CHAPTER 2

REVIEW OF LITERATURE

2.1 Nation branding

The concept of nation branding study can be traced to four different sources as mentioned by Fan (2010). These are country of origin (COO) (Papadopulous and Heslop, 1993; 2002), place and/ or destination branding (Kotler, et al., 1993a; Kotler and Gertner, 2002), national identity (Smith, 1991; Bond, et al., 2001) and public diplomacy (Ham, 2001; Melissen, 2005a; Fan, 2008). Therefore, distinct and clear nation branding strategies are required for a country to be able to stand out from the clutter. Kotler and Gartner (2002) mention that country as a brand facilitates information processing by the consumers. The country name serves as a quality cue for the product where other information is difficult to assimilate. Both the papers (Papadopoulos and Heslop, 2002; Kotler and Gartner, 2002) mention that since the last two to three decades nation branding has been in study but from the perspective of COO and PCI (product country image).

In this regard Fetscerin (2010) has developed a Country Brand Strength Index (CBSI) in the lines of the Anholt- GfK Roper Nations Brand Index (NBI) (www.gfk.com). Unlike the later index that measures perceptions of a country based on subjective survey data, the CBSI measures the country strengths based on secondary data that are quantified and more objective. The researcher concludes that on completion of the index and subsequent comparison with the NBI, the two indices were found to be significantly correlated and similar. The researcher opines that the results suggest that the two indices are complementary and inter- dependent though there approaches, measurement criteria and methodologies are vastly different.
Relating to application of nation branding indices, Bivolaru et al. (2009) compared the brand scores of Romania published in the NBI and the CBI (Country Brand Index) published by FutureBrand (www.futurebrand.com) based on PESTEL (Political, Economic, Socio-cultural, Technological, Ecological and Legal) environmental analysis. The researchers however, focused on the PES analysis of the PESTEL dimensions. The researchers conclude that just like most of the cases, Romanian understanding of nation branding is solely focused on the tourism dimension and neglects the other aspects like the legal environment, the general economic situation, image of Romanian politics etc. However, all these go into developing the perceptions about Romania and hence, Romania as a brand. Therefore, it is imperative that the Romanian authorities go for branding the nation as an integrated whole.

2.2 Constituents of place branding

Place branding literature has been growing in number since it came into focus at the beginning of the millennium. As the international community started taking notice of the fact that places can act as brand by themselves, researchers and practitioners have entered the field of place branding. Dinnie (2004) and Jaffe and Nabenzahl (2001) observe that history, politics, sociology and national identity may have important contribution to make towards the practice of place branding. However as already mentioned, traditionally the concept is mainly associated with nation branding. Therefore, place branding literature can be said to go back more than thirty years and has its roots in country of origin studies. Even till late nineties nation branding was approached mainly from the country of origin dimension.

In their effort to find out the key issues that will determine the ‘way ahead’ and give future directions to place marketing, Kavaratzis and Ashwoth (2008) came out with seven such issues
that act as hindrances to place marketing reaching its full potential. These are: a) collective appreciation of place marketing; b) coordination, cooperation and role allocation among the players in the marketing process; c) need for following marketing processes; d) expanding place marketing beyond tourism; e) local communities; f) competition and cooperation between cities; and g) measuring results.

Therefore, it will not be totally wrong to say that place branding has been existing in the domain of marketing for some considerable period of time. However, this phenomenon until recently never got the specific focus of marketing scholars and was restricted to approaches made through research on various attributes that relate to place branding like COO and tourism destination studies and indirectly with public diplomacy and regional identities. However, it must be clarified that COO relates to countries and can be considered an antecedent of place branding when considered from the aspect of nation branding. It is simply because; a product mentioned it’s country of origin and not the exact place of origin. Therefore, a place within a country might have a reputation for a particular product however; internationally it’s just a product originating from that particular country. For example, oranges from Nagpur in India commands price premium for being a product from the place. However, when exported to USA or any other country they are just oranges from India and have nothing special about them. There is a contradiction to this though; products having geographical indications (GIs) are known for their particular place of origin and not the country. These products though are very small in numbers like Darjeeling for tea (Darjeeling, India); Champagne and Cognac for spirits (Champagne and Cognac, France); and Scotch whisky (Scotland). Therefore, GIs cannot be generalized for regional place branding.
It is essential that distinction be made between place branding for regions and nations. Caldwell and Freire (2004) have applied the brand box model for differentiating between countries, regions and cities. The researchers considered ten destinations from Europe and USA as a whole and Miami in USA. Of the total twelve destinations, six were countries as a whole, the other six represented regions of countries or particular cities. They conclude that in case of region or city brands, representationality becomes the critical dimension like how much fashionable is the destination or how would the person be perceived if they went to that destination etc. Countries on the other hand are visualized primarily on its functional attributes like major political decision it has taken or kind of product it offers to the global market. The authors also opine that international media has a greater role in developing a country perception as compared to that for region or city.

