Developing and applying a place brand identity model: The case of Slovenia ☆

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ABSTRACT

This paper reviews the concept of place brand identity within the supply side aspect of place branding. With no widely accepted model of place brand identity, the paper proposes a new model, which has its roots in marketing, tourism and sociological theory. The model focuses on the country brand of Slovenia, representing the first systematic branding process in Slovenia's short history. The development of a research program followed a holistic approach involving key influencers and enactment stakeholders. This novel approach has several advantages over the previously uncoordinated country branding attempts.

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1. Introduction

Cities, regions and countries as brands are facing the impact of economic changes and cultural globalization (Dinnie, 2008; Moilanen & Rainisto, 2009). Fierce competition between countries is rife as they seek to attract funds, foreign investments, business relocations, tourists, and residents. As people, capital and knowledge are becoming less location-specific, developing places as brands helps promote an environment capable of attracting new activities and key groups (Anholt, 2002; Kotler & Gertner, 2002). While place branding follows many of the principles of brand management, one of the key differences hinges on the diverse interests of multiple stakeholders.

Successful countries have developed efficient and systematic methods to develop and project themselves as brands. Their long-term success depends on the aligned participation of key stakeholder groups (Baker, 2009; Cai, 2009).

Place branding is an important topic (Country Brand Index, 2009), and has attracted scholars' attention (Anholt, 2002; Balakrishnan, 2009; Cai, 2002; Konecnik & Gartner, 2007; Kotler & Gertner, 2002; Morgan & Pritchard, 1999, 2002; Pike, 2009; Szondi, 2007). In the past, place marketing strategies centered primarily on functional attributes such as the beauty of particular environments, advanced infrastructures, etc. Recently, the focus of place marketing has shifted to promoting emotional and experiential attractions (de Chernatony, 2010). For example, in 2006 Canada launched a new advertising campaign, using the slogan "Canada. Keep Exploring". The aim was to appeal to people's emotions and to provoke their explorer curiosity. This slogan represented a notable change since in the past the emphasis lay on the functional benefits (natural beauty), and thus contributed to the growth of Canada as a brand. In 2009, Canada was the second best country brand, while the top ten country brands in 2006 did not include Canada (Country Brand Index, 2006, 2009).

Authors argue (Cai, 2002, 2009; Konecnik & Go, 2008; Merrilees, Miller, & Herington, 2009; Pike, 2009) that to grow place brands, strategy development should focus on the perspective of identity and equity. Some have incorporated both these perspectives in a two-dimensional approach to place branding (Konecnik Ruzzier & Ruzzier, 2009). As the supply side resource in place branding, brand identity integrates facets of internal stakeholders, who constitute and live the brand (Baker, 2009; Cai, 2002, 2009; Konecnik Ruzzier & Ruzzier, 2009). The supply side aspect of place branding affects the demand side, which reflects itself in brand equity (Cai, 2002; Konecnik & Gartner, 2007; Merrilees et al., 2009; Pike, 2009). Several researchers (Gallarza, Gil, & Calderon, 2002; Pike, 2002) have investigated this issue. Surprisingly, the topic of place identity has only recently attracted interest and to date no universally agreed model of place brand identity is available.

To convey clear and consistent signals to the diverse target groups, a place brand must have brand identity characteristics that differentiate the place from other destinations. Among other communication

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approaches, an effective way to present the identity characteristics of a place is through a story (Pride, 2002).

In 2007, the lack of a story to communicate Slovenia's identity clearly and systematically served as a starting point for developing Slovenia's identity characteristics. The intention was that the latter could serve as the foundations for strengthening Slovenia as a brand. Although several past attempts strove to build Slovenia as a brand, they failed to employ a systematic approach. The early work focused on advertising rather than branding, stressing visual elements such as logos and symbols, rather than a well-conceived, holistic brand identity.

This paper opens with a literature review of place branding and from a supply side perspective reviews the literature on place brand identity. Due to the lack of a widely accepted model of place brand identity, the paper proposes a model that has its roots in the marketing, tourism and sociological literature. The paper then centers on the process of devising and implementing Slovenia's brand identity, which is the first systematic branding process in the short history of Slovenia.

A consultancy undertook the governmental project of developing the resulting brand identity, summarized by "I feel Slovenia". The authors of this paper participated in the project by designing the methodology, undertaking the analysis and making recommendations about the use of information to strategically devise a brand identity.

2. Place branding

Theory development in place brand identity is at an early stage. Thus, considering the research themes that have evolved in place branding is crucial, as these help create the foundation to better appreciate place brand identity. This section will therefore review the evolving process of place branding before the next section reviews place brand identity.

In 1998, researchers started to treat places as brands and since then, interest in place branding has grown (Pike, 2009). Despite growing interest, no common agreement about defining a place brand has emerged.

