Investor-based place brand equity: a theoretical framework

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Abstract

Purpose – Many post-industrial cities are characterised by the effects of globalisation, de-regulation, regionalisation and technological developments. The application of supply-side strategies to meet the challenges arising from these effects has contributed to the homogeneity of places which economic development professionals try to escape by creating place brands. Considerable resources are allocated to such place marketing efforts – so far without being able to measure the impact. The aim of this paper is to present a framework to analyse place brand equity from the foreign direct investor’s point of view in an attempt to identify the place brand actuators which contribute to (more) efficient place brands.

Design/methodology/approach – Based on literature research, customer-based FMCG brand equity models are analysed and adapted to the characteristics of places.

Findings – It is expected that the behaviour of the place brand customer (i.e. the decision to invest in a certain place) depends on the assessment of the place brand values which in turn are derived from the perception of place brand assets. These findings have been included in the investor-based place brand equity (IPE) framework. Applying the IPE framework to place brands enables the development of more efficient place brands, making better use of public funds and thus increasing the acceptance of place branding efforts.

Research limitations/implications – The IPE framework is based on the application of (modified) FMCG approaches to places. The resulting framework will need empirical verification.

Originality/value – The branding of places as an attempt to attract investors has become a popular approach for place marketing professionals. Assessment of place brand equity reveals whether such approaches are efficient. Based on assessment of efficiency, suggestions for the improvement of place brands can be identified.

Keywords Brand equity, Economic development, International investments, Direct investment, Cities

Paper type Conceptual paper

Introduction

European cities are faced with considerable macro economic challenges. These include the globalisation of trade, investment and labour markets which have removed many protective barriers making people and investments increasingly mobile (Kavaratzis, 2007). In addition to the deregulation of major industries, the loss of the position of the European nation states due to the increasing power of the regions and cities needs to be considered (Aronczyk, 2008). The Europe of competing nations has been replaced by a Europe of more than 100,000 competing communities (Kotler et al., 1999).

These challenges are complemented by technological developments cumulated in more effective communications and logistics reducing the frictions of distance (Ashworth, 1994). The latter contributed to the deindustrialisation process of many European cities, which implies that they can no longer bank on the traditional industry that is left being a source of future economic growth. On the basis of developments in the communication sector, the knowledge industries started to replace industrial
production (Clark, 2002). In the context of economic development, cities consequently no longer compete on the availability of production sites, but on “the ability to attract and retain talented and creative labour” (Jansson and Power, 2006, p. 11).

In times characterised by neo-liberalism, dilution and eroding tax bases, economic development had to seek rapid solutions to these challenges. First attempts concentrated on supply side approaches (Rantisi and Leslie, 2006) like the provision of subsidies and infrastructure to attract mobile investments. As a result, many cities, being potential places of investment, evolved into commodities which could be played-off one against the other (Kokosalakis et al., 2006).

This insight, combined with increased competition for mobile investments, augmented understanding of cities’ functions. In addition to being places for production, many post-industrial cities are reconstructed as centres for creativity and consumption (Lash and Urry, 1994). Consequently, the economic development strategies of those places have been expanded to position the city as a “distinctive destination for work and play”. This includes the attraction of a skilled workforce as a pre-requisite to attract mobile investments, which in turn depend on those specialised skills (Anholt, 2005a; Florida, 2002). To position cities in this competitive environment many places have adopted place marketing and especially the promotion element of the place marketing mix, namely place branding. The resources spent are considerable as research in Germany has shown (Table I).

These spending patterns are mirrored in an international context with place marketing budgets ranging from US$6 million in Portugal to US$15 million in the Lombardy region and to US$33 million in Singapore (Langer, 2001). In the United Kingdom, Young and Lever (1997) found that in the 1995-1996 period 93 per cent of local authorities were involved in place marketing activities spending an average of £279,600 each. In the United States Kotler et al. (1993) estimated that 10 per cent of all leading newspaper advertising is used for marketing places. Another study conducted by CNN revealed that communities and regions in the United States spent US$538 million in marketing their locations (Piggott, 2001, as cited in Morgan and Pritchard, 2002).

