Cultural City Brands And Global Competitiveness
CULTURAL CITY BRANDS AND GLOBAL COMPETITIVENESS
MARCAS CULTURALES DE LA CIUDAD Y COMPETITIVIDAD GLOBAL

Natalia Anatolyevna Pashkus,
Doctor of Economics, Professor of the Department of Industrial Economics and Finance, Herzen State Pedagogical University of Russia, St. Petersburg, Russia

Vadim Yurievich Pashkus,
Doctor of Economics, Professor of the Department of Economic Theory and Economic Policy, Saint Petersburg State University, St. Petersburg, Russia

Armen Grantovich Altunyan,
Doctor of Economics, Professor of the Department of Economic Theory and Economic Policy, Saint Petersburg State University, St. Petersburg, Russia

Alexander Yuryevich Protasov,
Candidate of Economic Sciences, Associate Professor of the Department of Economic Theory, Saint Petersburg State University, St. Petersburg, Russia

Julia Mikhailovna Maltseva,
Candidate of Philosophical Science, Senior Lector of the Department of Culturology, Philosophy of Culture and Esthetics, Saint Petersburg State University, St. Petersburg, Russia

E-mail: esfahani.mohamad3@gmail.com

Fecha de recibido: 2019-12-22
Fecha de aceptado para publicación: 2019-12-29
Fecha de publicación: 2019-12-30

Abstract

This article deals with the problem of a city's cultural identity, which allows us to develop a strong city brand and ensure its global competitiveness. The authors analyzed the basic conceptual approaches to identifying a city’s cultural identity. They concluded that the imperial and global level of the city influences the development of its cultural identity and contributes to the growth of its brand value.

The authors analyzed the cultural identity of cities, which is essentially based on the imperial role and global prevalence of cultural imperatives. This work shows that cities may not be characterized by the imperial essence and global orientation from throughout their historical development. The imperial essence and global orientation of the city can develop for a certain period of the city’s history. However, when the cultural context changes and its influence in the cultural, economic and social space weakens, the city also loses its imperial or global status.

The article also reveals new patterns in the formation of key attributes of a city brand and the development of its cultural identity. The identified patterns are applied in the evaluation of the global competitiveness of a city, within the framework of a breakthrough strategy implementation in the place market. In accordance with the proposed assessment system, a
model of city competitiveness was developed and tested in four cities with strong brands and evident cultural identity. These cities also met the requirements for an imperial level of development, globalism, and a breakthrough positioning strategy.

Implementation of this model also contributed to the development of new recommendations on the breakthrough positioning of city brands based on their cultural identity, including the imperial essence and globalism of the city.

**Keywords:** place brand, cultural brand, cultural identity, imperial city, breakthrough positioning.

---

**Resumen**

Este artículo aborda el problema de la identidad cultural de una ciudad, lo que nos permite desarrollar una marca de ciudad fuerte y garantizar su competitividad global. Los autores analizaron los enfoques conceptuales básicos para identificar la identidad cultural de una ciudad. Llegaron a la conclusión de que el nivel imperial y global de la ciudad influye en el desarrollo de su identidad cultural y contribuye al crecimiento del valor de su marca.

Los autores analizaron la identidad cultural de las ciudades, que se basa esencialmente en el papel imperial y la prevalencia global de los imperativos culturales. Este trabajo muestra que las ciudades pueden no caracterizarse por la esencia imperial y la orientación global de todo su desarrollo histórico. La esencia imperial y la orientación global de la ciudad pueden desarrollarse durante un cierto periodo de la historia de la ciudad. Sin embargo, cuando el contexto cultural cambia y su influencia en el espacio cultural, económico y social se debilita, la ciudad también pierde su estatus imperial o global.

El artículo también revela nuevos patrones en la formación de atributos clave de una marca de ciudad y el desarrollo de su identidad cultural. Los patrones identificados se aplican en la evaluación de la competitividad global de una ciudad, en el marco de una implementación de estrategia innovadora en el mercado de lugar. De acuerdo con el sistema de evaluación propuesto, se desarrolló y probó un modelo de competitividad de la ciudad en cuatro ciudades con marcas fuertes e identidad cultural evidente. Estas ciudades también cumplieron los requisitos para un nivel imperial de desarrollo, globalismo y una estrategia de posicionamiento innovadora.

