STAKEHOLDERS AND FORMATION OF PLACE BRANDING PROCESS

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ABSTRACT. The present paper evaluates the role of key stakeholders in the process of place branding formation. As its abundance is considered to be one of the challenges in the development of this process. There are analyzed interests, responsibilities and expectations of each stakeholder - government, local people, investors, students and tourists, which must meet requirements such as: partnership, leadership, continuity, shared vision, implementation of strategy-based action.

On the bases of analyzing bibliographic research and empirical materials, it is identified stakeholders' characteristics, experiences and challenges of existing collaboration between the parties in Ajara. The conducted survey revealed those requirements of stakeholders which are particularly important for the development of the region as a place brand. Based on the opinions of experts, processed theoretical and practical materials, the data obtained as a result of the research were analyzed and found out the role of each stakeholder for the successful formation of place branding process. Accordingly, there were made relevant conclusions and recommendations.

Introduction

Place branding approaches took the first steps not far a long time ago. Branding of different places, locations and spaces, a term associated to the post-modern period with a powerful practical load and theoretical evolution from field Pioneers S. Anholt, K. Dinnie and W. Olins (Briciu, Briciu. 2016).

As the researchers point out, the brand of a place means not only the place name, symbol, logo or other graphics that define and distinguish the destination, but also conveys the promise of an unforgettable experience that is distinctive and associated with that particular place. It also enhances the pleasant feelings and emotions of the memories and includes additional elements related to the "concept of experience."

One of the biggest challenges of place branding is the multiple number of stakeholders as it represents: residents, government, investors, students, tourists etc. Every participant engaged in place branding has their responsibilities, interests, expectations. It is a very difficult process to manage the stakeholders in above-mentioned process, because in many cases their interests intersect and that is why a dynamic relationship between these parties is important. Cooperation among stakeholders must meet the following requirements:

partnership, leadership, continuity, shared vision, implementation of a strategy-based action. Partnership-stakeholders need to work on a partnership approach, assurance of procurement and brand credibility; Leadership-stakeholder partners need strong leadership to overcome any internal differences and ensure progress and effective decision-making; Continuity is fundamental in both partnerships and leadership to ensure a long-term strategy and brand sustainability; Shared Vision-stakeholders should share a vision for the future of this particular place if they are to formulate a clear brand strategy. Also, stakeholders should agree on a relevant activity at each stage of actions.

As well, a subject of interest is stakeholders' rotation among parties in place branding process. That means when sometimes they are seen as stakeholders, sometimes they are target groups or customers (Merrilees et al, 2012, Zenker and Martin, 2011).

Literature review

The term branding and evolution of its theory is connected with various scholars. However, for the first time a place as a brand was considered by Philip Kotler who said that the place can also be considered as a product, hence, it is possible to create its values and therefore sell it. In this regard, it is very interesting Simon Anholt's opinion of hidden place branding, which has been used indirectly by nations and countries throughout the history. Anholt (2008) argues that connection between brands and territories dates back to the time of Alexander the Great (356 - 323 BC), who was one of the first to believe that success or failure of places depended largely on the image of a country beyond its borders. Place branding theory was originally developed in relation to products, services and organizations as it was mentioned above, but it was gradually recognized that the concept of the brand could be applied to places (cities, regions and countries) and in practice there was a growing attempt to create brands for specific places (Chernatony, 2011; Anholt, 2010; Govers, and Go, 2009; Kavaratzis and Ashworth, 2005; Szromnik, 2016). The specific place: a city, municipality, region, state or country can be considered as the product, but this does not mean that the same approaches can be used with regard to places. Some authors emphasize complexity of a place as the product (Pike, 2005; Kladou et al., 2017; Kavaratzis, 2005). Its complexity as the product runs back from its versatility. The place is a complex structure of tangible and intangible products (services) offered to different users (Szromnik, 2016).

The place as the product includes such elements as: political and economic situation; Nature (ecology, climate); Infrastructure (transportation, living space, business infrastructure); Cultural and historical values; Services provided to the public or investors (education, healthcare, culture); It also includes residents and entrepreneurs themselves, their qualifications, customs and culture (Glińska, 2016). That is why, implementation of place branding covers stakeholders' engagement – government authorities, local population, tourists, investors, migrants.