To probe further into the emerging domain of place branding, an overview of existing literature that directly and indirectly relates to place branding is presented. It must be mentioned that most of the cited research works deal with issues related either to particular attributes of place branding strategic considerations on branding of a place and/or region.

Marketing practitioners and scholars have tried to understand the impact of destination image and personality on place image (Hosany et al., 2006). Destination branding tries to apply branding theories and strategies to promote touristic destinations and thus, relate directly to tourism marketing. Given the fact, that today tourism is considered as a major income source for places and regions and set to grow even further, concerned regional authorities are leaving no stones unturned to promote their places as major tourist destinations. Siegel (2011) observes that tourism promotion campaigns and destination marketing efforts increase tourist visitations to the
place. Thus, today, an individual is flooded with tourism promotional information across mass media like television or internet or tourism fairs across the globe.

Destination branding relates to the creation of Tourism Destination Image(s) (TDI) that is an image or collection of images that an individual has about the particular place or the prospective tourism destination. It is in hear that place branding becomes important as branding strategies and theories are applied to create positive image(s) of the place as a tourism destination brand. In turn, the stronger the image(s) and more intense the awareness about the destination in the mind of the customer, the greater will be the chance of visitation or loyalty shown towards the place. In addition, strong tourism destination brand will enhance overall place brand equity. This statement can be supported with statistics that the most powerful nation brands across various nation brand indices have seen increase in tourists in recent years (refer to Table 1). The similar trends can be seen in case of place brands for regions and provinces within a nation (Siegel, 2011). Hence, destination branding is considered one of the most crucial aspects for place branding and of place brand equity.

It can be argued that public diplomacy can impact a nation but not place has a whole because the impact of public diplomacy is felt by the nation and not its regions. Traditional thinking considers public diplomacy is contextually national in nature. However, recent events have suggested that regional issues and sub-national actors impact public diplomacy and thus place branding to a great extent (Wang, 2006a). This stance can be supported with the example of recent diplomatic standstill that took place between India and Bangladesh relating to the Teesta river water sharing treaty.
The treaty was not signed due to the unwillingness of Ms. Mamata Banerjee, Chief Minister of West Bengal in India (Dayal, 2012; Dikshit, 2012) who had concerns over the local water requirements in northern part of West Bengal. Bangladesh retaliated by pressurizing India that this treaty was crucial for the ruling Awami League government at the centre. Awami League has had been a pro-India government and Bangladesh threatened that this failure to sign the treaty would affect security of both the countries. Bangladesh and West Bengal (India) share common history and culture. Therefore, people of Bangladesh did not take the decision of Ms. Banerjee in positive light and directly approached West Bengal state machinery to be more open and liberal in their viewpoint (Dikshit, 2012). As a result of this, the image of West Bengal and West Bengal government among Bangladeshis took a battering. Subsequently, diplomatic efforts were made by the Bangladeshi government to directly interact with West Bengal government.

In contrast, the Chief Minister of Punjab (India), Mr. Prakash Singh Badal (India) has made repeated appeals to New Delhi for more liberalized visa regime and trade movement with the state’s counterpart (state of Punjab) in Pakistan (Maini, 2013). In similar vein, the chambers of commerce in Amritsar, (Punjab, India) and Lahore (Punjab, Pakistan) are closely interacting with each other at individual levels and are pushing governments of their respective nations for increased trade (Maini, 2013). Similarly, Mr. Narendra Modi, Chief Minister of Gujarat (India) has been observed to hold personal interactions with potential investors from abroad and within India to showcase Gujarat as a potential investment destination and showcase the opportunities provided by the state. He has been organizing international level summit called “Vibrant Gujarat” (www.vibrantgujarat.com) for this purpose since 2003 that has been attended by representatives from countries like USA, Canada, UK and Japan.
Therefore, it will not be unjust to say that decisions made by regional entities affect public diplomacy at the national level (Wang, 2006a). Moreover, regional bodies (places) are required to venture into public diplomacy themselves in the modern eco-socio-political environment.

In relation to place branding and place brand equity, regional identity is a more ideal construct than national identity. National identity can be considered for a place if that place is culturally same to that of the nation. Therefore, national identities perspective can be used for city states like Singapore or Dubai or for those matter small nations like Isle of Man. However, for a country like India or China with vivid and contrasting cultures and sub cultures, national identity cannot be generalized or considered when evaluating a particular place or region with the country. Paradoxically, regional identity can also transcend national geographies like that of the region of Bengal which is now divided into two separate political geographic entities of the state of West Bengal (India) and the country of Bangladesh. The Bengalis of West Bengal and Bangladesh share a common culture and history and have a unique regional identity of their own. Similar case can be observed for the Punjabis belonging to Punjab (India) and Punjab (Pakistan).

