PLACE BRAND MANAGEMENT IN DOWNTURNS: A THEORETICAL FRAMEWORK

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Abstract
In recent times the tourism industry has become an important source of income and also key economic growth indicator across the world. The tourism industry is also highly vulnerable to natural and man-made calamities. Over the years, media coverage of the disaster has conveyed the resulting loss of life, human suffering, public and private property damage, economic and social disruption. This period between the disaster and restoration of normalcy can be defined as a tourism crisis for a tourist destination which can threaten the normal operation and conduct of tourism allied business. This paper tries to explore the strategies used by companies to market their products at the time of economic downturn, which can be applied in a place brand context in the tourism sector. The study has utilized the concept of place brand equity to explain the situation and strategy because brand equity is the actual valuation and the perception of a brand. An extensive literature review has been conducted to identify the marketing strategies of branded consumer products at the time of economic downturns and is explained from the lenses of various dimensions of place brand equity.

Keywords: economic downturn, place brand awareness, place brand equity, place brand loyalty, and tourism.

JEL Classification: Z3; Z32

I. INTRODUCTION

In recent times the tourism industry has become an important source of income and also key economic growth indicator across the world. The tourism industry is also highly vulnerable to natural and man-made calamities like hurricanes, flood, pandemics, terrorist attacks, economic downturns, political instability etc., drastically affect the tourism sector and the development of the country as well. Irrespective of their nature, adversities make difficult, often tragic situations for the afflicted area and its inhabitants.

Over the years, media coverage of the disaster has conveyed the resulting loss of life, human suffering, public and private property damage, economic and social disruption. This period between the disaster and restoration of normalcy can be defined as a tourism crisis for a tourist destination which can threaten the normal operation and conduct of tourism allied business; perceptions of that destination; and in turn; cause a downturn in the local travel and tourism economy, which in turn reduction in tourist arrivals and expenditure (Sönmez, Baekman, and Allen 1994). In turn, this may cause an economic downturn which is harmful to a destinations tourism sustainability as the primary disaster. The international crisis in early 2009, affected many sectors of global economies and tourism is one of the highly infected (Stabler M. J., Papatheodorou A. and Sinclair M. T., 2010).

According to various statistics, tourism is the key contributor to the GDP of India. According to the study in 2017 of WTCC (World Travel and Tourism Council), India is in the third position among 185 countries, which tourism sector contribute more to total GDP. The Government of India has initiated various campaigns and place branding tools like “Incredible India”, Incredible India 2.0, ‘Atithi Devo Bhava’, ‘Visa on Arrival’ to attract more and more tourist to the country. India’s branding campaign is also far-reaching and it is reflected in an increased number of daily tourist inflow.

The brand “Incredible India” is proved to be one of the most liked places brand and tourism sector is now in a flourishing stage, the nation should always be prepared for an expected and unexpected crisis which may demolish the tourism industry. Tourism industrial experts should make master plans to tackle the situation, make a strategic move to market the tourism product in the downturn situation and keep the place brand India as most liking brand to the visitors.

Faulkner (2001) argues that there is a lack of research works on crisis and economic downturns especially in the tourism industry and aligned sectors. The lack of research interest is rather surprising
because downturn management and recovery are important as far as a nation is concerned (Lee & Harrald, 1999). Hence, this paper addresses the gap of exploring the marketing strategies used at the time of economic downturn by branded product settings, which can be applied in place brand context. The current study has utilised the concept of place brand equity to explain the situation and strategy, as brand equity is the actual valuation or the perception of a brand. However, there should be an initial difficulty in responding the chaotic situation, which is often unpredictable and hard to control, this paper helps the place marketers and tourism authorities to decide a diplomatic way in a downturn situation. Hence, the research questions arise in the current study are:

1. What are the main marketing strategies adopted at the time of downturn, by the branded products which can be adopted by a place brand?
2. How can it be explained with various dimensions of place brand equity that leads to visit intentions?.

II. LITERATURE REVIEW

To address the above research question reviews related to place brand, brand equity, downturn and strategies adopted at the time of downturn where reviewed.

