ARTICLE IN PRESS

Journal of Destination Marketing & Management xx (xxxx) xxxx–xxxx

Contents lists available at ScienceDirect

Journal of Destination Marketing & Management

journal homepage: www.elsevier.com/locate/jdmm

Research paper

City branding in European capitals: An analysis from the visitor perspective

Mar Gómez[a,b], Alejandra C. Fernández[a], Arturo Molina[a,b,*], Evangelina Aranda[c]

[a] Department of Marketing, University of Castilla-La Mancha, Cobertizo San Pedro Mártir s/n, 45071 Toledo, Spain
[b] Universidad Autónoma de Chile, Santiago, Chile
[c] Department of Applied Economy, University of Castilla-La Mancha, Cobertizo San Pedro Mártir s/n, 45071 Toledo, Spain

ARTICLE INFO

Keywords:
City branding
Brand equity
European capitals
Partial least squares
Index

ABSTRACT

The purpose of this study is to analyze the application of city branding in five European capitals – London, Paris, Berlin, Rome, and Madrid – using a measurement model to link brand equity to its antecedents and consequences. The measurement model and structural model are estimated through partial least squares. An index, designated the City Branding Index (CBI), is developed to quantify and compare the brand equity of the five European capitals selected. The findings show that the brand equity of the European capitals consists of the awareness and perceived quality of a city as a destination and the influence of attitude on the brand and brand image. The CBI reveals the existence of gaps among the five capitals in the four dimensions that compose brand equity. Because city branding is a useful tool for the capitals to gain competitive advantages, the results could allow city managing bodies and firms from the sector to evaluate each city's competitive position with regard to its competitors and to design strategies for each European capital.

1. Introduction

Most European cities are undertaking marketing efforts to increase their visitor arrivals while distinguishing themselves from other cities and destinations (Ashton, 2014; McManus & Connell, 2014). These circumstances have prompted cities increasingly to use promotions within the destinations themselves at events and fairs to generate interest in creating a brand image to bring distinctive value to the city with respect to rival destinations (Page, Stone, Bryson, & Crosby, 2015). Although the promotion of cities dates back to the 19th century, the emergence of concepts such as place marketing, place branding, and city branding is relatively new in the academic world (Zenker & Beckmann, 2013).

A literature review on city branding reveals that brand equity is a fairly well-studied topic from the perspective of brand-related marketing, defined as a name or symbol that adds value to or subtracts value from a product, service, or firm (Aaker, 1991; Lei & Chu, 2015). However, most of these studies have focused on the definition, and they have presented different proposals for measuring brand equity (Lucarelli, 2012; Zenker, 2011). Therefore, identifying and measuring a city's main features are crucial for firms in the sector and for the managing bodies of cities (Hankinson, 2007). Some studies have developed brand equity research for tourist destinations as a multi-dimensional construct that includes brand awareness, brand loyalty, perceived value, brand image, and perceived quality (Bianchi, Pike, & Lings, 2014; Fatemed & Badaruddin, 2015; Kladou, Giannopoulos, & Mavragani, 2015), but a few studies focus on the backgrounds and consequences of brand equity in the city context. In this regard, attitudes toward brand and brand image are considered important antecedents that provide brands with value (Keller, 1993). Moreover, brand preference is defined as a consequence of brand equity that represents the client's choice (Hellier, Geursen, Carr, & Richard, 2003).

Having determined the relevance of conducting research on the antecedents and consequences of the brand equity of cities, the next step is to define an approach. In this case, studies that approach the analysis of brand equity from the demand perspective have been reviewed (Bianchi et al., 2014; Callarisa, Sánchez, Cardiff, & Roshchina, 2012; Fatemed & Badaruddin, 2015). Therefore, to conduct this research, the visitor perspective was considered relevant.

The city selection was based on the relevance of tourism and the number of visitors to European countries and cities. In particular, it was decided to focus the study on European capitals, especially in the five capitals most relevant for the tourism sector based on the number of overnight stays (Wöber, 2014). There have not, however, been many studies comparing the brands of different European capitals, although some authors have reported a variety of expectations among visitors. In addition, there have been only a few studies that have analyzed the

* Corresponding author at: Department of Marketing, University of Castilla-La Mancha, Cobertizo San Pedro Mártir s/n, 45071 Toledo, Spain.
E-mail addresses: mariamar.gomez@uclm.es (M. Gómez), alejandracarmen@gmail.com (A.C. Fernández), arturo.molina@uclm.es (A. Molina), evangelina.aranda@ucm.es (E. Aranda).

http://dx.doi.org/10.1016/j.jdmm.2016.11.001
Received 30 March 2016; Received in revised form 4 November 2016; Accepted 5 November 2016
Available online xxxx
2212-571X/

dimensions that comprise the brand equity of cities (Zenker & Beckmann, 2013).

The main purpose of this paper is to analyze and compare city branding in European capitals from the visitor perspective. To do so, a model of brand equity is proposed to which the principal backgrounds and consequences have been empirically applied for fivecapital cities (London, Paris, Berlin, Rome, and Madrid). Moreover, an index that determines the main differences in brand equity according to the city is presented. Specifically, the relevance of attitude toward the brand and brand image for the city's brand equity is investigated, the main components that determine brand equity are analyzed, the influence of brand equity on the preferences for a city as a destination is determined, and the main differences among the capitals are shown.

The study begins with a review of the main studies that address city branding in general, brand equity and measurement proposals, the antecedents and consequences of brand equity, attitudes toward the brand, brand image, and brand preference, and ranking indices. It continues with the research methods employed in this study: a sampling process, measurement scales, data-analysis techniques, and city branding index development. The subsequent section reports the study results of the structural model and the index defined. Finally, conclusions from the theoretical and empirical perspective are presented, along with managerial implications and limitations.

