

CITY BRANDING POSITION AND CHALLENGES

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ABSTRACT

In today's world, the real asset of most organizations and companies are their brands. Companies, using their brands, connect to the customers and transfer the value of their product and service. In fact brands create a distinctive value for the company by making it distinguished from its rivals. The usage of branding is not limited to manufacturing and services industries. Nowadays many cities and countries use branding and marketing methods for promoting their location with a consideration of their capacities and facilities. In the present article, we study the related challenges and solutions by reviewing the literature of city branding and marketing.

Keywords: Brand, City Branding, City Marketing

INTRODUCTION

Today the cities need a ground for supply and demand for their capitals in social, economic and cultural fields; a ground that the need for marketing is inevitable in it. The cities' management has developed a distance from its traditional form and wants to develop the presence of the tourists and residents into a unique and special experience. In fact, a management is successful in a city which sees its management area as a brand and treats it as a living being which is born, has grown up and if it has positive entropy it will eventually die.

It can be said that the city brand reflects the image, reputation, credibility and competitive identity of a city and assures its audience that what has been promised will be fulfilled. Therefore those cities which seek a prominent and outstanding position in competition with other cities are forced to enter marketing and branding arena sooner or later.

Definition of brand

The word "brand" derives from the Old Norse "brander" meaning "to burn" - recalling the practice of producers burning their mark (or brand) onto their products (Ministry of commerce, 2009).

There are many different definitions for brand. However the definition provided by American Marketing Association (AMA) is used commonly for the start of different works related to brand. According to AMA "brand is a name, term, sign, symbol or design, or a combination of them intended to the goods and the services of one seller or a group of sellers and to differentiate them from those of other sellers" (Karvelyte, 2011). Today, other factors such as experiences, what have been heard, words and memories of people, special traits of the consumer of brand and even the location of the sales or distribution place of the products and their prices are combined and all together they create the concept of "brand".

One of the best definition of brand was provided by Gardner and Levy (1955); "It is a complex symbol that represents a variety of ideas and attributes. It tells the consumers many thing, not only by the way it sounds (and the literal meaning if it has one) but, more important, via the body of associations it has built up and acquired as a public object over a period of time."

It can be concluded from the definitions that brand is a complex concept which consists of several details. We can discuss brand from two viewpoints:

1- Brand is behavior's achievement: Consumers judge brand based on its function and usage not based on costs and advertisement. In fact, even a small experience of the product can ruin the most deliberate advertisements. Every functions and activities of an organization can be influential on the brand.

Review Article

2- Brand is only in minds: some managers overlook this indisputable fact that it is people who give life to brands not organizations. No one can find brand in the factory or the office or in financial balance of the company; they have to seek it in the minds of the consumers and those who are related to it. In other words, brand has a social nature and the most powerful of all brands are those that people feel a sense of possession toward them and say: “this is my favorite brand” (ministry of commerce, 2009).

In fact, it could be said that brand is a type of asset with which your products and services can get distinguished from those of your rivals in the mind of the customer.

The main aspects of brand

Brand Identity

Brand identity is the essence of brand. The most prominent and unique qualities of brand is manifested in its identity. Professor John Kapferer believes that: “having an identity means being yourself the way you are; following your very own fixed pattern”. Several aspects have been considered for brand identity, which are as follow:

- External and graphic details of brand
- Brand personality (describing brand using human personality traits)
- Brand association with the target audience
- Culture
- Quality and other factors (Ministry of Commerce, 2009)

In fact, the identity of brand consists of a unique combination of visual, audio and other stimulators which the brand project with the use of some functions tries to shape the perception of markets. These services include advantages, logos, fonts (slogans), colors, and images and in some cases the smell and sound for a specific brand (Baker, 2007).

Brand Image

The aim of marketing is to create an image of brand or something distinctive and special about it that attracts people. Consumers should have vivid image of brand features in mind. These features could be quality, speed, low price, high price, variety. The image is indeed an overall combination of all the things that consumers think they know about your company, product and brand. These images can enter minds through these ways:

- Advertisement
- Trying the product
- Consumers feedback after using the product
- What has been read or heard about the companies
- The rivals (Qaedi, Mousavi, Anvari, 2007).

The terms, image and identity are usually confused with one another. Brand image is about how a brand is perceived from the costumers’ perspective while identity is a unique combination of stimulators which explains the brand and its shape (baker, 2007).

Brand Positioning

Positioning is a marketing strategy that aims to make a brand occupy a distinct position, relative to competing brands, in the mind of customer. Companies apply this strategy either by emphasizing the distinguishing features of their brand or they may try to create a suitable image through advertising (business dictionary).

