

MODEL APPROACH TO BRAND IMPLEMENTATION AS A PREREQUISITE FOR SHAPING THE CAPITAL OF A TERRITORIAL BRAND

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Introduction/background: A number of places have some difficulty implementing their brands due to the fact that there is no coherent framework within which they could expect some measurable results or monitor the process, and most importantly, they are totally incapable of controlling the return on investment in branding.

Aim of the paper: The article puts forward a model which, irrespective of the size of the place and the extent to which the brand has been developed, introduces order into the process of brand building, indicating the point at which a brand is and optimizing the way for a brand to become an asset and a part of the equity.

Materials and methods: The model is based on miscellaneous experiences comprising case studies, observations and results analysis of more than 15 place branding projects that were undertaken in Poland over the last 10 years. The project of building the brand of the city of Lublin has been based on this very model.

Results and conclusions: Any local government that has at its disposal limited financial, human or any other resources can successfully use this model owing to its flexibility, clarity and simplicity.

Keywords: territorial brand, place brand management, competitiveness, local development strategy, competitive advantage, place brand capital.

1. Introduction

Marketing orientation, which for over 50 years has been setting the main principles of competitiveness and functioning of businesses, and whose origins are increasing limitations on the demand side, has also been playing an important role for some time now in the management of other types of products than just their physical form. Consumers are offered an increasing number of cultural events, in which they can take part, ideas or people, even in political terms, seeking to exchange political promises for an electoral vote. Many places, including cities and regions, due to the progressing globalization, individualization of consumer needs and freedom of choice, are also forced to shape an increasingly interesting offer and shape their specialization.

Most cities and regions, not only in Europe but also worldwide, seem to respect traditional “thinking” when it comes to strategic approaches to development. The global concept of marketing is the origin of such an approach. However, this approach does not respond to the growing needs for choice, diversity and individualism. This means that places are confronted with a noticeable threat of losing their uniqueness and ability to evoke emotions (Ward, 1998). They become impersonal and anonymous. The final effect is a very low level of control over the dynamics of local community enrichment and the effectiveness of competition related to the acquisition of external resources, including unique ones, which ultimately determine the competitiveness of the place.

Currently, the abundance to adjust the offer to the individual needs of buyers forces suppliers to seek unique sales features more and more often¹. This is not only the case for companies, but also for cities and regions. The development of places increasingly requires such an approach. Commonly used imports of concepts and schemes from different parts of the world are becoming inefficient in the long run. Freedom of choice is one of the most important achievements of the global society. It can be said that the current local development strategy is reduced to sanctioning the investment processes in resources, the current level of which can be described as “below the required” level, and to maintaining processes that have a sustainable impact on all or most stakeholder groups, including, in particular, residents and local businesses, as well as investors. This freedom of choice, which has suddenly increased global competitiveness, is often not even one of the criteria taken into account in the choice of direction and strategic objectives.

The approach to the place brand itself is similar in its lack of market orientation and creating a competitive advantage. In general, the process of building the place brand is limited to promotional activities in the area of broadly understood culture, organization of events and typical promotional communication (Markowski, 2002). In such an approach, a brand, together with its visual identification and advertising slogan, is an element binding the activity of a place directed to selected target groups and is used only at the operational level. Meanwhile, its role is and should be strategic.

The term “place branding” means the ability to choose and strengthen the position of a place in relation to similar places by creating a specific image, which is a source of both economic and symbolic added value (Hankinson, 2001). The very strengthening of the position and the lasting competitive advantage achieved through this process can be defined as the systematic implementation of a series of events and projects affecting the development of the unit by transforming values and benefits and increasing the satisfaction of the local community. The result of this process should be an increase in the status and prestige of a city as a tourist, residential and business location. It is worth noting that a brand is an element that identifies

¹ Unique selling proposition – a term used for the first time by Terrence Reese to distinguish a product or group of products in a category.

a product, service, person or place and increases its value in such a way that the consumer perceives the object of purchase as having an important and unique added value, through which its needs are satisfied more effectively. When indicating the increased effectiveness, it should be diagnosed at the functional, emotional and symbolic level, as the brand image is an image of a given object in the heads of its recipients, so its psychological value plays a role on several levels (Morgan, Pritchard, Pride, 2002).

It is obvious that the implementation of a homogeneous city development strategy, one of the basic tools of which is the brand, will not be consistent with the interests of all stakeholders who have connections with a given center. The problem faced by local authorities is to find the right direction of development, which would allow them to extend the benefits to the largest possible group of recipients, but not at the cost of distinguishing the place from the closest competition.

