Improving place reputation: Do an open place brand process and an identity-image match pay off?

Erik Braun[a,*], Jasper Eshuis[b], Erik-Hans Klijn[c], Sebastian Zenker[d]

[a] *Erasmus School of Economics, Erasmus University Rotterdam, Room H16-17, P.O. Box 1738, 3000 DR Rotterdam, The Netherlands*
[b] *Department of Public Administration and Sociology, Erasmus University Rotterdam, Room T17-36, P.O. Box 1738, 3000 DR Rotterdam, The Netherlands*
[c] *Department of Public Administration and Sociology, Erasmus University Rotterdam, Room T17-41, P.O. Box 1738, 3000 DR Rotterdam, The Netherlands*
[d] *Department of Marketing, Copenhagen Business School, Room D3.39, Solbjerg Plads 3, 2000 Frederiksberg, Denmark*

1. Introduction

Nowadays, cities are aware of the merits of their brand (Merrilees, Miller, & Herington, 2012) and thus strive to conceptualize themselves as brands (Medway & Warnaby, 2008). Indeed, several scholars (e.g., Braun, 2012; Eshuis & Klijn, 2012; Kavaratzis & Hatch, 2013) recognize that place branding has become 'business as usual' for cities in their efforts to enhance their attractiveness for various target groups like visitors and firms. In general, place branding aims to increase place brand awareness and improve the place (brand) image (Braun, Eshuis, & Klijn, 2014; Kavaratzis & Ashworth, 2005; Zenker & Beckmann, 2013). According to Anholt and Hildreth (2005), a place brand is essentially "nothing more and nothing less than the good name of something that's on offer to the public" (p. 164). Hence, place branding is one of the urban policies affecting a place's reputation.

This article explores how place reputation is affected by two strategies that are frequently incorporated in a strategic place branding framework. The first strategy involves stimulating an open discussion and debate in the process of developing and implementing the place brand (Aitken & Campelo, 2011; Braun, Kavaratzis, & Zenker, 2013; Warnaby, 2009). Like other urban policies, place branding involves a high number of stakeholders with different interests and preferences regarding the place brand content and process (Braun, 2008; Eshuis & Klijn, 2012). In fact, the place branding literature has devoted considerable attention to increasing stakeholder involvement (Kavaratzis & Kalandides, 2015; Klijn, Eshuis, & Braun, 2012; Zenker & Erfgen, 2014). The second strategy concerns the match between the (brand) identity and the communicated image (Braun, 2012; Florek, Insch, & Gnoth, 2006; Hankinson, 2004; Kavaratzis & Ashworth, 2005; Kavaratzis & Hatch, 2013). The idea – referred to as gap reduction in the general branding literature (De Chernatony, 1999) – is that a better match between identity and image makes the place brand more authentic and genuine. This paper analyzes the effect of these two strategies on the reputation of a place both directly and when mediated by place brand adoption and the level of conflicts among stakeholders. The empirical data come from a survey among professionals and city officials who are active in place marketing and/or place branding in the Netherlands and Germany.

2. Theoretical framework

2.1. Branding the place: a matter of governance

City governments cannot brand places on their own. Firstly, they lack the resources to do all brand development and communication. Secondly, the place brand depends not only on governmental actions and communications, but also and especially on the actions and communication of the place's many private organizations, societal organizations, residents and visitors. Therefore, like most urban policies, place branding is a matter of governance in a network of actors, dependent on stakeholder input to address policy problems (Klijn & Koppenjan, 2016). The governance literature emphasizes that these processes must be managed in order to achieve good outcomes (Klijn, Steijn, & Edelenbos, 2010; McGuire & Agranoff, 2011), which makes stakeholder management imperative for place branding (Klijn & Koppenjan, 2016; McGuire & Agranoff, 2011).

Another main characteristic of governance processes is substantial complexity. There is often fundamental uncertainty regarding the nature and magnitude of both the problems involved and their possible solutions. The literature on place branding highlights substantial complexities both in the place branding governance (Braun, 2012; Hanna & Rowley, 2011; Klijn et al., 2012) and the place brand content (Braun, 2012; Kavaratzis & Kalandides, 2015; Zenker, Braun, & Petersen, 2017; Zenker & Petersen, 2014). The two aforementioned strategies investigated in this article have to deal with these complexities of governance and brand content.

2.2. Place reputation: the dependent variable

Reputation reflects people's collective attitude toward something – in this case, a place. Such a regard allows organizations or places to counteract competition and offer intuitive, relevant and customized value to target groups (Abimbola, 2009). In the corporate reputation literature, it is argued

that reputation is a more stable indicator of performance than (brand) image (De Chernatony, 1999; Fombrun & Van Riel, 1997). In this regard, image only concerns more recent perceptions, whereas reputation is distilled from multiple images over time (Fombrun & Van Riel, 1997). In other words: "reputation requires nurturing through time and image consistency" (Markwick & Fill, 1997, p. 398). Reputation is crucial, as it is a key driver of people's attitudes and behaviors toward a particular object (Schultz, Hatch, & Larsen, 2000). Translating these insights to places, one could contend that a place's reputation is the composite of its past developments, investments, actions, achievements and place (brand) images. The reputation changes over time, but is overall less volatile than place image. Place reputation can be seen as influential over decisions regarding investment, residential location, and tourism.

