Brand-meaning co-creation by stakeholders: an interactive city brand

Bill Merrilees, Dale Miller, Sue Vaux Halliday


The Working Paper Series is intended for rapid dissemination of research results, work-in-progress, and innovative teaching methods, at the pre-publication stage. Comments are welcomed and should be addressed to the individual author(s). It should be noted that papers in this series are often provisional and comments and/or citations should take account of this.

Hertfordshire Business School Working Papers are freely downloadable from https://uhra.herts.ac.uk/dspace/handle/2299/5549 and also from the British Library: www.mbsportal.bl.uk

Hertfordshire Business School employs approximately 200 academic staff in a state-of-the-art environment located in Hatfield Business Park. It offers 17 undergraduate degree programmes and 21 postgraduate programmes; there are about 75 research students working at doctoral level. The University of Hertfordshire is the UK’s leading business-facing university and an exemplar in the sector. It is one of the region’s largest employers with over 2,600 staff and a turnover of almost £235 million. It ranks in the top 4% of all universities in the world according to the Times Higher Education World Rankings and is also one of the top 100 universities in the world under 50 years old.

Copyright and all rights therein are retained by the authors. All persons copying this information are expected to adhere to the terms and conditions invoked by each author's copyright. These works may not be re-posted without the explicit permission of the copyright holders.

www.herts.ac.uk
Brand-meaning co-creation by stakeholders: an interactive city brand

Professor Bill Merrilees
Department of Marketing
Griffith Business School
Griffith University
Gold Coast Campus
Queensland Australia 4222
bill.merrilees@griffith.edu.au

Dr Dale Miller
Department of Marketing
Griffith Business School
Griffith University
Gold Coast Campus
Queensland Australia 4222
d.miller@griffith.edu.au

Professor Sue Vaux Halliday*
Department of Marketing & Enterprise
Hertfordshire Business School
University of Hertfordshire
Hatfield, Herts AL10 9AB
United Kingdom

*Author for correspondence
Brand-meaning co-creation by stakeholders: an interactive city brand

ABSTRACT

Using a quantitative study, this article considers the reciprocal relationship between stakeholder, city brand meaning co-creation and stakeholder identity. This study is pioneering in that it firmly establishes the existence of an interactive brand due to the reciprocal relationship for two of three sets of stakeholders. Three stakeholder groups in Hatfield, UK provide the context for the study. A four step conceptual approach facilitates the conceptual design as well as a structure for the findings. The first purpose of the study is to evaluate the specific way that the identity of each of the three stakeholder groups facilitates Hatfield city brand meaning co-creation. The second purpose is to evaluate how Hatfield city brand meaning co-creation affects each stakeholder identity of the three Hatfield stakeholder groups. Both purposes are achieved through the research design and findings. We conclude by capturing how each city stakeholder identity “lives the brand.”

Thus, the paper demonstrates an interactive brand due to the relationship between stakeholder city brand meaning co-creation on one hand, and stakeholder identity on the other. Understanding this interaction is important for brand managers and resident groups working to improve the resident experience.

Keywords:
City brands; brand meaning; brand co-creation; stakeholder identity; stakeholder lifestyle
Brand-meaning co-creation by stakeholders: an interactive city brand

1. Introduction

The focus for the study is stakeholder co-creation of brands. Recent years have witnessed a dramatic shift from depicting brand identities as created by management (Kapferer, 2008) to the possibilities of co-creation contributions from consumers or other stakeholders (Csaba & Bengtsson, 2006; Schau et al., 2009). Within the brand co-creation domain, the study focuses on the co-creation of brand meaning by multiple stakeholders. Relatively little empirical research exists about how multiple stakeholders co-create brand meaning.

For this research study, city branding is the situational context and Hatfield, UK, is the specific location. The study examines three resident stakeholder groups: homeowners; private renters and social housing tenants. The initial purpose of the paper is to examine whether the different stakeholder groups are able to co-create their own city brand meanings. Specifically, is there stakeholder city brand meaning co-creation? Further, what is the importance of stakeholder identity in facilitating city brand meaning co-creation? A final purpose is to evaluate whether stakeholder city brand meaning co-creation affects stakeholder identity. Such a purpose completes the interaction between multiple stakeholder brand meaning co-creation and stakeholder identity. That is, we start by examining the importance of stakeholder identity in facilitating city brand meaning co-creation, then switch to the reverse role of city brand co-creation influencing stakeholder identity. We conclude by capturing how each city stakeholder identity “lives the brand.”

A study of three Hatfield stakeholder groups enables two major contributions. The first contribution is made to the recent challenge to the previously established emphasis on developing a consistent brand (Davies and Chun, 2002; Harries and de Chernatony, 2001) as the evaluation of the specific way that the stakeholder identity of each of the three stakeholder groups facilitates Hatfield city brand meaning co-creation shows diverging meanings. The second contribution evaluates the effect of Hatfield city brand meaning co-creation on the stakeholder identity of each of the three Hatfield stakeholder groups and therefore contributes to the discussion of the interactive brand (Gyrd-Jones & Kornum, 2013; Healy & McDonagh, 2013).

2. Literature Review

The literature review commences by briefly noting the well-developed management-centric brand management domain, and connecting to parallel developments in services marketing leading to an understanding of the service logic. After considering the rise of the brand co-creation research stream, the attention moves to the more recent developments including a multiple stakeholder perspective and the special role of stakeholder identity, in the context of city branding.

2.1 Management-centric brand management

Until recently, management-centric brand management was the prevailing paradigm, with limited scope for alternative perspectives (e.g. Aaker, 1996; Balmer, 2010; Kapferer, 2008;
Keller, 2013; Park et al., 1986). If different stakeholders in a city brand context held different views or understanding of the city brand, the interpretation was that this occurrence was a temporary aberration diverging from good branding practice (Virgo & de Chernatony, 2006). A similar situation arose if employees and customers had different perceptions of the corporate brand (Davies & Chun, 2002). In both cases, some stakeholder groups would be “out of alignment”. Good brand management, controlled by management, required convergence through consistent messages and a consistent brand story (Harris & de Chernatony, 2001); inconsistencies were a deviation from the optimum and to be eliminated. Nonetheless, as the next sections show, a growing body of research belatedly challenges that paradigm.