The most striking example of such a situation is the interaction between the place and local businesses, to a lesser extent, those whose geographical area of activity is only a given place and, to a greater extent, those who go out with their products and services to the national or global level. Their key role results from the fact that this group of recipients, in fact as the only one, independently and consciously shapes its own image and the image of its products with the use of promotional tools (Dolata, 2002). Therefore, a potential conflict between marketing programs implemented by local companies at the corporate or individual brand level and activities related to the city brand may have the biggest business consequences. Synthetically speaking, this means that commercial brands have an impact on the city brand and vice versa. This marketing partnership is particularly important in the case of places with an unmarked, weak image. With limited financial resources of the territorial unit, close cooperation with local economic entities becomes strategic.

2. Problems in the process of managing the place brand

So why, for the vast majority of territorial units, does the brand not enter the level of key resources, and why does it not take on the role of a creator of a competitive advantage? Three main reasons should be indicated:

1. Low level of awareness of the issue among local authorities, which results in treating the brand as a phenomenon with a promotional character only.
2. The term of office of the local authorities, which results in unwillingness to implement long-term projects with an unobvious result.
3. Lack of appropriate competences of persons directly responsible for the process of brand management, which determines the narrow and typical range of activities undertaken.

Nevertheless, at this point in time, it is necessary to point to a few important characteristics that make the territorial brand and its management process much more complicated and burdened with the risk of failure than the brands of products, services or even those with a corporate profile, i.e. forming the final image of an entire company. It seems that one of the most important factors is the limited influence of the territorial unit on the huge number of phenomena that takes place in the administrative space, including the quality of services offered and products manufactured by local companies, human behavior and events that are organized outside the local government sphere. This element is also connected with the following – legal and organizational limitations of the local government in brand management as an economic value and the use of its capital in economic terms. Often, in the process of designing the activities creating the place brand, the fact that it is very sensitive to the personal relationship with the customer is also omitted. One can even risk the statement that place brands are born, to the same degree, through their experience as through the communication that is conducted to its actual and potential users. The need to maintain this balance is particularly evident in the case of the tourist and residential functions of a place. In both cases, the brand value is finally verified through a direct and personal relationship between the consumer and the place. This relationship may be, to some extent, contingent on promotion, but in the end, it will always be stronger than the relationship (Lebiecki, 2002). The last factor specific to places is the multiplicity and multidimensionality of values at their disposal, which constitute the capital base for the brand, determine its image and are responsible for the credibility of its promise.

Each place, due to its often centuries-old existence, gathered inside in the form of objects, phenomena, events with a special dimension, people and processes, as well as outside in the form of an original image based on the signals sent so far, a huge number of resources, which, in the context of brand building, must be verified, selected and properly managed to form a coherent foundation for the target brand image (Metaxas, 2002). In this area, territorial brand managers usually face considerable financial problems and have great difficulties in making strategic choices, choosing which resources should be included in the brand equity and are constantly developed and invested in and which, despite their uniqueness, should be excluded from the process of brand management. At this point, it is worth quoting one of the models that serve the purpose of proper analysis of this issue. This is a model of the place brand capital by Keith Dinnie. Although it was developed for national brands, it also applies to city and regional brands.

All place brand assets are internal or external. Internal assets are directly linked to the place, namely all that are included in a given place. Internal assets can be experienced on the spot. On the other hand, external assets are all those connected with a given place but which we experience when we look at them from the outside. These first assets are connected with cultivating the direct experience of a given city or region. The second, however, is a derivative of investment in the perception of that city or region (Dinnie, 2008).

Table 1.
Structure of place resources

Internal resources	
Immanent resources	Created resources
Symbolism	Internal acceptance
Landscape	Art support
Culture	Loyalty levels
Place image	Brand ambassadors
Presentation in pop culture	Diaspora
	Branded export
Derivative resources	Promoted resources
Internal resources	

Source: Dinnie, 2008.

3. Model of territorial brand implementation

As has been pointed out, every place, regardless of whether it is a large city with metropolitan aspirations or a small geographical region, has a complex structure of material and non-material resources, such as a different history, terrain, myths and legends, as well as natural resources and social phenomena. The starting level of the basic dimensions of a brand is also different, i.e. its knowledge of the brand. As far as brand management is concerned, Zakopane will be located at a different level than Biecz. The complexity of this issue causes local government units to have huge problems not only at the level of brand image design but, perhaps above all, in the area of brand management in the tactical and operational layer. The effects of these problems are visible to the naked eye, as in the last 20 years, only a few places have been able to permanently include the brand in their strategic resources and make it a driving force for development.