2. Literature review

2.1. Brand and city branding

This subsection presents the definition of a brand and its application to cities. In this regard, a brand is defined as a term that identifies goods and services to differentiate them from competitors (Bennett, 1995). It is a set of assets and liabilities linked to the brand name and a symbol that generates value for the firm, improving the efficiency of marketing programs (Aaker, 1996). Brands represent symbolic value for firms, leading to the promotion of desires or lifestyles associated with the physical product itself. Therefore, a brand represents a firm's personality and enables differential positioning against competitors (Anholt, 2006; Hankinson & Cowking, 1993).

Brands apply both to products and services and even to places (Hankinson, 2007). Tourism has ended isolation among countries and cities, prompting the investment of large amounts of resources to differentiate locations from competing destinations. The name of a country is a built-in label that can add value to or subtract value from a product in the same manner that a brand does. Similar to product brands, the names of places are an extrinsic signal that evokes emotions, raises awareness, and influences behaviors (Gertner, Berger, & Gertner, 2006). The concept that identifies the application of marketing to destinations, which emerged in the 1990s, is called place marketing (Ashworth & Voogd, 1990). Many authors have claimed the value of studying place brands, especially those of cities (Evans, 2003; Gaggiotti, Cheng, & Yunak, 2008; Harmaakorpi, Kari, & Parjanen, 2008; Kavaratzis, 2004; Russell, Mort, & Hume, 2009). This concept is termed city branding, and it was developed based on place marketing (Kotler & Gertner, 2002). Promoting cities as a part of an organized marketing strategy is a new idea. This growing trend emerged as a reaction to the increasing competiveness in tourism as a result of globalization, starting in the 1990s (Berg, Klaassen, & Meer, 1990; Kavaratzis & Ashworth, 2006; Kotler, Asplund, Rein, & Haider, 1999).

Because of its link to competition between destinations, city branding is a topic of interest for academics and politicians (Page et al., 2015). It is a tool that reflects the perception of a place, its identity, and its opportunities (Kavaratzis, 2009). The strategy of city branding should be defined carefully, given that it can generate more challenges than benefits by confusing the brands of countries, states, communities, and cities, and this confusion has occurred on many occasions. For instance, delivering diverse messages to different stakeholders can produce a lack of coordination among institutions, or promotional activities for the brand of a country or a state can lead to confusion regarding branding strategy for a city. Every message should consequently be administered in the same direction (Kavaratzis, 2004).

Among city-branding studies, those that have compared it to corporate branding are notable (Hankinson, 2007; Kavaratzis, 2009; Parkerson & Saunders, 2005; Trueman, Klemm, & Giroud, 2004). Other studies have focused on the complexity of managing city brands and the need to satisfy several segments, such as tourists (Bickford-Smith, 2009), sports fans (Chaplin & Costa, 2005), fashionistas (Martínez, 2007), and current and future residents (Greenberg, 2000; Zenker, 2009).

Some analyses have used various marketing and branding techniques to study perceptions, such as negative valuations of cities (Paddison, 1993) and their dissociations from the regions or countries where they are located (Sahin & Baloglu, 2014), factors that determine differences (McCartney, 2008), and the differences between people who are visiting a destination for the first time and those who are returning (Correia, Oliveira, & Butler, 2008).

Certain analyses have identified different types of city branding: innovative and creative cities, which are the antithesis of stressful cities (Marceau, 2008), including Singapore, Barcelona, Copenhagen, and Manchester (Carrillo, 2004; Daniels & Bryson, 2002; Hospers, 2008; Komninos, 2002; Marceau, 2008); industrial cities, where economic interests dominate the image (Bramwell & Rawding, 1994); and cultural cities, which focus their strategies on cultural symbols and festivals (Evans, 2003).

Finally, there are authors who have emphasized the relevance of building positive brand equity through the effects of credibility, attitudes toward the brand, or brand image (Middleton, 2011). In a global marketplace, competitiveness among cities as tourist destinations is primarily focused on building a unique attitude and brand image, providing memorable experiences, and developing positive word-of-mouth branding (Sahin & Baloglu, 2014).

2.2. Measuring brand equity

Within the field of marketing, brand equity has been studied in several recent works referring to city branding (Jacobsen, 2012; Kladou & Kehagias, 2014; Lucarelli, 2012; Zenker & Beckmann, 2013; Zenker, 2011). Brand equity is a relevant concept in both the business and academic environments, in that its use makes it possible to obtain a competitive advantage through successful brands and fostering the creation of barriers to entry for competitors (Farquhar, 1989). There is an ongoing debate over the definition and measurement of brand equity (Yoo & Donthu, 2001).

There are several definitions of brand equity: one of the most widely used definitions is that of Aaker (1991,1996), who defined it as the set of assets and liabilities linked to a brand, its name, and its symbol that adds value to or subtracts value from a given product or service, the firm, and/or its clients. Yoo, Donthu, and Lee (2000) defined it as the selection between a product with or without a brand, assuming the same level of features. Keller (1993) divided brand equity into two categories: the financial perspective (Hakala, Svensson, & Vincze, 2012) and the consumer perspective (Sartori, Mottironi, & Corigliano, 2012).

Regarding measurement, there are many authors who have indicated the lack of instruments to measure brand equity from the client perspective (Lassar, Mittal, & Sharma, 1995), although most have shown that this concept is multidimensional (Veloutsou, Christodoulides, & de Chernatony, 2013). Existing studies have considered different dimensions from the perspective of the client (e.g. awareness or perceived quality) or from the perspective of consumer behavior (as brand loyalty or perceived value). A study by