Initial research into place branding addresses the topic of place image. Place image studies (Ritchie & Ritchie, 1998) are abundant and first began appearing in the early 1970s (Hunt, 1975). Place image studies mushroomed; Pike (2002) reports that 142 image papers over the last three decades directly or indirectly investigated place image topics.

Authors such as Dinnie (2004) argue that place branding studies should adopt a broader remit, investigating place brands from a commercial, public policy, cultural, and historical perspective. Furthermore, place branding needs to go beyond the narrow focus of tourism (Hanna & Rowley, 2008).

Place branding has its theoretical roots in the branding principles that brand management initially developed for products (Yoo, Donthu, & Lee, 2000). The prevalent view among branding scholars (de Chernatony, 2010) is that the concept of a brand is sector invariant, being equally applicable in sectors as diverse as services (de Chernatony & Dall'Olmo Riley, 1999), organizations (Ind, 1997) and places (Cai, 2002; Konecnik & Gartner, 2007).

Although the literature argues for transferring product brand learning to other sectors, those dealing with the field should exercise care (de Chernatony & Dall'Olmo Riley, 1999). Building and managing place brands differs from building and managing product or service brands (Balakrishnan, 2009; Hankinson, 2007; Konecnik & Go, 2008). Hankinson (2007) outlines some of the unique challenges of place branding: since diverse public and private organizations represent a major influence, place brand managers have little control over the process; different people have different purposes and expectations of places; a place brand includes considerably more points of

contact; laws are what defines place boundaries, not consumers; uncoordinated strategies from different government departments cause conflict and inconsistent brand experiences; as many bodies fund locations, locations often receive insufficient financial support.

The management of place brands has more in common with managing corporate brands due to their multifaceted nature and diverse stakeholder interactions (de Chernatony, 2010; Hankinson, 2007; Trueman, Klemm, & Giroud, 2004). Regardless of these similarities, the big challenge with place brands is the large number of influential stakeholders (Buhalis, 2000; Konecnik & Go, 2008).

Although the recent literature emphasizes the important roles of diverse stakeholders, the majority of previous place studies narrowly investigate the matter from the viewpoint of tourists (Gallarza et al., 2002). Tourists' perceptions of a place are important and can add value when formulating place marketing strategies (Baloglu & McCleary, 1999). However, perceiving them as the basis for developing place marketing strategies is erroneous (Merrilees et al., 2009).

Treating place branding as a strategic platform for marketing (Cai, 2009), any strategies should notably derive from the opinions of each place's internal stakeholders (Baker, 2009; Konecnik Ruzzier, 2010). In addition, a mutually supportive long-term relationship between the different stakeholders is important. In this respect, Cai (2009) argues for a sociological perspective of exchange, which takes a longitudinal view of relations between interdependent actors (Emerson, 1976). This aspect is more suitable for studying place branding than economic theory, with its focus on short-term relationships between different parties.

Internal stakeholders, who need to understand the characteristics of their country brand, have a major impact on the way enacting the place branding promise occurs (Baker, 2009; Cai, 2009). Ideally, they should engage themselves in both the brand development process and its implementation. Among internal stakeholders, the literature stresses the important role of opinion leaders (Baker, 2009) and local residents (Anholt, 2002; Konecnik & Go, 2008). Any model of place brand identity needs to encapsulate the contributions of influential internal stakeholders and should portray the place's unique characteristics as well as contribute to any strategic marketing (Cai, 2009; Konecnik & Go, 2008; Lemmentyinene & Go, 2010).

3. Theoretical model for place brand identity development

Many authors now recognize that brand management cannot focus solely on one stakeholder, that is, consumers (de Chernatony, McDonald, & Wallace, 2010; Konecnik & Gartner, 2007). Brands thrive when they address internal and external stakeholders (de Chernatony, 2010; Konecnik & Go, 2008).

Brand identity models offer the best foundation for understanding internal considerations about brands (Aaker & Joachimsthaler, 2000; de Chernatony, 2010; Ind, 1997; Kapferer, 1998). While many studies have documented these models, a literature review shows they predominantly concern product and services sectors. On the few occasions when place branding uses identity models, no widely accepted brand identity model is available. Some of the existing place branding models (Cai, 2002, 2009) include a brand identity perspective, but do not go into detail. The majority of models focus on tourism, even though place brand identity models should incorporate more stakeholders. As such, none of the existing models is adequate. The paper will now present an explanation of the existing models, along with a critique, and then postulate a new model.

Cai (2002) proposes a conceptual model of place branding that centers on building a place identity through spreading activation. The latter results from the dynamic linkages between the brand resources, image-building, brand associations and marketing activities. Recently, Cai (2009) has enhanced this model, giving place identity even more emphasis. The revised model shows a clear internal perspective in the community-based tourism branding model, which