Place brands and the problem of ranking them

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Marius Sylvestersen has concrete academic and professional experience with place and nation branding as per his current position as Brand Strategy Director at State of Green.

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Structured Abstract:

Purpose
This article discusses the prerequisites for a reliable comparison between geographical entities such as nations, regions or cities in the form of place rankings. Such rankings accommodate internal needs in relation to the development of places and external needs in the form of information about places directed at a global audience to include: tourists, migrating labour or private investors. In order to provide this information, rankings need to comprise information on both objective and subjective dimensions.

Design/methodology/approach
The relevance of the topic is highlighted by an illustrative summary of Denmark's challenges with place rankings. The article presents and discusses a set of representative place rankings on the content-image spectrum and these are placed in a matrix that facilitates the discussion.

Findings
It is shown that some rankings are more nuanced than others and that measuring place brands should ideally include factors relating to both content and image.

Research limitations/implications
Having established the case for a content-image view on place rankings, this article's conclusion is an invitation to further academic debate on what direction place rankings take and who the main contributors will be in the future.

Originality/value
The originality of this article lies in how it provides a simple yet effective analytical method for grouping and discussing place rankings. Once it makes its entry into a broader business media debate, it holds the promise of facilitating a more nuanced presentation of and debate on rankings and hence ultimately places.

Emerald

Article Classification: Conceptual Paper

Running Heads:

1. The argument for ranking places

Places are competing with each other because of economic and cultural globalisation and the increasing mobility of labour and capital. Places see themselves as being in competition with each other, and gaining competitive advantage through differentiation is of prime importance to a place. Successful place branding manages to position a place favourably in relation to rivalling places. Place rankings have widespread popular appeal such as *The Economist's World's Most Liveable Cities Index* that gives cities a certain rank. An important tool lacking in this positioning effort is a meaningful ranking aimed at a defined audience. Present popular approaches illustrate how most rankings have their shortcomings. The argument for accurate rankings though is clear: They quantify and list entities of human organisation and interaction that are incredibly challenging to define, weigh and measure. They also serve as absolute assessments of the present state of a place from which key performance indicators, action plans and road maps can be staked out which the following summary of the Danish experience with rankings illustrates.

When working with places and managing their development and brand, the available rankings pose challenges. Rankings can give valuable information on a specific place and how it is performing compared to other places. To give an idea of the importance of these rankings and the challenges posed by those currently available, this paper will briefly review the Danish nation branding effort. Those efforts are quite in line with the common motives of branding a country, namely in broad and undefined terms to enhance the global position of Denmark. This case illustrates the inherent difficulties of working with the current indexes when trying to use broad and undefined terms to globally position Denmark as a place,

Acknowledging the harsh realities of growing global competition Denmark established a *Globalisation Council* led by the prime minister that was to analyse the threats and opportunities facing the country in the years to come. In 2006 the council presented its conclusion and subsequently an action plan for the global marketing[1] of Denmark was formulated, encompassing initiatives of EUR 55m. The action plan consists of several initiatives rooted in five different ministries and a cross-ministerial unit coordinating the program and supplying funding for external initiatives. In the footnotes to the action plan, it is noted that no useful or commonly accepted measure of a nation brand was currently established. However, the plan actually cites the Anholt Nation Brand Index (NBI) known today as the Anholt-GfK Roper Nation Brands Index. The very first page of the plan states that the goal was to bring the country into the top ten of the NBI: "The objective is for Denmark to be ranked amongst the top ten in 2015 of all the OECD countries and the new growth countries in terms of awareness of the country's strength and competencies" (Ministry for Economic and Business Affairs 2007).

The NBI ranking was made and is the measure of success for the initiatives in the plan. The country should be among the top ten countries according to the NBI by the year 2015. In order to monitor progress and track the relevant variables, the NBI's data set and plus a specific report on Denmark was bought. Denmark ranked 14th among OECD and BRIC countries in 2006. Two years later in 2008 most of the initiatives were already well underway, but the status report on the action plan noted that Denmark still ranked 14th despite its efforts. Another two years passed, and by 2008 it was time for the external review which evaluated the progress of the action plan. Even though the initiatives showed the expected progress, Denmark remained stuck at 14th place. The action plan laid out in the initial agreement was subsequently renegotiated, and another EUR 28m were invested. Even though efforts were made to downplay the

role of the NBI in order to apply other measures, the political level wanted to continue using the NBI to ensure correspondence with the initial measurements and goals. Hence, at the time of writing the NBI is still being used and Denmark has dropped to 15th place.

