

DESTINATION BRAND LICENSING – THE CASE OF PORTA LUBAVIA BRAND

Michał Żemła

Received: April 11, 2013

Abstract

ŻEMŁA MICHAŁ: *Destination brand licensing – the case of Porta Lubavia brand*. Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis, 2013, LXI, No. 7, pp. 2989–2994

Destination branding is one of the most popular topic among tourism destinations researchers and practitioners however recent research revealed that it is a concept not clear. The purpose of presented paper is to enhance destination branding theory by introducing some new elements taken from other popular concepts used in destination management into destination branding theory. The concept of destination brand licensing was undertaken as a response to several critical argument raised against the existing idea of destination branding. However the concept is yet not finished and practical examples presented so far need scientific generalization to prepare some guidelines on successful procedure of implementing destination brand licensing. The example of Polish brand Porta Lubavia is going to be presented as a illustration of some of potential benefits and problems connected with implementing this concept into a practice.

destination branding, brand licensing, destination networking, branding challenges, Kamienna Góra county, Poland, rural tourism

Tourism destination management is a complicated task which needs often specific tools which are difficult to be copied directly from the rich and developed recourses of firm management. Contemporary competitive tourism market calls for new effective marketing tools to develop a competitive advantage of a tourism destination. Destination branding (DB) has recently become one of the most popular topics among tourism researchers. It has been recognized that 'branding is perhaps the most powerful marketing weapon available to contemporary destination marketers' (Morgan, Pritchard, 2002: 11). However, the concept of DB seems to be vulnerable for strong criticism from different points of view, with probably the strongest argument given by Mundt, who goes so far, that he neglects the existence of a marketing tool that could be named 'destination branding', at least with regard to traditionally understood tourism destinations (Mundt, 2004: 45–53).

Destination branding is often discussed in the context of its comparison with corporate branding. Among the most popular conclusions from such a discussion it is possible to point the one stating

that one of the basic mistakes in destination branding is too strong relying on well known and grounded theory of corporate branding. A tourism destination can be characterized by many features which differentiate it from companies. Those features leads to necessity of implementation of important modifications to the branding process or even of rethinking the whole process of branding in the context of destinations. Contemporary literature gives more and more examples of how such a process should be constructed. Oppositely, numerous researches and publications show that destination branding is treated often in a very one-dimensional way – as a perceptual concept. Not enough attention is paid to organizational questions as well as to analysis of entities involved in destination branding. Additionally, some of branding tools developed within corporate branding theory like naming or brand licensing are not considered in destination branding even though use of them could enhance the branding effect. The paper is though devoted to the trial of fulfilling described gap in the literature.

Destination brand licensing (DBL) can be described as an effective tool in tourism destinations

marketing which widens the scope of destination branding. The aim of the paper is to point some advantages of using it in a tourism destination marketing actions. The first part of the paper contains theoretical background of DBL theory. Then the case study method is used to illustrate presented theoretical relations in practice. The Polish region, Kamienna Góra county and its brand Porta Lubavia Zielone Domy (Green Houses) is describe as a example of implementation of DBL. Advantages and mistakes made in this case are presented.

