

# AN EVALUATION OF CITY BRANDING TO REINFORCE THE CITY COMPETITIVENESS (A CASE STUDY OF SURABAYA)

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**Abstract-** As predicted by United Nations, around 60 percent of people will live in the urban area by 2030, which would create a new challenge for cities as the main economic generator of a nation. The tighter competition between places all around the world, including cities, regions, and province had brought Surabaya, as the second largest metropolis city in Indonesia after Jakarta, to gain a lot of attention from citizens of Indonesia due to its great improvement. Despite of that fact, Surabaya still ranks below the capital city of Indonesia, which is Jakarta, in terms of global competitiveness. Regarding this issue, this research had been conducted in order to provide insights for the government and people of Surabaya. Using the theory of Kotler's strategic place marketing and the PEST analysis tool, city offering and city brand identity is discovered through interviews with the relevant informants. In addition, a survey using Anholt's city brand hexagon model had also been done in order to capture the current brand image of the city. The result shows that Surabaya could win over Jakarta due to its effective branding. However, the city's promotion strategy still needs to be improved and synergy between all of the stakeholders is very necessary to maximize the city brand value.

**Keywords :** city competitiveness, place marketing, city branding, brand image, Surabaya

## I. INTRODUCTION

Cities are the real contributor in a nation's economic development since the largest contributing activities for the national income are located in cities. Due to this fact, a highly competitive city would be the destination of the moving capital, modern manufactures, best talents, technologies, tourists, events, and citizens with high-income (Yananda & Salamah, 2014).

In general, the image of a city can be seen from its competitive power and there is still possibility of gap existing between the expected images of the city with the image perceived by the stakeholders (Yananda & Salamah, 2014). As the second largest metropolis city in Indonesia, Surabaya still ranks on 104 out of 125 cities worldwide, a slight increase from year 2015 which was on the 109 rank based on the research conducted by A.T. Kearney for the Global City Index.

Outlook		Index		City
2016	2015	2016	2015	
110	105	56	54	Jakarta
109	103	104	109	Surabaya
111	111	105	108	Bandung

**Table 1 : Global Cities Index Result 2016**

(A.T. Kearney Global Cities, 2016)

Regarding the phenomenon as explained above, the government of Surabaya city should have the list of tasks to do in order to keep improving the city especially in facing the global competition. Therefore, in this research, the researcher would evaluate the current city branding strategy as well as gaining a deeper and further insight of how the current city branding worked to increase the city competitiveness,

focusing on Surabaya city as the main object of research to answer the following research questions :

1. How effective is the current city branding of Surabaya in the aspects of presence, place, people, potential, pulse and pre-requisites, in increasing its competitiveness?
2. What is the best branding strategy composition to enhance the value of the city in becoming more attractive and more livable in the future?
3. How would city branding concept help Surabaya increase its competitiveness?

## II. LITERATURE REVIEW

### 1.1 City Competitiveness and Place Marketing

Place competitiveness cannot be evaluated through only a single dimension, hence it has to involve all parameters to build the places, including city, region, or a nation competitiveness (Metaxas, 2007). City competitiveness can be defined as the set of factors, which include policies, institutions, strategies and processes that determines the level of sustainable productivity of a city in which it encompasses economic, environmental and social issues (Sally, et. al, 2014). Furthermore, a real marketing approach must be developed by places to be able to compete effectively in the market as it would build it competitiveness and moreover, place is perceived as a product which can be 'shaped' in order to gain its competitive advantage (Beniusiene et. al, 2010). Therefore, place marketing holds a big important role in creating the city competitiveness.

### 1.2 Strategic Place Marketing

As Kotler, Haider and Rein (1993) explained, place marketing starts with planning group which includes identification of the current problems faced by the place, continued with creating a clear vision for the

place, and the long term action development for the sustainable place. This step would involve citizens and both private sectors (business communities) and public sectors (local/regional government). The next step would be preparing all the marketing factors which include infrastructure to support the activities in the place, creating attractions to attract the new visitors and investors, communicating the image and quality of life, and finally the need of collaboration from all people related to the place such as citizens, leaders, and institutions to have a good synergy for supporting the place marketing and therefore would be ready to be marketed to the targets.



