Strategic Communication for Place Brand Management

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Abstract

To clarify how the communicational objectives such as message efficiency, creating learning networks and sharing knowledge represent guidelines for any strategy that looks at developing a current distribution of information. Place branding management is one of the segments in destination branding, is a complex process of branding an entire country or a part of it. The Strategic Place Brand-Management model (SPBM-model by Hanna and Rowley, 2011) comprises of nine (9) dimensions which are argued to be important parts in the place branding process and research. This chapter aim to understand how place brand copes with the components in the SPBM-model, and to perceive which components in the SPBM-model that can be seen as the most important components based on a case study the perceptions of the city residents Kuala Terengganu, Malaysia. By positioning the Kuala Terengganu place branding process with the SPBM-model, it can be understood that all components are strongly connected to each other. Of all nine (9) components, three (3) of them which are evaluation, infrastructure and stakeholders should be given special attention if they are serious in branding Kuala Terengganu as one of the most attractive tourist destinations in the world.

Keywords: strategic communication, place brand management, stakeholders engagement, brand identity, public relations

Introduction

Branding is today often considered as a key priority for many companies in order to stay competitive on the market (Grant, 1991). Branding can be defined as the way in which the organization managing their brand and requires a long-term participation of both skills and resources (Markides, et.al., 1996; Fill, 2005; McDonald, 2001; Keller et.al, 2011). The expression “place brand” refers to a place and to its competition in the area of developing a reputation among investors, residents, tourists and other resources (Kavaratzis, 2005). The process of considering a brand is a conceptual unit that creates unique, positive and recognizable relations (Kalandides, 2013). The place brand involves creating and maintaining these relations (Ashworth & Kavaratzis, 2010). However, an organization can use branding in order to identify and differentiate it selves from competitors’, it is a way to ensure quality and honesty, identify the ownership and to hold the producer responsible for their actions (Baker, 2007). Branding is also an essential component in the process of building a strong brand image and to create brand awareness, moreover it may increase marketing communication effectiveness, improve perceptions of product performance and create customer loyalty (Keller, 2009 & Aaker, 2012). The use of the term “branding” is sometimes confusing, especially when compared and related
to some cities and regions. A new method is to examine the brand as a framework for understanding and proactively managing the place’s reputation with respect to key audiences (Hatch & Schultz, 2010). Its reputational image is directly related to the ability of visitors, investors and famous people on how they perceive their competition. This approach allows the benefits of the brand to be clearly recognized (Anholt, 2009 & Schultz, 2000).

The tourism industry has become a key factor for economic growth in several developing countries (Gannon, 1994). Terengganu is considered a developing state (Grant, 1994). Basically, branding a place seems easy. Creation of a brand program includes development of the brand, which shows the identity of the brand and position. Since it is a brand, thus vision, core values, identity, and knowledge must be clear, understood and communicated (Moilanen & Rainisto, 2009 & Nandan, 2005). Program displays about country branding are clear, simple and often built around the notion to differentiate emotional quality expressed through some kind of dominance, which can readily reflect both verbal and visual values (Olins, 2002 & Dordevic, 2008). Therefore, the principles of service, product or company brands are the same in every country. However, different methods are used to evaluate them (Chernaty & Riley, 1999).

Kuala Terengganu is a city with a range of nature assets such as beautiful islands, plantations, rainforest, mountains and a rich sea life. The biodiversity, along with increased numbers in terms of tourism and the history (Brookfield et al., 1995), makes Kuala Terengganu an interesting city in a place branding perspective with focus on tourism.

Every place is considered to have an image, whether they choose to manage it or not. A place which is not involved in the process of branding, tend to be positioned anyway, based on other parties opinions, and as images often are founded on individuals’ personal opinions and previous knowledge, it does not necessary have to be correct information. Gartner agree with this and argue that the current reality of a country widely can differ from a consumer’s image (Gartner,1994). It could therefore be considered as devastating for a country not to manage their image.

However, place branding had originally concentrated on the attractions (infrastructure and buildings, support services and the natural environment and local economic stability) but had recently shifted its focus to promote the emotional elements Chernatony & Cottam, (2006) and to better carry a certain feeling or representation of a place (Baker, 2007; Braun et al., 2013; Brookfield et al., 1995). Therefore, a place can select to develop its core values, develop values of influence or a combination of both. For instance, some parts of Paris are presented as an emotional element, as in a “romantic city”, but also suggest some functional elements with unique attractions, for example the Eiffel Tower, Versailles and the Louvre (Fulford, 2010). The culture and history of a city are very important elements of the identity of a unique place brand (Kasimati, 2015 & Kavaratzis, 2004).

