

Brand as a Significant Element of the Regional Development Strategy at the Example of Devin

Penka Goranova, Steliana Vasileva

Abstract: The idea of (regional) branding is an important issue in modern business environment. Theoretical studies in this area are few, compared to research papers that have been dedicated to traditional brands and branding. A practical research on brand as an important element of regional development strategy can thus provide a series of useful information that marketers can use in their marketing strategies and in branding process in particular. The aim of this article is an assessment of regional branding, at the example of Devin. The article consists of two main parts. The first part focuses on defining regional branding and discussing why regional branding is important. The second part analyses the brand Devin and shows how a regional brand can evolve from a concept to reality.

Keywords: brand; branding; regional development; regional brand;

1. INTRODUCTION

In contemporary business environment, globality and locality do not exclude each other. On the contrary – nowadays global content has to be filtered through local, while local content needs to appear globally. Considering this R. Robertson claims that: Globalization is without meaning unless it takes with the utmost seriousness that this concept involves the complex linking of socially constructed “localities“. Moreover, the present concern with the local being overwhelmed by the global is but another way of saying that localities are becoming too interconnected... The local has been globalized; just as the global has been localized (Robertson, 1995).

Logically this fact relates to the issue of regional development. Building a regional brand(s) is an undisputed evidence of “localization“ in a world of “globalization“, as it is executed at a local level. Regional economic development aims at bringing wealth into a region by attracting investments, supporting business and entrepreneurial growth etc. When creating a regional development strategy, it is important to take into account the fact that there is a culture that has already been created within the specific region. For example, the region may want to attract and support businesses, but first local communities need to discuss whether or not they have the proper landscape to effectively meet the goals that come with the regional development strategy.

Creating a regional brand is an important element in promoting local competitiveness, especially when regions try to compete for external resources by using their brand(s). It is not an unusual thing to notice a national brand playing the role of umbrella-brand for its regions, and the regions to have the role of umbrella-brand for the cities (Boisen et al., 2011). In previous resech on the topic regions' branding is defined as a ,process that permits a place to develop through its strong points, to find the sense adequate to its complex and multidimensional traits, as well as the variety which characterizes' (Maheshwari et al., 2011). Another interesting point of view that should be noted is that the brand, whether it's national or regional, must be seen as a multidimensional concept, with functional, emotional, relational and strategic elements, which create a unique set of associations in the mind of the public (Ashworth, Kavratzis, 2010).

It is important for regional brands to be distinct and at the same time – to have similarities, to integrate within the national brand. The difficulties of coordinating activities arise from the fact that regional brands cannot be controlled by one entity or organization, but they are developed and offered through a complex network of public and private actors (Dinnie, 2009). Another thing that should be taken into account, and that has been mentioned by many researchers of the topic, is the similarity and the comparison of regional brands with corporate brands. For example Anholt (2005, 2010) compares the nation with a corporate brand, while Moilanen and Rainisto (2009) state that regional brand resembles with the umbrella-corporate brand.

The authors of this paper consider regional branding as a natural extension of corporate brand theory. However, there are some notable differences between the two (see Table 1). For example, regional branding is more complex to lead.

Branding, which has been built and is typical for a region, may be defined as the *practice of applying product and corporate branding to a given territory. In other words, the brand as an element of regional development strategy refers to the awareness of how a community of the region sees itself in relation to the rest of the world and works in a direction that helps consumers understand the value that the brand brings* (Goranova, Vasileva, 2015).

2. THE RESEARCH AND THE INTERPRETATION OF RESEARCH RESULTS

2.1. The research – basic information

The first step in the current research process refers to the collection of available data sources that are relevant to the study. Primary data for the research has been

gathered from the market through an online survey, conducted in Bulgaria. It is important to note that this study uses a sample of consumers unlike other studies that examine brands based on student samples.

For the purpose of the research, a survey has been conducted by using online electronic questionnaire. The survey was conducted in the period June to September 2014. Testing was conducted on a random sample of consumers. The survey was properly completed by 366 consumers.

The online survey is still available on https://qtrinal2014.az1.qualtrics.com/jfe/form/SV_ePAMQhCq-fR11F5P and was completed by the above mentioned consumers in the suggested time frame – the beginning of September 2014. Another issue that should be taken into account is that only properly and fully completed surveys were entered for an analysis and data processing.

The main objective and tasks of the research are put out in our survey, which aims at answering basic questions such as:

- to what extent consumers recognize the brand as an important element of the strategy for regional development;
- whether or not the brand has influence on consumers' willingness to implement green initiatives;
- what are the factors that influence customers' attitude toward specific brand (brand Devin is used as an example for the study) in the context of regional development.