2.2 Service logic and the emerging perspective of brand co-creation

The idea of at least some potential control of brand meaning by consumers seems obvious in a customer-centric discipline like marketing. However, the catalyst seems, predominantly, to be the social media revolution, after which researchers embraced the customer-control idea (Fournier & Avery, 2011). A major shift in thinking arises from the Vargo & Lusch (2004) service dominant logic for marketing. In a compelling way, Vargo & Lusch (2004) formalized what service marketers knew for the previous three decades, namely that consumers can actively co-create what service brands mean. The logic now extends to all goods and services. The consumer is considered more central, as service logic is defined as “a process where a set of resources interact with each other and with the customer aiming at supporting the customer’s processes in a value-creating way” (Grönroos, 2006, p.324). We follow Gummesson (2006) and draw on the network concept as the core of a service system of stakeholders, rather than the simplified concept of the service encounter. In the current study, we connect the parallel streams of services marketing, and branding, both of which are embracing a stakeholder understanding.

Several studies by Payne and various co-authors (Payne et al., 2008; 2009) provide seminal frameworks for diagnosing and managing the co-creation of value. Merz et al. (2009) and Hatch & Schultz (2010) take co-creation further. Their frameworks emphasize collaborative, value co-creation activities involving all stakeholders and the firm. All stakeholders are now potential resource-integrators, and potential co-creators of a brand’s value.

Thus, from several directions, a brand co-creation perspective emerges, though perhaps not yet reaching paradigm status. The brand co-creation perspective recognizes that consumers can participate in the brand creation process in various ways, and that brand co-creation is two-sided or multi-sided, and certainly not just management-driven (or , in the case of city brands, local government-driven).

2.3 Adding a multiple stakeholder perspective to brand co-creation: with emphasis on a city branding context

Contemporary studies suggest that diverse brand meanings across stakeholders, while creating apparent paradoxes and challenges, are not an aberration. Rather, the paradoxes potentially are normal and a foundation for developing theory in corporate branding (Gioia et al., 2000; Gyrd-Jones et al., 2013; Merrilees et al., 2012; Morsing & Kristensen, 2002).

An early study emphasizing that different stakeholder groups might each hold a different interpretation of a corporate brand is Morsing & Kristensen (2002). Their case study of the Danish company, Oticon, suggests that the corporate brand could still be coherent
despite differing brand interpretations across managers and employees. Subsequently, starting with Jones (2005), a growing number of studies advocate the need to recognize the diversity of different stakeholder brand perspectives. Studies use many contexts to explore this phenomenon, including a German industrial firm using corporate reputation rather than corporate branding (Helm, 2007), and a study of business school brand satisfaction (Roper & Davies, 2007). Recent multi-stakeholder studies emphasize the dynamic nature of the brand co-creation process, especially in an online context (Gyrd-Jones & Kornum, 2013; Healy & McDonagh, 2013; Kornum & Mühlbacher, 2013; Vallaster & von Wallpach, 2013).

City branding provides an apt context to demonstrate the role of stakeholders in brand co-creation. Residents are a critical stakeholder group in city branding, as argued by Braun et al. (2013), Freire (2009) and Merrilees et al. (2009). Braun et al. (2013) highlight the residents’ roles as an integral part of the city brand, a citizen voter and a brand ambassador, and they go further by suggesting that residents essentially are the place brand.

The notion that residents co-create by participating in the city brand is emphasized in Kavaratzis (2012) and Klijn et al. (2012). Kavaratzis (2012) argues that participatory branding, that is, residents as stakeholders participating in place branding, is how place brands actually work and how they affect people. Klijn et al. (2012) take participation a step further by attributing place brands as good representatives of interactive brands, conveying inter-dependence between the brand and the stakeholders. Their Dutch study supports the idea that stakeholder involvement can both clarify the city brand concept and contribute to attracting target groups to the city.

Zenker & Petersen (2014) address the explanation of how residents start to identify with a place. Their model suggests that residents’ place attachment is primarily driven by the resident city identification, which is driven by the attractive features of a city and the fit between city character and that of the resident. The role of the fit between the self and the city is examined deeply in Zenker et al. (2014). Interestingly, given their non-linear model structure, the ideal level of a particular value characteristic might be the middle rather than say the high end.

2.4 Brand meaning, and multiple city brand meaning across multiple stakeholder groups

Having established the relevance of multiple stakeholder co-creation to city branding and to a more general explanation of how residents identify with a place, it is useful to combine these ideas and inquire how different city stakeholder groups might identify differently with a place. However, broadening the notion of city identification to that of city brand meaning gives more purpose to the city brand.

Firstly, we clarify the notion of brand meaning. There is a close connection between brand identity and brand meaning. Keller (2013) contrasts brand identity, as addressing the “who are you?” question, with that of brand meaning, as addressing the “what are you?” question. Brand associations are critical in this situation: “brand associations are the other informational nodes linked to the brand node in memory and contain the meaning of the brand for consumers” (Keller, 2013, p. 72; emphasis added). Importantly, Keller (2013) tells us that brand meaning is essentially controlled by the consumer. This view is consistent with the fundamental perspective that city branding is a resident-driven process (Kavaratzis, 2012; Kavaratzis & Hatch, 2013).

The larger question is what makes places meaningful? Gustafson (2001), in an integrating study, links self, others and the environment, as a basis for giving meaning to
place. Considerations that are more detailed include, *inter alia*, self-identification, friends and relatives, opportunities and physical environment. Fleury-Bahi *et al.* (2008, p. 669) also pose the question of understanding “[L]iving in a neighbourhood” and “giving meaning to the daily environment”. Their results indicate a partial answer, namely that length of residence leads to stronger perception of place identification.

Zenker (2011) canvasses various methods for measuring brand associations, including free associations with place brands using qualitative methods; place brand attributes using quantitative methods; and a more encompassing mixture of methods. Brand meaning is closely related to brand knowledge. Zenker & Beckmann (2013) using the free association method, demonstrate that different resident stakeholder groups perceive different place brand knowledge. That is, within their Hamburg city context, Zenker & Beckmann (2013) demonstrate multiple city brand meanings across the different stakeholder groups.