La implementación de este modelo también contribuyó al desarrollo de nuevas recomendaciones sobre el posicionamiento innovador de las marcas de la ciudad en función de su identidad cultural, incluida la esencia imperial y el globalismo de la ciudad.

**Palabras clave:** marca de lugar, marca cultural, identidad cultural, ciudad imperial, posicionamiento innovador.
Introduction

Currently, the role of imponderable assets is constantly developing. It is observed both in the price of goods and services, as well as the investment capital of specific objects, such as territories. Information economy and intellectual capital are becoming increasingly important factors of economic growth. [1;2] In the modern world of media, the level of territorial representation in the network, as well as the information field around it and the images reflected in the public consciousness, form the myths underlying the place brand.

The issue surrounding the development of imponderable assets of territories and the formation of their brands is becoming increasingly attractive. Indeed, a positive image and developed brand can attract various groups of visitors, including tourists and business travelers, increase the investment allure of the territory, and create conditions for comfortable living and business. Consequently, a branded territory has a chance of being highly recognizable and attractive, while the absence of a brand can lead to the absence of a territory in a consumer's top choices.

The concept of a place brand is interpreted in very different ways. Authors, such as Anttiroiko [3], Kavaratzis and Hatch [4], Elina Närvänen, Christina Goulding [5], Keller [6], Saskia Sassen [7] consider four concepts of leadership, namely: an imperial city, global city, strong place brand, and breakthrough territory. In this paper, the authors consider the interconnection and intersection of these concepts in the context of the semantic dominants of the territory.

Theoretical base

Cultural identity of the imperial and global city

The analysis starts with the concept of the imperial city.

An imperial city has the following characteristics:

Imperial architecture and image

Imperial mentality shared by the residents and all stakeholders

Developed institutional infrastructure; important and symbolic structures that hold the empire together.

We can say that the imperial city forms cultural, social, and other specific measures. The empire’s culture is created, developed, and changed in accordance with them. [8] An imperial city can develop in this way during a certain historical period. However, a lot of cities cannot maintain the imperial type of development in the long term without losing their influence due to empirical collapse. [9;10] As a result, these cities do not only lose their strong influence on world history, but also on certain components of the imperial style, infrastructure, or perception.

Athens has long been the center of the Greek world. Military campaigns and policies of Alexander the Great made it the center of public order, as well as a symbolic perception of the imperial world. With the collapse of the empire of Alexander the Great and the consequent chaos of the territories, transformed by the empire and the division of a new integrated space, Athens did not only lose world control, but also imperial spirit. The city had lost its imperial function. However, the remains of the imperial architecture of ancient Athens is still incredibly attractive to various types of consumers and the image of the city
is promoted freely in history books of the ancient world, including the epic, “Legends and Myths of Ancient Greece.”

A similar situation was observed with Constantinople. The city became the center of the Byzantine Empire and inherited the functions of both Athens and Rome, which they lost after the collapse of the Greek and Roman empires. However, it lost the role of the imperial city in only a moment as it was invaded. Later on, the city won back its imperial appearance, style, and infrastructure, but as a component of the new empire. It became its center under the modern name, Istanbul.

Turkish influence in the world was determined by advanced military technologies, the adoption of Persian cultural functions which had lost their own global influence, and by the imperial essence of Istanbul. However, as a result of revolutionary processes, the Turkish Empire also staggered. For a long time, Istanbul lost its imperial mentality. The capital of Turkey moved to Ankara. Marginal phenomena negatively influenced the image of the city and its imperial essence. In the middle of the 20th century, after the release of the movie “Midnight Express,” the world was horrified by Istanbul.

The hardships of Istanbul and inhumane treatment inside its prisons were shown in the film. The city was considered to be criminal for a long time.

Nowadays, Istanbul has managed to restore its attractiveness and imperial mentality. A significant role in this new imperial representation of the city was played by the citizens who love their city and conveyed this love to all consumer audiences and stakeholders. The film, “The City of Cats,” became a new bestseller for the image of Istanbul, reflecting the citizens’ attitude to the fluffy residents, which are one of the symbols of modern imperial Istanbul.

Now let’s turn to the concept of a global city. [11] The characteristics of a global city are, as follows:

- Directly impacts the economic, political, social, technological or cultural aspects of the global economy
- Develops rapidly and changes world history

This concept combines two elements:

- An economic structure that determines global centralization and polar attractiveness of the current world order
- The historical and cultural spectrum of globalization processes.

