

Rethinking the Branding Context for Municipalities. From Municipal Dominance to Resident Dominance

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Abstract

The increased global connectivity and mobility of both humans and capital has created competition between municipalities in attracting the resources needed to achieve their developmental goals. A call for papers focusing on reputation and brand management in Scandinavian municipalities has been announced. Today, it is absolutely necessary to be an attractive place and municipality, and brand management can be a tool in both achieving and communicating this. For branding to be effective, it is critical to have a good understanding of the branding context, and this conceptual paper explores the branding context for municipalities by analysing it—firstly, based on a product-oriented paradigm and, secondly, on service-based logics. It is argued that much of current place management and place branding research rests on belief in the product-oriented paradigm and thus focuses largely on the provider. In contrast, using service-based logics as a starting point places value creation at the center and shifts the focus to the resident. This has several theoretical and methodological consequences as well as practical implications for Scandinavian municipalities, and these will be discussed in the paper.

Introduction

The increased global connectivity and mobility of both humans and capital has created competition between municipalities in attracting the resources needed to achieve their developmental goals (Kavaratzis & Ashworth, 2008; Inch & Florek, 2010; Waeraas & Björnå, 2011; Waeraas et al., 2014). More and more municipalities in Scandinavia have realised the importance of being an attractive place and municipality and of having a strong image and brand (KL, 2008). At the same time as competition between places has intensified, the fields of municipal branding and municipal reputation management have experienced a rapid rise in popularity over the past decade (Nielsen & Salomonsen, 2012; Ryan, 2007), as have the fields of place marketing and place branding (Caldwell & Freire, 2004; Nedomysl & Jonasson, 2012). Almost 80.2 percent of Norwegian municipalities acknowledge that they have become more concerned with reputation management over the past few years (Waeraas et al., 2014), and municipal branding is frequently highlighted as important (KL, 2008). Corporate branding has gained increasing popularity in the last ten years in public sectors in the Western world (Waeraas, 2008). Today, it is absolutely necessary to be an attractive municipality and place, and branding is believed to be a tool in both achieving and communicating this.

For branding to be effective, it is critical to have a good understanding of the branding context. This paper is an attempt to achieve such an understanding (Yadav, 2010), and its purpose is to explore the branding context for the municipality and to develop a conceptual framework that can generate knowledge about

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the branding context and the role of the residents. This will have implications for both theory and practice and help municipalities develop a more effective branding strategy, both for the place and for the municipality.

It is important to recognise the complexity of a municipality. A municipality can be seen as a geographic entity, an organisation, and a political institution (Waeraas et al., 2014). For the present purposes, the municipality is primarily seen as an organisation. The municipality needs to market and brand both its own organisation and the place, which is closely associated with the municipality and for which the municipality is an important provider. Municipality branding and place branding are closely connected because the municipality is an important provider of both.

This paper argues that the branding context for the municipality needs to be further explored. Even though there is a growing consensus that public organisations can benefit from marketing, it is frequently stressed that the public sector represents a more challenging context than the private sector (Ryan, 2007; Waeraas, 2008; Whelan et al., 2010), requiring a different approach toward, for example, branding. It has been suggested that service-based logics are the new dominant paradigm for the marketing field, and they have changed the way many marketing researchers view the branding context. Warnaby (2009) explicitly suggests that place branding researchers would benefit from looking at service-based logics (e.g., Grönroos, 2006; Vargo & Lusch, 2004) for inspiration to develop the field, because such logics would help shed light on what is truly important for successful place brand management. Public organisations are typical service providers (Waeraas, 2008), which further strengthens the relevance of service-based logics for the municipal branding context. It has also been argued that branding in general would benefit from using the ideas of service-based logics, because these ideas would further our understanding of brands and branding (Merz et al., 2009).

The branding context for municipalities is explored in this paper. The traditional product-oriented paradigm, which is argued to dominate much of the existing municipality branding and municipal reputation management as well as place branding research, is contrasted to the perspective of service-based logics. It is argued that service-based logics constitute a more suitable frame of reference for branding, and this changes how the branding context for municipalities is understood as well as what the dominant unit of analysis ought to be.

