Are place brands a differentiating factor in attractiveness?
An empirical analysis of business decision-making

La marque territoriale, outil de différenciation pour l’attractivité ?
éétude empirique auprès de décideurs d’entreprises

ABSTRACT

Although the “place brand effect” is often believed to play a role in the site selection process of businesses, it has rarely been the subject of empirical study. This paper analyzes and discusses the actual effect of place branding strategies on the corporate decision-making process. Firstly, an analysis of the perceptions of business decision-makers (n=30) reveals that while place brand has a slight positive effect, it is secondary to traditional attractiveness factors. Secondly, the case of a Swiss canton is used to explore the topics of multiple positioning and multiscalarity in interviews with managers of economic promotion agencies and experts (n=13).

Key-words
Place branding, attractiveness, site selection, economic development, location factors

RÉSUMÉ

L’existence d’un « effet marque territoriale » dans le processus du choix d’implantation d’entreprises est souvent attendue, mais rarement étudiée empiriquement. Cette contribution analyse et discute l’adéquation entre les stratégies de place branding et le processus de décision des entreprises. D’une part, l’étude de la perception des décideurs d’entreprise (n=30) révèle un léger effet joué par la marque territoriale, secondaire par rapport aux facteurs d’attractivité traditionnels. D’autre part, en interrogeant des responsables d’agences de promotion économique et des experts (n=13), cette recherche aborde les questions de positionnement multiple et de multiscalarité à travers le cas d’un canton suisse.

Mots-clés
Place branding, marketing territorial, attractivité, implantation d’entreprises, promotion économique
INTRODUCTION

For several decades, the work of researchers interested in place marketing issues and the place brand concept has been grouped into a scientific field of study now commonly known as “place branding” (Boisen and al., 2017; Vuignier, 2017). The phenomenon of public managers adopting marketing and branding techniques to promote, showcase and develop places is driven primarily by the desire to attract and retain multiple target groups seen as increasingly mobile in a highly competitive global market (Braun and al., 2014; Chamard and al., 2014). Used as tools to manage place image, place brands are part of global attractiveness strategies. As such, they act as potential vectors of differentiation in the symbolic battlefield of competing countries, cities, towns and regions (Avraham & Ketter, 2016; Go & Govers, 2011).

Many place branding efforts are built around a brand’s potential to act as a differentiating factor in attractiveness. With regard to the target group of businesses, the “place brand effect” is often believed to play a role in the site selection process, but has rarely been the subject of empirical study. This paper aims to address this shortcoming by focussing on the topics of differentiation, multiple positioning and multiscalarity in an analysis and discussion of the effectiveness of place branding strategies on the corporate decision-making process.

We begin by noting the increased use of place branding practices and examine the question of multiple positioning and multiple spatial scales. We then focus on the decision-making process carried out by businesses when selecting a site (or relocating) and the way in which the literature associates place branding with attracting businesses. After presenting the case study research question and method used, we analyze the study findings and discuss the managerial implications. This reveals the differentiation effect of place brand on business decision-makers, along with the management issues associated with multiple spatial scales.

1. THE CHALLENGES of multiple spatial scales and positioning

Place branding efforts can increasingly be found at all levels: cities (Green, Grace, & Perkins, 2016), regions (Chanut & Rochette, 2012), small and medium-size territories (Alaux, and al., 2015), districts (Taecharungroj, 2017), inter-regional and cross-border spaces (Zenker & Jacobsen, 2015) and countries (Dinnie, 2016). They originate in organizations created following new territorial divisions. Transcending institutional borders, place stakeholders are working together to form functional areas adapted for specific targets, whether they are developing a tourist area, creating a competitive cluster or promoting a shared global image.

Among the tools available are place brands, which public managers use as a vector of differentiation (Hankinson, 2010). Described as providing the basis for a relevant positioning capacity (Houllier-Guibert, 2012, p. 46), differentiation can prove difficult given the complexity of territories. Overlapping borders put many public managers in a tough situation, torn between politics and marketing issues, which, in turn, affects the offer being promoted by the territory. Some examples of this are the regional place brands being tested by the French territorial reform (Rochette, Zumbo-Lebrument, & Féniès, 2015) and the halfhearted inter-cantonal efforts to collaborate on the economic promotion of Switzerland outside the country (Monnier, 2015). Current practices reveal that imitation is common: more and more places are using similar techniques to develop their own brands and stand out from the crowd (Babey & Giauque, 2009).

