



Editorial

From brand equity to place brand equity and from there to the place brand

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WHY PLACE BRAND EQUITY?

This Special Issue of *Place Branding and Public Diplomacy* aims at advancing understanding of place brand equity. Specifically, we have embarked on a quest for papers that would help in conceptualising and measuring place brand equity and that would explain its role and potential assistance in crafting place branding strategies. Of course, understanding place brand equity is not an end in itself but the means to a wider end: contributing to the advancement of place branding theory and practice. It is within this wider framework that we turn to the concept of brand equity in order to ascertain its usefulness and that we consider an examination of place brand equity significant.

There are two reasons that make us focus on brand equity. The first is that brand equity has not only captured the imagination of general (that is, commercial, corporate and product) branding scholarship but has also made brands more important than ever in corporate board rooms and on companies' balance sheets. Brand equity has proven to be a concept that has helped all sorts of managers (CEOs, CFOs, accountants, HR managers) understand what consumers (and, to an extent, marketers) seem to have always known: that brands are valuable. In this sense, we think it is important to ascertain whether the concept can be helpful for place brands as well, perhaps helping the idea of branding places to acquire a higher status (and, importantly, a better understanding

in City Halls and among officials in local authorities. The second reason is that brand equity (particularly the notion of customer-based brand equity) has helped corporate and product brand managers and scholars come closer to understanding the ways in which brands are relevant to consumers and the value that consumers are willing to invest in this relevance. In this sense, the concept of place brand equity might be helpful in achieving better understandings of how and to what extent place brands are relevant to place consumers. In other words, what we set out to examine with this special issue was whether the concept of place brand equity can help in making place branding more relevant to place managers and in bringing it closer to place consumers. We feel that it is a question worthy of investigation and we hope that this special issue will contribute towards a more concrete answer bearing in mind that – as with all fundamental questions – it is the process of looking for answers that is more important than finding them. The main issues explored collectively by all contributions that comprise this special issue regard a series of important questions around place brand equity: What is it? What are its sources? How can it be measured? And more general: How does place brand equity relate to the place brand and to place branding strategies?

The call for papers for this special issue attracted a large number of submissions (more than 20) with case studies of places

across the globe. How justified is this interest in place brand equity, however? Is this a genuinely novel area of study within place branding and does it indicate any novel possibilities for contribution? Or is it simply a fashionable concept that only offers some rhetoric novelty? Is it perhaps something between these two extremes, in that it might offer a shift in perspective within place branding? We think that place brand equity offers significant opportunities to advance place branding theory and we hope that this special issue might become a springboard for further examinations.

FROM BRAND EQUITY TO PLACE BRAND EQUITY

Our attempt here is to instigate a lively discussion on the topic. In order to provide as much ‘food for thought’ as possible for everyone interested in this discussion, we have invited two ‘special guests’ to provide their comments – Professor K.L. Keller and Simon Anholt. Professor K.L. Keller, one of the most prominent figures in general branding scholarship and the one to first coin the term ‘consumer-based brand equity’ gave us his view on the possibilities of using the concept within place branding.

I am pleased to learn of the special issue on place brand equity. I think the application of branding concepts and components of the customer-based brand equity model is especially relevant and useful with places. Whether it is a city, region, country, specific locale or some other location, it is important to understand what types of brand meaning exists with the public and in the marketplace. For example, what are the levels of awareness, associations, attitudes, attachment and activity for the place? Only by understanding the full range of brand meaning that prevails can places be effectively managed and marketed. (K.L. Keller, January 2014), personal email communication with guest editors

This desire to understand brand meaning arguably guides most place branding inquiries and it might indeed be where the concept of place brand equity can provide useful assistance. It is quite clear that if we can use place brand equity

and its components to understand what people value in a place brand, then we have taken a serious step towards linking the place brand to its users and co-creators. As Keller points out above, the types of brand meaning that exist in the public realm determine the place brand and it might be the case that the components of customer-based brand equity help us capture these meanings. However, it remains to be confirmed whether the same components that have been distinguished for commercial brands can be effectively used for place brands and whether this would lead to effective place marketing. In fact, it is one of the ambitions of this special issue to contribute towards such an enquiry.

Some of these notions are captured differently by Simon Anholt, the leading figure within place branding practice and founding editor of this journal, who agreed to close this special issue. As we discuss in more detail below, in his ‘Afterword’ Anholt provides a critical account of the place branding discipline as a whole and connects this to the concept of place brand equity. Although, as Anholt notes, ‘instinctively the concept appears valid’, his critical commentary will surely instigate further discussions and will make us all think.

FROM PLACE BRAND EQUITY TO THE PLACE BRAND?

