

# Place images and place marketing

by

*Roy Langer, Ph.D.*

Department of Intercultural Communication and Management  
Copenhagen Business School  
Dalgas Have 15  
DK-2000 Frederiksberg  
e-mail: rl.ikl@cbs.dk

## *Abstract*

Though often ignored and still controversial in academic literature, the marketing of places is one of the major growth markets in marketing communication. This paper addresses the origins, rationale, goals and current developments in place marketing. Providing various examples, it seeks to offer an overview of the issue of place marketing that allows for critical reflection on the current trend of transferring principles from commercial marketing to (public) place marketing. Providing such an overview and reflection, the author attempts to outline relevant topics for further research.

## 1. Introduction

In the first year of the new Millennium, the Danish Carlsberg-breweries put the world famous Tivoli-park situated in downtown Copenhagen up for sale. Following the announcement, Danish media immediately raised and reflected public fear and worries that one of Copenhagen's and even Denmark's most important symbols might change into the ownership of foreign investors. Some months later Tivoli was sold to Scandinavian Tobacco, a Danish tobacco company. Except from a few critical voices, the worries were all gone. Despite all public announcements and theoretical writings about the growing importance of ethics, the local and national image value of Tivoli was obviously more important than the fact that the new owner of Tivoli was a tobacco company. Flashlights on discursive events - randomly chosen from Danish media reports and raising the issue of place images in marketing communication – exemplify the growing importance of place marketing:

- In the spring of 2000, the Danish embassy in London had to work hard on correcting a report produced by the British Home Office. In this report, Copenhagen ranks as no. 7 among 29 cities in terms of attractiveness. The report claims that Copenhagen is not a safe place and a murderous tourist trap, arguing that 62 murders had happened in Copenhagen between 1996 and 1998. The ranking clearly dissatisfied the Danish authorities. In its written response to the British Home Office, the Danish embassy in London corrected the number of murders by pinpointing that one third of the murders were disapproved by a Danish court and a another third was the result of a short term conflict between two biker clubs. The Danish Tourist Board supported the embassy's offensive response, as the British study could have had a major negative impact on tourism in Copenhagen and Denmark. ("Berlingske Tidende", February 2000 27<sup>th</sup> 2000)
- A few months later, in December 2000, the political situation in the Middle East was tense once again. The Israeli embassy in Copenhagen initiated an advertising campaign with ads in Danish trains, inviting travellers to visit the embassy's homepage on the Internet and to browse through the departments of the embassy. The Israeli embassy in Copenhagen justified the campaign on its homepage as follows:

In our eyes it is important for any Dane, interested in Israel, to expand his sources of information. In this way he will get a balanced and well-informed picture of what is going on in our part of the world. That is why we took this initiative, which basically offers further information and links to information for all interested...This is our way of contributing to a better understanding of the situation in the Middle East and hopefully to the improvement of the understanding between Christians, Muslims and Jews – especially at this time of the year.

Answering critical questions from a newspaper journalist, the Israeli ambassador in Denmark, Yitzhak Eldan, claimed that the campaign had a noble and good purpose, as it merely offered further information – not just about the political situation, but also about all other aspects of social life and general facts about Israel:

As a link in the modernization of the work of the embassy's work we have decided to use the Internet to give the many Danes who are interested in Israel a possibility to get the necessary information. With our advertisement we would like to make the Danes aware that our home page is a good source of information about Israel. (ibid.)

In a newspaper interview (Politiken, June 26<sup>th</sup> 2000) Eldan called the untraditional method of using ads in Danish trains and participating actively in media debates “public diplomacy”. Many Danish politicians, however, reacted with annoyance and scepticism to the Israeli ambassador’s active interference in the domestic Danish debate about the Middle East.

# Hvad er Israel egentlig talt?



- Hvad sker der lige nu?
- Hvad er baggrunden for den aktuelle konflikt?
- Hvad mener israelerne om den seneste udvikling?

Få svar på disse spørgsmål  
– og få fakta om Israel  
i almindelighed:

[www.israelsambassade.dk](http://www.israelsambassade.dk)

FIGURE 1: “Public Diplomacy”- ad placed in Danish trains by the Embassy of Israel, Copenhagen.  
Layout: Utke & Co. ©Embassy of Israel, Copenhagen, 2000.

- In January 2001 the Danish company A.P. Møller announced an official sponsorship supporting Beijing in the attempt to become the host of the Olympic Games in 2008. China is the company's major future market and CEO Jess Søderberg defended the sponsorship deal as follows: "We are in the transport industry and Olympic Games include lots of transport. Thus we think it's just natural that we support Beijing in its attempt. The business purpose is crucial for us." (Politiken, January, 13<sup>th</sup> 2001) and: "As a company we are very careful in distinguishing between politics and business." (Politiken, February 13<sup>th</sup> 2001) The sponsorship deal was criticised by NGO's, as the deal was in the middle of a crossfire between ethics, place, and event marketing. Few weeks later, Amnesty International released a new report documenting an increase in the use of extremely brutal methods against political prisoners in China.

These examples are all related to one of the major growth markets in marketing communication, namely the marketing of places. Today, between 5 and 10 % of all advertising space in newspapers is devoted to the marketing of places, regions and nations (Kotler et al 1999:29). It might appear strange that place characteristics gain more importance rather than losing importance, as the world generally seems to become smaller and internationalisation and globalisation are some of the most fashionable buzzwords in public discourse. But the ongoing globalisation process also results in an increased competition between all social domains, including a growing competition between places. The examples above indicate some of the problems related to place marketing – as place marketing traditionally is much closer linked to political and ethical issues than marketing in private business.

Usually, social practice changes faster than most of the scholarly literature reflecting it: yet, except from rare early approaches (e.g. Burgess 1975), only few major text books on marketing and marketing communications (e.g. Kotler et al 1993, Usunnier 1996, Kotler et al 2000, Olins 1999, Pickton & Broderick 2001) have paid particular attention to the issue of place marketing. This paper seeks to map the field of place marketing by presenting and discussing its origins and its rationale, as well as its major approaches, tools and techniques. Cases exemplifying the practice of place marketing will be provided concurrently. In order to outline relevant topics for further research, a critical reflection is undertaken in a final discussion about the current trend of transferring traditional principles from commercial marketing to place marketing.

## **2. Origins, rationale and goals of place marketing**

Although often ignored and still controversial in academic literature, place marketing is not an entirely new phenomenon. The rise of modern nations was accompanied by the construction of narrative and rhetorical techniques that facilitated the construction of national identities in these new “imagined communities” (Anderson 1983). Thus, national identities and images are not natural facts, but social constructions based on narratives. In modern marketing literature, such narratives are defined as “idealized accounts or stories about organizations and their self-perceived role in the marketplace of today” (Christensen & Cheney 2000:250).