Figure 1: Levels of Place Marketing

Source : Kotler, Heider and Rein (1993) in Korelin and Schneider (2009)

### 1.3 Brand and Place Branding

There are a lot of misconceptions about brand, where brand is only seen as name or logo of a single entity or organization. In fact, brand is beyond a name and logo, it is a promise from an organization to give what becomes the principle of that particular brand, not only in functional benefits, but also emotional, self-expression, and social benefit (Aaker, 2015). As city marketing involves more on the role of city images from its construction, communication and management, it can be said that the main objective of city marketing is the city image, which is also the starting point of the identity-based city branding development (Kavaratzis, 2004).

The concept of city branding can be adopted from the corporate brands, yet different from the products branding, in which city branding and corporate branding are similar in the way of emphasizing more on the information of the corporate philosophy rather than focusing on the function as how the products branding works (Kavaratzis, 2009). Both of the corporations and cities have similarities in terms of their multidisciplinary roots, multiple groups of stakeholders, high-level in intangibility and complexity, social responsibility, multiple identities, and the importance of long-term development (Balmer & Greyser, 2006).

### 1.4 Anholt's City Branding Index



Figure 2: City Brand Hexagon Model  
Source : Anholt (2007)

#### 1.4.1 Presence

This element assesses the city's international status in people's mind, including how familiar people are with the city, what comes to mind when firstly heard the name of the city, what the city is strongly associated with, or whether they have previously visited the city, etc.

#### 1.4.2 Place

In this element, the physical aspect of the city is the main focus of assessment, covering various questions such as the the perceived exterior ambience, climate or weather of the city, in relation with how pleasant it would be to travel around the city.

#### 1.4.3 People

This element focused on the friendliness of the local inhabitants, how easy would it be for the visitors to communicate or have interaction with them, the existence of language barrier or cultural aspect, including the level of the security in order to create safety feeling to live in the city.

#### 1.4.4 Pulse

As most cities have the vibrant urban lifestyle, the existence of attractions of exciting activities would be very important to support the city's brand image. This element is closely related with the emotional impact of the city, for both the short-term visitors and the long-term residents.

#### 1.4.5 Potential

This element covers all the opportunities offered by the city for the visitors, businessmen and immigrants, especially in terms of economic and education. It refers to the availability of higher education level, job opportunities, and also the conducive situation to establish a business in the city.

#### 1.4.6 Pre-requisites

Pre-requisites focused on the basic necessities that a city has to provide. It refers to the convenience of accommodation or how satisfying are the public services, affordable accommodation, and also general

standard of public amenities such as public transportation, schools, hospitals, etc.

### III. METHODOLOGY

A convergent parallel mixed-method design would be used in this research, where both qualitative and quantitative techniques would be involved in the data collection and analyzing process. In this research, the researcher conducted in depth-interviews with several persons with a relevant professional background and distributed questionnaires to 206 respondents who have visited Surabaya, Jakarta, and Bandung for the primary data. In addition, literatures, journals, and findings from internet were also collected as the secondary data to support the findings in this research. Case study was applied in this research as which the complexity exists on the object of the study which is city. In addition, triangulation technique was done in order to test the accuracy of the questionnaires in the interview.

#### 1.5 PEST Analysis

PEST is one of the tools in strategic management which could help businesses in formulating a strategy through seeing the general overview of the macro-environment of a company or an organization. Created by Francis Aguilar, a Harvard professor in 1967 (Arline, 2014), PEST analysis had been widely used by businesses all over the world. PEST stands for political, economic, social, technology, in which these four factors are used together as the base or dimensions in analyzing the external situation of a company or an organization.

### IV. RESEARCH FINDINGS AND DATA ANALYSIS

#### 1.6 Surabaya City PEST Analysis

As the capital city of second largest contributor region to the national GDP of Indonesia, Surabaya can be considered of having a quite strong economic in the nation. Its location on the coastal area had made the city as one of the most important hubs for economic activities not only in Indonesia, but also in the Asia. Marked itself as the city of trades and services, Surabaya has been supported by three most dominant sectors, which include trading activities, hotels and restaurants, and also public transportations, as these sectors have been the top three largest contributors of tax in LGR (Locally-Generated Revenue) or PAD (Pendapatan Asli Daerah) as published by Badan Pusat Statistik of Surabaya in the primary data information 2015. Tourism sector which include tax from hotels, tax from restaurants, and tax from entertainment had contributed more than fifty percent of the total number of the Locally-Generated Revenue. From these facts, it can be seen that in the service area, tourism sector have been the one which contributed a large amount in the revenue of Surabaya. In addition, the amount of Regional Gross

Domestic Product of Surabaya during the last six years has been contributed dominantly for about 27% by the sectors of wholesale and retail trade, repair of cars and motorcycles (Surabaya Primary Data Information, 2015).

