

## The Analysis of World Trends of Territorial Branding Development

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### Abstract

This article deals with the problems of development and promotion of territorial brands on the level of countries, provinces and cities. Such states as Australia and Germany, the Austrian Tyrol and the city of China Hong Kong are the examples of territorial brands, showing their strengths and opportunities for the "advancement" of respective territorial entities. The article presents the author's formulation of the category "territorial brand". Much attention is paid to the identification of modern world tendencies of development of regional branding. The author has tried to systematize and to analyse each of these trends. It is noted that the creation of territorial brands is an on-going process, the role and importance of which have steadily increased in recent years.

**Keywords:** Territorial brand; Regional branding; Investment attractiveness of the region; Tourist and recreational attractiveness of the region.



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### 1. Introduction

At the present time, territorial branding is an important tool for forming the development strategy of territories. Creation of successful brand to a large extent contributes to the improvement of region competitiveness, regardless of its size: it can be a whole country, some part of it, a city or even a small rural settlement.

### 2. Methods

In scientific literature there are a large number of definitions of this category. In our opinion, territorial brand is characterized as a set of ideas about the region in the minds of people, supported by the value characteristics of the region in various areas of activity: administrative, recreational, sports, innovation, or some other. Finally, territorial brand represents a stable visual image of the region for a long time, remaining in the memory of all, who have dealt with it (Carpferer, 2007; Grant, 2007; Kavaratzis, 2010).

### 3. Results and Discussions

The brand of Australia, created in 2009 (see Figure 1), can be the example of effective brand of the country

Figure-1. Brand of Australia



The basis for the creation of this brand is the idea of unlimitedness of Australia. On the one hand, it locates very far from other countries, and on the other, it occupies the whole continent and possesses huge natural and economic potential, which currently isn't used in full, and has great reserves for accelerated growth. In addition, the arrows of

considered brand are made in the form of a boomerang, which, as is known, is one of the most famous symbols of Australia. The lower part of the right arrow resembles the island of Tasmania, which also is the integral part of this country (Dinnie, 2013).

It should be noted that more than \$ 20 million was invested in the creation of this brand, and its support was provided at the governmental level. This is due to the need to attract investment and to raise the tourist and recreational attractiveness of this country. Its positioning as a country of "unlimited opportunities" allows not only to enhance the world reputation, but also to identify the investment image of Australia, to make it clear and understandable to a huge number of people in all countries. At the same time, the brand acts as one of the

conditions for the country's financial, economic and socio-cultural development in the long term (Dinnie, 2004; Tahavieva and Nigmatullina, 2017).

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It is interesting to note that territorial brands are created not only by countries, which are remote from historically formed economic and cultural centres of the world, with the aim of popularizing them in modern conditions, but also by the leading, economically developed countries of the world, for solving the task of changing and "modernizing" their image.

Very interesting in this respect is the brand of Germany, developed relatively recently, and promoted at the highest level by the government of this country (see Figure 2).

**Figure-2.** Brand of Germany



Some repositioning of the image of Germany and the enrichment of its concept now has become an urgent necessity, which is caused by the significant changes, taking place in the world in recent years. Well-known around the world, Germany appears in this case in some new image as "Land of Idea" (Country of Ideas).

Germany is traditionally recognized in the minds of people as a centre of automotive, machine-building, chemical and processing industries, energy, etc., but now this brand radically changes these stereotypes. This is a new and largely unknown and mysterious country. The developed brand concept emphasizes the propensity for innovation, the constant search for something new and innovative, relatable to modern world realities.

At the same time, the innovative attractiveness of Germany as a country, aimed at achieving the highest world quality standards for all types of manufactured goods and services, is significantly increased. The propensity to constant generation of new ideas and projects is emphasized. It is very interesting to show the country as the world's leading centre for innovative technologies, creativity and ingenuity.

Germany as a "country of ideas" demonstrates to other countries its effectiveness and inspiration in various types of production activities. It can serve as a rather illustrative example of a properly developed marketing concept, creation and promotion of territorial brands on a global scale.

The example of successful development of regional brand is the creation of a brand of one of the Austrian lands - Tyrol. This economically

developed region urgently requires further "promotion" in the market, strengthening of its competitive position with regard to other Austrian regions and neighbouring countries (see Figure 3).

**Figure-3.** Brand of the Austrian land Tyrol



The province of Tyrol, with its capital city Innsbruck, now is not only the recognized centre of alpine skiing, which is visited annually by millions of tourists from all over the world, but also the largest social, economic and cultural centre of the European continent. Currently, this brand is widely used in the goods of various firms, representing the region in many branches of human activity (Eidelman and Fakhrutdinova, 2016).

