

Malcolm S Allan
Placebrands Limited
Kingscote House, Turners Hill Road
East Grinstead, West Sussex RH19 4JZ, UK
www.placebrands.net

Place Branding

Introduction

The purpose of this paper is to outline what is involved in place branding and its relevance to urban planning and the environment and to illustrate this through a case study of the brand strategy recently created for a major new urban development in the Overhoeks area of north Amsterdam in the Netherlands.

What is a brand?

A brand is the good name of a product, an organisation or a place. For time limited consumers – shoppers, investors, traders, visitors, migrant talent - it's a short-hand to an informed decision – to buy a particular product, to access a specific service, or to travel to a city, region or country for a holiday or to attend an event, to invest in a development or to open a factory. But, of most importance, a brand is a promise of value to consumers – e.g. a guarantee of value, of quality, of performance, of service delivery, or of after-care.

What is branding about?

Branding is about creating value for those who have a stake in a brand, its reputation, its products or services – designers, investors, manufacturers, sales-forces, retailers, and outlets, and about creating value for consumers who wish to purchase its products and services. A brand is also an organising principle and a decision making tool – it is the basis of the way in which products and services are created and offered to consumers and it provides a basis for making decisions about which products or services to develop, their standards of design, their quality of finish and the way in which they are made available and delivered to consumers. And a brand also helps businesses and organisations to close the gap between policy and execution by providing guidelines and values on what to offer, how to create it and how to make it available to consumers.

Why brand places?

In recent years, the expansion of trade and the growing importance of media have led to recognition of the importance of marketing and promotion in supporting the economic development of places. Globalisation of trade has meant that products and services can be purchased from an almost limitless number of sources. Differences in price and quality, the traditional points of competition, are being

steadily eroded; distance too matters much less. Thus, perception of place has become an important factor in distinguishing between otherwise often fairly similar products, services and investment opportunities.

At the same time, the role of the media has increased enormously, with the expansion of access to the Internet, satellite television and ubiquitous telecommunications. The images created and left by the media play a tremendous role in shaping our views of places and products. Moreover, growth in global travel and communication has increased our exposure to and awareness of places; and equally powerful images and information about places are obtained through personal networks, business travel, and tourism. What we think about investment opportunities, for example in Thailand, Indonesia, Turkey, China, Chile, India and South Africa, is inextricably tied to the information and interactions we have with these places as brands.

In this new environment, a number of countries, regions and cities have embarked on programmes to market and promote themselves, both to domestic and to international markets. Whilst the priorities often vary, from promoting tourism to targeting FDI, to supporting exports, the overall objective is typically the same: to make key

audiences aware of what the place has to offer and to shape the message that these audiences receive.

The experience of such “place marketing” programmes has been decidedly mixed. Many campaigns have launched with a new logo and strap line, a flurry of press (and the obligatory series of CNN adverts), only to fade away in time, leaving the place with little substantive impact. Such failure typically has many root causes, but three of the most common are:

- *A focus on place marketing rather than place branding:* Too many places confuse place branding with place marketing which tends to focus on the promotion of current attractions and the place as a destination for tourists. By comparison, creating and managing a place brand strategy involves a rigorous assessment of how a place operates, the assets it has, its offer to consumers, its ability to survive and grow, its ambition and vision for its future and the resources it has at its disposal to realise that vision, and the identification of the “on-brand” actions it needs to take to make a reality of it.
- *A short-term, “campaign” mentality that does not meet on-the-ground realities:* Effective place branding takes time, and building a

brand requires but real changes (in attitude and action) on the ground before ad' campaigns and public relations can take effect. Also, too many place branding initiatives are focused on short-term advertisements, painting aspirational views of the place, which have virtually no link to the real experiences of investors, tourists and business people that interact with it. Place branding takes time and must involve a well-organised, programmatic approach and long-term buy-in from public and private sector stakeholders and from the community of the place.

- *Lack of prioritisation and clear differentiation of place:* No place can (or should) be everything to everyone, yet many place branding initiatives attempt just this. Developing a clear brand image built on sources of sustainable differentiation and competitive value, and targeted to well-defined audiences, is critical to effective place branding.

What's required for place branding?

In order to create and implement an effective brand strategy places require:

- Agreement among key stakeholders on a shared vision of how their place will develop in the future and what it will offer of value to consumers

- Shared leadership and partnership between these stakeholders to define and realise their brand strategy
- A clear understanding of the current “de-facto” brand of the place among the stakeholders and how it was formed (i.e. its current offer)
- Action to connect the key stakeholders and enable them to work effectively in partnership
- “On-brand” actions that are taken by the stakeholders to demonstrate the brand and bring it alive, not just communications about it

Place branding stakeholders

Figure 1 below illustrates the key stakeholders who are required to work in partnership to create a place brand strategy. Places need to involve all of their key stakeholders who can invest in and communicate what is happening in the place and what they are doing to develop it in line with an agreed, shared, vision. All of those organisations and institutions that have a stake in the future development of the place need to be involved in the process. The investments they make in the development of the place, the actions they take and the communications they put out are all vital elements of how the story of the city will be communicated. The principle

channels through which a place commonly communicates are its tourism, its private sector, its government and public policy, investment and immigration, its culture and education, and its people. The policies of the government on, and the investment made by the private sector in, tourism facilities, attractions and its workforce communicate powerful messages about the place to potential visitors about how it operates.

