

Territory Branding Modelling: Problems and Solutions

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Abstract. The evergrowing competition of countries, regions, cities and the increasing demands of the population for the quality of the surrounding environment called for the creation and maintenance of positive image and reputation, the main constituent of which is the branding of territories. Effective use of branding in the economic development of any territory is hampered by the lack of generally accepted scientific definitions of concepts and models of a territorial brand with the unceasing discussions in the scientific and professional circles about approaches to determining the essence of these concepts and models. The prevalence of some theories leads to the conceptual problem, when the territorial brand gets meaningfully different definitions. One of the ways to solve the problem is to use an interdisciplinary approach that integrates relevant theories of economic and sociological sciences.

1. 1. Introduction

An analysis of publications on the topic of branding of certain territories or places in Russia has recently shown a surge in interest among theorists and practitioners who would like to rethink the concept of “territorial brand”. This follows from the fact that the process of territory branding is considered as one of the most important means for increasing the non-price competitiveness of domestically produced goods and services in the domestic and foreign markets, whereas the territory brand acts as a tool for attracting investment. Meanwhile, despite the state acts such as the “Conception of promoting national and regional brands of goods and services of domestic production in 2007–2008” and the project “Made in Russia” planned for launch in 2017, which are aimed at promoting loyalty to domestic products, have not even started.

The impetus for starting work on the creation of conceptions for regional branding was the project “Export of Agricultural and Industrial Products”. At the same time this process is not large-scale one, and a number of regions develop the branding conceptions according to the fashion trends, not based on scientific ideas about the essence of the concepts of “brand” and “branding” of territories, the latter in most cases are defined by the influence of numerous creative specialists in design and communication, who see the territory brand as a kind of “beautiful image” to attract tourists. Such implications of the concepts being developed are questionable in terms of the effectiveness of achieving results.

For the sake of objectivity, we shall admit that the desire of regional authorities to have scientifically based branding concepts for their territories cannot be fulfilled with the help of resources of our science. Having barely appeared in the scientific and applied literature, the generalized term “territorial brand” has acquired plentiful number of definitions for such concepts as national, regional, city brands. These numerous definitions make it difficult to design concepts for regional branding and developing practical solutions for their implementation. Nonetheless, the success of a holistic understanding and description of

this functional category depends on the comprehensive definition and structure of such a concept as “territorial branding”. The holistic understanding of territorial branding lays the foundation for the efficient implementation of government projects to improve the country’s competitiveness, as well as regional development strategies.

2. Methods and Results

Analysis of Russian and foreign publications on the territory branding allowed us to identify a number of problems concerning scientific substantiation of the concept of territory branding. Some practitioners notice that in Russia the theory of marketing from the moment of its introduction has been lagging behind the Western economic thought, which had gone far ahead. This results in the absence, with rare exceptions, of the original marketing models and concepts in Russian commercial and scientific communities. With regard to the scientific substantiation of the territorial brand, it can be stated that the Western researchers are not so advanced, as they only continue the search for new ideas and critically interpret the early postulates of so-called gurus in branding. Thus, the lack of a unified approach to the concept of branding and the multiplicity of models made S. Anholt, the author of the concept of “branding of places”, note that branding itself has a bad brand (cited in [1, p. 27]). Therefore, the task of defining the meaning of territory branding requires theoretical substantiation of the basic category “territorial brand”. Not only Western, but also Russian science is moving in this direction.

Desk research in the form of an analysis of the specialized publications and scientific literature made it possible to select various definitions of the term “the territory brand”, but these definitions are not always correlated with each other. This phenomenon has an objective reason: the brand of territories has many aspects being a complex and complicated phenomenon. The brand model of territories proposed in a series of publications (the brand’s wheel model, the brand model based on S. Anholt’s competitive identity, the K. Dinnie’s brand capital model), in fact, represent the attributes, architecture and target audience, that is, different aspects of the territory brand [2, pp. 4-5]. Consequently, any attempt to create a universal model of the essence of the brand of the territories, in our opinion, will not reflect the real core of the territory brand. For instance, for the most frequently cited hexagon model S. Anholt offered six elements of the territory’s brand: tourism; export brands; politics; business and investment; culture, people [3, p. 26]. We doubt that this model can be applied for territories of different types. Not all territories have export brands and investment, for example, rural ones; not every territory enjoys tourist potential. And the inclusion of a generalized category of “people” does not enlist the characteristics of the target groups of the brand impact. Conclusions based on models grounded in the use of different aspects may not give full coverage to the real essence of the concept of the territory brand. Hence, S. Anholt’s conclusion that the territory’s image is determined by tangible and measurable parameters forming six groups is amphibolous. Other authors in addition to such a characteristic of the territory as its image also describe reputation [4, 5] and representation [6, p. 26]. Sharing such a synthetic approach, the authors of the article believe that the basic characteristic of a territory is its image, namely, the representation of target groups concerning the territory’s situation, size, nature; climatic, economic, social, political and other factors; while the territory’s image and reputation are cognitive characteristics.