It has been observed that within regions there are identity conflicts like that relating to ‘Bangal’ and ‘Ghoti’ among the Bengalis (Mookherji, 2008) or that of ‘Punjabiat’ among Punjabis of India and Pakistan (Maini, 2013). Thus, when considering place branding and place brand equity, regional identity is a more suitable construct as a determinant of place brand equity than national identity and therefore, has been considered by the researcher in this dissertation work.

Interestingly, investment attractiveness is a key driver for place branding as it has direct relationship with exports and tourism. Exports by existing domestic and/or foreign industries will attract further investment and FDI. For example, manufacturing and exports of Suzuki cars from
attracted other international car makers like Hyundai (South Korea), Ford (USA) and Mitsubishi (Japan). Witnessing the manufacturing advantages of such global car brands, other car brands started to invest in India. Today, India is the sixth largest passenger and commercial vehicle manufacturing country in the world serving as manufacturing hub for brands like Audi, BMW, Mercedes Benz and Volkswagen from Germany, Jaguar and Land Rover from UK, Ford and Chevrolet from USA, Honda, Mitsubishi, Nissan and Toyota from Japan. Similarly, tourism can effect investment through the travel and tourism sector, infrastructure sector and/or transport, aviation and hospitality sector. However, investment attractiveness which acts both as antecedent and consequence of place branding and thus place brand equity has generally been overlooked. Therefore, in the article the researchers venture to include this aspect as a key contributor to place brand branding theory.

In this context, it must also be mentioned that place branding including nation branding has seen some in depth academic research in recent past in the form of doctoral dissertations (Rainisto, 2003; Elliot, 2007; Chang, 2008; Sun, 2009; Pasquinelli, 2012) and masters dissertations (Raobo, 2010). Rainisto (2003) studied the most important factors in place marketing strategies and the way the factors could be used in place development considering the locations of Helsinki, Stockholm, Copenhagen and Chicago. The study also showed how place marketing strategies differed among US and Northern European regions. The results suggested that success factors for place marketing can be categorized into three dimensions, a) the core building blocks like vision and strategic analysis, place identity and place image, public-private partnerships; b) challenges in the macro environment like political unity, local development and global market conditions; and c) ‘how and ability’ (p. 227) factors like strategic exploitation, organizing capacity, presence of substance.
Elliot (2007) in her work developed an integrated theoretical model for place image. The Integrated Model for Place Image (IMPI) combines two distinct and independent fields of marketing relating to place image, namely tourism destination image (TDI) that relates to a place as a touristic destination and product country image (PCI) that studies impact of country image on product evaluation. The researcher combined 26 variables belonging to eight factors that represent a mix of PCI and TDI measures. The results suggested that cognitive country image has greater impact on product decisions whereas effective country image had greater impact on destination choice decisions. In addition, country familiarity affects only product beliefs.

Chang (2008) developed a model to measure performance of tourist destination brands based on CBBE and theory of planned behavior. The model is based on the Customer Based Brand Equity for Tourism Destination (CBBETD) (Konecnik, 2004) and additional research by the researcher. Subsequently, the model was tested on the responses gathered about Tamshui, a major tourist destination in Taiwan and later used to develop an instrument that measures the effect of destination branding on tourists’ attitudes. The instrument contains 12 items relating to three dimensions, namely; affective attitude, prior behavior and perceived behavioral control.

Sun (2009) identified the relevant factors for nation branding and developed models to assess the associations among those factors. The researcher considered cultural factors of the country represented by individualism/collectivism; economic factors represented by economic development of the country, reputable brands of the country, reputable industries within the country; infrastructural factors represented by communication infrastructure; geographical factor represented by natural resources available; and political factor represented by economic freedom index. The dependent variables were economic factors represented by tourism, exports and FDI. There was also a mediating variable in the form of nation brand. The results suggested that
economic factors, infrastructural factors and geographic factors had major positive significant relationship with the dependant economic factors and the impact of nation brand as mediator was also positive in these two cases. Thus, the work suggested that nation brand has a lot to do with infrastructure and resource availability.

Pasquinelli (2012) investigated whether places can act as a network what involves branding places across borders instead of competing with each other. The researcher suggested that in contradiction to accepted principles of place branding that places compete for trade, tourists and investments, places can come together as one whole network of geo-spatial offering that can be branded. Pasquinelli (2012) thus, considered a place to supra-national entity and contains regions across countries that work as a whole or a network with one another. Thus, the research mentioned the term ‘network branding’ (p. 2) for branding such trans-national regions. The conclusion suggests that network branding of places can be effectively done but it would require serious introspection and collaborative efforts and strategies between regional authorities relating to political understandings, sharing or limited and scarce resources and institutionalized process.