Taking these considerable resources into account it is of interest to reveal the potential impacts of such place branding activities. To do so this paper will first present how the location decisions of mobile investors are taken and the role place brands play in

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<td>Average</td>
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Notes: <sup>a</sup> Annual figures for years 2008 until 2011. <sup>b</sup> Budget increased as part of the competition for the “European Cultural City 2010”

Source: AG Stadtmarketing, 2004; Berlin Partner GmbH presentation, 23 November 2007

Table I. Place marketing budgets of German cities
this process. Based on the literature, a framework to analyse place brand equity from the mobile (foreign direct) investor’s point of view is developed in an attempt to identify the place brand actuators which contribute to (more) efficient place brands.

Attracting (foreign direct) investment

Considering the situation of cities, the attraction of foreign direct investment (FDI) in the creative industries can be considered to be of importance for their economic development (Kotler et al., 1999). The potential benefits from the cities’ point of view are numerous and include an additional equity capital inflow, a strengthening of the technological base, access to scarce skills and an improvement in the quality and quantity of local employment opportunities (Duggan, 2000). While there is agreement that attracting FDI in specific areas can contribute to the favourable economic development of the post-industrial city (Papadopoulos and Heslop, 2002), a customer-oriented urban policy needs to answer the question of how to efficiently attract such FDI. To contribute to the answer, it needs to be disclosed why companies perform FDI and how investment locations are selected.

As a generally accepted notion, the internationalisation of economic activities contributes to the goals of the company, namely profit maximisation, generation of growth and dependability in the sense of sustainability. The most sustainable way of opening up international markets is through direct investment which encompasses capital investments in foreign markets (Wells and Wint, 2000).

From the perspective of the city, being aware of the processes of location selection and influencing the decision in favour of their own location is of importance. Consequently, the organisational processes within companies when selecting business locations need to be known in order to identify those steps in the process where the decision-maker(s) will be most receptive to marketing messages of the city. Kotler et al. (1999) consider consumer decision-making processes in an attempt to describe location selection processes. Accordingly, enterprises go through a five-stage refinement process including the creation of a total set of potential investment locations, a cognitively and affectively driven creation of the awareness set, a primarily cognitively driven formation of the consolidation set and a largely affectively influenced development of the choice set to reach a final decision. Place marketing messages could address the stage where the awareness set is being created since it can be assumed that the compilation of the awareness and (implicitly) the choice set is not entirely cognitively driven (van de Laar and de Neubourg, 2002) and is therefore receptive to marketing mix instruments addressing the affective component of the decision-making process.

The application of marketing mix instruments is of interest when considering the homogeneity of business locations (Garlick and Wilner, 2008). Such a situation is not uncommon to consumer goods manufacturers needing to position their products in maturing markets. While in the early phases of the market introduction, decision-making is entirely based on rational factors, decision-making processes in markets characterised by products with largely identical features are influenced by emotional factors (Communication Group, 2006). Typical solutions developed by those working in B-to-C and B-to-B marketing to address these emotional factors have been the creation of brands. Empirical research has shown that such approaches can be transferred to companies taking FDI location decisions. Van den Laar and de Neubourg (2002) found that over half of the location decisions taken by Dutch investors in CEE
countries were affectively driven. Transposing this approach to post-industrial cities focusing on the attraction of FDI would require the development of place brands.

Considering the creative industries as the focus sector of this paper, it is of interest to reveal if factors addressing the affective component of decision-making are of importance to this target group. Research in Germany (Partner für Berlin, 2004) revealed that such factors are of highest relevance for the creative sectors such as the media industry (75.7 per cent), the advertising industry (59.5 per cent) and the fashion industry (54.1 per cent) while more technologically oriented sectors such as the aerospace industry pay less attention to such factors (19.0 per cent). This confirms the focus of the paper to be on the creative industries.

