

# Development of Territory Brand Image: The Marketing Aspect

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## Abstract

Development of territory brand image and development of its strategy become a necessary factor in the effective implementation of territorial development. Having analyzed the existing definition of “brand image” the author gives the interpretation of “territory brand image”. The article illustrates its classification: types of brands; concepts and options for modifications in development of territory brand image; territory consumers; new marketing technologies. The identity of territory brand image, a key element of the model, is a set of competency areas: innovation, creativity and investment activity. Aaker and Yohimshtayler’s modified model is a model of territory brand image, with a focus on the global perception of geographical boundaries of the brand, the multiplicity of regional products and markets.

**Keywords:** brand, branding, brand image, territory, marketing, concept, consumer, territories concerned, territory person concerned, mechanism, marketing technology, foresight studies, identity, innovation, creativity

## 1. Introduction

It is necessary to develop new theoretical and methodological positions in territory management on the basis of marketing due to the increasing global competition between the territories of market resources and investment, and as a result, the activation of branding territories for the last ten years (Aaker, 1991; Anholt, 2004; Arnold, 1993; Meshcheryakov, 2011; Randall, 2000).

The creative approach to social and economic phenomena can become the most effective means of leveling effects in the global economic downturn and transition to a qualitatively new level of economic development (Jacoby & Chestnut, 1978; Keller, 2002; Mamleeva, 2010; Weilbacher & Rothenberg, 1993). Since there is no such concept as territory brand image and an effective mechanism of its development, this research confirms its relevance scientifically.

In the contemporary science, territory marketing is a factor of social and economic development, increase of investment activity and development of favorable territory image due to the following directions (Anholt, 2004; Domnin, 2010; Zhukov, 2011).

- Development of territory innovation and investment attractiveness;
- Development of territory positive image among the external and internal audience;
- Development and implementation of the territory marketing strategy;
- Creativity activation of human resources;
- Arrangement of conditions for development of territory creative industries.

## 2. Methodological Framework

### 2.1 The Key Position

“Brand” and “image”—are single, but not identical concepts. “Image” in relation to “brand” is perceived by the target audience as “a generalized portrait” of the branded object. The image-generating qualities are planned actions of the branded object, demonstrating them we can form public opinion.

### 2.2 The Stages of the Research

The generalized mechanism for development of territory brand image is presented in seven main successive steps: strategic planning, research, development of brand platform, brand identity development, development of

a creative brand strategy, media strategy development, promotion and monitoring of the brand. The author undertakes this research using the model of foresight studies.

### **3. Results**

#### *3.1 The Essence of Territory Brand Image*

As that follows from the comprehensive analysis of various options interpretations of the brand image concept, considering the generality of existing scientific views, the author suggests his own definition of territory brand image. Territory brand image (TBI)—is a set, conservative image, causing certain associations in the minds of the public and territory consumers (city, region).

The essence of TBI may be analyzed by means of three components: ideological, image, artistic and aesthetic. Understanding of territory brand image by means of the above-mentioned components allows highlighting its complex nature, requiring efforts, aimed at its creation and development. In marketing, the process of brand image development is defined as branding (Weilbacher & Rothenberg, 1993; Clifton & Simmons, 2004). Development and positioning of TBI enhances territory effectiveness, goals and successful development.

Territory brand image in today's economy can perform three functions: differentiation, promotion, loyalty. Due to extensive and accurate information about the territory, formed by the functions of TBI, the author develops the system of customer relationship management, in which the level of loyalty and competitiveness increases.

#### *3.2 Territory Consumers' Classification*

Brand image exists in the social and individual consciousness, in representations of social groups. The most significant of which for branding is "target audience."

The territory consumer—is a natural or legal entity using the territory resources in order to meet his needs.

The territory person concerned (TPC)—a natural or legal entity trying to satisfy his needs by means of resources.

#### *3.3 The Mechanism of Territory Brand Image Design*

To the interested territories we will carry: rival territories; the territories consuming local resources; territories investors.

All consumers of the territory act as objects of influence in the course of realization of the mechanism of formation of BITS.

Only at full and active participation of the listed groups development of the most realistic and effective a brand image, realized in various target groups is possible.

#### *3.4 The Mechanism of Territory Brand Image Design*

The generalized mechanism of formation of TBI is represented in seven main consecutive stages (Figure 1).

