



City Branding and Urban Investment

A ULI Urban Investment Network Report

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This InfoBurst distils the conversations held at a ULI Urban Investment Network workshop on City Branding held at MIPIM, Cannes, France in March 2011.

Source:
www.22barcelona.com

Summer tango on the Magellan Terraces.
Photo: ELBE&FLUT, Source: HafenCity Hamburg GmbH



The ViewPoint in the HafenCity
Photo: T. Kraus; Source: HafenCity
Hamburg GmbH

Introduction

The idea of competition between cities is not new. With the recent increases in global economic integration and the changes in economic scale and growth patterns between 'established' and 'emerging' economies, awareness of competition between cities has increased dramatically. Each week the business press run stories of blue chip companies that are moving from one city to another. Each month another city index is produced suggesting a different ordering of international cities according to liveability, knowledge economy, investment attractiveness, or sustainability. Cities now compete not just for institutional investment in real estate but also for tourists and students, events and celebrations, research and technology, corporate locations and skilled workers, university campuses and cultural institutions.

As competition has increased and the range of mobile activities for which cities compete has expanded, the interest in city brands has also increased. At the simplest level, city branding is an effort to communicate more effectively in a large and crowded market about the city's key attributes and its offer. The goal is for the city's potential advantages as a location, or destination, to become well-known and easily recognised. At a deeper level, city branding is also a creative activity, designed not just to provide information to a market place, but also to seduce and persuade through differentiation and distinctiveness, and through association and affiliation. This process involves the use of multiple techniques and channels for messaging, advertising, and influencing decisions.

Territorial brands often exist at the national, regional, metropolitan and city level. In principle, city brands should function like any other brands: communicating to stakeholders in ways that crystallise their value, build affiliation and establish loyalty. An effective city brand

should both attract new investors and retain investment during downturns. City brands should reflect the personality, reputation, and identity of the city, as well as the city's management style and approach to long-term relationship building.

The return on investment in a brand may be difficult to gauge. Branding can have very high initial costs and a return that is gradual over time and dispersed throughout a market. In addition, the return on the investment is often not captured by the city governments that invest. Despite this, the cost of no or ineffective branding may create higher costs in the long-run if cities, districts or projects do not appear on the investment map and go unrecognised.

Using branding techniques to attract real estate investment can operate on various levels: the whole city, a district or quarter, or an individual site of project. Branding to attract investment in real estate is often about attracting private investment into locations that are declining. Part of the urban regeneration activity is to re-position the locations in the market so that it can be viewed with fresh eyes. At the same time city branding is also used to attract investment into mega-projects (i.e., new airports, or facilities, infrastructure, or the hosting of global event). Equally, real estate investment is linked to population growth and change and to the attraction of commercial and corporate activity - the targets of city branding efforts.

The following case studies highlight cities that have successfully used branding techniques to increase urban investment.

"I SEE A LOT OF GLITZY ATTEMPTS AT WOONG PEOPLE, BUT THE REALITY IS, WHEN YOU TAKE OFF THE WRAPPER, THE PROMISE MAY NOT BE DELIVERABLE."

- Kevin Marriott, Director of Marketing, GVA



The Queen Mary II enters the harbour of Hamburg. Photo: ELBE&FLUT; Source: HafenCity Hamburg GmbH



¹ Bruns-Berentelg, Jürgen, HafenCity Hamburg: A Case for Branding?, Presentation ULI Workshop, MIPIM 2011

² Bruns-Berentelg, Jürgen, HafenCity Hamburg: A Case for Branding?, Presentation ULI Workshop, MIPIM 2011

³ London Assembly (2007): A Lasting Legacy for London? Assessing the legacy of the Olympic Games and Paralympic Games, <http://legacy.london.gov.uk/assembly/reports/econsd/lasting-legacy-uel-research.pdf>, 03 April 2011

⁴ Barcelona 22@ (2011): Current State, <http://www.22barcelona.com/content/blogcategory/38/157/la ng.en/>, 03 April 2011

⁵ Hernandez, Mateu, Barcelona 22@, Presentation ULI Workshop, MIPIM 2011

⁶ Barcelona 22@ (2011): Current State, <http://www.22barcelona.com/content/blogcategory/38/157/la ng.en/>, 03 April 2011

Hamburg

With its large port, Hamburg has historically had a very strong implicit brand as the “Gateway to the World.” After the social-democratic government came into power in the 1980s, however, people began to question Hamburg’s role and vision for the future, launching a re-consideration of the city’s brand and position both nationally and internationally.

