and live. In this way, regions undermine their own competitiveness: in fact, real territorial competitive advantage can be gained from building on and emphasising the local conditions – in other words, a strategy of “trend through tradition”.

A well-known example of place marketing is provided by Glasgow (Scotland).<sup>17</sup> In the 19th century the city was a real industrial hub. The “smokestack” area was the birthplace of Watt’s steam machine and hosted a massive shipbuilding industry. In the 1970s, however, Glasgow was hit by de-industrialisation and decline. To turn the tide, the local authorities tried to create a new economic identity for the city by regeneration strategies that were increasingly supported by place marketing. Notably since the early 1980s the Glasgow Development Agency has tried to reposition the city by emphasising positive change with slogans like “Glasgow’s miles better/Glasgow smiles better”, “The Cinderella City” and “Phoenix from the Ashes”. Simultaneously, Glasgow was marketed as a city committed to the arts with reference to the annual Mayfest arts festival, the Gallery of Modern Art and the Royal Concert Hall. In a way, this place marketing strategy paid off: in 1990 Glasgow was named European City of Culture and in 1999 British City of Architecture. Though in policy circles and in the literature widely seen as a “best practice”, the marketing of Glasgow was met with opposition by local people. Local activists were discontented with the global, self-important and elitist brands the city council had marketed without taking into account the views of the local public. Thus, they said, the place branders overlooked the city’s heritage, which was characterised by working-class industrial struggles and municipal socialism. Thus, an important lesson from the Glasgow experience is that areas should be imagined realistically. This suggests that place marketing is not only about the outside world, or in other words a matter of “external marketing”. In order to keep the local inhabitants satisfied and prevent them from becoming alienated from their own region a process of “internal marketing” may be needed as well.

Thus, place marketing must find a balance between identity, image and the desired reputation, i.e. the brand. If these elements fit, the place brand really is the greatest common denominator between the different pillars (e.g. economy, infrastructure, education

<sup>14</sup> Cf. M. Konken: *Stadtmarketing: Eine Vision wird Realität*, Limburgerhof 1996, FBV-Medien-Verlag; Berenschot Research Consultants: *Choosing Amsterdam: Brand, Concept and Organisation of the City Marketing*, Amsterdam 2003, Aeroprint; D. McNeill, op. cit.

<sup>15</sup> Cf. J. R. Gold, S. V. Ward, op. cit.; G. J. Hospers: *De verbeelde stad: marketing van een ruimtelijke omgeving*, in: *Kunst en Wetenschap*, Vol. 13, 2004, pp. 9-10.

<sup>16</sup> Cf. R. Florida: *The Rise of the Creative Class: And How it’s Transforming Work, Leisure, Community and Everyday Life*, New York 2002, Basic Books; G. J. Hospers, S. Beugelsdijk: *Regional cluster policies: learning by comparing?*, in: *KYKLOS: International Review for Social Sciences*, Vol. 55, 2002, pp. 381-402.

<sup>17</sup> Cf. M. Fisher, K. Worpole: *City Centres, City Cultures: The Role of the Arts in the Revitalisation of Towns and Cities*, Manchester 1991, Centre for Local Economic Strategies; M. Gomez, op. cit.

and culture) and arenas (citizens, entrepreneurs, authorities) making up an area.<sup>18</sup> This requires that the area should be imagined in a realistic way. The brand that is selected must definitely suit the identity of the locality in question. A sleepy, rural town that tries to create an image as a hip techno-polis is not very believable and will be treated as an object of derision. The need to develop a realistic brand requires an appropriate organisation of the process of area marketing. As a matter of fact, telling the world what a region has to offer is not a matter solely for local authorities. Working on a positive reputation requires the development of "organising capacity" within the region as a whole.<sup>19</sup> The setting up of strategic networks between the public and the private sectors, the consultation of citizens and local groups as well as the joint development of a vision and strategy may be beneficial to get region-wide support. Particularly the local entrepreneurs, of whom it can be expected that they have wide-ranging experience of marketing products, are useful partners for authorities that want to develop a brand to market their place. One disadvantage of place marketing remains that it is an intangible process. Because of this and its inherent vagueness, it is useful to connect the marketing to the start of a concrete project in the public domain. Figurehead projects, such as the building of a prestigious monument or a public attraction, can make the abstractness of an "imagined area" more visible and support it.