Even though Surabaya was firstly dominated by the manufacturing industry and trades, its transformation into the trades and services based-city had shown a positive growth for the development of the city. The great improvement of infrastructure had also impacted to the economic activities in the city. This result shows that the city is well-prepared and has a high ability in accommodating both the services and trading activities.

In terms of politics, Surabaya had also been proven for its stability, not only in the city itself, but also as a part of the East Java province. The city offers safe environment, both in political and economic, proven by the rare conflicts or political issues which might have caused the disturbance in the city. However, the political aspect could still be one of the threats for the city in terms of branding. The change of people in the governance every period might also cause the change of policies applied by the leader for the city, while in fact, it is very important to have a high consistency in branding. The sudden change in policy which is not in line with the vision or long-term plan of the city might cause a failure in the core branding activities and also create confusion to people.

Moving to the social aspect, Surabaya has a unique root culture which is called as *Arek* as the sub-culture of Javanese. Highly influenced by the history of Surabaya as a port which connected a lot of international economic activities, the city had been a place where various culture met and blended together, which finally created this sub-culture. This sub-culture has a strong characteristic which unites all of citizens of Surabaya to live in harmony with the high cultural diversity background and various ethnics in the city. Moreover, the friendly and open-minded characteristic of the people had also created a welcoming environment which is one of the most important points in tourism. It has become the point which differentiates Surabaya from the other cities in Indonesia which has also created a positive image of the city especially for tourism sector.

Furthermore in the technological aspect, Surabaya has done a lot of improvements in the technology and also applied the more advanced technology in the governance activities. Some new programs such as the e-government, e-health, SSW (Surabaya Single Window), etc have also been implemented to increase the performance of the government of Surabaya. Some of these new improvements have brought Surabaya to be the one of the most potential leading smart cities in Indonesia.

### 1.7 Surabaya Brand Creation Process

Sparkling Surabaya had been the city slogan of Surabaya, officially published since 2006 and is still actively being promoted until now. As explained by Agustinus Indrianto, the creator of “Sparkling Surabaya” slogan, the inspiration of the city branding of Surabaya came from its similarities with Melbourne. The existence of Melbourne as the second largest city and also as the second most important city in Australia in economic and business aspect had made it similar with Surabaya as the second largest metropolis city in Indonesia. In terms of number of populations, availability of attractions, infrastructures and economic activities, Melbourne is still below Sydney, similar to Surabaya which is still below Jakarta. Melbourne does not have any massive icon as Sydney which has the famous Opera House, while Surabaya does not have any massive icon as Jakarta which has the National Monument or is often called as *Monas*.

In addition, Melbourne has won the award as one of the most livable cities in the world. As observed by the creator, the unique value that can be emphasized by Melbourne is the lifestyle. Getting inspired by the success of Melbourne in branding the city, Agustinus would also like to emphasize the lifestyle and culture of Surabaya. Moreover, Surabaya has the identity of village culture or often called as “*Kampung*” culture in which it has indirectly pushed the participation of society. If compared to Jakarta, Surabaya would be one step ahead in terms of the living village. This is a unique point which could differentiate Surabaya from the other cities in Indonesia. From that frame of thought, the idea of “Sparkling Surabaya” was created. The word “Sparkling” was chosen since it describes the happiness and cheerful atmosphere in the cultural diversity. From the linguistic perspective, these words also match and sound well as SS, Sparkling Surabaya.



**Figure 3: Sparkling Surabaya Logo**  
Source: Sparkling Surabaya, 2016

This slogan was actually created as a visionary slogan. At that time, Surabaya was still far than the atmosphere of sparkling. However, the government, especially the city branding team hoped that Surabaya would be much more developed in the future as expected in the philosophy and meaning of Surabaya as a sparkling city. It has then been proven by the rapid development of the city during the past several years, transformed it to be a city which is known to “almost never sleep”, showing that there are various activities that can be done by all of the

citizens of Surabaya starting in the morning until night.

### 1.8 City Branding Index

All of the average score of each aspect in the CBI (city branding index) which has been obtained through the survey was summed up in order to find out the city with the highest city branding index. Based on the total score above, Bandung has the highest CBI with the score 20.04, while Surabaya has the second highest CBI with the score 19.00 and followed by Jakarta in the third rank with a slight difference from Surabaya.