Rome is a typical global city. It is not the center of the Roman Empire any more, as it lost its leverage and cannot demonstrate a high efficiency of economic life and ongoing projects. However, it still remains a global and imperial city.

To a large extent, the global orientation of Rome is caused by the Vatican, which is situated in the center of the city and is the focus of the Catholic world. In addition, Rome and the Vatican have so many objects of world cultural heritage that they are a center for world cultural life. Rome is a kind of archetypal cultural city. A huge number of stereotyped images of the city and strong attributes of its cultural brand maintain high consumer loyalty. The widespread popularity of the city concept through art, charm of the
city environment and the wide variety of dominants, proves the city realizes its global positioning and perception. [12;13]

Rome is a live, dynamic, and developing city, and not a memorial. The city actively lives in the global economy. It undergoes change, as well as changes the environment. The city not only attracts tourists, but art connoisseurs. It constantly develops new concepts in the sphere of art, fashion, design, and technology. It is brilliant both in infrastructure formation and in the creation of new meanings, which often contradict popular American business practices worldwide, along with related principles of world order.

London can also be considered a global city. This city has also been imperial for a long time, surrounding itself not only in the colonies of Great Britain, but also huge economic resources. The city with the most isolated economic and social system provided an external policy in many areas. It functioned as a mediator with the Eastern world and initiated active research expeditions of various profiles. In fact, from the beginning of the 19th century, and even earlier, the city carried out a world transfer of technology and its cultural and social world order.

In the modern economy, the global influence of the United States and global city of New York is considered to be very strong. However, London actively promoted its art programs and auction houses, and developed elite brands of its universities, fashion companies, rating structures and ratings in various spheres. Another important resource of global influence is the promotion of the English language as the language of world communication, which was completed only in the 20th century. As a result, even when the technological superiority of London slows down, the city has a significant political and economic resource for world influence.

And, despite the fact that the semantic structures of London today are greatly biased, with all the huge investment in the promotion, the city implements a rather controversial branding and tried repeatedly to carry out rebranding projects that were not successful [14]. Until recently, the London brand, especially the cultural one, associated with the highly developed art market, remained very strong. Currently, the UK art market, directly associated with London and its brand, is excessively “overheated” (see Figure 1), although to a lesser extent than the US art market and, in the recent period, the Chinese one.
The observed “overheating” of the market is caused by the unstable situation in Great Britain, as well as new players entering into the market seeking to save their capital by investing in art objects [16;17]. Active growth of investments in the art market of the three countries will most likely not be supported for a long time. Then the financial bubble will burst due to a rapid inflow of capital. London, being the center of these and other social and cultural processes, will be influenced by them for a long time.

**Theoretical background**

*Strong brand and the concept of breakthrough territory*

Now let’s dwell on the concept of a strong place brand. It has the following characteristics [18;19]:

- The combination of all the meanings and images of the territory that determine the behavior of market players and influence the consumer behavior.

- It forms a consumer choice list, often associated with a category of territories (cities).

- It provides high customer loyalty and the development of strong relations between all the players in the place market. They often become marketers themselves, promoting a branded territory through their brand perception.

All of the listed cities definitely have strong brands with the decisive cultural dominant. Athens has the weakest brand of all the cities listed above. This is reflected in the insufficient loyalty of different consumer audiences, inadequate infrastructure of the city, its inability to maintain the brand, its unambiguous interpretation, and compliance with promises [20]. It should be noted that a city that has never been imperial and has no
significant global influence (for example, Strasbourg, Saint-Paul-de-Vence, Cannes, and Sanremo) can also have a strong brand.

None of these cities is either imperial or global. Despite significant fame, popularity and influence on world processes, for example, through the Strasbourg Court, they do not play a key role in the global world. At the same time, the brands of these cities are weaker than Istanbul, London or Rome, although are compared favorably to the Athens brand.

The strongest and most meaningful marketing strategy is implemented for New York [21]. New York, as well as London, correlates its brand with the art market, culture and art. The city became a pioneer of place branding, having implemented a successful branding project in the 1970s. Subsequently, its brand concept was updated. The brand of New York was so successful that its symbols and attributes formed the basis for the brand concepts for many cities around the world [22].