Place marketing is centuries old – as ancient town arms, coats-of-arms and escutcheons partly served the same purpose as modern logos in current society. A couple of centuries ago, these narrative techniques included the invention of national history and traditions and the construction of common symbols and rules, such as national currencies, national anthems and flags. Hall (1994:202) offers a list of five aspects establishing the imagined communities of nations: (1) the narrative history of a nation as a community of destiny in school books, the media etc.; (2) the emphasis on origin, continuity, tradition and timelessness, suggesting a unity of national character as a natural fact; (3) ritual and symbolic inventions of tradition offering historical explanations of national defeats; (4) founding myths which put emphasis on foggy myths about Vikings or Germanic tribes as the origin of nations; and (5) the idea of a primordial, aboriginal community that derives homogeneity from the purity of blood relationships. The rhetorical application of these myths – which is necessary in order to naturalise them - includes ongoing repetition, transfer of these myths to current events and the use of historical events as a folio for the interpretation of current events (Assmann 1993).

Some authors claim that the use of place marketing was originally mainly inward directed in order to construct national identities, whereas today’s place marketing is much more outward oriented in order to create positive images and reputations (Olins 2000:255) and in order to influence public opinion abroad (Mahle 1995:33). However, this division between in- and outward direction appears to be problematic, as the construction of a “we” always includes the drawing of boundaries to the others and “them” and as it is not exclusively based on constructing similarity, but difference as well. Outward directed place marketing activities have a long tradition as well. For example, governmental authorities in Germany put much effort into gaining a positive national image in order to regain trust and faith after World War II (cf. Koch 1977:13; Mallinckrodt 1980:81). Because of negative experiences with the

governmental information policy in Goebbels' Ministry of Propaganda during the Nazi-Era, the governments of the Federal Republic relied mainly on the media and on cultural activities and institutions when trying to build up an image of post-war Germany (cf. Marten 1989:93; Mahle 1995:15). "Made in Germany" became an almost overwhelming international success (cf. Head 1992), as non-controversial economical issues gained special attention and political and historical issues were avoided.

Nations do not exclusively rely on diplomatic efforts to gain a positive reputation. They also use mass media (e.g. "Radio Free Europe", "BBC World", "Deutsche Welle"), cultural institutions (e.g. "Institute de Francais", "Goethe-Institut" and event marketing (e.g. Olympic Games, European Cultural Capitals, World Exhibitions) in order to gain a positive reputation. In particular in the field of tourism marketing, there exists a long tradition for co-operation between public and governmental authorities on the one hand and private business on the other (e.g. Ashgood & Goodall 1990, Dreyer 2000). Other models for co-operation between the private and public sector include governmental support and special taxation for new companies as well as export subsidies for domestic industries when exporting goods and services. In recent years such co-operation has spread to other areas, e.g. in order to recruit highly qualified foreign professionals by using Green Card-models or special (low) income taxation for foreign experts (e.g. in Denmark; cf. Langer 2001). Changes in the character of place marketing activities should thus rather be defined in terms of their dimension, range and extent and in terms of their perspective: while place marketing historically relied on diplomatic sources and goals, today it contents a strong commercial perspective and includes other actors than governmental authorities.

But why should place marketing today be more necessary than ever before? Kanter (1995), a former editor of "Harvard Business Review", argues in her book "World Class: Thriving Locally in the Global Economy", that places have to upgrade their education and training systems, export efforts and all of their critical place encounters in order to meet the global challenge. Also Kotler et al (1999) claim that local authorities will be increasingly responsible for the marketing of their communities:

All European communities *cannot* prosper in the next millennium. There will be winners and losers. Some places may prosper through luck, accident, or initially strong endowments without applying strategic market planning principles. But market forces keep changing and don't forgive the complacent. We believe that the places that seriously apply the principles of strategic market planning will build a better future for their citizens and local businesses than those places that leave their future to chance or inertia. (Kotler 1999:x)

One could talk about nothing less than “place wars” where political decision makers are forced to increase the attractiveness of their communities. Beck (1997:16-17) describes how the globalisation process increases the economical and political power of multinational companies and enables them to influence political decisions. Olins also (2000:254) underlines the ability of global companies “to move and manufacture across borders, negotiating with the countries and regions which compete for their investments as equals...As they merge across frontiers, they seek to legitimise themselves by playing a larger part in the lives of citizens everywhere.”

The mere fact that place ratings about the attractiveness of places for residents, tourists, and investors are more and more common makes it difficult for politicians and public authorities not to join the bandwagon. Such place ratings are – despite of their questionable reliability – increasingly exploited in place promotions. As the media likes to play up their results, place ratings can create public awareness. One of the most prominent place ratings, we find “The World Competitiveness Yearbook” from IMD Lausanne annually analysing nations on a world scale based on a measurement of eight different factors of competitiveness, each of them divided into 20-40 different sub-criteria. These factors are: domestic economy, internationalisation, government, finance, infrastructure, management, science and technology, and people:

| <b>Ranking, April 2001</b> | <b>Country</b> | <b>Score</b> |
|----------------------------|----------------|--------------|
| 1                          | USA            | 100.00       |
| 2                          | Singapore      | 87.66        |
| 3                          | Finland        | 83.38        |
| 4                          | Luxembourg     | 82.81        |
| 5                          | Netherlands    | 81.46        |
| 6                          | Hong Kong      | 79.55        |
| 7                          | Ireland        | 79.20        |
| 8                          | Sweden         | 77.86        |
| 9                          | Canada         | 76.94        |
| 10                         | Switzerland    | 76.81        |
| 11                         | Australia      | 75.87        |
| 12                         | Germany        | 74.04        |
| 13                         | Iceland        | 73.75        |
| 14                         | Austria        | 72.54        |
| 15                         | Denmark        | 71.79        |
| 16                         | Israel         | 67.92        |
| 17                         | Belgium        | 66.03        |
| 18                         | Taiwan         | 64.84        |
| 19                         | U.K.           | 64.78        |
| 20                         | Norway         | 63.10        |

FIGURE 2: IMD Lausanne, “The World Competitiveness Yearbook”, rankings April 2001.  
Source: <http://www.imd.ch/wcy/ranking/ranking.html>

Another example, measuring softer aspects, is a series of Michelin's Guides. These guides classify tourist destinations in relation to a three-star-system, in which the City of Copenhagen is described as follows:

Copenhagen conquers most visitors at first sight and makes them feel at home in no time. This instant appeal is due to a subtle blend of contradictions: there are no grand vistas, yet the large squares, wide avenues, vast green open spaces and lakes create a definite impression of spaciousness. Moreover, the contrasting architectural styles, illustrated by the colourful 18<sup>th</sup> century houses crowded on both sides of the old harbour, the austere late 19<sup>th</sup> century town hall, or the ultra-modern shopping arcades welcoming the northern light through their huge glass panels, in no way break up the overall unity, emphasised by the numerous red-brick buildings, green copper roofs, and tall spires punctuating the skyline, but the greatest contradiction of all lies in the unique atmosphere of the place, at once conducive to relaxation and arousing a feeling of feverish excitement, which could explain why not so many people are fascinated by the lonely figure of the Little Mermaid gazing out to sea at the entrance to one of northern Europe's busiest harbours. Copenhagen could thus be described in a nutshell as a charming provincial town with the lively atmosphere of a capital city! (Michelin, 1996: 79-80)

Summing up, the underlying rationale of the current intensification of place marketing is based on benchmarking, a bandwagon effect and the legitimatisation of political action in order to make places more attractive for tourists, investors, residents, and local businesses. It embraces the following goals and is directed at the following stakeholder groups (cf. Kotler et al. 1993:24, Kotler et al. 1999:33):

| <b>Goal: increased attractiveness of the place</b>                                  | <b>Stakeholder group</b>            |
|---|-------------------------------------|
| ...as a tourist destination   | visitors                            |
| ...for inward investments from foreign companies                                    | business and industry               |
| ...in order to increase exports of local / domestic industries                      | export markets                      |
| ...in order to hold existing and to attract new residents and skilled professionals | (potential) residents and employees |

Like traditional tourism marketing (cf. Dreyer 2000), general place marketing is based on traditional marketing tools including internal and external (SWOT-) analysis of suppliers, competitors, consumers and other stakeholders, segmentation and targeting, planning process, product development, pricing, distribution and promotion / communication. The following chapter will offer an overview on relevant research findings about the importance of places in marketing communication. COO-, marketing- and branding-research have offered primary insight about the role of place images in marketing communication. The following overview will present the most important findings and tools of these research fields.