The assumptions behind place brand efforts, both umbrella and sectoral, intersecting and intertwining, reflect the hope that differentiation can enhance the attractiveness of the area in question. While it is easy to assert that place brand plays such a role, there are few empirical studies to back this up, as several literature reviews, notably Gertner (2011) and Vuignier (2017), have noted. This is even truer when it comes to illustrating the effectiveness of differentiation in attracting investors and businesses (Cleave and al., 2016).

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1 This paper distinguishes between place brand (which is both a marketing concept and a tool for managing place image) and place branding (a broader term that includes the use of this tool in an attractiveness strategy).
Managers trying to differentiate their territories with the help of place brands are faced with two challenging phenomena: multiple positioning refers to the fact that the strategies implemented are aimed at a variety of target groups, both internal and external, while multiscalarity relates to the existence of multiple overlapping territories.

Place image is simultaneously driven and constructed by the perceptions of the individuals who make up the area in question (inhabitants and stakeholders) and those of people outside the area. It is costly to conduct several strategies, tailor-made for different target groups, at the same time. This practice can also convey mixed, or indeed contradictory, messages (Proulx & Tremblay, 2006). In fact, target groups do not form discrete categories (business decision-makers, for example, are also potential tourists or future residents), place stakeholders are heterogeneous and territorial subdivisions are potentially disparate.

Adopting an umbrella place brand appears to be a solution that could reduce the “cacophony” observed by Giovanardi and al. (2013) produced by multiple positioning. The Valais brand is regarded as a model, with an architecture that encompasses economic promotion, tourism, local product labelling and quality certification (Michelet & Giraut, 2014). The success of this approach seems due to the region’s strong identity and the fact that the canton appears, from the outside, to be a homogenous area.

Several authors have discussed the relative merits of an umbrella brand. Firstly, the development of such a brand is sometimes accompanied by a fear that an extremely clear-cut positioning will not suit all stakeholders and the multiple target markets. In such cases, it signals that those in charge of place branding are somewhat reluctant to adopt measures that are too narrowly targeted. The result is a plethora of place branding approaches lacking specific content, with many places promoting differentiating features that are, in the end, rather mundane (Houllier-Guibert, 2009a, p. 127).

Although an umbrella brand offers various possibilities in theory, in practice these opportunities prove limited because the factors involved in branding a country are not the same as those for a city, village or region (Caldwell & Freire, 2004). According to Boisen and al. (2011), it is no longer possible to think of country brands as umbrella brands with city and region sub-brands — and by extension, region brands with sub-brands for small and medium-size areas — because the current dynamics depend on a variety of stakeholders and shifting spaces that act outside the usual linear and hierarchical constraints.

Along the same lines, Houllier-Guibert (2009b) shows that place images are not necessarily blurred by the existence of multiple promotional messages. Furthermore, the findings of the study conducted by Merrilees, Miller et Herington (2012) underscore that the current challenge is not to have a single place brand identity, but to have numerous such identities to win over multiple stakeholders and target groups. Recent research by Zenker and al. (2017) has even demonstrated that complexity can be an asset when it comes to certain target groups that have a negative view of oversimplified place image messages.

In managerial terms, managing multiple spatial scales (multiscalarity) thus becomes a crucial issue. The challenge is to implement the place branding strategy or strategies at appropriate economic and territorial levels with the help of a capable organizational structure (Braun, 2008; van den Berg & Braun, 1999) and inter-jurisdictional collaboration (Cleave & Arku, 2014). Though there is a general trend to create ad hoc structures to manage umbrella place brands (Gayet, 2017), the management of strategies to attract businesses and investors, along with aspects of place branding, is often entrusted to organizations specialized in this target group. The creation of “one-stop hubs,” for example, is seen by experts as a solution that is supposed to facilitate access to information and simplify procedures for businesses interested in moving to a given location, as well as being a way to ensure greater consistency in place branding communications (Moloney & Octaviani, 2016). At the same time, places adopt attractiveness policies targeting businesses in specific sectors in order to develop competitiveness clusters (Hatem, 2007), which can include a cluster branding strategy.