Brand positioning points toward the target customers that should have a reason to prioritize purchasing your brand over others and guarantee that all trading activities are directed toward this common goal of delivering the benefits of brand to the consumer.

It could be said that brand identity is the internal dimension and the brand image is external dimension of brand positioning.

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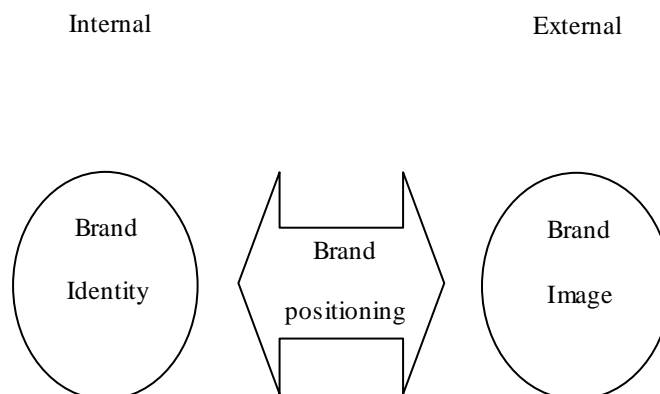


Figure 1: Association of Identity, Positioning and Image of Brand (Van Meer , 2010)

City Marketing

City marketing is a market-oriented, coordinated set of activities to improve the real quality of a city and to efficiently communicate the quality to target groups (Kotler, 2009).

The reason why place marketing should be emphasized is clear which due to its several dimensions it has some particular complexities. Each person lives in a place –village, town, county, nation- and is affected by economy, infrastructures, facilities, attractions, expenses and people of that place. The health and strength of a place is influenced by history, resources, leadership and strategy of that place and due to the fact that cities face key challenges like the inevitable process of urban evolution and growing competition, using marketing techniques should be considered (kotler, 2009).

In city marketing the vital role is played by determination and formulation of image and communication of city image and the main issues of city branding are focused on it. In other words, the aim of city marketing is city image which is a starting point for development of city brand (Karvelyte, 2011).

City branding

In 1992, De Chernatony and McDonald introduced a rather complex definition of brand in which it was defined as a recognizable product, service, person or place in a way that the user or buyer perceives a unique added value which complies closely with the needs. This advanced approach adds branding idea to people and places and abides to many prominent academic researchers argument that place can and should become brand in a similar method as the consumer of goods and services (Karvelyte, 2011).

City brand is a subcategory of place brand which tries to feature the city desirability as a habitable place for the potential and actual residents and the urban business desirability as a place for investing, marketing and branding and management of city brand, goal setting, planning, executing and controlling the city brand and as a result the value and effort to maintain and enhance the value is created (Rahimian, 2012).

Some of the approaches about city branding by different researchers are stated below:

Nickerson and Moisey (1991): "city branding is creating a relationship between people and their city's image.

Hall (1999): The main purpose of city branding is to provide a focused and sustainable communicative strategy.

Cai (2002): city branding means to choose a combination of compatible brand elements by creating a positive image in order to gain a recognition and distinction for the city as a destination. Brand elements consist of names, terms, marks, logos, designs, symbols, slogans, packaging or a combination of all these among which name has a priority.

Review Article

Ranisto (2003): city branding is a way of increasing the attraction of the city and it is a critical point for developing recognition of the city.

Julier (2005): city branding is an effort to develop and enrich the quality of city (Minghui, 2011).

City branding like product branding has several stages of development:

- 1- Defining clear goals
- 2- Understanding target audience
- 3- Identifying current image
- 4- Determining the desired brand identity
- 5- Position development
- 6- Creating value propositions
- 7- Operating brand strategy
- 8- Measuring progress

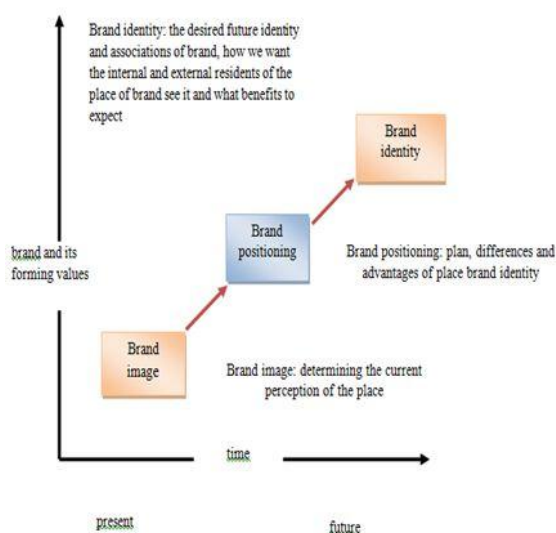


Figure 2: City Branding Process (Rahimian,2012)

City Branding Importance

City brand has a social nature and includes the collection of impressions that is created in the mind of residents, investors, tourists and stakeholders. Brand is created in the mind of people; people create their mental image from the smallest memories or interactions of a city's name.

