THE IMPORTANCE AND PHASES OF THE PLACE BRANDING PROCESS

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Abstract: The aim of this paper is to point out to the importance of place branding and phases of the branding process in order to attract quality human resources, greater number of visitors, tourists, investments, companies and events, achieve bigger sales and find new sales channels to sell products and services. The primary aim of branding is to provide better competitive position for a place on a global level as a unique and irreplaceable location. However, branding is a long-term strategic venture which requires significant investments in terms of finances, time, knowledge and effort. All of the stated indicates that identifying and understanding key characteristics of the phases of the branding process, which are the focus of this paper, is particularly important for successful development and implementation of the branding strategy.

Key words: location branding, city branding, place branding, branding process, phases of branding process, place image, place brand

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ZNAČAJ I FAZE PROCESA BRENDIRANJA LOKACIJA

Sažetak: Cilj rada je da se ukaže na značaj brendiranja lokacija i faze procesa brendiranja sa ciljem privlačenja kvalitetnih kadrova, većeg broja posetilaca, turista, investicija, kompanija i događaja, radi dostizanja bolje prodaje i nalaženja novih kanala prodaje sopstvenih proizvoda ili usluga. Osnovni cilj brendiranja jeste obezbeđivanje bolje konkurentske pozicije lokacije na globalnom nivou, kako bi ona postala unikatna i nezamenljiva. Ipak, brendiranje predstavlja dugoročni strateški poduhvat koji izsukuje značajne investicije u pogledu finansija, vremena, znanja i truda. Navedeno ukazuje da je za uspešan razvoj i implementaciju strategije brendiranja od

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1. INTRODUCTION

In modern market conditions, places, cities and countries compete on a global level in order to provide more consumers, visitors, investments, companies, income but also respect and attention (Cvijanović, Simić and Vukotić, 2018). In this sense, place branding is a tool for promoting local competitiveness and a factor of improving the image and the appeal a location among the target population.

Still, acquiring competitive position, creating added value and maintaining leading position is possible only if branding rests on true and convincing reasons (Mihevc, 2015). This represents the basis for branding, recognition, distinctiveness, individuality and the factor of attracting people, institutions, events, companies.

Regardless of what the aim of a place is – building, improving or strengthening its image, an extensive branding strategy is the first step in achieving this goal. Place branding is strategic planning and managing of a place in order to realise economic, social and political goals (Kaluderović, 2011).

Zhang and Zhao (2009) highlight the primary benefit that places have and point out that place branding is helpful in using culture, history, economical and social development, infrastructure, architecture as well as other significant features of a place to build a unique identity which can be offered to the market.

Apart from this, branding helps the public and all stakeholders to get relevant information, which makes it possible to avoid external branding, which is the result of spreading various positive and negative information, unrelated to the will of a place or country. This avoids misinformation which may form a distorted public opinion (Jovičić Vuković, Damnjanović, Papić Blagojević and Jošanov Vrgović, 2017).

The aim of the paper is to point out to the importance of place branding, as well as identify and explain the basic phases of branding process.
2. PLACE BRANDING

From the aspect of a city, region or country, brand represents a unique marking of a location i.e. the sum of all expectations, thoughts, knowledge, emotions and associations which individuals have in their minds of a particular location. Place brand enables its description, interpretation and connection to certain features, characteristics, values and emotions. Brand makes it possible for a place to be taken to multiple levels, from the real, physical to emotional and psychological. As it is true for a well-known company, it is easier for a well-known city, region or country to find their own sales channels to sell products or services and also easier to acquire quality human resources, more visitors, tourists, investements and events, which increases the role of a place brand on a national and global level (Allan, 2004).

Place branding is a relatively modern activity which places, cities, counties or regions may use in order to strengthen their unique identity, achieve competitive advantage and differentiate themselves in order to attract and use economical, human, social and cultural income. Place branding ensures positive transformation so that it becomes a simpler, more attractice, more intelligent and more humane place to live, work, invest and visit as a tourist. The branding process makes the place thrive on an economical, tourist, cultural, infrastructural and social level.