City Branding Index						
	Place	People	Pulse	Potential	Pre-requisites	Total
Surabaya	3.32	4.08	3.96	3.82	3.82	19.00
Jakarta	2.89	3.69	3.95	4.49	3.68	18.70
Bandung	4.14	4.00	4.34	3.86	3.70	20.04

**Table 2: Total City Branding Index Survey**

Source: Researcher's Finding

From this result, it can be seen that Bandung has the overall best image and reputation compared to Surabaya and Jakarta. Compared to the result of the most preferred city to be visited by the respondents, the result of the CBI survey conducted by the researcher is in line with the fact that Bandung was rated as the city which would like to be visited the most, while Surabaya was rated as the city which would like to be visited the second most, and Jakarta was rated as the city which would like to be visited the least.

One of the advantages of Surabaya compared to Jakarta is in the ease of transportation and mobility in the city. This could be one of the strengths of Surabaya since traffic jam is one of the main issues faced by the government of Jakarta while in contrast Surabaya offers the shorter time to mobile within the city since the traffic is much better than Jakarta. On top of that, as MICE (Meetings, Incentives, Convention and Exhibitions) has been the largest contributor to revenue of Surabaya in the tourism sector, Surabaya has provided the large convention hall and venues for the national and international scale events, such as Jatim Expo, Grand City Convention Hall, Dyandra Expo, etc. These convention halls have a quite large capacity even though these could not accommodate a very large number of participants as large as Jakarta Convention Center could. Due to these facts, Surabaya offers a more convenient situation for conducting meeting, incentive, convention and exhibition than Jakarta. While comparing with the overall situation of Bandung, Bandung has the advantage of its geographical location. Despite of this fact, Surabaya has the overall similar performance with Bandung in which the city can be said as competitive.

### 1.9 City Branding Effectiveness

After examining relevant information from secondary sources and the gathered data, Surabaya had been

proven to have applied the effective city branding strategy in terms of the city's brand equity which consists of presence, place, people, pulse, potential and pre-requisites factors. It can be seen through the image perceived by people towards the city which match with the real situation of the city offerings.

Through all the data analyzed as discussed previously, it can be seen that Surabaya has built a quite effective brand through the use of "Sparkling Surabaya" slogan. This slogan has clearly represented the differentiation and unique selling point of Surabaya as well as the advantage of the city that should be strongly emphasized, as slogans are the key element of a brand's identity and thus contributes to a brand's equity as well as enhancing a brand's image which helps to create a differentiation in consumer's mind (Heebok, Hee Ju, & Moonki, 2015).

### 1.10 Best Branding Strategy Composition

A strong branding which is represented by a slogan should refer to the brand identity of the city. In this case, Surabaya city slogan has represented the dominant factor which has the role as the USP (Unique Selling Point) as well as creating differentiation among the other cities, which has also been perceived as the strength of the city by people. It shows that the city image that government would like to create in people's mind is in line with the current perspective of people towards the city.

### 1.11 The Role of City Branding in Increasing Surabaya Competitiveness

Branding is one of the important tools in city marketing since it stands as the face of the city. A good implementation in city branding would help to attract the target market and satisfy the stakeholders of the city which would increase its competitiveness in various aspects.

## CONCLUSION AND RECOMMENDATION

### 1.12 Conclusion

In conclusion, the researcher could state that the current city branding of Surabaya is effective enough in attracting the potential market as shown that the city is also on the second rank among the other two cities examined in this research. However, the city still has a low awareness of branding among the majority of people outside the city while the aim of the slogan is actually to also attract the visitors. Despite of this fact, the branding of Surabaya is still growing in which it starts giving quite significant impact in the recent years. Therefore, it has to be promoted continuously with an integrated system otherwise it will create confusion to the audience which the city is targeting.

### 1.13 Recommendation

- Consider very carefully before deciding to implement any re-branding strategy, it is worth considering including the whole advantages of

the city in the branding strategy to apply a holistic meaning and philosophy as well as the vision of the city

- Keep improving the promotional strategy of the city to increase the awareness of the external parties regarding the branding of Surabaya
- Maintain a good synergy with all of the stakeholders of the city in order to create a strong branding of the city, including the integrated marketing communication strategy for "Sparkling Surabaya"
- Educating visitors to keep the environment green and clean, especially on the destination spot.

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