The government office responsible for the action plan regretted initially tying the plan and its many initiatives designed for bettering the national brand to a scale that was unable to detect such efforts. Despite being the most comprehensive index at the time, the NBI simply did not give valuable place management feedback to the practitioners. No solid knowledge on the challenges facing the country could be gleaned from the information nor could a measureable scale to guide their efforts be deducted. This is not due to shortcomings related to the action plan itself. It is a weakness inherent to the available measurement systems at that time. Simon Anholt, the man behind the NBI, spoke at a conference in Denmark in 2008 discussing the global positioning of the country (Ministry for Economic and Business Affairs 2008). In his opinion, and building on the in-depth knowledge of the design of the NBI, global changes on a macro level are what cause shifts in positions among the countries on the list. He even acknowledged that it would be difficult for a country to better its position by any deliberate action leaving the people behind the action plan quite powerless. For a detailed and critical analysis of the NBI see also Csaba and Stöber (2011).

Even though the plan is tied to the NBI for political reasons, the people working with the action plan are seeking new measures to evaluate the effort to position Denmark. However, indexes that can measure the development and branding of places are rare or do not exist in the proper format which makes it difficult to measure and steer the management of places. In conclusion, there is a demand for a ranking that not only measures the present position of a place, but one whose sub-components can be understood and influenced in order to improve the position.

## 2. Ranking objective and subjective place dimensions

This above example illustrates how rankings are necessary but often inept tools in actively working with places. Shifting away from the perspective of the users, the challenge inherent in ranking places and how it is done in place management must also be examined. Some of the difficulties are quite common for all empirical work of this genre. Questions of how to construct a useful index, general problems of ranking such as difficulties in comparing places, problems of over-simplification, or the lack of reliable data must be solved. There are also further challenges related more directly to the measurement of places such as issues of definition and demarcation and problems of constructing a meaningful scale. Grasping the place as a subjective as well as objective entity is difficult, and measuring perception along with physicality makes it no simple task. In sum, both data and method need discussion when dealing with the current attempts to rank places. However, assuming the practical barriers can be overcome, the question of relevant parameters still very much exists.

One factor that adds complexity to the discussion is the audience. Who are the rankings directed at? While all rankings may not be actively pushed to the average media consumer, there are no intentional efforts to make certain rankings unavailable to broad audiences. On the contrary, it is often assumed that more readers are equal to greater influence and impact on the ranking in question. Assuming for a moment that places strive to succeed primarily through differentiation strategies, this refutes the usefulness of all-encompassing rankings such as *Monocle's Most Liveable Cities Index* or *Forbes' America's Most Liveable Cities*.

The question of the subjective and objective dimensions of places may have similarities to Anholt's (2007) venture into the psychological realm with the argument that places are chosen for two reasons – the good reason and the real reason. Good reasons are more broadly confined to rational decision-making. Real reasons are "those instantaneous, emotional, deep-rooted good or bad feelings" (2007, p. 43) that are more difficult to articulate or to measure.

Our way of operationalizing the need for an inclusion of subjective and objective dimensions of the place is to use the concepts of content and image. These two ideal types seem to appear often in place ranking and several authors seem to be using a terminology that corresponds to the ideal types of content and image [2]. Content-based indexes are measuring specific, objective attributes of a place often in the form of statistical figures. Image-based indexes seek to grasp how a place is perceived. These are more subjective dimensions and include such examples as: the resident population's impression, a visitor's experience, and the general reputation. It often charts the soft data and values of a place[3]. Since content and image are of equal importance, it makes sense to make them the core dimensions along which to rank places.