### **3. Research findings and place marketing tools**

#### **3.1 The image of places - Country of Origin (COO)**

During the last two decades most research about the importance of places in marketing communication has been focused on whether companies should use globally standardized or locally adapted marketing strategies (e.g. Levitt 1983:92-102, Szymanski et al 1993:1-17, Kotler 2000:378-381) or whether and how companies should apply national images in their marketing strategies (e.g. Mallinckrodt 1980, Stigel 1990, Djursaa et al 1991, Niss 1992).

COO-research is dealing with the symbols diffused by the national origin of the product or company: “Country of origin image is the sum of beliefs, ideas and impressions that a person holds of products of a specific country” (Pickton & Broderick 2001:123). It is interested in how national symbols can be used as one aspect in branding- and marketing strategies of products and services.

Even on a global marketplace, products do have a clear place-brand origin: watches are linked to Geneva and Switzerland, high quality leather goods with Italy and precision cars with Bavaria and Germany. Early COO-studies almost exclusively focused on the relationship between products and nationality with regard to the “Made in...”-label (e.g. Nagashima 1970, Nagashima 1977, Cattin et al 1982). Kotler (2000:262) presents the topic as follows:

Years ago, most car buyers first decided on the manufacturer and then on one of its car divisions (brand-dominant hierarchy). A buyer might favour General Motors cars and, within this set, Pontiac. Today, many buyers decide first on the nation from which they want to buy a car (nation-dominant hierarchy). Buyers may first decide they want to buy a Japanese car, then Toyota, and then the Corolla model of Toyota.

The car manufacturing industry is also a good example when discussing how “made-in”-labels are getting more and more complex and difficult to deal with. For an example, the following Danish ad for SEAT Ibiza combines national stereotypes from two different nations:

Brændstofforbrug: 14,8 - 15,2 km/l



www.seat.dk

**Ny Seat Ibiza Soul**  
**Åbent hus den 16.-17. juni kl. 10-16**

Ibiza Soul. Begrænset antal. Ubegrænset udstyr. Kom og se hvordan Seat kombinerer ny teknologi med sportsligt design.

De hurtige kan vælge mellem Ibiza Soul med 3 og 5 døre samt i 2 motorstørrelser: 1,4 60 HK og 1,4 16V 75 HK.

Udstyret omfatter bl.a. ABS, 4 airbags, servostyring, pollenfilter, splitbagsæde, el-ruder, fjernbetjent centrallås, regulérbart rat samt højdejusterbart førersæde og Isofix barnestolsmontering. Handler du i juni eller juli får du en CD-afspiller med i købet.

**Tysk grundighed**  
**Spansk temperament**



Se også testvinderen, Seat Leon, der har begejstret pressen.

Kom og få en prøvetur og oplev den gennemførte kvalitet, der skyldes medlemskabet af Volkswagen familien. Stig ind og sæt køreglæden i gear. Måske bliver du den heldige vinder af en Seat Ibiza. Seat Ibiza Soul fra 129.990,- excl. lev. 3.050,-



FIGURE 3: “German thoroughness and Spanish temperament”. Danish newspaper-ad, ©Scanko A/S.

The slogan of this ad combines the advantages of (or popular stereotypes about) Germany and Spain: German thoroughness and Spanish temperament. Like Seat, many products reflect multiple country images because of multi-country processing and ownership in the global economy. A merger like the Daimler-Chrysler-deal created the huge challenge to bring two different national and corporate identities and images together (cf. Olins 2000:259). Take, for another example, the product “Kinder” (in Danish: “Kinder-mælkesnitte”) which for most costumers evokes a German origin. But the national image of the generic product is Switzerland and the national origin of the manufacturer Ferrero is Italian. To make it even more difficult, the manufacturer Ferrero is owned by the multinational Kraft-group. However, previous research has shown that in particular cars, clothing, and electronics are types of products for which the country of origin is important in consumers’ attitudes – whereas e.g. food, household products and furniture are types of products that play a comparatively less important role (cf. Jaffe & Nebenzahl 2001). As components of a car nowadays are increasingly designed, produced, and assembled at different places and in different countries of the world, the compositional aspect of product and country images gains more importance.

Recent COO-research elaborated increasingly on the complexity of consumer evaluation processes, including other parameters such as prize, size, colour or quality as well as brand country compositioning (e.g. Elliot & Cameron 1992). Jaffe & Nebenzahl (2001:26-8) suggest a distinction between the image of the consumers home country (HC), the image of the products designed-in-country (DC), the image of the products made-in country (MC), the image of the country that is the source of identified key parts or components of the product (MC) and, finally, the image of country, where the final assembly of a product took place (AC) – thus assuming that either or all of these types might have an impact on consumers' perceptions of products and brands.

Researchers have also studied the image of imported versus domestic products, the image of national versus international products, national images of generic products, of manufacturing companies and images diffused by brand names. Major findings show that consumers in the most developed countries prefer domestic products (cf. Reiersen 1966, Nagashima 1970, Gaedeke 1973, Cattin et al, 1982, Morello 1984) and that “Buy domestic!” campaigns seem to have a poor impact. Johansson & Nebenzahl (1986) and Nebenzahl & Jaffe (1993) made first attempts to calculate the economic importance and financial effect of the country of origin.

Another prominent study (Han 1989:222-9) shows that the country of origin is in particular important, when consumers lack knowledge about the particular product or brand. In such situations, consumers are easing their choice by transferring the national COO-image to the product, i.e. the country image colours the brand image (“halo-effect”). If a certain country already has a good reputation in a certain product category, this positive reputation is often transferred to other products, i.e. the image of a country's products has an impact of new products coming from this country (“summary-effect”). Jaffe & Nebenzahl (2001:21-2) claim that both halo- and summary-effects can exist at the same time and produce combined images.