Such strategies encourage major horizontal cooperation within the public administration (coordination among ministries, departments or divisions) and vertical cooperation among the various political and institutional levels. However, this approach is neither easy, nor immune to exploitation. For example, an
analysis of the collaboration between Denmark’s national tourism and business promotion agencies shows that inter-organizational cooperation is not self-evident and can even fail if agencies do not have a shared strategic interest in collaborating (Therkelsen & Halkier, 2008). Furthermore, authors have shown that efforts to improve attractiveness can serve as a pretext for political activities: clusters can be mobilized as a tool of governance to regulate territorial fragmentation rather than as an impartial economic policy (Rio, 2014) and promotion policies can be a means to perpetuate fragmentation rather than the result of coordination (Maisetti, 2013).

The scientific literature and practices not only bring up the central question of whether place brands can act as differentiating factors, they also consider that multiple positioning and multiscalarity are closely associated managerial challenges. The next section looks at these questions in the context of strategies promoted to attract businesses.

2. THE POTENTIAL ROLE of place brands in attracting businesses

Although some authors analyze place brand image vis-à-vis businesses (Scatton & Schmitz, 2016) or the interaction between businesses and place promoters (Gentric and al., 2014; Lecat, 2008), place brand is rarely empirically studied from the perspective of having a potential effect on the site selection process. However, when a place branding effort is aimed at attracting businesses, it is often hypothesized that place brand plays a role and this effect is assumed, or even stated. Like a self-fulfilling prophecy (Staszak, 2000), when promoters launch a place brand, it leads to other discussions and activities likely to validate the importance of a place brand strategy to attractiveness: creation of a logo, implementation of a communications campaign, development of incentives and development projects. Therefore, we must deconstruct the performative utterances (Austin, 1970) associated with place brands.

The site selection process is complex and relies on numerous factors both inside the business (and its sector of activity) and outside (Persillet & Shonkwiler, 2014). As illustrated in the following table (Table 1), businesses preselect a significant number of potential locations with the help of a database listing the places that more or less meet the needs and requirements of the business, along with their respective characteristics. Businesses then define evaluation criteria and apply them to the places on the list, selecting a limited number of sites that best meet the defined criteria. In the final stage, businesses contact those in charge of these places in order to discuss or even negotiate a potential move.

The scientific literature and consultancy reports focused on this decision-making process tend to describe location decisions as the result of a rational logic that lists measurable criteria and objectives (Laulajainen & Stafford, 1995; MacCarthy & Atthirawong, 2003). However, the literature also notes the importance of hard-to-calculate intangible elements and emotions (van de Laar & de Neubourg, 2006), underscoring the fact that the determinants behind a given choice are hybrid, involving both “hard” and “soft” factors (Giovanardi, 2012; Kotler and al., 2002). The site
The selection process can thus be summarized as an attentive review of various attractiveness criteria that are both tangible and symbolic, objective and subjective.

A simplistic reading of the site selection process must not lose sight of the complex relationship between businesses and their host territories, as the latter cannot be reduced to a long list of utilitarian elements. In their analysis of the local integration of firms, several authors demonstrate a dynamic interaction throughout the process and the challenges of mobilizing local resources for businesses (Le Gall, 2011; Zimmermann, 2005). These businesses also develop resources they did not have before their site move that reinforce their competitiveness (Dunning & Lundan, 2008; Porter, 2000). In this respect, Serval suggests that local integration be thought of in terms of territorialization factors rather than in terms of location factors (Serval, 2015, p. 3). More specifically, this means taking into account the area’s internally-generated development dynamic (Léon & Sauvin, 2010).

Given that it is difficult to differentiate a place on the basis of objective, easily copied attractiveness factors, place brands are sometimes seen as the primary tool for creating differentiation (Kotler & Gertner, 2002). Some research points to the potential role of place branding as a separate factor for attracting investors. Wilson, Baack and Baack (2014), for example, demonstrate the influence of one of its constituents: business managers (n=166) changed their attitudes about the location determinants offered by countries when they were exposed to targeted ad campaigns.

