Place, organization, democracy: Three strategies for municipal branding

Arild Wæraas, Hilde Bjørnå, Turid Moldenæs

Introduction

'Place marketing' (Kotler et al., 1993), 'place branding' (Anholt, 2007; Anholt 2010b), and 'locality branding'[1] are some of the concepts used to denote the branding of geographic entities such as municipalities, regions, and cities. However, despite the growth in the literature on this phenomenon, empirical studies are scarce, most of them are qualitative and descriptive, rely on secondary sources, and seldom advance recommendations for future research (Gertner, 2011). Furthermore, the literature has dealt with very different types of focal units ranging from nations, groups of countries and continents, provinces via cities and boroughs to business districts, metro areas, street festivals and World Heritage Sites (op.cit). As a result, Gertner, (2011: 97) raises the question of whether we should "continue to use the 'place marketing' and the 'place branding umbrella' to refer to the application of the concept to such a diverse set of geographic entities".

The focal units in this paper are municipalities, which we treat not only as a geographic places but also as service providing organizations and political institutions. As such, our approach differs from studies that primarily understand municipalities, cities, regions, and nations as places. Several shortcomings in the place branding and public management literatures motivate our approach: Although the need to draw on organizational branding or corporate level marketing literatures is generally acknowledged (e.g. Kavaratzis, 2009; Parkerson and Saunders, 2005), the focus is rarely organizational in the sense of taking into account how internal members are engaged in the branding process or how internal and external processes are intrinsically inter-linked. Furthermore, while the literature does address the relationship between branding and politics in studies of entities that maintain their own democratic institutions and elections (e.g. nations, regions, and the European Union) as well as how branding can be used for external diplomatic purposes (Anholt, 2007, 2010b), the local government level is largely overlooked. As a result, how branding is used to boost internal political-democratic processes in entities such as municipalities is a topic that has escaped attention.

Against this backdrop, our main contribution is to take the debate on locality branding in a more nuanced direction. First, we propose a typology of three branding strategies, arguing that each strategy requires a specific approach, entertains different audiences, and occurs in relation to different set of competitors. Second, on the basis of data collected through a nation wide survey, our study not only seeks to determine the prevalence and combination of the three strategies, but also reveal some of the reasons why municipalities might favor one strategy over the other. Through logistic regression, we explore the importance of a number of context-based background variables. Our research questions are: Do the municipalities brand themselves as places, organizations, or political institutions? Which branding strategy is the more prevalent, and how can the choice of strategy be explained?

We start by putting the branding efforts of Norwegian municipalities into their national and local contexts. This part is followed by a presentation of the elements that constitute the different strategies and an overview of the methodology that underpins the study. We then present the branding priorities of Norwegian municipalities and analyze the variation in their profiles. Finally we discuss some explanations for the findings and conclude with a few suggestions for future research.

The municipal branding context

The responsibilities of Norwegian municipalities include schools, nurseries/kindergartens, care for elderly and disabled, social services, urban and local planning, environmental issues, roads, waste disposal, and water supplies and sewers. Many of their services are regulated by national standards, as are local income and business taxes. Norwegian municipalities are, however, authorized to undertake any activity that is not prohibited by law or does not fall within the exclusive jurisdiction of other public authorities (Page and Goldsmith, 1987) including branding and reputation management. A recent study (*current authors, year*) confirms the popularity of these management practices: 33 percent of Norwegian municipalities have introduced a program for reputation management. 66 percent have not, but still claim to maintain an active focus on reputation. 80.2 percent acknowledge having become more concerned with reputation management over the last years.

Norwegian municipalities currently face a number of challenges, not only as geographic places but also as service providing organizations and political institutions. Smaller municipalities are most often rural and share the same challenges of attracting skilled workers and knowledge-intensive job opportunities. Many of them are characterized by negative population growth and an aging population (Bjørnå and Aarsæther, 2009). Out-migration leads to a downward spiral that produces a negative effect on municipal revenues, service provision and sustainability. Larger municipalities, on the other hand, face a greater challenge coping with in-migration and the resulting pressure on service provision. Other crucial challenges faced by municipalities include declining voter turnout at local elections and subsequent attempts to increase turnout, among them experiments with direct mayoral elections, voting rights for 16 years olds as well as electronic voting. There has also been an ongoing debate about a proposal to merge municipalities. Growing concerns with municipal competence and service level as well as operational efficiency and cost effectiveness have fueled the debate. The proposal has been met with a great deal of criticism, not least from the municipalities themselves, but also with a desire to improve the general standing of municipalities within the broader governance system.

Although municipalities are not competitors in a market in the traditional sense, they are not without competition: First, they compete for residents, business ventures, tourists, and skilled workers. An influx of these resources in one municipality typically means a reduction in other municipalities, thus reproducing the zero-sum games of regular markets. As a result, municipalities must do what they can to avoid "exit" responses of residents by encouraging "loyalty" (Hirschman, 1970). Second, Norwegian municipalities increasingly compete with each other following the introduction of KOSTRA ("Municipality-State-Reporting"); a national benchmarking database that stimulates municipal transparency by disclosing key financial results (information about service level, fees, and local taxes) to the public and creating "winners" and "losers" that can be ranked against each other. Third party actors, such as national newspapers, the consumer association, the Norwegian Association of Regional and Local Authorities (KS), as well as the Norwegian weekly magazine Kommunal Rapport ("Municipal Report"), produce their

own rankings of municipalities, to a large extent based on KOSTRA indicators. As a result, municipalities that aim to climb on the rankings must perform better (i.e. out-compete) other municipalities. The Norwegian Press Association has also launched rankings and awards for openness, and several Norwegian municipalities are bidding for the Council of Europe's "Good Governance" award – in competition with each other.