As Low and Altman (1992) argue, physical space is called ‘place’ when personal, group or cultural processes have been given meaning through it. This meaning of place, in a marketing sense, is expressed by its brand. It is place branding that enables a place to build on all its strengths, and make a meaningful sense out of its complex, multi-dimensional characteristics (Hankinson, 2005). Stakeholders’ response to this brand, and therefore the meaning given to it, is in turn captured in place brand equity. As such, place brand equity, because of the complexities inherent in brand and place themselves, captures diverse and multiple aspects of the place performance for its various stakeholders. Place brand equity, at the same time, indicates the sources of place brand success as well as offers a possibility to answer the key question: Does the branding ‘work’? For these

reasons, place brand equity in general, even if the concept clearly needs further refinement, might be considered as an inseparable part of branding, giving a sense of the direction and success of place branding efforts. The place brand – if understood not as the simple result of marketing strategies but as the effect of wider policies: cultural, social, environmental and so on – might serve as guidance for sustainable place development. Place brand equity – as the stakeholders' response to the place brand – might serve as an indicator of such sustainability.

In practically all papers submitted to this issue, the common denominator was the understanding of place brand equity as, in one way or another, the value of the place brand. This is not surprising and might indeed be a step forward for place branding in that we now have the concept of place brand equity to help us capture better (and, therefore, perhaps also manage better) the value of place branding activities. One thing evident in the submissions to the special issue was that the main focus of place brand equity scholarship is on measuring it. What scholars seem eager to identify and suggest is an effective, scientifically sound and practically relevant way to measure place brand equity. This is also apparent in the papers that are finally included in the issue. On the one hand, the focus on measurement is welcome and helpful as it moves us closer to a better understanding of what effective place branding might mean. In this sense, the concept of place brand equity is actually pushing scholars and practitioners towards better measurement of the effects of place branding, something that, as the readers of this journal know well, has been a stable 'complaint' in the literature. This, we think, is the first contribution of place brand equity and indeed a substantial contribution: it takes place branding closer to defining its own success and, therefore, closer to being accountable. On the other hand, our concern with the focus on measurement is that it can be rather overwhelming and can easily overshadow other aspects. Particularly, it might be coming at the expense of a proper and solid conceptualisation of place brand equity itself. In other words, we might be rushing into measuring something that we haven't understood well

enough, thus making all measurement attempts fruitless. Although the papers of this special issue seem to focus on place brand equity measurement, all of them actually contribute significantly to a sounder conceptualisation.

THE PAPERS OF THE SPECIAL ISSUE

The attempt of all papers individually and the special issue as a whole is to contribute to the advancement of place branding theory and practice through a careful examination of several aspects of place brand equity and its consequences for place brands. The five papers come from different parts of the world and balance between theoretical contribution and practical relevance.

The first paper comes from a scholar whose work has been pivotal for the topic in hand. Professor William Gartner has been one of the very first authors to use the term brand equity in relation to tourism destinations (Konecnik and Gartner, 2007). In his contribution here, Gartner traces the roots of the discussion around the relevance of brand equity for places and provides an account of the development of the concept out of the earlier concepts of destination image and destination brand. Gartner then arrives at the meaning of brand equity for tourism destinations and provides a solution as to its measurement. While the focus is on tourism destinations, the implications are significant for all places. One of the many important points made is that brand equity is never 'a short-term numbers game' and that any measurement of brand equity needs to firmly consider 'what gives a destination [and place] its marketability'. However, Gartner's contribution does not only account for the past and present of the concept but makes a very significant suggestion regarding its future. What Gartner points out and argues convincingly is the essential need to understand place brand equity in relation to sustainability. This is indeed a major contribution as it not only makes place brand equity even more relevant to places but it also provides a basis for any future discussion on the topic and a useful direction for further development of the concept.

In the second paper by Irina Shafranskaya and Dmitriy Potapov, the authors make the assumption that quality is a driver of consumer-based place brand equity. They present their approach based on the case of the city of Perm, Russia. Interestingly, the authors use signalling theory that considers a brand as a signal, which represents a promise of quality that the buyer must take on faith. From this perspective, Shafranskaya and Potapov assume that various city-branding activities, especially those that are formally organised and executed, serve as the quality signal for both internal and external groups of consumers. A credible brand signal generates consumer value, which can be denoted as consumer-based brand equity. In their study, by applying conjoint analysis, the authors analyse the gaps between 'perfect' and 'current' city utilities and as such the credibility of brand signal and drivers of city brand equity. The subject of the survey were residents who evaluated a set of city attributes significant for them. The practical conclusions show that in the case of Perm to increase its brand equity, the city authorities should focus on improving the quality of such attributes as 'Place Safety', 'Medicine Availability' and 'Corruption'.