Concurrently, the Zenker & Beckmann (2013) findings imply *co-creation of the city brand meaning*. Co-creation is not *explicitly* discussed by Zenker & Beckmann (2013). Co-creation, however, arises because both the government authority and the consumer jointly determine brand meaning. Firstly, the local authority shapes the presented city brand by providing institutions, infrastructure and services, and multi-channel communication. Secondly, each resident stakeholder group contributes to creating their own meaning of the city brand by internalizing their specific city brand experience. Brand co-creation results from the joint activities of all parties. Under service-dominant logic, the consumer (resident) always co-creates the brand (Vargo & Lusch, 2004), so any evidence of an active consumer role in interpreting the brand amounts to co-creation. Similarly, the Berry (2000) model is pertinent, with the company (local government) initially presenting and communicating the brand which has some influence on brand meaning, but the latter is primarily determined by the customer’s (resident’s) experience with the company.

The second Zenker (2011) method is to use quantitative studies that infer brand associations via brand attributes. An example of the quantitative approach is the Merrilees *et al.* (2012) study, which demonstrates that the city brand meaning attributed by residents, differs to the city brand meaning attributed by businesses. Merrilees *et al.* (2012) argue theoretically that each stakeholder group applies a different *lens or filter* to their perceptions of the city brand, based on a different purpose in relating to the city brand.

Similar to our above discussion of Zenker and Beckmann (2013), the Merrilees *et al.* (2012) results also concurrently *implicitly* demonstrate *co-creation* of the city brand meaning. Again in that study, the local authority initiates the city brand meaning process through service provision and communication. Next, each stakeholder group contributes (co-creates) to creating their own meaning of the city brand, through internalizing their city brand experiences.

A common inference across these studies is that different stakeholder groups are able to infer different brand meaning for the same brand entity. As such, the evidence suggests that different stakeholder groups are able to co-create brand meaning. An interesting variation is the Fiedler & Kirchgeorg (2007) study of a major German service firm. They show that some brand associations (which they term *macro brand associations*) might be common across stakeholder groups and some specific to a particular stakeholder group (which they term *micro brand associations*).
2.5 The impact of brands on stakeholder identity

This study views brands as symbols available for individuals to appropriate in constructing their selves “from a kaleidoscope of social meanings that define the ‘who’ I can be” (Anderson & Schoening, 1996, p. 214). Brand identification is part of this identity construction project whereby the individual finds “his or her means of expression in the resources of culture and society” (Anderson & Schoening, 1996, p. 214). In this way, brand value resides with the consumer (Hatch & Schultz, 2003; Rust et al., 2006). This insight links well to our earlier discussion about brand co-creation with customers and brand meaning supporting customers’ value-creating processes (Grönroos, 2006).

The influence of brands on stakeholder identity is considerable in the luxury brand domain (Kastanakis & Balabanis, 2012). For example, some fashion brands cleverly link brand and stakeholder identity, such as Ball watches having a brand slogan “To be yourself” (http://www.ballwatch.com/global/en/company/mission.html). However, outside fashion and luxury, less explicit discussion of the brand-identity relationship seems to exist. Holt (2004) writes assuredly that customers of iconic brands such as Mountain Dew care about what the brand accomplishes for their identities. His focus is the interesting area of cultural identity myths, and he notes: “Customers who make use of the brand’s myth for their identities forge tight emotional connections to the brand” (Holt, 2004, p. 9). In the UK, Elliott & Wattanasuwan (1998, p. 131), researching the use of brands in the construction of identity, conclude that “it is essential for marketers to understand the concept and dynamics of self, the symbolic meaning of goods and the role played by brands”. The service-dominant logic echoes the understanding that consumers purchase brands to create value in use for themselves (Vargo & Lusch, 2004; Rust et al., 2006). Scope exists for empirical examination of meaning creation, as branding processes present resources to citizens for their own identification processes. The current study enables us to infer meaning from the responses to our survey.

Identification with the brand is a process that embraces the firm’s resources being used by the consumer as their own resource. Favorable outcomes accrue in turn to the firm by creating customer loyalty and word-of-mouth recommendation (Bettencourt, 1997; Halliday & Kuenzel, 2008). Algesheimer et al. (2005) find that customers identifying with a brand and the brand’s community tend to be supportive and make positive recommendations about the brand. More recently, Strizhakova et al. (2011 p. 349) explain that their “…results further indicate that brand managers need to highlight self-identity signals in their product development and communications/marketing campaigns”. The focus is less on the consumer’s role as consumer of the brand, and more on the person constructing their own identity. We expect to find evidence that requires a re-thinking of the earlier established approach to a settled identity for these stakeholders. Consumers are engaged in a far more fluid set of identification processes, than living out a static identity. Indeed, these stakeholders are not playing a role in the lives of firms or brands: they are living the brand as part of their own identity projects as persons (Deighton & Kornfeld, 2009).

2.6 Reciprocal influence from brand co-creation to stakeholder identity

Nevertheless, it is difficult to discern much literature that explicitly examines the relationship between brand meaning co-creation and its impact on ongoing stakeholder identification processes. Indeed, one of the few studies to conceptualize the reciprocal relationship between stakeholder identities and organizational identity is Scott & Lane (2000). Their study is conceptual and more concerned with the allied but different concept of organizational identity rather than brand identity.
Fortuitously, the most explicit study conceptualizing of the reciprocal relationship between brand identity co-creation and stakeholder identities (Kavaratzis & Hatch, 2013) is in the place branding domain. Partly drawing on Hatch & Schultz (2010), Kavaratzis & Hatch (2013) emphasizes that brands are co-created by various stakeholder groups who encounter and appropriate them. Thus the brand co-creation process is influenced by the stakeholder groups’ appropriation and ongoing identification processes, as we hypothesize in the current paper. Kavaratzis & Hatch (2013) then present a reciprocal loop back from brand co-creation to the lived culture of the stakeholders. As they (and Aitken & Campelo, 2011) express it, the culture amounts to a shared reality, dynamically constructed through social interaction. Again, endorsing Aitken & Campelo (2011), Kavaratzis & Hatch (2013) consider that culture is collectively owned and shapes and provides meanings for the ways of doing things in society for all groups of people. In turn, they argue that place culture is a way of life as experienced and created by the people who live in a place. The current paper will be emphasizing three specific place sub-cultures, as explained below, that co-create an interactive city brand.

