

THE VALUE OF PLACE BRANDING IN ECONOMIC DEVELOPMENT

INTRODUCTION: REGIONAL ECONOMIC DEVELOPMENT AIMS TO BRING WEALTH INTO A REGION BY ATTRACTING INVESTMENT, AND SUPPORTING BUSINESS AND ENTREPRENEURIAL GROWTH. WHEN CREATING AN ECONOMIC DEVELOPMENT STRATEGY, IT IS IMPORTANT TO TAKE A LOOK AT THE CULTURE ALREADY CREATED WITHIN THE REGION. A REGION OR COMMUNITY MAY WANT TO ATTRACT AND SUPPORT BUSINESS, BUT DO THEY HAVE THE PROPER LANDSCAPE TO EFFECTIVELY MEET GOALS THAT COME OUT OF AN ECONOMIC DEVELOPMENT STRATEGY? IS THE REGION READY TO PROMOTE THEMSELVES? DO THEY UNDERSTAND THEIR VALUE PROPOSITION FOR ITS RESIDENTS AND POTENTIAL INVESTORS FROM AROUND THE WORLD? IF A COMMUNITY DOES NOT UNDERSTAND THESE ISSUES, ARE THEY REALLY READY TO BEGIN AN ECONOMIC DEVELOPMENT STRATEGY? FINALLY, SHOULD PLACE BRANDING BE CONSIDERED THE FIRST ESSENTIAL TOOL IN AN ECONOMIC DEVELOPMENT STRATEGY? BY SELENA MCLEAN-MOORE ►

To answer these questions, I will first define branding and place branding and discuss why place branding is important and how a place brand can evolve from a concept to reality. I will then bring in the concept of the economic development process and why the formation of the brand preceding the economic development strategy is a critical step in rolling out the economic development strategy. I will then follow with comments on the Cowichan Brand: Ten Years Later case study.

My research includes a paper called *Place Branding*, written by Malcolm Allan of Placebrands Ltd, a paper, written by Alex Mari with the University of Lugano, Switzerland, called *Place Branding: Promoting an Nation Teaching Marketing*, a paper written by George Allan called *Place Branding, New Tools for Economic Development*, and a case study by Jenny Farkas of Taiji Brand Group called *The Cowichan Brand: Ten Years Later*.

The idea of place branding is not a new concept, but how place branding effects economic development, beyond tourism has not been widely documented. There is a lack of literature available to defend this viewpoint. My research for this section of the essay was conducted by holding interviews with experts in the fields of Place branding, and Economic Development Strategic planning. My initial interview with Carroll Taiji of Taiji Brand Group, a place branding consultant that was instrumental in the creation of BCs Cowichan regional brand in 2000, and an additional interview with Juliet Fox of Future IQ, a consultant who works with rural communities to assist with economic development strategic planning and whose background includes the study of social capital and economic development.

WHAT IS BRANDING?

A brand is a customer's gut feeling about a product, service, company, person, idea or place. A brand is essentially a company's reputation.

Some brands are created organically and some are strategically developed using a brand strategy. Brands that are cared for and nurtured through a brand strategy become a promise of value to consumers, such as a guarantee of quality or service.

WHAT IS PLACE BRANDING?

Place branding is the practice of applying product and corporate branding theory to places. Place branding is about how a community or region sees itself in relation to the rest of the world, and works to bring an understanding of the value it brings. In Allen George's magazine article *Place Branding: New Tools for Economic Development*, he states, "The idea that physical places can be branded is a natural extension of corporate brand theory, indeed it is generally accepted that places, as defined by culture, politics and geography, are increasingly seen to be products, as subject to brand management practices as a cup of coffee or a car."

Although place branding is a natural extension of corporate brand theory, there are some distinctive differences between the two. Place branding is much more complex to lead. Table 1 brings some of these differences to light.

Table 1 – Distinction between Corporate Brand and Place Brand

Corporate Branding	Place 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

Source: Allen, G. (2003). Branding Beauty: Super, Natural British Columbia

...It replaces unfair, inaccurate, outdated or cliché-ridden imagery with a true, full and contemporary picture of a place.

Place branding is a strategic approach to public relations. It is an ongoing interactive, wide-scale, holistic process. Many people view place branding as the creation of a logo and slogan, but it is much more than that. In my interview with Carroll Taiji, president of Taiji Brand Group, she states that, “the place brand gives a distinctive, memorable voice to become noticed, build a reputation and sustain loyalty. It replaces unfair, inaccurate, outdated or cliché-ridden imagery with a true, full and contemporary picture of a place.” When creating a place brand, questions such as who are we, and what are people’s perceptions of us, what promises do we make as a region, what sets us apart from other regions, are questions that have to be answered, and its core people have to believe in the answers for a true brand to be successful.

the recent expansion of trade and growing importance of media have led to the recognition of the importance of marketing and promotion in supporting the economic development of places.

WHY BRAND PLACES?