These competitive pressures are reinforced by the initiatives of various public bodies. The creation of a Center for Competence on Rural Development in 2008, founded by the Norwegian Ministry of Municipal and Regional Development, serves to institutionalize municipal attention to branding and reputation management. The center runs a "Reputation School" at which the mayors and chief administrative officers from 82 municipalities have participated. Furthermore, together with KS and several labor unions, the same ministry has initiated the program "Together for a better municipality", which also includes a branding focus. 22 municipalities have participated since 2011. Finally, KS, regional councils, and the Norwegian State Housing Bank have supported projects aimed at making municipalities better places in which to live, work, and visit. Together, these incentives encourage the individual municipality to be just as good as its peers, if not outperform them, and to stand out with a unique municipality brand.

It should also be noted that media attention to branding and reputation management has grown in Norway over the last 10 years. The frequency at which the term reputation is mentioned in Norwegian newspapers increased by more than 200 % in the period 1989-2010 and was particularly high between 2002 and 2007 (Wæraas et al., 2011). Because the mass media plays an important role in shaping public opinion, such a huge increase in media coverage is likely to have an impact on the intensity of branding efforts. Media coverage of reputation rankings, which begun in the mid 2000s, and of successful municipal branding projects, have also increased and made municipalities more aware of the promise of branding. Municipalities that are uncertain about their strategies are likely to imitate those that enjoy an image of success (c.f. DiMaggio and Powell, 1983).

Theoretical observations

By "branding" we mean the systematic efforts to instill a particular impression of an organization in the minds of observers (c.f. Aaker and Joachimsthaler, 2002). This understanding, which is closely related to "reputation management", redirects the focus from product branding to how branding can help create a reputation for a social entity as a whole. A central objective of branding is to form a favorable and unique reputation within the competitive environment (c.f. Keller, 2008; van Riel and Fombrun, 2007).

While branding is a relatively new endeavor in the public sector, marketing activities are not. More than two decades ago, Walsh (1991: 12) described how the main developments in the public sector concerned "quality analysis, customer relations, market research, public relations and advertizing and promotion." Since then, much work has shown that marketing activities have become mainstream, not only limited to certain marketing techniques but also considered in relation to central and local government (Chew and Vinestock, 2012; Graham, 1993), public services (Kearsey and Varey, 1998; Laing, 2003; McGuire, 2012; Walsh, 1995), as well as core policy areas such as health (Doner, 2007; Randolph and Viswanath, 2004) and education (Kenway et al., 2006; Lees-Marshment, 2004).

As a subset of marketing, branding cannot can be transferred directly from the private to the public sector (Wæraas, 2008; Walsh, 1994). For example, the four Ps (product, price, promotion, place) may "need considerable stretching to make much sense in politics" (Scammell,

1999: 725, fn 50). Furthermore, ethical objections can be raised against attempts to market public goods in the same way as e.g. soap-powder (Walsh, 1991: 14). Thus, it is not clear what public sector branding in general, and municipality branding in particular, really are. In this study we operationalize municipal branding in three different ways.

Our point of departure is what we label the *place branding bias*: As mentioned, localities such as municipalities (but also cities and regions) tend to be treated primarily as geographic entities (e.g. Gertner, 2011; Klijn et al., 2012). This is despite the judicial definition of a municipality as "a town or district that has local government" (Oxford Dictionaries, 2014). We also develop our argument from numerous studies that highlight how branding as well as marketing techniques are applied to organizational, services, and policy areas in the public sector branding, marketing, and reputation management literatures (Carpenter, 2010; Evans and Hastings, 2008; Lees-Marshment, 2004, 2009; Sataøen and Wæraas, 2013; Whelan et al., 2010). In other words, a municipality is more than a place, and it cannot be assumed that place branding is the only relevant strategy. Hence our more nuanced approach: A municipality is a place, an organization, *and* a political institution.

As outlined in Table 1, we propose a typology of three strategies. Different branding activities share common features – e.g. the notion that any brand must be rooted in a unique identity and subsequently communicated to relevant stakeholders (Aaker, 1991) – however, the outlined strategies differ in fundamental respects. Below we present the main tenets and characteristics of each strategy. The presentation is organized according to five dimensions on which the differences between the strategies are the most evident:

- Target audience: Those stakeholders whose attention and emotional response the branding strategy seeks to incite,
- Core brand characteristics: The type of characteristics on the basis of which the municipality builds its brand,
- Competition: Those actors to which the municipality is compared and from whom it must differentiate itself,
- Desired reputation: The specific characteristics for which the municipality seeks to be known,
- Actors and initiators: The most important participants in the branding process.

Although the strategies build on previous observations, they are primarily developed as analytical categories on the basis of which to study strategic thinking in municipal branding processes. The assumptions made concerning the municipalities' branding strategies are not previously tested. The typology is not a normative model for municipality branding, nor is it obvious that municipalities can choose freely between them. A great deal of pragmatism is likely to characterize branding decisions. It should also be noted that the three strategies are not mutually exclusive. However, as analytical models, they should be able to account for more of the variation in municipality branding initiatives than the place branding model alone is capable of doing.

TABLE 1 HERE

4

Municipalities as geographic entities: Place branding

As places, municipalities have names, a unique history, culture, nature and climate, and they have residents who in varying degrees identify with and feel connected to the place in which they live. They also vary in spatial distribution, accessibility, size, prominence, and popularity.

Place branding is a concept that has had a dramatic proliferation since the early 2000s. It refers to the building of brand equity in relation to "national, regional and/or local (or city) identity" (Govers and Go, 2009: 16). Generally it is used to describe marketing and branding efforts undertaken by nations, regions, provinces, cities, urban areas, and industrial groups in order to gain advantages for themselves and attracting and keeping resources that are essential for development (Gertner, 2011; Papadopoulos, 2004). According to Anholt (2010a), Kotler et al. (1993) – who developed the concept of strategic place marketing – were the first to "take the explicit position that places needed to run themselves like businesses, if they were to respond adequately to the threats of global competition, technological change, and urban decay" (Anholt, 2010a: 2).

