

City Branding: Gold Coast Australia

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Abstract

City branding is a relatively new area of academic research in marketing. Previous research has focused on city brand images and particularly the contrast in brand image across cities. Essentially this reflects the interest of policy makers in developing sound competitive brand positions, with the aim of achieving a competitive advantage. The current paper shifts the focus to *explaining* the brand attitudes that residents have of a particular city. What are the key brand associations for a city? A sample of 614 residents of the Gold Coast city was surveyed using a structured quantitative method.

Introduction

Destination and *place* branding could be considered as interchangeable terms, though the first is mainly discussed in a tourist context (Baloglu and McCleary 1999) and the latter focuses on residents and businesses. A new academic journal *Place Branding* has been established, reflecting the growing interest in the way communities, cities, regions and countries market their entity. Although these domains may overlap, one study has contrasted the branding of cities, regions and countries (Caldwell & Freire, 2004). The main differences between these three domains are that the higher macro levels require more abstract and less functional representation. Our interest here is primarily at the city level of analysis. The paper is more concerned with *city marketing* rather than *tourism destination marketing* (see Baloglu and McCleary, 1999; Gallarza, Saura and Garcia, 2001), although these two areas could overlap. Hankinson's (2001) study of twelve English cities shows the diversity of approaches in how city organisations market and brand themselves. In a further study of twenty-five communities, Hankinson (2004) found that a community's history, heritage and culture were important in brand projections. The need for cities to take a strategic approach to their marketing is argued by Buhalis (2000) and reinforced in Uysal, Chen and Williams (2000). The study by Bramwell and Rawding (1994) indicates the common issues of marketing industrial cities in the five British cities examined, while Evans (2003) explores cultural cities in his European study.

In broad terms we can summarise the city branding literature into two streams. The first stream compares cities in terms of different brand image positioning, with an emphasis on the search for a differential, competitive position that adds to the attractiveness of that city for its residents and visitors. The defining feature here is brand image. A second stream looks for similarities of brand image within well-defined clusters, like industrial cities or cultural cities.

Brand images are an important starting point for developing the city branding literature. However it is important to go further and 'explain' how city brand attitudes are formed. Identifying the determinants of city brand attitudes helps provide a deeper understanding of how branding works in this particular context and also provides a path by which local governments can manage and modify such attitudes for the public good. The purpose of the current paper is to progress the city branding research, by identifying the determinants of city

brand attitudes. One city, the Gold Coast, has been conveniently chosen for this purpose to help initiate this research program. A conceptual model is developed and then tested on a sample of 614 residents of Gold Coast.

A Brand Association Theoretical Framework

A brand association framework is highly suited to our task. The first advantage of a branding conceptual framework is that there is a well-developed theory articulating the concept of brand attitudes (Keller 2003; see also Aaker 1991; 1996 and de Chernatony and McDonald 2003), which enables the researchers to use a multi-item summative measure of city brand attitudes of residents, giving a sound dependent variable for the study. The branding literature is extensive, though the city branding sub-set is in its infancy (for example, Evans 2003; Trueman, Klemm, and Giroud 2004). A sound dependent variable is critical for assessing the relative contributions of the different antecedents. A second advantage of a branding framework is that the statistical relationships with each community attribute can be clearly interpreted, as brand associations. For example, the link between retail facilities and city brand attitude can be interpreted as 'better shopping facilities contributes to stronger brand attitudes' and for that city, retail shopping is a positive brand association or cue. A third advantage of a branding framework is that it is amenable to incorporating any type of antecedent. For example, social macro variables, such as pollution or congestion, can be incorporated into the analysis and readily interpreted.

In summary, the brand association framework provides a rigorous conceptual foundation. Multiple regression can be used, with a resident's perception of their community brand (perception of lifestyle, reputation and pride) choice as the dependent variable. Specific cues or associations, such as retail shopping, leisure services and safety were taken from the literature and where possible measured as multi-item scales. The brand model facilitates a clear *diagnostic* function. Each brand association can be quantified as a beta co-efficient giving diagnostic feedback to government agencies.

Research Design

To investigate the concept of city branding, the researchers used a quantitative research strategy to operationalise the model. A self-administered mail survey instrument was designed, and data were collected from a sample of residents in the Gold Coast. Sampling was stratified with random selection within each stratum. The strata groups were suburbs selected to give a broad socio-economic cross-section of residents for each city. The surveys were then randomly distributed to households within each selected suburb by a direct to household, letterbox delivery firm. The response rate for the study was 12 per cent, providing a total response of 614 residents. Using independent sample t-tests of significance of mean differences for each item, a comparison of early and late respondent sub-samples found no items to be statistically significantly different based, thereby discounting major non-response bias (Armstrong and Overton 1979). The self-administered survey instrument was designed in a way to make it user-friendly. Either single or multi-item scales and measurement scales were used, and measured by seven-point Likert scales (1 = strongly disagree, 7 = strongly agree), requiring a circle to complete the answer. The demographic variable scales differed depending on the element, with seven options for age and two for gender for example.

The representative constructs were then subjected to tests to ensure reliability and validity. First, the reliability of each item within a multi-item construct was assessed using item-total correlations. Composites of the multi-item variables were then created and discriminant validity of all representative constructs was assessed by calculating Average Variance Explained (AVE) and comparing this to the squared inter-correlations between the different constructs of interest. Confirmatory factor analysis was used to further assess the measurement model. The model was assessed using a partially aggregated approach. The partial aggregation approach involves the aggregation of the indicators of each dimension of the overall construct, whereby each separate underlying factor is retained (Bagozzi and Heatherton 1994). In such a case, a composite variable is created from the items of each separate dimension of the construct and become single indicators of a single factor model. Confirmatory factor analysis can then be performed to test an overall model. Failure to reject this model would suggest that each of the composite variables measures a single underlying construct (Bagozzi and Heatherton 1994). Taking such an approach to model assessment provides greater substantive content for each variable within a smaller matrix, less distraction from accumulated errors, and thereby, greater reliability (Bentler and Wu 1995; Dabholkar, Thorpe, and Rentz 1996; Loehlin 1992). This approach is particularly desirable, when the variables are items from a questionnaire (Bentler and Wu 1995).