Two conceptual models have been established with regard to the role of place brand vis-à-vis investors and businesses. The empirically tested theoretical model of Jacobsen (2009, 2012), known as “investor-based place brand equity,” illustrates that when place brands quickly identify relevant attributes, they help influence the behaviour of investors (n=101). This model therefore suggests that brands can have a sort of “summary effect.” The author underlines that place brands have the highest potential to make a place stand out from its competitors “at the time at which the investor creates the awareness set and the choice set” (Jacobsen, 2012, p. 254). A conceptual model proposed by Metaxas (2010) demonstrates a theoretical link between place
marketing and the attraction of foreign direct investment (FDI). The author suggests that place brands can help attract investment as follows: when places play up specific assets that target the values and needs of investors, they can convey an attractive image inspiring credibility and trust. In addition, Papadopoulos, Hamzaoui-Essoussi and Banna (2016) illustrate the close association between the literature on the “made in” effect, place branding and FDI attraction. They underscore the lack of multidisciplinary studies and see potential for future research.

Despite the contributions of the aforementioned articles and the numerous publications claiming that place brands have an effect on attractiveness, part of the research agenda proposed by Hankinson (2010) is still relevant: there is a lack of empirical research focussed on analyzing the link between place brands and business attraction. Cleave and al. (2016) recently confirmed and showed that, despite this, those in charge of economic development (n=25) see place branding as effective at attracting businesses. To address this shortcoming, we propose to explore the role of place brands through the case of businesses that have chosen to locate in the Swiss canton of Vaud.

3. THE CASE OF A SWISS CANTON: context, research questions and method

Switzerland’s political and institutional system is based on a multi-level federalism characterized by a relatively weak centre (Ladner and al., 2013). While the various territorial units are encouraged to cooperate, voluntarily or sometimes involuntarily, on implementing public policies, they are also in a position of potential competition. As such, territorial units can use the economic, political and legal flexibility available to them to make their areas more attractive than the others. Although fiscal elements have attracted considerable attention, given the variations in tax rates from one canton or municipality to the next (Gilardi and al., 2013), regions distinguish themselves with numerous other attractiveness factors, specifically when it comes to the set of terms and conditions offered to businesses2.

The place branding exercise for the VAUD brand is the subject of our empirical study. Located in one of Switzerland’s most dynamic regions in terms of economic promotion and development (Nilles, 2012; Rufer & Eichler, 2015), the canton of Vaud has for many years been strategically positioned to attract businesses, largely thanks to the activities of the department of economic promotion and commerce (SPECo) and the Vaud canton economic development organization (DEV). Compared to other cantons, Vaud usually attracts more new businesses each year (SPECo, 2017).

Economic promotion activities highlight multiscalarity and multiple positioning, exhibiting a tendency towards overlapping, intersecting or layered territorial divisions and redivisions, as well as the adoption of place branding efforts by areas with borders that shift, depending on the targets and stakeholders involved. At the federal level, the Confederation’s economic promotion activities are ancillary in nature and supplement those of the private sector and the cantons (SECO, 2015). Among the fields covered (policy to support small and medium-size businesses, tourism, regional policy, and export promotion measures), the efforts to promote

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2 The set of terms and conditions offered to businesses refers to the institutional framework in which economic activities take place. These conditions are the voluntary or involuntary by-products of multiple sector-based public policies at several levels (Maillat & Kebir, 2001). They can be thought of as the group of measures instituted by authorities that can influence the environment in which a business operates.
Switzerland’s economic role are the ones that show foreign investors that the country is an excellent place to do business. The Confederation has given a non-profit association (under private law) called Switzerland Global Enterprise (S-GE) the mandate to carry out these efforts and works closely with the cantons.

While S-GE informs foreign investors about Switzerland’s assets as a place to do business, the cantons have the power to turn site decisions into reality. The process nonetheless involves a high level of cooperation between the cantons and the federal level. Four inter-cantonal economic development agencies are active internationally. When a foreign company expresses an interest in Switzerland to S-GE, the investment project is turned over to these 4 agencies and the 26 cantons, each of which can, independently, send a dossier to the interested firm (Monnier, 2015, p. 99). One section of the Vaud canton is part of Greater Geneva, a cross-border metropolitan area created with the cooperation of the cantons of Geneva and Vaud, and France. Despite lacking a place branding approach that is collectively supported by the stakeholders of this area (Vuignier, 2015), one section of the Vaud canton can potentially promote itself by playing up Geneva’s reputation. In its tourism marketing, the canton translates its slogan “Vaud Région du Léman” by “Vaud Lake Geneva Region.” Furthermore, the canton and city of Lausanne, in collaboration with the federal authorities, have implemented a public policy institutionalizing “Lausanne, the Olympic capital” as the international promotion strategy of Lausanne and its surrounding region (Pinson & Chappelet, 2014). The economic promotion of the Vaud canton thus takes place in a distinctive context of multiscalarity and multiple positioning.