Place marketing, place brands and place brand equity
As research has shown (Metaxas, 2002) product marketing has equivalents in the place marketing mix. Consequently, places have adopted the place marketing framework to various extents. What is common to all approaches analysed, is their concentration on the promotion element, with some places also considering the product element and even fewer places integrating the place and price element in their place marketing mix. The resources spent are considerable, with an average of €2.15 per inhabitant per year by selected German cities.

In this context, it is of interest whether the promotion element of the place marketing mix, especially the creation of brands, can be efficiently used to increase investment inflows. According to Florida (2002) and Jansson and Power (2006) places having built strong and dynamic brands have an easier task of attracting firms within the knowledge industries. In addition, Pantzalis and Rodriguez (1999) suggest that the movement of investment capital is largely influenced by the perception of places as a brand, while Jansson and Power (2006) find evidence that strategies to implement place brands are a “vital component in the competition for attracting inward investment”. These findings are confirmed by empirical evidence. In research among corporate investment decision-makers, 65 per cent of respondents stated that they find it difficult to differentiate between investment locations. Consequently, of these, 92 per cent agreed that place brands are getting more influential in the decision-making process (Communication Group, 2006).

To develop an understanding of place brand effects, there needs to be understanding of what it encompasses. Research into scientific discussion of brands reveals that no one accepted definition exists (Hankinson, 2001). Anyhow, agreement has been reached that the “value of brands resides primarily in the mind of the consumer, not in the factory of the producer” (Anholt, 1999, p. 4), evoking a strong emotional tie with the goods, services, persons or places (Flor, 2005). Based on this notion, the definition of brands as a socio psychological construct avoids the reduction of brands to signs or legally protected trademarks. Instead, the brand construct concentrates on the brand perception of the customer (image) and the self-perception of the place (identity); suggesting that a number of interdependencies exist between these two (Meffert, 2005).

As has been shown before, the experience economy has shifted the focus from the traditional emphasis on articles and production to an economy in “which consumers are willing to pay an extra price for products and services that hold qualities, feelings, values, meanings, identity and aesthetics” (Stigel and Frimann, 2006, p. 250). To achieve this, place brands need to include values addressing both the cognition as
well as the affect. Accordingly, from the investor’s point of view, three main ex-ante functions of place brands can be identified (Meffert, 2000):

1. **Confidence building function.** Successful place brands carry a high awareness and positive reputation which creates confidence. This helps the customer to avoid uncertainty, reduces the perceived purchasing risk and the transaction costs (Balderjahn, 2004). Empirical research has confirmed that confidence in the place is a crucial pre-condition for selecting an investment location (Meffert and Ebert, 2003).

2. **Symbolic function.** Symbolic functions are addressing the interaction with the social environment of the place customer aiming to transfer the prestige and distinction to the customer. Consequently, the place brand can be considered as a tool of the place customer’s identity building process. The customer can transfer the identity of the place brand to his own organisation (Meffert, 2000).

3. **Orientation and information function.** Considering the commoditisation of places, the place customer requires the means to select the “best fit” place product (Meffert, 2000). Place brands address this demand by exposing their cognitive as well as affective dimensions (Johnsen, 2006), enabling the customer to identify the place product much faster. The orientation function therefore meets the place customer’s requirement for convenience and efficiency when searching, interpreting and digesting a deluge of information. The ultimate goal of the information function is to position the place in the choice set of the potential place customer (Kroeber-Riel and Weinberg, 1999).

The intentional development of place brands (Piggott, 2001) is a young discipline resulting in the fact that the focus so far has been on implementation rather than on measuring efficiency: “Place branding has been more accidental than a continuous and deliberate planned action” (Endzina and Luneva, 2004, p. 94). In order to increase the acceptance of urban place brands as an efficient instrument justifying long-term commitment, place brand advocates will need to prove that resources are well spent (Anholt, 2008; Hospers, 2007).