Target audience: It is commonly agreed that place branding targets tourists, visitors, investors, and new residents (Dinnie, 2004; Kotler and Gertner, 2002; Kotler et al., 1993). The place branding strategy seeks to connect with these target groups on an emotional level so that they feel attracted to the place. However, Zavattori (2010), who has studied the tactics public organizations use to cater to different audiences, states that branding in municipalities may affect internal as well as external audiences. Thus the target audience of a municipality pursuing a place branding strategy could also be its own residents.

Core brand characteristics: Defining and expressing the core of the place in order to differentiate it from other places is a crucial first step in the branding process (Anholt, 2010b; Kotler et al., 1993). The competitive identity of a city as well as a subnational region consists of the mix of its physical aspects, economic and educational potential, lifestyle, the attitude of the people, and the basic qualities of various public amenities (Anholt, 2007). However, different characteristics could be promoted depending on the target audience. If the target audience is defined as tourists and visitors, key brand characteristics are related to nature and local attractions, including leisurely activities and sports, but also the history, traditions, and cultural heritage of the place. If it is defined as businesses or investors, other characteristics such as its economic potential are more important.

Competition: According to Kotler et al. (1993) we live in a time of place wars. Places are competing with other places within their own country for their economic survival, but also with other places outside their country. As observed by Kotler et al. (2004: 12), "People and resources are increasingly mobile as a result of 21st century technology and globalization… This means that a place must see itself as competitive with other places in having to retain and enhance resources", competing for the same people, products and capital (Anholt, 2010b). Thus, the most significant competition for a municipality comes from other places and cities.

Desired reputation: The most attractive and relevant reputation aimed for through a place branding strategy is to be recognized as an attractive tourist destination, a business-friendly place, and a good place to live for residents as well as potential in-migrants. Being a place whose name appears in the minds of people seeking a place in which to settle down or travel to, or of a business owner seeking to relocate a business or establish a new venture, is the ultimate reputation that any place would want to have.

Actors and initiators: For the place branding strategy, reliance on and collaboration with important actors in the local community is typical; actors who have a stake in promoting the municipality as an attractive place to the same extent as the municipal government. As a result,

branding processes must bring together multiple stakeholders that negotiate their interests, such as business sector actors, civil sector actors, and actors from the local political-administrative system (Burns, 2004; Klijn et al., 2012; Lichrou et al., 2010; Robson and Robson, 1996).

Municipalities as organizations: Corporate branding

As organizations, municipalities are administrative entities with formal structures and hierarchies, clearly defined boundaries and jurisdictions, and organizational identities. They are not production organizations, but organizations providing highly demanded services tailored to the local population.

Like the place branding literature, the corporate branding literature is a relatively new field. Drawing on insights from marketing, organization theory, and corporate communication, it conceptualizes branding as "a process by which an organization continually asks itself the universal identity question" of 'who are we', 'what do we stand for', and 'what do we want to become' (Schultz et al., 2005: 10). The answers to these questions form the basis for a coherent presentation of the organization through its service deliveries, products, strategic communication, and identity markers. Following this line of reasoning, a municipality brands itself as an organization with a favorable reputation concerning its service or employee relations. Given that municipalities are not corporations, in the following we refer to corporate branding as organizational branding.

Target audience: Typical target audiences of an organizational branding strategy include all kinds of stakeholders (Hatch and Schultz, 2003), but especially prospective employees and customers (Balmer, 2001). Recent studies emphasize the importance of engaging employees and understanding the value of organizational culture in organizational branding (Harris and Chernatony, 2001; Hatch and Schultz, 2003; Ind, 2001). Employees should become "brand champions" (Ind, 2001), which means that they internalize the brand identity and express, promote, and defend it at all times, being emotionally attached to their employer and identifying with it on a personal level. The target audience of the branding process is just as much the employees of the municipal administration as residents, users of municipal services, and job seekers.

Core brand characteristics: Organizational culture can be a source of competitive advantage (Hatch and Schultz, 2003) and help managers "identify principles that give the brand a genuine basis for a customer-valued positioning" (de Chernatony et al., 2003: 1099). The role of organizational culture and employees are even more crucial for the consistent delivery of a service brand. Because front line personnel communicate the brand on an every day basis, a strong and unified culture helps guide employee behavior and provide adequate service quality. The competence of workers and aspects of the work environment may contribute positively to the organizational branding process (Ind, 2001).

Competition: Organizations compete with alternative employers and other organizations that provide products and services in the same markets. For municipalities that engage in organizational branding, competition from other places is less of an issue than the rivaling attractiveness of other municipalities concerning their services and employer brands. Municipalities compete with other municipalities with respect to reputation, human capital, financial resources, organizational culture, as well as recruitment and employer policies.

Desired reputation: Organizational branding is fundamentally oriented towards organizational image and reputation-building (Keller, 2008: 15). For municipalities, a desired reputation could reflect typical organizational aspects such as service provision (e.g. excellent

services), the qualities of the employer (e.g. fair treatment of workers, good benefits) or the workplace (e.g. friendly atmosphere, supportive work environment).

Actors and initiators: Although multiple actors are involved in moving an organizational branding process forward, most scholars agree on need for the top executive to implement and endorse the branding strategy (Balmer, 2001; Hatch and Schultz, 2003). In the municipal sector, the role of the chief administrative officer (or city manager) in initiating, facilitating, and guiding the branding process is crucial because of his or her formal power. Large municipalities may have middle managers and other staff (e.g. a communication or information director) whose tasks include branding and reputation management responsibilities, but without the support of the chief administrative officer, middle managers may face challenges implementing a specific branding platform within their groups.

Municipalities as political institutions: Democracy branding

As political institutions, municipalities have democratically elected councilors. Elections are held with regular intervals, and parties compete for positions in the local council. In Norway, some municipalities have introduced a parliamentary system, but most of them have an aldermanic system; a system which allocates positions between the key political parties according to their strength in the local council.

