

THE ESSENCE AND THE PROCESS OF REGION BRANDING

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Purpose: The main purpose of the article is to explain the basic concepts related to regional marketing and to propound a model of region branding.

Design/methodology/approach: The study incorporates the results of a study on various aspects related to region branding. The process of branding, especially implementation of the region brand, usually is a long and complex undertaking. It certainly should take into account the specificity (nature) of the region. The model proposed in the paper includes the most important and universal aspects of region branding. The following assumptions have been made, which constitute the basis of many such model studies propounded by the authors of foreign and domestic models.

Findings: The process of building a region's image and reputation is associated with its search for ways to present its strengths and the increasingly effective methods supporting development and competitiveness. Region branding and its management has become a phenomenon undertaken quite commonly as to communicate the region's competitive advantages to its internal and external stakeholders. Poland's accession to the European Union meant that native places (regions) should also be recognizable, positively associated, offering above-average values for consumers, tourists as well as Polish and foreign investors.

Practical implications: The strategic plan developed for implementation of the region brand indicates the methods and tools, arranged by functional areas and their initial planning in time. Another challenge that is quite important in the implementation phase is the development of a system for diffusion of the region brand's guiding idea to various institutions, entities and groups that are partners in the region brand implementation program.

Social implications: The main (key) strategic objective of region brand implementation program is to transfer the guiding idea and the knowledge about the program to lower levels, as to facilitate the greatest possible reach and support of local communities.

Originality/value: This paper presents selected results of the study on various aspects associated with regional marketing. One of the research objectives was to build the model of that includes the most important and universal aspects of region branding.

Keywords: region brand, region branding model.

1. Introduction

The literature on the subject so far does not present a unanimous definition of territorial marketing. For the purpose of this article, a description proposed by A. Szromnik has been adopted, who indicates that "territorial marketing is a philosophy of achieving the goals assumed by spatial settlement units, under the conditions of competing for limited resources, at the root of which lies the conviction of a decisive impact on the results of proper client, i.e. partner, orientation" (...) This means that territorial marketing is "a market concept of settlement unit management – as management aimed at satisfying the needs and desires of residents and 'guests', through their initial identification and anticipation of changes, concurrently based on rational use of the resources available" (Szromnik, 2002). It should therefore be assumed that the main objective of region marketing management is to influence the opinions, attitudes and behavior of external and internal groups of interested clients (stakeholders), via marketing instruments and activities. When developing and specifying the main objective, it can be expressed in the form of three strategic goals, i.e. (Andruszkiewicz, 2004):

- development and strengthening of the services provided by public institutions and addressed to residents and business entities;
- region branding and development of a positive region 'image';
- increase of region attractiveness and competitive position (...) within the scope of mutual regional competition.

Territorial marketing is carried out on two target markets. On the internal market, where it covers the community and the entities in a specific region, it is treated as the activities related to the implementation of the region's current and strategic objectives and tasks. On the external market, that is, outside the region, it focuses, inter alia, on promoting the region and on competing with other regions. The main purpose of the article is to explain the basic concepts related to regional marketing and to propound a model of region branding.

2. Region as a product

There is no single commonly accepted definition of a region. Nevertheless, definitions of a region can be found in such scientific fields as economics, ecology, spatial planning, and law. Very often, the understanding of the term *region* boils down to the concept of a conventionally assigned, relatively homogeneous area that is distinguished from the adjacent areas through certain natural or acquired features (Meyer, Milewski, 2009). The concept of a region often can be perceived on two levels:

- the geographic plane (a conventionally assigned, relatively homogeneous area),
- the legal plane (as the name of the administrative division of a larger area).

In the EU terminology, a region is defined as a territory which is characterized by its history, culture, geographic or economic homogeneity, or by all of the features listed, which together provide the inhabiting population with a sense of community, in terms of implementing its plans (Kruczek, Zmysłony, 2010). The concept of a region as a product has long generated much debate among territorial marketing theoreticians. This stems from, inter alia, the fact that a region exemplifies a complex product, with a complicated, multi-level internal structure composed of a number of cores. For several years, region was commonly defined as a mega-product. According to A. Szromnik, region as a product entails “specific sets of utility, offered to the customer groups interested against payment, partially against payment or free of charge. (...) It is difficult to speak of one universal territorial product, but rather its several basic types (sub-products) offered to and exchanged with an appropriate, relatively homogeneous group of entities”. Examples of territorial sub-products include such products as: tourism, investments, housing, social products, commercial and service products, educational and cultural ones, fairs and exhibitions, recreation and sports, public products (Szromnik, 2005). An assumption should therefore be adopted that a synthetic territorial product is a composition formed by an overlay of the above-mentioned sub-products, while its features result from their generalization. According to A. Szromnik, a territorial (regional) product "is the cumulative socio-economic utility of a place (area), offered to internal and external customers, to meet their current and developmental consumption and investment needs, including material and spiritual ones" (Szromnik, 2005).

