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Research Paper

Attributes of Milan influencing city brand attractiveness

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ABSTRACT

This paper provides practical implications for local and global place marketing and management, focusing on the case of Milan's efforts to identify opportunities to enhance the city's perceived image in order to attract talent. By exploring different dimensions of the city's image, the authors provide an analytical technique for quantifying the competitive structure of Milan and its ability to attract talented people. A structural equation model is implemented to evaluate the drivers that affect the city's attractiveness to talented people. The results suggest that the most crucial attributes influencing Milan's ability to attract talent are culture and education. Social services, healthcare, tourism and internationalisation level are less important but positively affect attitudes towards the city brand. Additionally, the quality of environment has a negative impact, while job opportunities and safety are irrelevant.

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1. Introduction

In recent decades, place management and branding have played an increasing role in influencing the competitiveness and attractiveness of cities and metropolitan areas. 'Cities increasingly compete for attracting investors, companies, tourists, new citizens, and most of all qualified workforce – so called talents' (Zenker, Eggers, & Farsky, 2013, p. 133). Several authors have also recently emphasised the development and competitive aspects of urban planning (Anholt, 2007; Aronczyk, 2008; Kavaratzis, 2005; Zenker, 2009; Zenker, Eggers et al., 2013). Though evidence shows that a city's competitiveness and attractiveness depend on effective definition, communication and management of the city's image (Ashworth & Kavaratzis, 2009), the quality of destination has been emphasised as a factor that influences a city's competitiveness and the degree to which it attracts talent (Darchen & Tremblay, 2010).

The brand attitudes that residents and potential residents hold with respect to a particular city are crucial for defining a city's attractiveness capacity. There are several city attributes that influence city brand attitudes (Merrilees, Miller, & Herington, 2009) including its international, economic, social, healthcare, security, educational, environmental, touristic and cultural features. Moreover, city branding needs to involve and merge the interests of several stakeholder groups, such as resident citizens (Braun, Kavaratzis, & Zenker, 2013), potential residents, tourists (De Carlo, Canali,

Pritchard, & Morgan, 2009), talented people (Darchen & Tremblay, 2010; Zenker, 2009), companies, entrepreneurs and investors (Yusuf & Nabeshima, 2005). Place marketing has to integrate the needs of different stakeholders to create positive local and global perceptions and attitudes (Fetscherin, 2010). The quality of place depends on the positioning of the city in the minds of people, and this perception can be prejudiced by the different perspectives and interests of various target groups (Zenker, Knubben, & Beckmann, 2010). According to Merrilees et al. (2009), for instance, city brand attitude depends on residents' (and potential residents') perceptions of the city as a place to live and businesses' perception of the city as a place to invest. According to Zenker (2009), some of these interests may also mix, so that attracting talented and creative people can improve a city's general attractiveness for investors and companies. In this sense, highly skilled people also contribute to creating value for a city, improving its reputation and encouraging its internationalisation.

In this study, the perception of talented people is specifically examined with respect to the brand-building process. However, based on Zenker's suggestion that 'Even though the competition for members of the creative class can be regarded to be a global challenge, the most successful strategy might be to address national subgroups with a culture specific focus' (2009, p. 30), we focus on local talented people living near the city and visiting the city at least occasionally.

This research study focuses on the Milan metropolitan area, firstly because there is a significant gap in the literature in this regard; that is, there is a lack of case studies (Kavaratzis & Ashworth, 2006); and secondly because, currently, Milan is in the world spotlight for hosting Expo 2015. Furthermore, at the

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local level there are plans to enhance urban planning in order to increase international relevance and competitiveness by exploiting the visibility and economic benefits of this global event. The purpose of this paper is to analyse the dimensions that affect urban quality of life insofar as they, in turn, influence the city's capacity to attract talented people, such as young entrepreneurs, international businessmen, highly educated people and specialised workers. In so doing, the papers aims to determine some practical implications for local and global place marketing and management.

The research study involved a specific target sample ($n=574$) of potential talented residents aged between 25 and 45 years old. A 10-point Likert scale questionnaire was used to evaluate city attributes that are likely to affect urban attractiveness. Based on an extended model of Anholt's City Brand Index, a structural equation model (SEM) was implemented to evaluate the drivers of Milan's capacity to attract talent. These drivers include social, economic, international, human, touristic, cultural, healthcare, environmental and security aspects.

The paper is organised as follows. In the first section, we discuss common place-marketing approaches for measuring place and city brand perceptions. In the second, we focus on urban attributes that affect quality of life and the city's attractiveness for talented potential citizens. Further, an extended city brand index is defined, based on nine main factors that affect city brand perceptions, in order to assess the attractiveness of Milan. In the third section, the sample, questionnaire and variables are defined and explained. Finally, we discuss the results and the practical implications for place marketers.

