



Assessing managerial methods for evaluating place brand equity: A qualitative investigation



Staci M. Zavattaro ^{a,*}, Joshua J. Daspit ^{b,1}, Frank G. Adams ^{c,2}

^a Mississippi State University, P.O. Box PC, Mississippi State, MS 39762, USA

^b Mississippi State University, P.O. Box 9581, Mississippi State, MS 39762, USA

^c Mississippi State University, P.O. Box 9582, Mississippi State, MS 39762, USA

H I G H L I G H T S

- DMO managers are using proxies to evaluate consumer-based brand equity.
- Managers are not linking proxies directly to brand equity.
- Absorptive capacity lets managers link what they evaluate to brand equity.

A R T I C L E I N F O

Article history:

Received 3 February 2014

Accepted 29 August 2014

Available online 27 September 2014

Keywords:

Place branding

Brand equity

Qualitative interviews

Absorptive capacity

City marketing

A B S T R A C T

How DMO managers should evaluate success is a topic of much scholarly debate. Increasingly, there is a suggestion to integrate brand equity into place branding scholarship and practice, so this study aims to understand how DMO managers are using the construct, if at all. We conducted semi-structured interviews with 12 managers in a Southern U.S. state, and our results suggest that managers do not directly use consumer-based brand equity scales and instead use proxy measures that parallel with brand equity's components. We labeled these proxies revenue, web and social media analytics, benchmarking, and visibility. Problematically, managers do not link these proxies to mechanisms for creating brand equity. We suggest incorporating absorptive capacity as a way forward for managers to better link knowledge gathered with brand equity.

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1. Introduction

As destinations turn toward branding and marketing strategies in light of increased global competition, it becomes important for brand managers to have accurate evaluations of their success to better align usually limited resources with practices that can increase tourism to the destination (Jacobsen, 2012; Zenker & Martin, 2011). Collecting, analyzing, and reporting data related to place branding and marketing success is indeed a lofty goal, and as such, the United Nations World Tourism Organization (UNWTO) released a report recommending standardized evaluations across

destinations from both the supply perspective (destination) and demand perspective (tourist) (United Nations, 2010). One common determinant of brand success now being imported into place branding literature is brand equity, which typically is evaluated from a consumer perspective and assesses a person's willingness to pay a premium price for a branded product over a non-branded alternative (Gartner & Ruzzier, 2011).

Integrating corporate marketing practices and theories into place branding scholarship can enhance theoretical development within the discipline (Kavaratzis, 2005, 2009), but like any theory applied within the context of public organizations, challenges remain to ensure the conceptualization of brand equity captures both rational and affective dimensions inherent in place branding (Anholt, 2007). Consumer-based brand equity usually is evaluated along four dimensions: brand awareness, brand associations, perceived brand quality, and brand loyalty (Buil, Martinez, & de Chernatony, 2013). In an ideal situation, place brand managers would utilize existing consumer-based brand equity scales (i.e. Yoo, Donthu, & Lee, 2000) to conduct holistic research into all of

* Corresponding author. Tel.: +1 662 325 4614.

E-mail addresses: smz35@msstate.edu (S.M. Zavattaro), josh.Daspit@msstate.edu (J.J. Daspit), fadams@business.msstate.edu (F.G. Adams).

¹ Tel.: +1 662 325 3928.

² Tel.: +1 662 325 3163.

the brand equity elements via deployment to myriad stakeholder groups, then transform that knowledge into organizational and/or marketing improvements. Resource constraints and access to existing scales, however, often make such big-picture evaluations of consumer-based brand equity difficult. Additionally, taking only external evaluations of brand equity leaves out internal organizational employees and the roles they play in developing and maintaining brand equity (Burmman, Jost-Benz, & Riley, 2009).

With those constraints in mind, the purpose of this paper is to understand how place brand managers are taking steps to evaluate consumer-based brand equity, if at all. Such an inquiry responds to calls in the literature to better connect place branding theory and practice by asking practitioners how scholarly constructs manifest or not (Burmman et al., 2009; Hanna & Rowley, 2013; Pike, 2007). Considering scholarship is pressing for brand equity as a means to evaluate success (Jacobsen, 2012), as well as better measures of branding success in general (Zenker & Martin, 2011), it becomes important to understand how managers *actually* evaluate success instead of imposing certain schema that might not be realistic in practice. Based upon results of a content analysis of 12 semi-structured interviews with place brand managers throughout a Southern state within the United States, it was found that managers are *not directly employing* consumer-based brand equity constructs and scales but instead are using simple proxies that *relate* to brand equity's dimensions. We termed these proxies: revenue, web and social media, benchmarks, and visibility.

