

## A Brand of the City as an Element of Economic Competitiveness

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At the time of dashing globalization, competition struggles do not concern only economic entities. Regions also compete for their position against the background of competition. They are expanding their tourism potential, implementing facilities for investors and trying to ensure high quality of life, security and access to culture for their inhabitants. Territorial marketing tools are increasingly being used by territorial units. Territorial marketing is defined as an integrated set of instruments and actions designed to increase the competitive capacity of a segregated, developed space.<sup>1</sup>

One of the most important challenges to overcome regarding this activity has been the effectiveness of communication with the environment aimed at building a place brand. These actions are called place branding<sup>2</sup>. Place branding can be defined as the process employed by public administrations to intend to create place brands, networks of associations in the target groups' minds "based on the visual, verbal, and behavioural expression of a place, which is embodied through the goals, communication, values, and the general culture of interested parties, and the overall place design".<sup>3</sup> Place branding can include place branding of a country, region or city.<sup>4</sup> The city brand is defined as a general image and a set of associations (functional and non-functional) linked to it. Everything is based on the visual, verbal and behavioural expression of a given facility and it's related to its purposes, communication, values and culture of interested parties.<sup>5</sup>

Branding means deliberate action which is taken to improve or change the image.<sup>6</sup> Such actions include design activities, planning and communicating brand identity in

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<sup>1</sup> Nawrocka, Elżbieta, 1998 *Pojęcie i istota strategii marketingowej. W: Marketingowa strategia rozwoju przestrzeni*, Wrocław: Wydawnictwo Akademii Ekonomicznej im. Oskara Langego, p. 18.

<sup>2</sup> Govers, Robert, 2009, *Place Branding: Glocal, Virtual and Physical Identities, Imagined and experienced*, New York, Palgrave Macmillan,

<sup>3</sup> Zenker, Sebastian and Braun, Erik, 2010, *Branding a city—a conceptual approach for place branding and place brand management*, Copenhagen, 39th European Marketing Academy Conference, 1st – 4th June, p. 3.

<sup>4</sup> Lucarelli, Andrea and Berg, Per-Olof. 2011, *City branding: a state-of-the-art review of the research domain*, *Journal of Place Management and Development*, p. 9 - 27

<sup>5</sup> Zenker, Sebastian, 2011, *How to catch a city? The concept and measurement of place brands*, *Journal of Place Management and Development*, p. 40–52.

<sup>6</sup> Baker, Brian, 2012, *Destination Branding for Small Cities*, Portland, Creative Leap Books, p. 18

order to build and manage its image.<sup>7</sup> Local government should adjust the form and content to specificities of different target groups. Regions which are characterized by high recognition and positive associations by tourists and investors are more likely to gain a better chance for economic development.

Diagnosis of actual and current associations in target groups should be the starting point for planning future image impacting activities. The purpose of this article is to draw the attention to the need to consistently build a place brand as an intangible asset that influences the region's economic position and to present the results of research on the perception of Rzeszow as a brand. The empirical data presented in this article are based on studies/survey conducted in November / December 2016. The scope of the subject concerned the image of Rzeszow as a city and a place brand. The questionnaire survey followed the quantitative method of selection of the data sample in which the following control characteristics were taken into account: sex, age and place of residence. Thanks to that, the research sample retains the structure of the respondents reflecting the population surveyed by the inhabitants of Rzeszow and visitors to the city and living permanently outside its borders. 607 people participated in the study. Interviews with respondents were conducted by students of the Faculty of Economics of the University of Rzeszow as part of a project run by students scientific association the Koło Naukowe Liderzy Biznesu under a substantive supervision of Ph.D. Grzegorz Hajduk from Faculty of Marketing and Entrepreneurship at the University of Rzeszow.

