Stakeholder value-based place brand building

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Abstract

Purpose – The purpose of this study is to investigate the place brand building process based on multi-stakeholder perceived value. It contributes to an understanding of how place brands are developed, providing diverse benefits, and proposes a conceptual framework for place brand building and value measurement scales.

Design/methodology/approach – The study is based on the place brand Sud de France. Qualitative data from stakeholder interviews is used to investigate the main place brand value dimensions. A survey of consumers from the Languedoc-Roussillon region is conducted to measure consumer place brand values. Quantitative data is analyzed using structural equation modelling.

Findings – Results indicate that place brand value is a multiple-perspective and multidimensional construct that includes new measurement scales related to dimensions such as quality of life, a common local identity and local development. Brand identity is not only constructed on place identity, but should also incorporate stakeholder values and provide value to consumers.

Practical implications – For place brand managers, this study provides a methodology that helps identify the main place image and stakeholders values to be integrated into place brand identity construction. The place brand value measurement scales can be used to ensure a permanent match between brand identity and consumption trends.

Originality/value – Literature dealing with place equity has focused mostly on country-of-origin or destination image effects from a non-local consumer or tourist perspective. The originality of this study lies in analyzing the perceived benefits of a regional brand by its local stakeholders, leading to a new brand building framework and value measurement scales.

Keywords Brand building, Brand value, Stakeholders, Place brand identity, Place brands

Paper type Research paper

1. Introduction

Many companies seek to associate positive images of a country or place of origin with their products and brands, as this can offer an added value, enhance consumer perception of attributes and quality and transfer the image of and attitude toward the origin to the promoted branded products (Papadopoulos, 1993; Verlegh and Steenkamp, 1999; Winit et al., 2014; Papadopoulos et al., 2012; Kavaratzis and Hatch, 2013). More recently, place marketing and place image management have emerged as an academic field and a popular practice (Kavaratzis and Hatch, 2013).

The proliferation of place branding studies and consultancy activities in this field is because of the decentralization policies that have transferred more responsibility for economic development to local and regional governments and to the great international competition between places to attract investors and tourists (Anholt, 2002; Dinnie, 2008; Kavaratzis and Hatch, 2013).

Within the food sector, the development of consumer expectations for localized products has profoundly affected production systems and led to the fact that the region of origin is considered as an attribute for product quality and a way to promote health and protect the environment. The region of origin effect of food products on consumer behavior has become evident in studies by Fotopoulos and Krystallis (2001) and Van der Lans et al. (2001), among others. Consumers’ willingness-to-pay for origin products has been confirmed through numerous studies concerning different food products and different countries (Loureiro and McCluskey, 2000; Teuber, 2010).

Local governments have tried to capitalize on this evolution by promoting local food products via regional or place brands, often combining food products with tourism or other place-specific assets. Considerable tax incomes are then spent for those place-based marketing and branding activities (Kavaratzis and Hatch, 2013), and place branding in general suffers from a bad reputation and scepticism (Dinnie, 2008). Policy-makers need to prove that place brands consist not only of logos and slogans, but may actually constitute a useful strategic tool for sustainable local development and that various stakeholders can harness it. Thus, there is a need to know what those brands can offer, who is benefiting from them, how their...
effects can be measured and whether public resources are fairly spent.

In the literature, until now, the value and outcomes of place branding activities have been little researched, and “there has hardly been any discussion on how (place) brand equity should be interpreted and how it should be measured” (Florek, 2015, p. 230). The few contributions on this topic (for an overview see Florek, 2015) are limited to the evaluation of place brand perceptions by tourists or residents and do not take into account the collective character of place brands. This is surprising as place brands are complex and multi-actor concepts, and the importance of various stakeholders’ involvement in the place branding process and management has been widely recognized (Kavaratzis, 2012; Klijn et al., 2012; Kasabov and Sundaram, 2013; Stubbs and Warnaby, 2015). Thus, there is a need to pay attention to the collective place brand building process and outcomes, as well as to the interrelation of both, from a practical and theoretical perspective. Conceptualizing the building process and measuring the value of place brands can provide important information for place brand development and management, by identifying brand value sources and indicating which elements may reinforce the brand (Florek and Kavaratzis, 2014; Florek, 2015). This can also contribute to form a more robust theoretical base of place branding, which is lacking in this research field in general (Kavaratzis et al., 2015).

To fill the gap in the existing academic literature, to obtain new insights in the place brand building process and value co-creation by multiple place brand stakeholders and to fulfil the need of policy-makers for legitimacy, this article develops a conceptual framework for place brand building, based on place identity and image translated into stakeholder place brand values that can provide consumers with value and identity. We hypothesize that a place brand should be based on place identity, but it should also meet stakeholders’ expectations, as only then can it produce value for consumers and enhance their attachment to the place and to the branded products and services.