2. Theoretical framework

Place branding is a relatively new field of academic research. It arose from a general conceptualisation based on the features of place promotion and progressively evolved into an approach based on a strategic planning framework for place marketing (Ashworth & Voogd, 1990; Kotler, Bowen, & Makens, 2003). Kavaratzis (2005) noted an evident shift from promotion towards branding and marketing. In particular, the author summarised some emerging emphases in the discussion, such as place of origin, nation, culture and entertainment, destination and place/city branding. Branding has become a critical aspect of place marketing and, consequently, a growing body of research and practice around place branding has been developed. In the last decade, a number of different place branding and management approaches have been identified and discussed. These include relational network branding, city image communication, model of destination branding, the destination branding process, the 7A destination branding model, city brand management, and the strategic place brand-management model. Such models respectively attempt to develop a branding process based on place brand evaluation, brand infrastructure relationships, stakeholder engagement, place brand articulation and brand communication.¹ Even though none of them is exhaustive or broadly adopted, they underscore the importance of place marketing as a crucial asset for urban development and competitiveness (Ashworth & Kavaratzis, 2009). Similarly, the increasing relevance and competitiveness of city brand images is also supported by the development and popularity of city brand rankings such as the Anholt's City Brands Index (Anholt, 2006) or the Saffron European City Brand Barometer (Hildreth, 2011).

In the more recent models, the similarity between corporate and city/place branding has been emphasised (Kavaratzis, 2005; Kavaratzis, 2009; Kotler & Gertner, 2002; Merrilees et al., 2009; Merrilees, Miller, & Herington, 2012) through the extension of the stakeholder perspective from the corporate to the city level. This suggests that city brand image is influenced by multiple identities and conflicting interests among different stakeholders (Merrilees et al., 2009; Gopalan & Narayan, 2010; Trueman, Klemm, & Giroud 2004). This is critical because it leads local decision-makers to establish the primary target-goal and then to define the strategic plan for improving city image perception based on that target. In so doing, it is crucial to understand the values, needs, preferences and behavioural choices of the various target groups (Anholt, 2006; Kotler et al., 2003; Zenker, 2009). The theoretical supposition that different stakeholders have different brand image perceptions (Fitchett, 2005) has been empirically validated in recent studies, such as those of Merrilees et al. (2012), Zenker et al. (2010) and Virgo and de Chernatony (2006).

Based on the stakeholder perspective and the increasing focus in recent years on the city's capacity to attract and retain talent, this study points to a model that is able to assess the city attributes that affect city image with respect to talented people. The model provides preliminary data on image/brand perception, which are necessary to define and apply an integrated planning communication.

2.1. Potential citizens and talents

Localities need to continuously invest in human capital in order to remain competitive. Michaels, Handfield-Jones, and Axelrod (2001) discussed the 'war for talent' between cities and regions. The authors indicate that a location's workforce can drive local economic development. As such, human capital models focus on the importance of highly educated and professional workers. Florida (2002, 2008) refers to a so-called *creative class* and argues that it plays a crucial role in enhancing the economic and social development of cities. Based on the economic development externality model, the greater the number of individuals located in a place, the greater the number of externalities there tend to be. The ability of a place to specialise and export depends heavily on talented people and their integration with and interaction in the local economy (Markusen, 2004).

Similarly, Cortright and Coletta (2006) outlined the crucial role of the presence of highly educated individuals in cities. Their study detailed how the high concentration of talented young people makes metropolitan areas more attractive to other young talented people. Young and educated capital resources can provide a social driver for change or economic regeneration of cities (Porter, 2011).

Talented individuals with high levels of education and professional skills are likely to locate in places which support their productivity and host other talented people able to foster an interactive process of knowledge-sharing and transfer (Florida, 2002, 2005; Smith, Glasson, & Chadwick 2005). Moreover, attracting talented and creative people positively affects a city's general attractiveness to other stakeholders, such as investors and businesses (Zenker, 2009).

Since the relationship between the self-employment rate and educational attainment is shown to be U-shaped (Poschke, 2013), a city's ability both to encourage young talented people to become entrepreneurs and to attract highly educated people with specialised skills is important. In this sense, understanding what young talented individuals and professional skilled workers like in the place where they live is crucial for attracting talent. Florida (2002) explored the vital role of the creative class, focusing on the appeal of diversity and the importance of lifestyle amenities in attracting individuals to a place. According to the author, improving the soft

¹ Hanna and Rowley (2011), in their study, summarised most of these approaches and outlined the main differences.

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