2.3. Stimulating an open place brand process

The first strategy for influencing place reputation is stimulating an open place brand process, characterized by open discussion and debate about the development and implementation of the place brand. The governance literature highlights that stakeholder involvement enhances discussion and dialogue, resulting in more varied problem definitions and better solutions (Huxham & Vangen, 2005; Klijn & Koppenjan, 2016). Likewise, the place branding literature suggests that increasing stakeholder involvement enriches the place brand (Hankinson, 2010; Kavaratzis & Hatch, 2013; Klijn et al., 2012). Additionally, an open dialogue about the brand allows stakeholders to influence the brand, and this added involvement and commitment inclines them to embrace the final brand image (Eshuis & Klijn, 2012; Zenker & Erfgen, 2014) and ultimately become brand ambassadors. Consequently, stakeholder involvement will increase word-of-mouth and support for the brand (Kavaratzis & Hatch, 2013; Warnaby, 2009), thereby enhancing place reputation. This overlaps with empirical findings from governance research that stakeholder involvement has positive effects on network performance (Klijn & Edelenbos, 2013). These insights lead to the following hypothesis:

H1. An open place brand process has a direct positive effect on place reputation.

2.4. Stimulating a better match between brand identity and image

The second strategy for affecting place reputation involves stimulating the match between brand identity and the communicated image. This communicated image should reflect the place (brand) identity (Kavaratzis & Ashworth, 2005; Trueman, Klemm, & Giroud, 2004; Ward, 2000), which resonates with the recurrent theme in the literature that place brands should be authentic (Aitken & Campelo, 2011; Hornskov, 2007) or genuine (Braun, 2012). If the communicated image is not in line with the reality that people encounter in a city, people may feel betrayed and develop negative associations with the city, thereby harming the place reputation. A better identity-image match implies that the place brand is more realistic and believable for both internal and external audiences, thereby strengthening place reputation. This leads to the second hypothesis:

H2. An identity-image match has a direct positive effect on place reputation.

2.5. The first mediating variable: place brand adoption

Brand adoption describes the willingness to 'join' and communicate a brand. The general branding literature describes several terms in this regard – some researchers and practitioners talk about 'living the brand' (Baumgarth, 2010) while others refer to brand orientation (Gromark & Melin, 2011; Urde, 1999). On the whole, they describe an internalising process of the brand values and strategy. The general

branding literature provides considerable support for the relationship between brand orientation and companies' performance. However, only a few studies have focused on why and how organizational members 'live the brand.' This process is called brand adoption. Neuvonen (2016), for instance, outlined that managers' backgrounds influence the level of brand adoption, but interest and knowledge of the brand are still needed to increase brand adoption.

The present paper argues that brand adoption is also relevant for places. Indeed, there is already some preliminary empirical research on city brand advocacy (i.e., Kemp, Childers, & Williams, 2012; Sahin & Baloglu, 2014). Kemp et al. (2012), for instance, examined the antecedents of residents' self-brand connection with the place brand, which can lead them to becoming place brand advocates. They show that a favorable, high-quality and unique brand triggers residents to develop a self-brand connection. It is contended here that developing such a connection with a place brand is also relevant for most of the other place stakeholders. Hence, it is hypothesized that place brand adoption mediates the relationship between the two strategies and place reputation. Regarding the first strategy, greater involvement in the brand development process should lead stakeholders to have more knowledge of and influence over the brand strategy, which should result in a stronger brand connection and a sense of brand ownership, thereby increase brand adoption among stakeholders. Thus, stakeholder involvement can be expected to enhance brand adoption (Aitken & Campelo, 2011; Braun et al., 2013; Warnaby, 2009), which spurs more brand advocacy. Regarding the second strategy, a better identity-image match will result in a more realistic and truthful place brand (Kavaratzis & Hatch, 2013), which serves to improve stakeholders' connection with and desire to advocate the brand (Zenker & Petersen, 2014). Such brand adoption is subsequently expected to enhance place reputation, as more people will support the brand strategy and advocate for the brand. Thus, it is hypothesized that:

H3. There is a positive indirect effect of an open place brand process on place reputation that is mediated by place brand adoption.

H4. There is a positive indirect effect of an identity-image match on place reputation that is mediated by place brand adoption.

2.6. The second mediating variable: conflicts among stakeholders

Conflict can be defined as "the process which begins when one party perceives that another has frustrated, or is about to frustrate, some concern of his" (Thomas, 1976, p. 891). By and large, the governance literature argues that openness and dialogue help stakeholders to understand both themselves and others (Baur, Van Elteren, Nierse, & Abma, 2010; Klijn & Koppenjan, 2016; Lewicki, Gray, & Elliott, 2003), develop common meaning and consensus (Healey, 1998) and build mutual relationships. The literature generally posits that dialogue reduces conflicts among stakeholders, but there are some indications that simply engaging in dialogue can cause conflicts, especially in cases of latent conflict and when relations among stakeholders are tense (Abma, 2006; Baur et al., 2010). The articulation of differences and confrontation between stakeholders may deepen disagreement and make conflicts manifest (Abma, 2006). However, even though some authors have found that debates about a place brand can turn into a conflict (Stigel & Frimann, 2006), the place branding literature tends to emphasize the positive effects of stakeholder involvement. Therefore, this research expects that an open place brand process reduces the number of conflicts among stakeholders and thereby improving place reputation.

It is worth noting that the conflicts between stakeholders in governance networks often derive from diverse interpretations of a situation, the use of different frames, and being unable to arrive at a common meaning (Abma, 2006; Lewicki et al., 2003). In this sense, a better match between (brand) identity and the communicated image is likely to encourage support and consensus among stakeholders