One of the world's most famous urban brands, without a doubt, is the brand of Chinese city - Hong Kong. It is one of the largest financial, economic and socio-cultural centres in the world. For a long time it was under British control and only in 2000 it gained independence, and was annexed to the People's Republic of China.

Stable administration, law and order, open access to information, strong banking and financial system, low tax rates and successful geographical location, along with a highly professional and motivated workforce, serve as an excellent incentive for foreign investors (Meshcheryakov, 2011).

In the past and present of Hong Kong, there are deep historical ties between Asia and Europe, and this legacy provides positive prospects for the development of this metropolis in the foreseeable future.

The brand of Hong Kong city (see Figure 4) was developed immediately after the departure of the British in 2001, and its purpose was to preserve and multiply the multicultural and multinational values, accumulated over many years. At the same time, the key figure of this brand, like the whole of China, is the dragon, looking to the bright future (Eidelman *et al.*, 2017).

**Figure-4.** Brand of Chinese city Hong Kong



The analysis of foreign territorial brands, developed for whole countries and individual regions and cities, make it possible to identify a number of trends, which have been clearly manifested in territorial branding in recent times. Many of these trends in modern conditions are no longer local, but global. We will try to systematize and examine in more detail some of them.

1. The development and promotion of territorial brands have become wide-scale. It is an important part of marketing activities, aimed at "advancement" the relevant territory in the conditions of very intense competition, in all types of markets, without exception. Therefore, it can be concluded that territorial branding is very important tool for increasing the competitiveness of states and regions, regardless of their size.

2. The most intense attention at the highest levels

of government is paid to the creation of territorial brands at the present time. This is indicated by the huge funds, allocated for their development (it is usually tens of millions of US dollars in developed countries), and also by the fact, that their promotion is carried out at the level of governments of the leading states or the leadership of particular provinces or cities.

3. Territorial brands are one of the most important factors in the formation of positive image of the regions. The fact is that a stable visual image is formed as a result of creation of territorial brand. It is well remembered and remains in people's memory for a long time, and this, in turn, contributes to the emergence of a positive attitude towards the branded region.

4. Territorial brands are one of the key elements of advertising campaigns, conducted in many countries and regions. As a rule, they are devoted to holding various special events, such as global sports competitions (Olympic Games, Universiades, World Championships of the leading sports, etc.), major international political forums, symposiums, international cultural events, youth and student festivals, organization and holding of events with the participation of the heads of major business structures, etc.

5. At the present time, the role of territorial brands in the formation of investment and tourist-recreational attractiveness of the regions is strengthened. All this is especially important now, as the creation of an optimal

investment climate contributes to a significant inflow of funds in the regions, and the development of domestic tourism positively affects the solution of many socio-economic problems (reduction of unemployment, wage growth, acceleration of the country's socio-economic development, increase in values of indicators of the region's economy, etc.).

6. A large number of countries, including the "near abroad" countries, such as, for example, Kazakhstan, create territorial brands now. However, for many countries this is just the beginning of work in the field of territorial branding. As a result, some territorial brands are still difficult to identify, and further efforts are required to develop the branding strategy in these countries.

7. Territorial brands become a unique tool, which can solve a lot of serious problems, facing the regions at the present time:

- low investment demand;
- insufficient development of domestic tourism;
- high unemployment and other problems, existing in the labour market;
- insufficient degree of development of small business, typical for many regions of the post-Soviet countries;

- low level of services rendering;
- insufficient number of public catering and hospitality enterprises;
- low rates of social and economic development,
- etc.

8. The creation of territorial brands is necessary

not only for potential investors, tourists and guests of considered country, region or city, but also, first of all, to the population, authorities and general public of the region. This is due to the fact, that the dynamic socio-economic development of the region fully meets the interests of residents, living on its territory, as well as all those, who care about the fate of the region, wherever they are at the moment (Eidelman *et al.*, 2016; Yakubova, 2014).

## 4. Summary

Thus, it can be concluded that territorial branding is an important part of territorial marketing, which is rapidly gaining momentum in many countries of the world now. In a relatively short period of time, the quality of territorial brands has increased significantly. At the same time, the number of problems, which territorial brands should solve in modern conditions, has increased noticeably.

That is why the financial expenses for the development and promotion of territorial brands have increased substantially; as well as the fact that their support is carried out at the highest level - at the level of governments of the states, developing and promoting such brands on their territory.

## 5. Conclusions

This situation is not accidental, since the proper and effective brands make it possible to identify the relevant territory clearly, to promote the creation of positive image of the region, to promote its investment and tourist-and-recreational attractiveness for general public. And these, in turn, are precisely the tasks, which face the leadership of any territorial formation, regardless of its size and the number of residents, living there at the present time

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