In urban strategic planning, brand is a competitive source for increasing the competitive advantage of the cities. City branding should be concerned about how to combine culture, history, economic growth, social development, infrastructures and architecture of landscapes and environment so that it can create a salable identity which is accepted by the majority of people. The key concern of city branding is what the perception of the city is. City branding can be the most important aspect of prosperity of a city. A good brand which produces a sense of attachment to the city should be able to inspire the viewers, industries and people. Talking about this is much easier than performing it and its challenges differ from one city to another and from one country to another. (Sharifi, Jandaghian and Shireh Paz, 2012).

Today, city branding has become a vital weapon against the possible future degradations. Even big and powerful cities have realized that without using successful branding methods, they could be forgotten (Karvelyte, 2011).

Some of the reasons for importance of city brands are as follows:

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1. Transformation in global environment: impacts of post-industrial age, increasing importance of life quality in the choice of location of living, creating opportunities for the introduction of unconventional cities.
2. Gradual transformation, decline and negative reputation of cities: A branded city develops an image which displays the quality of that location. This will result in creating loyalty toward the brand which is essential for the survival of the city.
3. Self-authority and location funding: Creating a multi-dimensional local economy in case of industry decline by attracting tourist, internal investor, attracting events and conferences and receiving awards (Rahimian, 2012).

From company branding to city branding

Regarding place brand there are many definitions and these definitions show that company's branding can be used for developing place branding (Zenker, 2011).

Knox and Bicherton (2003) state that company brand is a visual, verbal and behavioral expression of the unique model of the organization which is expressed by missions, core values, beliefs, communication and culture and in general the design of the company (Kavaratzis, 2004).

Parkerson & Saunders (2005) express that even though city brand inside the boundaries of an organization doesn't function same as product or service brand, company brand has a great impact on city branding which is identifying people, values and cultures of a city.

On the other hand, considering the complex nature of place brands, it can be said company branding can be easily used for place branding. Even though many experts have accepted the undeniable effect of company branding over city branding, several studies show that city branding should be considered as a different dimension of company branding. Cities belong to everyone and at the same time to no one. Therefore Stigle & frimann (2006) argue that unlike big companies, cities cannot have any consistent claim in value, quality and unique identity creation, as there are several sections involved in this issue. In contrast with brand-owning leading companies, city brand is not only determined inside a company but inside a network of several organizations, and cities direct branding without having a single body. Therefore, even though many believe company branding principles could be certainly adapted and used for management of city brands, it is necessary these principles have compatibility with specific features and demands of the city. Recognition of branding is needed because cities, in the traditional definition of the word, are neither product nor company so an understanding of branding is required (Karvelyte, 2011).

Challenges of city branding

City brand is a complex concept which involves several areas and one of the biggest challenges for city marketers is that they have to face with several groups of target audience. Stigel & Frimann (2006) argue that the cooperation of different cultural sectors and business societies is of importance in city branding. Such comprehensive and integrated strategies of branding can guarantee the construction and the connection of the city as a space for unique salable experiences in global market (p. 250).

In each written paper or content about city branding some methods and suggestions have been mentioned, yet no one has determined a single plan or method for it as each city has its own specific conditions and features and due to these features city branding differs from one city to another. However what seems to be important is whether the city has any valuable asset to offer to its audience including the residents, the investors or the tourists or not? If the answer to this question is positive, the process of branding becomes easier especially if the city is in an acceptable level in terms of tourism attractions and life quality. Even cities which lack these elements can develop a brand and find a position among other cities by creating a new identity and image.

Some people also believe that an assessment of the current image of the city is an inevitable part of city branding therefore before anything else, the city image should be assessed in terms of city target markets.

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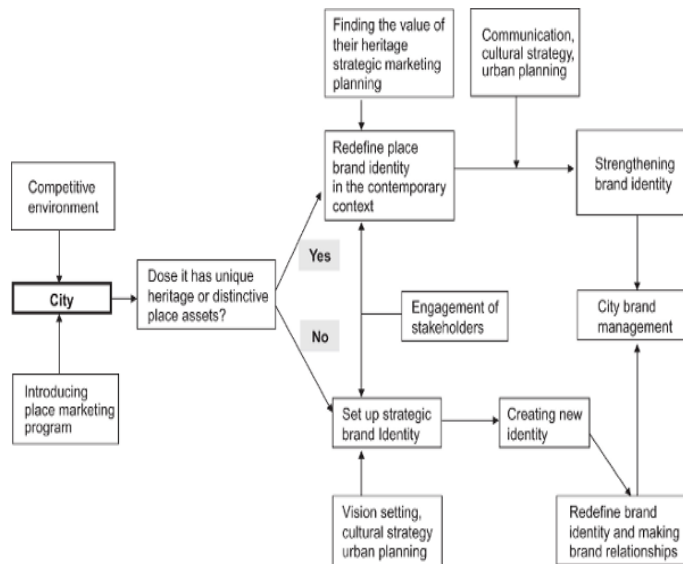