Hamburg’s City-Level Branding Strategy:

Hamburg’s branding strategy is project driven. The city utilises “visual branding” by disseminating images of new developments. By doing this, city officials deliberately, yet implicitly allow for different interpretations of the city to develop based on peoples’ distinct perceptions of the images. The city’s success, therefore, stems from its ability to live up to those perceptions.

Branding at the District Level in HafenCity:

The HafenCity urban regeneration project has its own explicit brand. The project, totalling 157 hectares, will see an increase in the size of Hamburg City by 40% by 2025 and is a new concept for urban living, focusing on the development of new public space, flagship buildings, and re-defining the maritime space to attract tourists with an emphasis on achieving knowledge centre status.¹

Hamburg Marketing GmbH is tasked with developing, steering and communicating Hamburg’s implicit and HafenCity’s explicit brands by focusing on the positive location factors shared by the metropolis and the metropolitan region.

The Results:

Hamburg has created a unique identity for itself among world cities, focusing on the new look and feel of the city, its high quality public space and architecture, and its reputation as an internationally renowned cultural centre. Hamburg’s success is evident in HafenCity’s nomination as one of the most valuable real estate brands in Germany in 2009, ahead of both Munich and Frankfurt.²

Barcelona

Barcelona has experience of branding at a variety of scales. Immediately after the city hosted the 1992 Summer Olympics, it undertook a process of implicit branding at the city level. Today, Barcelona is shifting its focus to the district level: the 22@ region.

Branding at the City Level: The Olympic Effect

Between 1986 and 1992, Barcelona invested substantial amounts in urban regeneration, with two further phases of development between 1992 - 2004 and 2004 - 2010.³ The success of the Games, alongside the city’s urban regeneration investment and increased civic engagement, saw Barcelona emerge as a city implicitly associated with design, architecture, culture and tourism.

“[WHEN DISCUSSING BARCELONA’S NEW BRAND] WE DIDN’T TALK ABOUT BRAND STRATEGY, WE TALKED ABOUT THE CITY.”

- Mateu Hernandez, CEO, Economic Promotion, Barcelona City Council

Branding at the District Level: Barcelona 22@

Barcelona is aware that in order to compete internationally for talent and investment, it must explicitly brand its new hi-tech offering: the 22@ district. The district is a new compact city which houses the most innovative companies, research, training and tech transfer centres, as well as housing.⁴ By attracting knowledge-based industries, Barcelona 22@ aims to position itself as a new business hub in Europe.

Barcelona 22@’s Brand Platform and Activation

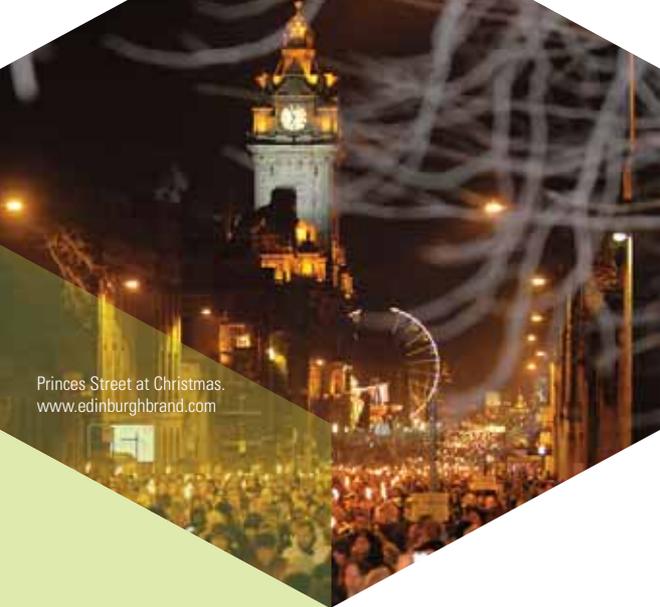
Barcelona City Council, in conjunction with the 22@BCN company, is responsible for the communication of Barcelona’s brand through promotion at international events, small and medium scale event hosting, and leveraging the press and local media.⁵

The Results

Barcelona is working towards achieving its goal of being known internationally as a knowledge centre. The district has already attracted 1,502 firms and 44,600 knowledge workers since 2001.⁶

Torre Agbar, Barcelona





Princes Street at Christmas.
www.edinburghbrand.com

Edinburgh

Although Edinburgh is steeped in history, the city is attempting to reinvent itself through an explicit branding strategy, presenting itself as a more progressive place to live, work and visit.