Summing up, COO-research deals with the subjective perceptions of persons about objects. It has confirmed the importance of national images in marketing communication: “Stereotypes about the country, about its people, and about all of its products influence the image of a particular product” (Askegaard & Geer 1997:14). It developed the following general and normative recommendations for the management of a product's national image:

1. Images promotion should start with looking at what is locally valued – as national images are not the same all over the world. In highly industrial countries consumers tend to rate domestic goods high, whereas consumers in developing countries tend to have a bias against products produced in their own or other developing countries.
2. If a generic product is generally associated with a certain country of origin (e.g. Feta-cheese with Greece), one should evoke associations to the COO when choosing name, layout, colours for the product etc.
3. If the national image of a country of origin is negative, the physical size of the “made-in” label should be reduced to a minimum.
4. If the national image of the country of origin is positive, new product introductions should evoke on this national image. Certain places have established a generally good reputation for certain goods and services, such as Germany for cars, Parma for dried ham or Milan and Paris for fashion.
5. Country-of-origin images are often multiple and complex due to the growth of multi-country processing in a global economy. Attitudes towards place of origin can change over time.

In recent years, traditional borders between COO- and other marketing research, e.g. branding research, have become more and more diffused (cf. Jaffe & Nebenzahl 2001). Product, corporate, and country images have in common that they are intertwined mental constructions in the minds of consumers. Often these mental constructions co-exist, interact and co-operate with each other. On this background, most recent COO-research (ibid.) also deals with general marketing issues, such as consumer segmentation, legal aspects of country images and marketing management. Thus, an overview of place marketing- and place branding practices and -research in general is needed to gain a deeper understanding of how these insights are used.

## **3.2 The marketing of places**

### *3.2.1 Marketing strategy*

Presently, place marketing offers general guidelines for making places more attractive in their eyes of their stakeholders. Place marketing research claims that places are increasingly at risk because of:

- (1) Fast changes in the global economic, political and technological environment, such as the rise of the New Economy,
- (2) The inevitable process of urban evolution and decay, where urban growth creates new types of problems and new technologies new opportunities to solve these problems,
- (3) A growing number of competitors in their efforts to attract scarce resources, e.g. from Eastern Europe after the collapse of the Iron Curtain,
- (4) The fact that places increasingly have to rely on their own local resources (cf. Kotler et al 2000:272-5).

Place marketing has to start with the foundation of a planning group involving representatives from public authorities and local business:

European places must learn to build better teamwork among local public units and business firms as well as voluntary and civic associations. Unlike purely business or commercial product marketing, placemarketing requires the active support of public and private agencies, interest groups and citizens... (Kotler et al 2000:27)

A place planning group has a threefold charge and can choose among four broad strategies:

| <b>Charges of the planning group</b><br>(cf. Kotler et al 2000:26)                               | <b>Basic strategies for place marketing</b><br>(cf. Kotler et al 2000:51-66)  |
|--|---|
| 1. <i>Diagnosis and auditing</i> : the community's condition                                     | 1. <i>Image Marketing</i> : focus on an overly positive image, e.g. winter-sport places like Kitzbühel or Davos   |
| 2. <i>Development of a long-term vision</i> based on the assessment of the community's problems. | 2. <i>Attraction Marketing</i> : focus on natural attractions and sights, e.g. water life in Venice and Strøget in Copenhagen                           |
| 3. <i>Development of a long-term plan</i> of investment and transformation.                      | 3. <i>Infrastructure Marketing</i> : focus on infrastructural advantages, e.g. harbours in Rotterdam and Hamburg  |
|  | 4. <i>People Marketing</i> : focus on famous residents and institutions, e.g. Liverpool – Te Beatles or Rotterdam – Erasmus Graduate School of Business |

Even in a small country like Denmark, many local places can define and develop (smaller) attractions. Places can focus on their natural beauty (e.g. the white cliffs of the Isle of Møn), history and famous personages (e.g. Hamlet and Holger Danske in Helsingør), shopping places (e.g. Strøget in Copenhagen), cultural events (e.g. Copenhagen as European Cultural Capital), recreation and entertainment facilities (e.g. Lego-Park in Billund or Tivoli in Copenhagen), sports arenas (e.g. the national stadium Parken in Copenhagen), festivals and occasions (e.g.

Roskilde Festival), museums (e.g. Louisiana in Humlebæk), architecture (e.g. Frederiksborg castle in Hillerød) and other attractions (e.g. the Great Belt-bridge).

Even more important than the promotion of attractions is place development: “A place’s potential depends to a lesser degree on location, climate and natural resources than it does on its human will, skill, energy, values and organisation.” (Kotler et al 2000:27) This includes the development of community services (e.g. facilities for public administration, infrastructure and children care), urban redesigning (e.g. London Docklands or Copenhagen Harbour), economic development (e.g. by urban planning units) and strategic market planning. The strategic market planning process can be seen as the heart of this approach. It involves the following five stages (Kotler et al 2000:107-123):

*Stage 1 - Place audit:* Place audit aims to identify the attraction factors of a place, its main competitors (segmented into superior, peer and weak competitors and major trends and developments in society (e.g. environmental concern). SWOT-analysis is one of the major tools of place auditing.

*Stage 2 - Visions and goals:* The development of a vision and goals could be based on scenario-thinking in order to anticipate, how a place should look like 20 years ahead. Scenarios should include reflection about pre-requisites to reach the goals, consider target markets and distinguish between long-term and short-term goals.

*Stage 3 - Strategy formulation:* A strategy formulation should be based on the analysis of comparative advantages of a place and identify resources required for a successful implementation of the strategy.

*Stage 4 - Action plan:* The action plan defines responsibilities and the details of implementation, including costs and deadlines.

*Stage 5 – Implementation and control:* Annual reporting to the general public and (potential) stakeholders of the community is the basic tool at this stage.

The image of a place is a critical determinant in place marketing. Though being a difficult long-term project, places must try to manage their images strategically:

Strategic image management (SIM) is the ongoing process of researching a place’s image among its various audiences, segmenting and targeting its specific audiences, positioning the place’s attractions to support its desired image, and communicating those attractions to the target groups. The underlying premise of SIM is that because images are identifiable and can change over time, the placemarketer must be able to track and influence the image held by different target groups. (Kotler et al 2000:161)

A place's image should be (1) *valid*, i.e. not too far from reality; (2) *believable*, i.e. not overselling; (3) *simple*; (4) *appealing*; and (5) *distinctive* (Kotler et al., 2000: 167). The segmentation into groups makes most sense, when the identified groups are (1) *mutually exclusive*, i.e. there is no overlap between the groups; (2) *exhaustive*, i.e. all potential members are included in the group; (3) *measurable*, i.e. the size, purchasing power and profile can be identified; (4) *accessible*, i.e. they can be effectively reached and served; (5) *substantial*, i.e. they are large enough to be worth pursuing; and (6) *differentially responsive*, i.e. each segment differs from the others (cf. Kotler et al 2000:164).

When measuring images, place marketers can rely on two established research tools: the *familiarity-favourability measurement* and the *semantic differential*. The *familiarity-favourability measurement* is based on quantitative surveys, measuring how familiar stakeholders are with a place and how favourable they feel about it, thus providing information about, whether a place has awareness or likeability problems. Usually it is based on a five-category-scale (reaching from "never heard of the place" to "know it very well" and from "very unfavourable attitude towards the place" to "very favourable attitude towards it"). When most stakeholders tick the first two or three of the categories, the place might have awareness or likeability problems.