Figure 1: Content and image

CONTENT

Strong

High-ranking places

Weak

IMAGE

Strong
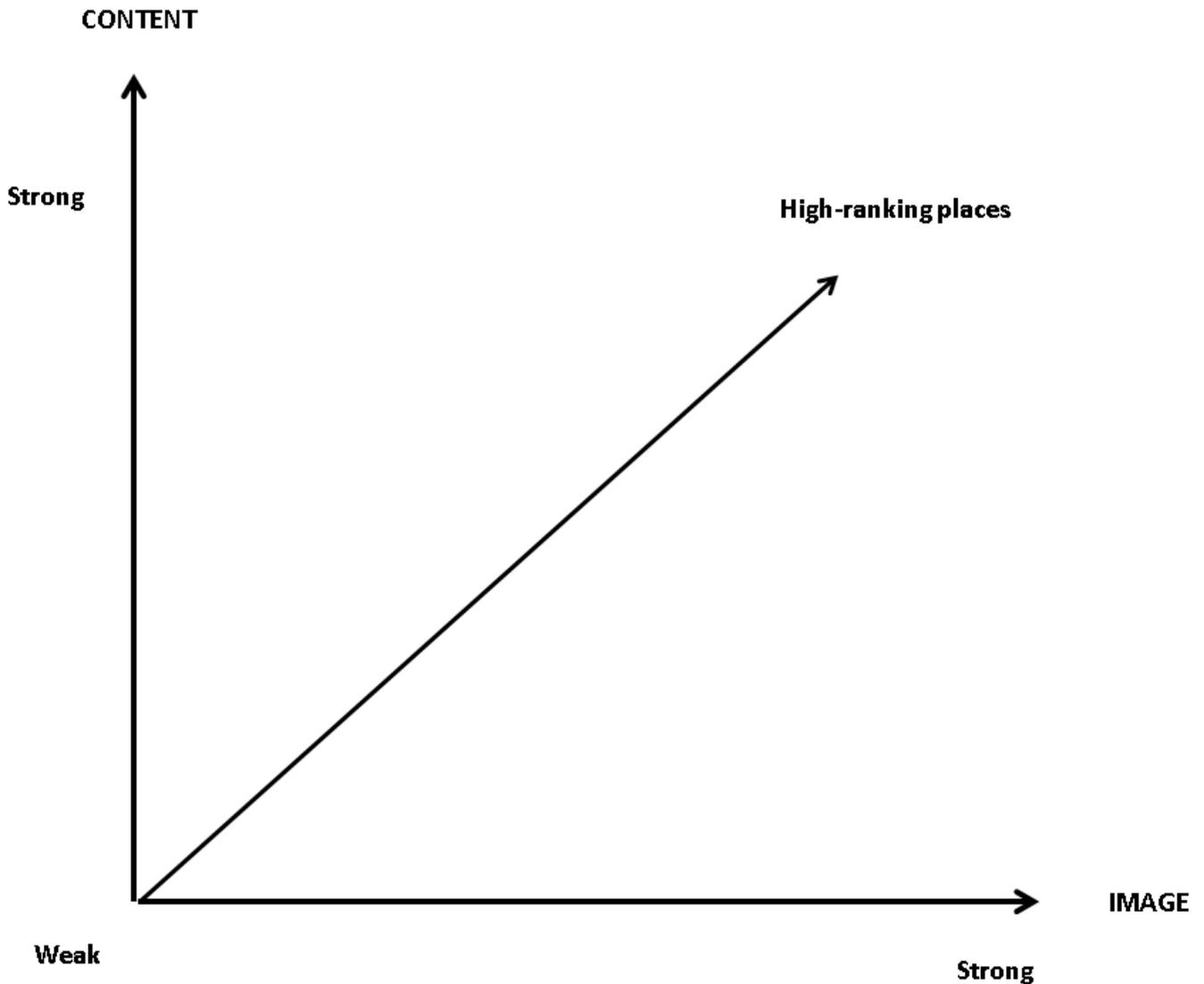
Content and image are geographically boundless with respect to countries, regions or cities. The content dimension draws heavily on what could be called the place development tradition which is defined as "…a concept involving all possible efforts a place can make to redesign its hard and soft factors irrespective of branding – implying utilisation of tangible and intangible assets in a number of concerted efforts" (Asplund et al 2011, p. 83). The image dimension defines place branding as "…the process of consciously working to promote a place through a unique set of association of relevance to defined targets audiences" (Asplund et al 2011, p. 83). On the notion of place branding covering numerous sub-themes