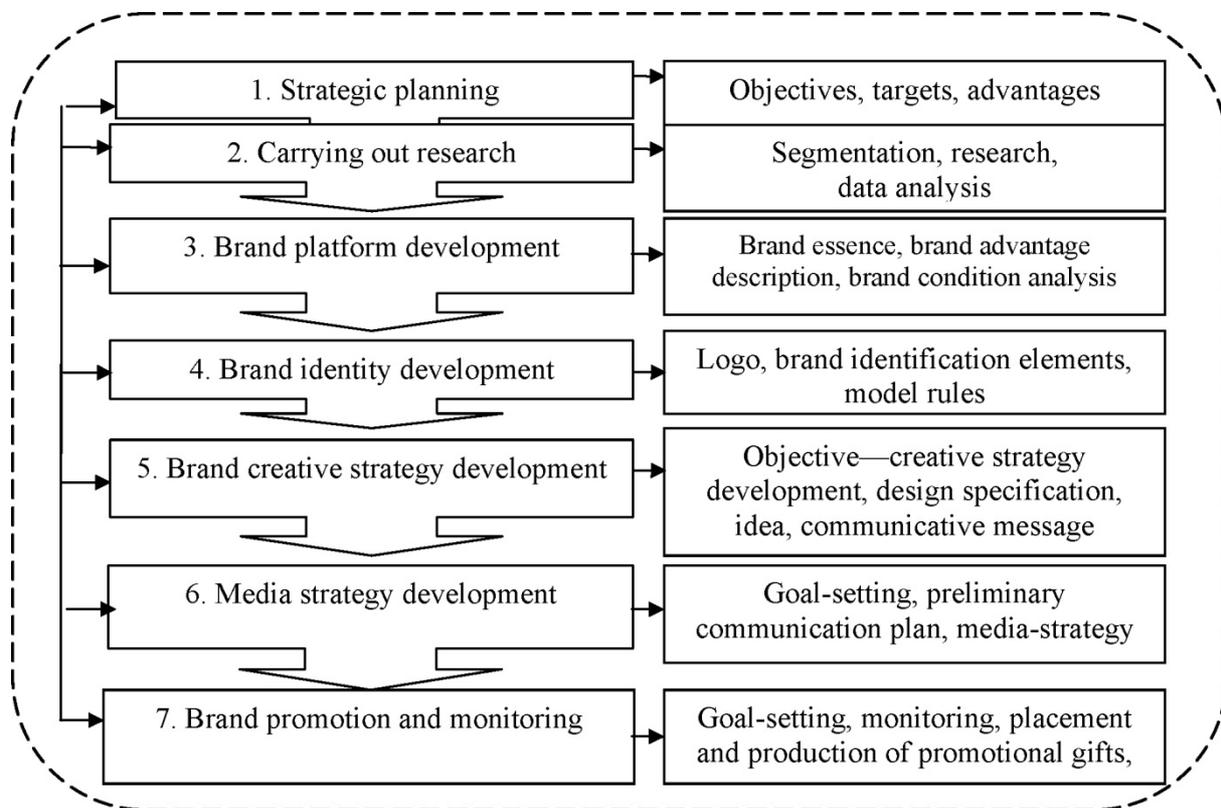


Figure 1. Territory brand image development stages

The mechanism of TBI development is multifunctional in use and takes into consideration specific features of each territory.

It is rational to carry out research in the course of TBI development by means of the foresight research traditionally including three consecutive stages: pre-foresight stage, foresight, post-foresight.