Place branding is the sum of all marketing activities which include: creating a name, symbol, logo and other graphical characterisic to identify and recognize a place; continuous fulfillment of expectations of an unforgettable experience; strenghtening emotional ties between a place and its target group.

Together, these activities build an image of a specific location which will have a positive effect on the choice made by the target group.

Branding differentiates one place from another, and, most importantly, maintains a connection between a place and its target group. Branding is a long-term initiative founded on building relationship based on trust, respect and consistency (Guzman, 2005). Place branding involves reviving previous experiences and anticipating future experiences.
Place or region branding is significantly different from product branding in at least four characteristics (Allan, 2011). Firstly, products are prone to modification in a way specific locations are not. Products can be modified, taken off the market, restarted and reproduced or exchanged for an improved product. Locations do not have most of these alternatives. Problems with their image are basically structural and take years to be fixed. Secondly, the development of place brand identity requires analytical as well as interpretative approaches which are not in the nature of product branding. Thirdly, activities of brand building are much more complicated for places than for products, and it is far more difficult to achieve a completely integrated communicational mix with place branding.Fourthly, managers of place brand can be significantly different from managers of a product brand. All of this caused marketing experts to gradually develop new theoretic models of place branding (Miljanović, 2015).

The aim of branding strategy is the anticipation of experience of the target group and consequently creation of the activities necessary for its satisfaction. The primary aim is to create added value that cities will offer their target groups. The branding process must be long-term and consistent, otherwise its messages may cause confusion and doubt. The messages carried out by the brand must be comprehensible, coordinated and in mutual harmony, and their content must be unique and attractive for the target group (Baltic Development Forum, 2010; Kaladurđević, 2011).

3. ROLE OF PLACE IDENTITY AND IMAGE IN THE FUNCTION OF BRAND CREATION

Place identity are all of the existing attributes: urbanistic, technological, natural and social attributes which affect general perception of a place as well as its sights. Place identity is what a place is at the moment, what makes it special and what differentiates it from other places, as well as the way it is being represented to the public, i.e. the sum of all associations the public is identified with (Konečnik and de Chernatony, 2013).

Unlike place identity, place brand identity is what a place want to be, what it strives to be special about and differentiated from other places as well as the way it will change this.
Research show that place image is the primary factor of branding, where image is not only a perception of the place's characteristics but a holistic sum of impressions made by a certain location. Image is a picture of a place in other people's minds, i.e. present associations and perceptions of a place that members of the target group have. These impressions mostly come from different sources such as media, education or opinions of people close to them. History, heritage and culture are the three basic features which affect building place image (Lee et al, 2002). Still, it must be stated that image is the consequence of the experience, and not of the real quality of a place! In this sense, the key activity of branding is to improve and promote the image, which involves persistence and long-term orientation (Olins, 2002; Anholt 2010; Govers, 2012; Freire 2012; Novčić and Štavljanin, 2015).

Image creating is related to subjective attitudes of the local people and visitors as well as other interest groups, according to features, visual elements, recognizability and city activities in all areas of activity, starting from economical and cultural to political. Also, place image is related to all prejudice which target groups have against a region or country which may easily transfer its negative image to a specific location. It is possible to view place image on two levels – as a perception of its residents and the image whose carriers are subjects outside the local environment (Pride, 2004).

This is why branding on a national level, i.e. being familiar with dimensions of nation branding, target groups and their specific needs is the starting point of place branding ( Cvijanović et al., 2018). Vranješ, Jovičić and Gašević (2014) points out the fact that country branding positively affects the country's position within the international frames and politics, attracting foreign investments and tourism. Place brand needs to be completely in accordance with the country brand (Dinnie, 2015). It is necessary first to determine key values of a country's brand identity, then individual brands of a cluster and only then branding on a micro level can be approached. Therefore, country brand directly affects region brand, as the image it sends to the world is either helpful or harmful to the region image which is in its shadow.