Lately there has been increased interest in the user—that is, the customer—within service-based logics (Grönroos & Voima, 2013; Heinonen et al., 2010), and the customer plays a major role within the paradigm. An interest in stakeholders and customer orientation also has been emphasized lately in municipality branding (KL, 2008), public sector corporate branding (Whelan et al., 2010), as well as in place branding (Braun et al., 2013). However, the fields seem to lack a suitable theoretical framework that emphasises the stakeholder (Braun et al., 2013). As stated, service-based logics are used as a foundation in the this paper, which will focus on stakeholders and their role in the branding context, thus

filling a current gap in the research, which has important consequences for municipalities.

In the following sections, the place, place provider, and place stakeholder will first be discussed. Second, the branding context for the municipality will be analysed, initially based on a product-oriented paradigm and then on service-based logics. It will be argued that much of the current place management and place branding research rests on the beliefs of the product-oriented paradigm and focuses, thus, largely on the provider. In contrast, using service-based logics as a starting point puts value creation in the centre and shifts the focus to the resident, which has several theoretical and methodological as well as practical implications that will be outlined at the end of the paper.

Definitions and problematisation of the place, place provider, and place stakeholder

An established definition of place marketing is that provided by Braun:

The coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large. (Braun, 2008, p. 43)

According to Braun's definition of place marketing, the place must be regarded as valuable urban offerings. Seeing the place as urban offerings implies that a place is a composition of a multitude of different services and products (Hankinson, 2010). The place of course can also be defined based on geography, where it is seen as a specific geographical area. It is, however, seldom the geographical area that is the main interest. The area certainly provides specific conditions such as its location relative to other destinations (Insch & Florek, 2010) and its access to water (Zenker et al., 2013) and nature (Merrilees et al., 2009), which constitute important parts of the place concept. What is made of these conditions and the activity in the geographical area, however, is often of greater interest than the geographical area per se. In this paper, a "place" is seen as the urban offerings accessible within a municipality's borders.

In Sweden, the municipalities are responsible for a large proportion of community services, such as preschools, schools, social services, elderly care, city planning, housing, environmental protection, waste disposal, and water and sewer services. The municipalities are obligated by law to offer certain services, whereas other services and businesses are voluntary and determined by local politicians. Thus, the municipality has good opportunities to form the urban offerings—that is, the place. The municipality, however, is certainly not the only place provider. The urban offerings are provided by a number of different companies and organisations, and the place can be seen as co-produced by a multitude of autonomous organisations (Hankinson, 2010). For many offerings, there

are a multitude of different providers who together create a good offering of, for example, culture. Even if it is recognised that there are many providers and organisations accountable for a place, the role and great responsibility placed on municipalities imply that the municipality is a key place provider. This paper is focused on the municipality as an important place provider. Not considering other place providers implies a considerable simplification; for the purpose of the present analysis; however, the simplification is of no great significance.

A place has a diverse group of stakeholders that includes main groups such as residents, companies, and visitors (e.g., Hospers, 2004; Braun, 2008). To develop and enhance a place means creating and developing a good place for all stakeholders. However, because of the multitude of stakeholders and their unique needs, it is extremely difficult to develop one place brand that is suitable for all stakeholder groups (Zenker & Beckmann, 2013). Instead, the place can be seen as an umbrella brand where different brands are developed for different place stakeholders, although all belong to the same brand family (Kavaratzis & Ashworth, 2005). The present paper is focused on residents as one very important stakeholder group (Insch & Florek, 2010; Zenker et al., 2013). Local taxes represent around 70 percent of the municipalities' revenues, and consequently residents play an important role in municipal finances. Owing to technological advances and changes in their age structure, for example, residents today tend to be more flexible and more willing to move than ever before (Niedomysl, 2010). For this reason, one key goal for municipalities ought to be to create a good place for residents to live in, enabling municipalities to keep existing residents and attract new ones, thus contributing to the general economic development of the place. Furthermore, residents are not only passive place customers, but also active parts of the place and co-producers of public goods, services, and policies (Zenker et al., 2013), which makes them an especially interesting stakeholder group. The people living in a place are sometimes referred to as *residents* (e.g., Insch & Florek, 2008; Insch, 2010) and sometimes as *citizens* (e.g., Ryzin et al., 2004; Zenker et al., 2013). These two terms seem to be used interchangeably within the place branding field, although some (Braun et al., 2013) have claimed that the term *citizens* refers more to people with political power who can choose their local government officials. In the present paper, the term *resident* is used.