And the last concept, identified as the leitmotif of this work, is the concept of breakthrough positioning of the territory. According to this concept, breakthrough territory has the following characteristics:

- It has a unique combination of attributes providing the territory development strategy in the technological and stylistic space.
- It implements a unique way to solve social problems and promising technological development concepts, is able to create effective economic conditions that provide all the consumers and stakeholders of the territory with a comfortable environment for living, staying, and economic activity. In addition, it creates a high investment attractiveness of territorial projects.
- It generates additional value, although it does not always have exclusively monetary characteristics. It provides the consumers of a territorial product with high satisfaction and the absence of cognitive dissonance from the consumption process.
- It influences the consumer behavior and the development of the place market.

In case of a successful implementation of the positioning concept, a breakthrough territory can develop a strong brand and receive a significant increase in the value for all types of target consumers [23;24]. A breakthrough can be based on different technological and stylistic dominants of the territory development, using different emotional and motivational mechanisms of influence on the perception of the territory by target consumers. As far as the concept of place branding is concerned, breakthrough projects can be aimed at global and/or imperial cities, as well as insignificant cities in terms of world history and politics [25;26].

For example, the concept was successfully implemented in relation to the relatively small city of Veliky Ustyug in the Vologda Oblast. The city began to be promoted due to the development of a legend about the homeland of Father Frost, a collective image of Slavic beliefs, folk tales, literary works character and artistic images, who became the main symbol of the New Year holidays. The idea of positioning met the existing social need to personify this important New Year character with a specific place in Russia. Veliky Ustyug has become the Russian alternative to the Finnish Lapland, where, near the village of Rovaniemi, Joulupukki lives, associated with Santa Claus for the whole world.
The concept of breakthrough positioning was actively used in the world, although it was a completely new phenomenon for Russia.

As a result of the state economic support, the project was able to quickly reach a high level of efficiency. At present, in comparison with the launch of the project in 1998, Veliky Ustyug has increased its consumer audience by 74 times. The city has a developed tourist infrastructure, which makes the territory attractive even in summer. The number of people employed in the tourism sphere in the city is 2,800 people, and soon it is expected to grow to 3,900 people. Moreover, now, in accordance with the forecast growth in the tourist flow, the tourist infrastructure of the city is being converted and adapted [27].

Veliky Ustyug has never been a global or imperial city, and it very probably never will be. At the same time, it already has a strong place brand, chances for further development and globalization in case of the further promotion of Russian culture, mythology, and the formation of new semantic landmarks in world culture.

Methodology

The evaluation of the cities’ competitive potential

The authors conducted the evaluation of the cities’ competitive potential. The evaluation was based on the author’s model [24], which combines breakthrough positioning mechanisms, matrix strategic assessment models, such as McKinsey [28], Analytic Hierarchy Process (AHP) [29], and rating procedures. The assessment procedure distinguishes two groups of criteria for assessing the city. The first group of criteria determines the strength of the competitive status of the city and is laid along the horizontal axis. This group includes the following criteria:

- Image positioning and its global reach.
- Investment attractiveness.
- Competitive dominance in investments attractiveness, priority for the objects placement, projects implementation, as well as the attention of consumers of all types.
- The strength of an innovative or technological attribute of a city’s brand development.
- The strength of the cultural attribute of the city.
- The strength of the art market and its connection with the attributes of a city brand.
- The priority of the city promotion strategy, the distinctness of its semantic concepts.

The second group of criteria is laid along the vertical axis and gives an integrated assessment of the attractiveness of the city market as a whole:

- Uniqueness of the geographical location.
- Uniqueness of the city environment, influencing the dominance of the city choice by any consumer audience.
- Uniqueness and attractiveness in a historical and cultural context, including global and imperial attributes.
Consumption barriers to the activities in the territory.

Investment dominance.

Distinctness of the attributes of stability and security.

The marginal coefficients of the criteria replacement, i.e. significance indicators, were evaluated for each system of criteria that reflect the internal capabilities of the city, its imperial essence, global orientation, and the chosen method of breakthrough brand positioning, as well as the attractiveness of the place market of this type in the global space. Each city was evaluated through the system of indicators according to the author’s modification of the AHP procedure. The results of city evaluation for each criteria group were applied in the author’s modification of the McKinsey matrix for the case of a breakthrough strategy for city positioning. It should be noted that this type of positioning is the most attractive in terms of successful competitive position. However, strategic shortcomings can be observed there.