The review of literature is has been segmented as per the relationship or approaches to place branding as suggested by Fan (2010). The researcher reviews literatures that have studied place branding from the perspective of country of origin (COO) effects and thus, product country image (PCI), destination branding and subsequently tourism destination image (TDI); public diplomacy; and regional identity. In addition, the researcher also reviews literatures on place branding that have tried to apply different marketing and branding theories and strategies to place branding theories and strategies.
2.2.1 Country of origin (COO) effects, product country image (PCI) and place branding

Perhaps the oldest approach to nation branding has been from the perspective of Product Country Image (PCI). Nagashima (1970) and Narayana (1981) define country image as picture, reputation and the stereotype that people attach to a particular country as connotative cues for a country’s product offerings. PCI effects have been defined as “impact that generalizations and perceptions about a country have on a person’s evaluations of the country’s products and/or brands” (Nebenzahl et. al, 1997:28). According to Pappu et al. (2007), country image can be at macro level and micro level. The macro level country image relates to the image formed by individuals about a particular country given the latter’s political, economic and technological environment as known by the individual(s). In this context Martin and Eroglu (1993) define place image in the country context as “the total of all descriptive, inferential and informational beliefs one has about a particular country” (p. 193). The authors go on to propose that country image has three underlying dimensions namely, political, economic and technological. The micro level country image relates to the image formed about the country given its products as available in the foreign market(s). Therefore, this micro level image is totally product driven (Nagashima, 1970, 1977; Han, 1989; Cordell, 1992; Agarwal and Sikri, 1996) and more appropriately to the concept of product- country image (PCI).

The researches have also proven the fact that COO perceptions transcend product efficacy and might have their roots in social and political circumstances (Elliott and Cameron, 1994; Maheswaran and Chen, 2006) and result in emotional actions and subsequent product preferences. Maheswaran and Chen (2006) call it ‘nation equity’ (p. 370). Elliott and Cameron (1994) observed that consumers prefer locally made products when brand name and technical features are irrelevant. The effect of ethnocentrism and country animosity has also been observed
in case of PCI. Research in this area has suggested that national ethnocentrism and animosity towards a particular country can pervade product efficacy and quality considerations (Klein et al. 1998; Balabanis et al. 2002). An example of such claims is seen in the observations made by the Gurhan-Canli and Maheswaran (2000) that Japanese respondents evaluate a product originating in the home country more favorably irrespective of the fact whether the product is superior than its foreign competitor. In contrast, Americans evaluate a home country product more favorably only when it superior than its foreign competitor. Klein et al. (1998) in their study on consumers of People’s Republic of China observe that animosity towards a foreign nation (Japan) affect negatively on purchase of Japanese products and it is independent of judgment about product quality. They go mention that affect of animosity goes beyond consumer ethnocentrism regarding foreign product evaluations.

The inter-relationship of PCI on place image can be appreciated through the impact of COO on product evaluations. However, it must be noted, that the belief of PCI affecting the purchase evaluation has both supporters and detractors. The general opinion is a country with favorable PCI will effectuate in positive place image (PI) evaluations through its products (Schooler, 1965; Wall et al., 1991; Johansson et al, 1994; Pappu et al, 2007; Simonin, 2008; Pappu and Quester, 2010). Similar conclusions were drawn by Javalgi et al (2001); Michaelis et al (2008); Bose and Ponnam (2011), in the service context.

There also exists a counter school of thought that suggests that PI can and does supersede PCI. This thought is particularly supported in research that distinguishes between a product’s COO and the country of manufacturing (COM). In such research, the researchers find that the place of manufacturing is more important for product evaluation that the place/ country where the product
originates (Al Sulaiti and Baker, 1998; Fetscherin and Toncar, 2010). Therefore, from this line of thought, it can be deduced that PI can also affect PCI.

PCI has been extensively used COO studies to understand the effect of the ‘made in’ label on customer’s perception of product quality. Han (1989) found that in case of consumer unfamiliarity with the product PCI acts as a halo for product attribute evaluation. Han and Terpstra (1988), Roth and Romeo (1992) and Darling and Wood (1990) opine that the product country image is not aggregate level image but may vary across categories. In contrast Schooler (1965) and Reierson (1967) measured overall product country image for products originating from a particular country. The authors consider overall or aggregate product country image for the research.

2.2.2 Destination branding, tourism destination image (TDI) and place branding

Place branding in the form of nation branding has gained most importance from the stand point of tourism marketing and destination branding. In their paper Blain et al. (2005) suggest a comprehensive definition of ‘destination branding’. (1) Creation of a name, logo, symbol, word mark or other graphic to make the destination identifiable and differentiable; (2) send cues of memorable travel experience that is unique to the destination; (3) create and strengthen the emotional connection between the visitor and the destination; and (4) reduce consumer search costs and perceived risk. In this context, nation branding activities taken up by different countries have been under study in recent times, some of these studies are made in the context of Spain, (Gilmore, 2001), African countries (Wanjiru, 2006), Singapore (Henderson, 2007), New Zealand (Morgan et al., 2002), Dubai (Balakrishnan, 2008), Slovenia (Konecnik and Go, 2008).
Hankinson (2009) identified critical antecedents of successful destination branding by holding 25 depth interviews with senior managers of different destination marketing organizations (DMOs). These are: a) stakeholder partnerships through identifying and understanding the requirements and stakes of the stakeholders of the place; b) brand leadership by the entire DMO to come up with innovative and visionary strategies to promote the place brand and communicate the essence of the brand and destination branding strategies to the stakeholders for effective collaboration and coordination; c) departmental coordination among the DMOs in particular the tourism boards (TBs), regional development authorities (RDAs) and local governmental authorities (LGAs); d) brand communications strategies employed by the DMOs to reach the varied stakeholders; and e) brand culture that reflects the positive mindset towards tourism because of the various positive effects of tourism on the place.