One conurbation where a result-targeted and broadly supported branding strategy has borne fruit is the German Ruhr Area.<sup>20</sup> Like Glasgow this area was a forerunner in the industrial era: since the 18th century the region specialised in heavy industries and produced tons of coal and steel. After having flourished for a century the region was confronted with two crises though, first in mining (1957) and later on in steel manufacturing (1973). Since then, the region has largely turned in a "rust belt", showing high unemployment figures. Efforts by the local government to re-industrialise the region failed; since the mid 1980s, however, the local parties have invested heavily in the integration of new technologies into the existing local economic structure. High-tech companies are now

housed in former factories and warehouses, while the industrial heritage is being recycled as exhibition halls, concert halls or restaurants. These symbols underpin the Ruhr Area brand as a place where trend and tradition are not mutually exclusive but get along fine together. With campaigns such as "The Ruhr Area ... is hard to beat" the local parties have succeeded in dragging the traditional industrial conurbation into a trendy breeding place which excels at "industrial culture". In the Ruhr Area this combined approach seems to be successful. This example clearly indicates that working on the "imagined region" is not a concern of the government alone. Place marketing is a matter that concerns all who contribute to the area. Here, it is particularly important that private and public actors cooperate. After all, authorities and entrepreneurs have a joint interest in selling the region: raising competitiveness in today's territorial rivalry.

### **The Oresund: a Best Practice?**

To assess the working of place marketing in practice, we turn now to the case of the Oresund as a prominent example of a region in which authorities have pursued a branding strategy since the 1990s. The region got its name from the narrow strait of water called the Oresund (or simply: Sund) connecting the North Sea to the Baltic Sea and separating Denmark and Sweden. This natural border – which was finally overcome by the Oresund Bridge in 2000 – coincides with both nations' frontiers, giving the Oresund its status as a cross-border region (Euregion) in the European Union. To be sure, the Oresund region is far from a well-defined area. Here, we follow the definition used by the OECD in a recent publication.<sup>21</sup> In that broad definition the Oresund currently has 3.5 million inhabitants living in an area of almost 21,000 square kilometres. As such, it is the most densely populated agglomeration in Scandinavia. Although the territory represents only 4% of the surface of Denmark and Sweden, it embraces approximately 25% of the combined population. Within the Oresund the Danish are still in the majority though: two thirds of the region's inhabitants live in the Danish part (Sjælland and some islands), while one third live in Skåne on the Swedish side. In administrative terms, the Oresund area is made up of seven counties that are divided into 132 municipalities. Geographically, the Oresund includes both rural areas and a large conurbation encompass-

<sup>18</sup> Cf. M. Konken, *op. cit.*; G. J. Hospers, *op. cit.*

<sup>19</sup> Cf. L. van den Berg, E. Braun, *op. cit.*

<sup>20</sup> Cf. A. Lagendijk, H. van Houtum: Contextualising regional identity and imagination in the construction of polycentric urban regions: the cases of the Ruhr Area and Basque Country, in: *Urban Studies*, Vol. 38, 2001, pp. 747-768; W. Pohl, L. Ponthöfer: *Innovationsraum Ruhrgebiet*, Berlin 2002, Cornelsen.

<sup>21</sup> Cf. OECD: *Territorial Reviews: Oresund (Denmark/Sweden)*, Paris 2003, OECD Publications; K. J. Lundquist, L. Winther: *Between Sweden and Denmark: the industrial dynamics of the Oresund region*, Paper presented at the RSA-International Conference in Pisa (Italy), 12-15. April.

ing the Danish metropolitan capital region of Copenhagen and Sweden's third largest city of Malmö. Besides these urban centres the Oresund houses Scandinavia's biggest educational and research centre, Lund, to the north-east of Malmö. Finally, the region has an advanced infrastructure. The external accessibility of the Oresund is guaranteed by the ports of Copenhagen-Malmö, Trelleborg and Helsingborg as well as Copenhagen international airport (voted the world's best airport in 2000 and 2002). To connect the Danish and Swedish parts of the Oresund internally huge investments have been made recently in public transport infrastructure, such as roads, railways and bridges. In this respect, notably the Oresund Bridge has attracted attention as a flagship project. With the opening of this link in 2000 the Oresund region literally has become a gateway between Central and Northern Europe and the Baltic Region.