The third paper by Mikael Andéhn, A Kazemina, Andrea Lucarelli and Efe Sevin adopts a rather different view of place brand equity. They approach it as a judgement of the value of the place brand resulting from a set of associations people hold with the place brand in their minds. In this way, they provide a very useful link between place brand equity and a recurring theme within place branding, namely the significance of associations for the formation of brands. This link points quite directly to the usefulness of place brand equity for understanding the formation of place brands. It also explicates how this relation might actually help managers influence the formation of the place brand. In addition, and perhaps more importantly, the contribution by Andéhn *et al* reminds us of a very significant and often forgotten dimension of brands: the temporal dimension. In their examination of what people associate with the city of Stockholm on twitter, they capture very well

the temporal dynamics involved in how place brands are formed and the changes that this implies in the evaluation of the place brand across time.

The fourth paper by Mechthild Donner, Fatiha Fort and Sietze Vellema is a case study of the regional brand of Sud de France and focuses on the evaluation of place brand equity in relation to the regional branding strategy. In their paper, the authors propose to evaluate place brand equity by analysing various effects of the regional brand on different stakeholder groups. The focus is on creating a brand to support regional products and services, something that the authors consider a significant aspect of an effective place brand and, therefore, of place brand equity. The paper takes under consideration the public character of place branding projects and provides several illustrations of this. For instance, the brand is currently embraced by more than 2500 local companies and organisations. Another illustrative example is the original development of the Sud de France brand as a mark of the region's wine production that was later adopted by other agricultural and food products and then expanded to include tourism. In their analysis, the authors make the important point that one of the benefits of successful place brands is that they have the potential to create networks of stakeholders; something that needs to be captured by place brand equity as well.

In the fifth paper, Sebastian Zenker continues his series of contributions to the place branding literature by introducing to the field a methodology that is gaining in popularity within general marketing studies: advanced Brand Concept Maps (aBCM). Zenker describes the method and its development, discusses its uses in other fields and then goes on to assess its appropriateness for place branding. The paper also provides an illustrative case of the method's usage in the city of Hamburg with interesting results on the networks of associations people hold with the city and how these change. A very significant issue that this contribution raises and elaborates on is a direct result of the usage of aBCM and relates to the distinction between brand image and brand equity, which as Zenker argues remains 'fuzzy' not only in place branding literature but also in wider branding studies.

As Zenker explicitly states, the proposed method actually measures brand image since this is an important constituent of customer-based brand equity and a major driver of brand equity. In this sense, he provides an indirect measurement of place brand equity, which needs to be complemented by other measurement tools to capture brand success.

Finally, in his invited Afterword, Simon Anholt links the concept of place brand equity to a holistic picture of the place branding discipline. As he notes, this is characterised by an academic field that has not matured as yet and is linked to a field of practice that usually wastes tax payers' money on unmeasured communications campaigns. Anholt highlights the imitative and, at times, unsophisticated character of place branding as a discipline. It is precisely this where the concept of place brand equity is perhaps helpful and Anholt finds the justification for the increasing interest in place brand equity in the 'democratic necessity' to be able to 'measure the effectiveness or otherwise of the expenditure on "branding" activities'. Anholt closes his contribution with what we think is one of the main conclusions that can be drawn from this special issue: 'there does seem to be a growing awareness that rigour is desirable and necessary'. This is indeed indicated not only by the papers included here but also by all those submitted, and in our view this is a significant contribution of the concept of place brand equity to the advancement of place branding as a discipline. It might help us go beyond what Anholt describes as 'sheer blind faith' in the gains of place branding.

Another conclusion we can draw from this special issue is that for brand equity to perform its strategic functions and be useful in setting directions for marketing decisions, it is imperative to identify its sources and their impact on brand evaluation. It is also necessary to indicate how this evaluation changes over time. This is why both the sources (where equity comes from) and the results (the evaluation that reflects the value added by the brand for consumers) of brand equity should be subjected to special attention and analysis. This is something that might potentially help with forming a robust theoretical base for place branding

and place marketing. Perhaps more importantly, it might help with the efficiency of practical application of place branding. The social expectations that accompany this practical implementation clearly necessitate an unambiguous evaluation: cross-sectional, over time and in comparison with competitor place brands.

A WORD OF GRATITUDE

We would like to thank everyone who has been involved in the preparation of this special issue starting with all authors who honoured us by submitting their work and then had to patiently await feedback. We are particularly grateful to the authors of the five papers finally included in the issue for submitting works of high standard and for willingly undertaking the revisions we asked for. We would also like to thank the many reviewers who gave their time generously – often at very short notice – and with their insights helped us make some difficult decisions. The team of *Place Branding and Public Diplomacy* have been exemplary hosts. The editors Nicolas Cull and Robert Govers warmly embraced our idea for this special issue and provided the space and support necessary for realising it. Finally, we would like to thank our two special guests Kevin Lane Keller and Simon Anholt for enriching the content of this issue with their valuable commentary. We hope that the readers of the journal will find reading the issue as interesting, meaningful and challenging as we have found putting it together.

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