Researchers have also sought to find the dimensions of brand equity for tourism destination brands given renewal (first time) and repeat markets (Gartner and Koncnek Ruzzier, 2010). They conclude that tourism destination brand equity is a twenty-three items scale that has four dimensions namely, awareness, image, quality and loyalty.

Nadeau et al. (2008) have developed a framework that integrates product country image (PCI) with tourism destination image (TDI) within the broader country image. On testing the model, the researchers conclude that factors beyond the traditional TDI dimensions are important in touristic decision process. They also posit that PCI and TDI research areas can theoretically converge based on attitude theory and having country image as the common thread. Elliot et al. (2010) explored the elements of tourism destination image (TDI) and product country image (PCI) as constituents of place image theory. The researchers opine that cognitive country image influences product factors more than destination factors.
With respect to region branding, Curtis (2001) has as a case study, studied the tourism campaign by Oregon Tourism Commission in 1988 for the state of Oregon in the USA. She reviews the campaign ‘Oregon. Things look different here.’ and examines the campaign’s success, shortcomings and evolution. This case is based on the research that Oregon Tourism Commission from 1987 to 1995 undertook to measure the advertising effectiveness of the aforesaid campaign. On conclusion, Curtis (2001) opines that for a destination marketer, two things are to be always remembered: a) build on a destination’s identified strength and make efforts to integrate newer attributes to the existing ones; b) Tourism marketing professionals try to make changes in too much haste. They must understand that for a destination brand, it takes many years to develop a brand image, recognition and brand awareness. Researchers have also sought to find the dimensions of brand equity for tourism destination brands given renewal (first time) and repeat markets (Gartner and Konecnik Ruzzier, 2010). They conclude that tourism destination brand equity is a twenty-three items scale that has four dimensions namely, awareness, image, quality and loyalty.

On a study on rural tourism, Greaves and Skinner (2010) study the destination image of Forest of Dean in UK and its potential to attract visitors and to identify underlying factors that might deter tourism. This study incorporated both quantitative and qualitative evaluation techniques and came out with findings that the destination brought about complex images among its visitors that were unique in nature integrated into a whole. Moreover, the results also suggest that rural destination brands owe a lot of their success to the exotic offerings of such places such as food, dresses etc.

Kerr (2006) in his work observes that the contemporary literature on destination branding is being criticized for being predominantly tourism focused and often excludes major stakeholders.
in a location. The paper identifies the literature that calls for modification of the traditional concept of destination branding process and also literature addressing local brand management. He opines that contemporary authors might suggest that a location brand should be a summation of the infrastructure, people, industries and quality of life pertaining to that location. He also suggests that location brand portfolio and architecture should include components included in the place branding literature that includes leadership, resources and capabilities, understanding of competition, work culture and value of alliances.

2.2.3 Public diplomacy and place branding

Public diplomacy dimension has become a major focus of nation branding in recent times. In this context Ham (2001) article ‘The rise of brand state’ requires special mention. This seminal work opened up the discussion on the implication of public diplomacy and nation branding. It showed that through conscious diplomatic efforts a nation can evolve from being just a geographic region on earth to a most sought after brand in the eyes of international community. He suggested that nations use their resources in ways that generates distinct imageries in the prospective consumers’ minds that sets them apart from the rest. Thus, a nation becomes a ‘brand states’ (p. 1). He observed that in present time cities, regions, countries and even continents market themselves as having no or bad reputation can render a region seriously handicapped when it is trying to compete in the international arena. He goes on to say image and reputation has become a critical part for a country’s strategic equity and thus branding has come into force. “We talk about a state's personality in the same way we discuss the products we consume, describing it as "friendly" (i.e., Western-oriented) and "credible" (ally), or "aggressive" (expansionist) and "unreliable" (rogue)” (p. 1). In the same line, nations are not only trying to brand themselves but branding others as well, for example, “Axis of Evil” coined
was by the United States of America (Fan, 2006). Yan (2003) considers nation branding to be a key requirement for political marketing and the achieving the nation’s aspirations for international community citizenship.