To address the question of whether place brands are efficient, the term “efficient” in the context of (place) brands needs to be defined. Efficiency of brands is measured by brand equity, a factor that receives increasing attention in the place marketing literature too (Gertner, 2004). Consequently, the focus of this paper is on developing a theoretical framework for measuring the efficiency of place brands as expressed by place brand equity. Brand equity is based on brand value, which is the premium customers are prepared to pay in order to acquire a branded product rather than an unbranded one. Accordingly, it is in the brand owner’s interest to identify and expand the brand’s value. To do so, two perspectives on measuring brand equity can be taken:

1. the customer perspective, resulting in customer-based brand equity taking into account the perception; and

2. behaviour of the customer; and the financial perspective, resulting in firm-based brand equity taking into account the finances of the brand owner (Dinnie, 2008).

Since place brands are considered to be an instrument of customer-oriented regional policy, the theoretical framework will concentrate on the customer-based perspective.
The term “brand equity” faces the same challenges as the term “brand” regarding a universally accepted definition: different strands have emerged. According to Aaker (1991) “brand equity is a set of assets such as name awareness, loyal customers, perceived quality and associations that are linked to the brand and add (or subtract) value to the product or service being offered”.

**Investor-based place brand equity**

Based on the product brand equity definition by Aaker (1991), place brand equity encompasses “real and/or perceived assets and liabilities that are associated with a place and distinguish it from others” (Papadopoulos, 2004, p. 43). Despite this analogy in definition, limited research has been carried out regarding the similarities in measuring product brand equity and place brand equity. Consequently, this paper will suggest a theoretical framework for measuring the investor-based place brand equity (IPE) and its impact on the FDI location preference.

To start with the FDI location preference, analysis of investment location selection processes revealed that existing approaches which attempt to explain the decision-making process within enterprises have shortcomings. Especially, the nature of the brand is not fully integrated into such approaches. The framework to be developed therefore needs to enhance understanding of the relationship between:

1. the decision-making processes of the place investor;
2. the nature of the place brand, as well as; and
3. strategic and operational place brand management.

Considering these requirements, the widely accepted model of the product brand (Keller, 1993) is taken as the origin for the development of the theoretical framework. This assumption can be justified since places can be marketed like products (Kearns and Philo, 1993) including the applicability of branding principles to places (Parkerson and Saunders, 2005). Based on the product brand model, a brand encompasses tangible and intangible brand attributes – in the context of the framework called “place brand assets” – as well as cognitively and affectively related brand benefits – here summarised as “place brand values”. Since the framework should not only describe the perception (of the place brand), but also the behaviour (of the place customer), a linkage between the assessment of the place brand values and the intention and decision to invest (equating to preference in FDI location selection) has to be included in the framework. This linkage is established via place brand equity. The findings from this part of the framework will support the strategic decisions of place brand management. In addition, the framework needs to support operational place brand management. While focus on place brand values has the advantage of identifying those factors which do influence the behaviour, it also has the limitation of being too abstract to identify specific implications for the operational place brand management. To address this restriction, place brand assets are introduced to the framework. By considering both the place brand values and the place brand assets, the framework includes the place brand actuators which potentially explain investor behaviour.

The resulting theoretical framework for place brands consists of two stages. Perceived place brand assets evoke the needs for expected functional and psychographic benefits (place brand values). These in turn directly influence the IPE. The influence of these perceived benefits on the FDI location preference is
included in stage two of the framework. Based on the influence on the FDI location preference, the efficiency of the actuators can be identified.

*Place brand assets*

Place brand assets express the perception of the place brand by the investor. They can be categorised into tangible and intangible place brand assets. The potentially relevant place brand assets were identified on the basis of literature research and require empirical verification. Again, as research in the area of place brands, especially place brands addressing the creative industries, is in its infancy, literature research concentrated on product brands as a point of departure. Table II presents an overview.