The product-oriented paradigm as a starting point

Place branding is a multidisciplinary field developed in academic disciplines such as geography, urban studies, public administration, sociology, and marketing. As a consequence, the place and place branding are viewed and defined differently across the field, and many different exploratory approaches can be identified. Place branding is sometimes interpreted as a way to make places famous, for example, and thus it is seen as a set of techniques used to enhance the place image. This interpretation of place branding has been widely criticised (e.g., Anholt, 2010; Warnaby, 2009), however, for offering too narrow a view of

the large and important field of place branding. Anholt (2010) argued instead that place branding should be seen as a process of accumulation of respect and liking for a place that goes on largely in the mind of the resident. This interpretation implies that one key goal of place branding is to develop a place that residents find attractive. It is important, however, to stress that public organisations exist to serve the public interest, which makes public organisations into complex entities, which are obligated to emphasise wider and often conflicting political, economic, and social interests; as a result it is necessary to balance the need to be resident-oriented and to be authoritative (Waeraas, 2008).

It is recognised within the field of public sector corporate branding, as well as place branding, that the outcome and success of a place cannot be articulated only in economic terms, and that measurement of the success requires the use of experiential dimensions (Bouckaert & Van de Walle, 2003; Rhee & Rha, 2009; Roch & Poister, 2006; Warnaby, 2009; Whelan et al., 2010; Zenker, 2011; Zenker & Martin, 2011). Quality of life (Warnaby, 2009), citizen equity (Zenker & Martin, 2011), and satisfaction (Bouckaert & Van de Walle, 2003; Inch & Florek, 2008; Whelan et al., 2010; Rhee & Rha, 2009; Roch & Poister, 2006; Ryzin et al., 2004; Zenker et al., 2013), for example, have frequently been used to measure place success. Place attractiveness is also an interesting research field; Florida (e.g., 2002), for example, has made great contributions through his work on the creative class as a key group of people for government and local authorities to attract. As people reach a certain level of material wealth, their focus will turn to the more immaterial aspects of life, and the attractiveness of a place will be more important to residents. To summarise, outcomes such as place satisfaction and place attractiveness are commonly used in place branding, and residents' opinions are regarded as important.

Outcome consumption is an important aspect of the product-oriented paradigm (Grönroos, 1998), and consequently, measurements such as satisfaction become important. The strong emphasis within municipality branding and place branding on measuring place satisfaction (e.g., Zenker et al., 2013; Inch & Florek, 2008) implies that place branding and municipality branding rest on the beliefs of the product-oriented paradigm.

The provider, the product, and the customers are the three key units of analysis in the product-oriented paradigm (Grönroos, 1998). These three units are also highlighted frequently in current place branding. The main unit of analysis is the place providers, among which the municipality plays an important role. When it comes to branding, the municipality has three important purposes. First, the municipality should find out what place features interest residents. This aspect of place branding is often described as *customer orientation* (Kavaratzis & Ashworth, 2005). Second, the municipality should develop the place so that it contains the features asked for by residents. Third, the municipality should market the place and make promises to residents through external marketing activities. With some exceptions (e.g., Braun et al., 2013), the municipality treats the branding process as a closed process in which residents take no direct part. If the place includes features that residents want, it is believed that the place will fulfil,

(Niedomysl, 2010), and the attention actually given to residents is limited to their thoughts on a number of the place attributes provided to them. The purpose of studies on resident place satisfaction seems to be to reveal underlying dimensions of a resident's perception about a place, and thus what many of these studies have in common is that they focus primarily on how to depict a city, which implies that the place, and not residents, is at the centre. The desires and needs of residents are not in focus. Thus, many studies take the providers and the place as their starting point, and thus the municipality dominance is significant.

Furthermore, apart from residents' opinions about the place, little emphasis is placed on getting to know residents. Basic information about them is often included in studies, but frequently treated more as background information than as a way to understand different residents' needs and desires (e.g., Insch, 2010; Insch & Florek, 2010; Zenker et al., 2013). Residents are typically treated as one homogenous group, although some conclusions are based on, for example, income level differences within the group (Merrilees et al., 2009; Ryzin et al., 2004). The lack of emphasis on residents' life supports the notion that current place branding is dominated by the municipality and other providers.