The final stage of the analysis utilized a multiple regression analysis to examine the contribution of each construct to the brand attitudes of a city. All multi-item constructs demonstrated satisfactory reliability for exploratory research (Hair et al. 1995) ranging from 0.65 to 0.82. Discriminant validity was determined using Average Variance Extracted (AVE). AVE is calculated for each construct to determine the average variance shared between a construct and its measures and the variance shared between the constructs (Fornell and Larcker 1981). In all cases, as the extracted variance for each construct is larger than the shared variance of the squared correlations between constructs, discriminant validity is demonstrated (Fornell and Larcker 1981).

Testing the City Branding Model

Once we had determined reliability and validity for the representative construct measures, we then proceeded to applying a path model to investigate the relationships amongst the variables of interest. For the Gold Coast a good fitting model was found, with GFI=0.95, AGFI=0.92, NFI=0.92, all above the benchmark of 0.90. With RMSEA=0.08, SRMR=0.05, there was no evidence of problematic misfit between the data and the model. Further, all paths of the model were positive and significant as expected. Finally, a regression analysis was used to examine the effect of the constructs of interest on the dependent variable of community brand attitude. Results are reported in Table 1. Business dynamics, safety and leisure activities were all found to have significant and positive effects on community brand attitude. Additional significant variables were retail facilities, clean environment, affordable housing, modern design and traffic flow.

Research Findings

Using community brand attitude as the dependent variable, regressions were run for the total sample and two sub-samples (high and low income segments). The variance explained in the dependent variable for the total sample was 46 per cent, indicating a high predictive validity of the model. In addition, there was no evidence of serious multicollinearity between the

independent variables, with the VIF always less than three. Since all values are less than ten, multicollinearity is not considered problematic (Neter, Wasserman, and Kutner 1989).

Table 1: Testing Relationships between Community Attributes and City Brand Attitude

	Beta	Weights
	High income	Mid and Low income
Retail facilities	0.18*	0.13*
Nature (enhanced)	0.09	0.03
Business dynamics	0.24*	0.09
Traffic flow	0.02	0.10*
Safety	0.18*	0.17*
Clean environment	0.21*	0.10
Affordable housing	0.07	0.10*
Leisure activities	0.10	0.19*
Modern design	0.04	0.15*
R ²	0.56	0.43
Adjusted R ²	0.54	0.41
Overall F-value	32.75	29.62
df	9, 234	9, 360

NOTE: Dependent variable = community brand attitude
 *p<0.10. **p<0.05. ***p<0.01. All VIF<3.

The main determinants of community brand attitudes for the total sample (not shown in Table 1) were safety, leisure activities, business dynamics, retail shopping, a clean environment, a modern design and affordable housing, all significant at the one percent level. However as Table 1 shows, the determinants of city brand attitude varies across income segment. Only a small number of variables, such as safety, are very similar. Business dynamics, a clean environment and to some extent retail facilities are more important for the high-income residents. In contrast, traffic flow, leisure activities and modern design are more important for the low-income residents.

Discussion

The results show that we are able to develop a city-branding model with a high explanatory power. The specific determinants of city brand attitudes have face validity in the sense that they reflect important facets of our lives, such as safety, shopping, the environment and affordable housing. However although it was expected that high and low income segments might have different weightings as to which factors were important, it was not expected that the differences would be so great. In fact, the results show that there were relatively few factors in common.

Nonetheless, the different emphasis across the two segments makes sense. For the high-income segment it was not surprising that they would place more emphasis on the

environment and business dynamics. Discretionary shopping is also likely to be more important for the high-income group. For the low-income group it is highly plausible that affordable housing is more of an issue. Traffic flow may be more important to low and middle income residents because they need to commute during peak hours, whereas high income residents might have more discretion when to go to work. Leisure activities cover a broad range of activities and suggest that the low and mid income residents are more engaged with such activities. Modern design is the most difficult aspect to explain, but it might indicate that the high income groups 'know' that Gold Coast is not upmarket, whereas the lower income residents may see the Gold Coast as more modern compared to the regions and towns that they have migrated from.

The model is potentially helpful to local authorities to assist them in marketing the local community. The study has been applied to just one city, but identifies critical community attributes that could enhance community benefits. Each city would need to conduct its own survey to identify the critical variables relevant to a particular community. The expectation is that the salient determinants of city brand attitudes would vary by city and certainly across different types of cities, based on size and industry mix for example.

Conclusions

The paper has developed a new approach to city branding, namely a summative measure of city brand attitude, with a conceptual framework that includes various community attributes as relevant brand associations or cues. The model has been successfully applied to one city, Gold Coast. The results have identified several critical variables at the total sample level, including safety, leisure activities retail shopping and the environment. Local authorities could use such a model to improve community well-being. For example, improvements to safety and to the environment are positive measures that could be undertaken. Issues like affordable housing are more difficult to address, but could benefit from collaborative partnerships with private enterprise. The model needs to be tested in other cities and other countries before we can generalise it. The possibility of a particular (city) brand being perceived differently by different groups is a major conclusion of the study. Although segmentation studies are common, limited attention is given in the branding literature to *differential* perceptions of the *same* brand.

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