CHAPTER 3

RESEARCH OBJECTIVES, MODEL CONCEPTUALIZATION AND

RESEARCH HYPOTHESES

3.1 Research objectives

The inadequacy of quantifiable measures of place branding strategies has forced practitioners and scholars to apply qualitative techniques and conceptual understandings to analyze the critical issues that go on to make a successful place brand and subsequently come out with judgmental conclusions and suggestions about dos and don’ts of place branding efforts, strategies and processes. The endeavor of this study is to develop quantitative model of place brand equity that will integrate the major antecedents and consequences of place branding and ‘place as a brand’.

However, the paucity of adequate measures of brand equity of a place with respect to public diplomacy, regional identity and investment attractiveness demands the study to develop instruments that measure customer based brand equity for a place from the above mentioned perspectives. In addition, the existing instrument for measuring customer based brand equity of a tourism destination requires adaption to suit the present study. Therefore, the development and adaption of the four instruments act as the second broad objective of the study that act as the basis for meeting the overarching objective mentioned in the first paragraph.

The data that is required for the study would be collected for a particular place (in this case the state of ‘West Bengal’ in eastern India). Meeting the aforesaid objectives, would require various kinds of data to be generated for the case of West Bengal. These data can subsequently be used to analyze the perceptions about West Bengal as a place brand and the impact of the antecedents
on the overall brand equity and its consequences thereof for West Bengal. Moreover, the impact of the individual perspectives on the other may also be looked into.

3.2 Model conceptualization

Customer based brand equity (CBBE) has been one of the most popular and accepted measures of branding strategies both in the product context (Aaker, 1996a, 1996b; Keller, 1993) and service context (Berry, 2000) and approaches branding strategies as a consequent result of branding strategies and decisions taken for a product or service. Aaker (1996b) has defined brand equity as the set of all assets and liabilities that can be attached to a brand (name/symbol). These in turn gives additional values to the consumers consuming the product/service. The ‘value added’ in turn rewards the marketer through price premium and/or brand loyalty from the customer (Keller, 1993; Pitta and Katsanis, 1995).

Aaker (1996a, 1996b) has developed model of customer based brand equity that has five dimensions, namely, brand awareness, brand associations (image), perceived quality, brand loyalty and proprietary brand assets (refer to Figure 1). Among these, the first three dimensions act as antecedents of brand equity while brand loyalty comes as a consequence of brand equity. Proprietary brand assets provide competitiveness and are contextual in nature. This dimension only applies to brands that hold registered trademarks, copyrights, patents etc.

The study develops the quantitative model of place branding in line with Aaker’s (1996a, 1996b) CBBE dimensions and calls it the Customer Based Place Brand Equity (CBPBE) model. The model considers a place to be brand and will have brand equity like that of a product or service. Therefore, its brand equity will be affected by branding strategies (refer to Figure 2)
It is mentioned earlier in the construct definitions that proprietary brand assets does not apply to place brands so in improvising the model to suit the place branding context, proprietary assets is not considered (Gartner and Konecnik- Ruzzier, 2010). Moreover, brand image is used as surrogate for brand associations as operationalized by Yoo and Donthu (2001), Washburn and Plank (2002) and Gartner and Konecnik- Ruzzier (2010). Therefore, the modified CBPBE model
has four dimensions of brand equity, namely, brand awareness; brand image, perceived quality and brand loyalty (refer to Figure 3)

**Figure 2:**

Customer Based Place Brand Equity (CBPBE) – Basic Form

![Basic Form Diagram](image)

**Figure 3**

Customer Based Place Brand Equity (CBPBE) – Actual Form

![Actual Form Diagram](image)

The review of literature suggested at least four perspectives to approach place branding. These are destination branding, public diplomacy, regional identity and investment attractiveness. The study thus ventures into developing an integrated model of place brand equity from the perspectives of destination branding, public diplomacy, regional identity and investment attractiveness.
3.3 Destination Branding

Destination branding has been observed as a key determinant of place branding strategies and the brand equity of a place depends largely on tourism. Therefore, the propositions are that the place as destination brand will affect the brand equity of the place. Therefore, the following propositions are made in this context.

Proposition 1: *Brand awareness is a component of place brand equity when considered for destination brands.*

This proposition would go on to check whether awareness of a place as a tourism destination is a significant measure of the overall brand equity of the place.