see for example Kavaratzis (2005).The attractive and well-performing places are the ones that succeed in the integrated management of content and image, making both of these dimensions peak for a given place[4]. To briefly highlight the very extremes of these two definitions, dual focus must be applied to the development of physical attributes and social and communicative constructs.
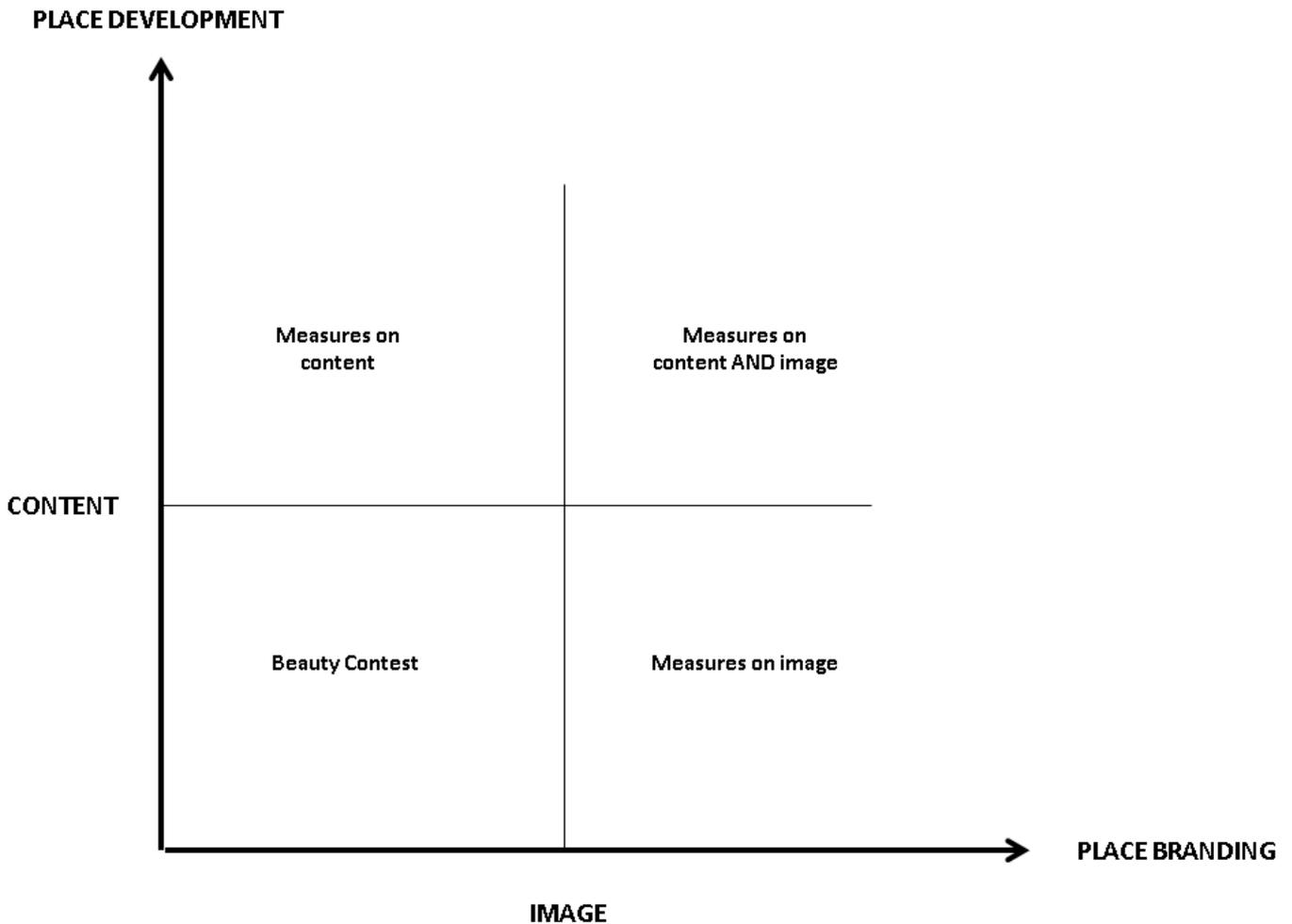
The x-axis charts the ability of a given index to measure the image dimension of places. These types of indexes often put aside the actual content of a place in order to grasp the perception and the subjective image of a place. If image is assumed equal to brand, the downside of the focus on the brand dimension is that these indexes often neglect what is actually being done in relation to the development of a place.