To conclude, even if there currently seems to be a strong interest in residents (Olsson & Berglund, 2009), they play a relatively subordinated role in current place branding and municipality reputation management. Traditionally, the dominant unit of analysis is the place and what it has to offer, rather than the different kinds of residents living there and their unique desires and needs. The branding context described in relation to a product-oriented paradigm in Figure 1 seems to be applicable to much of the current research on the attractiveness of places and resident place satisfaction as well as to municipality branding. In a simplified form, the place is treated as a product and the focus is on evaluating place features. The recipients of the place are treated, more or less, as *one* market.

Service-based logics as a starting point

The large and growing paradigm of service-based logics suggests that the product-oriented paradigm, and thus much of the current place branding research, emphasizes a unit of analysis that is not capable of producing value. By changing the unit of analysis to one that can create value, the research can be made more theoretically interesting and offer better input to practitioners.

Service-based logics are a stream in the relationship paradigm that has developed since the early 1980s (Grönroos, 1982). Service-based logics can be divided into the service-dominant logic advocated by primarily Vargo and Lusch (e.g., 2004), the service logic for which Grönroos (e.g., Grönroos, 2006) is the main spokesman, and the rather new customer-dominant logic introduced by Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström, and Andersson (2010). Service-based logics have won wide recognition through, for example, contributions such as Vargo and Lusch's article from 2004, "Evolving to a New Dominant Logic for Marketing," which has been cited more than 4,600 times

and has changed the way many marketing researchers view the branding context. For the present purposes, these three streams are not differentiated, and the term used is service-based logics, which incorporates all three streams of research. Ultimately, service-based logics are seen as an attempt to provide a foundation for a general theory of marketing (Vargo & Lusch, 2008), and thus they have also been suggested to be of relevance to place branding (Warnaby, 2009), which is otherwise often seen as a unique field that has few similarities with traditional marketing.

Service-based logics are founded on many of the same beliefs the general relationship paradigm is founded on, and they rest, for example, on the beliefs of market orientation, relationship marketing, and service dominance. There is a strong belief in the relationship between customer and seller, in which both play an active role. Service-based logics see the foundation of marketing as *value creation*, and one of the cornerstones is that value is created by the customer (Grönroos, 2008; Grönroos & Voima, 2013; Vargo & Lusch, 2004; 2008 to mention a few). The provider is a value facilitator and offers value propositions the customer can use to create real value—that is, value-in-use. As Grönroos and Ravald (2011) put it:

Value creation is the process of creating value-in-use out of...resources. Hence, value is not produced; resources out of which value can be created are produced (p. 7).

Value, in this paper, is seen as something that arises when the customer is or feels better off than before (Grönroos, 2008) and value is thus created when the customer *uses* the goods or services. This constitutes a major and important difference compared to the product-oriented paradigm, which sees the provider and the product as value creators. There is an agreement within the service-based logics that value-in-use is experienced by the user when he/she experiences the service; however, the service-based logics are rather vague about how value is actually formed or emerges during value creation (Grönroos & Voima, 2013). One stream of research sees the experience of value as a *process* (Heinonen et al., 2010; Grönroos & Voima, 2013). Value accumulates in a dynamic process with both creative and destructive phases, where value-in-use emerges over time through physical, mental, and possessive actions on the part of the user. Others see value-in-use as determined by the user and as based on personal perceptions of the *benefits* embedded in the offering (Aarikke-Stenroos & Jaakkola, 2012; Mahr et al., 2011; Sok & O’Cass, 2011). A third approach to value creation is that the customers’ use of a provider’s service is *goal-directed* (Macdonald et al., 2011). The user has goals on different levels, which form the customer’s mental model, and value-in-use emerges when goals are achieved. However, the identification and determination of value-in-use is still largely unexplored (Aarikke-Stenroos & Jaakkola, 2012; Ballantyne et al., 2011; Grönroos & Voima, 2013;

MacDonald et al., 2011), and there is a need to reflect on the concept value-in-use as well as to clarify its meaning that goes beyond the scope of this paper.