The article is structured as follows. First, the theoretical background on place branding will be introduced and linked to two key concepts, brand value and the corporate value-based brand building process. Next, we briefly present the brand Sud de France, a place brand that promotes local wines, food products and tourism for the Languedoc-Roussillon region. This is used as the basis for the following phases of the study, which began with in-depth interviews with selected brand stakeholders, seeking to elicit their opinions and expectations about the brand to help develop the main dimensions of the brand’s identity as they perceive it. These dimensions were then evaluated by a sample of consumers living in the branded place and familiar with the branded products. The results of this article have enabled us to develop insights and recommendations for policy-makers and place brand managers.

### 2. Theoretical background

#### 2.1 Place branding: from place image to branding places

Place branding can be understood as the application of branding strategies and other marketing techniques to cities, regions and countries, with the aim to contribute to their economic, social, political and cultural development. Although linking marketing to places is not a new phenomenon (Kavaratzis and Ashworth, 2005), in the context of globalization, place branding has become increasingly part of public agendas and intervention strategies (Pasquinelli, 2010). Potential application areas and target groups of place brands and public policies are similar. Both of them apply not only to people, culture and heritage, local enterprises and their products, but also to tourism, trade and investment (Anholt, 2006). Thus, they can address internal audiences (citizens, local firms) as well as external target markets (export, tourists). Place branding, just as product-country-image, deals with the question of “how place images can be used in marketing the places themselves and/or the products those are associated with them” (Papadopoulos, 2004, p. 37). Thus, place branding is based on the unique qualities, cultural storylines and images that nations, regions or cities communicate (Ashworth and Kavaratzis, 2010).

Reviewing the proliferation of place brands in Europe, one can state that the use of place image for marketing purposes has become commonplace. The multiplicity of place branding initiatives also reveals their enormous diversity: they have various objectives and strategies, aim at different target sectors and groups and combine different forms of cooperation and governance (Donner, 2016).

Despite a growing number of publications in place branding, the theoretical development in this field is slow and contributions rather disparate (Kavaratzis and Hatch, 2013). Some authors have argued that place brands have similarities with corporate brands (Trueman et al., 2004; Kavaratzis, 2004; Rainisto, 2003), and that corporate branding theory can contribute to an understanding of place brands (Kavaratzis and Hatch, 2013). “Place brands resemble corporate umbrella brands, to some extent, and can benefit the value of a place’s image” (Rainisto, 2003, p. 50). Both are more complex than an individual product or service brand, have a high level of intangibility, deal with multiple identities and make it necessary to manage interactions with multiple stakeholders, including a higher level of social responsibility (Kavaratzis, 2004). According to Balmer (2001), the core of a corporate brand is an explicit covenant or promise between an organization and its key stakeholder groups. Moreover, the corporate branding process can be considered as a participatory approach and as a co-creation by different stakeholders (Hatch and Schultz, 2009, 2010).

Given the similarities between corporate and place brands, we base the place brand building process on that developed for corporate branding.

#### 2.2 Place brand value

In the academic literature, a brand is considered as a company resource and a strategic instrument of competition that represents value for both the organization and the customers in target groups (Urde, 2003). A brand, as a sustainable competitive advantage, should be unique and difficult for competitors to imitate. Previous research shows that corporate brand associations influence people’s responses to products; particularly, researchers address the psychological mechanisms through which these types of corporate brand associations
influence people’s product responses (Gürhan-Canli and Batra, 2004; Keller and Aaker, 1998).

Place brand value has been explored mainly on the basis of the broad definition of Farquhar’s (1989) “brand equity”. For Gertner (2007), place branding for a country presents an opportunity to enhance its equity, in line with Aaker’s (1991) definition of a brand’s equity as the assets (real or perceived) that are associated with it and help to distinguish it from others.

Until now, literature dealing with ‘country equity’ has mainly focused on country image and consumer preferences for products originating from specific countries (Verlegh and Steenkamp, 1999; Pappu et al., 2007). On the other hand, brand equity for destinations has been studied from a visitor (tourist) perspective (Konecnik and Gartner, 2007; Boo et al., 2009). However, little is yet known about the overall value of place brands for local stakeholders such as residents or enterprises. Some authors argue that brand equity, which measures the effects of marketing on consumers, represents only one dimension of brand value, which is considered as a broader concept (Raggio and Leone, 2007). Here, it is assumed that a broader, multi-dimensional approach is needed to define and evaluate the value of place brands, for different reasons. First, place brands are collective projects that concern a multitude of public and private stakeholders (Kavaratzis, 2012; Rainisto, 2009). Second, place brands are policy instruments for local stakeholders such as residents or enterprises. Some authors argue that brand equity, which measures the effects of marketing on consumers, represents only one dimension of brand value, which is considered as a broader concept (Raggio and Leone, 2007). Hence, it is assumed that a broader, multi-dimensional approach is needed to define and evaluate the value of place brands, for different reasons.