Simonin (2008) described the interplay between marketing and public diplomacy in the context of nation and therefore, the nation as a brand. He explains brand image in the nation branding context as the current perception of the country in the market place(s). In contrast brand identity is the perception(s) that the country desires. It is here that public diplomacy comes in to play. Public diplomacy efforts are put in to manage the perceptions about the country among international audience and more particularly, target customer(s). It also builds relationships with key organizations and individuals. It gives nations to raise appreciation and public awareness about the country in the international arena as well as act as an accelerator for uniting and empowering citizens of the country to act as country brand ambassadors.

Szondi (2007, 2008) developed five models to study the interplay between nation branding and public diplomacy considering the evolution of both domains. The models he developed are: 1) nation branding and public diplomacy are distinct spheres and there is no inter- relations; 2) public diplomacy as a part of nation branding; 3) nation branding as a part of public diplomacy; 4) nation branding and public diplomacy as two independent spheres having some overlapping parts or inter- relations; and 5) nation branding and public diplomacy being one and the same.

The first model was observed to be in existence during the 1990s when post cold war public diplomacy faced ‘identity crisis’ (p. 15) and nation branding was still in its nascent form. To go through image makeover many countries (particularly eastern European) were engaged in public diplomacy and nation branding but with no real interplay between the disciplines. The author is critical of the second model suggesting it is the most popular view of branding professionals and
scholars who think public diplomacy in its entirety is a part of nation branding as the later is a much broader concept. He refers to Lewis (2003) who opined that public diplomacy is “the branding techniques of politician” (p. 28). He suggests this model is a recent phenomenon owing to the ‘commercialization’ (p. 19) of public diplomacy and foreign policy. He taunted that as a result of this, foreign policy advisors and international relations scholars developed a view point that foreign policy can be branded. As for as branding professionals are concerned, they became foreign policy ‘specialists’ (p.19) and consultants for branding oriented foreign policies. The third model is not much studied in academic literature but more endorsed and applied by governments. According to this method nation branding is an instrument of public diplomacy to reach foreign nations and public. Ham (2001, 2005, 2008) explored the interaction between branding and international relations and examined how branding strategies can be and are in use international relations and public diplomacy. His works showed that place branding has its role in the ‘constructivist’ school of international relations since it offers nations to create their own image and identity. The fourth model talks about inter-plays between the two independent disciplines. Prof. Jan Melissen advocated this approach as he found certain conceptual similarities and differences between branding and public diplomacy. He opined that they are distinct disciplines that ultimately result in similar activities and therefore, can work best when practiced together. In his views, nation branding is much more holistic approach and requires greater effort than public diplomacy. The common focus of these two disciplines is to create and promote distinct culture, identity, image and values about the country among foreign nation and their citizens. The final model has been propounded by scholars like Dinnie (2008) who consider that both the disciplines are same as they cover the same activity of country promotion so as to create positive images of the country. However, Szondi (2008) is most critical of this model as
he believes equating these two disciplines would lead to ignorance of important differences between the two which would disable both the concepts to reach their full potentials.

Kendrick and Fullerton (2004) used experiment to understand the public diplomacy initiative of America relating to the television advertisement promoting the happy lives enjoyed by American Muslims. Their objective was to understand the attitude of people towards the US government, American people and how Muslims are treated in America before and after viewing the commercial. The results suggested that attitudes toward the US government were significantly more positive after the advertisement was seen. Regarding treatment towards the Muslims in US, the respondents significantly agreed that “Muslims are treated fairly in the US” (p: 305). However, fewer than half of the respondents considered the advertisement released by the US State Department to be believable, and even lesser had believed that the advertisement would be considered as credible in the Middle-Eastern countries where it was targeted.

Wang (2006a) has studied the role of sub national actors in efficient and effective public diplomacy. He states that public diplomacy must be pursued at multiple levels. Sub national actors in that case will play their parts in becoming most effective means of building mutual understanding and relationships. Potter (2002) has studied the implication of public diplomacy and their relation to the changes in a country’s foreign policy. Considering Canada’s case, he opines that relative low priority that the country has given to funding the public diplomacy initiatives can actually negatively affect the country’s long term interests.

Florek and Conejo (2007) opine that small countries can forge their nation brand(s) by focusing on export of their flagship product(s) and subsequently, use public diplomacy to generate favorable image of their countries as producer(s) of specific product(s). Similarly, Gunaratne
(2005) and Simonin (2008) argue that exports are one of the critical focal points for indulging in public diplomacy.

Ham (2008) examines the importance of place branding as a political phenomenon in international politics. He opines that place branding is a part of the wider reach of post modern power where soft power and public diplomacy is an integral part. He also opines that contemporary public diplomacy is as much like public relations that are being carried on by corporate as it is like traditional international relations exercises (Ham, 2002).