Edinburgh's Branding Strategy

Edinburgh's branding strategy is built upon one phrase - "Inspiring Capital" - which is composed of three core ideas: i) Edinburgh possesses historical and architectural beauty; ii) Edinburgh is compact in size, but rich and diverse in experience; and iii) Edinburgh brings visitors close to nature.

Edinburgh's Brand Platform and Activation

The Destination Edinburgh Marketing Alliance (DEMA) is the guardian and champion for Edinburgh's "Inspiring Capital" brand and has developed a strategy to target the City's visitors, investors, residents, workers and students. The strategy attempts to convey the image of a well-rounded city that mixes heritage with modernity through digital, PR and promotional platforms.^{7,8}

In April 2011, Edinburgh set up a single city-wide promotional body, Marketing Edinburgh, which provides strong leadership for Edinburgh's city promotion. Marketing Edinburgh builds on the work already undertaken by the City's stakeholders.⁹

The Results

In addition to city level branding, the three major city gateways, Edinburgh airport, the cruise liner terminal and major road entry signs, have all also been successfully branded.¹⁰ These branding successes have contributed to the city's establishment as the best small city of the future and top location for economic potential, 2010/11, by *The Financial Times*, *Foreign Direct Investment (fDi) Magazine*.¹¹

London

London has enjoyed much success in disseminating its brand proposition around the world. The city, however, realises that it must make its brand as coherent as possible to continue to successfully compete against other world cities.

London's Branding Strategy

In April 2011, London set up an organisation called London & Partners, which will "create one single promotional agency for London that can speak with one voice, vision and mission to all audiences in the UK and internationally." The agency amalgamated the activities of Think, Study and Visit London, and is a not-for-profit public-private partnership funded by the Mayor of London and a network of commercial partners. The overall vision of the agency is for "London to be recognised globally as the best big city on earth," a vision echoed in Mayor Boris Johnson's Economic Development Strategy, published in May 2010.¹²

London's Brand Platform and Activation

Much of the motivation for London's re-branding process came from the reputational damage which resulted from the global economic crisis, as well as the opportunity offered by the London 2012 Olympics. The London brand is led by the Mayor of London's Office in partnership with the Promote London Council, with Boris Johnson acting as London's brand champion.¹³

The Results

The successful branding of London has contributed towards some notable successes in recent times: Think London has helped over 1,600 companies from 40 countries set up or expand their presence in London since 1994, and London is now home to more than 97,000 international students from over 200 different nations.^{14, 15}

⁷ Destination Edinburgh Marketing Alliance (2011): Destination Promotion Strategy, http://www.edinburghbrand.com/about_dema/destination_promotion_strategy.aspx, 03 April 2011

⁸ Destination Edinburgh Marketing Alliance (2007): DEMA Activity, http://www.edinburghbrand.com/about_dema/dema_activity.aspx, 03 April 2011

⁹ Marketing Edinburgh (2011): Marketing Edinburgh, <http://www.marketing-edinburgh.co.uk/>, 03 April 2011

¹⁰ Destination Edinburgh Marketing Alliance (2011): Brand Successes, http://www.edinburghbrand.com/using_the_brand/brand_successes.aspx, 03 April 2011

¹¹ Edinburgh Inspiring Capital (2011): Edinburgh's Awards And Accolades, http://www.edinburgh-inspiringcapital.com/invest/edinburghs_awards.aspx, 03 April 2011

¹² London & Partners (2011): About Us, <http://www.londonandpartners.com/about-us/>, 03 April 2011

¹³ Clark, Greg and Belloso Juan Carlos, *The City Branding Of London*, Presentation, 2011

¹⁴ Think London (2011): About Us, http://www.thinklondon.com/about_us/, 03 April 2011

¹⁵ Study London (2011): About Us, http://www.study-london.ac.uk/about_us/, 03 April 2011



Crowds enjoying the sun on the Southbank at the Thames Festival, London

The Private Sector Perspective

It is important that a city's brand is wide-reaching enough to attract different types of organisations while remaining loyal to its brand truths. Consumers own brands - not agencies, clients or cities - a concept which is all too often misunderstood. Brands are no longer built by communications, they are built by conversations and real communities who engage at a variety of levels with the services and expectations that city brands provide.

