



## Differences in the city branding of European capitals based on online vs. offline sources of information



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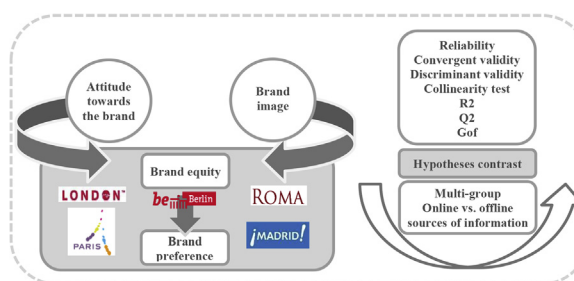
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### HIGHLIGHTS

- City branding in five European capitals.
- Differences between offline and online media brand equity.
- Brand equity influences on the preference for a city destination.
- Balance required among traditional and internet tools.

### GRAPHICAL ABSTRACT



### ARTICLE INFO

#### Article history:

Received 3 May 2016

Received in revised form

3 October 2016

Accepted 10 October 2016

#### Keywords:

City branding

Brand equity

Multi-group

Western European capitals

Online

Offline

### ABSTRACT

This study analyzes city branding in five European capitals and compares the brand equity generated through online and offline media. Specifically, this study is intended to fill this gap by proposing a multi-group analysis that presents the differences in brand generation and destination preference. The study focuses on divergences in the backgrounds, components, and consequences of brand equity based on the use of online or offline media. The empirical application is performed on the basis of a sample of 225 visitors who have traveled to the following five European capitals: London, Paris, Berlin, Rome, and Madrid. To evaluate the measurement model and contrast the hypotheses, we use partial least squares regression. The results of the study reveal relevant recommendations for tourism managers regarding city brand recognition, loyalty, and the equilibrium between offline and online tools to maximize brand equity.

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## 1. Introduction

Increased competition between destinations has led to a great

amount of interest in the management of brands representing locations and the implementation of measures that allow for greater differentiation (Bickford-Smith, 2009; Sahin & Baloglu, 2014). As a result, new concepts that refer to brands applied to territories such as place marketing, place branding, and city branding have appeared (Zenker & Beckmann, 2013). Specifically, city branding refers to the study and management of brands representing cities and encompasses the study of several concepts linked to branding. One of the most widely used is the analysis of brand equity, i.e., the

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value generated by a brand of a product or service (Aaker, 1991). Several authors indicate that the value of a brand is a relevant concept in city branding (Kladou & Kehagias, 2014; Zenker, 2011). This term is complex to analyze and measure, especially when it applies to destinations (Berry, 2000). Therefore, most research is based on theoretical content (Zenker, 2011) and not on measurements applied to brand equity. However, some authors indicate that the implementation of models that allow for the quantification of brand equity represents a critical opportunity for destination decision-making (Hankinson & Cowking, 1993).

Conventional or offline advertising tools such as brochures, fairs, newspapers, and magazines have traditionally been the main tools used to create brand equity for products in general and for destinations in particular. However, taking into account the relevant nature of online spaces, coming to know how the use of online communication channels influences the brand equity of cities is an area of interest (Hanna & Rowley, 2015). In other words, determining the existence or non-existence of differences in the city branding of cities based on their use of online or offline information sources is of great interest. This aspect is key for the design and implementation of appropriate strategies in tourist-dependent cities. A review of the literature reveals that online branding is a necessity for cities that wish to compete in a global market and be international destinations (Björner, 2013). The most visible face of online branding strategies may be webpages and social media networks, among other aspects. In that sense, having an official webpage has become an essential tool in city branding, and cities are increasingly using social networks in their branding strategies (Paganoni, 2012). Virtual communities are increasingly acting as a global showcase in which users actively participate by exchanging information (Callarisa, Sánchez, Cardiff, & Roshchina, 2012). However, despite the importance of the Internet in positioning destinations, not all consumers have direct contact with the network. As a result, some authors even point to possible differences between offline and online search behaviors and the consequences for the generation of city brand value (Levin, Levin, & Heath, 2003; Levin, Irwin, & Weller, 2005), although the number of empirical studies that contrast this aspect is reduced. The existing research is especially focused on aspects such as the purchasing behavior of tourist services (Roldán-Cataluña, Arenas-Gaitán, & Ramírez-Correa, 2015), but there are no relevant studies that compare aspects that are directly linked to brands, which have been studied in other services such as banking (Leelakulthanit & Hongcharu, 2011; Yap, Wong, Loh, & Bak, 2010).