Value-in-use in a place context means that the place itself cannot create value. It is the resident him-/herself who is responsible for value creation—thus the concept of value-in-use (Grönroos, 2008; Grönroos & Voima, 2013; Vargo & Lusch, 2004, 2008). However, the municipality, as a place provider, can offer value propositions that facilitate the resident's value creation. Value propositions can be parks, exhibitions, playgrounds, trails, outdoor gyms, beaches, and much more. The better the propositions, the more value-in-use the resident can create for him-/herself. The task of the different providers of the place is thus to offer good value propositions that residents desire.

Value, however, can sometimes also be co-created by the provider and the customer, and in a place context, co-creation implies that the municipality can co-create value together with residents.

Interactions must then be established between the municipality and the resident. Interaction is seen as a mutual action, where two or more parties have an effect on each other. Because the value-creating capability belongs to residents, interaction is required if the municipality is to be able to co-create value and not be only a provider of value propositions (Grönroos & Ravald, 2011). Interactions occur when a resident meets a municipal employee at, for example, a school, a nursing home, or a library, and all employees can be seen as service providers with the ability to co-create value. The competence of municipal employees and how they view their jobs becomes crucial (Bjurklo et al., 2009), because they have the ability to contribute to value-in-use for residents. Residents' problems, needs, and desires must be known, understood and accepted by all employees, because when residents and representatives from the municipality meet, the municipality can engage in customers' value-generating processes as well as directly influence these processes. The importance of municipal employees has been stressed in previous studies concerning, for example, public sector corporate branding and customer orientation (Whelan et al., 2010) and, thus, the service-based logics' emphasis on employees is in line with this previous research.

It is important to emphasise that it is the municipality that becomes a co-creator of value with its residents, and that it is still residents who produce the value; the municipality offers assistance, however, rather than interpreting the situation as if it were the residents who have opportunities to engage themselves in the providers' processes (Grönroos, 2008; Grönroos & Ravald, 2010; Heinoonen et al., 2010). The emphasis on co-creation is made explicit in one of the foundational premises of the service-dominant logic (Vargo & Lusch, 2008): "The customer is always a co-creator of value" (p. 7).

To summarise, one of the main ideas of service-based logics is that the customer—that is, the resident—is the only one with the ability to create value, and the concept value-in-use is used to describe this. The municipality is sometimes a co-creator of value, but never the creator of value. The municipality mainly takes on the role of value facilitator.

If service-based logics are used as a frame of reference, they have consequences for how the branding context for the municipality is interpreted and understood. Figure 2 illustrates the branding context inspired by the ideas from service-based logics. The most important difference from the branding context, seen in relation to a product-oriented paradigm, is that the municipality is given a secondary role and the residents and their value-creating process are put in focus, which is represented in the figure by the upside-down triangle. The main unit of analysis shifts from the municipality and the place to the resident.

Another important difference is that the place is “missing” (Grönroos, 1998) because no pre-produced bundle of features constituting the place can be presented. Because it is the resident who creates the value-in-use, every resident creates his or her own place. This aspect of the service-based logics becomes difficult to recognise fully in practice. Instead, treating every resident as a unique resident ought to be seen as an ideal and as guidance, rather than as something that can be worked for concretely. The municipality should focus on developing value propositions, their employees, their technology, and the knowledge they need to be able to keep their marketing promises and to facilitate value creation for their residents.

Furthermore, because the municipality is able to co-create value in interaction with its residents, it should focus on creating opportunities for interaction and creating a joint sphere with its residents. Interactions between municipal employees and residents occur all the time, for example, at schools, nursing homes, city planning offices, and childcare facilities. It is important to identify these encounters as interactions and to see them as opportunities for co-creation. It is also important to take advantage of the opportunities for interactions that exist, but that do not always necessarily lead to interaction and potential co-creation. For instance, when a resident enters a library, an opportunity for interaction emerges. Interactions can be more or less developed. Being greeted in a friendly manner when one enters the library may be enough for the resident to experience more value-in-use from the visit than would otherwise have been the case. Interactions can also be more developed. For instance, the library could offer advice and guidance, give residents the opportunity to influence the purchase of new books, meet the young at preschools and the elderly at nursing homes with the help of bookmobiles, as well as offer readings and lectures by authors. These interactions enable the librarian to become a co-creator of value, and thus the emphasis on interactions is an important consequence of viewing the branding context for the municipality from the perspective of service-based logics. Furthermore, the “market” is replaced by the “residents,” because it is recognized that the recipient is not the market at large, but instead individual residents with unique needs.