2.2. The interpretation of the results from the survey

The results are based on the analyses of the survey, which is divided into *several interpretative parts*. The questions in the *first part* of the survey focus on issues related to brand equity of the regional brand to the consumer. Table 2 represents the results of the

TABLE 1. Distinction between corporate and regional brand

Corporate Branding	Regional Branding
Single component product/service	Multiple component product/service
Cohesive stakeholder relationships	Fragmented stakeholder relationships
Lower organizational complexity	Higher organizations complexity
Functional	Experiential
Individual orientation	Collective orientation
Private enterprise	Public/Private partnerships
Lack of overt government role	Overt government role
Flexibility of product offering	Inflexibility of product offering

ADAPTED BY Allen, 2003

TABLE 2. Brand equity of the regional brand

		Responses		Percent of Cases
		N	Percent	
What do you think is an integral part of the value of the regional brand? ^a	The relationship between regional brand and stakeholders	139	17.6%	42.2%
	communication tools used in the promotion of the brand	120	15.2%	36.5%
	Visual presentation of the regional brand	133	16.9%	40.4%
	Positive connotations for the region made by the brand	102	12.9%	31.0%
	A brand that connects with the consumer emotionally	153	19.4%	46.5%
	Country/region of origin	138	17.5%	41.9%
	Other (specify)	4	.5%	1.2%
Total:		789	100.0%	239.8%

^a Dichotomy group tabulated at value 1.

NOTE: Percentages in the table exceed 100, because the respondents have given more than one answer per question.

SOURCE: Calculated on the basis of data collected from the questionnaire

opinions of the respondents surveyed using multiple response technique by which respondents are able to give more than one answer to the question. The table shows that the greatest equity, in terms of regional brand, customers give to the consumers' ability to connect emotionally with the brand. Almost as important, to the respondents, is the impact of the brand on different groups of stakeholders and the origin of the brand from a particular region, 13% of respondents highlight the importance of the positive image for the region that the brand provokes in them.

The results (see Table 2) allow to conclude that the successful regional brand is a brand that has left a mark in the mind of the consumer, leading to building and transposition of positive attitude and reputation toward the specific location of origin.

The main motive for purchasing branded products, according to the respondents, is their quality. As other important reasons the surveyed customers have point-

ed out - the price, the origin of the goods from a specific region, the positive personal perceptions and positive reputation. 56% of the respondents have answered positively to the question whether they buy a certain brand because it comes from a particular region. Consumers' motive is that the origin from a particular region means that the brand has specific and unique characteristics of the location.

Almost 88% of the respondents prefer Bulgarian brands of bottled water, but only 32.5% have been satisfied with the quality of the product offered on the market and 48.9% of the respondents tend to trust only some of the local brands.

The *second part* of the analysis focuses on issues concerning the application of green technologies in production and convincing customers to buy a particular regional brand.

Table 3 summarizes the data from the reviews of the respondents on the importance of the company

TABLE 3. Innovation and environmentally friendly production

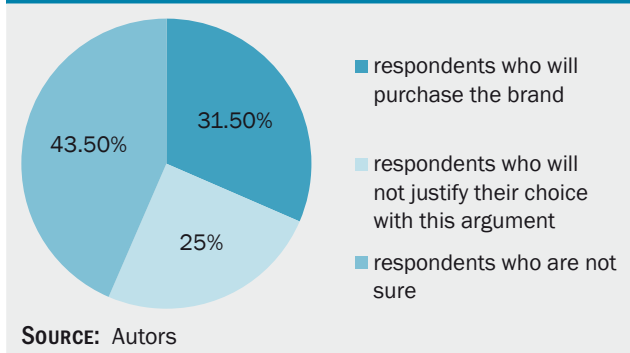
	Data about the respondents that have answered with "very important"		Percent of Cases
	N	Percent	
Innovations on the Bulgarian market	94	14.2%	40.9%
Eco-oriented production	149	22.6%	64.8%
Long-term policy for environmental protection	148	22.4%	64.3%
Recycling and recovery of packaging waste	158	23.9%	68.7%
Inclusion of less PET (polyethylene terephthalate) in the manufacture of packing	111	16.8%	48.3%
Total:	660	100.0%	287.0%

^a Dichotomy group tabulated at value 5.

NOTE: Percentages in the table exceed 100, because the respondents have given more than one answer per question.

SOURCE: Calculated on the basis of data collected from the questionnaire

FIGURE 1. Purchase of brands because of investments, by the manufacturing company, in the development of the region of origin



that offers consumers' preferred brand, to invest in environmental protection and the development of innovation in production.

Table 3 shows that the modern consumer is informed and involved in the need to protect the environment and greening the manufacturing process. Approximately 70% of the respondents are likely to buy a product if its packaging is recycled. About 65% of the respondents consider it is important that the manufacturing companies have environmental integrity of the production and conduct long-term policy for environmental protection.

Interesting results have been obtained when analyzing the responses to the question: „Are you willing to buy more expensive bottled water because of investments, by the manufacturing company, in the development of the region of origin?“. Nearly one third of respondents would rather purchase the product, about a quarter of respondents more likely would not justify the choice with this argument, and 43.5% are unsure about their motivation for purchase.

The *third part* of the analysis includes questions concerning the conditions for smart and sustainable regional growth in the context of the branding process.

Table 4 summarizes information reflecting the views of the respondents on claims related to the activity of Devin, regional brand Devin - Devin mineral and Devin spring water, as well as the region.