Place image greatly affects the reaction of the target groups which is why it requires careful and strategic management. Place image can be built based on beliefs, ideas or impressions which people have about specific
location. Đorđević (2013) points out innovations as an important guideline in building city image. Also, an important aspect of strategic image management is quality communication of a positive image which needs to be convincing, simple, consistent and characteristic (Pride, 2007). If the present place image is negative, this may have long-term negative effect on the future development of a place in terms of lack of investments or having less investments.

Only when a place is successful in forming positive associations in the minds of its target groups, it can be said that brand is built, i.e. the ability of the consumer to identify the brand in different circumstances. A successful place brand is built when the target groups recognize that living or staying in a certain place meets or exceeds their expectations, i.e. satisfies their needs.

The process of branding depends on resources such as time, knowledge, money and people. When place branding is taking place, the starting point is the vision of its residents, more precisely, the course they wish to follow and believe in. Branding should be based on the personality of the residents in order to connect them to potential visitors, tourists, future residents as well as maintain understanding and cooperation.

4. PHASES OF THE PLACE BRANDING PROCESS

Theories as well as practice confirm that branding is a demanding and long-term venture. Understanding the brand building process is the basic step requirement in order for the process to be successful (Milić, 2014). According to Kotler and Ferč (2007) the place branding process consists of five phases: brand planning, brand analysis, formulating the brand strategy, brand building and brand revision. Place branding involves certain specifics and Prophet Consultancy (2006) points out to nine phases of the place branding process:

1. Environment and trends analysis,
2. Defining the mission, vision and objectives,
3. Choosing the target groups,
4. Identifying present identity and image of a place,
5. Creating the desired brand identity,
6. Positioning of the place brand,
7. Defining strategies of the brand's communication,
8. Implementing branding strategy,

The first phase in the place branding process is the analysis of the environment and trends.

This step involves the analysis of internal and external environment. External environment involves the following aspects needed to be analysed:

- Demographic environment – involves the analysis of the characteristics of the local people according to different criteria: gender, lifespan, education, income, etc.,
- Economic environment – involves the analysis of the number of active organisations, economy structure according to activities, defining key resources, identifying the existing infrastructure, unemployment oscillations, etc.,
- Political and legal environment – involves the analysis of the legal system, number and activities of political parties, etc.,
- Social and cultural environment – involves the analysis of cultural events, educational institutions, number of students, etc.,
- Natural environment – involves the analysis of the geographical position, climate, resources, etc.,
- Technical and technological environment – involves the analysis of technologies used in a place, IT equipment and literacy of the residents, etc.

Internal environment involves strengths and weaknesses recognized by the local governments, which it can affect. For example, advantages of a place may be: favourable geostrategic position, educated labor force, well-done infrastructure and so on; disadvantages may be poor climate, unemployment, lack of investments, underdeveloped entrepreneurship and so on.

The second phase of the place branding process involves defining the vision, mission and objectives.

Vision of a place describes what a certain place, city, region or country should be and desired to be in the future. Mission of a place is a written statement which involves purpose of the existence of a place, usually that purpose is to offer better and safer life to its residents, cultural development while respecting the principles of the sustainable
development, better investment environment for organisations and so on. Objectives specify activities which need to be realised in order to fulfill the mission and vision of the local government. It is of key importance that those who make the decisions understand the branding strategies.

Creating a benchmark for success helps in defining the goals. For example, identifying places which have faced similar challenges and have successfully overcome them by using the branding strategy. It is necessary to analyse the path of success and anticipate how the changes will happen and how the economic climate will improve and also learn from experiences of places that have already applied the branding strategy. It is also necessary to define success indicators (for example, increasing the number of residents, tourists, economic growth, increasing income, events, etc.).

**The third phase of the branding process involves choosing the target groups.**

It is necessary to get in touch and conduct interviews with the business sector, residents, visitors, political leaders, students, media.

The target group needs to be targeted based on its importance for the branding process and the desired goals to be achieved. Research within the target group should be conducted in detail as it provides key information on which the branding strategy will be based. The basic information which is necessary is to determine what the needs are and the ways these needs can be fulfilled for the chosen target groups.

If these marketing techniques are not used during the decision-making process on choosing the target groups, this may cause a problem which is that a place ends up being defined as 'everything for everyone', with an inappropriate logo and a message which is may be true for many other places, cities and regions.