The y-axis grasps the content dimension. Indexes dealing with the hard facts of places such as income, employment or infrastructure are positioned high on the axis giving detailed information on the objective realities of a place. The downside of these indexes is the potential neglect for how external audiences perceive and value the work being done developing the place in question.

One argument may suggest that there is often a trade-off between the ability to measure one or the other dimension given their very different nature. One way of working around this is to encompass one dimension into the other. For example, while Anholt's NBI on the face of it includes tangibles such as, say, *Investment and Immigration*, what is being measured is not, say, actual returns on investments, but the respondents perceptions thereof. In opposition to this, an index focused almost exclusively on content and absolute measurements is the annual *World Economic Forum's Global Economic Outlook.* However, such an index grasps nothing of the image of a place irrespective of the size of past investments. The report is an aggregation of data such as school enrolment, infrastructure quality and economic figures rankings.

Supplementing the chart with a simple matrix further illustrates how specific place rankings can be capable of measuring the content and image dimensions.

Figure 2: A place matrix

PLACE DEVELOPMENT

Measures on content	Measures on content AND image
Beauty Contest	Measures on image

CONTENT
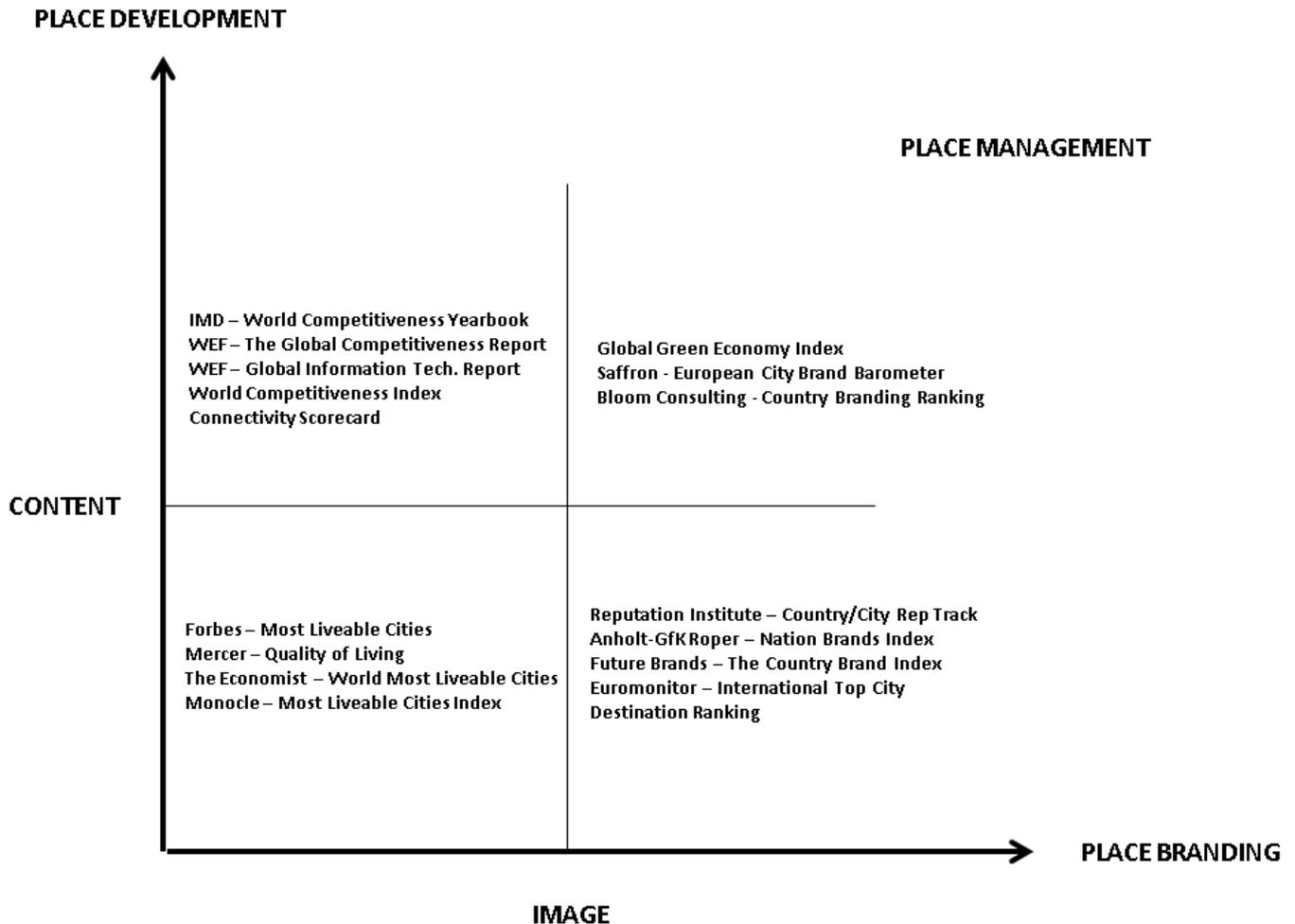
PLACE BRANDING

IMAGE

On a purely analytical level this yields the opportunity to position a given place measurement in one of four positions. Indexes positioned in the bottom left quadrant are worst-in-class because they are weak in both the content and image dimensions. Consider these measurements as the place management approximate to a beauty contest in that it neither delivers substantial information on the content nor the image. Thus only anecdotal evidence on external perception or internal development is derived. In the process of managing places, these indexes give only superficial information and are designed mostly for broad and unspecific media penetration. The measurements here are not very useable tools in the everyday practice of place management, but they can have a remarkable effect on boosting the confidence of a place. And often managers devote quite a bit of attention and even money to these rankings in order to attract positive attention (Csaba & Stöber 2011).

In the top right quadrant are the rankings that most extensively encompass both image and content information on places. Given the importance of both dimensions in relation to place management, this is the most interesting group of measurements because it takes on a holistic view and delivers information on both the subjective and objective dimensions. This corner is not very densely populated which causes many difficulties in the planning and evaluation of place management.

Having established this analytical model, the empirical performance data for actual place rankings can be positioned and a selection of the most illustrative examples plotted into the matrix.

Figure 3: Place matrix with rankings

PLACE DEVELOPMENT

PLACE MANAGEMENT

CONTENT

IMD – World Competitiveness Yearbook
WEF – The Global Competitiveness Report
WEF – Global Information Tech. Report
World Competitiveness Index
Connectivity Scorecard

Global Green Economy Index
Saffron - European City Brand Barometer
Bloom Consulting - Country Branding Ranking

Forbes – Most Liveable Cities
Mercer – Quality of Living
The Economist – World Most Liveable Cities
Monocle – Most Liveable Cities Index

Reputation Institute – Country/City Rep Track
Anholt-GfK Roper – Nation Brands Index