### **The significance of place branding in building the position of a region**

According to K.L. Keller brand is the capital of the company, person or region which determines the potential. Building a brand is a multi-step process that requires work and continuous operation in every implementation phase.<sup>8</sup> The basic condition for creating an effective branding strategy for a place is pertinent analysis of the current perception of the city and the determinants that impact an image in the minds of the recipients. From the perspective of the recipient of the place, a brand is a set of associations, feelings and memories of the region. They arise as a result of personal experiences, information raised from others and through a variety of media and communication channels. This image is invoked at the time of deciding on the choice of destination, place of investment or residence. A brand is an important tool that determines the success of the region's development strategy. Regions change and open up to new challenges sometimes, but the in minds of recipients an out-of-date image remains. This can be a barrier to the implementation of the development strategy. Modernization of infrastructure, new investments, implementation of facilities for investors and residents should be connected with marketing communications. Its purpose is to provide information on the current situation and developing the place brand equity. A shift in attitudes and beliefs or brand

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<sup>7</sup> Anholt, Simon, 2007, *Tożsamość konkurencyjna. Nowe spojrzenie na markę*, Warszawa, Instytut Marki Polskiej, p. 11

<sup>8</sup> Keller, Kevin L., 2011, *Strategiczne zarządzanie marką. Kapitał marki – budowanie, mierzenie i zarządzanie*, Warszawa, Oficyna a Wolters Kluwer business, p. 54.

repositioning in the minds of the audiences is a long-term process. It requires understanding the underlying mechanisms of an image. It is important that the local authorities should be aware of the processes creating a brand. The main criteria for its effectiveness are: determining strategic communication goals, identifying target groups, selecting the right channels for communication with them, selecting the original key messages on which communication is based, observing the principles of visual identification, and providing regular and consistent delivery of regional information to the target groups. The expected effect is to build a positive, unforgettable brand image of the place in the minds of consumers which will have an impact on the decision to visit the region for tourism, settle in or invest here.

### Rzeszow as a City Brand

The individual regions differ essentially in their culture, values, potential or landscape values. The city of Rzeszow, located in the south-eastern Poland, in the region of the Karpaty, about 100 km from border Ukraine and Slovakia. At present, in Rzeszow live 188 606 inhabitants for permanent and temporary residence on an area of about 120.4 km<sup>2</sup>. The city is the centre of the Rzeszow Functional Area (ROF), inhabited by about 356 000 inhabitants. Rzeszow is the capital of Subcarpathian Province, which for years has been recognized as one of the least developed regions in Poland, associated with high levels of unemployment, lag in development and geographical disadvantage. For this reason, Rzeszow was ignored and underestimated as a place to live and conduct business or visit for touristic purposes. At present, the city has managed to build an image of a modern, innovative, dynamically developing centre. This required overcoming numerous limitations and unfavourable stereotypes.

The good management of the city's potential combined with effective promotion of the region has brought positive results. Rzeszow and Podkarpacie have ceased to be anonymous to investors and are now associated with dynamic economic growth. Successfully implemented investments attract new capital and maintain high growth rates. In the city budget approved for 2017, 30% of expenditures will be allocated to investments, which amounts to approximately 401 million PLN<sup>9</sup>. Dynamic industries such as aviation and IT are developing rapidly. According to the report of the Schuman Foundation in Rzeszow, the city presents the second in Europe demand for IT specialist.<sup>10</sup> The International Airport is also a great asset. In its neighborhood, there is an economic zone, in which the Science and Technology Park is located as well as numerous production companies, not only in the aviation industry. New jobs are constantly being created in Rzeszow and the city is becoming more and more attractive as a place to live and rest. The strategy of building a city brand is subordinated to the slogan "the capital of innovation". The purpose of marketing communications is to provide information on innovative measures in the city.