Places as Brands
Place branding campaigns have not limited to just raising awareness and making differentiation through logos and taglines (Hankinson, 2001), it is also a promise of a brand for a wonderful brand experience. By branding a destination, a place would be succeeded in creating positive and favourable brand images linked to the attributes such as heritage, festival, medical tourism and many more. By the development of positive brand images, a destination can make a successful transformation from the past. (Ward, 1998). There are many success destination brands are an example for this (Malaysia- ‘truly Asia’, Dubai etc)

But even if there are many excellent place brands, branding a place are a more complex and multifaceted concept (Morgan et al., 2007) than branding a physical product. Because a place contains both holistic product and nuclear brand and it is also has a huge collection of contributory elements, separate individual services and many other facilities. Which means, a place/city can have an overall reputation as an “industrial hub”, while other contributory elements like a stadium, museums, mall, backwaters, beach etc will be having their own separate individual reputations. Another reason for its complex behaviour lies in the experiences of visitors. A place marketers/ tourism marketers task is not easy compared to the marketing manager of a company as a different tourist place gives a different experience to the tourists. Finally, place brands are multi-functional, the facilities and attraction of a destination are consumed by residents and tourists and other visitors with special interest. So that the perception about the same place will be different from others (Ashworth and Voogt, 1990). Therefore, the same place the product can be consumed simultaneously by different consumers' segments.

Understanding downturns
The economic downturn means a general slowdown of economic activities, continued for a while. It may happen to a specific place (Asian financial crisis of the 1990s) or as a global form (Global financial crisis at 2000s). The main curse of downturn includes unemployment, the decline in investment, falling of share prices etc. numerous authors have attempted to understand downturns in the form of crises and disasters. A crisis is defined as (Pauchant and Mitroff, 1992) “a disruption that physically affects a system as a whole and threatens its basic assumptions, its subjective sense of self, its existential core.” Faulkner 2001 believed crisis as “any action or failure to act that interferes with an organisation’s ongoing functions, the acceptable attainment of its objectives, its viability or survival, or that has a detrimental personal effect as perceived by the majority of its employees, clients or constituents.” He also explains the principal difference between a ‘crisis’ and a ‘disaster’. According to him crisis’ describes a slow coming somewhat predictable at least at last stage, whereas disaster can be a sudden unpredictable catastrophic change happened which has little control (Faulkner, 2001).

An economic crisis could be a turning point for different sectors, including tourism and it may significantly affect a nation’s socio-cultural outlook as well (Henderson, 2006). A declined economy which is followed by a big economic crisis will have a serious impact on the tourism markets. Working-class and middle-lower employees may face possible layoffs worst conditions, might compulsorily cancel their travel plans due to their reduced income and a low travel budget (Steiner, 2011; Song & Lin, 2010). Yeoman (2012) clearly explains, the effect of the economic crisis on the mind-set of tourists, who will analyse the prices of products as never before. Downturn news in the media will affect the country’s reputation, will also influence the tourist inflow to the place. Thus downturns are expected to affect the tourism industry as the result of changes in income and prices and it has also smashed the economy by the reduction of Gross Domestic Product and disposable income (Goh 2012). Downturn faced by an economy will also affect domestic tourism as well. An economic crisis will likely to decide whether to travel or not if they travelled to a destination with a reduced number of days as they decided earlier.

Place brand equity and dimensions
Due to its increasing popularity, the concept of place brand equity has been gained importance both in the tourism and hospitality sector. Past literature on place branding unveils that brand equity of place brand is the one area where serious research works have been conducted. Measuring the brand value of a product or
services is usually called brand equity. Aaker (1991) defined “brand equity as a set of brand assets and liabilities linked to a brand, its name and symbol add to or subtract from the value provided by a product or service to a firm and/or that firm’s customers.” He explained brand equity under five dimensions: 1. brand loyalty 2. brand awareness, 3. perceived quality, 4. brand associations, 5. other proprietary brand assets. This definition quoted for branded products and to service context. Keller (1998), defined “customer-based brand equity as the differential effect that brand knowledge has on the consumer or how customers respond to the marketing of that brand.” In the words of Keller (2001), the brand equity is a multidimensional concept and includes, “brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance”. But all those explained are from the branded/corporate point of view.

Empirical works on place brand equity in the context of the hospitality industry have started (Cobb-Walgren et al. 1995). The study found brand equity has a significant role in purchase intention and brand choice. Brand equity in place marketing plays a very important role in launching innovative tourism products, the intention of tourists and identifying loyal visitors. (Horng et al., 2012). In literature, the concept of brand equity has been discussed both from the context of marketing and finance and from different viewpoints/perspective. Most of the tourism studies are tourist-oriented studies (Customer-based brand equity). But a minimal number of studies are available from the stakeholder’s point of view.

A major number of place brand equity studies anchored and based on the Aakers brand equity dimension. However, there are other dimensions also studied contextually. The table explains some of the most cited studies, and dimensions used exclusively in place brand equity context.

