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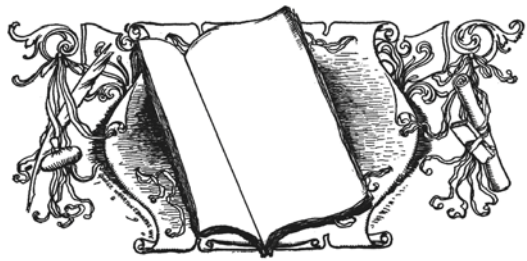

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FORMATION AND DEVELOPMENT FACTORS OF CITY BRAND

Today, most scientists who investigate the issues of place branding, consider the process of formation and brand management from the point of view of tourism, marketing and interaction with stakeholders (communication aspect). The article is accentuates attention on the expediency of consideration the specific and concept of the city brand in the field of public administration, since local authorities function as public authorities, whereby it becomes possible the formation of city brand and implementation its development strategy. The author identifies the factors that influence on the formation, management and implementation of city brand.

Keywords: *local authorities, city, city brand, city branding, public administration, strategic planning.*

Balaszov D. CZYNNIKI POWSTAWANIA I ROZWOJU MARKI MIASTA

Obecnie większość naukowców, którzy badają kwestie marki lokalnej, rozważają proces tworzenia i zarządzania marką w takich sferach jak: turystyka, marketing i współpraca z interesariuszami (aspekt komunikacyjny). W artykule zwrócono uwagę na wykonalność i specyficzną koncepcję marki miasta w płaszczyźnie administracji publiczne oraz jak samorząd tworzy markę miasta i realizuje swoją strategię rozwoju. Opisano czynniki, które wpływają na tworzenie, zarządzanie i wdrażanie marki miasta.

Słowa kluczowe: *władze lokalne, miasto, marka miejska, branding, administracja publiczna, planowanie strategiczne.*

Балашов Д.В. ФАКТОРИ ФОРМУВАННЯ ТА РОЗВИТКУ БРЕНДУ МІСТА

На сьогоднішній день більшість науковців, які досліджують питання місцевого брендингу, розглядають процеси формування та управління брендом міста переважно зі сторони туризму, маркетингу та взаємодії із зацікавленими сторонами (комунікаційний аспект). У статті закцентовано увагу на доцільність розгляду специфіки та поняття бренду міста у площині публічного управління, оскільки саме органи місцевої влади виконують функцію публічної влади, за допомогою якої стає можливим формування бренду міста та впровадження стратегії його розвитку. Визначено фактори, що впливають на формування, управління та впровадження бренду міста.

Ключові слова: *органи місцевої влади, місто, бренд міста, міський брендинг, публічне адміністрування, стратегічне планування.*

Балашов Д.В. ФАКТОРЫ ФОРМИРОВАНИЯ И РАЗВИТИЯ БРЕНДА ГОРОДА

На сегодняшний день большинство учёных, которые исследуют вопросы местного брендинга, рассматривают процессы формирования и управления брендом города преимущественно со стороны туризма, маркетинга и взаимодействия с заинтересованными сторонами (коммуникационный аспект). В статье сакцентировано внимание на целесообразности рассмотрения специфики и понятия бренда города в плоскости публичного управления, поскольку именно местные власти выполняют функцию публичной власти, с помощью которой становится возможным формирование бренда города и внедрение стратегии его развития. Определены факторы, которые влияют на формирование, управление и внедрение бренда города.

Ключевые слова: *органы местной власти, город, бренд города, городской брендинг, публичное администрирование, стратегическое планирование.*

Introduction

In modern Ukrainian society, in the context of globalization, economic uncertainty and instability, social and cultural processes in connection with necessity of rational use of resources, the issue of implementation of the city development strategy becomes more relevance and considered as one of the most important factors to ensure its sustainable development.

Due to the increasing and intensification of competition between cities within a single states and international level, greatly increased a need for construction of city brand.

Cities are competing both in traditional resources necessary to ensure their full development (such as people and material resources for infrastructure development) and for unique: tourism attractiveness, the investment climate and innovation. Accordingly, the level of competitiveness of the city are determined with more efficient use of resources or presence of unique resources. The competitiveness of the city directly depends on its position and reputation among different groups of stakeholders (investors, tourists, entrepreneurs, government officials, local people etc.).