Results

The authors studied the competitive positions of four cities, having similar attributes of the positioning, combining all the concepts analyzed in this work. London, being a global city, has lost its imperial identity. Venice, being an imperial city, is losing its position in the global economy. New York and St. Petersburg combine the features of a global and an imperial city. All cities applied the concept of breakthrough positioning to some extent in different periods. Thus, strong global brands were developed.

The results of applying the model for the competitiveness of a city evaluation are shown in the diagram (Figure 2).

![Figure 2. Matrix of strategic competitiveness of city brands](image)

None of the analyzed cities has a breakthrough leadership. The most advantageous competitive position has London as a “pseudo-cash cow”. A “pseudo-cash cow” is a city that has achieved leadership in a certain period and, then, due to the insufficient attention to important attributes or wrong brand development strategy, it has lost its leadership position. In contrast to the typical “cash cow”, the brand leadership period was too short. The city
brand has not developed high consumer loyalty and strong associations yet. As a result, the additional financial assets that the brand provides to the city will be unstable. The competitiveness of Venice, positioned in the field of “latent (failed breakthroughs)”, is also not so bad. “Latent (failed breakthrough)” is a city that had all the possibilities for filling the SET gap (social, economic and technological components of the brand). However, it could not do it due to the wrong attributes being chosen or because it has not implemented an effective promotion strategy yet. New York became loser No. 1, and St. Petersburg became loser No. 4. It is worthy highlighting that the positions obtained do not mean the decline or insolvency of cities in the global arena. They determine the possibilities and weaknesses of the chosen positioning attributes.

Thus, London lost its competitive position due to the weakening of its imperial matter, meanings confusion, the growth of unsolved economic problems of the city, and an increase in its political and social instability. Recently, London is losing its technological leadership position and is not able to fill the SET gap. At the same time, its dominance is determined by global influence in the global art market and in the cultural sphere as a whole.

Venice, despite its tourist attraction, is losing its position and is not able to support a market breakthrough due to unsolved economic problems and inadequate promotion of the city.

The main problems of promotion are connected with the unsystematic character of the measures, their inconsistency and the growth of market barriers. Proper application of imperial and global attributes, as well as the development of a closer relationship with cultural dominants and the art market will provide the opportunity of the second breakthrough.

New York lost its position due to the reduction of its unique imperial influence and the global orientation of the city. Moreover, it depends on the political expansion of the United States, which caused distrust and negative reactions around the world. Technological leadership, both in the cultural sphere and in the city as a whole, has weakened significantly.

The positions of St. Petersburg in breakthrough leadership are the most precarious, as the city began to implement this strategy later than others. The coherence of the city with the art market and the cultural sphere are obvious, but due to the weakness of the Russian art market as a whole, the position of the city is rather weak. On the other hand, this position can be promising if the city chooses the right attributes of development, using its global influence, imperial essence, developed brand, and the position of the second capital of Russia (less controversial due to the distance to the authorities). However, it is possible only with the coordinated participation of all city committees, all the stakeholders, and all the positioning opportunities.

**Discussion**

The results of the study show that the existence of at least three positions (an imperial and global city with a strong brand) provides an excellent opportunity for the realization of the fourth (breakthrough positioning). In fact, the situation is not as simple as it may seem.

Firstly, each of the concepts is quite young (as well as the place branding), which does not allow us to form a complete understanding of its application. Moreover, the
Concepts themselves are much wider than introduced in the article and are currently criticized. Critical comments were not analyzed in the article, as they require more comprehensive research.

Secondly, each of the concepts has its own focus, namely: the city as a process and flow, the city as a meanings space for the interaction with the world, the city as a myth, and the city as a core competency. These aspects do not always contradict each other.

Thirdly, the qualitative analysis of the concepts is not always correlated with the necessity of the quantitatively defined measures aimed at increasing competitiveness. This is a problem for state policy and the analysis of its effectiveness.

These questions can be answered in the future, which will allow us to study the concepts better and provide their application.

**Conclusions**

Thus, the cultural orientation of the city brand, its connection to the art market, distinctness of imperial essence, global orientation of the city, its cultural dominance and the choice of the right attributes of positioning can bring the city to more attractive competitive positions in the global place market. The combination of all four concepts will create a sustainable competitive advantage in the global place market in the long term.

It is necessary to pay attention to the city branding strategy, carry out competent promotion, and provide a comprehensive policy for the SET gaps.

**References**