The main benefit of the Kavaratzis & Hatch (2013) theory is its dynamic character. Place branding is a dynamic process; with a constant interplay between the place identity and the stakeholder identities. The reciprocal relationship between place brand co-creation and stakeholder identities is eloquently argued. However, the downside is that it is difficult to fully verify or test this theory because it would require a very complex research design to thoroughly do so, perhaps a ten year longitudinal study.

2.7 Focusing on stakeholder identity

We follow Csaba & Bengtsson (2006) who discuss the approach of Castells (1997, p. 6) in defining identity as the process of the construction of meaning on the basis of a primary cultural attribute, such as race, gender, age or generation. Belk (1988) argues that our possessions are a major contributor to and reflection of our identities. He refers throughout his paper to house possession as a major source of identity. Moreover, he makes the link between possessions and sense of self. Until fairly recently, the emphasis in consumer behavior was on the buying transaction, on a firm at one end and with a more or less anonymous “buyer” at the receiving end. This notion was elevated to a relationship with the “consumer”, who thus became a living being. In turn, and most recently in the last decade, the “consumer” is not only a living and thinking person, but one who interacts with “other living and thinking consumers” (co-creation). Belk’s (1988) legacy is to put a face and heart to the “buyer”.

The current study uses home possession as such a primary cultural attribute. Consequently, our three stakeholder groups are homeowners; private renters; and social housing tenants. Home ownership is likely to be the most valuable possession that households will obtain, often worth many times the next valuable asset, a car. Not surprisingly, home possession is a major source of social status. More so when possession as full ownership is in view, as once the mortgage has been paid, as distinct from permanent renters.
2.8 Gaps in the literature

The literature on multiple stakeholder co-creation is emerging and indicates that different stakeholders can create different forms of brand meaning of a given corporate brand (Gyrd-Jones & Kornum, 2013; Healy & McDonagh, 2013; Kornum & Mühlbacher, 2013; Vallaster & von Wallpach, 2013). Furthermore, one of the studies gives attention to the specific way that stakeholder identity facilitates brand co-creation and provides rich insight to four stakeholder groups as part of Lego’s online brand communities (Gyrd-Jones & Kornum, 2013). However, examining how stakeholder identification processes facilitate on-going brand co-creation with an interactive brand is a gap in the literature. To address that gap, the current study evaluates the specific way that the stakeholder identity of each of our three Hatfield stakeholder groups facilitates Hatfield stakeholder city brand meaning co-creation.

A second major gap in the literature is similar to the first gap, but in the reverse direction. That is, what is the effect of stakeholder brand meaning co-creation on stakeholder identity? This question suggests that the relationship between the two fundamental constructs of stakeholder brand meaning co-creation and stakeholder identity is interactive. As noted in Section 2.6, the existing literature of the effect of brand co-creation on stakeholder identity seems sparse. Thus to address the second gap, the current study will evaluate the effect of Hatfield stakeholder city brand meaning co-creation on the stakeholder identity of the three Hatfield stakeholder groups.

City brand meaning is central to the study and an overarching question is that proposed by Gustafson (2001), namely what makes places meaningful? Several innovations in the domain of city brand meaning are developed in the current paper:

- A better theoretical understanding of city brand meaning is argued in Section 2.5 above;
- The study takes a quantitative approach to city brand meaning, an approach that is neglected in the city branding literature (Gertner, 2011);
- Emphasis is given to multiple stakeholder brand meanings, which highlights the possible variability of city brand meaning across several stakeholder groups [we present this as Hypothesis 1];
- We propose that the variability in city brand meaning across stakeholder groups can be partly attributable to each stakeholder identity, linked to the sub-culture of each resident group [Hypothesis 2];
- We propose the brand association dimensionality (number of relevant brand associations) will differ across stakeholder groups, depending on brand familiarity or experience (see Low & Lamb, 2000; Merrilees & Miller, 2010). [Hypothesis 3]. Consumers have more developed brand association structures for familiar brands than for less familiar ones. We refer to more brand associations as complex and to less brand associations as simple.
- We propose that certain brand associations may be common to all stakeholder groups, while others or other combinations may be unique to a particular stakeholder group. This ideas builds on the work of Fiedler & Kirchgeorg (2007) in a different field [Hypothesis 4];
As an extension of the city brand meaning domain we propose that *social bonding* (networks of friends and relatives) is likely to be a fundamental and common brand association to all city stakeholder groups [*Hypothesis 5*]. The central importance of social interactions in giving place brand meaning is emphasized in Gustafson (2001) and Kavaratzis & Hatch (2013) and many other work (such as Freire, 2009). The hypothesis is also consistent with previous empirical studies by Merrilees et al., (2009; 2012);

The multiple stakeholder brand meanings are co-created [*Hypothesis 6*];

We also propose that the co-creation of multiple stakeholder brand meanings will lead to a *reciprocal* impact going from co-creation of brand meanings back to stakeholder identity [*Hypothesis 7*];

As a special case of H7, the reciprocal impact from brand meaning co-creation to stakeholder identity may be weak for stakeholder groups with simple brand meanings, as defined in H3 above [*Hypothesis 8*];

To integrate all of the above relationships, we propose that an existing dynamic model by Kavaratzis & Hatch (2013) provides a suitable theoretical framework [*Proposition 1*];

To further integrate the various hypotheses, we propose another theoretical framework, namely the four-step conceptual framework outlined in Section 3.1 [*Proposition 2*].