Democracy branding is not as developed as the other two strategies, neither in practice nor in the academic literature. However democracy does matter for reputation, as financial and leadership scandals, corruption, opaque procedures, and lack of political initiatives can ruin municipality and city management trustworthiness. Public satisfaction with political processes and support for democracy are well known research themes (Aarts and Thomassen, 2008; Lijphart, 1999; Norris, 1999). So is the competitive game were leaders and parties are evaluated in elections and where "the politics of ideas" and ideologies matter (Downs, 1957; Schumpeter, [1943] 1994). Citizen support has relevance for reputation and system stability, as positive perceptions of the existing system are likely to spur continued support. Democracy branding would imply strengthening people's perceptions of workings of these aspects of local government and attract future voters.

In accordance with the nation branding literature, we see the branding of political institutions as a governmental responsibility (Anholt, 2007: 73). While the nation branding literature emphasizes branding as an instrument for promoting the relationship between nations, e.g. an important aspect of public diplomacy (Anholt, 2007, 2010b), we see branding as an opportunity for a municipality to boost its standing inside the nation, and perhaps also as an instrument to differentiate from other municipalities and other public institutions concerning democratic and participatory arrangements.

Target audience: In a representative democracy, the most crucial form of participation is the act of voting. Local voters are obvious targets and must be persuaded about the importance and benefits of participating. As with place and corporate branding, democracy branding plays on emotion, aiming at making local voters feel they can trust the municipal democracy (Lees-Marshment, 2004). However, the target group could also include future voters outside the municipality if the municipality seeks to increase the number of residents. Furthermore, national political parties and the central government may be targeted for purposes of acquiring resources and power.

Core brand characteristics:[2] A democracy branding strategy would require promoting democratic core values such as transparency, citizen participation, but also emphasize innovative aspects of the election system. For example, while transparency could be promoted through the

disclosure of political documents and meetings or broadcasting and streaming of municipal council meetings, citizen participation could be encouraged through user-boards, referendums, and so on. Finally, a democracy branding strategy is also likely to include the competence and dedication of local politicians and the merits of the local democracy.

Competition: As noted by Downs (1957), the political process is a struggle for power where political actors 'sell' their specific policies. Parties and politicians are entrepreneurs, attempting to 'sell' attractive packages of policies to voters inside and outside the municipal borders in order to be re-elected. In this sense, municipalities compete with each other to attract voters based on this policy. However, it is also possible for municipalities to compete with other democratic communities where citizens are likely to achieve self-fulfillment and learning through democratic participation, such as voluntary and non-profit associations.

Desired reputation: The desired reputation is that of a successful and trustworthy local political institution. This type of reputation is particularly relevant for municipalities whose electoral participation rates are lower than expected. Popular support can be acquired through the effective branding of democratic values, and the competence of the local politicians.

Actors and initiators: In contrast to the two previous strategies, the democracy strategy primarily requires the active initiative and involvement of local politicians. A municipality that seeks to brand itself as a political institution is unlikely to succeed without the participation of local politicians, especially the mayor and members of the municipal board council. By setting the agenda and drawing attention to the importance and meaning of democratic values, they are in a position to promote the municipality as a well-functioning political institution and to encourage the participation of the local population.

Methodology

Design: This study is primarily exploratory, aimed at providing evidence of the prevalence of the three outlined strategies and potentially discover some patterns concerning the strategic priorities of the municipalities. Although we rely on numbers, the aim is not so much to generalize as it is to add to our understanding of branding forms at local levels of government. We consider our study as a first step towards generating more testable propositions and a starting point for future research on municipalities that treats municipalities not only as places but also as organizations and political institutions.

Data sources: The findings are generated from a survey administered online through Questback. Distributed in May 2012 to all Norwegian municipalities, the survey was presented as a research project on municipal branding and reputation management. The target respondent was the chief administrative officer, but it was possible to forward the questionnaire to a staff member.

Sample: One of the 429 Norwegian municipalities refused to disclose the e-mail of their chief administrative officer, who, as a result, did not receive the questionnaire. All other chief administrative officers received the questionnaire by e-mail. It was returned by 171 respondents, of which 140 were chief administrative officers, 13 communication or information officers, and 18 other staff such as project managers, deputy chief administrative officers, senior advisors, and policy directors, yielding a completion rate of 40%.

Operationalization and analysis: In order to assess the significance and relevance of the three strategies, we developed a multi-item measure for each of them and subsequently compared their prevalence. First, we asked the respondents to indicate to what extent they agreed with a total of 30 statements, ten for each strategy. The statements reflect the elements listed in the upper four rows of Table 1**.** For example, the respondents were asked to indicate their level of

agreement with the question "which type of reputation is important" on the basis of a series of alternatives such as "appear as an attractive destination", "appear as a business-friendly place", "appear as a good service provider", and so on. Each item (statement) ranges from 1 to 5. 1 indicates "totally disagree" and 5 indicates "totally agree". In addition, we included one question for each strategy about the most important actors and initiators in the branding process, reflecting the last row of Table 1. These three items are binary variables, where 1 denotes the role of the actor in question as very important. The values of these variables were added to the scales already developed such that they form three additive multi-item scales with a total of 11 items for each strategy (place, organization, democracy), ranging from 10 (lowest score on all items) to 51 (highest score on all items). In order to receive a score of 51, a respondent must indicate the highest level of agreement on all ten statements and in addition obtain a score of 1 on the binary variable. Cronbach's alpha is 0.70 for the place branding scale, 0.72 for the organizational branding scale, and 0.84 for the democracy branding scale.