Strategic overview of the needs and expectations of the residents (e.g. employment opportunities, quality of the educational institutions), economy (different forms of non-financial help for the economy, efficient and quality work of the public service), tourists (e.g. tourist attractions, authenticity, preservation of the environment) and investors (qualified and profitable human resources, regulations which enable efficient business) are the best way to build a place brand (Miljanović, 2015).
The fourth phase of branding is to identify present place identity and image.

The task of this phase is to identify associations which target groups make and are related to a place and its present image. It is also important to determine the present identity and how the image has evolved over time.

The final goal is to understand the present perceptions of the target group on a place, in order to bridge the gap between the present and the desired state. A critical component in every type of branding is to define the present and the ideal, desired image, and the goal is to close this gap.

The fifth phase involves activities in building the desired brand identity.

The desired place brand identity consists of associations which need to be awakened in people when they think about a place. It is also the image which needs to be transferred to the target groups.

In order to build a place brand it is important to determine the founding values of a place which will become the future brand. Such values are determined through analysis and research. In doing so, it care must be taken for the values to be permanent, important, suitable to be spread easily and quickly and they also need to have emotional value for a potential guest-tourist, investor or any other user of the service of a place. The golden rule of place branding which must not be neglected is: 'Brand is not successful if it does not satisfy the residents'.

In order to build new place identity it is necessary to be authentic and there must exist something which distinguishes a place from others. Creativity and new ideas are the precondition of quality branding. It is important for the place to be available and there must be a potential for easy connection with potential users.

The desired brand identity should be within the frames of realistically achievable and convincing and such that the place can preserve it for a longer time period. Understanding the gap between the present image and the desired brand identity will lead to positioning the city on a desired level. Also, priorities and key 'improvement makers' of recognizability and uniqueness of a place need to be defined (Uravić and Paliga, 2008).
Building new identity includes the development of visual identity, i.e. logo, slogan, colours, but also music, sounds and other things that come along with a brand.

**The sixth phase of the branding process is to position the brand of a place.**

The positioning strategy should be based on a defined vision, existing resources, abilities, income and perception of a place.

Brand positioning is the means of transferring from the present image to the desired brand identity. It involves pursuing all of the activities in order for the place to take the desired position in the minds of the target groups. Generally, positioning is a promise or benefit which a place wishes to root within the perception of its target group.

Place brand positioning should be relevant, honest, convincing, attractive, authentic and sustainable. It represents essential promise which forms communication and affects the decisions on what a place offers to its target group.

The desired brand identity and positioning is usually done inside a three-year time-frame. However, when it comes to place branding this time frame can be much longer. Community perceptions do not change overnight and often do not require drastic changes (Prophet Consultancy, 2006).

After positioning is defined, it is important for it to become achievable for all target groups.

**The seventh phase of the branding process is to define the communication strategies.**

This means that all locations must clearly define, choose and communicate its competitive advantages using efficient communication channels and promotional activities. Specifically, it is necessary to determine what positioning means to the target group and what the key messages which need to be carried out are in order to affect the perception of the target group. There are messages which will be applicable to all target groups. However, it is important to create more detailed messages which are relevant to each target group individually. This process makes the strategy tangible and helps various organisations involved in the process tell a cohesive story.
Branding messages must be in accordance with the real state and possibilities, and communication with the environment must be true, simple, attractive, motivating and memorable. It is not about the method of telling but the ways for the environment to be aware of what a place has to offer. Communication should be oriented toward all target groups and it can be internal or external.

Internal communication is oriented toward creating a sense of belonging and motivation for all the employees and organisations which offer base services in a place, in order to offer and create the best possible product of a specific place. External communication is oriented towards promoting the uniqueness of a place and the advantages of a place as a whole product, always with the intention to create and later strengthen its own brand (Paliga, 2008).

In the context of communication strategy, the role of technology and the Internet i.e. online tools has an increasing role. Analysis of numerous case studies in Finland, Netherlands, Qatar, Dubai and other locations indicate that personal experience and 'word-of-mouth' promotion are very important, and that branding on social networks and the Internet will replace traditional media and become the main tool for the branding strategy (Litvin, Goldsmith and Pan, 2008; Bulut, Radenković-Šošić and Zeremski, 2012; Govers, 2015).