The aforementioned special features thus make this case particularly relevant for analyzing perceptions of the area’s attractiveness and place branding. Vaud is sometimes promoted under the general aegis of Switzerland, sometimes as an integral part of the Greater Geneva Berne area (GGBa), and sometimes as a separate area, while certain target groups continue to associate it with the reputation of Lausanne, or even Geneva. Keen to develop a completely separate brand image, authorities officially launched the VAUD place brand in 2014 to promote the entire canton (SPECo, 2017). This case study highlights the dynamics involved in many territorial economic development efforts.

Illustration 1 – The VAUD place brand in its multiscale context
Our study focusses on the role of place brands in attracting businesses. Understood as the result of developing a place branding strategy to manage a place image, place brand is the subject of two research questions:

- In terms of differentiation, what effect, if any, do place brands have on the site selection process?
- How do business decision-makers view the multiple positioning and multiscalarity of an area and what are the managerial issues involved?

To address these questions, we will focus on three topics. First, to situate the company’s site selection within its decision-making context, we discuss which attractiveness factors are deemed most important. Second, the centrepiece of our exploration of differentiation is an examination of how businesses perceive the roles played by place image, reputation and, potentially, place brand. Third, we turn our attention to how the VAUD place brand adopts multiple positions for various relevant territorial levels.

This paper includes a case study that uses a public management approach. Given the weak theoretical development and lack of empirical study in the field of place branding, this research remains exploratory. The data analyzed were collected during semi-structured interviews using a mix of open-ended questions and targeted follow-up questions. This research has an interpretivist approach and is affected by a double subjectivity: that of the stakeholders questioned and that of interviewer.

We interviewed 30 business decision-makers from a variety of economic sectors who had chosen to locate to Vaud between 2010 and 2016. We also interviewed 10 managers of economic development agencies at various institutional levels, in Switzerland and in another federalist country (Appendix 1). The data collected were subjected to a thematic analysis similar to a “summary/review” analysis (Gavard-Perret and al., 2012, p. 290). The corpus was analyzed using the interview grid, revealing the respondents’ perceptions in the form of trends indicating a convergence or divergence of opinions on each theme.

4. PLACE BRAND AS A DIFFERENTIATING FACTOR: the perception of business decision-makers

The perception of business decision-makers with regard to place branding initiatives was surveyed during semi-structured interviews that addressed a series of topics. Interviews began with standardized general questions for all respondents and then continued with targeted follow-up questions that enabled individuals to focus on their specific experiences. Given the exploratory nature of our study and the number of individuals interviewed, it is difficult to generalize the phenomena observed. However, our findings provide an empirical basis that can be used to interpret various trends and generate ideas about managerial recommendations. Table 2 summarizes the contents of the interviews.

Firstly, all the business decision-makers felt that objective, tangible attractiveness factors were the most important, in other words, those that are part of a practical vision of the area. The list of specific factors considered relevant varied, given the variety of industrial sectors represented by the respondents. When respondents were shown a list of eleven criteria, they chose three as the most important: the existence of a cluster associated with the firm’s sector of activity, the presence of an ecosystem of innovation, research and development (R&D), and political stability. There was a distinction drawn between criteria considered essential, that is, those relevant to the business model and plan, and criteria deemed secondary, such as quality of life.

Secondly, with regard to the role of place image, reputation and brand in the site selection process, the respondents were sceptical when asked directly if place brand was a differentiating factor. The great majority said these elements played a secondary role, while some described them as playing a minor role. When respondents were asked to specifically choose from among multiple locations with similar attractiveness factors, we observed that the VAUD place name generated a “summary construct” effect (Han, 1989). In other

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3 The next criteria on the list were location and quality of infrastructure (transportation, telecommunications and logistics), market potential, labour force quality (human capital and expertise), corporate taxation and quality of life. The other proposed factors were protection of intellectual property, security, and the availability and cost of commercial and industrial property.