On the basis of these scales, we constructed the dependent variable of interest in this paper, *strategic profile*, whose values reflect the strategy that receives the highest score for each municipality. If a municipality's score on the place branding scale is higher than its scores on the organizational and democracy branding scales, its strategic profile is "place branding". If its score on the organizational branding scale is higher than the others, its strategic profile is "organizational branding". If its score on the democracy branding scale is the highest one, its strategic profile is "democracy branding". We coded instances of equal scores between strategies as ties. However, for the logistic regression, the ties were omitted from the analysis. This was also the case for those municipalities (six in total) that indicated democracy branding as the most favored strategy. They were too few to allow statistically valid results.[3] As a result, strategic profile is included as a dichotomous variable in the logistic regression. This limitation, unfortunately, prevents us from gauging why a municipality might favor democracy branding over organizational or place branding. However, we are still able to examine why some of the municipalities favor place branding and others rely on organizational branding.

Given the explorative nature of the study and few specific assumptions about relevant independent variables, the analysis is not designed to test a set of hypotheses deductively. We included 11 independent variables that we believed were essential to the regression on the basis of theoretical speculation and intuition. We were particularly interested in variables such as municipal size and municipal identity, and a set of variables denoting challenges faced by the municipalities such as centrality level, net financial result (2010), and migration rates (i.e. the ratio of in- versus out-migration). We also included a range of variables indicating the sources by which Norwegian municipalities feel inspired or pressured in their branding work (see Table 2), on the basis of the assumption that these sources may push the municipalities in different directions concerning their branding priorities. All the latter variables are scales ranging from 1 to 5 where 5 indicates the highest level of inspiration or pressure. Municipal size is a categorical variable denoting small (under 5000 residents) and medium/large municipalities (over 5000 residents). Municipal identity is a categorical variable with the following values: Agriculture and fisheries, experiences and nature, business and industries, services and care, and cultural and regional center. The categories were generated from recoding an original variable consisting of a combination of fixed and open-ended response alternatives. Centrality level is an ordinal variable with four values indicating how close the municipality is to an urban center (least to most central), following the operationalization of the Norwegian Social Science Data Services. Table 2 gives an overview of the independent variables that we included in the regression and their association with the dependent variable as measured by Cramer's V.

TABLE 2 HERE

Results

Table 3 reports the mean scores of each multi-item measure. It shows a close race between the two most prevalent strategies, with mean scores for the place and organizational branding strategies of 41.1 and 42.2, respectively. Strategic thinking related to democracy branding is the least prevalent, but still strongly present with a mean score of 35.2. Thus, the table suggests that strategic thinking related to municipal branding in Norway is not exclusively based on a place approach. In fact, organizational branding receives the highest mean score. The differences are statistically significant when compared using 95% confidence intervals.

The relative importance of the scales are evident in Table 4. It shows that the organizational branding strategy tends to receive higher scores on its scale items compared to the other two strategies. More than half the municipalities tend to base their branding strategies on strategic thinking that primarily reflects an organizational approach. About one third of the municipalities base their strategies on a place approach, while only 3.6 percent are oriented towards democracy branding. The table also shows that there are a total of 14 cases of ties.

TABLES 3 AND 4 HERE

These findings are valuable because they reveal the relative importance of the three strategies. However, they also raise several questions. In order to better understand the variation revealed in Table 4, we need to know more about which type of municipality favors a particular strategy. More specifically, is it possible to expose some of the reasons why a municipality might favor organizational branding over place branding?

Table 5 estimates a model for organizational branding relative to place branding. The regression resulted in estimates from three independent variables that significantly predict the probability of organizational branding relative to place branding; municipality size, municipal identity, and media influence. The other variables are not found to have a significant effect, although the influence from the Norwegian State Housing Bank comes very close. For the model as a whole, the Hosmer-Lemenshow test indicates an adequate fit with the data (χ^2 = 7.54; p=.48).

As the table shows, the probability that a municipality favors organizational branding over place branding is reduced by small municipality size. For this variable, medium/large size is the reference category. Compared to medium/large municipalities, small municipalities are less likely to favor organizational branding and more likely to follow a place branding strategy, as indicated by the negative parameter estimate. The results also reveal a statistically significant main effect of municipal identity. Compared to the reference category, which is "agriculture and fisheries", the first three effects increase the probability of organizational branding being the favored strategy. The "services and care" identity is the only statistically significant parameter estimate of the three, and it is also the strongest, as measured by the Exp(B) value of 5.003. Thus, municipalities that define themselves in relation to services and care are more likely to rely on organizational branding than those that define themselves in relation to agriculture and fisheries. Conversely, the probability of organizational branding decreases if a municipality defines itself as

a cultural and regional center, as indicated by the negative estimate – thereby increasing the probability of place branding – although this effect is only borderline significant. The results indicate that the reference category, agriculture and fisheries, increases the probability of place branding as well. As for inspiration from the media, which is included in the regression as a non-categorical covariate, the parameter indicates a statistically significant negative effect on the probability of organizational branding being the main strategic priority. More specifically, the more a municipality attributes its preoccupation with branding to the media's emphasis on such issues, the less likely it is to adhere to organizational branding and the more likely it is to favor place branding.

TABLE 5

Discussion

Our findings first and foremost confirm that Norwegian municipalities include a range of concerns into their strategic thinking. Many of these concerns do not normally fall under the typical place branding umbrella, such as the organizational culture and identity, workplace, employees, and municipal services. The study also shows that the municipalities seek endorsement from multiple target audiences, engage a variety of stakeholders and actor groups, and rely on different core brand characteristics in their efforts to build and maintain their reputations.