As discussed in Malcolm Allan's paper "Place Branding", *"the recent expansion of trade and growing importance of media have led to the recognition of the importance of marketing and promotion in supporting the economic development of places."*

Allan discusses the concept of globalization. Today, products are purchased from many different sources and this drives the interaction and integration of people, companies and government from around the world. Distance matters much less and so the perception of place has become an important factor in distinguishing between otherwise similar products, services and investment opportunities. Because of globalization the world becomes more uniform and it creates an environment of necessity that places react and make the difference.

Also, the significant increase in media has led communities to be vulnerable to the images captured on the internet and television. These images shape the way the world views us. Growth in travel has also increased, and images and information about places are communicated through personal networks, business travel and tourism.

In this new environment it has become increasingly important for communities and regions to determine their competitive advantage. Regions are implementing branding strategies to create a leading edge against their competitors, with the goal of creating a message that investors will pay attention to. Branding a community means that its citizens understand what they stand for. When economic developers attract investment and work to grow the community from within through business retention and expansion, understanding the value proposition of a community attracts the right types of business and allows existing businesses to cater to the proper internal markets.

As described on www.placebrand.ca, branding can:

1. Create a unifying focus
2. Foster civic pride and advocacy
3. Build respect, recognition and, ultimately, loyalty
4. Correct out of date, inaccurate or unbalanced perceptions
5. Stimulate demand for local products and services
6. Strengthen tourism, by creating preferred destination status
7. Increase the ability to attract, recruit and retain talent
8. Attract the right kind of businesses and investment
9. Contribute to targeted economic diversification
10. Facilitate faster recovery from crisis or downturn

What is the difference between place branding and place marketing?

Place branding and place marketing concepts can be confused as being one in the same. The distinguishable difference between place branding and place marketing is that marketing involves a short lived campaign or project to advertise a place. Place marketing tends to focus on current

attractions and the place as a destination. Place branding, however, is an organic process that takes place over a number of years and involves a large group of stakeholders making critical decisions on how they would like their community viewed. Place branding typically takes place before place marketing, establishing a solid value proposition and vision for a community, and conducting a rigorous assessment of how a place operates, the assets it has, and perceptions of external and internal audiences and competitors. The brand is, in essence, the firm footing required to conduct a marketing campaign.

HOW PLACE BRANDS EVOLVE

What does branding from the inside out mean?

Just as many companies brand “from the inside out”, communities increasingly understand the importance of citizen engagement. To properly sell a brand, residents and brand stakeholders have to be included in the process. The first group of people that have to be on board with a new brand are the people that live it. They have to believe in it and invest in it. Without this integration, the brand becomes a logo and tagline. In order to create and implement an effective brand strategy stakeholders must:

- agree on a shared vision of their future and what their value proposition will be
- work together to define and realize their brand strategy
- understand the current brand and how it was formed
- take action to work effectively together
- take action to make the brand come alive

A stakeholder group must be formed with the intent to work together to create the place brand strategy. Involving all key stakeholders that will own the brand as well as take the necessary action to communicate and live the brand is imperative. These are vital elements to a successful stakeholder group. The six sectors as shown in Figure 1 are the channels through which the brand will be communicated, the private sector, government, investment and immigration, culture and education, people and tourism.

Figure 1 – The Place Brand Hexagon ©placebrands 2003



PLACE BRANDING

What is the connection between place brand strategy and economic development strategy?

During the creation of an economic development strategy, the goal is to gather input from key stakeholders and community members at large on the current state of the community or region, its strengths, weaknesses, opportunities and threats. From that inventory, key stakeholders then determine a preferred future and create a plan of how to achieve that preferred future.

Place branding should be the initial goal of the economic development process because a strong place brand strategy helps key stakeholders understand the community/region. The strong place brand helps leaders understand what their community or region can offer to its target markets (internal and external) and it provides a decision making tool for economic development leadership to use when creating the economic development strategy.

Furthermore, place branding can become the bridge between economic development strategy and community action. Citizens don't understand or often even care about economic development strategy, but they do "get it" when they see it reflected in their place brand, and often that is when the community passion ignites.

For example, if, through the branding process, a community decides one of its brand messages is to be an environmentally friendly community, projects of a "green friendly" nature that are added to an economic development strategy will peek community residents interests because they understand why a project of that nature has been implemented, thus creating a community engaged and involved in the economic development process.