After addressing the relevance of analyzing brand equity for destinations by taking into account the differences in information sources, an analysis was conducted to define the details of the empirical application. First, given that it is the most visited region in the world, Europe was selected. With an increase of 4%, it received 22 million more tourist arrivals during 2014 than in the previous year, reaching a total of 585 million tourists (UNWTO, 2015). Second, it was decided to focus the study on cities because of the importance of urban tourism in the socioeconomic context, given that it is presented as an opportunity to diversify and deseasonalize certain countries identified by a specific type of tourism (Wöber, 2014). To select the cities, the number of nights stayed in each city was considered. Third, given their leading role in brand equity studies that focus on destinations (Callarisa et al., 2012), it was considered appropriate to study the opinions of visitors.

For these reasons, the primary objective of this article is to analyze and evaluate city branding in European capitals from the perspective of visitors, focusing on the differences in brand equity based on the manner in which visitors search for city information. To that end, we propose an empirical application based on the

analysis of the following five European capitals: London, Paris, Berlin, Rome, and Madrid. In particular, we define the main components, historical background, and consequences of brand equity in the destinations to determine the principal differences, based on the use of online or offline resources, in brand creation and the attraction of tourists, i.e., between visitors who use the Internet as a search tool and those who use offline sources of information.

## 2. Literature review

### 2.1. City branding and brand equity

A brand is defined as the attributes that are linked to the name and logo associated with the personality of goods and that favor a unique positioning (Aaker, 1996). This concept applies to both products and services and especially to territories (countries, regions, and cities) (Hankinson & Cowking, 1993). The concept that identifies the brand as applied to locations is designated place marketing or place branding, and when applied to cities, it is known as city branding (Kavaratzis, 2004; Kotler & Gertner, 2002). City branding arose in the 1990s as a result of increased competition between destinations (Kavaratzis & Ashworth, 2006). For these authors, it is a very useful instrument for managing cities and identifying opportunities and threats for each location.

Research on city branding addresses different topics, such as brand management (Bickford-Smith, 2009); global brands from the corporate perspective (Parkerson & Saunders, 2005); marketing tools for destinations (Sahin & Baloglu, 2014); city branding typologies (Marceau, 2008); brand image generation (Middleton, 2011, pp. 15–25); and the study of brand equity (brand value) (Kladou & Kehagias, 2014; Zenker, 2011).

Brand equity is a widely studied concept in the context of city branding (Zenker & Beckmann, 2013). The conceptualization of this term can be analyzed from different perspectives. From the economic point of view, brand equity is defined as monetary benefits or results that a brand provides to organizations (Buil, Martínez, & de Chernatony, 2013). Brand equity represents the monetary value minus the resources required to obtain it (Aaker, 1991, 1996). The role of the brand is consequently linked to the asset of companies that promotes the generation of cash flow (Biel, 1992). From the consumer or promotional perspective, brand equity represents the value of brands in customers' minds (Keller, 1993). Difficult to measure, the term is defined as the set of assets and liabilities linked to a brand (Aaker, 1996).

Although there are different opinions regarding its measurement, most authors define it as a construct formed by a range of diverse dimensions (Keller, 1993). In general, recognition, loyalty, perceived quality, and associations (including brand image and perceived value, among others) are the dimensions included in most research studies (Aaker, 1991, 1996; Keller, 1993; Veloutsou, Christodoulides, & de Chernatony, 2013). Studies on brand equity regarding tourist destinations consider these same dimensions by making specific adaptations due to the intangible nature of destinations (Boo, Busser, & Baloglu, 2009; Kim, Hyunjung, & King, 2015; Konecnik & Gartner, 2007; Zavattaro, Daspit, & Adams, 2015).

On that basis, this study uses three dimensions to measure brand equity: recognition, loyalty, and perceived quality; and brand image has been evaluated as an antecedent, following the contributions of Faircloth, Capella, and Alford (2001). In addition, we consider attitude towards the brand as a second antecedent because, for the value of a brand of a product of service to be high, it is necessary to have a favorable attitude and a solid brand image (Farquhar, 1989). Finally, we estimate that the preference for a brand is developed as a direct consequence of brand equity because the positive evaluation of this concept generates a preference for

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