The findings highlight the need for a better understanding of how municipalities integrate political concerns into their branding strategies. While this way of conceptualizing branding tends to be overlooked in the literature on city and place branding, our survey shows that the respondents integrate elements from the democracy branding strategy almost to the same extent as the other two strategies. This is perhaps one of the more important and thought-provoking findings in our study, as it points to a major difference between branding in the public sector and the private sector context. For example, core brand characteristics pertaining to the election system, democratic core values, and the competence of politicians, are unlikely in a private sector setting, thus confirming some of the differences that previous works on public sector branding and marketing have pointed out (Walsh, 1994, 1995). However, our findings also reveal that while democracy branding in itself is important, its relative significance is weak. Only 3.6 percent of the municipalities favor democracy branding over the other strategies. It is not entirely clear why, but it may be because of the lack of role models for democracy branding and little awareness about the possibilities and virtues of this strategy. Whenever a municipality engages in a branding endeavor, place and organizational branding are the most likely strategies simply because they are associated with their own textbooks (e.g. Anholt, 2010b; Ind, 2001), networks (e.g. the Reputation school and its alumni), and management consultants.

It is also possible that municipalities are reluctant to rely solely on a democracy branding strategy because they may see it as less relevant for meeting immediate needs. Depopulation and financial problems are challenges for many municipalities, but democracy branding, with its emphasis on transparency and participatory mechanisms, is less suited as an instrument for growth policies and attracting new residents and knowledge workers. In addition, a branding strategy requires a certain degree of commitment from those involved. Democracy, on the other hand, thrives on differences in opinion, confrontation and critique. The political struggle for power and support is detrimental to the construction of a coherent municipality brand, as local

politicians and parties could be tempted to score political points on the incumbent party and the municipal administration in order to promote themselves and their policies instead.

The results from the logistic regression added important nuances to the above findings. The choice of branding strategy depends on municipality size, with small municipalities favoring place branding and medium/large ones emphasizing organizational branding. This could be because most medium and large municipalities are already well known places and may instead prefer to concentrate on the internal challenges of building a coherent municipal brand. Their challenges are more complex on the service provision side, and many of them have to deal with pressures caused by population growth. They also have a larger staff and can afford a communication director whose responsibilities include branding and reputation management. Conversely, many small municipalities are totally unknown and may feel the need to prioritize creating awareness of their existence by becoming known as unique places. In addition, as mentioned, the central government encourages municipality branding as a way to prevent depopulation and increase in-migration rates. These challenges are particularly significant in small municipalities, which as a result, are more likely to pursue a place branding strategy that focuses on activities that can be expected to increase the quality of life of residents, in addition to opportunities for nature-based leisure activities. The Norwegian State Housing Bank's support of local "good place" branding projects, which primarily has occurred in smaller municipalities, also counts. This is reflected in the borderline statistically significant effect (p=.057) of this variable, which indicates that the probability of organizational branding decreases the larger the perceived influence of the State Housing Bank.

The choice of strategy is also dependent on municipal identity. Municipalities that understand themselves as fishing or agricultural communities are more likely to favor place branding, while those that define themselves as services municipalities tend to give priority to organizational branding. This difference could be attributed to fisheries and rural communities often being small municipalities in the peripheral parts of the country, often struggling with negative population growth. Services, on the other hand, will almost automatically be associated with an organization, which after all is an entity that far more than a place can be perceived as able to act as a coherent unit, and therefore can be linked directly to organizational branding.

Finally, the role of the media is noteworthy. Municipalities that engage in branding and reputation management because of media influence are less inclined to pursue an organizational branding strategy. While place branding has a strong external component of building an attractive image for an entire community with the power to attract visitors, tourists, and new residents, organizational branding is characterized by a stronger internal focus on employees and organizational culture. Thus, when the media focuses on municipal reputation and branding, municipalities may feel pressured to direct their attention to their external image rather than their internal workings. As a result, their response is likely to be a strategy more in accordance with the place branding perspective.

Conclusion

In this study we have argued that a one-dimensional focus on the municipality as a place is inadequate in order to understand the totality of branding efforts that occur in municipalities. By demonstrating that municipalities are likely to brand themselves not only as places, but also as organizations and political institutions, we have added important nuances to the research on the branding of localities. In fact, in this study, the strategic profiles of Norwegian municipalities reflected organizational branding more than place branding. Furthermore, our logistic regression

analysis suggested that the place branding debate should be nuanced by what we know about municipality size, identity, and perceived media influence.

Thus far, neither the genuine political nor organizational aspects have been taken sufficiently into account in studies that investigate locality branding. This place branding bias currently makes it difficult to draw conclusions about useful branding strategies. We did not develop the typology with this objective in mind; however, any municipality branding initiative could be evaluated and analyzed on the basis of our typology in order to determine if the preferred strategy is a place, organizational, or democracy branding strategy. It is also possible to extend the findings from our study towards assessments of the broader scope and cost of each strategy. For example, a one-dimensional place branding strategy might be detrimental to political institutions in that it is not sufficiently sensitive to the importance of diversity and democratic virtues. It might also ignore that municipalities are service providing units and work places, and that residents and citizens are important target groups beyond the place concept.

Our research has given reason to expect organizational and democracy branding efforts to be pursued in tandem with place branding in municipalities. Future research would benefit from investigating in more detail the conditions under which organizational, democracy, and place branding strategies are used in practice. It would be of particular interest to know more about the reasons why some municipalities favor organizational branding and others emphasize other strategies. We encourage studies of how municipalities combine different strategies, and why they combine them in the way chosen. Furthermore, we welcome a stronger focus on the branding of municipalities as political institutions, since this is a form of branding about which we currently know very little. Finally, our study should be supplemented by empirical data from local government branding in other national contexts. A comparative perspective on municipality branding could generate more robust knowledge about the initiation of such branding projects, their evolution, and their effects.

References

Aaker, D. A. (1991) *Managing brand equity : capitalizing on the value of a brand name,* Free Press: New York.

Aaker, D. A. and Joachimsthaler E. (2002) *Brand leadership,* Free Press: New York.

Aarts, K. and Thomassen J. (2008) Satisfaction with democracy: Do institutions matter? *Electoral Studies* 27:1 pp5-18.

Anholt, S. (2007) *Competitive identity: The new brand management for nations, cities, and regions,* Palgrave Macmillan: Houndmill.