Instead, cities like Dubai, New York and Singapore highlight their international and cosmopolitan talents with these modern elements (Struxness, 2013). Therefore, a city can establish its current merits and history or both, just like Lisbon in Turkey and London in United Kingdom. Taking after the example of Paris, on the one hand, the city rejoices on its historic epicentre with rich monuments and heritage buildings. However, in this modern period of time, Paris is presented as a hub for international and regional affairs and trade, famous for its arts, a vigorous business region with 72 steel and ultra-modern glass buildings, offices with 3.5 million square meters and 180,000 workers [29]. Both historical and contemporary sights offer value with different goals, needs and suggestions. When tightening the modern features, it could attract FDI and expertise, while, the historic features might attract tourists (Witt et al., 2013). This suitable combination of emotional quality and functionality makes Paris an extra reasonable place brand in the world (Aaker, 2016;2012).

Thus, the SPBM-model is relatively recent and has not yet been widely tested, and it could therefore be questioned how well it works in reality (Hanna & Rowley, 2011). The model is developed in a general way and does not take a country’s certain conditions into account. Kuala Terengganu most likely have a need for place branding practices in order to create economic growth and since the process is seen as both hard and complex, a tool to ease the work for the brand manager would be
welcomed. Consequently, the purpose of this study is to explore how the SPBM-model can be applied on the process of branding Kuala Terengganu and does she work with the components in the SPBM-model, and which components in the SPBM-model can be seen important based on Kuala Terengganu conditions. The SPBM-model could in theory be a great contribution for the country brand manager of a developing country since they often lacks fundamental prerequisites in the area (Hanna & Rowley, 2011). A holistic model of place branding could therefore be a useful contribution to the research field of place branding and economic growth in developing countries (Anholt, 2009). For these reasons it could be argued that the SPBM-model is in need of more testing in the context of a developing country. This in order to see how the model can be applied on Kuala Terengganu conditions and which components can be seen as more vital than others in the contexts of Kuala Terengganu.

Literature Review

The Value of Strategic Communication Brand Management

In the contemporary studies, more and more attention is given to the value strategic communication management and its core concepts that can be used in every economic activity developed by an organization. Regarded as a field of knowledge, strategic communication has become an important organizational asset, which is challenging borders between functions such as human resource, marketing, information technology and communications. This type of communication helps management to more smoothly face the challenges and the changes occurring in the society and to understand the direction they need to follow.

Even if there are now hundreds and thousands of running tourism calendars, not all the events benefit from the same force of promotion, have a visible communication direction or consistent media coverage. These causes are directly related to the PR activity and how it is conducted for reaching target audience and gaining reputation, the size of communication budget and the type of campaigns launched on the market. In order to explore the connection between strategic communication and brand management, the subject must be perceived through the global filter to understand the real dimension of the branding area and its value in people's everyday life.

In an attempt to define public relations for brand management and its purpose, several authors underlined that organizations have to include this function from the very beginning in the management structure. Public relations for brand management as representing: a managerial communication-based function designed to identify an organization’s key public segments evaluate its relationships with those segments and foster desirable relationships between the advertisement organization and those segments.

The most appealing campaigns produced in strategic communication relies on tactics of persuasion using strategic storytelling and narrative messaging in media, which are usually accompanied by attractive and suggestive visuals like pictures, videos and creative layouts.

Strategic communication for Place Branding

In an attempt to show the importance of a market-oriented thinking in the Public Relations, several scholars’ approaches have been observed. In the peer-reviewed studies, the existence of a common agreement on the role and value of the strategic communication is noticed, as many specialists showed the connection between “the intellectual capital and value creation” (De Beer, 2014). In the context of digitalization and because a big part of the communication act is taken place on social media, communication is considered as a “key resource for future business” and it will hold responsibility for the business success. The value of communication is consisting in “means of images, conceptions, stories and experiences” (De Beer, 2014).
The sociologist professor Ruben Arcos (2016) defines strategic communication as: “the use of words, actions, images, or symbols to influence the attitudes and opinions of target audiences to shape their behavior in order to advance interests or policies or to achieve objectives” (Arcos, 2016). Lately, many researchers have started to underline the close relation between strategic communication and management, and some consider that the place branding should be addressed by specialists working in a singular PR and marketing department in the companies due to their interconnected purposes (Sherrick, 2016). The progress in this direction has been detailed and debated by some scholars and after empirical research it has gained a strong support among PR practitioners (Falkheimer et al., 2014).