Changes in the urban environment are relatively easy to demonstrate as the city's asset. Both the inhabitants and guests can easily notice them. Reaching non-urban

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<sup>9</sup> [www.rzeszow.pl](http://www.rzeszow.pl), DOA July 31, 2017

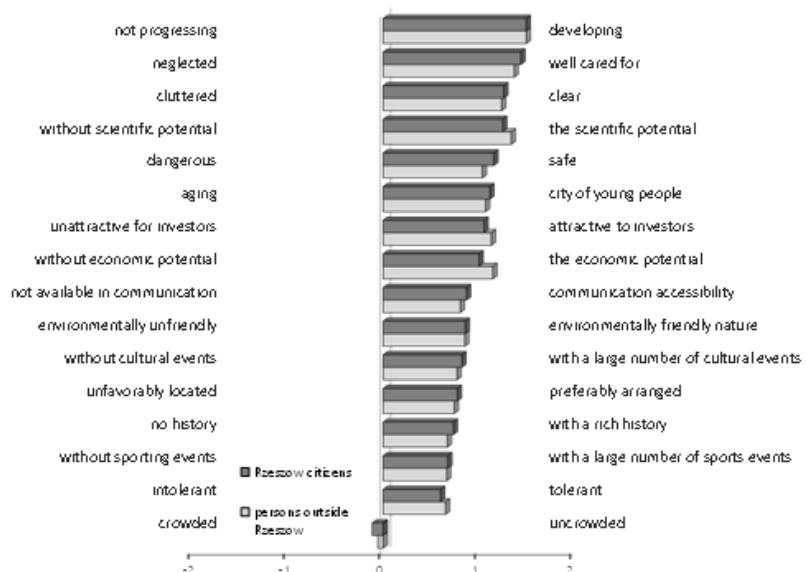
<sup>10</sup> <http://europolis.schuman.pl>, DOA July 31, 2017

customers requires resorting to public relations, advertising, product placement or social media marketing. Information about Rzeszow very frequently appears in national media, both in news and entertainment programs. The city is present at various Fair Exhibitions and its representatives travel and participate in meetings at an international level. The city and region ads can be found on Ryanair airplanes. Apart from that, the city is active in social media and the profiles devoted to it are very popular. More difficult to present to the mass customers is the information about innovations taking place inside companies, universities and institutions operating in the city. Providing information on new investments, achievements and successes require open communication with the environment. An additional difficulty is that such messages are not "media-friendly". The effectiveness of their delivery depends on such aspects as content, selection of choice and form of channels of communication, as well.

Regions are less and less advertised in traditional media such as atlases, guides and maps. Internet advertising and other social media marketing activities are increasingly more widespread. Public social media sites on Facebook or Instagram have become very popular. Modern communication channels allow you to quickly and easily interact with many recipients, thereby increasing the effectiveness of marketing communications.

### **Perception of Rzeszow as a brand - research results**

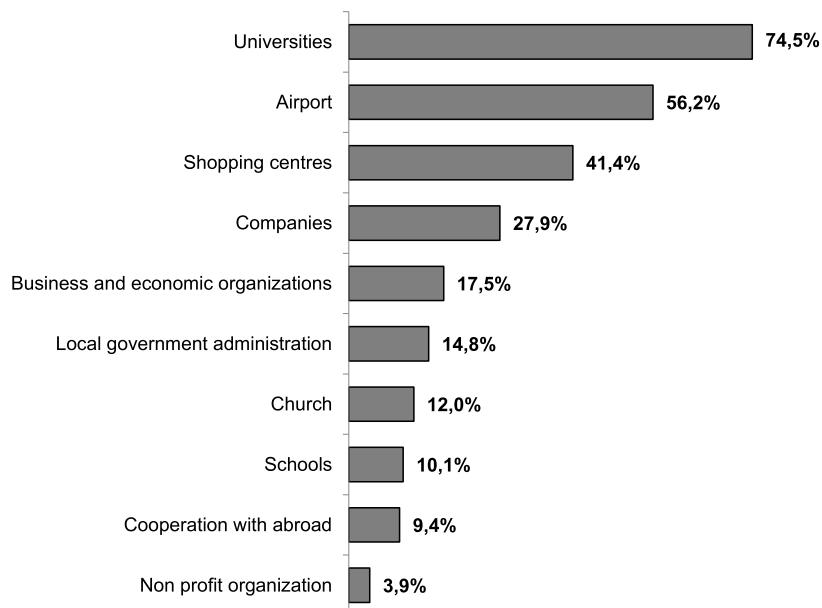
The image of the city is a resultant assessment many points of city operation. To identify the respondents' opinions about the city, they were asked to evaluate 16 deliberately chosen features. The respondents were provided with a 5-level, bipolar serial scale (from "definitely not" to "definitely yes"). The overall response decomposition after averaging is shown in the chart below (graph 1).