The question of the essence and specifics of city branding or as a separate direction, or in the place branding was investigated in the works of such scientists as S. Anholt, M. Kavaratzis, S. Rainisto, P. Kotler, D. Heider, I. Rein, T. Moilanen, N. Morgan, K. Dinnie, A. Pritchard, R. Pride.

However, it should be noted that today the majority of scientists who study the issue of local and regional branding, consider the factors and processes of formation and brand management primarily in the field of tourism, marketing

and interaction with stakeholders (communication aspect). Among the theories that explore the specific branding of the city, not enough attention is given to elements and factors that influence the formation of city brand as well as on participation and regulation of this complex process by the municipality. This unresearched part of the general area of the city branding determines the relevance of this article.

Statement of research objectives

To identify the factors that impact on the processes of formation, implementation and managing the brand of the city by local authorities.

Results

Formation and control over the processes of formation of city brand within the competence of local authorities who act as public authorities and implementation city development strategy. Correspondingly, to increase the competitiveness of the city without the political will and desire of the municipality is impossible.

It should be noted that after the author's analysis of leading scientists in the world on the specifics of city branding, some of the highlighted factors have already been discussed and used, but only to study the specifics of city brand with relation to tourism, marketing and interaction with stakeholders (communication aspect).

To make municipality be able to effectively implement the city brand, it is advisable to allocate the factors that influence the development and managing the brand of the city, such as: strategic planning, leadership, local involvement and influence of local people, financial and economic feasibility and public-private partnership.

1. Strategic planning factor.

This factor, to the opinion of the author, must be decisive in the formation of the city brand. Strategic planning can be realized through a strategic change plan that has to combine with a definitive list of steps that must be done to achieve these objectives. Without a plan of strategic changes it is complicated to achieve the strategic objectives of the city, and also formation and management of the city brand.

Strategic change plan should include the following components:

1. Selection of the desired development horizons of the city.
2. Allocation of the strategic city objectives.
3. The list and sequence of actions to achieve the goals.
4. Determination of responsible people or departments.
5. Identification of potential stakeholders.

Definition of potential stakeholders and responsible people or departments is one of the most important stages of strategic planning, since the mayor, as

the head of the municipality, is the main strategist of the city, who should be responsible for the current and future condition of the city, and take political responsibility for the implementation of its development strategy.

So this stage of strategic planning is directly related to leadership component that once again determines the advisability of city brand research not as a separate concept, but as a set of interrelated factors.

6. Determination of the desired positioning of the city. City positioning is often viewed by scientists rather narrowly, as a part of the marketing analysis. Regarding the existing points of view of scientists who study the specifics of city branding in the field of tourism, marketing and communication theory, it should be noted that the prospects of city brand are seen, firstly, as a general vision of the future position of the city for the condition of obligatory use of methods of strategic analysis [1, p. 70-73], secondly, as a set of opportunities for the city that can offer potential stakeholder groups [2, p. 63-86], and finally, thirdly, a general representation and acceptance city development strategy of its leaders [3, p. 31].

To examine the positioning of the city in the context of strategic planning it is necessary to find a mechanism for effective use of resources of the local authorities, to analyze their organizational structure, consider the establishment of responsible departments and define their responsibilities and tools for the implementation of the concept of branding the city.

7. Analysis of the organizational structure of local government.

8. Determination of strategic analysis methods. These methods are used by local authorities to assess the current state of implementation of the concept of branding the city, provide opportunity to explore the positive and negative impacts on the city brand and identify ways to achieve the strategic objectives of the city. For in-depth analysis of strong and weak points of the city and construct ways to use strengths to minimize weaknesses, it is necessary to use the methodology of SWOT-analysis and identification of key performance indicators (KPI).Also it is important to use such methods and tools of strategic analysis as PEST, forming a matrix of stakeholders of the city, foresight, project-oriented management.

