# AN EXPLORATORY INVESTIGATION OF DOWNTOWN BRANDING AS AN EFFECTIVE DOWNTOWN REVITALIZATION STRATEGY: DOWNTOWN BUSINESS OWNERS' PERSPECTIVES

By

# JAY SANG RYU

Bachelor of Science Philadelphia University Philadelphia, Pennsylvania 1994

Master of Science University of North Texas Denton, Texas 1996

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Dissertation Proposal Approved:	
Dr. Jane Swinney	
Dissertation Adviser	
Dr. Glenn Muske	
Dr. Hira Cho	
Dr. Mark Gavin	
Dr. A. Gordon Emslie	
Dean of the Graduate College	

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#### CHAPTER I

#### INTRODUCTION

# **Background**

A downtown is a hub of economic, historic, cultural and social aspects of a community. One might say that a downtown represents the heart and soul of the community. A downtown provides employment opportunities and financial stability to local residents, which benefits each individual as well as the community collectively (Mayer, 2000; Moe & Wilkie, 1997). Therefore, a downtown's economic health is often viewed as a reflection of a community's economic well-being (Walzer & Kline, 2001), and community administrators have tried to revitalize their downtowns for the economic improvement of their communities (Robertson, 1997, 2001; Sawicki, 1989; Yamagishi, 2008).

One of the most successful cases of a small community's downtown revitalization is the city of Greenville, South Carolina (Whitworth & Neal, 2008). Greenville has turned it's unappealing and uninviting downtown into a place where myriad of people (visitors and residents) walk, shop, eat and have fun. In the process of the transformation, Greenville repositioned its downtown by creating and offering a distinctive downtown atmosphere. The city administrators initiated and successfully executed the anchor projects that differentiated the downtown of Greenville from other places. Besides

numerous investment projects, Greenville paid attention to details such as image, signage, events, safety, walkability and cleanliness that enhanced the downtown's sense of place and identity. Greenville also encouraged involvement of downtown stakeholders. All these efforts added up to the successful revitalization of the downtown. This summary of Whitworth and Neal's case study (2008) provides two valuable lessons to community administrators. One of them is the importance of branding-related activities in downtown revitalization and the other one is the necessity of stakeholder involvement in the process.

Geographic places are similar to business firms (Hall & Hubbard, 1998; Virgo & de Chernatony, 2006). From this idea, many scholars and practitioners have borrowed marketing concepts to promote the desirability of places such as nations, states, regions and cities (Paddison, 1993). Accordingly, community administrators have also adopted marketing principles to revitalize their downtowns, and branding is at the center of these efforts (Niedomysl, 2004). Upon successful creation, downtown branding can be a resource that increases a downtown's competitive advantages.

Previous studies of place branding including downtowns have been either conceptual pieces (e.g., Kavaratzis, 2004; Kavaratzis & Ashworth, 2006; Kotler, Haider, & Rein, 1993) or tourism-based emphasizing visitors' perceptions of places (e.g., Baloglu & McCleary, 1999; Pritchard & Morgan, 1998). As downtowns are the assortment of small and independent businesses comprising downtowns, and downtown businesses play major roles in downtown revitalization (e.g., Korsching & Allen, 2004; Rightmyre, Johnson, & Chatman, 2004), downtown branding in the context of downtown revitalization "must" include business owners' perceptions of the branding process and

expected outcomes. Therefore, this study attempts to approach downtown branding and its benefits from the downtown business owners' perspective.

A brand-oriented approach to promote geographic places is not an option but a necessity (Anholt, 2005). However, many studies have expressed the difficulty in implementing place branding due to the lack of its conceptualization (e.g., Hankinson, 2007; Kavaratzis, 2004). With an absence of a robust concept for place branding, the concept of corporate branding has emerged as relevant for explaining place branding (Balmer & Gray, 2003; Csaba, 2005; Hankinson, 2007; Kavaratzis, 2004; Trueman, Cornelius, & Killingbeck-Widdup, 2007). Therefore, this study will apply the concept of corporate branding to downtown branding.

Another challenge for place branding is that multiple stakeholders are involved in a branding process (Hankinson, 2007; Kotler et al, 1993), which may hinder a geographic place from creating a cohesive and strong brand (Warnaby, Bennison, Davis, & Hughes, 2002). Therefore, the success of place branding depends largely on integrating stakeholders' opinions about a place's brand into a congruent and positive attitude to earn stakeholder buy-in to the brand (Kotler, Asplund, Rein, & Heider, 1999). This process has been termed internal branding and researchers have identified internal communication as an instrument of achieving internal branding (e.g., Asif & Sargeant, 2000; Bergstrom, Blumenthal, & Crothers, 2002; Thomson, de Chernatony, Arganbright, & Khan, 1999). While previous studies investigating the importance of internal branding and internal communication have primarily emphasized the employee-organization relationship in the corporate branding context, this study attempts to explore the same

issue in downtown branding context with a focus on the business owner-downtown relationship.