Region as a product can be distinguished on the market based on its uniqueness or exceptional quality of certain features and thus can become, in the opinion of customers (stakeholders), a brand product. The competitive advantage over other regions gained in this way may bring many benefits, such as:

- the prospect of higher sub-product prices;
- increased cognizance and recognition of the region, both at home and abroad;
- increased interest on the part of tourists;
- the region’s increased investment attractiveness.

The role of a product (region) marketing strategy is to maintain and stimulate the sources of competitive advantage, expand the groups of the sub-products offered, apply an appropriate pricing strategy, nurse the distinguishing features of the region's sub-products, and promote the region as a product.

3. The essence of region identity and vs. region brand

The building of a region's image and its branding are based on its identity. Region identity is defined as the sum of its characteristic features and the activity that distinguishes it from other (similar) regions. The owner of the brand does not create its image but defines the identity that forms it (Kall, 2006). Region identity is shaped by such elements as (Łuczak, 2011):

- organic components (history, culture, traditions of the region, degree of organization of the region);
- economic components (the economic activities dominating in the region, its economic situation);
- geographical components (geographical location, climate);
- symbolic components (visual identity of the region).

Regional brand managers, through their activity, strive to create the identity desired, i.e. the one they intend to achieve. Region image (the image of the region brand), on the other hand, is only a subjective image of its identity, existing in the minds of the region's internal and external stakeholders. Region image is the sum of the mindsets, opinions and ideas that the recipients have regarding a given place (Kotler, Haider, Rein, 1993). It is also a specific composition of associations, subjective feelings, thoughts and beliefs existing in human minds about a given place (region). The 'quality' of this image, therefore, constitutes an important factor that is taken into account in all the decision-making of its recipients (e.g. Do they want to live in this region? Do they want to relax in the region? Do they want to buy certain products in the region? Do they want to invest in this region?).

In region marketing management, the shaping of region identity and the building of a region's positive image are important tasks for the authorities. A region's positive image is an important identifier and allows it to be distinguished from other regions. It thus plays an important role in marketing activities.

The strategy of building and promoting a given region's brand is becoming increasingly important in regional marketing management. Regional brands, especially the strong ones, take the leading positions among the intangible assets of a region. Well-known and well-recognizable region brands formed as expression of their recognition, owing to their exceptional attractiveness, high quality, predictability of specific events and high certainty of their occurrence, or originality. The image of a region brand should exhibit specific features (Boruc, 2006):

- distinctness and otherness, which will distinguish it from competing regions;
- utility;
- respect and loyalty of consumers;
- the strive to achieve intimacy with its users.

Based on the concept of a territorial brand (country brand), developed by R. Rojek, it can be assumed that a region brand is the image of a region and its inhabitants, in the opinion of recipients, i.e. both the inhabitants and other communities (Rojek, 2007). A region's brand should be recognizable through a set of associations linked to the region, promising specific and highly valued benefits to its recipients. Through the positive and strong associations pertaining to the region's brand, buyers are able to quickly and accurately distinguish the brand from the competing ones, treating it as unique (Kall, Kłeczek, Sagan, 2006). Region branding can be based on the following components (Anholt, 2006):

1. its presence – the city's (region's) international status and position;
2. the place – the physical features of a city (region), in terms of the pleasure associated with travelling to it and being there, its beauty, the atmosphere;
3. the potential – the economic and educational opportunities that the city (region) offers to newcomers, business and immigrants;
4. the soul/the 'pulse' of the city (region) – the lifestyle, leisure possibilities, offers of interesting activities;
5. the people – the residents' hospitality, their attitude towards visitors, the sense of security;
6. the pre-conditions determining the choice of a given city (region) – the basic conditions for a place of residence, accommodation and its price, the standard of public services.

An expressive and strong region brand attracts people and proves the region's sub-products to them. A region's brand can become a "value multiplier and, as such, it provides the owner with a basic competitive advantage, which is just as good as a bank deposit. It can be mortgaged, bought, sold, invested in, its value can be increased or decreased through good or bad management" (Anholt, 2006).