Historically, the Oresund has been a passage and linchpin between these three European "superregions" since the Viking Age.<sup>22</sup> Thanks to this strategic location Denmark could expand its borders during the Middle Ages. Sjælland and Skåne formed the core of the Danish kingdom and were the wealthiest of the king's possessions. Two thirds of the state's revenue came from the so-called "Oresund tolls" that had to be paid to cross the Sund. As especially Swedish traders suffered from this protectionist measure, the Swedish King Karl X Gustav went to battle against the Danes in 1658. The Swedes won this war and occupied Skåne, the Danish territory east of the Oresund. Since the peace of Roskilde (1660), Skåne officially came under Swedish rule and was influenced by Swedish society and policy. Until today, the rest of the Oresund region remained Danish and followed its own historical path. Despite incidental negotiations to foster Swedish-Danish contacts since 1872, it was only from the 1960s on that more and more parties in the Oresund realised that increased cross-border cooperation could be beneficial for the region as a whole. However, a number of political obstacles still stood in the way of support for the vision of an Oresund region. Hoping that the area would become a metropolis that would be able to compete with the Blue Banana, the Danish and Swedish authorities finally agreed to build a fixed link between Copenhagen and Malmö. In 1999, a year before the completion of the bridge, both countries presented a common vision for the area in the joint document "Oresund – A Region is Born".<sup>23</sup>

<sup>22</sup> Cf. G. Austrup: *Entwicklungs- und Planungsprobleme in der Oresundregion*, Bremen 1988, University of Bremen; D. Delamaide, op. cit.

Undoubtedly, the Danish-Swedish cooperation in the region has been ahead of most other European cross-border initiatives. In the 1990s, the Oresund has grown into a modern and dynamic diversified economy. Compared with the rest of Denmark and Sweden the region experienced higher growth rates in the emergence of new firms, a trend which was especially evident during 1995-1999. During this period, the creation of new firms and the expansion of existing companies contributed to employment growth in the entire Oresund. This has been recognised by the EU as well: the Commission not only granted the region €30 million (Interreg IIA), but also selected it as a "best practice" for Euregional cooperation.<sup>24</sup>

What are the reasons underlying the good economic achievements of the Oresund? In the studies carried out to explain the growth of the conurbation, at least two success factors have been identified: effective collaboration between local parties and a clear-cut branding strategy.<sup>25</sup> Indeed, there are few places in Europe where government, education and commerce have operated so effectively in a united manner as in the Oresund. The Oresund committee, with representatives from all local parties, opted for the theme "man and his needs" as local spearhead. Under this banner the committee has invested heavily in facilities related to human needs, such as health (medical technology), contact with others (the Oresund link) and leisure (varied supply of culture and nature). The local parties realised that the presence of these elements was insufficient to place the region properly on the map. So they also worked hard on making the name of the Oresund familiar in Europe, partly by creating a well-maintained web page and producing innumerable brochures. In the media the region has been actively promoted as "Øresund – The Human Capital" – note the typical "Ø" and the double meaning of "human capital" – offering good living, working and recreation opportunities for modern people. Due to its deliberate character the strategy of place marketing in the Oresund is often highlighted as a "best practice". As a matter of fact, the brand captures several "human" aspects (health, leisure, innovation), has a Nordic

<sup>23</sup> Cf. P. Balchin, L. Šýkora, G. Bull: *Regional Policy and Planning in Europe*, London 1999, Routledge; P. Maskell, G. Törnqvist: *Building a Cross-Border Learning Region: Emergence of the North-European Øresund Region*, Copenhagen 1999, Handelshøjskolens Forlag.

<sup>24</sup> Cf. C. W. Matthiessen: *Bridging the Oresund: potential regional dynamics*, in: *Journal of Transport Geography*, Vol. 8, 2000, pp. 175-195; Øresundskomiteen: *Annual Report 2000*, Copenhagen 2001, Øresundskomiteen; OECD, op. cit.