The *semantic differential* goes even one step further by exploring the content of a place's image. This method starts with the development of a set of relevant dimensions which stakeholders regard as being relevant, when thinking about a certain place (e.g. vacation: weather, sights, recreational opportunities). Each of these dimensions is turned into a bipolar five- or seven-point-scale with extreme adjectival attributions at each end. The relevant dimensions should be kept as simple and short as possible. Then, a sample of respondents rates one place at a time and the results of these rankings will be averaged. Finally, the observed image variances are explored in order to identify reasons and clusters. For an example, the following figure displays a set of bipolar categories used to measure the tourist image of Copenhagen. The respondents were middle-aged persons living outside Denmark with incomes above average and grown-up children, all of them having a deep personal knowledge about Copenhagen:

|               | 1 | 2 | 3 | 4 | 5 | 6 | 7 |             |
|---------------|---|---|---|---|---|---|---|-------------|
| Interesting   | x |   |   |   |   |   |   | Boring      |
| Vibrant       | x |   |   |   |   |   |   | Stagnant    |
| Friendly      | x |   |   |   |   |   |   | Cold        |
| Romantic      |   | x |   |   |   |   |   | Boring      |
| Old           |   | x |   |   |   |   |   | New         |
| Pretty        |   | x |   |   |   |   |   | Ugly        |
| Safe          |   |   | x |   |   |   |   | Unsafe      |
| Feminine      |   |   |   | x |   |   |   | Masculine   |
| Clean         |   |   |   | x |   |   |   | Dirty       |
| Sophisticated |   |   |   | x |   |   |   | Simple      |
| Natural       |   |   |   | x |   |   |   | Artificial  |
| Harmonious    |   |   |   |   | x |   |   | Conflictual |
| Innocent      |   |   |   |   |   | x |   | Sinful      |

source: Kotler et al. 2000:166

Tools used to communicate an image include *advertisement*, *direct marketing* (e.g. newsletters, brochure), *sales promotions* (e.g. coupons, contests, premiums), *songs and music* (e.g. Riverdance-Ireland), *sports events* (e.g. Tour de France) and *icons* (e.g. Loch Ness).

Summing up, Kotler et al (1993) offers in the following figure an overview for a general marketing strategy for places:

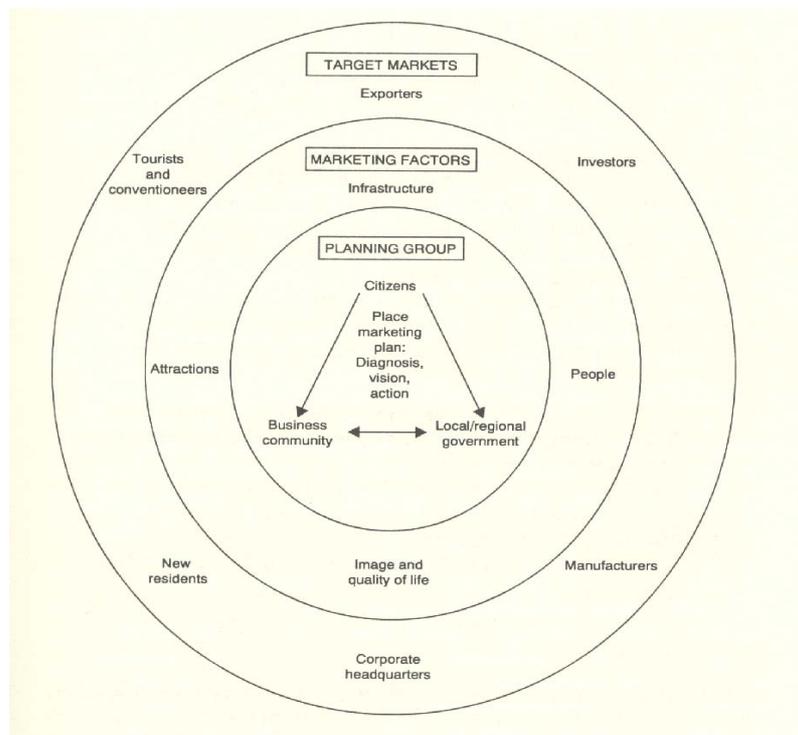


FIGURE 4: Strategic place marketing model, source: Kotler et al 1993:19

### 3.2.2 *Place promotion and Branding*

Branding is another research field, which in particular focuses on the promotional aspects of place marketing. Thus, place promotion and branding can be regarded as another part or sub-branch of place marketing. Initially almost exclusively dealing with products (product brands), branding research has extended its empirical focus onto organisations (corporate brands) and the reputation management of places. For example, Shandwick International – one of the largest PR-agencies in the world – has supported the authorities of Singapore in their attempt to improve the image and reputation of Singapore; and the London based PR- and branding consultants of Wolff Olins have been involved in the branding process of the “New Britain”-campaign as well as the promotion of the Danish-Swedish Øresund-region (see chapter 4.2).

Like place marketers, branding and PR-experts take their departure in the assumption that the globalisation process creates a need for branding places. It pushes political authorities in communities, regions and nations to adopt commercial marketing and branding techniques in order to raise awareness and a positive reputation – both necessary in order to attract investors, tourists and highly skilled residents as well as to increase exports.

Recent research has focused on the identity and image management of cities and the interest in the marketing of city places has grown considerably (e.g. Ashworth & Vogt 1990a, Matson 1994, Williams 1994, van Limburg 1998, Warnaby 1998). Local authorities in cities are increasingly involved in reputation management and branding activities in order to gain a positive image. Research on city management in Warsaw, Stockholm and Rome conducted by Czarniawaska (2000) has shown that the universal image of a “European capital”, combined with local tradition, guides the local practices and discourses of city management. Other research (Hansen et al 2001) has explored and compared the local diffusion of image management concepts in Tijuana<sup>TM</sup> (Mexico) and Newham (U.K.) and analysed image selections processes and the marketing of downtown areas in London and New York (Bennett & Koudelova 2001).

Whereas branding activities seem to be widely accepted when undertaken for cities (e.g. “Wonderful Copenhagen”, “Swinging London”, “The Big Apple”) and regions (e.g. “Silicon Valley”, “Øresund-Region”), they seem more controversial when applied to nations. Controversies about branding nations indicate a power struggle about the extent to which

commercial thinking and the general construction of social life on a market basis should shape public administration and political decision making (Fairclough 1995:138; see chapter 5 for further discussion). The argument in favour of branding nations goes like this: though remaining the defining political unit of our age, nations in particular are under pressure, as their primacy seems questioned from above (e.g. from the European integration process) and from below (e.g. from a quest for regional autonomy in nations such as Spain, Great Britain, Italy, France, Canada and regional co-operation in border regions such as the Øresund-region). Some of the examples that COO-, branding- and PR-experts usually refer to are the nations of Spain, Portugal, Ireland, United Kingdom, Germany Australia and New Zealand. All these nations have succeeded in changing their reality and their image through the use of branding and place development (cf. Olins 2000: 254-255, Jaffe & Nebenzahl 2001:125-132).