According to Henninger (2016), Kavaratzis (2012) each stakeholder who influeances or is influanced by the branding of the place should be considered as co-producers in brand strategy, creation, implementation and governance. But as Jones (2005) notes despite place branding process covers the number of stakeholders "the relationship between branding and stakeholders has not been validated empirically."

Methodological approach

The methodological bases of the article is official data from central and local government agencies and the results of my own research. In addition, a questionnaire type survey was used as a quantitative research method, which was conducted through a questionnaire distributed in social space. The survey obtained mainly quantitative data which were grouped and analyzed.

Conducting research and results

It is significant to consider the role of each stakeholder and its importance while implementing the place brand strategy. Particularly noteworthy is residents' role in the process of place branding formation, which is also called a participatory place branding. The participatory place branding approaches help the residents to become active members of the place branding process in collaboration with other stakeholders (Kavaratzis 2017; Kavaratzis and Kalandides 2015), (Zenker and Erfgen 2014), (Kalandides 2011). The residents may have three different roles in this process: 1. The residents as an integrated part of the place brand; 2. The residents as place brand ambassadors; 3. The residents as the place social-economic leaders, who participate in creating of unique distinguished features of a place identity.

According to Dr. Mihalis Kavaratzis, an associate professor of Marketing at the School of Business, University of Leicester, place branding is a public activity and it should be supported by the society for socio-political reasons. In this regard the best example is an initiative of citizens of Georgia, launching a social campaign "Spend Your Summer in Georgia" (Facebook public group). The social campaign "Spend Your Summer in Georgia" aimed at promoting the country after Russian government had made a decision to suspend flights from Russia to Georgia and called on tour operators to suspend tours in a neighboring country. "We are responding to the current events related to endangering the country tourism image and we would like to invite you to start an active social campaign "Spend your Summer in Georgia." The aim of the campaign is to promote the country, attract tourists and show country's tourism potential to the world. During the campaign, share our country's image videos and posts actively with the hashtag #spendyoursummeringeorgia ", - it is written in the page description (BMG, 2019).

This example is also a clear proof that the residents act as the stakeholder and is the integral part of the place that spreads symbolic messages about the place through obvious place representation and emblematic behavior (Green et al., 2018) as brand ambassadors and as the residents.

For the proper formation of the place brand, one of the important aspects is to determine residents' approaches toward the place and the main factors. According to the survey results, a high percentage of respondents choose Ajara as the place of permanent residence - (92.7%). It is interesting that the respondents prefer to live in different regions of Georgia and not in a capital. Young people aged 18-20 consider Ajara to be the best place to live, the respondents aged 35-44 prefer to live in Imereti and Shida Kartli, while the respondents aged 45-55 prefer to live in Guria and Kakheti, etc.

In order to study the issue thoroughly, there is a need to determine those factors, according to which the residents choose the permanent place of residence. The results of the study clearly show that the nature/climate, place development perspective, cosmopolitan and tolerant environment, etc. are the leading factors (Figure 1).
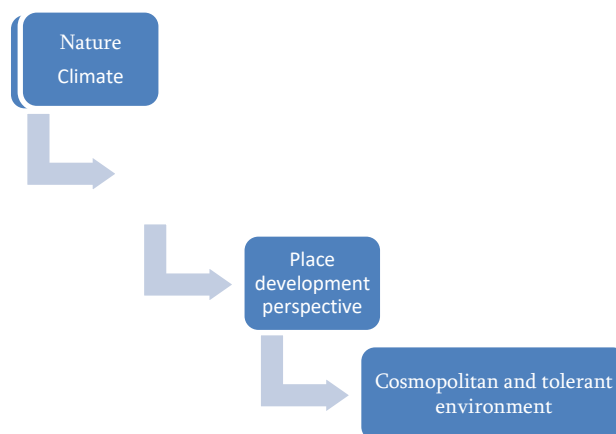

Figure 1: factors affecting on choosing of permanant residence
Source: Compiled by author, based on survey results

The data shown in the figure confirm that these factors also serve to foster a sense of pride and responsibility for the unique heritage of the residents, which is one of the most important issues for the stakeholder such as the residents in place branding.