<sup>25</sup> Cf. P. Maskell, G. Törnqvist, op. cit.; OECD, op. cit.; D. McNeill, op. cit.

touch and is symbolised by the Oresund link – aspects that are generally seen as success factors in the literature on place marketing.<sup>26</sup> Naturally enough, it is far too early and difficult to measure the effect of the human values-based place branding strategy in the Oresund. Nevertheless, the growth of publications on the Oresund and the organisation of “policy travels” to the region suggest that this targeted, localised approach has been effective.<sup>27</sup>

Recently, however, doubts have risen about the validity of the “best practice” character of the Oresund. To be sure, the region now performs better than ever before, but it still does not match the story and political vision of an exciting and important new region in Europe that is able to engage in the inter-regional competition in Western Europe.<sup>28</sup> Originally, it was hoped that the Euregional integration of the two areas across the border would lead to synergy in terms of unexploited potentials and opportunities to create complementarities. Indeed, Denmark and Sweden have a favourable starting position for joining forces in the Oresund, since the countries have much in common: they share a similar Nordic history, culture and language, are small open market economies with a highly developed welfare system and have comparable problems such as a growing share of the population of non-working age. Not these similarities, but the cross-border differences have been important in the building of the Euregion: the inhabitants themselves still see the borders in the Oresund as barriers rather than as driving forces. In the practice of cross-border interaction, many barriers in fact have come to the fore, such as those connected with differences in laws and institutions. After all, during the last three hundred years, the development of the regulatory systems on both sides of the border has been different. If these regulatory differences are not eroded, they will certainly impede the formation of a truly integrated region.<sup>29</sup> Also, the authorities involved admit that they have been over-optimistic in their dream of creating a Euregion in which borders would no longer be important. For example, in the Annual Report of the Oresund Committee, the political body in charge of the building of the cross-border region, we can read: “There are problems with the integration. The sky-high expectations that characterised the

time before the opening of the bridge have clearly not been fulfilled ... One is still waiting for the political decisions that are to remove barriers, decisions that are delayed.”<sup>30</sup> Thus, despite the successful strategy of place marketing in the outside world and contrary to earlier political hopes, the borderlanders themselves still feel Danish or Swedish rather than residents of a new Euregion. This situation may pose problems for the region’s future development and even lead to what we could denote as the “Oresund paradox”: the region’s branding strategy is widely seen as a “best practice”, but in the region itself it is received with little enthusiasm. In our view, this paradoxical situation points to the need to strive for a close fit in place marketing between identity, image and the desired reputation (brand) of the area in question.

### Differences within the Oresund

In an attempt to unravel the Oresund paradox or, to put it differently, to explain the diverging views on the idea of an integrated Oresund area among people inside and outside the region, we think it is helpful to make use of the framework of the Finnish geographer Paasi. In several contributions Paasi argues that regions in fact are not “real” in the sense of being visible and tangible; instead, they are social constructs that are created in political, economic, cultural and administrative practices and discourses.<sup>31</sup> According to Paasi regions emerge, develop and exist through a process of “institutionalisation” that is the outcome of the simultaneous and interconnected working of four different forces. These forces – or in Paasi’s words “shapes” – jointly determine whether a region as a whole does exist and how it will develop in the future. The “shapes” making up a region are the following: <sup>32</sup>

- The territorial shape: the degree to which an area is distinct from other areas in spatial terms. In this respect, the relevant question is whether the territorial borders of the region in question are clearly defined or recognisable.
- The symbolic shape: the development of regional symbols. As examples of symbols we may think of the name of the region, the occurrence of the area

<sup>26</sup> Cf. M. Konken, op. cit.; G. J. Hospers, op. cit.

<sup>27</sup> Cf. Öresundskomiteen, 2001, op. cit.; D. McNeill, op. cit.

<sup>28</sup> Cf. Öresundskomiteen, Annual Report 2001, Copenhagen 2002, Öresundskomiteen; K. J. Lundquist, L. Winther, op. cit.

<sup>29</sup> Cf. OECD, op. cit.

<sup>30</sup> Cf. Öresundskomiteen, 2002, op. cit.

<sup>31</sup> Cf. A. Paasi: The institutionalization of regions: a theoretical framework for understanding the emergence of regions and the constitution of regional identity, in: *Fennia*, Vol. 164, 1986, pp. 104-146; A. Paasi: *Territories, Boundaries and Consciousness*, Chichester 1996, John Wiley & Sons; A. Paasi: Bounded spaces in the mobile world: deconstructing regional identity, in: *Tijdschrift voor Economische en Sociale Geografie*, Vol. 93, 2002, pp. 137-148.