Respondents' point out that there is a close relation between the competitive advantages of the brand and innovative business environment in the region, which the brand belongs to. According to 78% of the respondents, the brand Devin has a high degree of presence and openness to business networks. Over 65% of the surveyed consumers consider Devin as highly adaptable to market fluctuations and innovative and other 45% of the respondents associate Devin brand with organic production. It should also be emphasized that positive perceptions of the brand Devin are combined with a positive attitude towards the location.

TABLE 4. Regional innovative environment-brand impact

		Responses		Percent of Cases
		N	Percent	
Summarized responses reflecting the agreement of the respondent with the following statements: ^a	High degree of technological development and innovation and environmental protection	118	11.1%	44.5%
	High degree of openness (networks, links)	221	14.2%	77.0%
	Good infrastructure	187	12.0%	65.2%
	Adaptive ability (flexibility)	194	12.5%	67.6%
	Specialization in sectors that are intensive in terms of innovation	187	12.0%	65.2%
	Rich natural resources	180	11.6%	62.7%
	Favorable demographic conditions (population size, age structure and growth)	180	11.6%	62.7%
	Favorable geographical conditions (location, climate)	234	15.0%	81.5%
	Significant investments in the development of the region	174	11.2%	60.6%
	Total:	1675	100.0%	587.0%

^a Dichotomy group tabulated at value 4.

NOTE: Percentages in the table exceed 100, because the respondents have given more than one answer per question.

SOURCE: Calculated on the basis of data collected from the questionnaire

TABLE 5. Crosstable about the relationship between the positive attitude towards the brand by respondents and commitment to local development

			Satisfaction with the quality of bottled water that is sold under the brand Devin		Total
			yes	no	
<i>Probability to buy more expensive bottled water because of the investments, made by the manufacturing company, in the development of the region of origin</i>	Low	Count	75	2	77
		% within probability	97.4%	2.6%	100.0%
		% within satisfaction with the quality of bottled water	24.2%	40.0%	24.4%
		% of Total	23.8%	.6%	24.4%
	Cannot decide	Count	135	2	137
		% within probability	98.5%	1.5%	100.0%
		% within within satisfaction with the quality of bottled water	43.5%	40.0%	43.5%
		% of Total	42.9%	.6%	43.5%
	High	Count	100	1	101
		% within probability	99.0%	1.0%	100.0%
		% within satisfaction with the quality of bottled water	32.3%	20.0%	32.1%
		% of Total	31.7%	.3%	32.1%
Total	Count	310	5	315	
	% within probability	98.4%	1.6%	100.0%	
	% within satisfaction with the quality of bottled water	100.0%	100.0%	100.0%	
	% of Total	98.4%	1.6%	100.0%	

SOURCE: Calculated on the basis of data collected from the questionnaire

For the purpose of the study the relationship between respondents' satisfaction with the quality of Devin's brand and consumers' willingness to pay a higher price for the product, because the manufacturing company invests in local development, is examined (see Table 5).

Table 5 shows that the overall satisfaction with the quality of products sold under Devin brand is 98.4%. Of these customers 23.8% are not willing to pay a higher price for the brand, because the manufacturer invests in the development of the region of origin of the brand; 42.9% have no opinion on the matter, and 31.7% are willing to pay a higher price for the brand, because the firm invests in the development of the region of origin of the brand.

The results of this research allow to conclude that consumers are willing to transfer their positive attitude towards a brand into a positive attitude towards the region to which the brand belongs to.

3. CONCLUSION

Based on the results of the analysis the following conclusions about the role of the brand as a catalyst for sustainable and smart growth are made:

- Based on the information collected and the analyzed statistical information about regional brand Devin, it can be concluded that successful regional brands leave a mark in the mind of the consumer, and this leads to building and transposition of positive attitude and reputation to the specific location of origin.
- Modern consumers have become more responsible towards the environment and prefer brands that are a result of new technologies and green innovations. This in turn is a prerequisite for regional development.
- The research provides useful information about consumer attitudes and consumer satisfaction with regional brand Devin.

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Rezime:

Brend kao važan element regionalne razvojne strategije na primeru Devin

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Ideja o (regionalnom) brendiranju je važno pitanje u savremenom poslovnom okruženju. Teorijska istraživanja u ovoj oblasti su malobrojna, u poređenju sa brojem naučnih radova koji su posvećeni tradicionalnim brendovima i brendiranju. Praktična istraživanja o brendu kao važnom elementu strategije regionalnog razvoja može na taj način obezbediti niz korisnih informacija koje mogu da koriste trgovci u svojim marketinškim strategijama i u procesu brendiranja posebno. Cilj ovog članka je procena

regionalnog brendiranja, na primeru Devin. Članak se sastoji iz dva glavna dela. Prvi deo se fokusira na definisanje regionalnog brendiranja i raspravlja zašto je ono važno. Drugi deo analizira brend Devin i pokazuje kako regionalni brend može da evoluirati od koncepta do stvarnosti.

Ključne reči: marka; brendiranje; regionalni razvoj; regionalni brend;

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