Given the important role of cities in the national economy, it is advisable also to also apply the methodology of the strategic planning as scenario planning not only at national level but also at the local level to ensure the overall competitiveness of the state, which depends on the competitiveness of cities. In the following scientific papers author will attempt to explore the relationship of national brand and the brands of individual cities.

9. Mechanism, tools and the resources needed for the implementation of the plan of strategic change.

10. Monitoring the implementation of the strategic plan. The responsible departments of local government, which controls execution of the strategic plan, should use modern methods of strategic and project management for the control of the current problems and global processes, specified in the strategic plan.

One issue that also needs further study is the need to apply the international standards of project management during the control over realization of the strategic plan implementation of city brand. Despite the fact that such standards of project management as the Project Management Body of Knowledge (PMBoK, used in the US) [4] and P2M (used in Japan) [5] are used in business administration, according to the author, it would be appropriate to analyze the international experience, the ability to use and implementation of the system of local government. Perhaps the construction of a new mixed model of project management in the field of city branding and public administration will help to increase the effectiveness of management processes at national, regional and local levels, improve conditions of public-private partnership that will definitely stimulate the economy and ensure the development of the social sphere of the city. Author will review this issue in future scientific papers.

Public control factor, local involvement and influence of local people, which will be discussed below (factor №3), should also be considered to control over implementation of strategic plan. With the establishment and functioning of the national program for the development of city-brand as a guarantee of national brand, it will be advisable to control of implementation of the urban development strategy by profile and special state authority, whose function would be to create implementation monitoring of independent concepts city branding.

2. Leadership factor.

In the field of tourism, marketing and communication theory, leadership is considered as a possibility of organizing power and control of complex processes [1, p.84-86], and also as an emotional landscape, social purpose and empowerment the mayor of the city [6].

However, considering the factor of leadership as part of the formation of the city brand with local authorities, it should be noted that one of the conditions for efficient construction of city brand is the presence of a strong leader – a mayor, considering disclosing potential and possibilities of his team, which implements the strategic plan changes.

Considering the factor of leadership, it is appropriate to pay attention to various theories of leadership and extrapolate them to the mayor as the main leader of the city.

The concept of charismatic leadership [7, p. 478-481] proposes to consider the mayor as the leader, whose activities and decisions have an impact on the

activities of all employees of the local authority. The charismatic mayor gives its employees understanding that in achieving and implementing the overall strategy of the city it is realized the potential of every citizen and must be improved living conditions of every citizen of the city. The followers of the mayor, noting his dedication to achieve specific goals, gradually position the interests of subordinate structures and municipality above their own interests.

According to the concept of transformational leadership [7, p. 481-483], the mayor can act as a transaction leader, who will motivate his employees to achieve this goal, or transformation leader, who will stimulate intellectual and mental development and take care of every employee of the municipality.

A Blanchard-Hersey situational leadership model [8, p. 592-594] indicates that the mayor must follow up the professional level of psychological maturity of municipality workers, because only the readiness to work under his leadership can create effectively working team that implements the development strategy of the city. Depending on the tasks in the framework of strategic changes, the mayor can use the task-centric (unilateral) or the anthropocentric (bilateral) communication.

The mayor shall determine leadership style by using the situational factors (a Stinson-Johnson situational leadership model) [7, p. 468-469]. One of these factors can be structured work (high or low) and focus on the ultimate objective of team work (as a result or as the construction and implementation of city brand, relationships with employees).In addition to the above theories it is appropriate to pay attention to the theory of cooperation and competition (does not concern the mayor, this is the question of leadership among cities within the same state and level of global governance) and the theory of integration processes.

Studying the theories of leadership in the area of managing the city brand is quite massive and relatively undeveloped question, so there is a need to explore it in more detail.

Important thing is that the level of confidence in the mayor as a representative of public authority and guarantor of effective functioning and development of the city influences the desire of investors and banks to cooperate with the municipality as there is more confidence that loans will be repaid on time. Thus, the level of confidence in the mayor and his team is directly related to the intended use of funds, which in its turn is the connection with the economic component of the financial and economic feasibility.

Impact factor of leadership in the formation of city brand is important, but without public involvement factor in this process, its effective implementation is almost impossible.