Anholt, S. (2010a) Definitions of place branding - Working towards a resolution. *Place Branding and Public Diplomacy* 6:1 pp1-10.

Anholt, S. (2010b) *Places: Identity, Image and Reputation,* Palgrave MacMillan: New York, NY.

Balmer, J. M. T. (2001) Corporate identity, corporate branding and corporate marketing. Seeing through the fog. *European Journal of Marketing* 35:3/4 pp248-91.

Bjørnå, H. and Aarsæther N. (2009) Combating Depopulation in the Northern Periphery: Local Leadership Strategies in two Norwegian Municipalities. *Local Government Studies* Volum 35:2 pp213-33.

Burns, P. M. (2004) Tourism planning: A third way? *Annals of Tourism Reseach* 31:1 pp24-43.

Carpenter, D. (2010) *Reputation and Power: Organizational Image and Pharmaceutical Regulation at the FDA,* Princeton University Press: Princeton.

Chew, C. and Vinestock C. (2012) The public service offering and its influence on marketing priorities in local government organizations. *Public Management Review* 14:4 pp473-97.

de Chernatony, L., Drury S. and Segal-Horn S. (2003) Building a Services Brand: Stages, People and Orientations. *The Service industries journal* 23:3 pp21.

DiMaggio, P. J. and Powell W. W. (1983) The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields. *American Sociological Review* 31:4 pp147-60.

Dinnie, K. (2004) Place Branding: Overview of an emerging litterature. *Place Branding* 1:1 pp106-10.

Doner, J. (2007) *Marketing public health: Strategies to promote social change,* Jones and Bartlett Publishers: Sudbury, MA.

Downs, A. (1957) *An Economic Theory of Democracy,* Harper: New York.

Evans, W. D. and Hastings G. (eds) (2008) *Public health branding. Applying marketing for social change*, Oxford University Press, New York, NY.

Gertner, D. (2011) Unfolding and configuring two decades of research and publications on place marketing and place branding. *Place Branding and Public Diplomacy* 7:2 pp91-106.

Govers, R. and Go F. (2009) *Place Branding. global, Virtual and Physical Identities, Constructed, Imagined and Experienced,* Palgrave MacMillan: Basingstoke.

Graham, P. (1993) The Use of Marketing Positions in Government Departments and Public-Sector Organizations in Australia. *Australian Journal of Public Administration* 52:2 pp164-71.

Harris, F. and Chernatony L. d. (2001) Corporate branding and corporate brand performance. *European Journal of Marketing* 35:3/4 pp441-56.

Hatch, M. J. and Schultz M. (2003) Bringing the corporation into corporate branding. *European Journal of Marketing* 37:7/8 pp1041-64.

Hirschman, A. O. (1970) *Exit, voice, and loyalty; responses to decline in firms, organizations, and states,* Harvard University Press: Cambridge, Mass.

Ind, N. (2001) *Living the brand : how to transform every member of your organization into a brand champion,* Kogan Page: London.

Kavaratzis, M. (2009) Cities and their brands: Lessons from corporate branding. *Place Branding and Public Diplomacy* 5:1 pp26-37.

Kearsey, A. and Varey R. J. (1998) Managerialist thinking on marketing for public services. *Public Money & Management* 18:2 pp51-60.

Keller, K. L. (2008) *Strategic brand management : building, measuring, and managing brand equity,* Prentice Hall Upper Saddle River, N.J.

Kenway, J., Bigum C. and Fitzclarence L. (2006) Marketing education in the postmodern age. *Journal of Education Policy* 8:2 pp105-22.

Klijn, E.-H., Eshuis J. and Braun E. (2012) The influence of stakeholder involvement on the effectiveness of place branding. *Public Management Review* 14:4 pp499-519.

Kotler, P. and Gertner D. (2002) Country as brand, product, and beyond: A place marketing and brand management perspective. *Journal of Brand Management* 9:4-5 pp249-61.

Kotler, P., Haider D. H. and Rein I. (1993) *Marketing places: Attracting Investment, Industry, and Tourism to Cities, States and Nations,* Cambridge University Press: New York, NY.

Kotler, P., Nebenzahl V., Lebedenko S., Rainisto D., Gerner R. and Clifton P. (2004) Where is place branding heading. *Place Branding* 1:12-35.

Laing, A. (2003) Marketing in the Public Sector: Towards a Typology of Public Services. *Marketing Theory* 3:4 pp427-45.

Lees-Marshment, J. (2004) *The Political Marketing Revolution: Transforming the Government of the UK,* Manchester University Press: Manchester.

Lees-Marshment, J. (2009) *Political Marketing: Principles and Applications,* Routledge: London.

Lichrou, M., O'Malley L. and Patterson M. (2010) Narratives of a tourism destination: Local particularities and their implications for place marketing and branding. *Place Branding and Public Diplomacy* 6:2 pp134-44.

Lijphart, A. (1999) *Patterns of democracy: government forms and performance in thirty-six countries,* Yale University Press: New Haven, Conn.

McGuire, L. (2012) Slippery concepts in context. Relationship marketing and public services. *Public Management Review* 14:4 pp541-55.

Norris, P. (1999) *Institutional explanations for political support,* Oxford University Press: Oxford.

2014, Oxford University Press, Oxford.

Page, E. and Goldsmith M. (eds) (1987) *Central and Local Government Relations: A Comparative Analysis of West European Unitary States*, vol. 13, Sage, London and Beverly Hills.

Papadopoulos, N. (2004) Place branding: Evolution, meaning and implications. *Place Branding* 1:1 pp36-49.

Parkerson, B. and Saunders J. (2005) City branding: Can goods and services branding models be used to brand cities? *Place Branding* 1:pp242-64.

Randolph, W. and Viswanath K. (2004) Lessons learned from public health mass media campaigns: Marketing health in a crowded media world. *Annual Review of Public Health* 25:April pp419-37.