First, place brands are collective projects that concern a multitude of public and private stakeholders (Kavaratzis, 2012; Rainisto, 2009). Second, place brands are policy instruments for local stakeholders (Anholt, 2008) and can be used either as communicators for consumers, representatives of companies and services involved in public and private projects and as tools for local development. Thus, they include not only economic, but also political, social and cultural dimensions and have a long-term orientation (Hankinson, 2010). Another important point is that place brands, from a brand management point of view, are highly complex and not fully controllable, because of the multitude of audiences, stakeholders and products/services involved (Braun et al., 2013; Kavaratzis, 2005; Moilanen and Rainisto, 2009). The branding process creates a place brand distinctive identity that can provide a relevant and credible promise of value associated with products and services (Ghodeswar, 2008).

2.3 Place brand building processes

The branding approach highlights the importance of internal audiences (Ind and Bjerke, 2007) and the branding process can be understood as a dialogue among stakeholders (Hatch and Schultz, 2010; Kavaratzis and Hatch, 2013). Brand identity has been defined as a unique set of brand associations (Aaker, 1996), but recent literature considers brand identity rather as “dynamic, reciprocal, and iterative in nature” and as constructed by a dialogue between managers, consumers and other stakeholders (von Wallpach et al., 2017).

Urde (2003) offers three different viewpoints on core values that are important for the branding process:

1. values relating to the organization, expressing the unique and essential guiding principles that unite it;
2. values that summarize and describe the core of the brand, the brand essence; and
3. values as they are experienced by customers, which means the added value to the customers by the brand.

The author suggests considering the three different levels of interacting values when building a corporate brand, as they constitute the overall foundation of value, and the guiding light of a corporate brand.

Inspired by Urde’s (2003) ideas, we propose a conceptual model of the place brand building process (Figure 1). It shows the main steps of the process leading to the outcomes. First, the place image is identified and the stakeholder core values investigated. Both form the brand identity and help in positioning the brand. The brand identity can then be communicated to the consumers to offer added value and a common identity. The different values serve the place brand managers as guiding principles in the brand building process. This is in line with Urde (2003), who considers that the added values for customers are closely related to core values and organizational values.

In place branding research, a considerable number of studies discuss relationships between place identity, place image and place brands. Place identity is constructed through historical, political, religious and cultural discourses and through local knowledge (Govers and Go, 2009). The place brand building process is based on identifying the link between identity, experience and image that the brand carries for customers. It consists in translating the identity of the place and communicating the image to be projected through the place brand. This can ideally be achieved by co-creating the place brand identity with all local stakeholders (Kavaratzis and Hatch, 2013; Aitken and Campelo, 2011). In branding literature, many authors question the static definition of brand identity proposed by Aaker (1996) and argue that, rather, it is a continuous process of dialogue in a social context (Scott and

![Figure 1 Place branding process](image-url)
Lane, 2002; Gioia et al., 2010). Hence, the role of stakeholders seems to be crucial in place brand building. Moreover, some researchers consider that communication using images and languages enables brand meaning and values to be shaped, which in turn can shape brand identity and reputation (Black and Veloutsou, 2017). Among the six place brand identity dimensions proposed by Meffert and Burmann (2002) – heritage, organizational capabilities, values, personality, vision and core offering – values should be related to stakeholder expectations of the place brand and contribute to brand identity construction.

Recently, the literature highlights the role of resident consumers as a brand stakeholder group involved in creating and controlling the brand identity and reputation (Black and Veloutsou, 2017). In the place brand building process, a consumer who lives in the place is at the same time a stakeholder and customer. This person participates in the place brand building process, and in turn, the brand allows him or her to share the values and identity of the community. Consumer identity refers to beliefs and evaluations people have about who and what they are and to their capabilities, values and histories (Black and Veloutsou, 2017). In general, national identity is recognized as a source of consumer identity. People develop emotional and symbolic bonds to the place they live in (Debenedetti et al., 2013). The place brand should transfer the place attachment and identity to consumers. Within the food domain, the new trend of consumers seeking local or localized products constitutes a major determinant of consumer behavior. Here, a place brand provides symbols and values originating from the place that consumers can appropriate.