### 3. Conceptual Approach and Research Design

#### 3.1 Conceptual Approach

For the purposes of this study, we take the term “city brand” to embrace urban spaces, which locally may be called city, town or metropolis. Further, we distinguish between city brand image and city brand meaning. City brand image is a relatively descriptive notion of a list of city brand attributes that make up the profile of a city. In contrast, city brand meaning is a more holistic, integrated understanding that stakeholders assign to a city (Merrilees et al., 2012; Zenker & Beckmann, 2013). City brand meaning is the focus of the current study.

The study develops a four step conceptual process to demonstrate multiple stakeholder co-creation of city brand meaning; to infer the way each stakeholder group “lives the city brand”; and finally to evaluate whether stakeholder city brand co-creation of brand meaning and living the brand affect stakeholder identity (see Figure 1). The framework, which the study uses to analyze city brands, builds on the corporate branding tradition (Merrilees et al., 2009).

*Step 1* in the process starts with structural model estimation of residents’ overall city evaluation in terms of various city brand attributes. The first decision is to select an appropriate measure of residents’ overall city evaluation. From existing quantitative city studies two main options emerge, namely city brand attitudes (see Merrilees et al., 2009) and overall city satisfaction (see Zenker et al. 2013). Both options are acceptable and are unlikely to lead to substantially different results. The current study opts for the city brand attitude
selection for several reasons: it is a higher order evaluation compared to satisfaction; it is more likely to be enduring; and has more overt brand character.

The beta coefficients in the structural model represent the key brand associations that residents have of the city brand. Next in the process, the city brand meaning is inferred from the magnitude and significance of particular beta coefficients. Those city brand associations that have the highest beta coefficients and are most statistically significant, are those which contribute the greatest to the city brand meaning. The configuration and combination of relevant and major brand associations represents a holistic form of city brand meaning that the residents assign.

*Step 2* evaluates the co-creation of city brand meaning. The study aims to substantiate that the creation of city brand meaning, while having some management control influence (through city planning, signage and control of city assets), is largely consumer controlled through the perception and cognition of residents; there is, customer-controlled city brand creation, and thus co-creation. The current study allows different groups of residents to hold different city brand meanings for the Hatfield brand in focus.

*Step 3* elaborates on the co-creation, “living the brand”, in terms of the role of each stakeholder group. Specifically, the step elaborates on Step 2 by detailing the importance of stakeholder identity in facilitating stakeholder city brand meaning co-creation.

*Step 4* is the final step in the process, and evaluates whether multiple stakeholder city brand meaning co-creation affects the different stakeholder identities. Thus, the process goes full circle, starting with the influence of stakeholder groups on the brand meaning co-creation process and ending with the iteration as to whether the brand co-creation process influences each particular stakeholder identity.
Step 1
Regress City Brand Attributes on City Brand Attitudes
(per stakeholder group)

Interpret beta coefficients
as City Brand Associations
(per stakeholder group)

Infer City Brand Meaning as the configuration of key
City Brand Associations
(per stakeholder group)

Step 2
Evaluate whether there is
City Brand Meaning Co-creation
(per stakeholder group)

Step 3
Elaborate the importance of Stakeholder Identity in
Facilitating City Brand Meaning Co-Creation

Step 4
Evaluate whether Stakeholder City Brand Meaning Co-
creation affects Stakeholder Identity

Figure 1: Four step conceptual design:
Linking multiple stakeholder co-creation of city brand meaning, importance of
stakeholder identity and influence on stakeholder identity
3.2. Research Design

The research entails a quantitative study of the residents of Hatfield, England in 2015. Particular emphasis applies to the ascertaining of the different city brand meanings that different stakeholder groups infer. That is, the study adopts a multiple stakeholder approach. Further, each resident stakeholder group is free to ascertain their own city brand meaning, because they control their own perceptions.

A survey was developed using scales of constructs from the literature. As per the choice of dependent variable, the main options for relevant city attribute scales is between Merrilees et al. (2009) and Zenker et al. (2013). Although there is some obvious overlap between the two sets of scales, the Merrilees et al. (2009) set are selected because of a much greater number of city brand attributes, enabling a potentially more nuanced depiction of city brand meaning. Additional scales were included, including years of residency (Fleury-Bahi et al., 2008; Gustafson, 2001) and self-concept (Zenker et al., 2014). Self-concept was measured by the gap between the actual level of performance in a particular city brand attribute and the ideal city expectation. In summary, each scale measures a particular city attribute, such as recreation or job opportunities. Five-point Likert scales are used.

Criteria for inclusion in the survey were that the respondent was over 18 years of age and resident in Hatfield.

Data collection used a self-administered survey that was available to respondents in print or online. The characteristics of respondents using either response mode generally exhibit little difference (Huang, 2006; Lin & Van Ryzin, 2012). Potential participants were approached through community groups, street intercept, and online invitation. Collection points for paper surveys, were established in the local Library and The Hub, a local community information centre. Information about the project was promoted on radio, in the local press and in council publications, with details of a link to the online survey.

The focus of the study is on three stakeholder groups: homeowners; private sector renters; and social (council) housing tenants. The sample is 612 residents of Hatfield, England and divides into three groups: homeowners=337; private renters=139; and social housing tenants=136.

The overall sample characteristics are as follows: median age 41 years; median income £24,200; median years living in Hatfield, 14.5 years; and 61% Female. Disaggregating the sample by the three sub groups, there are some marked differences. For income, homeowners are the highest with a median income of £36,000, followed by private renters (£21,700), and social tenants (£16,500). For age, homeowners have a median age of 47 years, followed by social tenants, 44 years, and private renters 25 years. Duration of residence in Hatfield ranges from a median duration of 25 years for social tenants, to 20 years for homeowners, and down to 3 years for private renters.

Briefly, situated in Hertfordshire, Hatfield dates to Saxon times, and by the 1880s had become an important railway centre (Hatfield, 2013). By 1933, the de Havilland major aviation manufacturing facility was established. The post-World War II need for housing led to Hatfield’s further development as a new town (Hatfield, 2013; Grindrod, 2014). The current population is over 39,000 residents. While proximate to London twenty miles away, the Green Belt separates the two. Features of the area include historic sites (e.g. Hatfield House, St Etheldreda’s Church), educational facilities (e.g. the University of Hertfordshire, and private and state schools), diverse retailing (markets, an outlet shopping mall, and High Street retailers), a business park, a growing number of businesses, and recreation, entertainment and sporting facilities (Hatfield, 2015).