Besides, Butschi & Steyn (2006) analyze the need of effectiveness of the communication as a management function which is being assimilated as an activity of corporate communication (2006). The authors militate for a redefinition of this field, new concepts and theories and “a new pattern of thinking about and studying organizational and communication problems, and of evaluating practice” Butschi & Steyn (2006) which are relevant to 21 century corporate communication and should be inspired from the current problems in practice. Butschi & Steyn (2006) argue that nowadays CEO’s have high expectations from PR practitioners: “to be pro-active and play a strategic role at the macro organisational level by interpreting strategic issues and providing strategic guidance with regards to stakeholder communication” (Butschi & Steyn, 2006; Balmer et al., 2011; Jo Hatch & Schultz, 2003; Kapferer, 1997).

In the strategic communication area, PR holds a key role in connecting the organization and its events with the public, its stakeholders, sponsors and media. The term of organization refers to private companies, associations, authorities, formal networks or different interest groups in which this activity is required (Falkheimer et al., 2017). While promoting a strategic competition addressed to a large audience and aiming to gain mass participation, a PR specialist conceives and implements a communication plan that is focusing on media, sponsors, authorities and partners to reach its target and engage public activity. The communication strategy must consider the social, economic and political dimensions of the society and conduct an in-depth research to send the right messages to the right audiences. Therefore, the PR role is bigger and more sophisticated than just being a promotion and communication tool as it was considered by the traditional literature (Serbanica et al., 2016 & Arcos, 2016).

For a long time, this role was not clearly understood in many organizations, the requirements were low and the importance of this activity was reduced or neglected (Falkheimer et al., 2017). This reality could be seen also in the studies conducted by some authors that saw public relations as a support activity for the marketing function and this perception is still present in a lot of small and medium companies. Serbanica et al., (2016) explained that strategic literature has given little attention to the significance of PR in a strategic organization, focusing more on professional strategic, financial resources and economic and political context. However, the latest running boom and its swift development as a “global business embedded in cultures as a social practice and as a form of communication” cannot be ignored, underlined Serbanica et al., (2016), and further research needs to be developed upon the direct influence of PR and communication in “commodification of lifestyle, values and relationships” of people.

The value of strategic communication in place branding

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calendars for amateur athletes, not all the events benefit from the same force of promotion, have a
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connection between strategic communication and strategic events, running competitions for amateur
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Stoldt et al. cited by Serbanica et al., (2016) considered strategies public relations as representing:
“a managerial communication based function designed to identify a strategic organization's key
public segments evaluate its relationships with those segments and foster desirable relationships
between the spot organization and those segments”.

On the other hand, acting like a PR strategist supposes to understand the fundamental principles of
the management systems (Phillips et al., 2009 & Arcos, 2016). Oliver thinks that the most relevant
theories in PR management are: 1) theories of relations – evaluate relationships and structure in
connection to the whole; an objective and professional approach of tensioned relations or conflicts;
2) cognitive and behavioral theories – group activities offer a deeper understanding on how people
think; public reactions can be predicted based on granted rewards and organizational costs; people
accept a new idea after an increased awareness and interest, and after evaluating, testing and adopting
it; social learning helps in explaining and anticipating perceptions and actions; prediction of the next
steps; decision making based on repetition and reward, and trustworthy influencers; 3) mass-
communication theories – people are active media users and make choices based on satisfaction;
media followed by people is setting the social agenda (2009).

In practice, not all principles are applied as in textbook; however, the empirical research shows many
event organizers rely on strategic planning, as vital before action. Falkheimer et al., 2017 gave four
main arguments to justify the power of strategic communication for organizational development: 1)
contributes to organization effectiveness and trust; 2) maintains, changes or strengthens
organization’s image among stakeholders; 3) serves as tool for enforcing, enhancing or changing the
organization’s identity among employees and the organizational culture; 4) it may favor openness
and transparency between members of the organization and between the organization, stakeholders
and the public sphere.

The content, as resulted from strategic planning, can reach various publics through different
communication models and techniques. Serbanica et al., (2016) listed seven categories of PR
techniques used in strategic communication, classified according to the audiences targeted or
activities carried out: a) publications – annual reports, articles, newsletters, magazines edited by the
company; b) events – press conferences, seminars, trips, fairs, exhibitions, contests and competitions;
c) sponsorships; d) news - constitutes one of the main tasks of public relations professionals, aiming
to persuade journalists to accept press releases and attend press conferences; e) speeches -
management representatives answer questions or give speeches to enhance company image; f) public
service activities - monetary and time contribution to social causes; g) identity communication
instruments – sending products with company logo to customers and business partners (Serbanica et
al.,2016).