3. Methodology

3.1 The brand Sud de France

The place brand Sud de France was launched in 2006 by the government of the Languedoc-Roussillon region (South of France), with the main objective of promoting local wines, food products and tourism services at an international level and to stimulate local economic development. As suggested in the literature (Anholt, 2006; Ashworth and Kavaratzis, 2010), the communication of the brand was not limited to production, but included the entire regional offering – products, enterprises, heritage, culture, history, people, way of life, etc. – by positioning the brand as a “consumer trend” and moving it away from a commercial brand towards a new mind-set. Beneficiaries of the brand were not only producers and local consumers, but also the region as a whole. The typical products chosen for the brand exemplified the way of life of the region: quality, vitality, health and typicality; and the brand identity was intended to mirror the values of Languedoc-Roussillon: Mediterranean way of life, quality of products, local know-how, authenticity and naturalness.

In the next sections, we apply the proposed model of the place branding process (Figure 1) to the Sud de France case. The place image is examined first using an earlier third-party survey, then the results from the stakeholder interviews are presented to help define place brand values and the brand identity constructs, and finally, residents’ opinions of the Sud de France brand’s perceived value are evaluated.

3.2 Dimensions of place image

Images are mental schemas that reflect a complex set of associations of both cognitive and affective components stored in memory (Elliot and Papadopoulos, 2016). The place image constructed in people’s minds is mainly based on familiarity, meaning knowledge and prior experience with the place. This passive image is largely beyond the control from the local government but should be identified in the place brand building process.

In the case of Sud de France, the main place image dimensions that were used in the brand building process came from a quantitative survey carried out by telephone in 2007 by a consulting firm (Ernst and Young, 2008) for the local development agency. The sample comprised 301 respondents split evenly by gender and aged between 46 and 55 years. The results showed six main place image dimensions of the region, mentioned by 70 per cent or more of respondents (Sharing, friendliness, a welcoming region; Authenticity; Dynamism; Friends and parties; Natural, preserved and healthy environment; and Wealth). The study allowed the Sud de France brand manager to outline the perceived image of the region and guide the brand construction, and to identify internal audiences and main orientations for advertising campaigns that focused on healthy, natural and high-quality food products. This approach reflected the idea that prevails today in applied place branding and has been denounced by Kavaratzis and Hatch (2013) and others: Creating “mass identities of places” that are built by opinion makers, disseminated in the mass media and advertising and implicitly assume that the identity of a place can be imposed on local people and/or foreign visitors. Instead, the present study proposes to go beyond this simplistic view and provide a model of place branding process involving stakeholders.

3.3 Place brand values for stakeholders

Because of the complexity of the place brand value concept, the lack of existing research on this topic and the stake that place brands represent for different stakeholders, it was necessary to conduct an exploratory study to help inform the next stage of the research. In the context where the concept of place brand is not guided by a very precise definition (Kavaratzis and Hatch, 2013), it is crucial to understand the stakeholders’ opinion about the Sud de France place brand.

A purposeful quota sampling was applied and a snowballing technique (Malhotra et al., 1996) used to recruit key informants and interviewees. This kind of approach is recommended to reach study participants who are otherwise difficult to access, in particular local governments and enterprise leaders. The first person interviewed was the Sud de France brand manager, as she helped to identify other stakeholders and make the regional council meeting possible. In total, 13 in-depth interviews with main stakeholder groups of the brand – the regional government as brand owner, the enterprises using the brand and consumers and residents from the region – were conducted in order to identify their attitudes, opinions and expected values of the brand. The interviews lasted an average of 1.5 hours, and the respondents represented several backgrounds and organizations including (number of interviewees in parentheses) senior members of regional organizations (three; regional brand manager, regional council member, general director of industry
brand as sales and profit outcomes are notably interesting for local enterprises and tourism service providers, including other chain-actors such as farmers and retailers. Price premium also depends on the willingness of consumers to pay.

Sud de France makes exporting easier [. . .] the brand is a multiplier. Awareness is an important issue since LR wines for a long time had a very bad reputation (General Director of sectoral association)

The brand allows us to enter the international scene. (Wine producer)

The value of the brand is huge, considering the number of visitors per year through advertising the brand. This is what allows us to contribute to the economy of the region. (Tourism service representative)

Third, heritage describes the brand’s contribution to the protection, preservation or leveraging of natural, cultural and traditional assets. The main assets are: traditional gastronomic recipes, arts and music, historical visiting sites or ecologically sensitive areas. The latter can be leveraged and protected by offering and promoting, for example, eco-tourism concepts via a brand. Heritage is particularly interesting for residents, as it contributes to a better quality of life.

In my opinion, a place brand can contribute to leverage and protect local heritage and culture, to show people that this is something with a unique value which needs to be maintained. (Resident consumer)

I find it important that food production takes place in the region where I live for the following reasons: for the economy, the landscape and the connection with nature that makes it possible to produce food. (Resident consumer)

Fourth, perceived quality is the key dimension from the consumer’s perspective. It measures their perception of the value added by the brand to a place and its products, and can point to attributes such as quality, taste, health and well-being. With regard to a place as a whole, perceived quality can also express historical, political, economic or human dimensions (Jacobsen, 2009). Referring to products and services, benefits may either be functional and experiential (i.e. intrinsic, product-related advantages as quality, taste or health) or symbolic (i.e. attributes related to personal expressions) (Keller, 1993).