Destination branding and destination brand licensing

In today's highly competitive market, many destinations-from individual resorts to countries-are adopting branding techniques similar to those used by 'Coca Cola', 'Nike' and 'Sony' in an effort to differentiate their identities and to emphasize the uniqueness of their product. The tourism destination branding (DB) is an important issue within destinations marketing (Cai, 2002; Crockett, Wood, 1999; Hankinson 2007; Morgan, Pritchard, 2002; Morgan, Pritchard, Piggott, 2003). However, it is also vulnerable to some criticism aimed at its very weak theoretical foundations and very narrow understanding it in both theoretical works and practical actions (Seaton, 1997, p. 367; Mundt, 2004, p. 48). All those researchers who present their doubts about propriety of the term DB, originate their doubts from the comparison of branding of consumer goods with the nature of DB (Seaton, 1997, p. 367; Mundt, 2004, p. 48). Seaton states that 'the concept has a number of fundamental problems because of intractable differences between destinations and other kinds of tourism product. (...) A successful brand emerge from the design of homogenous product, correctly priced, distributed and promoted to a defined market segment. Most of these requirements are impossible for destination marketers' (Seaton, 1997, p. 367). Further, Seaton presents three most important reasons for such a situation, namely: absence of homogenous product, impossibility for destination marketers to set prices nor control distribution system and embracing with one brand offers targeted at very different markets, and promoted often through a single campaign. (Seaton, 1997, pp. 367-368). This list is even prolonged by Mundt (2004, p. 48), who adds among others, difficulties with producer identification, very limited influence on the product possessed by destination management as well as only indirect quality control, and legal reasons connected with European legislation exempting geographically defined areas from branding. Comparing to branding in consumer goods, in destinations marketing many important tools connected with branding are not considered. These are, among the others, naming, the brand name strategy, brand licensing and brand widening. Still Hankinson (2007) argues that general theory

of branding dedicated mostly to tangible products can make an important contribution to our understanding of particular problems of destination brands management. Similar conclusion is reached by Caldwell and Freire (2004).

Much more attention should be devoted to the dispute on what DB really is, as the term, although commonly used, seems to remain unclear and ambiguous. The problem begins with the absence of commonly accepted definition of DB (Mundt, 2004, p. 47) but is much deeper. Usually, when talking about destination branding the image creation is what is the most obvious. Two studies of experts opinions on the nature of destination branding (Park, Petrick, 2006; Tasci, Kozak, 2006) reveal that the concept of DB is regarded not to be much different from destination image building and those two are vulnerable to be confused. Park and Petrick wonder if 'DB might be "old wine in a new bottle"' (Park, Petrick, 2006, p. 264).

Conclusions reached by Hankinson on the basis of review of 20 recently published papers on DB are very much the same (Hankinson, 2003, pp. 113-114). He found four possible perspectives on DB: brands as perceptual entities, brands as communicators, brands as relationships and brands as value enhancers, but the most of reviewed papers fell into first two groups. Hankinson, states also that the dominance of perceptual perspective has seriously limited the development of destination brands and destinations which focus purely on brands as a perceptual entity or as a communicator fail to address the issues associated with organizational structure and managerial control. (Hankinson, 2003, p. 114). So, the typical strategy of destination branding based on communicating by destination management organization or local authorities the desired image of the destination to the potential customers is not effective and a strong destination brand should be based on strong relationships between stakeholders (Hankinson, 2003, p. 116). The concept of partnership marketing is a cornerstone of the model offered by Hankinson (2003), which is the consequence of taking destination brands as relationships perspective. Traditionally regarded elements of DB, such as brand personality, positioning and reality constitute the core brand, which yet has to be strengthened by numerous relationships between stakeholders that include primary service providers, media, infrastructure operators and consumers. These relationships are dynamic and evolve over the time (Hankinson, 2003, 114). The necessity of creation of partnership and/or network within destination stakeholders was acknowledged also by other researchers as Telfer (2001), Prideaux and Cooper (2002), Cai (2002) and Kozak and Mazurek (2011). Still it is difficult to say that the network approach is the domination approach to destination branding. It is postulated that effective creation of Primary services relationships is possible by developing a network such as cluster or virtual service firm,

which should embrace tourism small and medium enterprises working under a common brand. The key role has to be played by a sound destination's tourism leadership, which might be conveyed by a focal company, local/regional/national authorities or a destination management organization, or any other organization having necessary resources, knowledge and authority. This leader is the brand creator, designs brand personality and positioning, and specifies requirements which must be met by a product sold under the brand. Also promotion of the brand is under the responsibility of the leader. Finally, the leader licenses this brand to particular small and medium enterprises accepting the rules. Contrary to traditionally understood process of brand licensing regarding destinations, this does not necessarily involve any fees to be paid by licensee.