### Table 1: Dimensions of Place brand used by researchers

<table>
<thead>
<tr>
<th>Journal</th>
<th>Authors</th>
<th>Country</th>
<th>Dimensions explained</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism Management</td>
<td>CHS Liu, SF Chou</td>
<td>Taiwan</td>
<td>marketing strategy, brand equity, travel motivation</td>
<td>2016</td>
</tr>
<tr>
<td>Journal of Destination Marketing and Management</td>
<td>Á Herrero, H San Martin, J Collado</td>
<td>Spain</td>
<td>Country familiarity, Country’s destination Image, Awareness of the regional destination, Perceived quality of the regional destination, Loyalty toward the regional destination</td>
<td>2015</td>
</tr>
<tr>
<td>Tourism Management</td>
<td>C Bianchi, S Pike, I Lings</td>
<td>Chile, Brazil and Argentina</td>
<td>Destination brand salience, Destination brand associations, Destination brand quality, Destination brand value, Attitudinal destination brand loyalty</td>
<td>2014</td>
</tr>
<tr>
<td>Organizations and Markets in Emerging Economies</td>
<td>H Yuwo, JB Ford, MS Purwanegara</td>
<td>Indonesia</td>
<td>Awareness, Image, Quality, Loyalty</td>
<td>2013</td>
</tr>
<tr>
<td>Journal of Travel Research</td>
<td>WC Gartner, MK Ruzzier</td>
<td>Slovenia</td>
<td>Awareness, Image, Loyalty, Quality</td>
<td>2011</td>
</tr>
<tr>
<td>International Marketing Review</td>
<td>S Pike, C Bianchi, G Kerr, C Patti</td>
<td>Australia</td>
<td>Brand loyalty, Brand quality, Brand image</td>
<td>2010</td>
</tr>
</tbody>
</table>
From table brand image, brand awareness and brand loyalty are the most used dimension in a place/destination brand context. So the current study proceeded with the same dimensions to explain marketing strategies at the time of downturns. To address the first research question various strategies used by the product brand has been considered in the context of a place brand.

**Strategy 1: Utilise advantage of place image positioning at the time of downturns.**

Image and imaginary about a place will secure a position in the mind of the person. So positioning a brand (either place brand or product brand) in the mind of the consumer is very important. If a product/ or place is grown as a well-established brand it will be placed in the mind of the consumer. Say for instance, in the automotive market, non-premium brands, such as Hyundai or Skoda are well positioned in the mind of the consumer, even if ads are comparatively less they can survive in the markets at the time of downturns. Place marketers should also try to make all the effort to create a place brand to a well-established, favourable brand before the crisis period. They can utilise all media to ads, conduct innovative branding campaigns etc, at the pre-downturn period. Thus it can save the huge advertising budget at the downturn period, without changing the perception and image of a place by a tourist. So the planning should be started from the pre-downturn period itself.

**Strategy 2: Brand extension strategy to destination.**

At the time of downturns if branded products shouldn’t wish to move their brands to a down-market by cutting the price, they can introduce a “fighter brand” which is a lower-priced version of the premium offering but at a different package and name, and when the crisis ends, these brands can either be withdrawn or continue as a product line. For example, wristwatch brand Titan which is a semi-premium brand by Tata Group in India, launched Sonata, the fighter brand in the year to eliminate competition and to secure a position in the lower market. It is a brand extension strategy. Brand Sonata will be in the limelight image of Tata. But in case of place brands launching fighter brands are not possible but they can try a brand extension strategy, means they can find out new tourism products like paragliding at famous mountains and aqua tourism (converting traditional “chemeen kettu”(Shrimp farm) to experience fishing, boating and dining) etc.

**Strategy 3: Use e-WOM as the strongest media to create awareness at economic downturns.**

During downturns, cash-strapped marketing departments might be under pressure to do more with a very less and exhibit high ROI (returns on investment). At what point of time the share of advertising budgets allocated to broadcast media should be devoted to direct marketing and online ads which is typically less expensive but more effective, also the performance is relatively measurable. See how Pepsico has adjusted its marketing. Marketing department identified that carbonated beverages had been slowly but surely losing share before the recession but consumers consider it as a good refreshment value. Pepsico’s started digital media ad campaign “Optimism” and targeted youthful “live-for-today” segment to reinvigorate its carbonated drink category. Online Word of mouth has the biggest role in the tourism sector also. Tourists will also check online social media sites to view pictures and reviews before they plan to visit a place. At the time of downturns or another period, online social networking sites are the good form of marketing a place with a cost-efficient and more effective marketing campaigns to create awareness among the visitors.