I think that a regional brand, just as a commercial brand, must first and foremost guarantee a higher quality at product level. After that, it is interesting to know what it can represent at a territorial level. (Resident consumer)

What I am interested in during my holidays, is to discover gastronomic, cultural and natural assets of a place. A place brand such as Sud de France can be a suitable tool to reveal what a place can offer. (Resident consumer)

Finally, identity means to respondents the capacity of a brand to reinforce or create an affiliation, a common feeling of belonging to a territory. This indicator underlies solidarity and cooperation among brand users. Identity counts mainly for residents and other stakeholders within a territory, however; external consumers may also share this feeling of taking part.

There is a notion of belonging, sometimes even pride, and satisfaction with promoting the economic life of the place. (Resident consumer)

The Sud de France brand gives a sense of closeness to the region. (Resident consumer)

In summary, the exploratory study enabled us to identify five different types of outcomes that stakeholders perceived or expected from the Sud de France brand. In Table 1, the six place image traits identified by the Ernst and Young (2008) study and
the proposed lines of brand communication are compared with the five dimensions of shareholder expectations from the exploratory study described above.

This comparison shows that the place brand communication orientations take into account the image of the place characterizing the identity that people associate with the Languedoc-Roussillon region and highlighting the stakeholders’ values that have been communicated to consumers. We can also observe that the place image is not the only source of the communication campaign. The constructed place brand identity incorporates traits that are substantive and whose effects are observable and able to be managed (Balmer, 2008).

In the next step of the research, we identified the congruence between the brand identity, which is co-constructed by the stakeholders, and the brand values for consumers/residents. This view is consistent with the fundamental notion in the literature that city branding is a resident-dominated process (Kavaratzis, 2012; Kavaratzis and Hatch, 2013).

As the focus of this study is on the food sector, we assume that the main consumers of the branded products live in the Languedoc-Roussillon region (resident consumers).

### 3.5 Place brand value for consumers

In the second stage of the research, the five dimensions garnered from the interviews were put to a sample of consumers living in the Languedoc-Roussillon region for evaluation. We first based our item generation on the stakeholder interviews, with help from two expert marketing professors to identify potential items for each of the dimensions based on relevance and clarity of wording, delete ambiguous items and modify the wording of the retained items where needed. For instance, through this process statements such as (Sud de France) “attracts tourists” and “attracts foreign direct investment” were retained, whereas “contributes to creating start-ups” was dropped as it was felt that not all respondents would be familiar with the meaning of “start-ups”.

A quantitative survey was developed and carried out online among residents (n = 207) living in the Languedoc-Roussillon region. The sample comprised 60 per cent women and 40 per cent men, aged between 25 and 67 years. The questionnaire consisted of 27 items, and respondents answered questions on a five-point disagree/agree Likert scale. Further to the constructs developed through the exploratory study, we added two variables which are generally used within marketing and brand management literature: attitude toward the brand, which is considered as before the evaluation of branded products (Czellar, 2003) and was measured via the three-item scale by Broniarczyk and Alba (1994); and overall brand equity, which refers to the value added to the product by the brand and was measured via the four-item scale developed and validated by Yoo and Donthu (2001). The results of the online survey were analyzed using the IBM SPSS and IBM Amos programs.

### 3.6 Results of the quantitative survey

We first ran an exploratory factor analysis (EFA), a commonly used technique for reducing and summarizing data with minimum loss of information (Kim and Mueller, 1978) and analyzing inter-item interdependence (Churchill, 1979), to ascertain principal factors reflected in the responses. We applied Varimax rotation, the more orthogonal rotation used by researchers, as it produces more easily interpretable results. Table II summarizes the outcome from the EFA. As shown in the table, the analysis produced six factors which explain 72 per cent of the total variance, with 21 items (of the 27 in the questionnaire) having loadings above the commonly used cut-off of 0.50 (0.52 to 0.86) and strong scale reliabilities (Cronbach’s alpha above 0.70 in all cases and above 0.80 for four of the six factors).

Examination of the six factors individually and comparatively, including the items loading in each case, made it possible to identify the nature of each factor in terms of the following six dimensions of place brand value:

1. **Overall brand equity** seems to be related to brand value. Brand value has been considered to be a broader concept than brand equity in the marketing literature (Raggio and Leone, 2007). This factor merges the brand equity and brand attitude scales and consists of seven items.