2.2.4 National identity, regional identity and place branding

National identity has been an area of depth study in social sciences such as sociology, anthropology and political science. Nation branding has been studied from this perspective as researchers have realized that people, polity, society and culture that give a nation its identity to the world and thus directly and indirectly affects the nation brand. Hall (2002) has studied the case of countries belonging to former Yugoslavia in the light of their attempts to brand their nations given the new political and economic scenario, relationship between national identity and tourism branding and economic and political re-imaging in interrelation with FDI and European community. In a study on Manx National Heritage, Harrison (2002) has discussed that the museum has greatly influenced the communities in the Isle of Man and has been active in promoting the heritage of the island. This, in turn has strengthened the national identity on the island in this process, giving it a base for economic gains through tourism. Kubacki and Skinner (2006) made a study on the contributors to a feeling of national identity among the Polish. From the survey, they observed that there could be seventeen factors that contribute to the feeling of national identity. Individually some of these factors may contribute more than the other.
In the context of regional identity, Houtum and Lagendijk (2001) studied the cases of ‘The Ruhr’ region of Germany and the ‘Basque Country’ as Polycentric Urban Regions (PUR) and attempted to link the strategic interpretations of PUR with regional identity. In the case of ‘The Ruhr’ region they found that strategic action supported by existing identity was in use to reshape the cultural identity of the region. Conversely, in the case of the “Basque country’ the strategic considerations are shaped by strong cultural identity invoked images that supported the concept of ‘Basque poly nuclear system’. In their study of the Pilbara region of Western Australia, Singleton and McKenzie (2008) argue that region has to move away from long standing ‘British, frontier and mining industry company town’ (p.8) values to take the advantages of having a competitive identity. They suggested that to do this, the region required globally competitive cultural shift.

There are works relating regional identity and tourism. This school of research has tried to understand the efficacy of place identity and place attachment of communities and how such regional identity and regional attachment can affect tourism for the particular place (Williams et al., 1995; Ahn et al., 2002; Messely et al., 2009). Moreover, some of these studies have delved into understanding whether place attachment vary among communities living in that place and therefore can tourism development be possible taking into consideration these variability.

Williams et al. (1995) have compared the influence that community attachment and regional identity has rendered on the residents living within or adjacent to Mt. Rogers National Recreation Area in the context of attitude towards tourism development within that area. Based on the results, the researchers conclude that residents who are in favor of tourism tend to express their ties towards the regional character of the landscape and not community ties in particular. Moreover, old-timers were found to be less favorable towards tourism development as compared
to new comers. Lastly, newcomers were found to be indifferent towards theme or attractions based tourism. Conversely, the old-timers prided themselves of these themes and attractions.

In a similar contextual study, based on the Limits of Acceptable Change (LAC) planning process Ahn et al. (2003) examined regional attitudes towards tourism development given the perceived change that tourism development might create in that place. The researchers conducted survey research on the residents of three communities namely Port Lavaca, Port O’ Connor and Seadrift in the Calhoun County in Texas, USA. All these places were similar to each other and were primarily settlements by the coast of Gulf of Texas. The results suggested that as compared to other two places, Port O’ Connor did not support tourism development and felt it would hurt quality of life in that place. Moreover, residents have Port O’ Connor had significantly lower attitude towards tourism score as compared to residents of Port Lavaca and Seadrift. In the context of desirable type of tourism, three types of tourism were uncovered. The first one represented “Passive Low Development” (p. 6) and related to small group visitors who came for a day or for historical sites, the second type was “Active and High Development” (p. 6) that related to higher levels of infrastructure like resorts, amusement parks and golf courses, and the third type was “Nature Based Development” (p. 6) and related to items relating to nature and natural environment. In the context of desired tourism type, there was significant different between Port Lavaca and Seadrift to that of Port O’ Connor. Port O’ Connor scored considerably low on all the three types and preferred nature based development as compared to passive low development of Port Lavaca and Seadrift.

Messely et al. (2009) use regional identity as a driver for region branding and subsequent rural development. Considering the cases of West Cork (Ireland), Groene Woud (The Netherlands) and Pajottenland (Belgium), the researchers study the way the local authorities, people and other
stakeholders of these regions have used the distinct identity of the regions to build a brand for the places and subsequently leverage the brand for rural development. They find that region branding has no standard dimensions or brand assets and therefore has to be done on case-to-case basis. On the context level, West Cork and Pajottenland has a very strong sense of regional identity whereas, Groene Woud has little or no attachment to the place. Interestingly, for West Cork and Pajottenland, the main focus of region branding was rural development of the region whereas for Groene Woud it was simply to earn money. Thus, it can be induced that regional identity would result in actions that focus on the region’s good rather than monetary inflows.