**Strategy 4: Maintain a loyal consumer with many loyalty programmes at downturns.**

During the recessions, it is more important to remember that loyal visitors are the primary to endure cash flow and growth of the place. (eg: see how Johnson & Johnson stayed in the market at its downturn period. A loyal consumer is ready to buy their product even if it is proved cancer-causing ingredients in some of their products. Another example, Maggi Noodles. A place brand can start any number of loyalty programs of their products. Another example, Maggi Noodles. A place brand can start any number of loyalty programs at the initial stages itself. Stakeholders of a tourist destination say local authorities, accommodation providers, travel agents etc can join together to make innovative and attractive loyalty programmes like reward points and personalised emails to create and maintain loyal visitors. Loyalty programmes in the tourism industry have evolved to add more value to the visitor’s travel experiences. If the membership level is high, loyal tourist will be receiving greater privilege and reward points. Tier reward points, fee-based loyalty programmes, non-monetary rewards etc are some of the big examples of loyalty programmes. Multi-currency programmes (eg: Qantas Airlines Frequent Flyer Points) save passengers time by providing currency exchange benefits. So all these will
increase the commitment and attachment towards the place and tourists will love to revisit the place.

III. CONCEPTUAL FRAMEWORK OF THE STUDY AND DEVELOPMENT OF HYPOTHESES

The study suggests that marketing strategies that can be adopted in various dimensions place brand equity may have a positive impact on the visitors’ travel intention at the time of the economic downturn period. Thus a conceptual model for this research agenda is explained in Figure 1.

Place brand Image.
There are some general points common in all the viewpoints about destination image- it is being the sum of beliefs, impressions some ideas that one has about a place (Crompton, 1979; Beerli & Martin, 2004), results from visitor’s perception and encompasses a mental evaluation (Beerli & Martin, 2004). Following Associative Network Memory theory, some authors agree that elements of destination image hierarchically associated and it generate a general impression (Pan & Li, 2011), and registered in the long term memory (Agapito, Pinto, & Mendes, 2017; Gartner, 1986).

With a perfect and favourable image, destinations will be able to position their tourism products and directly appeal to the needs of the focused visitors (Aaker, 1991; Baloglu & Brindberg, 1997; Cai, 2002). Tourists usually have sets of quality expectations and images of the place that they desire before consumption (Metelka, 1981). Thus visitor’s place brand image is a function of the total image resulting from destination image promoted by the marketers and their own experience. A place brand image is developed fundamentally from all the marketing stimuli created by formal and informal marketing communication development for a tourist place. It can be through the ads in the media, news about a place, pictures the usually see, innovative advertising campaign etc. These influences build mental pictures and some perceptions signifying what visitors observe and feel/experience about the tourist place. Kim et al., (2014), argue that image/imaginary “refers to the psychological process engaged in by listeners during exposure to ads” So, even if an individual has never been to a place, the mental imagery of the place fuels his/her intention of visiting it (Goossens, 2000).

Relationship of place image and intention to visit.
As mentioned earlier place image refers to perceptions about a place in the mind of the individual (Arendt & Brettel, 2010; Keller, 1993). This perceptions or image conjured up by a place will encourage a tourist’s travel intention to visit (Camarero et al., 2010). This image is reflected in the resources linked to the place and will inspire the tourist to buy tourism products also. This image of the place will always be there in the mind and will pop up whenever they take a travel decision. Many past studies demonstrated that image of a place significantly affects visit and revisit intention (Choi, Tkachenko, & Sil, 2011; Nadeau, Heslop, O’Reilly, & Luk, 2008; Lee et al., 2008). Based on this the hypothesis framed is

H1 Place image positively influences visit intention.

Place brand Awareness
Brand awareness always has a decisive role in the set of brands when a consumer is in a confusing stage to select a product or service (Lin, 2013; Sam, 2012). Brand awareness defined by Keller (2003) as a “personal meaning about a brand stored in consumer memory, that is, all descriptive and evaluative brand-related information”. Companies will focus on customer’s awareness about the product to create a positive response. Brand awareness is the likelihood that a brand will come to mind. According to Keller 1993, it contains brand familiarity and brand recognisability. Spreading of brand awareness is one of the possible ways to increase sales. So the main aim of marketers is to generate awareness helps to increase effect, positive associations, belief towards a brand, thus to maintain a long-standing competitive advantage (Foroudi et al., 2014), Aaker (1996) proposes that brand knowledge is important since it does not only do it strengthen the brand and make it effective but it also an important factor that impacts on consumer attitude to a brand by creating a source of belief and association. Brand awareness has a key role in consumers’ buying decision-making process. It consists of “individual recognition, knowledge dominance and recall of brands” (Kim, Kim, Kim, Kang, 2008).