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**Strategic Place Brand-Management Framework**

The component of the SPBM-model in which Kuala Terengganu seems to be most active in is the
infrastructure as they at the moment are building multiple roads, hotels and service schools. This in
accordance with Brakus, Schmitt and Zarantonello (2009) who mean that by enhancing the service experience a place will also enhance their brand experience and WOM (Brakus et al., 2009). However, not too much effort seems to be put on the two components of brand experience and WOM instead these two is interpreted to be indirect affected when managing other parts in the place branding process (Muniz & O’guinn, 2001). For example Kapferer (2012), claims that a good relationship with stakeholders increase their support of the brand strategy and motivate them to deliver the wanted brand experience (Kapferer, 1997). Furthermore, a cooperation with the whole population is important since all people in Kuala Terengganu can be seen as brand ambassadors who make impressions on tourist in the country, an impression that affect the brand experience and hopefully will lead to customers spreading positive WOM (Brakus et al., 2009). The component of stakeholders can be interpreted as broad since a stakeholder can be a variety of different organizations, companies and individuals on many different levels. With support from the component of brand architecture, stakeholders can be organized and managed in different interest groups/sub-brands. The empirical investigation indicates that Kuala Terengganu is cooperating with stakeholders at different levels, such as the private sector, people living in the country, visitors and other countries. According to the respondents, stakeholders are helping in the evaluating of the country. However, in the theoretical framework Chernatony, (2010) it can be seen that the evaluation process could be developed and evaluate more variables and in that way give more valuable information to the country. Furthermore the cooperation with stakeholders is important when building the brand identity, as the brand identity have to derive from values and beliefs of people living in the country and their style of doing business. Duncan and Moriarty (2001) claims that stakeholders influence the brand message, the brand communication is therefore one of the key aspects when creating relationship with the stakeholders. However, when exploring the case of Kuala Terengganu it can be interpreted that the components of both communication and articulation seems to gain little attention.

**Brand evaluation**

In accordance with Hanna and Rowley (2011) who declare that it is important to evaluate the place brand prior to branding, Kuala Terengganu performed a SWOT analysis prior to marketing. Like the theory tells this analysis was by Kuala Terengganu done both internal and external. This goes along with the thoughts of Chernatony (2010), saying that evaluation should be done in order to get a deeper understanding regards to the satisfaction and positive perceptions of the brand essence, which can help the management to adjust the brand in order to develop further Chernatony, (2010). Chernatony (2010) goes on saying that it is necessary to evaluate many variables in order to get a better overview of a brands situation on the market. It could therefore be interpreted that Kuala Terengganu, by monitor more variables then today, could get a better overview of their opportunities on the market Chernatony, (2010).

**Stakeholders engagement (Management)**

According to the respondents, the collaboration with stakeholders can be seen as satisfying, as they participate in the process of deciding what brand identity and positioning to use. These actions, together with the joint promotion between Kuala Terengganu’s Tourism and other parts such as investors and trade with the participation in travel fairs can be connected to the discussion by Nanthakumar et al., (2008), which claims that a good relationship with stakeholders has the possibility to increase the stakeholders support of the brand strategy, and motivate the stakeholders to deliver the wanted brand experience (Nanthakumar et al., 2008). However, several of the officials mention the difficulty in coordinating stakeholders and ensure that everyone agrees in the process of decision making. This is supported by Papadopoulos (2004), saying that the coordination of the stakeholders is one challenge in the place branding process Noland & Phillips (2010) & Papadopoulos, (2004).

**Infrastructure**

This is something Kuala Terengganu is working on and according to the interviews; Kuala
Terengganu invests time and money in improving the city’s road infrastructure. Another aspect to consider is that visitors from developed countries are used to effective and modern infrastructure, and therefore they might have higher expectations on the infrastructure than Kuala Terengganu can offer. This can be seen as another important reason why it is important to improve the infrastructure in the country, especially since Buhalis (2000) discuss that if the destination fails in deliver what the tourist expects in infrastructure the visitor might consider other destinations (Buhalis, 2000 & Khadaroo & Seetanah, 2008). An interpretation to be made is that Kuala Terengganu city and Terengganu state should be aware of the importance of infrastructure and that it might be important for them as a developing country and a growing tourist destination to evolve the infrastructure within the country (Duncan, 1998 & Dwyer, 2003).

Brand identity

According to the literature, the identity of a country should derive from values and beliefs of people living in the country and their style of doing business, as well as from the culture within the country. According to one respondent he did mention that, cooperation with the whole population is important since all people in Kuala Terengganu can be seen as brand ambassadors who make impressions on tourist in the country, an impression that affect the brand experience and hopefully will lead to customers spreading WOM, telling their friends and family about the city and place (Pitta et al., 2006) & Raina & Agarwal, (2004).