2. **Product quality** is related to respondent perceptions of the branded product’s quality. The place brand makes consumers more confident about the quality of local goods, perhaps partially because of the typicality of food products (which are emphasized in the brand’s campaigns) but also referring to the brand’s potential use across a broader range of products and services. This factor comprised three items.

3. **Quality of life** encompasses items reflecting the respondents’ views of how the region’s brand supports and expresses their way of life (three items).

4. **Identity** seems to express the significance of the place brand in the construction of a common identity among consumers and residents (three items).
5 Attractiveness relates to the main objective of place branding from a local government point of view, whose aim is to attract tourists and investors to the region (three items).

6 Development is linked to the role of the brand in supporting small-scale producers and contributing to economic development by enhancing employment (two items).

The results of the 21 items included in the six factors of this analysis show that place brand value for consumers is a multiple-perspective and multidimensional construct.

Next, a confirmatory factor analysis (CFA) was performed with AMOS 22 (maximum likelihood estimation) using 20 of the 21 items obtained from the EFA (one item, BV7, was dropped to improve the reliability of the brand value scale). The CFA path diagram is shown in Figure 2. The model measures individual latent constructs using multiple indicators, and CFA is considered appropriate when theoretical and empirical knowledge of the underlying latent variable structure exists (Anderson and Gerbing, 1988).

3.7 Model fit
The CFA shows an acceptable level of overall fit: $\chi^2/df = 2.38$, $p < 0.001$; Goodness of Fit Index (GFI) = 0.906; Normed Fit Index (NFI) = 0.852; and Root Mean Square Error of Approximation (RMSEA) = 0.082. We can conclude that the measurement model of the place brand as assessed by the region’s residents is valid.

Table II Exploratory factor analysis

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Items</th>
<th>Factors 1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>Mean</th>
<th>SD</th>
<th>Cronbach’s a</th>
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<tbody>
<tr>
<td>Overall Brand Value</td>
<td>I like the brand SdF°</td>
<td>BV1 0.639</td>
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<td></td>
<td>3.31</td>
<td>0.91</td>
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<td></td>
<td>I am in favour of the brand SdF</td>
<td>BV2 0.811</td>
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<td></td>
<td>I appreciate the brand SdF</td>
<td>BV3 0.643</td>
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<td></td>
<td>I would buy the brand SdF rather than another brand if products are similar</td>
<td>BV4 0.828</td>
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<td></td>
<td>If I find a brand equally good as the brand SdF, I still prefer buying SdF</td>
<td>BV5 0.864</td>
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<td>If I have to make a choice between the brand SdF and another brand of the same nature, I take SdF</td>
<td>BV6 0.804</td>
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<td></td>
<td>Between a product of the brand SdF and an equal product, I prefer to buy the product of SdF</td>
<td>BV7 0.552</td>
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<tr>
<td>Product Quality</td>
<td>Guarantees the quality of the branded products</td>
<td>PQ1 0.593</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.83</td>
<td>0.75</td>
<td>0.84</td>
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<tr>
<td></td>
<td>Expresses the typicality of regional products</td>
<td>PQ2 0.717</td>
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<tr>
<td></td>
<td>Can be used for different products and services of the region</td>
<td>PQ3 0.728</td>
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<tr>
<td>Quality of life</td>
<td>Stands for the people’s friendliness in the region</td>
<td>QL1 0.760</td>
<td></td>
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<td>3.06</td>
<td>0.84</td>
<td>0.85</td>
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<tr>
<td></td>
<td>Stands for the quality of life in the region</td>
<td>QL2 0.818</td>
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<tr>
<td></td>
<td>Expresses the specific way of life of the region</td>
<td>QL3 0.793</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Identity</td>
<td>Gives you a feeling of belonging to the region</td>
<td>ID1 0.650</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.53</td>
<td>0.78</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>Makes you feel closer to the region</td>
<td>ID2 0.669</td>
<td></td>
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<tr>
<td></td>
<td>Contributes to protecting the nature of the region</td>
<td>ID3 0.663</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Attractiveness</td>
<td>Attracts tourists</td>
<td>AT1 0.606</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.22</td>
<td>0.85</td>
<td>0.81</td>
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<tr>
<td></td>
<td>Attracts foreign direct investors</td>
<td>AT2 0.729</td>
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<td></td>
<td>Creates added value for the region</td>
<td>AT3 0.764</td>
<td></td>
<td></td>
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<tr>
<td>Development</td>
<td>Helps farmers/enterprises to enter markets</td>
<td>DV1 0.784</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.47</td>
<td>0.87</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>Contributes to maintain or create local employment</td>
<td>DV2 0.814</td>
<td></td>
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</table>

Variance\(^b\) 41.32% 10.40% 6.14% 5.20% 4.80% 4.15%

Notes: °°SdF°: the regional brand, Sud de France; \(^b\)Total variance explained: 72%
3.8 Validity and reliability