Comprehensive research has been carried out on the effects of perceived quality which is defined “to include the consumer’s response to the entire evoked set of judgements about quality comparisons among competitive brands” (Lavenka, 1991, p. 39). Consequently, perceived quality can be considered as an expression of the brand image reflecting the assessment of the overall quality and reliability of the brand by the customer. Perceived quality emphasises the dependability and durability of a brand. In the context of place brands, perceived quality can be expressed by the political and economic history of the place (Pombrun and van Riel, 1997; Kubacki and Skinner, 2006), the safeness of the city (Anholt, 2005b) as well as by the political climate (Pantzalis and Rodriguez, 1999).

Apart from the perceived quality, impression is a tangible brand asset indirectly influencing brand equity. Impression comprises the external product and packaging design of the brand as well as the setting in which the brand is presented. The objective of brand impression is to evoke positive emotions with the customer. Transferring this approach to place brands, the impression would encompass the appearance of the place evoking positive emotions towards the city being branded. Consequently, the place brand impression includes macro elements such as urban appearance and beauty.

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<tr>
<th>Asset group</th>
<th>Asset</th>
<th>Theoretical foundation</th>
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<tbody>
<tr>
<td>Tangible</td>
<td>Perceived quality</td>
<td>Farquhar (1989); Aaker (1991); Lavenka (1991); Winters (1991); Lassar et al. (1995); Motameni and Shahrokh (1998); Harris and de Chernatony (2001); Vazquez et al. (2002); Washburn and Plank (2002)</td>
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<td></td>
<td>Promotion</td>
<td>Palazon-Vidal and Delgado-Ballester (2005); Villarejo-Ramos and Sanchez-Franco (2005)</td>
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<td>Intangible</td>
<td>Awareness</td>
<td>Aaker (1991); Winters (1991); Keller (1993), Aaker and Jacobson (1994); Dyson et al. (1996); Motameni and Shahrokh (1998); Silverman et al. (1998); Chaudhuri (2002); Vazquez et al. (2002); Washburn and Plank (2002)</td>
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<td></td>
<td>Heritage</td>
<td>Moskowitz et al. (2001); Beverland (2005); Urde et al. (2007)</td>
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<td>Personality</td>
<td>Batra et al. (1993); Aaker (1997)</td>
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<td></td>
<td>Reputation</td>
<td>Chaudhuri (2002)</td>
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<td>Trustworthiness</td>
<td>Kapferer and Laurent (1991); de Chernatony (1993); Lassar et al. (1995); Chaudhuri and Holbrook (2001); Vazquez et al. (2002)</td>
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Table II.
Potential place brand assets
(Anholt, 2005b; Winfield-Pfefferkorn, 2005), micro elements such as physical elements (Kavaratzis, 2007) as well as the geography of the place (Kubacki and Skinner, 2006). The macro elements also include the level of urbanisation (Johansson and Moinpour, 1977) as well as the urban milieu (Smidt-Jensen, 2004) while the micro element comprises the traffic infrastructure (Fombrun and van Riel, 1997), the commercial and cultural infrastructure (Anholt, 2005b; Winfield-Pfefferkorn, 2005) and the iconography in architecture (Dinnie, 2008).

The importance of promotion in shaping product brand equity is frequently addressed in the context of the product marketing mix. Research by Palazon-Vidal and Delgado-Ballester (2005) found that monetary and non-monetary promotions support the creation of brand equity indirectly by positively influencing the brand knowledge structures of the brand customer. By applying marketing programmes such as sales promotions, the brand knowledge as expressed by the number of associations and the uniqueness of such associations is shaped, resulting in brand benefits such as increased marketing communications efficiency. In the context of place brands, Meffert (1989) subsumes public relations and advertising under the promotion element while Metaxas (2002) also considers individual promotional elements such as slogans, campaigns and the application of the cyberspace as appropriate elements within the place marketing mix context.

The importance of intangible assets such as brand awareness for the creation of brand equity is emphasised in the literature as presented in Table II. The higher the number of potential customers being aware of the brand and the more these customers know about the brand, the higher the engagement of the potential customers with the brand. This is even more important since the brand needs to be present in the consideration set of the customer before it is even regarded as an alternative. It is therefore expected that brand awareness has a positive influence on brand equity. Place brand awareness is represented by the cultural familiarity of the place (Johansson and Moinpour, 1977), its famous citizens (Kubacki and Skinner, 2006) as well as the commerce-culture interface (Dinnie, 2008), the external portrayal of the place in (popular) culture (Dinnie, 2008) and the existence of an entertainment industry (Kubacki and Skinner, 2006).