<sup>32</sup> Cf. A. Paasi: *Territories ...*, op. cit.; A. Paasi: *Bounded spaces ...*, op. cit.



on maps, flags and typical landmarks. These elements are visible aspects of a region that may evoke a shared feeling.

- The institutional shape: the area's institutions that are needed to maintain the territorial and symbolic shape of a region. Examples are the formation of administrative bodies, educational centres and development agencies at the regional level.
- The shape that has to do with the identity of an area: to what extent is the region "rooted" in the consciousness and social practices of people, being both individuals and groups. For one thing, this shape refers to the regional identity of the inhabitants, i.e. the identification of individuals with the region. For another thing, it includes the identity of the region (its desired reputation or brand) pointing to those elements of nature, culture and regional life that are chosen by regional groups, such as political bodies, to distinguish their area from other regions for external purposes.

Although the shapes may follow each other consecutively in due time (starting with the territorial shape and culminating in a regional identity), often they will work simultaneously. After all, Paasi emphasises, they are different aspects of the same process of a region coming into being. It is through this process of institutionalisation that a territorial unit is "shaped" and ultimately will obtain an established position in the spatial structure. Let us apply this framework to the Oresund now to find out the degree to which the area constitutes a region or not.

To start with the territorial shape: as already stated, the Oresund is far from being well defined. Today, several definitions exist, ranging from the conurbation of Greater Copenhagen and Malmo only to a much larger area that comprises the whole of Sjaelland and Skane. To be sure, the latter definition is mostly used, but this is only a recent development. Even in recent publications different definitions of the Oresund are still used.<sup>33</sup> Probably, the problem of setting clear territorial boundaries has to do with the fact that the area is not homogeneous in spatial-economic terms. These intraregional differences immediately come to the fore when glancing at the location of the area within Denmark and Sweden: Sjaelland/Copenhagen takes up a central position in the Danish regional hierarchy, whereas Skane/Malmo is a rather peripheral area within the Swedish hierarchical system. Further-

more, economic development in Skane tends to lag behind that of Sjaelland due to a dissimilar production structure. Although differences have continued to decrease since the late 1990s, the Swedish part of the Oresund still has a rather rural and traditional industrial structure, while in the Danish part the economy is more metropolitan and service-oriented. When turning to the symbolic shape of the region, the most prominent symbol of course is the Oresund link joining the Danish and Swedish parts of the Oresund. The bridge plays an important supporting part in the other activities that have been undertaken to imagine the region. The Oresund Committee, for example, has heavily invested in other, more trivial symbols to create a shared identity for the region. In all these expressions the bridge can be detected. Examples of this symbolisation include the development of a logo, a number of brochures and internet sites and the organisation of "Oresund days" and other "public rooting projects".<sup>34</sup> It has to be said, however, that this is a top-down "policy-push" approach. Maps still do not denote the area as one region, whereas the name of the Oresund is only used to refer to the strait that separates both parts of the area.

Like its symbolic shape, the Oresund's institutional shape is still in the making. As a result of the integration efforts in the region since the start of the 1990s the authorities have created an increasing number of institutions that should reflect the logic of one Oresund region. Apart from the establishment of political bodies such as the Oresund Committee and the Øresund Network (in charge of coordinating the marketing of the region), institution-building has taken place notably in the field of education and science. Under the heading of the "Øresund University", both student mobility and research cooperation across the border have been fostered in projects such as the Medicin Valley Academy and the Øresund IT Academy. Thus, it is hoped, the region will grow into a fully integrated "Øresund Science Region".<sup>35</sup> Although the Oresund is becoming a territorial organising principle in more and more societal pillars, it is still not reproduced and visualised in many aspects of the daily life of the borderlanders. Institutional differences, ranging from deviations in taxation rules and labour law at the national level to disparities in traffic regulations and opening hours at the regional level, tend to persist.<sup>36</sup> Although the harmonisation process might be facili-

<sup>33</sup> Cf. P. Maskell, G. Törnqvist, *op. cit.*; K. J. Lundquist, L. Winther, *op. cit.*; OECD, *op. cit.*