The eighth phase involves implementation of the branding strategy.

During the development of the marketing plan based on branding, it is necessary to determine all of the critical points where the target group cannot come in contact with the brand. Every interaction or the point of contact with the target group is the opportunity to improve but also spoil the brand. Points of contact may include a wide range of elements such as physical environment, airports, street signals, advertising, brochures, website, media or even the residents' attitude.

It is helpful if these points of contact are viewed within three categories: the period before the visit/making the decision; the period during the visit/making the decision; and the period after the visit/making the decision.

Points of contact which are from the period before the visit involve the elements which increase the awareness and the knowledge of a place and
encourage the target group to position a place as a potential place to visit. Points of contact may include advertising, brochures, a list of events, websites and comments of the associates. The next stage is focused on the interaction which may occur during the visit or making the decision. These points of contact, which will be experienced by the target group first-hand, are more tangible efforts such as maintaining parks, clean streets and a rich night life. Then there come interactions which occur after the visit such as colleagues' comments, daily papers and other media, photos and other unforgettable experiences.

When it comes to interaction between the brand and the target group, it is necessary to take into account all of the three stages. However, in reality, the available funds are limited so it is very difficult, if not impossible to affect all of the aspects. This is why it is important to make priorities when it comes to points of contact.

Criteria when choosing the points of contact are important for the development of position, possibility for the point of contact to close the gap between the real experience and the ideal, so called desired experience, as well as the relation between the price and the benefit.

It is a real challenge to execute the place branding strategy. Firstly, a big part of the execution of the strategy depends on the improvement of the mentioned points of contact. When it comes to community branding, these points of contact are most often schools, organisations, industry or state government. This is why it is important for many organisations, involving the local government, to adopt and understand the branding strategy. However, often the budget to execute the branding strategy is limited and sometimes it does not even exist. Also, sometimes it is possible that the execution of the branding strategy depends on the efforts of the residents which may greatly threaten the expected results.

The last phase of the place branding process involves measuring the success.

The saying 'What gets measured gets done' is true for all forms of branding, whether it is about branding a product, service or place. The relationship between the development of a place and the branding strategy becomes visible when positive economic, social and political effects are measured over time (Hildreth, 2011).
There are three principles for measuring the success of the place branding strategy:
- monitoring the success of the efforts of branding in key target groups,
- measuring the success of branding and marketing activities over a longer period of time,
- showing the effect brand has on the development of business by measuring the brand metrics along with the economic growth of the community metrics.

Brand metrics is successful when the local government is in agreement with the benefits of the brand success and when it enables political and economic growth. It is necessary to do the measuring in a standard and consistent way over a longer period of time and for it to be measured along with the metrics of the economic growth of a community.

The development and realisation of the branding strategy can last for months and years, depending on the initiative, the level of research conducted and the number of organisations involved in the process. It is possible to execute the branding strategy over a shorter period of time thanks to the access to proper information and a high level of cooperation of organisations which are involved in the branding process.

5. CONCLUSION

Place branding is not a necessity only because of economic reasons. The development of a place is encouraged by branding and has a positive effect on demographic circulation, enrichment of the cultural content and other important factors for the quality of life as a whole.

Positive material and non-material effects of branding are completely safe. Still it is important to know that place or region branding is not a short-term campaign but a long-term and demanding venture which requires time, knowledge, wisdom, patience and investments. Investing in branding strategy and the benefit it will bring may surpass the cost and the time, effort and work spent. The already seen messages which refer to tradition, quality and history are losing the race against creative promotional campaigns. Brand – clear, irresistible and unique, helps places increase their value and make loyal consumers who are connected to its characteristics, values and emotions through a unique interpretation.
Residents, places, regions and countries have already started the interpublic race after new investments, work places, greater number of residents, students, tourists which is why building a prestigious image today becomes an important segment of the urban policy, and branding is a useful tool for a place to differentiate and position itself.

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