The brand heritage is an expression for the embedding of brands in the past, the brand’s values and traditions. Successful brands are often characterised by a long history supporting the firm establishment of the brand in the mind of the customer. Such brands carry a high awareness, authenticity, credibility and competence from the point of view of the brand customer. Consequently, brand heritage influences the functional value of the brand, creates trust and results in a higher identification of the brand customer with the brand. Brand heritage in the context of place brands is potentially expressed by branded exports (Dinnie, 2008) as well as the political and economic history (Kubacki and Skinner, 2006).

Although identified in the research literature as an important brand attribute, brand personality suffers from a lack of consensus on what it really is. In an attempt to address this constraint, Aaker (1997) has defined it as “the set of human characteristics associated with a brand”. To operationalise this definition, brand personality dimensions have been identified which include sincerity, excitement, competence, sophistication and ruggedness (Aaker, 1997). Brand personality perceptions can be created by direct and indirect contacts with the brand (Plummer, 1985) with the latter including product-related attributes, brand name, symbol or logo, advertising or
price (Batra et al., 1993). In the context of the IPE framework it is of interest that research has focused on the question of how brand personality can be linked to the benefit of self-expression. This link is obvious since “brand personality tends to serve a symbolic or self-expressive function” (Keller, 1993, p. 4). In the context of place branding, personality reflects the international status and standing of the place (Anholt, 2005b) which is operationalised by likeliness and excitement about the place, respect towards the place as well as by the perception of being a responsible community and having a responsible environmental policy (Fombrun and van Riel, 1997). In addition, the emotional value (Kotler et al., 1999), operationalised by what the place stands for (Winfield-Pfefferkorn, 2005), and the regional mindset contribute the place personality. Finally, the trustworthiness of a brand is considered as an intangible asset potentially shaping brand benefits. It is assumed that brand equity is indirectly based on the confidence that customers place in a brand compared to competitors’ brands. This confidence is the basis for the creation of customers’ loyalty (Lassar et al., 1995). Loyal customers will potentially pay more for a brand because they assume some unique value in the brand that no alternative can provide (Pessemier, 1959). This attribute is closely linked to the brand benefits (uniqueness value). Trustworthiness in the context of place branding has so far only been emphasised in the research by Fombrun and van Riel (1997).

In summary, it can be said that analysis of the literature reveals that initial research has been carried out to identify brand assets. Anyhow, these studies have been partial and concerned with consumer products. Studies identifying place brand assets and their (indirect) influence on IPE do not exist. Here, assumptions expressed by various authors confirm the expectation that certain place brand assets are important actuators of place brand equity. Taking these restrictions into consideration, the next step is to identify the place brand values being potentially influenced by the place brand assets.

**Place brand values**
Place brand values were selected based on the assumption that the primary objective of place brands from the investor’s perspective is the simplification of information processing and risk reduction. Consequently, the communication and information function as well as the confidence building function of the place brand served as an initial guideline for the identification of the potentially relevant place brand values.

The relationship between the perceived place brand values and the needs of the investor is stressed by Kotler and Bliemel (2001). In addition, Trommsdorff (2003) outlines that the term “need” is limited in scope to describe a perceived deficiency; this deficiency subsequently develops into a “motive”. Owing to the fact that such purchasing motives are both cognitively as well as affectively driven, customers expect brands to generate rational as well as emotional benefits. Consequently, cognitively as well as affectively driven place brand values need to be considered.