Chart 2- City Branding Process (the author's research)

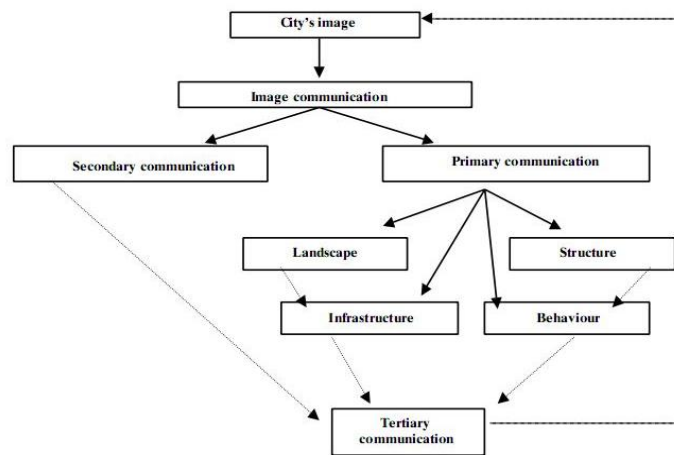


Chart 3- City Image Associations (Kavaratzis, 2004)

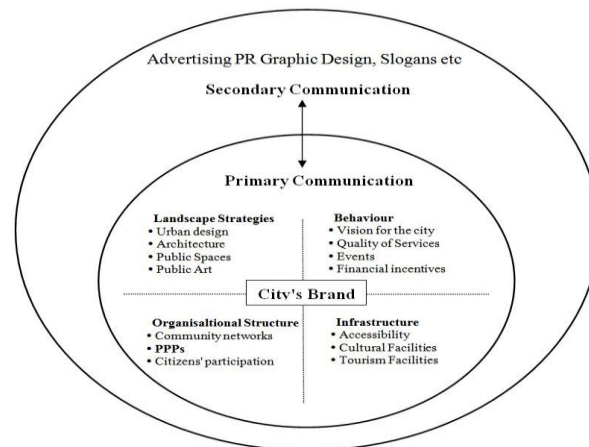


Chart 4- City Brand Associations (Kavaratzis & Ashworth,2007)

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The city image is the result of different and mostly contradicting messages that the city sends out and each receiver develop it in his own way in mind. It could be said that city brand provides a base for identifying and adopting the broad image considered for the city and the related implications to the city in a marketing message. Therefore the aim of city marketing is not the city but its image (Kavaratzis, 2004).

CONCLUSION

Considering all that was said about brand and branding, keeping in mind the following points are of high importance for managers, planners and city marketers:

- 1- For starting and developing city branding, literature based and field based research along with online research and, determining the capacities of the city and realizing how to enter this concept and also the help and knowledge of statisticians, managers, marketers and surveyors should be sought.
- 2- Before taking any actions about choosing the city brand, a comprehensive assessment of the residents' perceptions of the city image should be made and it should be determined what are their real demands and requests of the city.
- 3- It should be taken into account how the target audience (residents, investors and tourists) perceive the city image and then develop the details of the brand according to this perception.
- 4- Keep in mind that, brand is a commitment and is a series of connections people make with the city and it forms the expectations.
- 5- Branding doesn't have a fixed and specific formulation and the success of brands is because they go their unique way with confidence and recognition.
- 6- City branding is used to implement city marketing and its goal is to harmonize resources and city facilities to reach a competitive advantage.
- 7- The concept of city brand is a combination of symbols, local values, historical identity, urban culture, social and ethnic features, historical monuments, national and international relations and regional attractions and facilities which the collection of these compounds induces an image of the city which competes with other cities in terms of power and credibility both internally and overseas and finally maximizes the benefits of the citizens and attracts more material and non-material resources in comparison to the rivals in city level.
- 8- Due to the multi-dimensional nature of city brand, the cooperation of different organizations and institutes including public and private sectors, municipality, city council, tourism and cultural heritage organization and etc. is felt. In fact all the stakeholders from individual to government who has an interaction with a city are responsible toward the branding of that city.

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