The Brand of Territory: Theoretical Approaches to Creation and Promotion

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Abstract: The process of globalization causes the competition between territories, which leads to creation of image of territory and marketing of place. Working out of your territory marketing strategy is of great importance now. This process includes setting up the list of unique material and nonmaterial characteristics, which can provide the territory with the long-term competitive position and stable development. There is a large amount of theoretic and empiric approaches to territory brand-building. Some scientists propose to use business technologies and tools; others suggest to base brand of territory on its cultural peculiarities, the third group of researches operate with numerous marketing instruments. In this article we analyze approaches, discuss strong and weak positions of each approach to territory brand-building.

Key words: Localization · Image · Tourism · Brand of territory · Communication · Marketing

INTRODUCTION

The formation of united world information space leads to competition of territories such as states, regions, cities. If earlier an issue of image of territory was not of great current interest and was linked only tourism, nowadays it has gathered a complex character and a great importance. Geographic mobility has increased and it influences actually on welfare of territories. It happens because of sequent factors: highly qualified staff can choose where to live; investors take to account peculiarities of territory, where their object of investment are situated analyzing possible advantages and disadvantages of business in the particular region. The other significant aspect is that brand of territory works with it population as an ideology generating common territorial identity. All mentioned factors determine the creation of marketing of place. Authorities of regions have realized that implementing of resources management strategy, working-out the brand of territory, building of strong reputation bring the territory about welfare.

Territories compete on placement of factors of production, new job creation, high standards and perspectives of social and economic development. For these reasons the necessity of building up a proper brand of each territory and the projecting of recognizability is obvious. As a result it further attracts attention to region, giving possibility of more effective lobbing interest, improving investment climate, attracting a big amount of tourists; undoubtedly it provides extra revenue to the region budget.

Brand of territory is often compared with the brand of company; the similarities are complexity of working-out and wide range of influencing factors. Instruments, which are used by territorial branding, are adopted from marketing. Some theoretic approaches to territorial branding intersect with approaches to commercial branding.

There are different theoretical approaches to the phenomenon “brand of territory”. In addition to definition “brand of territory” researches also use in the same signification definitions “place marketing”, “marketing of territory”, “regional branding”, “city brand” etc. [1]. Many concepts of “brand of territory” coincide with the concept of brand in wide sense. Phenomenon of “brand” has multidisciplinary character as it belongs to subject fields of sociology, economy, phycology, political science etc. At present we would like to analyze theoretical approaches to “brand of territory”.

One of the most popular between researchers is action theoretic approach. American researches and experts of branding stick to this approach. According to this approach, branding of territory means set of actions
aimed at creation long-term goods or service preference, which is based on intense effect of advertising messages united by certain idea and put under the same logo (which mark the goods out of competitors and build its image) on consumer of trademark [2].

In that way, branding of territory is considered as creative labor based on the results of marketing research of creation of territory image in consciousness of consumers, divided into targeted groups (population of this territory, investors, highly qualified staff).

Economic approach is one of the first methodologies applied to this phenomenon. The concept “brand” has appeared in the field of marketing, which is the object of economy. Proponents of this approach are P. Doyle [3], T. Levitt [4], T. Ambler [5]. According to this approach, the main goal of brand existence is increasing of the volume of material assets on this territory. The brand itself is intangible asset and it act as an attribute of definite form to certain psychic contents [7]. Managers who work with territorial branding manipulate with consumption.

Sociological approach takes to account the function of social differentiation, identification and value formation in brand. Brand exists in consumer’s mind. It influences not only target audience. The most popular brands are recognized by the majority of people. Even consumers that do not buy these brand goods know much about the brand. When population consumes their territorial brand appears phenomenon of geographical loyalty, which means for the person sometimes more than social identity.

Brand as a mental representation results in consumer’s consciousness an image, which is composed by the senses that consumer has felt contacting with brand, by the information that he/she has got from informational flow. Brand is a composite of impressions, estimation, comments, opinions, brand attributes and perception determined by mindset. This concept of brand has been formed by researches that steak to culturological approach. Every region has its past, its history; population has its historical memory. While working out the brand of territory PR-managers often face strong stereotypes in people mind and broken relationships between neighbors. It’s a challenge to unite numerous different ethnics, which occupy the same territory under one brand. If consumer of commercial brand has a choice not to by the products of this brand, then population of circumscribed territory cannot give up “consumption” of their territory. Consequently culturological part of territorial branding is essential. Brand of territory turns to the some kind of ideology, it fulfills same functions. The similarity is to be mentioned here is that brand of territory comes from the top-down as an ideology.

According to psychological approach, brand of territory primarily works with men’s consciousness by means of symbols, images, signs. In this case, brand is defined as a gestalt of goods, services, countries in consumer’s consciousness [6].

The concept of collective unconscious of Carl Jung, founder of analytical psychology, is also applied to territorial branding. The collective unconscious is distinguished from the personal unconscious, in that the personal unconscious is a personal reservoir of experience unique to each individual, while the collective unconscious collects and organizes those personal experiences in a similar way with each member of a particular species. Thus collective unconscious plays the role of “common denominator” for diverse people. It bases on pre-existent forms, the archetypes, which can only become conscious secondarily and which give definite form to certain psychic contents [7]. Managers who work with territorial branding manipulate with consumers associations and deep structure of unconscious mind.

Corresponding to communicative approach brand of territory “results as focus of relationship between marketing manager and consumer which to be formed in market” [8]. Brand represents a special language of communication with customer, which facilitates information exchange; this language is expected by consumers who communicate with manufacturers on certain territory. Brand in this context means a medium of information, an instrument of communication between manufacturers and customers. It works as a sign that bring both sides together. The product doesn’t exist without brand. Furthermore brand's lifecycle can continue longer than product’s lifecycle.