Future Brands – The Country Brand Index
Euromonitor – International Top City
Destination Ranking

PLACE BRANDING

IMAGE

The matrix in Figure 3 is populated with rankings that are placed in four quadrants. For the two quadrants that are strong on image and content respectively, the rankings are characterised by resting on solid evidence as well as being respected by their separate audiences. As for the quadrant with a focus on content, the rankings draw on tangible asset measurements and are based on solid statistical grounds and data stemming from trusted public institutions. Moreover, these data sources are most often open to scrutiny qua their accessibility. The quadrant of rankings dealing heavily with branding are characterised by large surveys of broad public perceptions that capture present views on the accumulated brand capital of places.

Besides providing a brief overview of some of the many measures, another aspect is evident from this chart. Many of the measurements fall on either side of the content/image divide pointing to the fact that it is not easy to come about an integrated measurement covering both content and image even though they, as argued earlier, are of equal importance. Most tools being used for analysing and measuring success in place management are one-dimensional.

Derived therefrom management practices are also likely to be one-dimensional. Managers will have a hard time aligning the image and content of a place let alone making them both peak by creating value for the place via substantial physical development combined with the communication necessary to embed these changes in stakeholders and the external audiences. By use of the same reasoning, this is an invitation to adjust hyperbolic marketing statements to more soberly reflect the real realities of the place.

3. Bridging the content-image divide

There is no doubt that combining content and image in specific measures is difficult. However, to successfully manage a place, measurements must take into account both of these dimensions and contribute with hard evidence on the performance of image and content. A few indexes actually take on the challenge of combining data on both content and image dimensions and are presented in this section. Those indexes have been developed quite recently and thus have only a very sparse track-record. Yet, they try in different ways to tackle the problems inherent in such an effort as mentioned earlier in this article.

The *European City Brand Barometer* from the consultancy firm Saffron develops two dimensions that correspond quite nicely to our analytical divide. Their analysis establishes an 'asset' dimension and a 'brand' dimension where the first builds on the observable and measurable features of the place where as the brand dimension builds the perception of the brand itself. Saffron has established which assets of a place people value the most in terms of culture (sightseeing, cuisine, shopping) and amenity (low cost, good weather, ease of getting around) by using polls. A non-disclosed method is then used to rank places according to these assets. In addition, Saffron is using hard data concerning the degree to which a city is important or prosperous economically to supplement this, but how the exercise is carried out remains unknown. The brand dimension is constructed along traditional lines via surveys revealing how often a place is recognised, which associations it triggers, and its general penetration in the media. This establishes two sets of data and when these are combined a number is derived which reflects how well the brand fits the place. This score measures to what degree the image mirrors the actual assets of the place and tells whether there is an image-gap that can be reduced.