None of the managers interviewed for the study mentioned the term brand equity when detailing how they evaluate success. With that in mind, we delved deeper into the data to discern patterns of how managers are getting information from consumers about aspects of their brand, in the absence of using brand equity and its associated scales. Our proxies surfaced as the mechanisms. While seemingly simplistic, managers are deploying these proxies, so it is incumbent upon scholars to offer mechanisms for refinement, improvement, or how to link the managers' evaluative tools *explicitly* to creating brand equity. As a way forward, we rely upon dynamic capabilities, specifically absorptive capacity, as the means through which managers can think about shoring up existing knowledge management programs to better link findings from these proxy evaluations to how they can create and leverage brand equity.

Put simply: place brand managers use easily understood and readily gathered proxies that evaluate aspects of consumer-based brand equity success because time, budget, and personnel constraints often prevent holistic evaluations of large stakeholder groups utilizing existing scales. The problem, though, is that managers are not translating these proxies into leverages for fostering brand equity, thus leaving an avenue for future investigation based on these findings. Considering that consumers ultimately drive a place brand's success (Anholt, 2007), our findings give a picture of how managers of local destination marketing organizations (DMOs) evaluate success, thus giving scholars and practitioners alike avenues for future exploration.

Our paper begins with a brief overview of place branding and how brand equity fits within that literature. We then detail our study methods before presenting results, which we organize in line with brand equity's four main components. Next, the paper provides four proxies managers in our study are using to approximate their influence on brand equity. Finally, we a framework for how absorptive capacity can move managers forward with brand evaluation programs. The framework presented in Fig. 2 opens up myriad avenues for future research within place branding and marketing studies.

2. Place branding and brand equity

With any brand, the goal is to attract and retain customers to ensure brand and product success. Kotler and Levy (1969) translated the idea of product marketing into the service realm, noting that places and services are marketed similarly to products. A museum, for example, has to promote its exhibits and classes to motivate visitors to consider it over other local entertainment options. Place branding often involves incorporating corporate-based marketing techniques into cities, regions, states, and/or nations (Anholt, 2007; Govers & Go, 2009; Kemp, Childers, & Williams, 2012). Places, for better or worse, generally have an extant image in consumers' minds (Anholt, 2007; Kemp et al., 2012), so place brand managers are tasked with altering – or building upon – the image of the location (Gertner & Kotler, 2004), which influences the place brand equity.

Branding places generally becomes more complicated than branding a product because of the myriad stakeholders involved (Balakrishnan, 2009; Hankinson, 2004; Kavaratzis, 2012; Kavaratzis & Hatch, 2013; Kemp et al., 2012; Zenker & Martin, 2011). For example, stakeholders can be as varied as large corporations, small businesses, residents, tourists, families, hospitality professionals, and students to name a few. Effective place branding campaigns combine a place's tangible, unique elements with affective, emotion-based elements, and seek congruence between brand identity and the image various stakeholders perceive (Hankinson, 2007; Kavaratzis & Hatch, 2013). The referenced congruence is a balance between image and substance (Grunig, 1993), suggesting that brands are socially constructed phenomena (Kavaratzis & Ashworth, 2005). Alignment of identity and image is critical, as identity is what place managers craft and “is about the ethos, aims and values that present a sense of individuality differentiating the brand” (de Chernatony, 1999, p. 166), while image is how consumers perceive the brand.

Usually, a lead DMO is responsible for creating an overall place brand strategy. Lead DMOs can be nations, states, local governments, or specific tourism entities (such as a Convention and Visitors Bureau). Different economic and political viewpoints will influence the level of involvement of DMOs within creating branding strategies (Webster, Ivanov, & Illum, 2009). In other words, more market-minded political economies might take a *laissez-faire* approach to building tourism, though subsequent research has found that highly competitive destinations do not necessarily contribute to overall local economic growth (Webster & Ivanov, 2014). Considering that most of the organizations in our study were named CVBs (though we utilize the term DMO throughout to capture the different nomenclatures of the organizations), we provide an extremely brief background on local CVBs to situate the context.

CVBs typically are not-for-profit organizations that, through legislative authorization, represent specific geographic areas with the goal of increasing long-term development opportunities through a comprehensive travel and tourism strategy (Koutoulas, 2005). CVB managers facilitate tasks and activities such city identity development, industry and public sector stakeholder coordination including meeting and group planners, information repositories, community liaison, and leadership (Getz, Anderson, & Sheehan, 1998). Managers, then, become a “Jack of all trades,” especially within smaller organizations. In all, CVBs function to generate economic development opportunities for the place through a focus on increasing business development and tourism (Pike & Page, 2014). Some DMOs are subject to sunset provisions written into authorizing legislation, which means that organizations could lose their legislative appropriations as well as hospitality tax funding (André, 2010). Therefore, an important part of the

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