The measurement model needs to be assessed in terms of its validity, and among the most common validity tests are those for convergent and discriminant validity. With reference to Table III, which summarizes the main results from the CFA, convergent validity tests are aimed at verifying whether answers from different individuals are sufficiently correlated with the respective latent variables. Discriminant validity examines whether answers from different individuals are either slightly correlated or not correlated at all with other latent variables, and a model is generally considered satisfactory in this regard if the square root of the average variance extracted for each latent variable is higher than any of the bivariate correlations involving the latent variables in question (Fornell and Larcker, 1981). As can be seen in Table III, this criterion is met here in all cases except two (“product quality” index value 0.72, versus 0.74 to “identity” and 0.81 to “attractiveness”) and so the discriminant validity of the variables is affirmed.

Reliability can be assessed by examining whether the internal consistency of a set of indicators and/or Fornell and Larcker’s (1981) index of construct reliability exceed 0.70. In exploratory research, values of composite reliability (CR) between 0.60 and 0.70 are acceptable. Further, the average variance extracted (AVE) assesses the validity of the set of indicators at the construct level, with a cut-off value of 0.50 (Fornell and Larcker, 1981). Table III shows that the AVE of latent variables exceeds the level of 0.50 in all cases, and that CR is also above 0.70 throughout. Therefore, we can consider that the internal validity and the reliability of the constructs are acceptable.

Overall, these results confirm that the place brand value for consumers is multidimensional and includes constructs that go beyond the simple quality of products and encompass such concepts as quality of life, a common identity and contributions to local economic development.

4. Conclusion and implications

Place branding is a young concept in academic literature without a solid conceptual and theoretical base, but it is heavily used by local authorities in an attempt to differentiate territories and their products from increased worldwide competition. Place brands principally arise from political decisions but concern various local stakeholders. Public governments which spend considerable tax incomes for place marketing activities need to show that place brands are not just a promotional activity, but may constitute a useful strategic tool for sustainable local development and that various stakeholders may benefit from it. Yet, there is a discrepancy between the need to legitimize place brands and to know what they can offer for various local stakeholders such as enterprises and residents, on the one hand, and the absence of a way to define and measure the potential benefits from place branding, on the other.

Our results show that for co-constructing a place brand with its various stakeholders – even if the brand is in the first instance based on pre-existing images of the place in people’s mind – a strong identity must be built that not only guarantees a certain quality of the products and services involved, but also contributes to creating a brand community with shared common values. The overall value of the brand then integrates the value dimensions that are largely recognized in the brand equity literature, such as the attitude towards a brand (Keller, 1993), as well as dimensions relating to feelings of belonging to a local community and being engaged in a local economy. These results are in line with academic work that takes into account stakeholders for building enterprise and product brands (Gürhan-Canli et al., 2016; von Wallpach et al., 2017), and also with Kavaratzis and Hatch (2013), who consider that the image of a place brand is best understood as a dialogue among stakeholders on the brand identity that emerges from what the brand building process.

Therefore, in this article, we have developed a framework of the place brand building process and measurement scales of place brand value, based on stakeholders’ perceived values. This was based on a step-wise research process that included use of the findings from an earlier study (Ernst and Young, 2008), an exploratory study with a small sample of local representatives and a broader survey of consumers resident in the region. From this framework, we draw the following recommendations for local authorities and their place brand managers, enterprises and resident consumers.

Local authorities and place brand managers can use the framework as a monitoring and controlling tool to identify the sources and different elements of place brand value in line with the various local stakeholder expectations. Among other benefits, the process may enable them to address weaknesses of marketing activities in earlier periods and to take decisions jointly with local stakeholders and thus improve the quality of and support for such decisions. Brand managers must continuously make sure that the place brand identity reflects the region’s characteristics as well as the values of stakeholders, and that it provides shared values to the consumer and the community. They may organize regular workshops with stakeholders to develop a common vision of the brand and to collectively define its strategic positioning. Such a participatory
approach has become even more important with the merging of regions in France, in particular, where place brands will have to adapt to new contexts. Involving stakeholders in the decisions and orientations of territorial strategies can help to ensure their contribution to territorial dynamics and development and the success of place brands. The newly developed measurement scales for place brand value can be used to measure and control, for example, consumer expectations and satisfaction, which evolve over time, and to adapt the brand identity if need be. In the food sector, for example, because of consumption trends toward sustainable food, place or regional brands are evaluated according to their specific contributions in economic (competitiveness of a place and performance of local economic actors), ecological (leveraging and protection of cultural heritage and biodiversity) and social (regional identity, quality of life) terms. In general, we recommend that policy-makers and place brand managers make an exchange of best practices between different places using branding and marketing tools for strategic sustainable development. Turning to enterprises, their involvement in the place branding process is motivated by the benefits they may obtain if they were to use the collective brand for their products and services. Very often, local food producers, for example, use the place brand on their products in addition to their own brands, to harness a complementary local origin sales pitch and to be able to participate in common actions of place branding members. We recommend that enterprises critically evaluate their positioning, branding and overall marketing strategies to be able to decide whether, how and for which products and markets they may best use a collective place brand. They should also not hesitate to regularly interact with place brand managers to share their visions and expectations for the brand.