The creation of an effective brand for a city is a complex process. Simply developing a brand does not necessarily guarantee its success. Even the strongest brands can wilt through poor management. When nurtured correctly,

brands can and should evolve organically over time, building on a city's inherent attributes. Brands don't renege on their heritage - they evolve and modernise.

Not all representatives of the private sector were quick to extol the virtues of effective branding. Indeed, one workshop attendee stated that "we don't care about branding," insisting that they invest in cities on the basis of the reliability of their relationship with their investment partners. In other words, the quality of the relationship and the authenticity of the brand matters more to an investor than a flashy tagline. City branding must be about more than communicating a well-defined image; indeed, the quality of the product and long-term relationships must live up to their billing. This authenticity is what makes a true brand. A strong brand will not necessarily attract new investors, but it will help to build and maintain strong relationships that may enable investors and the city to work together to create a better long-term product overall.

Conclusion

Brands offer one of the most powerful means through which a city can interact with the world. At the most basic level, city brands work on the premise of expectation and delivery. A brand provides a unique opportunity for a city to differentiate itself in much the same way as any other product or service. It is a vital tool in any marketplace if used correctly.

¹⁶ Clark, Greg (2011): The Seven Habits Of Highly Effective Cities, Unpublished
¹⁷ Marriott, Kevin, The value of brand: City image, identity and Urban Investment: A different perspective, Presentation ULI Workshop, MIPIM 2011

"It is not enough for a city to have a brand that attracts tourists. Cities must have an identity that reaches across different markets and customers and tells a unifying story about the value the city can add to the activity that is looking for a home. The key point is that identity does not just help us to sell our city; it is also critical to shaping and building our city and providing the magnet that can draw people and institutions together for a common identity and purpose."¹⁶

- Greg Clark, ULI Senior Fellow

As a result of the dialogue at the workshop, 10 key learning principles for city branding emerged:

10 key learning principles	
i.	Brands without substance are meaningless.
ii.	In public-private relationships, the private sector organisation's brand is just as important as the city's.
iii.	When building brands, cities must take advantage of local culture and history in order to differentiate themselves from others. Authenticity is valuable.
iv.	Increasing citizen pride, engagement, and a sense of identity are essential components of any city brand.
v.	In some cases, especially in smaller cities, re-development must come before re-branding. Think of Hamburg's use of HafenCity to transform perceptions of the city.
vi.	Different brands attract different organisations. Because developers often share investment with several companies, it is important that a city's brand appeals to a variety of groups.
vii.	Cities should use what resources they already have. "Throwing a lifebelt to an abandoned brand is better than trying to launch a new one." ¹⁷
viii.	Preparing for the long-term is essential. The cycle of return on branding investments is much longer than any political cycle.
ix.	The process is about more than just branding. It's about perceptions, pride and identity.
x.	A city must believe in their brand in order to make it work.

About the Urban Land Institute

ULI – the Urban Land Institute – is a non-profit research and education organisation supported by its members. Founded in Chicago in 1936, the institute now has over 30,000 members in 95 countries worldwide, representing the entire spectrum of land use and real estate development disciplines and working in private enterprise and public service. In Europe, we have over 2,000 members supported by a regional office in London and a small team in Frankfurt.

www.uli.org



About the ULI Urban Investment Network

The ULI Urban Investment Network is an independent European network designed to promote and facilitate world class investment in urban development. The initiative has been developed by the Urban Land Institute in collaboration with a group of leading cities, European Institutions and private sector organisations.

The Network is working to facilitate a continuous dialogue between public and private sector leaders who are seeking to improve their ability to collaborate. Its premise is that public - private relationships with a high level of collaborative working provide more opportunities to bridge investment gaps and overcome city development challenges. For more information on joining the Network, please contact uin@uli.org

www.urbaninvestmentnetwork.com

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