The cognitively driven place brand values are not restricted to functional, place-related values but also include the process which the customer passes through when consuming the place product. In the context of this paper, only functional values will be considered to be the primary actuators of IPE. The functional value aims to reduce the risk perceived by the investor as well as build a trustable investment location. The higher the functional value of a place brand in comparison to the social values, the better the brand should perform on the tangible attributes to reduce the risk
of taking a wrong investment decision. Based on the functional needs of the creative industries such as availability of technology, know how (talent), the price/performance ratio and the convenience/service of the place might form functional place brand values. These assumptions need to be verified in a preliminary study.

For a more detailed description and structuring of the affectively driven place brand values, commonly accepted classifications can be applied. One such classification was developed by Maslow (1970) containing “functional” as well as “emotional” needs. The better the functional needs are satisfied, the higher the appreciation of emotional needs. According to Maslow, on the emotional level, brands offer social benefits, create esteem or meet the requirement for self-actualisation. Considering this classification, place brand values include inward-directed (intrinsic) as well as outward-directed (extrinsic) non-material (social) values. Extrinsic non-material values are based on the requirement of self-actualisation by using specific brands. They can be created by the external social environment. An example is the development of prestige for a company locating in a certain quarter or city. Intrinsic non-material values are based on developing an identity by “consuming” the brand; they are created without external influence within an organisation. For example, location in a certain stimulating environment can have a positive influence on the identity of employees, bonding them to the employer.

Within the framework, non-material values are split into prestige value, distinction value and identity value. These values have been defined based on literature research and an analysis of existing place branding campaigns. The prestige value is based on the notion that the individual behaviour – including the selection of a branded investment location – is influenced by the behaviour of relevant peer groups (Hyman, 1942). This behaviour is frequently referred to as the agglomeration/cluster effect. Based on this effect, companies chose investment locations to express themselves as members of a certain “user group”. As with the prestige value, the distinction value is also an extrinsic non-material value being based on the need of the customer to differentiate him or herself from others. Consequently, the distinction value describes how well a brand contributes to the need of individualism and uniqueness. To do so, place brands need to be concise, specific and distinctive (Antonoff, 1971).

In addition to the extrinsic non-material values, intrinsic values have been on the rise. Customers request brands to reflect their set of beliefs, their own personality and express their attitude towards life and society. This is incorporated in the identity value which describes the perceived coincidence between the customer’s identity and the place identity. The underlying rationale is that the higher the correspondence between the place brand and the investor, the higher the value of the place brand considered by the investor. In order for place brands to fulfil this requirement, they must be appealing allowing the investor to identify himself with the place and its business community (Antonoff, 1971). Closely linked, they must also be likeable (Antonoff, 1971) “clearly pointing people towards new and different behaviours” (Anholt, 2006, p. 102). More specifically the place brand needs to reflect creativity, contributing to an attractive place brand from the point of view of the investor (Antonoff, 1971). Creativity is reflected by surprising, arresting and memorable experiences with the brand (Anholt, 2006).

Figure 1 presents the resulting IPE Framework. The main relations to be investigated empirically are between place brand assets and place brand values (A), between place brand values and investor-based place brand equity (B) as well as between investor-based place brand equity and the preference in FDI site selection (C).
In addition to these potential links, further direct relations between the place brand values and the preference in FDI site selection (D), as well as between the place brand assets and the investor-based place brand equity (E) or the preference in FDI site selection (F) might be revealed. Based on the results, conclusions for the development of efficient investor-based place brand equities might be drawn which result in a preference for FDI site selection.

Conclusions
To conclude, it can be said that the IPE framework is a new attempt to measure place brand equity. Unlike past approaches (Sinclair, 2004) it approaches the question of efficiency from the point of view of the place customer rather than from the perspective of the place. Since place branding is a young discipline, limited underlying place brand theory exists, which requires the application of FMCG brand theories. Since the IPE framework for measuring place brand equity is solely theory-based, future research should include the verification and possible adjustment of the selected place brand actuators based on empirical research. Once verified, such empirical research should uncover the strength and direction of the relationships between the individual parts of the framework, thus enabling the identification of efficient approaches to build regional place brands for attracting FDI in the creative industries.

References


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