Proposition 2: *Brand image is a component of place brand equity when considered for destination brands.*

This proposition would go on to check whether image of a place as a tourism destination is a significant measure the overall brand equity of the place. For example, whether images of natural beauty, history and culture etc of a place makes the place desirable as a destination.

Proposition 3: *Perceived quality is a component of place brand equity when considered for destination brands.*

This proposition would go on to check whether the perceptions that customers have about the quality that the place offers as a tourism destination is a significant measure the overall brand equity of the place.
Proposition 4: *Brand loyalty is a component of place brand equity when considered for destination brands.*

This proposition would go on to check whether overall brand equity of can be significantly measured through the brand loyalty enjoyed by the destination.

### 3.3.1 Research hypotheses

The findings of the first four propositions would enable the testing of the generic theory of CBBE and thus can suggest whether CBBE can be applied to a place. The first four propositions, lead to hypotheses 1a and 1b that study the relations between the dimensions and CBPBE as such. Then the framework for CBPBE from the perspective of destination branding is developed.

**Hypothesis 1a:** *Brand awareness, brand image and perceived quality respectively have positive relationships with brand equity of a destination brand.*

This would suggest that increased awareness would result in increased brand equity. Similarly, positive images and positive perceptions of quality would result in positive brand equity.

**Hypothesis 1b:** *Brand equity has a positive relationship with brand loyalty towards a destination brand.*

This would suggest that in case of positive brand equity, customers will respond with positive brand loyalty towards that tourism destination.

The following framework is thus proposed for CBPBE relating to destination branding. The framework represents the generic CBBE model in the context of place as a destination brand (refer to Figure 4).
3.4 Public Diplomacy

Public diplomacy has been observed to be one of the crucial reasons behind nation branding (Ham, 2001). However, as Wang (2006b) points out, sub national actors are becoming crucial in nation branding and even regional administrations are getting involved in public diplomacy. In addition, domestic public diplomacy is also growing in practice in contemporary setup (Huijgh, 2005; Tyler et al., 2012). The whole idea of such holistic public diplomacy efforts is to develop a brand through positive images and communication to domestic and international audience. The following propositions are made in this context.

Proposition 5: *Brand awareness is a component of place brand equity in the context of public diplomacy.*
This proposition would go on to check whether awareness due to public diplomacy is a significant measure of place brand equity. In other words, whether place awareness among target audience is present due to public diplomacy efforts.

Proposition 6: *Brand image is a component of place brand equity in the context of public diplomacy.*

This proposition would go on to check whether the images created in audiences minds about the place due to public diplomacy is a significant measure of place brand equity. In other words it is to see whether the public diplomacy efforts have been able to create image(s) about the place in the minds of the target audience/ customers.

Proposition 7: *Perceived quality is a component of place brand equity in the context of public diplomacy.*

This proposition would go on to check whether the perceived quality of the public diplomacy efforts is a significant measure of place brand equity. In other words whether the information and communication about the place provided through public diplomacy is perceived to be of quality.

Proposition 8: *Brand loyalty is a component of place brand equity when considered for public diplomacy.*

This proposition would go on to check whether overall brand equity of can be significantly measured through the brand loyalty towards the place. In other words, public diplomacy efforts would result in brand loyalty for the place.
3.4.1 Research hypotheses

As in the case of destination branding, the four propositions would give way to the two hypotheses relating to relationships among the brand equity dimensions to overall brand equity. These hypotheses test the relations between CBPBE and its constituent dimensions.

Hypothesis 2a: Brand awareness, brand image and perceived quality respectively have positive relationships with brand equity of a place brand in the context of public diplomacy.

Increased awareness would result in increased brand equity. Similarly, positive images and positive perceptions of quality would result in positive brand equity.

Hypothesis 2b: Brand equity has a positive relationship with brand loyalty towards a place brand in the context of public diplomacy.

Due to positive brand equity, customers will respond with positive brand loyalty towards place.

Figure 5

Framework 2 - CBPBE from the perspective of public diplomacy
A framework is proposed for CBPBE when public diplomacy is taken into consideration. The framework represents the generic CBBE model in the context of place. (refer to Figure 5).

### 3.5 Regional Identity

Regional identity affects place branding due to the connection of the locals to that place. The attachment to the place and how the locals identify themselves as a part of the place results in regional identity. This identity is created internally and sent across to the external groups who are prospective customers and other stakeholders of the place. Regional identity is a critical dimension of place branding and a crucial focus area of place branding and therefore is a determinant of place brand equity.