The *Global Green Economy Index* monitors the national green reputation from 27 countries starting in 2010. This index does not measure places in general. It deals only with the green economy and tries to involve data from numerous types of sources. The narrow focus makes it possible to get more in-depth information, but it is not possible to establish how countries are performing in general. The index tries to bridge the image/content divide given these limitations by combining a general survey. It is accomplished by monitoring the perception of countries with regard to green image and specific analysis of content dimensions such as leadership, domestic policy, investments and tourism. The content building on a diverse set of data sources includes political targets, media coverage and investment figures spanning more than 35 datasets.

The last example of an index trying to encompass the two key dimensions is the Bloom Consulting Country Branding Ranking which in turn breaks down into analyses of attraction of trade, tourism and talent. The country scores are arrived at by combining tangible variables from the World Bank and United Nations with a qualitative study of 144 countries Investment Promotion Agencies (IPAs) messages to their target audiences. While methodological objections

can be raised, Bloom Consulting nevertheless deserves recognition for taking on the challenge of meaningfully tying "economic performance and the communication strategy chosen by each country" (Bloom Consulting 2011, p. 9). The three rankings presented need further refinement but are nevertheless representatives an emerging trend towards multidimensional measurements that gives a more complete picture of the performance of places.

4.   Conclusion and future perspectives for ranking places

Given the increasing competition between regions, cities and nations the demand for precise tools to plan, manage and measure the work being done to enhance the image and quality of places are bound to be on the rise. Already there are a large number of different indexes that try to establish relevant information on the character of places. We have argued that a reliable measure of a place has to take into account two dimensions, image and content, and have shown how most current indexes deal with only one of the two dimensions. Recently new types of indexes have been introduced in order to bridge the gap capturing both perception and content of a place.

Even though these indexes attempt to bridge the content-image divide they are still based on traditional methods and technologies and perhaps ignore the fact that a whole new source of data on places is available. The digital revolution and the ability to share information online is the prerequisite for this future source. And the result is social media and a constant and detailed flow of data revealing preferences and facts in relation to places.

Provocatively one could ask how long the massive amount of data being produced on places each second via social media and other related user centred technologies will remain untapped. Future place measurements could tap into this raw data source and derive rich ranking information from numerous platforms. Every place has several digital counterparts in the world of social media and the number of 'likes' on Facebook, the badges on Foursquare and the micro-reviews on TripAdvisor give valuable information on the image and content of places. In fact, Google took out a patent in 2007 on a module that generates place ranks for geospatial entities and determines a total score for a given place (Jones et al 2007).

Such data and its modelling has not yet been utilised or deployed on a massive scale. While the dominant rankings of today – those presented in this article – are struggling with their own methodological challenges of measuring and comparing places on city or regional level, it is to be expected that aggregating the torrent of user-generated data on street level into meaningful rankings poses its own challenges. Hence, one should not underestimate that despite being valuable sources of data, the collection and aggregation inherits some methodological challenges from existing rankings. Still these sources of data might very well complement the established rankings giving perhaps a more accurate and updated picture of places in the future. One may speculate and hope that the combination of solid methods and masses of data will provide new possibilities for managing the development and branding of places.

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[1] For the sake of this very paper we take the view that the terms *place branding* and *place marketing* can be treated as having *de facto* identical meaning in this discourse similar to the analysis by Zenker and Martin (2011).

[2] For example *place physics* and *communicated place brand* in the terminology of Zenker and Martin's (2011). Similarly, Hildreth (2010) speaks of the *unfakeable* (content) versus the *fakeable* (image) and Asplund *et al* (2011) use the distinction *real reality* (content) versus *perceived reality* (image).

[3] The following sentence has since submission been deleted from the main body of text as it erroneously refers to an earlier and different version of Figure 1. "*The graph below illustrates numerous terms being used in charting content and imagine. A few are presented for the sake of a quick overview*".

4 Place management is oftentimes referred to in this article by which is meant "…a focussed and systematic, area-based, and normally multi-stakeholder approach to developing and branding a place by harnessing the competences and resources of those in the private and public sector" (Asplund et al 2011, p. 82). Summarised to be relevant to this article, this definition implies that there should be a balance in what is communicated about a place and what it actually contains.