Customers' loyalty to a regional brand, just as their loyalty to consumer product brands, varies. This phenomenon derives from many factors, including the high importance of the region image developed. According to D. Aaker, five customer (stakeholder) attitudes towards a brand can be distinguished (Aaker, 1991):

- the customer changes brands, mainly being driven by the price – no brand loyalty;
- the customer is satisfied – there is no reason to change the brand;
- the customer is satisfied and would incur additional costs by changing the brand;
- the customer values the brand and perceives it as friendly;
- the customer is faithful to the brand.

By analyzing the customer attitudes towards a given brand, its value can be approximated. Specifically, the brand's value (this also applies to regional brands) depends on how numerous are the customer groups that fall into the last three customer segments and what is the total share of these groups.

4. Region branding (a model approach)

The process of branding, especially implementation of the region brand, usually is a long and complex undertaking. It certainly should take into account the specificity (nature) of the region. The model proposed includes the most important and universal aspects of region branding. The following assumptions have been made, which constitute the basis of many such model studies propounded by the authors of foreign and domestic models (Hereźniak, 2011):

- research is the starting point for formulation of a region brand;
- a specific idea that will back the region brand (guiding idea, vision, essence) should be adopted and clearly defined;
- a coherent strategy of objective achievement needs to be developed, the essence of which entails transition from the current (present) image of the region to the state desired.

The model of a regional branding process proposed by the Authors of the article has been developed on the basis of M. Hereźniak's original model of nation branding (Hereźniak, 2011).

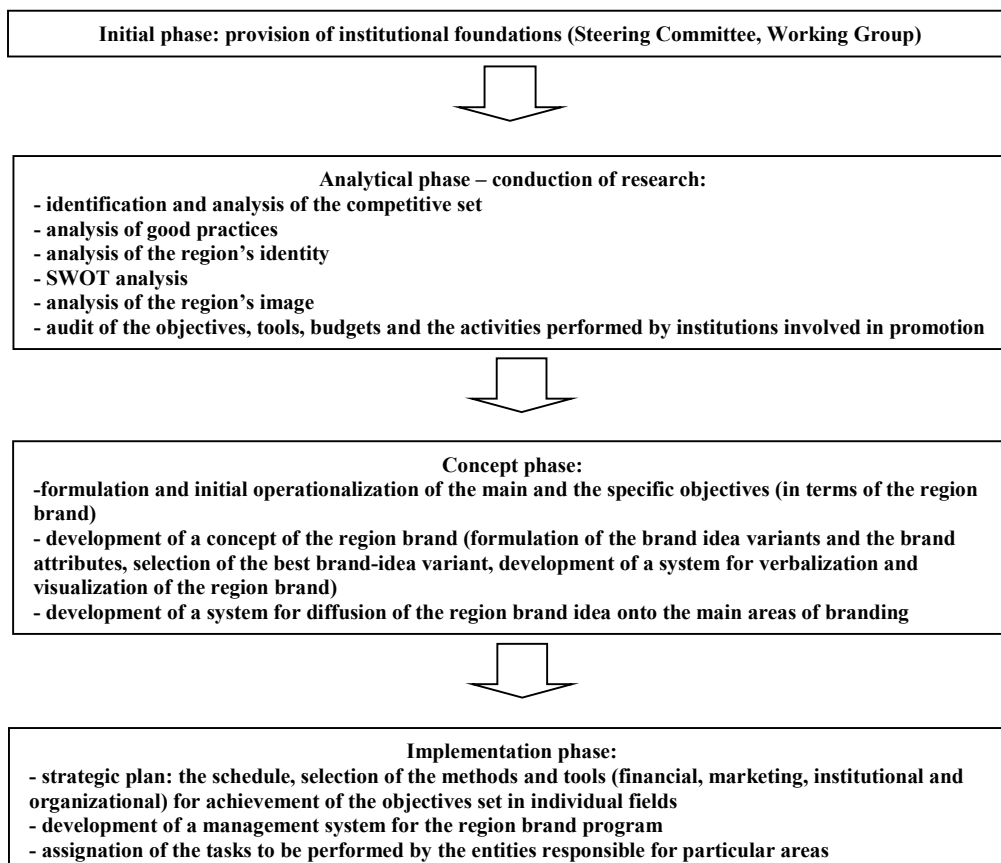


Figure 1. Model of region branding process. Source: own elaboration based on: K. Andruszkiewicz, *Marka regionu jako akcelerator jego konkurencyjności i rozwoju*, „Marketing i Rynek”, 10/2014; M. Hereźniak, op. cit., p.152.