**Proposition 9:** *Brand awareness is a component of place brand equity in the context of regional identity.*

This proposition would go on to check whether awareness of the unique identity of a place is a significant measure of place brand equity. In other words, whether the regional identity of a place creates awareness among target audience and thus affects the brand equity of the place.

**Proposition 10:** *Brand image is a component of place brand equity in the context of regional identity.*

This proposition would go on to check whether the images created by the regional identity of a place in the minds of the customers and/or stakeholders are a significant measure of brand equity of that place. In other words, given the identity showcased and expressed by the people of the place, would the customer have some specific images of the place. The presence of the specific images would affect the brand equity of the place.
Proposition 1: *Perceived quality is a component of place brand equity in the context of regional identity.*

This proposition would go on to check whether the regional identity of the place creates a perception of quality in the product and service offerings of the place. In other words, (some) products and services coming out of the place are perceived to be of high quality. This perception of quality will affect the brand equity of the place.

Proposition 12: *Brand loyalty is a component of place brand equity when considered for regional identity.*

This proposition would go on to check whether overall brand equity of can be significantly measured through the brand loyalty towards the place. In other words, the unique identity showcased by a place would affect in brand loyalty of the customers for the particular place.

### 3.5.1 Research hypotheses

Subsequently, hypothesis 3a is made that in the context of regional identity, brand awareness, brand image and perceived quality act as antecedents of CBPBE. In contrast, hypothesis 3b states that CBPBE will result in brand loyalty towards the place.

**Hypothesis 3a:** *Brand awareness, brand image and perceived quality respectively have positive relationships with brand equity of a place brand in the context of regional identity.*

There is a positive relationship between brand awareness of a place with brand equity of that place. Similarly, positive images of its identity will result in positive brand equity and positive perceptions of quality of the offerings made by the place due to its unique identity would positively affect the place’s brand equity.
Hypothesis 3b: *Brand equity has positive relation with brand loyalty of a place brand in the context of regional identity.*

Positive brand equity would result in brand loyalty towards the place from the customers.

A framework is proposed for CBPBE in the context of regional identity. This framework is a modification of the generic version of the CBBE model to suit a place brand (refer to Figure 6).

**Figure 6**

Framework 3 - CBPBE from the perspective of regional identity

3.6 Investment Attractiveness

As mentioned earlier, investment attractiveness has traditionally been considered as an antecedent to place branding. However, argument has been made in the previous sections that investment attractiveness acts both as antecedent and consequence of branding. Therefore, investment attractiveness affects place brand equity and the generic CBBE theory can applied to place when its brand equity is considered from investment attractiveness point of view.
Proposition 13: *Brand awareness is a component of place brand equity in the context of investment attractiveness.*

This proposition would go on to check whether awareness of the place as an investment destination is a significant measure of place brand equity. In other words, awareness of the place about possible investment option among the customers affects the brand equity of the place.

Proposition 14: *Brand image is a component of place brand equity in the context of investment attractiveness.*

This proposition would go on to check whether the images about investment possibilities of the place are a significant measure of its brand equity. In other words, the images about investment environment and possibilities contribute to the brand equity of the place.

Proposition 15: *Perceived quality is a component of place brand equity in the context of investment attractiveness.*

This proposition would go to check whether the perceived quality of the place as an investment destination is a significant measure of place brand equity of that place. In other words, the quality of the place (that can be measure through various attributes) as an investment option will affect the brand equity of the place.

Proposition 16: *Brand loyalty is a component of place brand equity when considered for investment attractiveness.*

This proposition would go on to check whether overall brand equity of can be significantly measured through the brand loyalty towards the place. In other words, the investment
attractiveness of the place would affect the brand loyalty of the customers towards that place regarding investment decisions.

### 3.6.1 Research hypotheses

Like the three other aspects of place branding, two additional propositions are made to check the relations between the CBPBE and its constituent dimensions. Hypothesis 4a describes the relation between CBPBE and its antecedents and hypothesis 4b describes the relation between CBPBE and its consequence.

**Hypothesis 4a**: *Brand awareness, brand image and perceived quality respectively have positive relationships with brand equity of a place brand in the context of investment attractiveness.*

There is a positive relationship between brand awareness of a place with brand equity of that place. Similarly, positive images of its identity will result in positive brand equity and positive perceptions of quality of the place as an investment destination would positively affect the place’s brand equity.