Figure 1 – The Place Brand Hexagon©placebrands 2003



The scale and nature of investment in tourism, in cultural, the arts, and heritage, says a great deal about the extent to which the place

values tourism and how well it caters for and cares for tourists, cares for its environment and values its heritage.

The private sector often says a great deal about their place, about its ability to produce excellent products and services, about creativity and their leaders. It can say things to the external world about other aspects of the place such as the private sector's regard for sustainable development, its treatment of natural and human resources, its respect for its arts, culture and heritage.

How the place conducts its relations with other countries, regions or cities, businesses and institutions, communicates much about the values of the place and its rulers that can create distinct impressions in people's minds and alter their opinions about it. Similarly, perceptions of the place can be altered by the way its leadership treats its own citizens through their education, training, housing, social security, cultural and environmental policies and programmes, all of which can have an impact on business, and the attraction of tourists and foreign investment.

The pattern, scale and nature of investment in the place, by the government and by the private sector, both local and foreign, in

infrastructure – transportation, airports, docks, power and communications utilities, in human and economic infrastructures – in schools, technical institutes and universities, all sends messages to the population, potential residents (e.g. talent) and investors.

The culture of the place communicates a great deal about its values its arts, literature, traditions and heritage. Its heritage and how it is valued communicates how the population values its past. And the way in which landmarks are cared for and used says a lot about how the population values and cares for its environment. Investment in education and training says a great deal about how a place values its people as does the extent of private sector investment in the development of the workforce.

Finally, the population of the place communicates to visitors, as they interact with them, how much they value visitors, investors and each other. Community groups and NGOs demonstrate the role of the civil society in their community.

Some examples of place brands

There are a variety of place brands in the world, each emphasizing one or several elements of their offer of value to consumers in order to

distinguish themselves from their competition. For example, Spain has built its brand strategy on a combination of evolving and distinguishing characteristics commencing with being a new democracy, on its tourism, its culture, on sports (e.g. the Barcelona Olympics), and now on the development of new technologically advanced businesses, especially in the computer gaming and virtual reality sectors. In contrast, Ireland has built its brand on the creation of opportunities for foreign direct investment (FDI) supported by a favourable fiscal climate and the development of the skills and knowledge of its people and its Diaspora around the world. A similar variety can also be observed in city brands; for example the port city of Southampton in the UK is building a brand based on its role as a magnet for innovation, reflecting the reputation and expertise of its universities and key sectors, such as marine engineering; and the downtown area of Washington DC, its Business Improvement District, is building a brand as America's meeting place, recapturing and updating its heritage as a place where the public, private and not for profit sector come together for the common good.

What is place brand strategy?

A place brand strategy helps the key stakeholders of the place to chart a route towards realising their shared vision for the development of

the future offer of the place. It helps to define the value that will be created for those stakeholders, for example through increased income generated by sports events or from retail sales, from increased investment in land and buildings, from job creation and from the creation of new services. It provides a decision making tool for shareholders to identify really "on-brand" investments from among the many possibilities and opportunities on offer to them. And, it provides a set of guiding principles for everyone who is involved in bringing the brand alive, principles that help to determine the right actions, programmes, investments and communications about them.

Place brand partnership

To implement a brand strategy places need to create an effective partnership of their key stakeholders from the public, private and community sectors: national, regional or local governments, developers, investors, major employers and their business associations, further and higher education institutions, foundations, charitable organizations and community representative bodies, and the media. These people and the organisations they represent are crucial for the development and implementation of the brand strategy. Not only do they need to "own" the process, they need to be willing,

individually and with others, to invest in the implementation of the resulting strategy.

In all too many places our experience is that many stakeholders fail to understand that partnerships and their leadership are complex and need to be worked at if they are to be effective. Good leadership is central to the success of partnerships, especially those uniting the public, private and community sectors. The leadership of partnerships dealing with place brand strategies is different from leadership of private companies and public organisations. Place brand partnerships are not like central government departments, or local government or private companies or voluntary, community and charitable organisations. They are a hybrid form of organisation. Their characteristics are determined by those who set them up, the purpose for which they were created and by those who form the team that leads the work of the partnership, the key stakeholders of the place. The form of partnership organisation and operation is rarely a given. It has to be negotiated and agreed by those who are going to be involved. Brand partnership has to be worked at. If partnership is "the glue that knits" diverse interests together to undertake projects that they cannot do by themselves, then the way they are led and who participates in that leadership is of profound importance.