Data analysis uses structural equation modelling (SEM) with AMOS to estimate the paths between each city brand attribute and city brand attitudes. An additional path goes from
city brand attitudes to intention of the resident to stay in the city, giving two dependent variables.

4. Findings

The findings are presented in four parts, corresponding to the four steps in Figure 1.

4.1 Step 1 SEM Model estimation explaining resident city brand attitudes for Hatfield

The overall model fit with the data is satisfactory, with Chi-square=253.6 (DF=81); GFI=0.93; CFI=0.90; RMSEA=0.059 [90 percent confidence range 0.051 to 0.067]. The chi-square is significant as expected with a large sample, but the Hoelter 0.05 level is 250, greater than the benchmark of 200, and thus suggesting that the sample size contributes to making the Chi square significant. The $R^2$ for city brand attitudes is 0.48 and for intentions to stay in the city it is 0.53.

The SEM results are shown in Table 1. Note that the coefficients were constrained in a number of ways, to make various unstandardized coefficients similar, or in some cases, to set them to zero. In all cases, the restrictions were assessed using a change in chi-square test, based on the number of restrictions. All restrictions were statistically not significant indicating that the relevant restrictions were acceptable.

For the key social bonding variable, a test established that the beta coefficient is equal across all three stakeholder groups. The change in Chi square is 0.37 before and after the restrictions, which at 2 degrees of freedom [2 of the 3 coefficients are restricted], indicates that the social bonding coefficients are the same [this applies to the unstandardized coefficients, which does not always lead to the standardized coefficients being equal]. Table 1 gives the standardized coefficient results. Social bonding thus represents a common brand association across all stakeholder groups, thus supporting Hypothesis 5. Similarly, recreation is also common to all stakeholder groups, equally large to private renters and social housing tenants, and about half the magnitude for homeowners. The commonality of both social bonding and recreation as a brand association thus supports Hypothesis 4.

Beyond the two common brand associations, Table 1 reveals that the configuration of brand associations varies across multiple stakeholder groups, supporting Hypothesis 1. Homeowners’ city brand meaning combines the common brand associations with perceptions of Hatfield job prospects; heritage (cultural heritage including history and heritage sites); nature self-concept (congruency between ideal expectations about nature and the reality); and a gender control variable. To the common brand associations, private renters add education and a gender control variable. Finally, social housing tenants add education; nature self-concept; and a control variable (years of residency).
Table 1: Models of Residents’ City Brand Attitudes by Stakeholder Groups:

Standardized Beta Coefficients (t-values)

<table>
<thead>
<tr>
<th></th>
<th>Homeowners (n=337)</th>
<th>Private Renters (n=139)</th>
<th>Social Housing Tenants (n=136)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>0.43 (13.89)**</td>
<td>0.45 (13.89)**</td>
<td>0.49 (13.89)**</td>
</tr>
<tr>
<td>Recreation</td>
<td>0.14 (3.32)**</td>
<td>0.29 (6.34)**</td>
<td>0.26 (6.34)**</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td>0.15 (4.18)**</td>
<td>0.19 (4.18)**</td>
</tr>
<tr>
<td>Job Prospects</td>
<td>0.18 (4.17)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heritage</td>
<td>0.15 (3.66)**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Residency</td>
<td></td>
<td></td>
<td>0.12 (2.19)*</td>
</tr>
<tr>
<td>Gender (Male)</td>
<td>- 0.12 (3.66)**</td>
<td>-0.12 (3.66)**</td>
<td></td>
</tr>
<tr>
<td>Nature Self Concept</td>
<td>0.13 (3.75)**</td>
<td></td>
<td>0.13 (3.75)**</td>
</tr>
<tr>
<td>Path from city brand attitudes to</td>
<td>0.73 (19.42)**</td>
<td>0.55 (7.69)**</td>
<td>0.76 (13.67)**</td>
</tr>
<tr>
<td>intention to remain in Hatfield</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

** denotes significant at the 0.01 level
* denotes significant at the 0.05 level
The different configurations of brand associations across the stakeholder groups present two extremes. At one extreme is the homeowner pattern which has six brand associations. We term this pattern complex brand associations. At the other extreme is the private renter pattern with just four brand associations, including gender. We term this pattern simple brand associations. Social housing tenants are somewhat in the middle. The presence of both complex and simple brand associations supports Hypothesis 3. In summary, the SEM model estimation and interpretation shows different patterns of city brand meanings across the stakeholder groups, ranging from complex for homeowners to simple for private renters.

4.2 Step 2: Evaluating whether there is city brand meaning co-creation

Step 1 demonstrates that different stakeholder groups are able to create their own city brand meaning. In Section 2.4 we argue that the ability of residents (consumers) to create their own city brand meaning is tantamount to them co-creating the place meaning. Co-creation is generally associated with an active, participating role of the consumer and service dominant logic implies that any evidence of an active consumer (resident in our case) role amounts to co-creation. The place authority shapes the presented city brand by providing communication and services, while the resident augments this branding through their own city brand experience. Our evidence of resident-driven city brand meaning creation indicates resident co-creation of place meaning, supporting Hypothesis 6.

4.3 Step 3: The importance of stakeholder identity in facilitating city brand co-creation

How does stakeholder identity facilitate city brand meaning co-creation? Rather than a homogenous consumer (resident) perspective, the current study allows different resident stakeholder groups to participate and determine their own city brand meaning. Each stakeholder group uses their stakeholder identity to co-create their own meaning of the city brand. Very clearly, home owners imbue a radically different city brand meaning (based on six brand associations) compared to the two renting stakeholder groups.