Brand architecture

This could be positive for Kuala Terengganu to work with since the country under the tourist part has a wide diversity of attraction, which results in many sub-brands with different interest but whom all strive to increase the tourism industry in the country. By cooperate, benefit from each other and build relations between the different interest groups in Kuala Terengganu, the city/place is moving closer to unite the place under one joint brand message. On Kuala Terengganu behalf of Kuala Terengganu this cooperation could be seen as positive since the two other cities (Penang and Bandar Melaka) both are well known and attract much attention, to be seen in their company could strengthen the brand of Kuala Terengganu and due to that attract more customers.

Brand articulation

Kuala Terengganu earlier discovered problems with the visual communication surrounding the brand, as one respondent described in the empirical chapter when the tagline A Small Miracle were criticized as being irrelevant and inappropriate in a country where a major part of the inhabitants are Buddhists. It can be interpreting that Kuala Terengganu might have been through a challenge where the wrong tagline was chosen. However, today the slogan is perceived by officials to go along with other promotion material, which may give the visitor an overall impression of consistency.

Brand communication

Moreover, the brand message has to be consistent in order to create positive associations, and it is also important to have all stakeholders in mind when communicating. According to the respondents, Kuala Terengganu tries to gather their brand message around their identity of authentic, diversity and compactness and further on the eight themes. When communicating Kuala Terengganu in general does not segmenting their market but rather communicating the same brand message to all markets. It could therefore be seen as positive that Kuala Terengganu have a wide approach in their communication in which they try to include many stakeholders’ objectives, this in order to create a good relation with the stakeholders and to create one united and consistent brand message. This way of communicating can be seen as positive for Kuala Terengganu since they focusing on their bigger markets in the first place due to their lack of economic resources to put on advertising. Kuala Terengganu’s largest communication channel is according to the respondents the country’s own website www.tourism.terengganu.gov.my.
**Word of mouth**

As WOM is the most important promotion tool it is important that the country try to create and enhance positive WOM. As WOM in the SPBM-model is the link between what has been communicated by the country and the customers experience of the country, a positive WOM indicates that what Kuala Terengganu communicates also is what the customer have experienced. However, since WOM is hard to control, the country have to keep on creating positive WOM and as one of the respondents say make decisions that support Kuala Terengganu’s growth and take credible and relevant actions.

**Brand experience**

Lovelock, Patterson and Wirtz (2014) bring up service as an important role in the place brand experience, especially in situations where there are cultural differences between the individual who performs the service and the receiver of the service (Lovelock et al., 2014 & Massart Thierry, et al., 2008). As mentioned in the literature, the customer experience starts prior to the experience, this is especially true in place brand experience situations, since the initial contact with a travel agent or flight service may compose the foundation in the experience.

**Conclusion**

It can be revealed that by applying the SPBM-model on the place branding process of Kuala Terengganu, it has been possible to explore how the country is working with the different components and also the relation between them and how they affect each other. By putting the SPBM-model on the Kuala Terengganu’s place branding process it can be interpreted that all components are tightly connected to each other, and also that some parts seems to be more important for Kuala Terengganu then others.

The result of this study shows that Kuala Terengganu put more effort in some of the components of the SPBM-model than others. However, since the components are tightly connected to each other, managing one of the components also affect the others. Therefore it can be stated that the country impact all components in the SPBM-model in some way, actively or not. Findings reveal that infrastructure is the component in the SPBM-model where Kuala Terengganu put most time and effort. This further means that Kuala Terengganu indirect also manages the brand experience, stakeholder management and WOM, as these parts are affected by an improved infrastructure.

The two components of infrastructure and stakeholders depend on each other. In order to attract investors there is a need of tourists, and in order to accommodate tourists Kuala Terengganu are in need of infrastructure. Infrastructure and stakeholders can therefore be seen as the most important components of the SPBM-model in the case of Kuala Terengganu as the build the foundations for the other components. Furthermore, the results in this study show that evaluation is an essential part in the SPBM-model when applied on Kuala Terengganu, as the result of this component can improve and develop the place branding process as a whole.

If Kuala Terengganu put more time and effort in the three components of infrastructure, stakeholders and evaluation, also the other six components of the SPBM-model (brand identity, brand experience, WOM, brand architecture, brand communication and brand articulation) indirect will be affected in a positive way. Moreover, the research reveals that every action that are made affect the brand experience, which is the consumers’ perception of the brand.
References