Process of destination brand licensing begins with the emergence of the leader which is going to create the brand and to design it: its name, logo, desired image, target markets and its requirements and connected with them features of the product. As the effect, the specification of the product is prepared. This specification has to be communicated properly to potential members of branded network. Usually, most of licensees are accommodation facilities operators, but in some examples also operators of tourist attractions, gastronomic facilities or producers of traditional local products. Those entities might become the network members fulfilling exact conditions. The most commonly such a condition is connected with submitting to an inspection of fulfilling requirements described in the product specification. In some cases this can be also paying some fees for using the brand or presenting demanded level of knowledge about the destination, the network and other members of the network which should ease cooperation within the network and guarantee the high level of services (Żemła, 2012).

DBL makes many of objections regarding DB presented above not actual any more. There exists a generic homogenous product, which is branded and over which the brand creator has some control. However, the level of this control is obviously not so high as in consumer goods. There is a possibility of targeting the branded product to a specific market segment since one destination may simultaneously create more than one brand, among which each is dedicated to satisfy different tourists' needs. DBL also widens the spectrum of branding tools accessible for destination marketers, in which naming is the most important. Destination brand name is not fixed any more. Destination marketers may create a brand name to give an impression about the nature of branded product which becomes an aspect of great importance among big companies (Żemła, 2010).

DBL procedure seems to be especially suitable to rather small areas with homogenous tourism product – localities, regions, however it could also work at the level of countries or even at the

international level. At this point this can be rather similar to popular concept of destination quality brands however this concept is mainly dedicated to corporate branding – mainly SMEs at particular destinations. At DBL the link between the brand of a destination and of particular entrepreneurs is the key.

METHODS AND RESOURCES

DBL concept is created on the basis of analysis of many practical examples, usually presented in the literature. For example, Woods and Deegan (2003) present the case of French district of Aude, where authorities have created a brand named Pays Cathare, referring to a medieval sect acting in the south of France. This brand is offered voluntarily to all regional entrepreneurs catering for tourists, including producers of traditional regional food. The strengths of this brand are connected with the emphasis on cooperation between members and quality assurance. Another, similar examples can be found in action conducted by Austrian National Tourism Organization (Seaton, 1997). In the Czech Republic the brand Valašské Kralovství (the Wallachian Kingdom) was created by a private promotional agency and is offered mainly to tourism attractions' operators located in the historical area of Wallachs which is not in regard with contemporary administrative borders (Rumpel and Siwek, 2008). Also projects regarding tourism routes can be included in DBL practice. This is actually what has taken place in Malokarpatska Vinna Cesta (Small Carpathians Wine Route) in Slovakia and Niagara Wine Route in the USA, and Canada (Telfer, 2001) or famous pilgrimage routes to Santiago the Compostella, Spain.

The presented examples of DBL are known since several years and presented in the literature. However the stress put in the analysis of the action taken in those examples was so far different than brand licensing or enhancing stakeholders cooperation and strengthening brand value which are included in DBL. Pays Cathares brand was analyzed as quality brand – the focus was put on relation between the brand and product quality (Woods and Deegan, 2003). Telfer (2001) concentrated his research on Niagara Wine Route purely on stakeholders cooperation.

The case study method is used to present another example where a new brand was created to enhance destination marketing by licensing it among local entrepreneurs. The example is Porta Lubavia Zielone Domy (PLZD) brand created by the authorities of Kamienna Góra county in Polish Suedets mountains. The study was developed on the base of direct interview with the county officer responsible for the Porta Lubavia project, printed materials shared by the County Office and content of the web page of the PLZD brand.