There are opinions that thanks to the enormous difference between target audiences, starting from tourists and ending with corporations that try to choose a place for their headquarters, the introduction of a single brand for different territories is not only impossible but also useless [7, p. 156]. As a result, a number of authors suggest specialized modelling of territorial brands: an agricultural product model [9], a brand architecture model, in which a tourist brand is offered as the leading brand for the territory [10, p.12].

However, the search for a universal model of the brand territories is still under way. In our opinion, when developing universal models it is necessary to take into account an array of fundamental limitations. Firstly, the researchers should consider the particularities of a territory as an object of branding; secondly, they should select attributes that are the same for all types of territories. The first limitation implies that there are approaches when territory brands are regarded as corporate brands or product brands. According to K. Dinnie, many researchers are drawing a parallel between the city brand and the corporation brand [7]. Other authors view the territory from the standpoint of the brand creation with the brand as a specific product having special, complex, multifaceted consumer value and the property of utility for consumers on this territory [6, 8]. As we see it, corporate and product brands are not identical to the brands of territories. Supporting the point of view that territory branding is related to the development of territories and local communities [11, pp. 154-155], the authors of this article recommend considering territories

within the theory of the regional economy, according to which a territory is thought 1) as a complex category representing an elaborate multi-level social, ecological and economic system of interacting social and economic institutions and relations involving production, distribution, exchange and consumption of goods, 2) as a place to settle and a living environment, which creates favourable conditions for personal development, work, leisure, housekeeping and social interaction [12, p.25]. The differentiated structure of the territory prevents creation of universal models of brands for various territories and fosters the search for models which would have uniform attributes. The authors have drawn a multi-attribute model of a territory brand based on an approach that implies considering a brand as a combination of tangible and intangible assets [1, p.28], in contrast to the symbolic approach to a brand (Fig. 1).

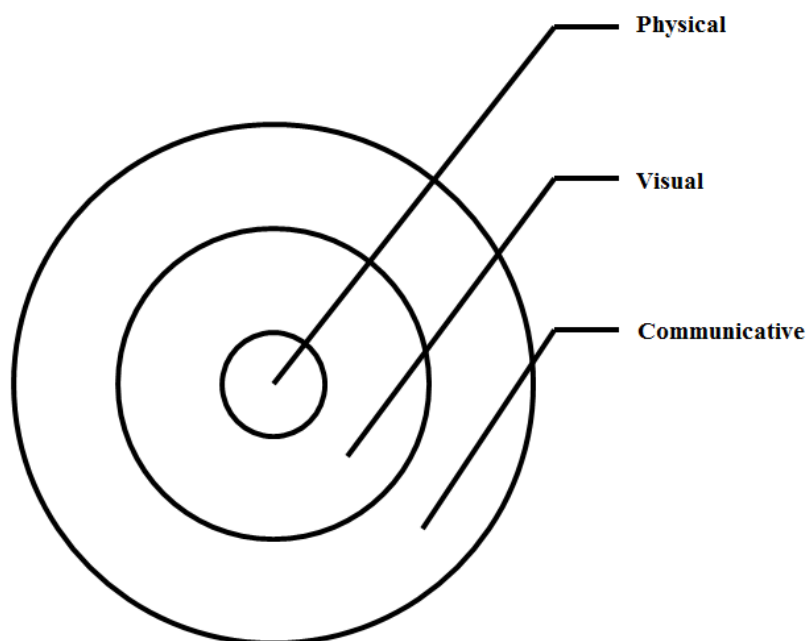


Figure 1. Multi-attribute territory brand

The authors attribute the tangible and intangible assets of the territories to the physical attribute constituting the core of the brand; the visual-cognitive characteristics are attributed to the visual dimension, and the informational-communicative characteristics are attributed to the communication dimension. Based on this model, it is possible to form brands adaptive to territories of different types.

3. Conclusions

The demand of various territories (countries, regions, cities) for effective branding tools, as a part of the process of developing and maintaining brands of territories, is constrained by the abundance of various definitions and models of the “territory brand” and “territory branding”. The problem of inconsistent definitions, due to the multidimensionality of the concepts studied calls for the comprehensive scientific and practical approach to the category “territory brand”. One of the ways to improve the analysis and design techniques for territory branding is the application of an interdisciplinary approach to examining concepts and models of territory brands based on the regional economy theory, consumer behaviour theory, integrated marketing communications and cognitive theories.

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