**Graph 1.** Evaluation of some aspects of the functioning of the city of Rzeszow into account the opinion of residents and people from outside the city

Source: own study based on research.

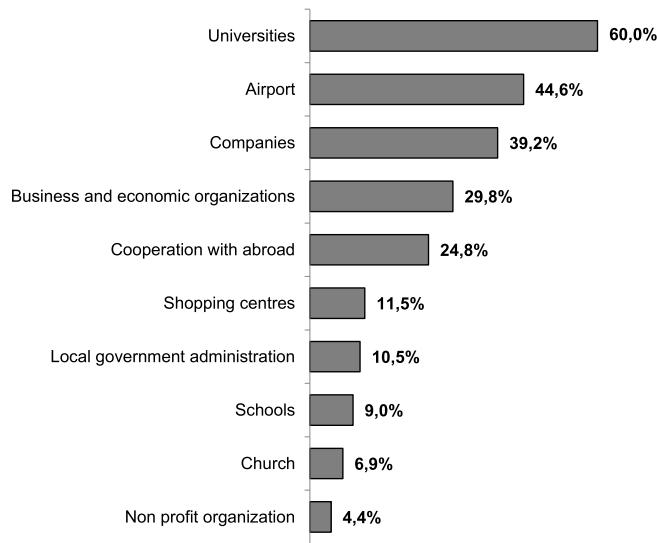
Rzeszow is seen by most respondents as a city: developing well, clean, with scientific potential and last but not least, safe. Among the lower evaluated aspects of the city's functioning were the tolerance of its inhabitants, the number of sports events, the historical heritage and the location of Rzeszow. The congestion of the city was assessed at the lowest level. The opinions of the visitors were not significantly different from those of the inhabitants of Rzeszow. Condition and functioning of the city depend on the activities of the various institutions operating in its territory and its representation. Evaluations of the impact of the institutions, organizations and activities undertaken by the city on the condition and image of the city itself were made, taking into account the diagnosis of the current situation and the predictions of the future. Respondents were able to indicate a maximum of 3 responses to the proposed areas (graph 2.)



**Graph 2.** Institutions and organizations that affect the status and image of Rzeszow  
*Source:* own study based on research.

The most frequently mentioned institutions influencing the condition and image of the city were Rzeszow's universities. Rzeszow is a city presenting a high ratio of students to the total number of inhabitants. In 2016, the total number of students in the city was in the vicinity of 44,000.<sup>11</sup> The airport, shopping centres and local business followed closely in the ranking. The next places included activities of business and economic organizations and local administration. The lowest among the proposed variables was the influence of church, schools, foreign cooperation and non-profit organizations.

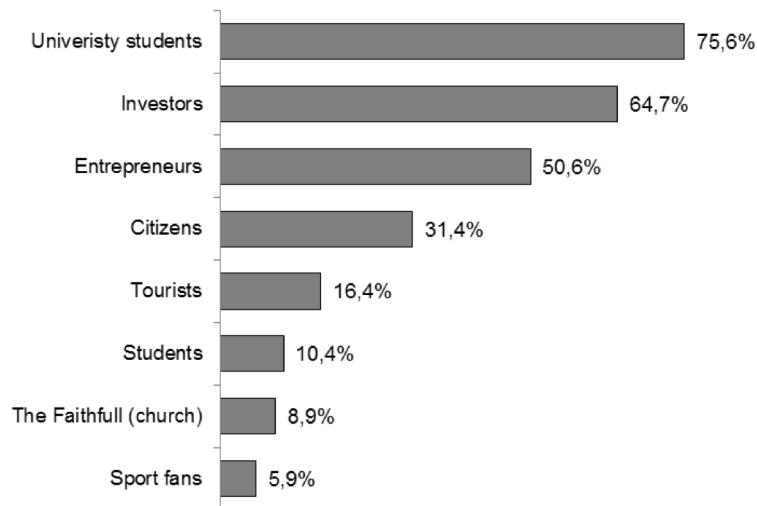
<sup>11</sup> [http://rzeszow.stat.gov.pl/vademecum/vademecum\\_podkarpackie/portrety\\_miast/miasto\\_rzeszow.pdf](http://rzeszow.stat.gov.pl/vademecum/vademecum_podkarpackie/portrety_miast/miasto_rzeszow.pdf),  
 DOA July 31, 2017