RESULTS AND DISCUSSION

Kammienna Góra county's authorities created the brand *Porta Lubavia Zielone Domy* in 2005 and licensed it to local agro-tourism facilities and some other tourism entrepreneurs. The brand name *Porta Lubavia* is a Latin name of this area situated on a Roman track to Northern Europe. The brand name was created to escape from the image of the town of Kamienna Góra, perceived by many Poles as a heavy industry area, where especially coal mining developed in the nearby former *Wałbrzych* county. Utilization of this brand and its subbrand, *Zielone Dome* (Green Houses) is offered to county farmers setting their agrotourism activity. PLZD at the beginning examined tough greenness of a brand as after two years only about 10 entrepreneurs had entered the network, and even those participating in the program remained passive. Sometimes, the brand name and logo are not even presented on the accommodation facility. Moreover, it was difficult to enhance closer cooperation between program members, including information about and recommendation of services provided by other members. Actual and potential members simply did not see benefits from being branded, as promotional campaign was missing and PLZD brand remained totally unknown to Poles or tourists from abroad. After another few years some changes can be observed. The number of members acceded thirty and members begun appreciate the market benefits of being branded. Still the problem of their passiveness remained and most of their action within the network are reflections of authorities' initiatives.

It is much easier to establish a strong brand when branded product is strongly connected with what is offered so far in the place and with what customers tend to imagine about the place. Usually the destination brand licensing in a destination begins with the best developed product of the destination. This is the case of agro-tourism in Kamienna Góra county but also in many other examples presented in the literature: Aude department (Woods and Deegan, 2003), vine tourism in *Małe Karpaty* region (Żemła 2012). Another interesting and important question is who can be a licensee. In the PLZD example the members of the branded network are almost only accommodation facilities owners. Quite different situation can be observed in *Pays Cathere*, where the brand is offered to accommodation and gastronomy facilities owners, tourism attraction operators and even to traditional local products (especially local food) producers (Woods and Deegan, 2003). Comparing the two situations one may say that addressing the offer to the specific group of local entrepreneurs results from the definition of the nature of the branded product however the wider group of members the wider offer of branded network for tourists, but also the more difficult the network to be managed.

The concept of the destination brand licensing enhances destination marketers to take into the consideration the idea of destination naming. The name of the brand which is to be licensed can use existing destination's name or be a new one. Similarly, like when creating new brand names of other types (eg. companies, products), destination marketers have to consider advantages and disadvantages of several possible names. They are to be evaluated regarding two most important criteria: clear information about branded product and its features and having a 'catch' – attracting consumer attention and being easy to understand and remember. Apart from those two, a new destination brand name also have to precisely inform consumers about product's localization. However, it is difficult to find a practical example of a name of the licensed destination's brand which fully fulfils all those criteria. In case of PLZD, there is a little inconsequence. The first part of the brand name gives precise information about the product localization. Probably even too precise as neither Polish nor foreign tourists are supposed to know this small mountainous area (*Porta Lubavia*). However the use of Latin name of the area implicates that the brand name is created mainly for tourists from abroad. It is not clear why in such a situation the second part of the name introducing well the agro-tourism offer is used only in the Polish language version. After all, this brand name looks to be also too long and too sophisticated.

Focus on long term stakeholders partnership can be listed among the strongest points of the concept of DBL. Establishing cooperation between members of the network is however probably the most difficult and the most important issue in the destination brand licensing. In destination brand licensing the only way to establish brand equity is licensing it, which means that, at least several first network members, have to enter the network before the brand equity is established. In consequence, it is very difficult to begin the process of DBL, and the first members have to present high level of trust to the brand creator. The brand creator has to be perceived as credible and having enough knowledge and financial and other assets to conduct DBL successfully. It is difficult to establish such a position for both public and private entities. It is especially a serious problem in former communist countries of Central and Eastern Europe where traditions of local democracy and entrepreneurship are very weak. This is confirmed by the PLZD example as partially defeating this mistrust is stated as one of the biggest successes. However, establishing the relationships between the brand creator and the network members is just the beginning not the end of the journey. The network works efficiently when members cooperate with each other directly not only via mediation of brand creator. When the crucial position of brand creator is established it can be difficult to diminish it a little bit in favour to direct relations between the members. The perfect