While some nations are apparently successful, many new and smaller nations have to work hard to receive awareness. Other nations, such as Japan, Great Britain and Germany, face a different type of problem. These nations have to fight outdated stereotypes and dusty symbols of a past in which negative connotations can be a barrier for succeeding in industries that do not fit traditional and outdated connotations. For instance, numerous studies (cf. Marten 1989, von Bassewitz 1990, Trautmann 1991, Koch et al 1993, Bredella et al 1994, Süßmuth, 1996, Tenberg, 1999, Willis 1999, Langer 2000) confirm that the current image of Germany is incoherent, backward oriented, and includes many aspects which recall the Second World War. The components of the economical success-image are not just positive, as they focus on technical rationality, objective aspects and on Germanys engineering and car industry. These components fit a highly developed industrial society, but create difficulties for companies offering goods and services with an emotional appeal (e.g. the German tourism, food, fashion and furniture industry). Thus, in 1999, Wolff Olins developed a proposal for a new branding strategy for Germany. This new branding proposal focused on keywords such as flexibility, multicultural society, emotional appeal, cosmopolitanism and variety in order to overcome traditional stereotypes. The new branding vision was summed up in the slogan “Variety through unity” (see chapter 5 for a further discussion).

Summing up, branding and reputation management techniques focus almost exclusively on the promotional aspect of place marketing. The following seven-step plan synthesises recommendations on how to brand a country:

- (1) Set up a working party with representatives of government, industry, arts, education and the media to start the programme.
- (2) Find out how the nation is perceived both by its own people and by nations abroad through quantitative and qualitative research...
- (3) Develop a process of consultation with opinion leaders to look at national strengths and weaknesses, and compare them with the results of the internal and external studies.
- (4) Create the central idea on which the strategy is based with professional advisors. This needs to be a powerful simple idea, which captures the unique qualities of the nation and can be used as a base from which the entire programme can be developed. The best way to do this is to prepare a page, then a paragraph, then a phrase, which may then become the dreaded strapline.
- (5) Develop ways of articulating the central idea visually. Designers should not just look at logos and tourist ad displays, but everything from the design of airports where visitors arrive to the embassies that represent the nation abroad.
- (6) Look at how the messages required for tourism, inward investment and export can be coordinated and modulated so that they are appropriate for each audience.
- (7) Create a liaison system through the working party to launch and sustain the programme in government activities and to encourage supportive action from appropriate organisations in commerce, industry, the arts, media and so on. (Olins 1999:24)

## **4. Cases and examples**

Whether scholars and researchers like place marketing or not – it is already a part of reality. This chapter will provide some examples for place marketing of local communities, regions, nations and supra-national units.

### **4.1 Local communities**

There are more than 100.000 communities in Europe. Many of these local communities are familiar with spending citizens' tax money on advertisements, PR and event marketing. In the year 2000, the small Danish town of Horsens gained international attention. The community spent – in co-operation with local business - 100.000 Danish Crowns (less than 10.000 £) on organizing a Bob Dylan-concert for 250 paying guests in its small town theatre. According to the mayor of Horsens, the money spent to organize the concert was a good investment in terms of public awareness for the community.

Another example is an ad from the city of Århus, the second largest Danish city. During the spring months Danish confirmants from all of Denmark travel to Århus each Monday. This popular tradition, where youngsters have a nice day in town, is backed up by the city of Århus. The local authorities co-operated with local business and police in order to invite young guests to enjoy shopping, restaurants, sights and cultural institutions.

Also outside Denmark and Europe cities increasingly work strategically in order to improve their image. Until recently, Tijuana™, a Mexican city with more than a million

residents near the U.S. border, had the dubious reputation of being a place where social problems and crime flourished. Although the city, with sky-high rates of investment and economic growth, was at the forefront of economic development in Mexico, earlier attempts to improve the city's image – including broadcasting of documentaries about the city on Mexican and American TV-channels – had failed. In January 1997, “Grupo Imagen”, a group of municipal and business leaders concerned with the image was founded in order to develop more coherent objectives and strategies of image management and local governance. One of the first controversial tasks this new planning group worked on was to trademark and to patent the city's name: A producer-director from a powerful television network in Mexico City planned a 160-part soap opera named “Tijuana” and filmed on location. After having read the script of this soap opera, the municipal officials accused the producer-director of defaming their city by saying that Tijuana™ is synonymous with drug abuse, crime and discrimination. In order to prevent such distortion and to control the use of Tijuana™'s image in publicity campaigns, documentaries and movies, the City Council voted to patent the name in the Mexican Institute of Industrial Property. Although critics argued that this was a violation of freedom of expression, the trademark was granted in August 1997. By taking away the name, the municipal officials of Tijuana™ feel better equipped to fight negative stereotypes and to control the use of the city's name (cf. Hansen et al 2001:21-23).

Other examples of local communities using strategic place marketing are the cities of Amsterdam, Lille and Sevilla (cf. Harding et al 1994) as well as the cities of Frankfurt/M., Glasgow, Rotterdam, Antwerpen, Birmingham and Montpellier (cf. Brinkmann 1997). Experiences in these local communities are various and quite different: whereas the place marketing of Amsterdam, Sevilla, Lille and Montpellier from an overall perspective appears to be successful, a number of problems have to be noticed in places like Frankfurt/M., Glasgow and Birmingham. These examples show that corporate managers, in their search for appropriate locations for subsidies, first of all investigate facts about the infrastructure, political, and social climate, supply opportunities etc. Moreover, place marketing is a long-term activity that needs consistent and coherent planning as well as support from local residents, companies and politicians. Promotion alone can never be a substitute for strategic marketing and place development in order to attract private inward investors. Promotional backup might, however, make the small, final and decisive difference in favour for one attractive local destination instead of another (cf. Bruus 2000, Matthiesen 2000).

## 4.2 Regions

Many of the more than 800 European regions are engaged in place marketing. One of the first movers was the Ruhr-Region in Western Germany. With a population of 5,4 million residents living in Europe's largest industrial region, this former coal mining and steel production area had to face a serious decline between the 1950s and 1980s. This decline caused social problems, unemployment and environmental damages. In 1957 more than 600.000 people were employed in the mining industry, today only 90.000 are left. Also in the steel industry jobs disappeared: whereas in 1957 more than 400.000 people were employed in this industry, today only 70.000 jobs are left. However, in Essen, one of the former industrial towns in the Ruhr-Region, more than 75 % of all people now work in service industries indicating the fundamental structural change and development of the region. Public authorities have organized and facilitated a fast knowledge transfer between newly founded universities and the private sector business in the region. A working class district like the Ruhr-Region had no tradition for higher education. Today, six universities and various schools for higher education with more than 150.000 students indicate the change from manual to intellectual work. More than 60 new technology centres – e.g. the technology centre of Dortmund with 150 companies – have been founded in the region since 1985. Small and medium-sized businesses are now major forces in the structural change and have created 35.000 new jobs. The structural change of the region is accompanied by the authorities' attempt to create and to develop cultural and tourist attractions for residents and visitors. The image of the Ruhr-Region is changing; from one of Europe's most dusty coal mining districts and from an icon of industrial capitalism to a pulsating high-tech region (cf. Zipf 1997:6-11).