4 The author of this article is currently pursuing research that proposes to measure the “summary effect” of place brands by conducting an adaptive choice-based conjoint (ACBC) analysis.
### TOPICS

#### Attractiveness factors deemed most important

- Primacy of objective, tangible factors (practical vision of the area)
- Existence of a cluster, presence of an ecosystem of innovation, research and development (R&D), and political stability
- Quality of life as a secondary factor

#### The role of place image, reputation and brand

- For most respondents, these were of secondary importance behind objective factors
- Summary effect produced by place name

#### The VAUD brand, multiple positioning and multiscalarity

- Nearly all the respondents said that Switzerland’s image played a role in their site selection process.
- Half of the respondents had heard of the Vaud place branding initiative.
- The majority of respondents associated the Vaud brand with factors related to the region beyond the borders of the canton.
- The majority of respondents noted that the Vaud name is not famous enough to differentiate the canton.

### QUOTES

- “The key to economic promotion is offering opportunities.”
- “Vaud is not necessarily any different from other places in Switzerland. It has to showcase what the area has to offer in practical terms, for each and every sector.”
- “Branding does not really add much.”
- “VAUD met my top 4 criteria.”
- “What’s important is the “Swiss made” label.”
- “Swissness is a guarantee of quality.”
- “The entire Lake Geneva Region should be showcased, from Montreux to Geneva, all the clusters.”
- “Switzerland’s image plays a role. I would say that the clusters and capacity for innovation are the primary assets.”
- “Switzerland or Lausanne may be like a brand, but not VAUD.”
- “Switzerland’s image was a decisive factor, not Vaud’s. This is the first time I’ve heard of VAUD.”
- “Switzerland is already not that well-known, so it’s useless to promote VAUD. People have never heard of it and don’t know how to pronounce it.”

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Table 2 – Summary of qualitative interviews of business decision-makers (n=30)

words, the mention of this area summarized already known collected information, acting as a cognitive shortcut. In practical terms, the respondents believed that the place brand signified that certain factors were optimal in this territory (the factors in question varied slightly, depending on the respondent or the sector of activity), without requiring confirmation in the form of an analysis of the facts.

Thirdly, the questions of multiple positioning and multiscalarity revealed a key element: there was an almost unanimous belief that Switzerland’s image played a role in the site selection process, not the image of the canton, city or municipality. However, some respondents noted this while specifying that language was a differentiating factor, which is why they were drawn to Western (French-speaking) Switzerland. Moreover, the great majority thought that the relevant border, in terms of attractiveness, was the indeterminate region that includes Geneva, Lausanne and Lake Geneva. The actual borders of the Vaud canton were considered more relevant for administrative purposes once the canton had been chosen as the site. Several respondents remarked that the region needs a more consistent, coordinated strategy, noting that the multitude of initiatives and organizations blurs the message.
When the VAUD place brand logo (which contains the Swiss flag) was presented as the symbol of a place branding initiative whose strategic aims include attracting businesses, half of the respondents said they were unfamiliar with the initiative. The majority associated the place brand with factors related to the region beyond the borders of the canton. Although all of the respondents had chosen the Vaud canton and a specific municipality after conducting a practical comparison of several cantons and municipalities, the majority felt that their selection criteria could also have been met by another area in the region. In terms of promotion, almost all the respondents noted that the name Vaud is not well known enough to be a differentiating factor. On the other hand, respondents did say that the names “Geneva” and “Lausanne” were recognized internationally.

These findings suggest that, compared to traditional attractiveness factors, place brand appears to be a secondary differentiating factor in the site selection process. In fact, if the canton is considered in isolation, without its inherent association with Switzerland, place brand is even considered a minor factor. Nonetheless, there is a type of “brand effect” given that business decision-makers associate the place brand with certain specific attractiveness factors, thanks to a summary effect. The area covered by this association differs, however, from the actual canton boundaries defined in the VAUD place brand strategy. Instead, it is a larger, indeterminate region generally corresponding to French-speaking Switzerland, which is strongly associated with the country’s image and the reputation of the cities of Geneva and Lausanne.