example of such a situation is Aude département where cooperation between network members is treated as one the most important issue. Network members are trained and examined on the knowledge of the network's offer. They are expected to promote the offer of other network members to their customers especially when the product element demanded by a customer is not delivered by the host. This situation is much easier to achieve in the situation, like in the French example, where network embraces companies offering different kinds of products. And this is much more difficult to establish in the PLZD example where the brand embraces almost only agro-tourism farms, however many of them offer specific attractions not present elsewhere in the county like horse riding or beekeeping. Still it looks that the county authorities are so satisfied with their preliminary success with enhancing network membership and fighting the mistrust that they forget about supporting creation of inter-members relationships.

This problem is connected with another important issue: the branded network is somehow a living organism and has to evolve. Success in one moment of time should not weaken the search for enhancement in network future operations. With a growing number of members and the awareness of a brand among prospective customers the aims of the network also have to change. Orientation to inside, concentrated on internal relationships creation have to be extended by more external orientation on enhancing the marketing position

of the brand. Also the nature of inter-members (including the brand creator) relations have to be developed from from-time-to-time cooperation into stable long-term partnership, where strategic planning and visioning are commonly conducted, instead of temporary actions. This task is however beyond networks in PLZD example.

The last issue is connected with sources of financial resources for the network activities. The most two obvious are: the brand creator donation (if it is a public body) and network members fees. The balance between membership fees and the donation of the brand creator depends strongly on the character of brand creator. Both solutions are connected with some risk. A high membership fee can establish too high barrier for many entrepreneurs. Financial dependency of the whole network on brand creator's donations can lead to passiveness of members and general centralization of the network as in PLZD example. Another possible solution is to search for some external funds, especially European Union funds. Enhancing entrepreneurship, public-private cooperation or small and medium companies development are among the most popular topics in European Union's structural funds and all of them are present in the DBL procedure. However, in the example of PLZD external funds were gained only in the pre-implementation stage when the preparation of a master-plan and external expertise were financed by the World Bank and the United Nations.

SUMMARY

Presented paper is aimed to present the idea of DBL and to create some basic measures of efficiency in DBL procedure. Generally, DBL concept aggregates ideas from two popular concepts in destination management – destination branding (Morgan, Pritchard, 2002) and stakeholders cooperation and networking (Beritelli, Bieger, Laesser, 2007; Wang, Xiang, 2007). Unfortunately those two are considered together rare and Hankinson's model of destination branding based on stakeholders relationships (Hankinson, 2003) as well as his further discussion on five principles of destination brand management (Hankinson, 2007) and the works by Morgan *et al.* (2003) and Cai (2002) are among the exceptions.

The development of PLZD brand illustrates potential as well as traps present in the process of DBL. Some of the tasks, like establishing trust between the brand creator and the network members or creating the perception of the brand value among network members are evident examples of the success. Other, like very weak direct relation between particular members and too high dependency of the whole network on the brand creation money and activity are clearly weaknesses of the brand and are to be enhanced in the future.

REFERENCES

- BERITELLI, P., BIEGER, T., LAESSER, C., 2007: Destination governance: Using corporate governance theories as a foundation for effective destination management, *Journal of Travel Research*, 46, 1: 96–107. ISSN 0047-2875.
- CAI, L., 2002: Cooperative branding for rural places. *Annals of Tourism Research*, 29, 3: 720–742. ISSN 0160-7383.
- CALDWELL, N., FREIRE, J. R., 2004: The differences between branding a country, a region and a city: Applying the Brand Box Model. *The Journal of Brand Management*, 12, 1: 50–61. ISSN 1350-231X.
- CROCKETT, S. R., WOOD, L. J., 1999: Brand Western Australia: A totally integrated approach to destination branding. *Journal of Vacation Marketing*, 5, 3: 276–289. ISSN 1356-7667.