Residents (as well as individuals from other regions, such as tourists or consumers of regional products) can also help place brand managers in building a powerful brand that carries a specific place identity and values. The place brand identity can then provide added value for consumers and create a common place brand community. Recent research shows that the locality is not only a place in which to live, but also an identity marker and a place to defend and support (Feldmann and Hamm, 2015). A place brand then constitutes a tool for a dialogue between different “formal” actors and “regular” citizens, enabling the latter to become an embedded part of the local living environment and also a voice for communicating shared values to outsiders. We recommend that residents and consumers should assess place brands and the labelled products and services with regard to their own quality requirements and willingness-to-pay, while being conscious of potential positive externalities of buying local, such as supporting local (often small-scale) producers, helping to create local jobs, maintaining a local community and reducing environmental impacts by indirectly encouraging short supply

<table>
<thead>
<tr>
<th>Table III</th>
<th>CFA results</th>
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<tbody>
<tr>
<td>Construct</td>
<td>Item</td>
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<tr>
<td>Overall Brand Value (OBV)</td>
<td>BV1</td>
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<td></td>
<td>BV2</td>
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<td></td>
<td>BV3</td>
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<td>BV5</td>
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<td></td>
<td>BV6</td>
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<tr>
<td></td>
<td>Sum</td>
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<tr>
<td>Product Quality (PQ)</td>
<td>PQ1</td>
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<td></td>
<td>PQ2</td>
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<td></td>
<td>PQ3</td>
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<tr>
<td></td>
<td>Sum</td>
</tr>
<tr>
<td>Quality of life (QL)</td>
<td>QL1</td>
</tr>
<tr>
<td></td>
<td>QL2</td>
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<td></td>
<td>QL3</td>
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<td></td>
<td>Sum</td>
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<tr>
<td>Identity (ID)</td>
<td>ID1</td>
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<td>ID3</td>
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<tr>
<td>Attractiveness (ATT)</td>
<td>AT1</td>
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<td>AT2</td>
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<td>AT3</td>
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<td>Sum</td>
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<tr>
<td>Development (DEV)</td>
<td>DV1</td>
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<tr>
<td></td>
<td>DV2</td>
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<td></td>
<td>Sum</td>
</tr>
</tbody>
</table>

Notes: Model fit indices: GFI = 0.906; NFI = 0.852; RMSEA = 0.082; $^a$in the six “Constructs” columns at right, figures in italic along the diagonal are the square root of the average variance extracted (AVE)
chains and land conservation. In this perspective, place brands can contribute to a more sustainable future, especially from a social point of view regarding identity and cohesiveness, respect and maintenance of traditional values or a healthier living environment. It is here that place marketing, much like marketing by commercial brands that have espoused and promote new contemporary value systems, breaks with traditional views and provides new and exciting options, in addition to well-known and established ones, for tactics and strategies that can improve competitiveness.

Our framework is in line with the new paradigm in the research avenues of the mainstream branding literature, shifting from a traditional to more complex co-creative branding processes (von Wallpach et al., 2017). Compared to the existing literature on place branding (Kavvatzis and Hatch, 2013), such processes take into account that a place brand can create value for the local economy as well as for multiple stakeholders. Until now, the sparse academic contribution to place brand equity has only defined and measured the brand from a consumer or tourist perspective (Florek, 2015). In addition, our proposed framework is dynamic and highlights the character of place branding as an iterative process, where the process itself and its outcomes are interrelated and influence each other. Finally, the framework for place brand building and the place brand value measurement scales propose to enlarge the concept of brand equity to brand value, as earlier suggested by Raggio and Leone (2007). This approach therefore offers new paths of understanding, conceptualizing and evaluating place branding, both in theory and in practice.

Our framework, however, suffers from certain limitations. For example, as suggested by Hankinson (2004), dynamic relationships created between place brand stakeholders should be included. Indeed, if the diversity of stakeholders contributes to increasing the value of the brand, the construction of a network of relationships among the actors is also a vector of value in itself. As well, the research has been limited by its exploratory character, a relatively small sample size for the main survey and by focus on only one case in one region in one country. Therefore, further empirical research is needed to verify the applicability of the place brand building framework and the scales used in this study, to help generate more insights into the sustainable effects of place brands.

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**Further reading**


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