2.2.5 Investment attractiveness and place branding

Scholars are unison in their views that investment is one of the major reasons for place branding. The authorities take measures to promote the particular place as an attractive option for investment (Kavaratzis, 2004; Gibson, 2005; Andersson and Ekman, 2009; Bagautdinova et al., 2012). Raubo (2010) found the direct relationship between city brand strength and FDIs and conclude that the two are directly related. The place branding literature specifies that place brand equity directly affects investments (FDIs and domestic), however, what are the constituents of place brand equity that makes a place (un)attractive is an area that has attracted limited research. Jacobsen (2009) developed a framework for investor-based place brand equity. The author elicits three place branding functions from an investor’s point of view, which are: (a) confidence builder – helps the customer avoid uncertainty and reduces perceived risk of investing and subsequently, transaction costs attached with the investments; (b) acts as a symbol – the customer can transfer the place brand identity to its own organization; and (c) provide information – this positions the place in the choice-set of the potential customer. Subsequently,
Jacobsen (2009) goes on to develop the framework which suggests that Place Brand Assets generates Place Brand Values and act together as Place Brand Equity Actuators which acts as antecedent of Investor- based Place Brand Equity (IPE). This IPE then results in preferences in selection of FDI location(s).

The investment attractiveness as mentioned earlier has traditionally been the focal area of international business and investment studies. Extant research from FDI perspective has found that investment choice (country) depends on factors such as the environment, in which the Multi National Enterprise operates (Kostova, 1999; Kostova and Zaheer, 1999), host country factors that relate to the host’s institutions and institutional policies (Child et al., 2003; Uhlenbruk, 2004; Sethi et al., 2004; Li, 2004). It is also opined that institutional variables of the host country tests the ability of the firm to expand its business (Brouthers, 2002). Peng (2001) and Makino et al. (2004) have put forward the opinion that from place branding point of view can aptly explain place brand equity and investment attractiveness. The authors highlight the importance of political, social, cultural, economic and institutional cultural differences across countries in variation of performances of MNEs.

Demirbag et al. (2007) classify choice of FDI destination as an effect of institutional factors that include political risks, governmental policies, financial incentives, resource availability, market potential and cultural distance and firm specific factors like resource dependency, parent size and ownership mode. It is these institutional factors that get affected by place branding strategies and thus create place brand equity from the perspective of investment attractiveness (Papadopoulos and Heslop, 2002; Kotler and Gartner, 2002; Anholt, 2010).
Relating to domestic investments, research has found that just like FDI, attractiveness of a place depends heavily on institutional factors (Ahluwalia, 2000; Lall et al., 2004; Pal and Ghosh, 2007). Pal and Ghosh (2007) observe that private investment increasingly tend to locate to areas that would support their businesses at lower costs. On their study of regional disparity in investment garnered by Indian provinces (states), Lall et al. (2007: p. 1643) conclude that agglomeration of economies tend to have three sources: “(1) at the firm level – from improved access to market centers, (2) at industry level – enhanced industry linkages, and (3) at regional level – inter-industry urbanization economies”. This agglomeration at the regional level happens due to the institutional factors like market potential and accessibility at firm level, industry supportive policies at industry level and supportive socio-cultural and economic environment at regional level. To summarize, the elements of place brand equity from the perspective of domestic investments can be best described in the words of Ahluwalia (2000: p. 1643) “Private corporate investment is potentially highly mobile across states and is therefore likely to flow to states which have a skilled labor force with a good ‘work culture’, good infrastructure especially power, transport and communications, and good governance generally.”

The extant literature suggests that antecedents and consequences of place branding or place as brand has had been studied from different aspects namely, tourism marketing especially destination branding, country of origin effects through product country image, public diplomacy in the context of nation branding, national and regional identity studies and their affect on place attachment and investment attractiveness. However, these aspects of place branding has not necessarily been studied from place branding perspective as such, rather they have been studied independently as a part of disciplines that include these aspects of place branding. For example, investment attractiveness of places has generally been approached from international business
perspective; destination branding from tourism marketing and management perspective; COO effects studies have been dominated by international marketing scholars; public diplomacy seems to be the forte of experts and scholars in international relations; and regional identity studies has found itself restricted primarily in the domain of human geography.

Therefore, the need of the hour is to approach place branding theory from the perspective of the mentioned antecedents and consequences of place as a brand so that scholars and practitioners would be less dependent on other allied disciplines to understand and/or theorize a place branding phenomenon. In such a case, place branding theory can be enriched and can contribute to the other associated domains of studies. Moreover, it is found that there are very limited numbers of works that integrate the varied contributors to place branding and they are mainly restricted to destination branding and country of origin effects (Nadeau et al, 2008; Elliot, 2010) or destination branding and place attachment (regional identity) (Williams et al, 1995; Ahn et al, 2003). Critical inferences to these kinds of works would suggest that all of these are primarily focused on tourism marketing and destination branding. This also suggests that irrespective of the fact that place branding has emerged as a domain of academic and practical pursuit in itself; it is still approached and regarded as an advanced and more holistic form of destination branding.

An objective, quantifiable measure of place branding techniques and its effectiveness is also a paucity in this domain. Most of the literature reviewed had approached place branding subjectively and through qualitative means. Barring tourism literature and COO literature that are relatively older domains of study, none of the dimensions namely, regional identity, public diplomacy and investment attractiveness have quantifiable measures for place branding effectiveness from the view point of marketing scholars and practitioners.