- HANKINSON, G., 2003: Relational network brands: Toward a conceptual model of place brands. *Journal of Vacation Marketing*, 10, 2: 109–121. ISSN 1356-7667.
- HANKINSON, G., 2007: The management of destination brands: Five guiding principles based on recent developments in corporate branding theory. *Journal of Brand Management*, 14, 3: 240–254. ISSN 1350-231X.
- KOZAK, M., MAZUREK, M., 2011: Destination branding: Brand equity, brand extension, co-branding. *Folia Turistica*, 25, 2: 93–111. ISSN 0867-3888.
- MORGAN, N., PRITCHARD, A., 2002: Contextualizing destination branding. In: MORGAN, N., PRITCHARD, A. and PRIDE, R. (Eds.), *Destination branding. Creating the unique destination proposition*. Oxford: Battenworth Heinemann, pp. 11–41. ISBN 0-7506-4994-1.
- MORGAN, N., PRITCHARD, A., PIGGOTT, R., 2003: Destination branding and the role of the stakeholders: The case of New Zealand. *Journal of Vacation Marketing*, 9, 3: 285–299. ISSN 1356-7667.
- MUNDT, J., 2004: Branding of myths and the myths of branding: Critical remarks on the 'branding' of destinations. In: WEBER, S. and TOMLJENOVIC, R. (Eds.), *Reinventing a tourism destination. Facing the challenge*. Zagreb: Institute for Tourism, pp. 43–54. ISBN 953-6145-10-3.
- PARK, S., PETRICK, J. F., 2006: Destinations' perspectives on branding. *Annals of Tourism Research*, 5, 1: 262–265. ISSN 0160-7383.
- PRIDEAUX, B., COOPER, C., 2002: Marketing and destinations growth: a symbiotic relationship or simple coincidence? *Journal of Vacation Marketing*, 9, 1: 35–48. ISSN 1356-7667.
- RUMPEL, P., SIWEK, T., 2008: Wykorzystanie marketingu terytorialnego w turystyce czeskiej na przykładzie Królestwa Wałaskiego. In: CHUDY-HYSKI, D., ŻEMŁA, M. (Eds.), *Zeszyt Naukowy Katedry Turystyki* Nr 39. Katowice: Katowice School of Economics. ISSN 1428-9520.
- SEATON, A. V., 1997: *Destination marketing*. In: SEATON, A. V., BENNETT, M. M. (Eds.), *Marketing tourism products*. London: Thomson Business Press, pp. 350–373. ISBN 978-1-86152-302-0.
- TASCI, A. D. A., KOZAK, M., 2006: Destination brands vs. destination images: Do we know what we mean? *Journal of Vacation Marketing*, 12, 4: 299–317. ISSN 1356-7667.
- TELFER, D. J., 2001: Strategic alliances along the Niagara Wine Route. *Tourism Management*, 22, 1: 21–30. ISSN 0261-5177.
- WANG, Y., XIANG, Z., 2007: Toward a theoretical framework of collaborative destination marketing. *Journal of Travel Research*, 46, 1: 75–85. ISSN 0047-2875.
- WOODS, M., DEEGAN, J., 2003: A warm welcome for destination quality brand: the example of Pays Cathare region. *International Journal of Tourism Research*, 5, 4: 269–282. ISSN 1522-1970.
- ŻEMŁA, M., 2010: Destination brand licensing. In: KOZAK, M., GNOTH, J. and ANDREU, L. L. A. (Eds.), *Advances in tourism destination marketing. Managing networks*. Abingdon: Routledge, pp. 88–98. ISBN 0415492386.
- ŻEMŁA, M., 2012: The idea of destination brand licensing and the question of its effectiveness. *Tourism and Hospitality Management*, 18, 2: 297–312. ISSN 1330-7533.

Address

prof. dr hab. Michał Żemła, Department of Tourism, Katowice School of Economics, 40-659 Katowice, Poland, e-mail: michal.zemla@gwsh.pl