Another example of place development and place marketing on regional level is the Danish-Swedish Øresund-Region. The region comprises (from a political but not necessarily geographic perspective, cf. Bruus 2000:5) Zealand, Lolland, Falster and Bornholm on the Danish side and Scania on the Swedish side. The total population is 3,5 million residents (almost 2,4 million Danes and 1,1 million Swedes) of whom 1,5 million highly educated and trained people are in active employment. The population is largely concentrated around the Danish capital Copenhagen and Malmö, Sweden's third largest city and with its highly advanced infrastructure the region represents North Europe's leading traffic centre. The region accounts for 25 % of Sweden and Denmark's combined GNP, indicating its economic

significance. In terms of scientific research, the Øresund Region ranks fourth in Europe after London, Paris and Moscow. During the 1990s many global corporations (e.g. IBM, Mercedes, Nokia, Philips, Dell) established substantial operations in the region.



FIGURE 5: The “Øresund-logo”, Øresund Identity Network.

Whereas the region was the centre of the Danish Empire in the 17<sup>th</sup> century, in reality one cannot talk about an integrated region today. Thus political support, strategic marketing plans and promotion activities were needed in order to develop the region to a functionally integrated unit. In contrast to the Danish-German border region in Southern Denmark, the Danish-Swedish Øresund-region gained strong attention and support by local, regional and national politicians and authorities (Bruus 2000:6-7, Matthiesen 2000). In particular Sweden had an interest in getting fast access to Central Europe by building a bridge between Sweden and Denmark across the Øresund.

The planning group and task force for the region's development, the “Øresund Identity network”, conducted a strategic place marketing plan and hired the branding agency Wolff Olins as a consultant. Others (e.g. Brinkmann 1997) conducted – as suggested by Kotler (2000:107-123, see above) - a comparative SWOT-analysis in order to compare the Øresund-region with neighbouring competitors such as Berlin, Hamburg and Stockholm. Furthermore, the planning group consulted opinion leaders in the media, local and national politicians, business managers, researchers and polling voters in both Denmark and Sweden. These consultations contributed to a strongly communication-oriented strategy, which could raise the Øresund-Region to one of Europe's new focal points, to make people outside the region aware of its existence and to cross emotional barriers with people in the region. The international perception was investigated by studies in London, Frankfurt and New York.

The mere fact that the Øresund-Region had a highly educated and productive workforce, a good infrastructure and research capacity as well as natural beauty and tourist attractions is not enough to make the region distinctive from other regions. Thus, the planning group put

strong emphasis on the complementary values and outlook in Denmark and Sweden, the “Human Capital”. The core values communicated in the campaign are openness, responsibility, inclusiveness and innovativeness. Other values pinpointed the multi lingual, progressive, informal, and consensus driven population of the region, a tradition for democratic attitudes, and a balance between social and individual interest.

Institutions promoting the region - such as Wonderful Copenhagen, the City of Malmö and local businesses - are supposed to use the new brand and brand logo. Based on a medium-term marketing and organisation plan, the brand will be taken forward and promoted between 2000 and 2005 in order to establish the brand in the hearts and minds of the people. Clearly, expenditures to promote the region are estimated to be high, as comparable place marketing ranges from 6 million US-\$ in Portugal to 15 US-\$ in the Lombardy-Region and 33 million US-\$ in Singapore. One of the major challenges is to establish the brand equally on the Swedish and the Danish side of the Øresund, as the attraction value of Copenhagen as political, economical, and cultural power point might be perceived much higher than the value of the Swedish part of the region.

At the time being, however, the efforts of the place marketers in the Øresund-Region seem less successful than expected. The Øresund-bridge, connecting Denmark and Sweden, is much less used by commuters and in particular by Danish people than expected. While almost 75 % of all Swedes in the Øresund-region had plans to visit the Danish side, only 25 % of the Danes had plans to visit the Swedish side in Summer 2001 – thus indicating that the regional integration is still far from the goal (Jyllandsposten, 22.06.2001). Several experts pinpoint that the image of Sweden and stereotypes about Swedes among Danes might constitute one major explanation for the lack of interest to cross the Øresund and to visit the Swedish site of the region. Another reason can be administrative and bureaucratic rules preventing people in the region to live on one side of the Belt and work on the other. The current situation at least indicates that reaching the goals appears expressed in the original plans will take much longer than expected.

### 4.3 Nations

Though the branding of nations is highly controversial, it is nevertheless usual practice. Political authorities and experts are concerned about the image of their respective nation. For example, Austria faced a national image crisis in 2000 due to the participation of a right-wing party in a new government. In response to international boycotts, sanctions and protests, the trade representative of the Austrian embassy in Denmark initiated the publication of a brochure titled "Fairness for Austria's business life". In this brochure the Austrian trade representative attempted to document Austria's democratic tradition, migration policy and international integration, and asked Danish companies directly and explicitly to keep their business and trade relations ongoing (cf. Jyllandsposten, 08.03.2000).

A few months later, professor in national economy at Copenhagen Business School, Niels Blomgren-Hansen, argued in a newspaper article that Danes should vote for a Danish participation in the Monetary Union by claiming that a high European profile has been the cause for high economic growth in nations like Spain, Portugal, and Ireland. These countries should – at least from the perspective of traditional economical theory – not participate in the European integration process. From this perspective, they are relatively vulnerable to asymmetric developments in trade balances, which they no longer could compensate for by adjusting their respective national currencies. However, as the EU-friendly image of these nations creates trust and confidence in regard to the general political frame and conditions for business activities, these countries in particular gain economical advantages from joining the Monetary Union (cf. Jyllandsposten, 27.07.2000).

Tourism marketing is especially interesting when discussing the marketing promotion of nations. Contrary to general branding and promotion strategies for nations, tourism marketing is well established and based on a clear perception of places as a product of the tourism industry. Many nations have national tourist offices supporting the private tourist industry. The Danish state supported the Danish industry in 1999 with approximately 180 million Danish crowns annually mainly spend on marketing and product development. Tourism is Denmark' third largest industry with a total annual turnover of ca. 43 billion Danish Crowns. The industry supplies more than 70.000 jobs and contributes more than 30 million Danish Crowns to the Danish export balance as well as more than 20 billion Danish Crowns to the Danish tax system. At the end of the 1990s, Danish tourist industry experienced a drastic decline in turnover and earnings. With about 40 % of all bed-nights in hotels, German tourists

are the primary market for Danish Tourist marketers. However, precisely this largest consumer market, German tourists, simply stayed away from Denmark by the end of the 1990s.

In order to fight the decline, the project “The German challenge” based on a co-operation between several governmental institutions, the tourist industry and the Danish Tourist Board was launched in 1999. The aim of this project was to reverse the trend and to create a new coherent and consistent brand of Denmark as a tourist destination as analyses pointed at the image of Denmark as the major reason for the decline. Until the end of the 1990s, tourist marketers promoted Denmark differently on its major markets: in Germany underlining the nature and coastal areas, in Norway highlighting good food and snaps, and in the US focusing on the royal family. Based on an audit of 60.000 tourists, the two main characteristics of the new brand were defined as Danish lifestyle and nature, leading to six major values to be marketed: cosiness (Danish “hygge”), design, (natural) oasis, (organisational, environmental, creative) talent, unpretentiousness, and freedom. Today, these six values constitute the fundamental skeleton of all co-ordinated marketing and brand promotion activities for Denmark on a global scale.