Homeowners use their powerful stakeholder identity of home ownership to co-create their own meaning of the Hatfield city brand. The answer, shown in Section 4.1 is a complex set of brand associations. In part, this particular co-creation process reflects the wealth and confidence of the homeowner group. The confidence coming from being relatively wealthier (with home assets and greater income) enables this stakeholder group to engage more broadly with the city brand. Homeowners have median incomes more than double those of social housing tenants, and 65% greater than those of private renters. Greater income may give the homeowner a greater appreciation of economic matters, through the job prospects city brand attribute. Similarly, greater income may give the homeowner group more scope to factor in discretionary matters such as heritage. Both job prospects and heritage are unique to the homeowner stakeholder brand meaning, both reflecting their sub-culture identity in the Hatfield community, supporting Hypotheses 2 and 6.

In contrast, both private and public renting groups lack firm property rights as part of their stakeholder identity. Indeed, their stakeholder identities are defined largely by an absence of property rights. One could argue that the social housing tenants have stronger property rights because of an implicit social contract giving them access to specified housing. Moreover, one might presume that the social housing stakeholder group has a stronger and
more coherent collective identity than does the private renting group who may be temporarily in residence in the city. The slightly stronger property rights of the social housing tenants and their longer connection to the community (25 years versus 3 years median residency) does show up as slightly more complex brand associations. However, there is also a degree of overlap in the character of their city brand meaning, with a shared top three brand associations and the domination of common brand associations.

4.4 Step 4: Relevance of city brand co-creation for stakeholder identity

How does the stakeholder, brand identity co-creation process affect stakeholder identity? In broad terms, the link between stakeholder, brand identity co-creation and stakeholder identity creation is interactive. In Step 3, the influence of stakeholder identity on city brand meaning co-creation was demonstrated. Now, the influence of stakeholder city brand meaning co-creation on stakeholder identity is examined. Note that in some other contexts, such as the luxury industry, it is easier to explain the nexus between brand identity and stakeholder identity (Kastanakis & Balabanis, 2012). Relatedly, Kastanakis & Voyer (2014) suggest that culture shapes perception of the self, implying self-identity. Arguably, such a relationship could be extended to cultural experiences shaping stakeholder identity. Cultural experience in the current study context suggests a link between the city brand meaning co-creation experience and stakeholder identity. The city brand experience is very connected to the stakeholder everyday life experience. Thus, we can explore how city brand meaning co-creation re-shapes stakeholder identity. The way each stakeholder group “lives the brand” (and thus co-creates the city brand) moulds or reinforces their stakeholder identity. The study uses the everyday life perceptions of each stakeholder group to demonstrate such a principle.

All single item perceptions of living in the city are compared across the three stakeholder groups. Special attention is given to those lifestyle areas where there was a statistically significant difference across the three groups, and the highest and lowest performer noted.

The strongest connection between “living the (city) brand” and reinforcing stakeholder identity is the homeowner group. The lifestyle areas, in which the homeowner stakeholder group is strongest, have a strong home association. Specifically, the homeowner group had the highest perceptions in terms of: house affordability (30% more than social housing tenants, and 10% more than private renters); the quality of their housing (16% higher than the other two stakeholder groups); how well their housing was maintained (12% higher than the other two stakeholder groups); the level of house energy-efficiency (16% higher than the other two stakeholder groups); and water quality perception (9% higher than the other two stakeholder groups). There were few other relatively differential and significant areas where the homeowner stakeholder group dominated (the perception of town parking was one of the few others). The differential lifestyle or living the brand areas of the homeowner stakeholder reinforces their home-centric stakeholder identity.

A link between living the brand and reinforcing stakeholder identity applies also the social housing stakeholder group. Understandably and consistently, the social housing stakeholder group scored least on perceptions that Hatfield housing is affordable. The remaining areas of differential and statistically significant lifestyle components point to a relatively local and perhaps circumscribed lifestyle. All stakeholder groups gave low ratings to all aspects of the local town centre, including food options, shopping and recreation, and low ratings for cleanliness and safety. Among this somewhat dismal milieu, only the social
housing stakeholder group gave significantly higher ratings to local coffee shops and restaurants. Given the prominence of local activities in their daily lifestyle, it is not surprising that the social housing tenants also are more confronted (evidenced by their lowest ratings) by cleanliness and safety issues. Further, the narrower and more circumscribed outlook of the social housing tenants is evident in the group having the lowest perceptions of the job market, business vibrancy and their appreciation of the university (in a university town). In short, living the brand for the social housing tenants reinforces a cohesive, low-income and very locally focused and circumscribed stakeholder identity.

The above evidence for the reciprocal impact of stakeholder city brand co-creation back to reinforcing the stakeholder identity does support Hypothesis 7 partially, but it is necessarily limited. We would suggest that it is partial evidence that seems consistent with the type of reciprocal relationship that would be expected and that the city brand is interactive. The virtual impossibility of conducting a more conclusive longitudinal study forces us to this situation. However, we offer two additional major positive supports for our position, one theoretical and one empirical.

Given the practical difficulty of providing conclusive support for a reciprocal relationship between multiple stakeholder city brand meaning co-creation, we add theoretical support by drawing on an existing dynamic theory of place branding by Kavaratzis & Hatch (2013). We have put forward this case in Section 2.6 above. In Section 2.8 we put forward the Kavaratzis & Hatch (2013) model as Proposition 1 and therefore providing theoretical support for our evidence on reciprocity.

Moreover, we have one further piece of evidence, which is perhaps the most convincing of all. For the third stakeholder group, private sector renters, the link between living the brand and reinforcing their stakeholder identity is weakest. This particular stakeholder group lacks distinctive lifestyle indicators – most commonly, they were stuck in the middle and did not feature as either highest or lowest in the lifestyle areas that were statistically significant. In only one area did the private renter stakeholder group have the highest rating, namely appreciation of the economic and social contribution of the local university. This last feature might reflect the voice of resident students as a major component of renters. At the other extreme, private renters had the least perception of local services. This latter feature might reflect the younger age of private renters, with less need for medical and household services. In short, living the brand for the private sector renters does little to reinforce the stakeholder identity of that group, presumably because such an identity is inherently fuzzy in the first place, especially compared to the other two stakeholder groups. The literature discussed earlier suggests that possession is important (Belk, 1988) and that length of time is also part of deepening the identification processes with a brand: these private renters neither own their accommodation, nor have lived for long in the town. This finding therefore provides some support for identification being stronger where there is both experience (Fleury-Bahi et al., 2008) and full possession.