Cities and regions are like fingerprints. There are no two that are identical. This does not mean, however, that each of them, in the context of brand management, should be approached in a perfectly individualized manner (Kearns, Gerry, Philo, 1993). The branding process requires specific rules and practices that are consistent for each case. Below is presented the author's model of territorial brand implementation, whose basic advantage is the universality of application, regardless of the profile of the place.

Table 2.
Basic model of implementing a place brand

STAGES/AREAS	Stage I revision	Stage II incubation	Stage III revival	Stage IV maturation
ORGANIZATION (O)	Benchmarking analysis and opening report	I.O Coordination center	II.O Key allies	III.O Involvement of stakeholders
PRODUCT (P)		I.P Flagship solution	II.P Selective adaptation	III.P Filling gaps
COMMUNICATION (K)		I.K Understanding the brand	II.K Acceptance of the brand	III.K Deepening relations
EXPERIENCING (D)		I.D Contact points	II.D Enrichment of experience	III.D Regeneration of assets

Source: own work.

The model divides the whole management process into four basic areas, which, together, are responsible for the final result to the greatest extent. Each of these is subject to a development process divided into three phases. The model can of course be used for brands at different stages of development, but it is nevertheless dedicated to those projects that are at the initial stage of implementation. In each case, there is an initial stage, also referred to as a revision stage. As part of this process, answers to two fundamental questions are sought:

1. Is the proposal of brand value and its main idea unique and possible to implement?
2. What key barriers can prevent such implementation?

At this point, both concepts that form the basis of the analysis should be explained. The most important goal of marketing is to create value. What is this value? Nothing abstract, but it is what the recipients value and what they are willing to pay for. To make people want to have something, experience something and want to pay for it, it is necessary to create and communicate this solution. The proposal of value is a clear, attractive, distinctive and credible description of what the recipient can expect in contact with the place and the products and services that a given place offers. It is worth remembering, at the same time, that the value sought must be important from the point of view of the recipient and not the brand manager. The proposal of value itself is created at the junction of three areas: internal resources and the concept of their use, expectations of customers and free space not appropriated by the competition. The best opportunities to create value are in the common part, i.e. they refer to unmet needs, use existing resources and competences and allow them to take up free and attractive space in the marketplace (Pogorzelski, 2012). The basis for the proposal of values is its main idea. The point of view and the declaration, which will distinguish the city or region from the competition and will be highly valued by the recipients, is one that binds together the whole proposal for a place. Ultimately, it will be the first association with a given place. A good example illustrating both the proposal of values and the main idea of a city is Kraków.

Table 3.*Value proposition and the main idea of a place brand – an example*

Value proposition	Kraków – a city with a unique atmosphere, where people live more slowly in the shadow of great national history, as well as the cultural capital of Poland, or a pleasant place to live
Main idea	Magical Kraków

Source: own work.

Such a great importance of the revision stage is obvious – in the case of a negative verification of the value proposition and the main idea of the place, the whole process of designing the strategy should once again be started from the beginning. A positive diagnosis result triggers the implementation process, thanks to which a given territorial unit has a chance to reach, step by step, the level of brand development in which it becomes one of the key and, because of its non-copyability, most unique resources of a place. The degree of implementation of particular elements of the model and the verification criteria are presented in the table below.

Table 4.*Characteristics of the place brand implementation model*

ORGANIZATION	INCUBATION COORDINATION CENTER	REVIVAL KEY ALLIES	MATURATION STAKEHOLDER INVOLVEMENT
	TARGET STATE: The brand is managed by a separate team with its own planning and control of the communication of the whole unit. INDICATOR: The degree of organization of a dedicated entity managing the brand and its legal form are assessed.	TARGET STATE: Leaders from a specific list and managers of key resources of the place accept and understand the brand and its main idea and are involved in its implementation. INDICATOR: Internal and external partnership The level of partnership in brand management is assessed.	TARGET STATE: The brand engages a wide group of stakeholders and plays an important role in the functioning of the place. INDICATOR: Stakeholder identification The assessment covers the degree of identification of influential units, entities acting on behalf of the brand in an informal way.
PRODUCT	INCUBATION FLAGSHIP SOLUTION	REVIVAL SELECTIVE ADAPTATION	MATURATION FILLING GAPS
	TARGET STATE: The main activity of the brand is indicated by three individual associations with the place in the target group. INDICATOR: The level of spontaneous recognition of the brand's products is assessed.	TARGET STATE: At least 50% of the relevant objects, events and processes within the place are integrated into the brand identification system. INDICATORS: 1. Product identification The assessment covers the possession of a list of products of the place, verified in terms of the brand idea. 2. Degree of integration The assessment covers the degree of integration of products into the brand system from the list of identified products.	TARGET STATE: The brand has a portfolio of products that is optimal for strategic functions in comparison with other brands in the strategic group. INDICATORS: 1. Identification of gaps The assessment covers having a list of identified gaps in the strategic areas of the brand. 2. Filling gaps The degree of filling gaps from the list of identified gaps is assessed.