**Hypothesis 4b**: *Brand equity has a positive relationship with brand loyalty towards a place brand in the context of investment attractiveness.*

Positive brand equity would result in brand loyalty towards the place from the customers in the sense that prospective customers would show loyalty towards the place by considering the place as their investment destination.

A framework is proposed for CBPBE in the context of investment attractiveness. This framework is a modification of the generic version of the CBBE model to suit a place brand (refer to Figure 7).
3.7 Integrated framework of place brand equity

Based on the four aspects of place branding and their respective models of customer based place brand equity (CBPBE), an integrated theory of place brand equity is proposed. The following hypotheses are the primary objectives of the study and try to develop a theory of place branding through the integrated model of place brand equity. The following framework when used as an empirical model would enable theorists and practitioners of place branding to understand the discipline as a whole and not from stand alone aspects of the phenomenon like destination branding, public diplomacy, regional identity and investment attractiveness.

3.7.1 Research hypotheses

Hypothesis 5a: *Brand awareness, brand image and perceived quality from the perspectives of destination branding, public diplomacy, regional identity and investment attractiveness have positive relations with the overall brand equity of the place.*
Hypothesis 5b: *Brand Loyalty from the perspectives of destination branding, public diplomacy, regional identity and investment attractiveness has positive relations with the overall brand equity of the place.*

Based on the above proposition the following framework is proposed (refer to Figure 8). This framework would serve as the basis of understanding place brand equity from the four mentioned aspects as well as subsequent model improvement and development.

**Figure 8**

Framework 5 - CBPBE from the perspectives of destination branding, public diplomacy, regional identity and investment attractiveness

It is to be reiterated that country of origin (COO) effects and its product country image (PCI) is not considered for the model and subsequent theory development as COO is restricted to countries and/or some particular places having geographical indications (GI) and hence cannot
be considered for generic place brand equity model. However, further research on CBPBE in the
country context must consider COO as one of the constituents of the brand equity and models
and/or theories should be developed likewise.

3.8 **Measuring customer based place brand equity (CBPBE)**

The measurement of customer based place brand equity calls for instruments to measure to
phenomenon. Therefore, one of the secondary objectives of the study is to adapt and if required,
develop instruments that measure place brand equity from the perspectives of destination
branding, public diplomacy, regional and investment attractiveness respectively.

In this context, Gartner and Konecnik – Ruzzier (2010) has a tested and generalized instrument
that measures place brand equity for a destination. The customer based brand equity for tourism
destination (CBBETD) developed by the above mentioned authors measure the brand equity of a
place from the perspective of destination branding. Therefore, the study would seek to adapt this
scale to contextually fit the place considered for the study.

The review of literature on place branding and/or place marketing relating to public diplomacy,
regional identity and investment attractiveness failed to suggest any recognized instrument or
measure for place branding and/or place brand equity that could objectively measure the
relationships between place brand equity with the other respective dimensions. Therefore, the
study requires development of individual instruments that measure CBPBE from the perspectives
of public diplomacy, regional identity and investment attractiveness respectively.

For the purpose of developing the model and the theory of place brand equity, the study
considers West Bengal as the place of focus and hence, the instruments would be adapted and
developed in the context of West Bengal. However, West Bengal is to be considered only as a
brand in this case that is used in the study to develop generic instruments of place brand equity. The reason for choosing West Bengal as the place brand would be explained in details in the subsequent chapter on research methodology.

As the study would be on West Bengal, the inputs would also be suggestive of the perceptions about West Bengal as a place brand among its customers and stakeholders. This in turn would enable the administrative machinery to make necessary strategies for creating and improving the place brand equity of West Bengal in the market place. For this purpose, the study proposes to analyze the impact of individual dimensions of place brand equity on the overall brand equity of West Bengal as a place brand.

Summarizing, this study has the three major objectives. The primary objective is to develop an integrated model of place brand equity from the perspectives on destination branding, public diplomacy, regional identity and investment attractiveness. To develop this model, the study recognizes the secondary objective as development and adaptation of instruments that measure CDPBE from the four above mentioned perspectives. Finally, the additional objective of the study is to evaluate the impact of destination branding, public diplomacy, regional identity and investment attractiveness (considered individually) on the overall brand equity of West Bengal.