The development of service-based logics is paralleled by, and reflected in, the branding literature. The branding literature has shifted from an output orientation to a process orientation, which is an important part of the service-based logics (Merz et al., 2009). There is also a shift away from product brands toward

corporate and service brands, in relation to which the stakeholders play a larger role (Leitch & Richardson, 2003).

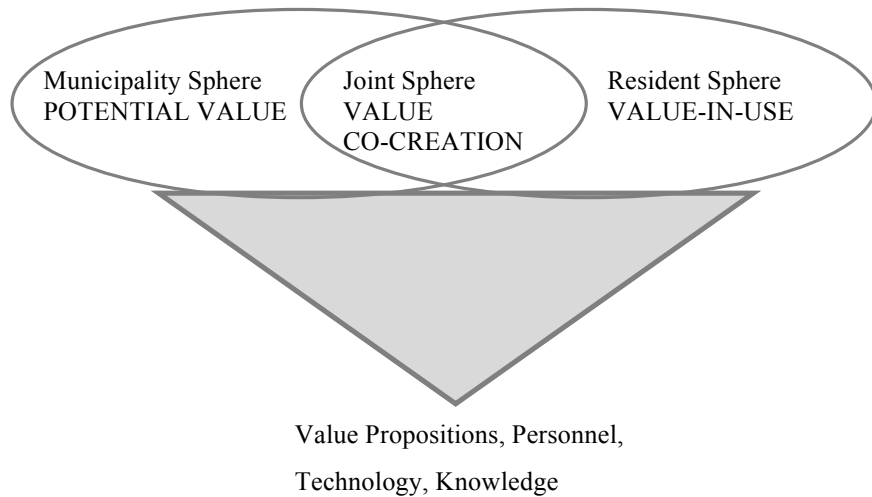


Figure 2: The Branding Context seen in relation to Service-Based Logics

Co-creation in the corporate branding process is highlighted as important, because it is believed to have clear benefits for the organisation. The impact of co-creation participation on consumers is, however, less well-defined in the branding literature (Ind et al., 2013). In the service-based logics, co-creation is also highlighted; the starting point, however, is not the organisation but rather the consumer. Thus, the service-based logics put the customer in focus in a way that the branding literature does not. Merz and colleagues (2009) argued that the service-based logics and the branding literature can reinforce and inform each other. A service-dominant organisation philosophy constitutes a good foundation for building a strong municipality image and strong brand relationships with all of the municipality's stakeholders. The service-based logics and the branding literature are, thus, not in conflict with each other; rather, the service-based logics' emphasis on value-in-use offers a good foundation for creating a municipality brand with which residents can have an intimate relationship. In the quest for a unique municipality brand, the ideas of the service-based logics help the municipality focus on the stakeholders. Creating a brand involves creating a profile, identity, and image (KL, 2008), and a service-based logics mindset helps the municipality put stakeholders' value creation in focus in this branding process. This can be an important counterpart to the focus on differentiation, which is evident in much of the municipality branding taking place today (Waeraas & Björnå, 2011). The link between the service-based logics and the branding literature supports the importance of the service-based logics for municipalities. Apart from being its own research field, it has been suggested that the service-based

logics be used as a foundation on which to build future branding research (Merz et al., 2009).

Resident dominance and implications

If the ideas of service-based logics are applied to the branding context for municipalities and research concerning residents, this would have several important theoretical implications. First, using service-based logics as a foundation would imply that value creation would be put in focus. Thus far, value creation has not been a major subject within, for example, place branding and municipal reputation management.