Why place branding is an integral part of the economic development process

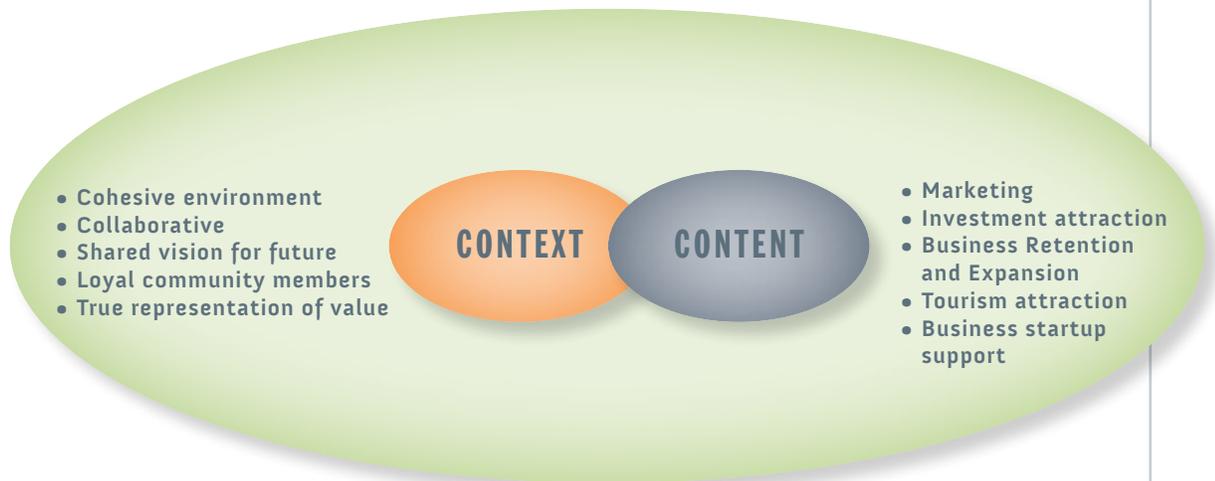
Success in economic development strategy implementation can depend on the following factors:

- The required balance between Context and Content
- Stakeholders make decisions through the “leadership lens”
- Stakeholders and community members “sing from the same song sheet”

THE REQUIRED BALANCE BETWEEN CONTEXT VS CONTENT

Juliet Fox of Future IQ presents on the critical association between content, the actions we do, and context, the environment in which we do those actions. Leaders in economic development are typically very comfortable with doing the work, working on actions, or content. For the purpose of this essay, we can use place branding as the context (the process that creates the environment for economic developers to carry out their work), and the projects within an economic development plan as the content (the projects that attract business and support local business environments). As shown in Figure 2, Context, is the environment created within the community through a solid place branding strategy. Only when the leadership and residents understand what they stand for, can a positive environment for economic growth be established. Once the context of the environment is established, economic development leadership can then make content decisions based on the context.

Figure 2 – Relationship of context and content in economic development



Source: Future IQ presentation (2010)

STAKEHOLDERS MAKE DECISIONS THROUGH THE LEADERSHIP LENS

Taiji also discusses the concept of the “leadership lens”. Place branding can create a “leadership lens” where key stakeholders can then make decisions based on what they see their community or region representing. Leaders can make informed decisions based on the place brand they view through their lens. When leadership has decisions to make, the decisions can be easier justified when they understand who they are making the choices for. For example, the Cowichan brand in Southwest British Columbia is embarking on an economic development strategy involving sustainability. Their goal is to create an economic development strategy that creates environmentally sustainable initiatives. Because the Cowichan region brand includes a “green friendly” strategy, this provides the leaders of the region with the understanding of how to make informed decisions. The lens can always point back to the brand and the leaders can then answer the question, “Does it fit?”

STAKEHOLDERS AND COMMUNITY MEMBERS “SING FROM THE SAME SONG SHEET”

What does the community stand for? What are its values and how does the community want to be portrayed to potential investors? When economic development leaders promote their community, they are expected to represent the interests of the community. Creating a “songsheet”, or a common theme on which to speak on, enforces unity within the leadership team. It ensures that the community will be represented the same way by each stakeholder. When carrying out economic development projects, all audiences hear the same message.

Discussion on the Case Study: The Cowichan Brand: Ten Years Later
The Cowichan brand is a success story (appendix A) in itself showing how a community can create a common vision and focus within its residents and leaders and how that common vision can translate into an economic development success story. Over the course of ten years, the Cowichan region grew from an area consisting of four municipalities and nine electoral jurisdictions that rarely related to each other or acted together, to creating a cohesive region with a strong sense of self and preferred future. The Cowichan region has reinvented itself into a tourism destination, focusing on opportunities for niche agriculture. Business is growing. In 2000 the region was home to one winery, today in 2011 there are nineteen wineries. They are now home to the first water buffalo herd in north America, as well they are the only area in the world that produces mozzarella cheese from water buffalo milk.

This success has led to an increase in real estate values and population, the arrival of big box stores, and the revitalization of the communities’ cores with an influx of trendy shops and services.

Today, the Cowichan region uses their brand to create economic development strategies to continue influencing the region. As indicated in the example above, one clear message that came across in the place brand strategy was the idea of the Cowichan region being an environmentally friendly community. This idea has helped regional planning groups create a sustainable economic development strategy, where all actions involve only sustainable development. The place brand created the leadership lens in which the economic developers could look through in order to make their decisions.

CONCLUSION

Based on the information included in this essay, I believe that place branding should be considered the first essential process in an economic development strategy. The idea of place branding began about fifteen years ago and so it is a relatively new concept. The idea of using place branding as an economic development tool has been discussed, though much of the literature discusses tourism, leaving out the other strategies included in economic development such as investment attraction and business retention and expansion.

I believe that to completely prove my statement, further investigation is necessary, using various case studies where communities and regions have employed place branding practices, included these practices when determining their economic development strategies, and measured the outcome of their work. My University of Waterloo Economic Development Program year two essay will bring these success stories to the forefront, proving that place branding is the essential first step to the economic development process.

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