3. Local involvement factor and influence of local people.

The citizens of the city should be the main stakeholders in the city branding since one of the outcomes of building effective city brand is raising living standards of local people. They have a right to directly influence the formation of the city brand, since they are taxpayers, due to which it is possible to implement of the concept of city branding. Multiplier effect in this case is that citizens pay taxes to the local government both directly and indirectly through taxes by local companies. Therefore, paying taxes or buying products and services, the local population actively participates in fundraising mechanism for the implementation of urban projects and city development strategy. That is why the citizens of the city have the right to request the municipality accountable for the money spent from the local budget and influence the city branding processes. These forms can influence public discussion and petitions, participating in the mechanism of control and feedback from local authorities through public discussions, petition and forming public complaints. An important element of the impact of the local population on the city brand formation and the work of the municipality is to participate in public discussions of powerful public figures and philanthropists, who are outside the structure of local governments, and involvement of non-governmental organizations and foundations, because with their help it is possible to obtain additional financing (grants, financial assistance, etc.) for the formation of city brand and its development strategy implementation.

4. Financial and economic feasibility factor of the city brand implementation.

Research of scientists concerning factors that impact on formation of the city brand in the field of tourism, marketing and communication theory suggests that the factors that affect the economic component of these processes include the impact of the global market on the formation of city brand [1, p. 80-82], financial incentives for local manufacturers [3, p. 31] and improving the quality and cost of services for consumers in the process of interaction between stakeholders [9, p. 21-23], and the speed with which the city responds to internal and external changes in global and local markets [6].

Local authorities, considering the economic component and managing the brand of the city, should take into account the effectometry phenomenon under which all stakeholders receive a positive economic effect. When building a city brand it is important to consider their individual characteristics. The methods of strategic analysis may help to define competitive advantage. If extrapolating theory of technological gap of M. Posner [10, p. 40] at the level of the city, each city can make a breakthrough in any direction of scientific and technical areas and using these competitive advantages they may get profits and increase their competitiveness in the global market. On practical level, an example of this theory may be the city of Detroit, which in the first half of the twentieth century

positioned itself as a monopolist in the automotive industry, thus able to concentrate on its territory producing cars for state programs.

City brand should be considered as a similar to the corporate brand, but always considering the features of the city as an object of public administration. To study the economic component of city brand, the author considers that it is necessary to introduce "city brand lifecycle" stage which will be similar to the lifecycle of the organization and the corporate brand.

5. Public-private partnership factor.

Effectively established cooperation of local, national and international businesses with local authorities can provide the opportunity to introduce significant for socio-economic, cultural, sports and other projects for the city, programs and grants that can improve the investment climate of the city and increase the value and efficiency level of its brand. This issue requires more in-depth research to be made by the author in further works on research of the formation and the city brand management.

Conclusions

To sum up, it should be noted that today the participation of local authorities in the formation, management and implementation of city brand is relevant and requires detailed study, because without participation and building an effective work of the local authorities is complicated achieve the strategic objectives and build efficient and competitive city brand of the city. City branding should be considered as one of the most important tools of their positioning in the regional, national and international level. That is why local authorities should create a new model of city management, always bearing in mind its features and competitive advantages.

Considering the weak formalization of processes of the formation and implementation of city brand in terms of public administration, there is a need for deeper study of the factors that influence the development of the city brand by local authorities as strategic planning, leadership, involvement and influence of the local population, financial and economic feasibility of public-private partnership. It is reasonable to pay attention to a new approach to understanding the brand of the city and explore the relationship of national brand and brand of the city, since competitive cities provides development of various sectors of socio-economic sphere of the state. It is also important to consider the possibility of applying methods and tools of project management and strategic planning in the formation and implementation of city brand. Research of these factors will help to develop an effective model of city branding.

City brand can not be seen only as a set of visual and concept meanings, such as a logo and a slogan. City brand is the result of complex interrelated

processes, which influence a number of factors that should be considered and regulated by local authorities to achieve the competitiveness of the city since its high level and image depends on its compliance to modern high criteria of sustainable development.

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