A place brand partnership is commonly composed of a Brand Leadership Team – senior top level decision makers drawn from the place's key stakeholders – government politicians and civil servants, private sector CEO's, directors of community and not for profit organizations and senior representatives of the media, and a Brand Development Team - action takers drawn from the same key stakeholder's organisations who take responsibility for implementation.

Creating a place brand strategy

To create a brand, the key stakeholders need to undertake a rigorous and robust process of strategy creation and implementation. This is not like an advertising campaign of a short duration. It can take between six and nine months to create a brand strategy depending on the size and complexity of the place. And the resulting strategy can be for a period of between five and fifteen years depending on the nature of the scale of ambition of the place and how much needs to change to realise it.

The process commonly consists of three stages, initiation, vision and strategy, and marketing and implementation:

- Stage one, *initiation*, consists of identification of the key stakeholders and their formation into a brand partnership – a brand leadership team and a brand development team, and their developing a good understanding of what place branding involves and its potential benefits.
- Stage two, *vision and strategy*, consists of an assessment of the status quo of the place to create an understanding of the current, “de-facto” brand, and the creation of an agreed vision for the future development of the place. To understand its current brand the partnership needs to analyse the internal factors that contribute to and shape the brand’s manifestations, and then conduct an analysis of the external factors that shape the way in which the place is experienced, perceived and recognised by specific target audiences around the globe. In parallel the stakeholders need to create and agree a shared vision of the future planned offer of value of the place to consumers and investors, internal and external. This needs to be followed by the development of alternative scenarios for a brand strategy to help realise the vision, the selection of a scenario for detailed development and then its testing in target markets.
- Stage three, *marketing and implementation*, involves the creation of a detailed marketing strategy consisting of on-brand actions (investments, developments, events, programmes, etc.) that bring

the brand alive and communications about them; a detailed implementation plan - costed and scheduled; proposals for brand strategy management – designing the most suitable form of organization, its staffing and its activities, and its monitoring and evaluation – determining and tracking the key indicators of the brand and acting on them.

The Case Study – Overhoeks North Amsterdam

Just a few hundred metres across the river IJ from Amsterdam Central Station lies a large area which until recently was occupied by Shell Research. Shell's New Technology Centre (NTC) is currently under construction and will require some 20 ha less space than the old facility. The surplus land has been sold to the city of Amsterdam. A consortium consisting of ING Real Estate (the world's second largest real estate developer) and Ymere (a local housing corporation) have been awarded the contract to redevelop the area to provide, housing, offices, cultural and entertainment facilities. Vesteda (a private sector rental housing company) and the Dutch National Film Museum have also committed themselves to the area.

This eclectic group of stakeholders, while all having their own specific goals, needs, ambitions and plans for the area, realised that they had a common interest in seeing this regeneration succeed - its size and location make it of national as well as local importance. Placebrands was appointed by ING Real Estate to work with the stakeholders to form and run a Brand Partnership, consisting of a Brand Leadership Team of senior decision-makers and a Brand Development Team consisting of their key managers, which is responsible for implementing strategy and management.

The objectives agreed for the project were:

- To position the area as more than just a successful construction project – rather the birth of a new quarter of the city of Amsterdam with its own distinctive character
- To provide the area with sustainable competitive advantages over other parts of the city
- To change current perceptions of the area to being an appealing, pleasant and lively part of the city
- To take the first step towards establishing North Amsterdam as a valued and integral part of the city
- Ensure that the area and its activities are seen as a contribution to the life and appeal of the whole city

Working closely with the Brand Leadership Team, we formulated a shared vision for the future of the area as a lively, smart (in both senses of the word), progressive and creative area that complements the well-known assets of the Amsterdam inner city and challenges the conventional image of North Amsterdam as a dull, drab and deprived area. With the Brand Development Team we designed a brand strategy that takes as its shorthand the expression 'alive & kicking'. This strategy describes a place that is differentiated from the rest of the city by its unique high-rise skyline and its waterfront park, is identified by its lively, buzzy atmosphere, and is personified by its friendly, creative and stimulating personality.

This brand strategy influenced the municipality's urban plan to incorporate restaurant facilities and a small harbour on the waterfront. It influenced the architecture to combine modern buildings and landscaping with a sense of Amsterdam authenticity as well as elements that surprise and encourage exploration of the area. It guides the development programme for the area to include new cultural institutions, a designer hotel and public spaces suited to small and medium-sized music, theatre and film events. It also helped the developers of the area to pick and choose businesses and institutions

that are 'alive & kicking' themselves, ranging from TV production companies to sustainable energy entrepreneurs and fashion designers.

In the words of Anneke de Vries, Managing director of ING Real Estate development, "Placebrands has enabled our partnership of developers and public bodies to realise a truly imaginative and realisable strategy for the development of Overhoeks that will result in the creation of an area that will significantly add to the reputation of Amsterdam. They have created an entirely new way of envisaging and planning for the transformation of major city areas."