The initial phase of region branding should provide the necessary institutional foundation for the project planned. In this phase, strategic leadership and the program supervision are established. The most important teams in this phase are: the Steering Committee and the Working Group. These bodies consist of the persons who had initiated the region branding program and built an atmosphere of support for it among the regional authorities and the key stakeholders. These teams are responsible for setting up the task teams and the so-called brand champions. The most important tasks and competences of these teams include (Hereźniak, 2011):

1. The Steering Committee:
 - monitors the progress in the program,
 - evaluates the course of its implementation.
2. The Working Group:
 - sets the pace of the work on the program and the work priorities, sets up the task teams, reviews and evaluates the teams' work,
 - develops schedules and prepares reports as well as presentation thereof,
 - controls the budget and the implementation time.
3. The Task Teams:
 - analyze the region's promotional activity in the field of branding,
 - search for initiatives in the field of branding,
 - obtain support and motivate to participate in the project,
 - search for potential so-called flagship brands and high-profile events in the region.
4. Brand Champions:
 - identify valuable initiatives,
 - promote project support,
 - search for 'region brand' program partners and participants,
 - coordinate the work of the task teams.

In the initial phase, the region's branding program should be given an appropriate rank, publicity as well as patronage of important institutions and people in the region.

The analytical phase of region branding aims to provide the necessary information and gather the knowledge needed to begin development of a brand strategy. The research undertaken for this purpose will help develop the initial picture of the situation, organize the knowledge and set the directions for future activity. The following need to be carried out to do so (Hereźniak, 2011):

- identification of the brand stakeholders,
- research among the key recipients, to determine the current internal and external image of the region,
- analysis of the region identity and its comparison with the region image,

- analysis of the region's strengths and weaknesses as well as analysis of the opportunities and threats arising from competing regions,
- specification of the set of directly competing regions and analysis of their image building strategy,
- consolidation and analysis of un/successful cases and successful regional branding practices implemented both at home and abroad.

The concept phase aims to develop, based on previously conducted research and analyzes, a comprehensive national brand concept (strategy). The most important activities in this phase include (Hereźniak, 2011):

- elaboration of the objectives for the region's branding strategy, broken down into main and specific goals, in relation to individual functional areas of the brand,
- development of a comprehensive concept of the region brand, which should include: brand identity, a set of brand values, the brand's positioning and its initial architecture,
- development of guiding idea variants for the brand, based on the overall concept of the region brand.

The guiding idea of the brand should entail a unique and simultaneously a simple thought reflecting that distinguishing feature (or features) of the region, which singles it out as different and exceptional. The guiding idea is relatively constant over time and constitutes the essence of the region brand. A system of marketing communication between the region brand and its stakeholders is then developed on its basis. The guiding idea then allows elaboration of a set of brand attributes. They reflect the most important properties of the region brand, explain it to the recipients, reveal its various aspects, allow for an interpretation of the guiding idea, bringing the brand closer and making it valuable from the perspective of the target groups (Hereźniak, 2011).

The concept phase ends with a design of the visual and the verbal identification of the region brand. Visual identification of the (brand) region usually consists of such elements as: a logo, colors, symbols, typeface and website appearance. Based on these elements, relations with the environment are built and recognition of the region's brand is strengthened. The end result entails elaboration of a 'Brand Book'. It contains all the elements of the visual and the verbal systems. It can also include examples of concepts for practical use of those systems. A 'Brand Book' thus depicts the atmosphere, the personality and the unique style of the region (Hereźniak, 2011).

The final phase of region branding is the **implementation phase**, which mainly is aimed at:

- method design and selection of tools for cooperation with the current and the potential partners to the program,
- assistance, as to prepare these entities for participation in the process undertaken,
- implementation of projects in various fields of the region brand's functioning.

The strategic plan developed for implementation of the region brand indicates the methods and tools, arranged by functional areas and their initial planning in time. Another challenge that is quite important in the implementation phase is the development of a system for diffusion of the region brand's guiding idea to various institutions, entities and groups that are partners in the region brand implementation program. Diffusion of the guiding idea, which is extremely important, means its dissemination and popularization as well as involvement of as many regional entities as possible in the implementation of the project prepared. Brand champions as well as members of the task teams are particularly responsible for this. The main (key) strategic objective of region brand implementation program is to transfer the guiding idea and the knowledge about the program to lower levels, as to facilitate the greatest possible reach and support.

Conclusions

The process of building a region's image and reputation is associated with its search for ways to present its strengths and the increasingly effective methods supporting development and competitiveness. Region branding and its management has become a phenomenon undertaken quite commonly as to communicate the region's competitive advantages to its internal and external stakeholders. Poland's accession to the European Union meant that native places (regions) should also be recognizable, positively associated, offering above-average values for consumers, tourists as well as Polish and foreign investors.

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