According to the theories, the subject of interest is what the residents consider the most appealing to attract the visitors to their place. In this case, in order to attract foreign visitors in Ajara, the survey results – 61.1% of respondents name nature, place, climate and landscape. 38.7% - environment - maintained infrastructure, accommodation, work, fun. Then comes cultural heritage, historical sites, art, cuisine, people, behaviors, values and visitor relationships with relatively lower percentage.

Place brand management shows the urgency for enhancing communication between the government and other stakeholders and giving more control and monitoring possibilities to the residents. The opportunity of stakeholders' engagement should be planned at any level of the place brand strategy. In fact, this involvement shapes the place brand process itself (Kavaratzis, 2012).

When discussing how to apply the discipline of place branding and place public management, we approach the analysis of its political dimension, which is understood as urban policy. Some specialists define that place branding is a process of hybrid policy in which public and private, economics and politics, markets and politics are blurred and equally generated as a process of interaction in an interactive manner.

Hence, it is very interesting the role of the government as the stakeholder in place branding process. As place branding is a public activity, the role of the government is big and responsible, because its rights and responsibilities cover a broad-spectrum of fields. It provides a wide range of local services, protects the lives and freedom of people, creates a place for democratic participation and a civic dialogue, creates a favorable investment environment and promotes the tourism development with a private sector to develop a good country image and reputation. Properly defined brand management by the government, contributes to the sustainable development of the place.

Based on the reviewed literature and the reseach there was not found the place brand strategy of Ajara region (we do not mean Ajara tourism brand strategy). So, the subject of interest is a strategic development plan 2016-2021 of Ajara Autonomous Republic that covers the key and significant aspects of place branding. The strategic plan was worked out by the Government of the Autonomous Republic of Ajara, German Development Agency - GIZ and the Policy and Management Consulting Group "Delivering Progress." The analysis and discussions of the strategic plan revealed those significant factors that will play an important role in increasing income and the region awareness. Those factors are: geographical location of the region; historical heritage; business environment and human capital; ensuring the sustainability of the existing environment; improving living conditions and creating competitive products in the fields of tourism and logistics; agriculture; tourism. The implementation of this strategy will be a big contribution itself to the development of the place branding process.

There is a difference of opinions when the issue comes to tourism as the place brand stakeholder. A number of authors believe that tourism is extremely significant and influences on the formation of the country image, hence it is the most important part of the place brand. Some even believe that it is only economically beneficial and can not affect the brand image and reputation of the place.

Due to specificity and characteristics of the field it is noted that tourism contributes not only to the development of the economy, but also to the most massive form of socio-cultural activity and relationships in the community, which is important for the brand identity and image of the place (Dolikashvli, Arabuli, 2021). It implements innovative strategies to maintain a sustainable image of the city, brings vital energy and dynamism to the city, connects people and builds their relationships, teaches coexistence (AM Report). The marketing specialist Brendon Knott (2002) realizes the power of tourism and represents it as a determining factor of country image making.

Though, it is noteworthy to mention about a complex nature of place branding, which goes beyond the narrow boundaries of any particular industrial sectors including tourism, but there are some cases, where we can see a close link between tourism and the national brand. Even more, some researchers believe that in

many cases, tourism distorts the true image of the country in order to achieve its interests trying to "sell" the tourist place at any cost.

In this regard there was conducted the survey to determine what is being done in our region in order to attract more tourists. According to the survey results, 42% mentions that our region is trying to do this through marketing activities on the international market; 27, 3% mentions state programs promoting tourism development; 23.7% mentions improving local infrastructure and transportation systems and 7% mentions about a safe environment.

As the brand is a promise that must constantly strive for perfection and keeping the promise, it was important to determine what Ajara offers to the visitors and what is its promise. The results of the survey gave the following picture: 83.5% of respondents believe that Ajara gives a functional promise to the visitors, which means authenticity, adventure, healthy environment, nature, gastronomy, traditions, hospitality. Only 16.5% believe that Ajara gives an emotional promise to the guest, which means gaining a new vision, happiness, a peace of mind.