**Graph 3.** Institutions and organizations that will affect the status and image of Rzeszow in the future

Source: own study based on research.

In the future, the role of enterprises and business and business organizations is expected to increase. Respondents also rely on the development of international cooperation as a development opportunity for Rzeszow. At the same time, they expect to reduce the important role of universities, airports and numerous shopping malls. Research participants also assessed the importance of different social groups in terms of their impact on urban development. Respondents were able to indicate a maximum of 3 responses to the proposed groups (Graph 4).



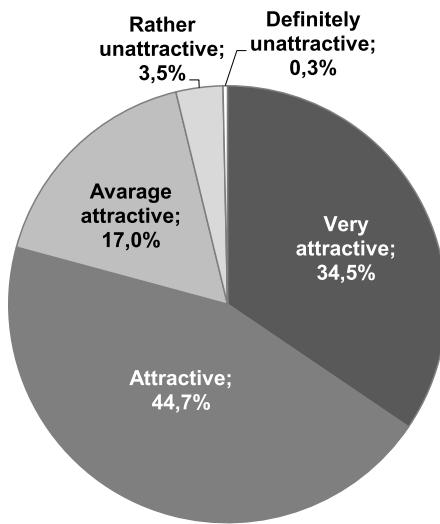
**Graph 4.** Social groups that affect the development of Rzeszow

Source: own study based on research.

According to respondents, students of local universities have the greatest influence on the development of Rzeszow. The next most influential groups were those of investors and entrepreneurs. The high rank of the last two answers is a testimony to

the high expectations of the general business as a condition for the development of the city. Less important for Rzeszow are tourists surveyed, who are usually identified with the development of cities. The tourist potential of the city, although still being developed, is smaller in relation to nearby cities such as Cracow.

Investors are a very important group determining the economic development of the region. City government treats this group as a priority and tries to facilitate their activities. Thanks to that, the city is commonly referred by an investor as friendly space (graph 5.).



**Graph 5.** The assessment of investment attractiveness of Rzeszow

*Source:* own study based on research.

According to 4 out of 5 respondents, Rzeszow is an attractive city for investors. Such a high percentage of people positively assessed the city's development potential as a result of the observation of implemented and ongoing infrastructural, residential construction and industrial projects in the city.

### Conclusions

The example of Rzeszow shows that within a dozen or so years it was possible to change the image of the city from a commercially lagging to dynamically developing and innovative. This is primarily a result of realized investments and modernization of the urban space, however, communication activities, conducted in parallel, were equally important. Opening up communication with different target groups and the effort to systematically communicate the following changes, produce positive results and contribute to building a strong place brand.

Thanks to the implementation of the brand strategy for Rzeszow, we managed to build a clear and positive image of the friendly city to both citizens and the investors. The survey shows a generally positive image of the city both from the perspective of its residents and also visitors. In general reception, Rzeszow is a well-cared-for city with development potential, predominantly in the range of economy, business and

science. This represents a good prognosis for the future economic development of the city.

### **Summary**

The article highlighted the role of place branding in the development of territorial units. The specificity of the process of building the brand value of the city and the basic concepts related to this issue were presented. The obtained results are an important element of the diagnosis of the current position of the city and the identity of the Rzeszow brand. They can be used to assess the effectiveness of the actions taken by the city as part of the implementation of the Rzeszow brand strategy and as guidelines for correcting or formulating new strategic objectives.

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### **Netnography**

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