Online Social Networks (OSN) is one of the main platforms for creating awareness about the product. OSN is the sum of sources of online media that are initiated, circulated by different individuals to inform each other about places/products, brands, different services, etc (Blackshaw & Nazzaro, 2004; Kasavana et al, 2010). It includes online sites such as Facebook, Instagram, Twitter, MySpace, LinkedIn etc.
(Isacsson & Gretzel, 2011) these sites also cover, blogs, message boards, and Vlogs (Nusair, Bilgihan, & Okumus, 2012). Networking sites will create a virtual social platform where the users can interact with each other by comments, posting reviews, videos, and photos (Ip, Leung, & Law, 2011). So that companies will use social networking sites to make awareness about their products (Inversini & Masiero, 2014; Mason & Nassivera, 2012).

**Relationship of brand awareness to travel intention** While navigating reviews and pictures about a destination in social media and travel blogs individuals will be more aware of a particular place. Many of the visitors will share their experience in the place will intent others to visit the place (Hsu & Lin, 2008). The individual may get abundant of information and learn extensively and this may lead to an integral part of the traveller’s decision process and intention to visit, (Beerli & Martin, 2004; Bigné et al., 2001; Echtner & Ritchie, 1991) even if at time of downturns. Hence the researchers propose the second hypothesis

H2: Place Awareness is has a positive relationship with the tourist’s intention to visit a place.

**Brand Loyalty.**

Brand loyalty has been a central point of interest for both marketing practitioners and researchers. Aaker and Keller had a different point of view regarding the relationships between brand equity and brand loyalty. According to Aaker brand loyalty is one of the important dimension of brand equity, whereas Keller believed brand loyalty is the outcome of brand equity (Aaker, 1991; Keller, 1993). There are two schools of thought determining brand loyalty, behavioural and attitudinal component (Keller, 1993, Jacoby and Chestnut, 1978) Behavioural brand loyalty is measured in terms of repeat purchase and is observable by actions of loyal customers. Attitudinal brand loyalty is a positive attitude shows towards the brand by the active engagement of positive and favourable word of mouth about the company (Clarke, 2001)

According to many authors, brand loyalty is the core dimension of CBBE (Aaker 1991, Pappu and Quester; 2008, Tong and Hawley 2009). Oliver, 1997 pointed it is the in-depth commitment to purchase again and patronize a particular product consistently in the followed years, despite any situational influences or marketing efforts having the possibility to cause switching behaviour. Brand loyalty is typically associated with satisfaction of the consumer. So the reason for conceptualising brand equity is that it helps the managers to plan their marketing tactics by improving the value of the brand in the minds of the consumer (Keller, 1993). All effective marketing activities on the brands foster big confidence of the consumer. This confidence brings their willingness to pay and the consumer’s loyalty.

Loyalty plays a paramount role in tourism literature. Thus tourism scholars had given clear interest to prioritized “loyalty” in their area (Shoemaker & Lewis, 1999). The researcher established and proved the relationship of loyalty to brand quality, perceived value tourist engagement etc (Boo, et al., 2009: Yuksel et al., 2010). Same as product loyalty, place loyalty also has behavioural and attitudinal loyalty (Yoon & Uysal, 2005). Oliver (1999) developed a model which explains a 3- stage practice of loyalty generation, they are a combination of perceived product superiority, personal fortitude and social bonding.

**Relationship of place brand loyalty and intention to visit.**

If a tourist place is understood as a product, the level of loyalty by the tourist is reflected in their behavioural intention to revisit the place and to recommend the place to others and give positive reviews in online media (Oppermann, 2000). Bigné et al. (2001) reported a strong positive relationship to exist loyalty and intention to recommend. Lee et al (2005) discovered visitors who have a high level of emotional attachment were more likely to recommend the place to others. As mentioned earlier a visitor with high loyalty towards a tourist place may prefer the same irrespective of any downturn situations. Based on the above relationships the study proposes the following hypothesis

H3 Place brand loyalty has a positive relationship with the intention to visit.

**IV. Conclusion**

The current study attempted a theoretical approach to identify the marketing strategies that can be adopted to place brands in the economic downturns, which helps in competitiveness and the market success of the places and tourist destinations. In this sense, this article has explained the theoretical foundation from the point of view destination brand equity, since the tourist spots are promoted as brands. The study proposed a model where included the marketing strategies that can be effectively used in downturn situations. Even though the after-effects of the crisis on tourism is not a new research field but the strategies to tackle the situation especially in place brand is relatively new. The four strategies noted in the study is based on successful marketing strategies of non-place brand context but can be adopted in place brand context.