As for the investors in the role of the stakeholder, there can be said that their interests and expectations are directly related to the place brand development strategy. Countries, cities purposefully develop economic structures, services to retain local businessmen and entrepreneurs, encourage new businesses, attract investment and contribute to business expansion. They create an entrepreneurial culture that helps the place to be called as "a place to do business", the best examples of this are "Silicon Valley", "Detroit", "Atlanta." The expectations of potential investors are tax benefits, easy market access, economic development prospects and other favorable investment conditions. Their role is not limited within the frame of investments' implementation, they also become "consumers" of this place.

Foreign students are also in place branding stakeholders' "list." In the context of place branding, it is important not only a highly ranked university but also environment, standard of living, safety, fun and other characteristics where the university is located. A good education system, high quality institutions on the one hand attract foreign students, academic staff, financial resources, give the city an advantage in a competitive environment and on the other hand the university takes its place on the international market.

Each place branding stakeholder is an independent sector and at the same time interconnected that has its own development directions, which is closely related to the place brand development process.

Conclusion

Thus, based on the analysis of the above-mentioned materials, we are able to conclude that each place branding stakeholder is an independent sector, organization or people having their own development visions, missions, responsibilities, attitudes, strategies and various characteristics that should develop a place brand through collaboration and partnership. Based on the reviewed theoretical material, the conducted survey and the practical part also clearly showed that the stakeholders are consuming the same attributes of the place with different expectations and goals.

We can formulate the following proposals based on the study and the analysis of this issue:

- The number of stakeholders in the place branding process and their characteristics, where each party has its own responsibilities, interests and expectations are often intersected. That is why dynamic relations, partnership and coordinated cooperation between the parties are important.
- Fragmented development of each sector, short-term visions and strategies hinder and delay place branding development process in a competitive environment between countries, cities and regions. Therefore, for the proper and consistent development of place branding, it is important to study each stakeholder, push their involvement in place branding and manage the process.

- Government covers a range of responsibilities in order to develop a good image and reputation of the city, region, country. It protects life and freedom of the population, creates a space for democratic participation and civic engagement, creates a favorable investment environment and promotes the tourism development with a private sector. Properly defined brand management by the government, contributes to the sustainable development of the place. Consequently, its active involvement as the stakeholder is extremely important in creating an effective place brand identity strategy, because without their involvement, the implementation of the place branding strategy will fail.

გელა მამულაძე

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დაინტერესებული მხარეები და ადგილის ბრენდინგის ფორმირების პროცესი

აბსტრაქტი. სტატიაში განხილულია დაინტერესებული მხარეების როლი ადგილის ბრენდინგის ფორმირების პროცესში, რომლის სიმრავლეც მიიჩნევა აღნიშნული პროცესის განვითარების ერთ-ერთ გამოწვევად. გაანალიზებულია თითოეული დაინტერესებული მხარის: მთავრობის, ადგილობრივი მოსახლეობის, ინვესტორების, სტუდენტების და ტურისტების ინტერესები, პასუხისმგებლობა და მოლოდინები აღნიშნულ პროცესში, რომელიც ისეთ მოთხოვნებს უნდა აკმაყოფილებდეს როგორიცაა: პარტნიორობა, ლიდერობა, უწყვეტობა, გაზიარებული ხედვა, სტრატეგიაზე დაფუძნებული ქმედების განხორციელება.

ბიბლიოგრაფიულ კვლევასა და ემპირიულ მასალებზე დაყრდნობით გამოვლენილია აჭარის რეგიონში დაინტერესებული მხარეების მახასიათებლები, აქტივობები, მხარეებს შორის არსებული თანამშრომლობის გამოცდილებები და გამოწვევები. ჩატარებულ კვლევებზე დაყრდნობით, გამოკვეთილია იმ დაინტერესებულ მხარეთა მოთხოვნები, რომელიც განსაკუთრებით მნიშვნელოვანია რეგიონის როგორც ადგილის ბრენდის განვითარებისთვის. ექსპერტთა შეხედულებების, თეორიული და პრაქტიკული მასალების დამუშავების, კვლევის შედეგად მიღებული მონაცემების საფუძველზე გაანალიზებულია ადგილის ბრენდინგის პროცესში თითოეული დაინტერესებული მხარის როლი ადგილის ბრენდის წარმატებული ფორმირებისთვის და გაკეთებულია შესაბამისი დასკვნები.

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