FIGURE 5: Logos of the “Branding Denmark”-campaign, Danish Tourist Board

Another, even larger and more comprehensive, international campaign was launched by the Danish Tourist Board in 2001. In this campaign, titled “Branding Denmark”, 15 million Danish Crowns paid by the Danish tax-payers, will be spend on the promotion of the new brand and the six major values mentioned above. Ads in non-Danish newspapers and periodicals all over the world as well as international web pages ([www.visitdenmark.com](http://www.visitdenmark.com)) are meant to create a consistent and unified brand image of Denmark as a tourist destination. Also, the logos of the campaign are suggested for use by anyone representing Denmark at trade fares, in direct mails, brochures etc. and local promotion activities, i.e. both by public

authorities and private companies. From 2001 – 2003 the Danish Tourist Board will spend further 55 million Danish crowns on a new Denmark-website.

But the “Branding Denmark”-campaign goes even beyond the branding of Denmark as a tourist destination – as it is a platform for the branding of Denmark in general by also involving the Danish Foreign Ministry, the Danish Ministry of Trade and Industry, the Danish Ministry of Culture, and several other organizations and leading Danish companies in a joint and co-ordinated branding campaign, which is supposed to be a platform for ALL Danish export activities. Though other countries have experiences in the branding of themselves, this Danish campaign is the first to be truly holistic. The first major activity, “Virtual Planet Denmark”, is an electronic world exhibition about Denmark in an interactive digital encyclopaedia including film, music and several other types of information about the country. People from all over the world are not just supposed to find relevant and valid information about Denmark, but will also be able to book tickets for transport, cultural and sports events etc. The Danish Foreign Ministry is in charge of the project and the estimated prize of the project is 30 million Danish crowns. “Virtual Planet Denmark” is supposed to open in 2002, when Denmark is again taking over the chairmanship in the European Union.

#### **4.4 The supra-national level**

Even on the supra-national level image auditing and place marketing are becoming more and more common. In 1991, the European Commission published a report about “Images of Europe” among Japanese consumers’ attitudes, which was based on quantitative surveys of Japanese media and Japanese consumers. Although the overall perception of Europe was positive, the major findings of the study documented negative associations of Japanese consumers towards European products. Words associated with European products were “impractical”, “expensive”, “not consumer-oriented”, “luxurious” etc. Also, the recognition of European goods, products, and services was very limited. Only cosmetics, fashion accessories, handbags and carry bags (mainly of French and Italian origin), and cars (mainly of German origin) were known and associated with quality. Whereas France was perceived as the epitome of European class and style, Britain was associated with European history and tradition. Except for a few other nations (Italy and the Netherlands) European nations were not salient for Japanese consumers, who thus had a limited picture of Europe in their public and individual minds. The report concluded with the following recommendation: “The supply of a

greater variety of information is the first step which must be taken in order to successfully market European goods in Japan. Improving the present image is, of course, necessary but not in itself sufficient, and efforts to broaden the scope of this image are highly recommended.” (European Commission 1991:22) However, the image of the European Union in particular is a tricky affair, as many Europeans consider themselves first of all as national citizens. Promotional activities in order to change this can have counter-effects with negative political consequences.

## **5. Discussion**

This article has presented the field of place marketing in both theory and practice. Place marketers argue that increased competition between places as a result of the ongoing globalisation process and public institutions’ need for legitimacy lead to an increase of place marketing activities and more market orientation towards customers and product. Public sector authorities will have to move from traditional spending-thinking to investment thinking. Kotler et al (2000:275-286) proposes this argument most expressively by demanding the introduction of Total Quality Management, warranties and decentralisation in public sector authorities governing places. Moreover, places should communicate and promote their competitive advantages effectively, nurture entrepreneurial characteristics and rely more on the private sector in order to accomplish their task, the argument goes. This is in line with what other private business oriented PR- and Marketing experts claim: Olins (1999 and 2000) argues that nations and companies are taking on each other’s roles and can learn from each other.

There is no doubt that these messages are not just heard, but also accepted, followed and realised by public authorities in local communities, regions, nations and supra-national institutions - place marketing practices can be noticed all over the world. Thus, there is no doubt that also scholarly expertise should be open toward and interested in contributing to this development. However, the branding of places is much more complex than the branding of products and organizations. It is also, as political communication in general, of much lesser practical value for its consumers than product marketing (Maarek 1995:26). Places and their politically elected decision makers are not companies. Thus place marketing has to address potential limits for the imitation of managerial practices, market orientation and adaptation of

commercial marketing and branding techniques in public sector place marketing (cf. *ibid.* 1995:25-29).

There are a number of problems related to the attempt to define places as products: first of all, places both contain products and are the product. From a consumer perspective, the choice of selection will always be unique, as consumers do not merely select between different places but also between different sub-products in a place. Related to this, places are multi-sold, usually simultaneously to different groups, whereas products often are targeted to certain specific and exclusive consumer groups (cf. Ashworth & Voogd 1990b:9).

In contrast to private companies, who can change their names and product lines in case of rejection by their customers and stakeholders, public place marketers are not able to do the same. Neither do new national flags and colours change a nation or a nations' image. Places (local communities, regions, nations etc.) are mainly spatial and geographically determined, whereas companies are mainly defined by juridical legislation and thus much more mobile and dynamic (cf. Czarniawaska 2000:203). Thus places have different and more limited opportunities for action. Whereas companies have fundamental responsibilities towards their owners and investors, public sector institutions and political decision makers depend on the vote of a broader public and the population at a particular place.

Despite of these differences public decision makers can still use place marketing in order to build up legitimacy, attraction value and positive models (*ibid.*). However, they should be aware that many commercial tools and techniques imitate what public sector organisations have practiced for many years. The creation of new symbols and flags is exactly the same type of techniques which constitute part of the founding myths of nations and which have been used by political decision-makers centuries ago. Further research might focus on whether the re-launch of such traditional tools and techniques as part of commercial branding advisory is an appropriate and successful way of changing place images.

Another problem, which has to be addressed in a critical discussion, is of sincere professional and political interest. Further research should elaborate on how place marketing of larger spatial units (such as nations or supra-national social units) can be in concordance with the pluralistic values of modern democracies. As marketing and branding techniques advocate simple messages and coherent values, the concrete result of a vision might – as in the German re-branding example with the slogan “Variety through unity” – be on such abstract level that the distinctiveness and uniqueness of a place no longer can be guaranteed. The pre-

supposed coherent values might work in nations like Singapore, which can hardly be regarded as matching modern Western standards of democracy, or – even worse – in totalitarian regimes, thus being just manipulative state propaganda. Further research, as well as the practitioners of place marketing, should be aware of addressing the political dimension of place marketing.

Finally, one further aspect has to be mentioned: Place marketing costs tax payers money, which often ends in exactly those private companies that both advocate and practice place marketing. There is a need to address whether more and more human and financial resources should be invested into place marketing programs (or parallel evaluation programs and private consultancy etc.) instead of being spend on social welfare, health care, or educational programs. Taking the market orientation and commercial message seriously, future research should focus on such comparative cost-benefit-analyses in order to discuss, whether the money spend on place marketing is a good investment and matches public expectations towards public sectors' social responsibilities.

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