Second, with service-based logics as a starting point, the place itself is not seen as having any value. Instead, resident value-in-use has been introduced as a new, relevant concept in studies on place success. The shift in focus from resident place satisfaction to resident value-in-use has strong symbolic meaning. The word satisfaction implies an outcome-oriented view of the branding context, whereas *value-in-use* implies a process-oriented view of the branding context. One consequence of changing from resident satisfaction to resident value-in-use is that the dominant unit of analysis ought to be changed from the place and the place features to the resident and his or her desires and needs. The main focus should be shifted from what the resident thinks about the offerings to what kinds of *needings* he/she possesses. *Needings* is a term introduced to denote what customers want from their suppliers (Strandvik et al., 2012), and is useful in relation to service-based logics, because what customers want is central within the paradigm. Furthermore, satisfaction has shown itself to be elusive to measurement, and it is highlighted that satisfaction responses are easily swayed by the broader public mood (Bouckaert & Van de Walle, 2003), which supports the shift away from residents' place satisfaction to resident value-in-use.

Third, given the strong emphasis on the user within service-based logics—Heinonen and colleagues (2010) stressed that value is created in the resident's personal sphere—it becomes interesting to get to know residents on a much *deeper* level. The resident sphere consists of a multitude of different services from the past and expected from the future as well as a number of personal activities and experiences going on simultaneously that together influence the value-creation process (Heinonen et al., 2010). According to service-based logics, the municipality can contribute to residents' value-creation process as a value facilitator that provides value propositions, for example, city embellishments, access to broadband, effective heating, or garbage collection. By understanding how residents create value in their own personal sphere, it becomes possible for place providers to offer better value propositions and to develop place offerings that better contribute to high value-in-use for residents.

Fourth, the municipality can also contribute to residents' value creation as a value co-creator if interactions with residents are established and prioritised. Interactions between the municipality and residents thus become an extremely important research topic. The emphasis on interactions, the number of interac-

tions, and the broadness of interactions are all dimensions worthy of study (Bjurklo et al., 2009).

Fifth, because municipal employees have a major influence on residents' creation of value-in-use, employees need to be highlighted in discussions on attractive places. Studies on resident value-in-use need to include not only evaluations of value propositions, but also evaluations of employees' competencies and attitudes. Recruitment of employees who have the potential to be active participants in residents' creation of value-in-use and internal marketing also become important research topics as a result of viewing the branding context from a service-based logics perspective.

With the ideas from service-based logics come important methodological implications, because it is no longer interesting to understand only what residents think about their place but also to understand how they create value from the place. The provider perspective should be complemented by a resident perspective if we are to obtain a more complete picture of the success of the place as well as valuable input concerning how to improve, so that residents can create more value from the place. Furthermore, quantitative studies should be complemented with qualitative studies, which have been rare to date. Because every resident is unique and because the value creation process is complex and involves many different aspects, it may be difficult to capture all aspects in a quantitative study. Quantitative studies can still be interesting and provide a shallow explanation of the situation, but to truly explain the phenomena, they ought to be complemented with qualitative studies.

For a place provider such as a municipality, the ideas presented in the present paper also have important implications. A municipality should not focus on designing a nice "product"—that is, a place that can be marketed to the general public. Emphasis should instead be placed on branding *with* residents rather than marketing *to* residents (Bjurklo, 2009). If more service-based logics are applied, the focus will shift to how different stakeholders should be supported in creating value-in-use for themselves in the place context. According to the service-based logics, a playground—no matter how pedagogical and modern—has no value in itself. Value emerges when children play at the playground and the child achieves his/her own hierarchical goals (MacDonald et al., 2011), for example, self-development. This interpretation of the branding context has several consequences for how the place should be managed and handled by a municipality.

First, because the stakeholders differ, their needs (Strandvik et al., 2012) from the place will differ. This means that the municipality has to develop its customer focus and to work more seriously with segmentation *within* target groups, such as residents. It has previously been stressed that because public organisations have a responsibility for serving the entire population, they cannot rely on one single, overarching organisational identity but must be able to match the diversity of the market (Waeraas, 2008). Even if the recipients of the place, according to the service-based logics, are a wide variety of residents with unique desires and needs, this does not mean that it is not meaningful to try to identify stereotypes among the residents. Moving from one large segment—"the resi-

dents”—to a portfolio containing different kinds of residents could be a manageable and important step. One critique of the service-based logics is that the ideas are difficult to apply in practice; segmentation, however, is a way to transform the philosophy of the logics into manageable actions.