Our place brand study thus helps clarify a grey area in place branding literature. According to the literature, the relationship between place brand and attractiveness factors remains unclear: while attractiveness factors are components of a brand, a place brand may have an intrinsic value that makes it a factor in its own right. Our findings show that place brand is perceived as a reorganization of specific attractiveness factors, which creates meaning in tandem with a relatively rational decision-making logic and a practical overview of the area. Our analysis thus suggests that place brand is part of a potentially resonant narrative for one of the primary targets of economic development: investors and business decision-makers. By summarizing what is relevant to the target market, the place brand can help the attractive place to become attracting.

5. MULTIPLE SPATIAL SCALES AND POSITIONING: managerial place branding issues

Multiple positioning is a challenge for management when the perceptions of business decision-makers are compared with those of the people in charge of place branding efforts to attract them. Firstly, there is a discrepancy between the actual area of the territory being promoted and the area that the target group of the study associates with this territory. Secondly, the assets showcased are not always identical to those considered crucial by businesses.

There are several ways to look at the discrepancy between the actual area of the territory being promoted and the area associated with this territory. While businesses do not attach a great deal of importance to political and institutional borders, place branding activities are dependent on such divisions. Some projects transcend such borders through collaborations (for example, the six cantons promoted under the aegis of the GGBa), but these jurisdictions—the canton and, to a certain degree, the municipality—determine the resources allocated (budget, staff, etc.), the political impact of activities (democratic legitimacy, local integration) and the practical terms and conditions offered to businesses. As a result, the assets showcased are not always the same as those that businesses deem important. Promoters focus on the area’s general assets and selling points approved by a consensus of stakeholders, while business decision-makers consider these elements superficial and focus instead on the specific terms and conditions offered.

The gaps observed can largely be explained by differences in the mentalities (political and institutional v. business) underpinning the activities of agencies in charge of economic promotion and those of business

\[5\] Most visual identities of cantonal and inter-cantonal economic promotion agencies reference Switzerland by including a white cross on a red background.
decision-makers. However, accepting this alleged inherent mismatch between these two ways of thinking runs the risk of justifying a wait-and-see attitude when it comes to place branding, which, given the strategic importance of attracting businesses, nonetheless deserves to be seen as a prominent public policy (Cleave and al., 2016). Therefore, it is necessary to increase stakeholder coordination at all territorial levels and to prioritize these levels by target.

From a business viewpoint, being the target of multiple place branding initiatives is not considered a problem in and of itself. Several respondents even remarked that they appreciated the unexpected competition among “sub-territories.” One respondent, who noted, “Switzerland is, in fact, 26 different countries”, thought it was positive because it encouraged places to propose competitive conditions, for example. However, our interviews did corroborate the findings of a study by Rufer and Wagner (2015): there is much that can be done to improve coordination among economic promotion stakeholders, notably at the level of defining tasks and regulating jurisdictions among regional authorities. Increased cooperation could also help with the constant adaptation of activities to follow developments and special cases.

Although the idea of reaching an optimum balance among territories is probably utopic (Houllier-Guibert, 2009c), our study shows that it is necessary to continue the never-ending search for a territorial level to prioritize, based on the expectations of the target groups. While the original idea behind our study was to understand the role played by the VAUD place brand, what actually proved to have an effect on differentiation was the place image of a territory with more fluid boundaries: for nearly all of the respondents, the perception of the canton place brand was coloured by the image of the country and the region in general. In terms of global competition, the primary differentiating factor was Switzerland’s image (Feige and al., 2016; Pasquier, 2008).

For the vast majority of respondents, the territory selected was a large area corresponding more or less to French-speaking Switzerland or the Lake Geneva Region with the cities of Geneva and Lausanne. Furthermore, although the specific terms and conditions offered to businesses can objectively differ from one canton to the next, business decision-makers also thought they were influenced by the image of the clusters that span multiple cantons. In this respect, when it comes to place branding, the Health Valley, a health and life sciences economic development project, has the potential to both unify and differentiate.

To prioritize place branding efforts and the adapted territorial level, our study suggests going beyond apparent contradictions and adopting a pragmatic approach. An umbrella approach does not conflict with specific place branding approaches focussed on themes, clusters or specific target groups. On the contrary, its aim is to ensure consistency and coordination. However, an excessively narrow vision of territorial boundaries that works against the efforts of other communities can generate tension between place branding strategies. Although understandable and perhaps legitimate from a political and identity viewpoint, such a vision is detrimental to efforts to attract business because it generates confusion. It also demonstrates a focus on fixed political and institutional borders that does not fit the shifting functional boundaries within which the companies of today do business.