Cont. table 4.

COMMUNICATION	INCUBATION BRAND AWARENESS	REVIVAL BRAND UNDERSTANDING	MATURATION DEEPENING RELATIONS
	TARGET STATE: The brand is indicated at the supported level as a representative of its strategic group. INDICATOR: The assessment covers the supported knowledge of the place brand in the strategic group of brands with analogous functions – associations with functions.	TARGET STATE: The brand's target consumer identifies the brand through its main idea in relation to the strategic group. INDICATOR: The assessment is carried out on the basis of the supported knowledge of the concept of the place among target groups in relation to the strategic group of the place.	TARGET STATE: Deep, emotional relation between the target groups and the brand. INDICATORS: 1. Emotional relation to the brand The emotional relation between the groups of customers and the brand is assessed. 2. Co-creation of the brand The degree of involvement of customers in spontaneous brand communication is subject to expert assessment.
EXPERIENCING	INCUBATION CONTACT POINTS	REVIVAL ENRICHMENT OF EXPERIENCE	MATURATION ASSET RECOVERY
	TARGET STATE: The brand obtains a minimum indication of 15NPS in the target group. INDICATOR: Contact points The management of at least 5 most important points of contact with the place brand is assessed.	TARGET STATE: The place obtains higher indications according to the GEW model than other places in the strategic group. INDICATOR: Brand network experience The degree of networking of brand experience and the level of satisfaction from network experience are assessed.	TARGET STATE: The place brand develops and implements plans for a comprehensive exchange of experience in line with the idea at the city level. INDICATOR: Change strategies Having strategic plans to solve problems while complementing the brand's core experiences is assessed.

Source: own work.

An attribute of the presented model is its flexibility, which does not force parallel and systematic work on each of the areas; however, the origin of its creation is related to the common problems that local government units have with proper brand management, including, in particular, its transformation into a source of both economic and symbolic added value for various groups of recipients of the place offer.

4. Final result – capital to be used

An orderly, systematic process of managing the place brand leads to the formation of a relatively high level of its capital. In the dictionary of the Polish language under the term “capital”, one can find an explanation that it is “financial resources, tangible assets of monetary value, held by an enterprise, bank, company, etc.”, or colloquially – wealth, assets, a larger amount of money, cash. Brand also has its own capital, which is created by both the brand owner and its customers. The Marketing Science Institute defines brand capital as a set of associations and behaviors related to brand consumers, the corporation that owns the brand and

other entities involved in the brand, allowing one to generate more than average sales or margins and giving the brand a strong, durable and distinctive competitive advantage. A more synthetic definition is proposed by Kevin Keller, who points to the diverse impact that knowledge about a brand, i.e. its knowledge and image, has on consumer response to brand marketing (Keller, 1993). In the case of cities and regions, this impact should be considered in two ways. In direct contact between the consumer and the place, the brand generates a price premium for the products and services purchased during the stay, but it also supports and intensifies the emotions associated with experiencing the place. Outside, when the consumer comes into contact with a proposal, which can be a physical product, but which can also be an idea or even a cultural event exported from a given territory, a mechanism is triggered, which is defined as the effect of the place of origin. It should be considered both as a consumer phenomenon and as an attribute of a brand and product, which is an important factor in the market play for many product categories. In simple terms, it can be defined as the influence of the place of origin of a product or brand on the decisions and preferences of consumers. Consumers can treat the origin of a product as implicitly associated quality information or as part of the product image (Figiel, 2004). In the first case, this effect is more important for unknown products. In the case of products with a high level of knowledge, it is a strong component of the brand image.

To sum up, the brand is a very important phenomenon for every city and region. It brings out and strengthens its uniqueness and, what is equally important, allows one to observe the activities of directly competitive locations with peace of mind. As Professor Yoram Mitki said, "There is a treasure hidden in every city. There is question of its discovery". The brand is such a treasure.

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