The next approach that is to be mentioned here is axiological one. At this point of view brand is a set of pragmatic nominal values, which satisfy functional, social, psychological, economic and other consumer’s needs. Brand reduces the risk and complication of making a decision of choice, forms expectations, which are proved with the time and experience of repeated purchase. Brand of territory is a subject of cultural heritage and a subject of value system. In a function of cultural facility brand transmits to environment set of values and life orientations relevant to moment and society [9].

Organic approach has been proposed by L.S.R. Gomes. At the heart of this approach stand the concept of “Brand DNA”. Any organization or territory during the process of genesis acquires these characteristics that form a basis for brand. As well as
human DNA consists of 4 components, brand DNA consists of 4 key words and one integrating concept that unites these four. Gomes has named concepts of the Brand DNA “memes”. Meme, according to Dawkins, “is the cultural counterpart of the gene, a unit of information that passes from person to person, from generation to generation, by means that are not genetic, but by imitation”. As well as genes spread into genefond, memes multiply in memefond, traveling from consciousness to consciousness. Brand creators choose memes keeping in mind real territory characteristics and future territory characteristics (results of economic, cultural transformation). Integrating concept – is a basic and the most important quality, which does not contradict 4 memes, but unites them underlining the uniqueness of territory [10].

American researches such as R. Florida, A. Scott pay attention to certain aspects of territorial branding. In the conception of creative city Florida recommends to authorities attract as a residents representatives of creative class. He confirms that they can improve local economy. Creative class consists of researchers, architects, writers, artists and representatives of other professions, who can create new ideas, technologies and creative content. Another researcher, A. Scott consider that it’s not enough only to invite creative groups, because it is not able to effectively stimulate the development of city. It is more important, from Scott’s perspective, to put emphasis on high-quality state management and results-oriented city planning. Nevertheless both authors highlight the necessity of engagement gifted persons to the city creation.

In Ch. Murray opinion, territory is a complex comprehensive cultural object. It is significant to abandon at the very beginning the strategy of concoction artificial characteristics of territory. Finally mentioned strategy makes our consumers dissatisfied and disappointed. Place marketing must transform from imitation to representation of uniqueness. According to Ch. Murray, territory is not a product.

Within the network approach J. Hankinson consider brands of cities as a linked network of brand. He considers that it is not acceptable to limit the making decisions processes with the frame of the narrow elite group. He calls public and private sector to cooperate and distribute powers during developing city brand. The ground rule of effective partnership is inclusiveness, representativeness, longtermness of relationships, the same angle of view, separation of responsibility, trust, coherence and engagement of all stakeholders, communication from one person, making important for brand decisions, investing in brand and readiness to estimate the results.

Issues of territory brand have affected also F. Kotler, the author of many books about strategic place marketing. He was working with the group of authors (Bowen, Makens) and they developed the conception of tourism and hospitality industry marketing. He advanced the idea of customer-centric marketing [11].

Afterward Kotler worked out the conception, according to which territory is a product. Reforming infrastructure, creation high qualified staff, stimulation of small and medium businesses, development of strong partnership, attracting effective organizations and manufacturers, creation of attractive conditions, formation satisfactory service and effective promotion of all these advantages through the brand help to create a strong territory brand and provide the territory with stable development. This opinion demands deep insight into how consumers of territory (tourists, new residents, CEOs, investors) making their decisions. Only those “sales managers of territory” who understand the customer can compete in global market.

Nowadays the conception of social space by H. Lefebvre is very popular [12]. With accordance to it, city space means something that exists between physical landscape of city and cultural visual men’s perception of city. In other words the space of opinions results original coin box of city’s images. Social space consists of internal and external images of city, which reflect in stereotypes and jokes; presentation of city in music, literature, cinema; myths and legends; booklets for tourist; media support; opinions of residents, tourists, investors published in sociological reports. This space of opinions must become a base for city brand, that brings the opportunity to take to account real existing images and tourist’s and population’s associations.

According to culturally sensitive approach of F. Bianchini, cultural resources of territories are no to be exploited for the economic (non-cultural) goals. The branding of territory must be comprehensive, multidisciplinary and vast process. It demands constant team work of authorities, business and representatives of art [13].

In summary, every approach makes emphasize on different aspects, but it is possible to make such conclusion: the process of building the brand of territory should be original and innovative. It should include developing scientific research base of brand, which presents results of pilot studies, expert interview and
analysis of possible strategies of development. It is necessary to hold exhibitions, roundtable discussions and brainstorming. The territory branding should be culturally-centered. It should protect cultural values, be guided by historical researches, internal and external image of city, cultural representations. The brand of territory communicates with diverse target audiences, the most important of whom are investors, tourists, consumers of goods and services in the external market, residents. The brand of territory empowers us to make multiplicative effects on target audience: creation a value for population, creation the market of labor, implementation of investment projects, services for tourists, in particular creation the tourist product of territory.

To summarize all mentioned above, brand of territory – is an integrated result of territory and surrounding performance. The functioning of all spheres of region activity should pursue one objective, so it supposes the existence of common idea which can explain the causes and consequences. The brand of territory plays the role of such common idea. This brand has as a ground regional or territorial identity, spread into economic sphere (manufacture of competitive services and goods) and symbolic space (regional symbols, traditions, the presence of territory in history). It means that brand of territory is not only trademark or symbol of territory. It presents a harmonic combination of social and cultural life, infrastructure of region, activity of authorities and business, conditions of investment, monuments of history, tourist attraction.

REFERENCES