Thus we can provide stronger evidence by exception. When a stakeholder has a weak stakeholder identity it is not able to co-create robust and vibrant city brand meaning. We saw in Section 4.1 that private renters had simple brand associations, barely more than common associations. In turn, reciprocally, the brand meaning co-creation does little for private renter stakeholder identity, where neither full possession in terms of ownership in the long-term, nor length of time spent in the town is part of who they are. This exception to the rule supports Hypothesis 8.
5. Discussion

The study makes a major contribution to the brand meaning co-creation literature. A driving research question has been to better understand what makes brand places meaningful to residents? The study progresses this pursuit through both theoretical (see Section 2.4) and empirical means. Fundamentally, city brand meaning co-creation combines both common and specific stakeholder brand associations. Social interaction, which we term social bonding, is the fundamental core of city brand meaning which is necessarily driven by resident experiences. Previous literature (Gustafson, 2001; Kavaratzis & Hatch (2013) has hinted at this possibility, which is now more carefully formulated and tested in the current study.

The very notion of common brand associations raises the notion of common social glue that ties the community together. At this point, social bonding and recreation seem to be that glue. Equally important is the possibility of different specific brand associations that various stakeholder groups might form. Three different configurations of city brand meaning co-creation are identified in the study based on housing type. Having three groups enables a richer exploration of the multiple stakeholder perspective to city brand meaning co-creation.

The interplay between brand identity co-creation and stakeholder identity is not well established in the literature. We have identified an important study, Kavaratzis & Hatch (2013), which we believe provides a strong foundation for understanding the reciprocal relationship between city brand meaning creation co-creation and stakeholder identity. In turn, we have provided evidence that stakeholder identity can influence the process of multiple stakeholder city brand meaning co-creation, as well as the reciprocal (reverse) impact, to result in a demonstrably interactive brand. The homeowner stakeholder group provides the clearest case of a positive, cyclical, interaction between the two key concepts, where a strong identity facilitates the city brand meaning co-creation process and in turn there is a positive reinforcement of the initial stakeholder identity. In contrast, for private renters the starting position is a weak stakeholder identity, which has limited influence on the city brand meaning co-creation process, and in turn weak feedback interaction back on the original stakeholder identity.

In conducting the research, we have been guided by eight hypotheses developed in Section 2.8. All eight hypotheses are supported, as explained in the Findings section. Each of the eight hypotheses represents a potential contribution to the literature, sometimes at a detailed level. For example, Hypothesis 3 contributes to the notion of common and unique brand associations as part of city brand meaning; Hypothesis 5 contributes to the very special role of social bonding in creating place brand meaning; and Hypothesis 3 emphasizes brand association dimensionality in contrasting complex and simple patterns of brand associations.

6. Managerial and Policy Implications

Consistent with growing evidence (Braun et al., 2013; Kavaratzis, 2012), place authorities need to evolve from a communication-dominant to a participation-dominant approach to place branding. Participatory place branding recognizes the active and powerful role of residents in creating meaningful place brands based on how they experience the brand. Place authorities can facilitate the place branding process through multi-channel communication and service provision. However, the fundamental reality is that residents actively co-create their own city brand meaning. Notwithstanding, it is a major challenge to place authorities to change their city brand governance processes to reflect this new reality.
A further major implication is the special role of two city brand attributes in creating common city brand meanings for all resident stakeholder groups. The importance of social bonding and education to city brand meaning, signals to place authorities their special role as brand guardians of community institutions (including safety, community interactions and education).

A major policy implication arises from what is missing in the brand meaning of the Hatfield city brand. All stakeholder groups lack brand components like shopping and food that one might associate with a vibrant city brand (Merrilees et al., 2013). The Hatfield Town Centre, as judged by study participants in particular, lacks a vibrant centre. Ideas from the survey participants suggested specific needs for a robust retailer like Poundworld (http://www.poundworld.co.uk/index/about-us_360.htm), and a robust hospitality/food outlet like a J. D. Wetherspoon pub (https://www.jdwetherspoon.com/). Both of the choices, among others, could act as anchors to enhance the vitality of the town centre. However Wetherspoons has more recently chosen to locate in a satellite shopping precinct, further weakening the official Town Centre. The policy that permitted this has therefore missed an opportunity to most fully strengthen what is missing in the brand meaning of the Hatfield city brand.

Finally, as a policy implication, place authorities could do more to recognize the unique needs of particular resident stakeholder groups based on their specific brand meaning configurations. The Council could do more to engage with private renters, by for example, making them more aware of shopping and recreational options. The Council could also do more to recognize, and to engage with the sub-culture identity of the social housing tenants, especially since many of them are living in Council owned dwellings. There is considerable scope to enrich the city brand meaning experiences of social housing tenants.

7. Conclusions

The study had two main purposes: (1) to evaluate the specific way that the stakeholder identity of each of three Hatfield stakeholder groups facilitates Hatfield stakeholder city brand meaning co-creation and (2) to evaluate the effect of Hatfield stakeholder city brand meaning co-creation on the stakeholder identity of the three Hatfield stakeholder groups. A quantitative research design was applied to a sample of residents in Hatfield, UK, enabling the said purposes to be examined. Using a four step conceptual approach, both key relationships were affirmed. That is, the stakeholder identity plays a profound role in facilitating Hatfield stakeholder city brand meaning co-creation. Additionally, for two of the three stakeholder groups, the stakeholder city brand meaning co-creation process affects the stakeholder identity.

The study is limited to one city and one point in time. Future research could extend to other cities in the UK and also to cities in other countries. Furthermore, the current study could be repeated in the future after currently planned developments are implemented by the government authority. One potential drawback would be that there would be different respondents, although the proportions could be maintained.

Broadly, and importantly, the study affirms the interactive relationship between stakeholder city brand meaning co-creation and stakeholder identity. Thus, the paper demonstrates empirically the reciprocal relationship between stakeholder city brand meaning co-creation on one hand, and stakeholder identity on the other.
References