<sup>34</sup> Cf. Øresundskomiteen, 2002, *op. cit.*

<sup>35</sup> Cf. Øresundskomiteen, 2002, *op. cit.*; OECD, *op. cit.*

<sup>36</sup> Cf. P. Maskell, G. Törnqvist, *op. cit.*; OECD, *op. cit.*

tated by the fact that both Denmark and Sweden are members of the EU, it probably will take a long time before the institutional dissimilarities will be totally removed. Therefore, it is not surprising that the score of the Oresund on "identity", i.e. the last "shape" in Paasi's framework is in general still low. In fact, the consistent and place-based branding strategy of the region as a Nordic and liveable area suggests that the region has a strong identity of which the inhabitants are proud. This identity, however, is artificially created by a group of politicians and does not reflect the feeling of the majority of the inhabitants: most still regard themselves as Danes or Swedes in the first place rather than as residents of the Euregion of the Oresund. Much time will be needed for the development of a cross-border "Oresund feeling". In any case, the authorities should continue removing the institutional barriers in day-to-day interaction first. If these barriers are not removed, it is likely that the process of region-building will fail. Therefore, we conclude that despite the advantageous starting position of Sjælland and Skåne and its successful strategy of "external marketing", the creation of a fully integrated Oresund regional identity will be hard. At best, it will be a gigantic social experiment and require a deliberate strategy of "internal marketing".

### Conclusions and Lessons

At the present time, more and more European regions are trying to "market" their area by developing strategies in the field of place marketing. To analyse this policy trend, we have reviewed relevant theories and explored experiences in the Oresund area. The theoretical case for place marketing can be linked to the idea of seeing regions as being engaged in a process of "territorial competition". Especially in the European Union where integration goes on and mobility is growing territories increasingly compete to attract and retain residents, firms and visitors. Due to growing similarities in the regional "hardware" (e.g. infrastructural, educational and leisure facilities), people's location choice is based more and more on such soft factors as the image an area evokes. The importance of this "spatial cognition" for regional competitiveness forces areas to think about their identity, image and brand, i.e. the reputation they wish. In trying to balance these elements, theoretically a strategy of place marketing (branding) may indeed help. To assess this regional "commodification" process in practice, we have selected the case study of the Danish-Swedish cross-border region of the Oresund. Here, public authorities have presented the area as "Øresund – The Human Capital". Although the strategy is often

highlighted as a "best practice" one major problem has emerged: reputation and identity in the area do not fit, which may lead to an "Oresund paradox". The Oresund is still mainly an externally "imagined" area, while the residents across the borders themselves do not yet have a shared identity. To prevent a slowdown in the region's development, a common regional identity is needed. We think, however, that the building of such an "Oresund feeling" will be at best an incremental and long-term process.

The experiences in the Oresund region still offer some lessons for policymakers who want to market their area on a European scale. Although a case of its own, the branding of the Oresund points to three critical success factors in the field of place marketing. First, the case reveals how important it is to emphasise a region's unique attraction factors and distinctive advantages. As a matter of fact, instead of striving to become the next "silicon somewhere", the parties in the Oresund area deliberately selected the theme "man and his needs" in a specific Nordic context. Consequently, the brand "Øresund – The Human Capital" captures several "human" aspects (health, leisure, contact and knowledge), has a Nordic touch ("Ø") and thus really imagines a modern Scandinavian region with a favourable living, working and recreation climate. Second, the marketing of the Oresund shows that it might be useful to invest in the public domain to visualise the region's brand. Investments in the built environment (e.g. the construction of a bridge such as the Oresund link) or in events (cf. the organisation of "Oresund days") are visible symbols that can support the inherently invisible nature of place marketing. Third, the paradoxical situation arising in the Oresund region at the moment suggests the following important lesson: place marketing in the outside world ("external marketing") first requires a bottom-up process of "internal marketing", that is the need to draw in and commit all the relevant parties in the region, notably the citizens. In short, the case study of the Oresund suggests that appropriate strategies for place marketing ideally should emerge from a careful consideration of the particular regional context and involve a range of local stakeholders to secure the support of the branding process. If anything, one overall notion in this article is that place marketing is a risky, difficult and long-term strategy that may pay off only after years. However, European regions that decide not to brand themselves because of these warning signals will miss out on residents, firms and visitors – if only because competing regions certainly will invest in place marketing.