Robson, J. and Robson I. (1996) From shareholders to stakeholders: Critical issues for tourism marketers. *Tourism Mangement* 17:7 pp533-40.

Sataøen, H. L. and Wæraas A. (2013) Branding without unique brands: Managing difference and similarity in a public sector context. *Public Management Review*.

Scammell, M. (1999) Political marketing: Lessons for political science. *Political Studies* XLVII:pp718-39.

Schultz, M., Antorini Y. M. and Csaba F. F. (2005) 'Corporate branding - an evolving concept' in M. Schultz, Y.M. Antorini & F.F. Csaba (eds) *Corporate branding: purpose people process : towards the second wave of corporate branding*. Copenhagen Business School Press: København.

Schumpeter, J. A. ([1943] 1994) *Capitalism, socialism and democracy,* Routledge: London.

van Riel, C. B. M. and Fombrun C. (2007) *Essentials of corporate communication. Implementing practices for effective reputation management,* Routledge: New York, NY.

Wæraas, A. (2008) Can public sector organizations be coherent corporate brands? *Marketing Theory* 8:2 pp205-21.

Wæraas, A., Byrkjeflot H. and Angell S. I. (eds) (2011) *Substans og framtreden: Omdømmehåndtering i offentlig sektor*, Universitetsforlaget, Oslo.

Walsh, K. (1991) Citizens and Consumers: Marketing and Public Sector Mangement. *Public Money & Management* June-August pp9-16.

Walsh, K. (1994) Marketing and public sector management. *European Journal of Marketing* 28:3 pp63-71.

Walsh, K. (1995) *Public services and market mechanisms : competition, contracting, and the new public management,* Macmillan: Houndmills, Basingstoke.

Whelan, S., Davies G., Walsh M. and Bourke R. (2010) Public sector corporate branding and customer orientation. *Journal of Business Research* 63:11 pp1164-71.

Zavarotti, D. M. (2010) Municipalities as Public Relations and Marketing Firms. *Aministrative Theory & Praxis* 32:2 pp191-211.

---

[1] We thank Reviewer 1 for directing our attention to the "locality branding" term.

[2] Although services could be included in the core brand characteristics of the democracy strategy, we have chosen to include this dimension in the organizational strategy. The reason is that product and service quality is a key dimension in most scales used to measure the reputation of organizations (e.g. Fombrun and van Riel, 2004)

[3] We first conducted a multinomial logistic regression using the dependent variable with all three categories intact (place, organization, democracy). However, because of too few units in the democracy category, SPSS could not complete the calculation. We tried multiple approaches to solve this problem, without having to merge any of the categories on the dependent variable, none of which were successful. As a result, we proceeded with a binominal logistic regression with the democracy category excluded.

Table 1. Three strategies for municipal branding

	Place	*Organization*	*Democracy*
Target audience	Tourists Local and potential new residents Business	Employees Users of municipal services Job seekers	Voters Future voters Political parties
Core brand characteristics	History, cultural heritage, nature, local attractions and leisurely activities Economic potential	Municipal administrative culture Service quality Work environment and competence	Innovative electoral system Democratic core values Competence of politicians
Competition	Other places	Other municipal organizations and alternative employers	Other democratic communities
Desired reputation	Attractive destination Good place to live Business-friendly place	Good service provider Good employer Good workplace	Successful local democracy Competent politicians Trustworthy local government
Actors and initiators	Resource networks	Chief administrative officer	Politicians

Table 2: Cramer's V associations with strategic priority

Variable	Association with strategic priority (Cramer's V)
Municipality size	.25**
Municipal identity	.40**

Centrality level	.19
Net financial result (2010)	.89
Migration rate	.05
Sources of inspiration or pressure	
Well-reputed municipalities	.27$^+$
Association of Local and Regional Authorities	.27*
Norwegian State Housing Bank	.23
Ministry of Municipal and Regional Development	.17
Media	.25$^+$
Regional councils	.25$^+$

$^+$p≤.10; *p≤.05; **p≤.01

Table 3: Mean scores of each scale

	Mean score
Place	41.1
Organization	42.2
Democracy	35.2

Table 4: Strategic priority: Distribution of most highly scored strategies. Percentages. N = 169

	Frequency
Place	36.1 (61)
Organization	52.1 (88)
Democracy	3.6 (6)
Tie place – organization	5.9 (10)
Tie organization – democracy	1.2 (2)
Tie all	1.2 (2)
	100 (169)

Table 5: Results from logistic regression (enter method)*

Independent variable	B	S.E.	Wald	Df	Sig.	Exp(B)
Municipal size (small)	-1.277	.520	6.043	1	.014	**.279**
Municipal identity			14.237	4	.007	
Experience and nature	.765	.664	1.328	1	.249	2.149
Business and industries	.333	.630	.280	1	.596	1.396

Services and care	1.610	.714	5.087	1	.024	**5.003**
Cultural and regional center	-1.162	.640	3.301	1	.069	.313
Centrality			3.758	3	.289	
Most rural	-.594	.585	1.031	1	.310	.552
Less urban	.608	.827	.539	1	.463	1.836
More urban	.159	.673	.056	1	.813	1.173
Net financial result	.000	.000	.016	1	.899	1.000
Migration	.456	.534	.731	1	.393	1.578
Well-reputed municipalities	.169	.219	.592	1	.442	1.184
Association of Regional and Local Authorities	.200	.293	.466	1	.495	1.222
Norwegian State Housing Bank	-.651	.342	3.626	1	.057	.521
Norwegian Ministry of Municipal and Regional Development	.447	.296	2.278	1	.131	1.564
Media influence	-.616	.263	5.480	1	.019	.540
Regional councils	-.250	.221	1.272	1	.259	.779
Constant	2.810	1.055	7.096	1	.008	16.607

* Place branding serves as reference category. For municipal size, "large" is the reference category. For municipal identity, "agriculture and fisheries" is the reference category. For centrality, "most urban" is the reference category.