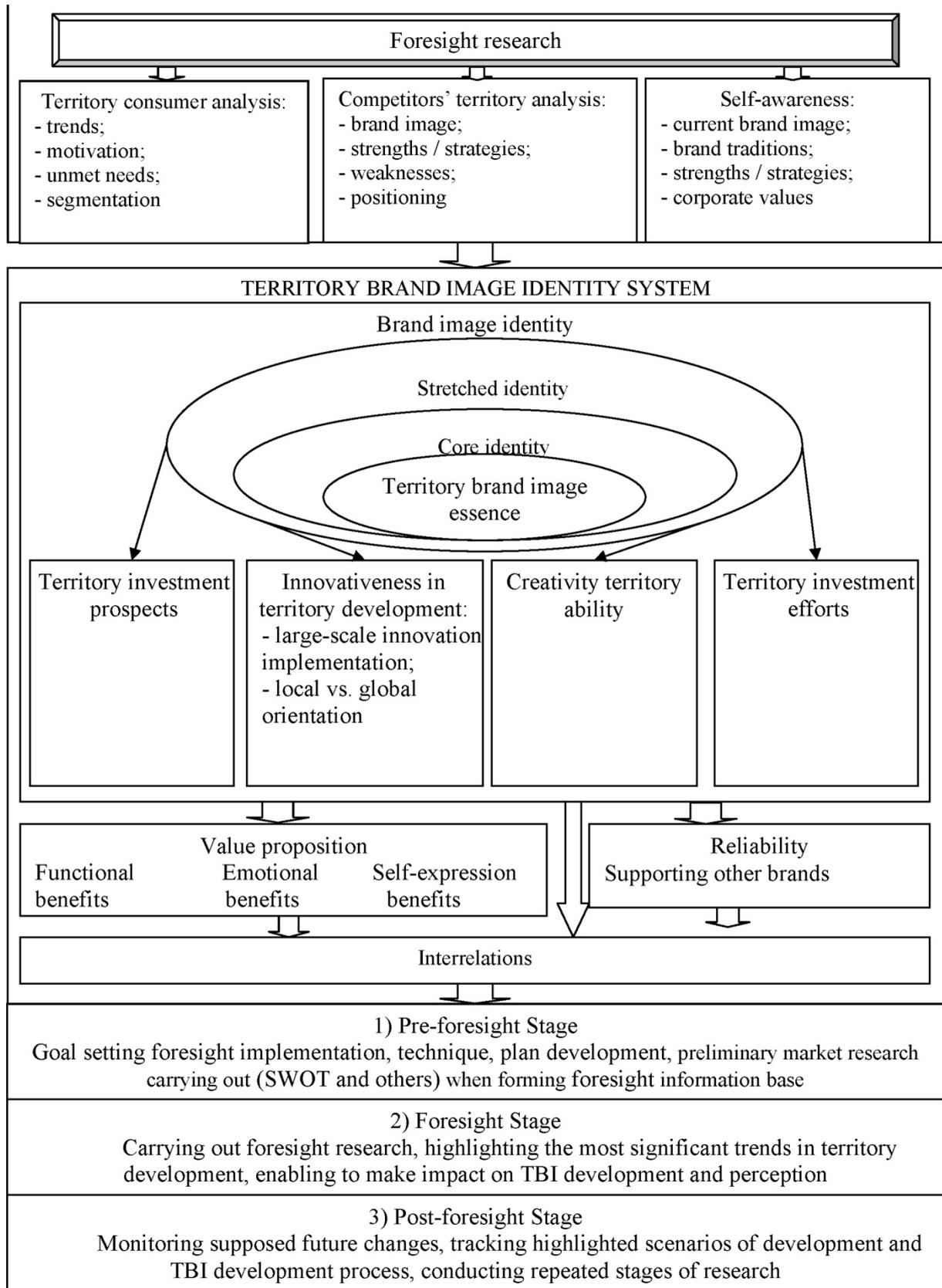


Figure 2. TBI general model of territory brand image development

TBI identity is a key element of the model which represents set of the territory competences revealed on the basis of the current technique analysis of competitiveness assessment: innovations, investment activity and creativity.

Innovation development is connected with the beginning of a creative product formation. The creative marketing approach application provides it with special characteristics:

- 1) Goods novelty (service). The latest manufacturing techniques, change of goods components (service) are put at the heart of goods or service;
- 2) Non-standard of goods (service). Periodically its use is expressed in combination of incompatible components;
- 3) Expediency in use, ergonomics;
- 4) Development. Goods (service) development on the basis of creative idea is directed on the continuation of enterprise and industry.

Prerequisites of marketing innovation top priority:

- 1) Innovation primacy in modern market economy providing territory competitiveness;
- 2) Territory susceptibility to creative ideas, each of which is considered in terms of productivity when introducing;
- 3) Economic resources transformation into a new, more productive form allowing to gain competitive advantages;
- 4) Bringing a creative idea to innovative transformation.

#### **4. Discussions**

The marketing mechanism of territory brand image development was offered by the author on the basis of integrated and system approach and it will allow the territory to reach higher competitiveness level.

The necessity for marketing innovation is considered as time period which is caused by appropriate economic laws not depending on the information when novelty is introduced to maintain or achieve economic balance. Thus on the territory an anticipation or active marketing strategy is applied and new marketing technologies are introduced when there is no necessity both on the part of enterprises and market. A reactive marketing strategy provides innovation introduction when there is the market or territory necessity, which is caused by environmental factors. In this case an advent perquisite leads to various problems on the territory.

#### **5. Conclusions**

In the contemporary science territory marketing is a factor of social and economic development, investment activity increase and territory favorable image development.

The effect from created TBI in the form of a communication interaction synergy between territory representatives and interested people will perform a driver function of economic development by means of investment activity increase and territory attraction.

The author offered model TBI development when passing from tactic marketing to strategic one where the focus is placed on the global perception of brand geographical boundaries, multiplicity of regional products and markets aiming at territory competitiveness enhancement in the conditions of growing global competition between them in the market of resources and investment.

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