The pragmatic approach recommended encourages a positioning that strikes a balance between global and specialized because specialization is not the only way to differentiate a place (Bros-Clergue, 2006). If, for the sake of an internal consensus, the place brand is too vague, it can contribute to a counter-productive symbolic poverty (Baur & Thiéry, 2013). On the other hand, if the place brand is too specific, it might fail to rally internal stakeholders and be unable to influence a range of targets wide enough to meet the objectives of diversified, sustainable development. The responses of the businesses interviewed underscore the relevance of simultaneously positioning a territory globally (country branding) and for a specific sector of activity (cluster branding), while questioning the focus on political and institutional levels like the canton, which are less pertinent from a functional standpoint.

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6 The authors used data from a May 2014 BAK Basel Economics survey of 22 Swiss economic promotion departments serving areas of varying sizes from a variety of linguistic and economic regions.
7 The Western Switzerland ecosystem includes various sectoral platforms or clusters, such as BioAlps, AlpICT, Micronarc and CleantechAlps.
CONCLUSION

Adopting a place marketing viewpoint and based solely on our exploratory study, our research calls into question the relevance of developing a place branding strategy using the image of a canton, for two reasons. Firstly, since the business decision-makers interviewed are aware of the country’s overall image and that of a region known for its big cities, mentioning the name of the canton is less effective at differentiating the place. Secondly, the political and institutional borders of the canton do not correspond to the economically relevant area. The space used for the businesses’ activities clearly transcends the boundaries of the canton.

Moreover, our study demonstrates that place brands tend to produce a summary effect. Becoming familiar with the components of this cognitive shortcut can help prioritize the attributes that should be promoted: the specific factors automatically attributed to the territory by the target via the place brand could be set aside so that differentiating features that had been left out could be used instead. Along the same lines, periodically surveying the perceptions of target groups would create an opportunity to adjust the attributes promoted and dynamically prioritize the appropriate territorial level.

Finally, in light of our observations, we recommend that place branding efforts simultaneously focus on the national level and the various clusters involving multiple cantons. In fact, a pragmatic approach featuring references to the national image and place brands that transcend political and institutional compartmentalization would be able to meet businesses’ need for sector-based specialization while taking advantage of the country’s strong image.
# APPENDIX 1

## Observation methods

Semi-structured interviews (open-ended and targeted questions)

Length: 30 to 70 minutes

## Sampling

Primary criteria used to select the individuals interviewed:
- The canton of Vaud was chosen following a process of reflection and study: i.e., the business could have chosen a site in a different area
- The respondent must be an executive or have been involved in the site location decision-making process
- The respondent must be available and willing to discuss the business’ site selection

## Business decision-makers

30 interviews were conducted between July and December 2016 with business decision-makers who had chosen to locate their companies in the Vaud canton between 2010 and 2016. 22 were CEOs, 6 were some other type of executive and 2 were businesspeople who had taken part in the site selection process but no longer worked for the company.

Non-probability quota sample of at least two businesses per important or priority sector, according to the priorities of canton authorities, whose primary legal basis for the Vaud canton economic promotion strategy and the **VAUD** brand project is the economic development assistance policy (PADE), which is a five-year plan defining the priorities of canton activities under the law to support economic development (LADE).

Number of businesses interviewed per field of activity:
- Cleantech 4
- Life sciences 4
- Services 4
- Engineering 4
- Commodity trading 3
- International sports 3
- Precision manufacturing 2
- Information and communications technology (ICT) 2
- Energy 2
- Finance 2

## Heads of economic promotion agencies

10 interviews were conducted between April 2016 and June 2017: 6 with representatives from various institutional levels in Switzerland (federal, inter-cantonal, cantonal, regional and municipal), and 4 with representatives from various institutional levels in Canada (federal, provincial, regional and municipal). The contributions of these interviews were secondary because the contexts differed, but they did provide an outside view that we found relevant, notably with regard to identifying general managerial implications from our specific study.

## Experts

3 experts were also interviewed during the same period. They were selected based on their knowledge of processes, as evidenced by their involvement in developing attractiveness strategies, and their ability to offer a potentially critical outside perspective.
Are place brands a differentiating factor in attractiveness? An empirical analysis of business decision-making

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