Second, because it is residents who create value, it is interesting to get to know them on a deeper level. Many municipalities today use quantitative studies to get a picture of what their residents, on the whole, think about the place, but more in-depth qualitative studies should be conducted as a complement. This would provide insights into *how* some residents use the place to create value for themselves, which would help in understanding what a value-creation process can look like, which in turn would be valuable knowledge for the municipality.

Third, because value from the place is created in the personal sphere of the resident and this sphere consists also of past and future services as well as many other experiences and activities, it is important that the municipality make resident value-in-use a general issue that is dealt with at the top management level. It is not only the separate services offered in a place that matter, but also how these services interact with one another. This implies that resident value-in-use cannot be an issue for only specific departments in a municipality, but must also be dealt with on a principal level.

Finally, the municipality can facilitate value for its residents in two basic ways. Value propositions, such as exhibitions, parks, and broadband access, can be offered, and value can be co-created in interactions with residents. In order to offer good value propositions, it is important that the municipality work with continuous development and in close contact with residents. Contact—that is, interaction—is also a prerequisite for the municipality becoming a co-creator of value. Many municipal employees have contact with residents on a daily basis in schools, nursing homes, and preschools. This contact must be treasured and thought of as interaction so that co-creation of value can be maximised. Internal marketing can be a tool for making everyone in the organization a part-time marketer (Gummesson, 1991), so that employees who deliver value propositions and who interact with residents can do this in the best way possible. Technology and the use of digital communication can be a crucial tool for establishing and maintaining interactions between the municipality and residents. Digital communication enables municipalities to be available at all times and it opens the door to new ways of creating interactions, for example, through chat rooms and forums. It is also important that municipality officials, who have overall responsibility for the municipality, get to know their residents, so that residents' interests are taken into account when officials make decisions. This can be done through good internal communication, where experiences and knowledge from administrations are transferred within the municipality organisation. Municipal officials can also use the municipality's operations to meet residents directly at schools, libraries, or nursing homes. It is important that the municipality meet residents on their own terms and in their own reality. If the municipality can manage to be part of a resident's world, it can also directly influence value creation.

Conclusion

The aim of the present paper was to rethink the branding context for a municipality in order to increase our understanding of the context so that branding efforts can be directed more effectively. When the ideas from the service-based logics (e.g., Vargo & Lusch, 2004; Grönroos, 2006, Heinonen et al., 2010) are applied, new light is shed on the situation. Service-based logics put value creation (e.g., Grönroos 2006; 2008) and, consequently, the resident (Heinonen et al., 2010) in focus and thus change the point of departure of analyses of the attractiveness of a place or a municipality. What is most important is neither the place itself nor the place providers. Instead, it is the residents and the value creation taking place in their personal spheres that are most important. Table 1 shows the main implications of the different paradigms when applied to the branding context for a municipality.

Table 1: Product-oriented paradigm vs. service-based logics

	Product-oriented paradigm	Service based logics
Dominant unit of analysis	The municipality and place features	Residents
Place success concept	Outcome: place satisfaction	Output: resident value-in-use
Municipality's role	Value creator	Value facilitator

A municipality that designs its branding efforts according to the beliefs of the service-based logics puts the stakeholder, in the present example the resident, more in focus. Branding would then be concerned with understanding and contributing to residents' value creation, creating interactions and opportunities for co-creation and with internal marketing to make all employees part-time marketers. How to promote and sell the place and place attributes would no longer be given priority. Such a change in branding strategy is likely to have positive consequences also for municipal reputation, which deals with beliefs about the municipality's capacities and intentions (Carpenter & Krause, 2012).

In place branding research, for example, it has been recognized lately that the perception of a place can differ significantly across target groups owing to their different perspectives and interests. It has been stressed that instead of reducing multiplicity and focusing on a single, predefined organisational identity, public organizations would gain from emphasising the diversity of their identities and values (Waeraas, 2008). The current academic discussion shows shortcomings when it comes to taking into account different target groups' perspectives and interests (Braun et al., 2013; Zenker, 2011; Zenker, 2009). Service-based logics can offer a theoretical foundation for research within the municipality branding context, which will move place branding research, as well as municipality branding, in a new, more customer-oriented direction.

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