#### **Problem Statement**

The viability of the small community downtown is closely related to the economic health of the small community. Therefore, community administrators have explored various strategies to revitalize their downtowns and in turn, strengthen their communities. Downtown branding has recently emerged as an effective strategy to improve downtown desirability as a travel location, shopping place, residential area and investment property by positively promoting a downtown's distinctive features (Niedomysl, 2004; Wells, 2003). However, the majority of previous studies on place branding have focused on larger places such as nations and metropolitan cities. Nation or city as a brand has been a popular theme of place branding studies, but the findings of these studies may not reflect the reality of small communities and their downtowns. Because only limited research on place branding in small and rural communities is available, research on place branding at small town community-level is needed.

Another prominent research trend in place branding has been tourism-focused research which presents some limitations. Tourism-based research is more likely to focus on visitors' perceptions and the place as a travel destination (Merrilees, Miller, & Herington, 2009). Since downtowns are home to many small businesses, the failure to gather business owners' perspectives toward downtown branding may lead to a less comprehensive understanding of downtown branding.

Previous studies (e.g., Hankinson, 2001; Kavaratzis, 2004; Kavaratzis & Ashworth, 2006) on downtown branding have primarily been conceptual works or based on interviews and case analyses. Although these studies have provided valuable information to scholars and practitioners in understanding downtown branding, the generalization of these findings can be challenging due to small sample sizes and the subjective nature of qualitative research. Therefore, a quantitative approach to explore downtown branding will provide empirical data for decision making.

Several researchers (e.g., Herington, Johnson & Scott, 2008; Punjaisri & Wilson, 2007) have maintained that employees' levels of commitment to an organization influence their behaviors and attitudes toward the organization. Research that seeks a human-place bond has been in the disciplines of sociology (Theodori, 2004) or geography (Vaske & Kobrin, 2001) rather than in the business and marketing fields. Therefore, an empirical investigation of business owners' commitment to the downtown in the business and marketing context is a unique contribution of this proposed research.

# **Purpose of the Study**

The purpose of this research is to examine the impacts of downtown branding on the performance of downtowns and downtown businesses and to examine whether downtown branding is an effective downtown revitalization strategy. Because downtown branding is a relatively recent development with only minimal empirical support, the nature of this research is exploratory.

To address a void of previous studies, this research endeavors to indentify downtown business owners' congruence with downtown branding and the impacts of

their congruence with downtown branding on the performance of downtowns and downtown businesses from downtown business owners' perspectives. The following research objectives are developed for the purpose of this research:

Research Objective 1: Analyze the effect of downtown business owners' exposure to internal communication about four components of downtown branding (downtown image, downtown vision, downtown culture and downtown positioning) on their congruence with downtown branding.

Research Objective 2: Analyze the effect between downtown business owners' congruence with the same four downtown branding components on their levels of downtown commitment.

Research Objective 3: Analyze the effect of downtown business owners' levels of downtown commitment on their perceived downtown performance.

Research Objective 4: Analyze the relationship between downtown business owners' perceived downtown performance on their perceived business performance.

# **Significance of the Study**

The current economic downturn has affected many communities and the declining economy significantly impacts small communities. Leistritz and Sell (2001) stated that small communities need to address this economic hardship through utilizing local resources. However, the challenge for small communities is that they often lack local resources which enable them to improve the sustainability of the community. Since the role of the downtown is imperative in the well-being of the entire community and the performance of the downtown and its businesses are closely related (Les, 2000), the starting point of community revitalization efforts is to help downtown businesses. Thus, the significance of this research is to explore downtown branding as a resource that can be turned into an asset which draws more consumers into the downtown, which ultimately helps individual businesses in the downtown. The study results provide valuable information to community administrators in developing effective strategies that help downtown and its businesses individually and collectively.

Downtown branding as an effective strategy to revitalize local economies has recently received much attention from scholars and practitioners. Yet, measurement of the branding concept for places has not been developed. Various researchers have conceptually or qualitatively applied the concept of corporate branding to place branding because of similarities the two branding concepts share. Furthermore, the previous studies have primarily focused on large places such as nations, states and metropolitan areas from a consumer's perspective. In surveying downtown business owners in small communities, this research will employ a quantitative approach to explore community-level and downtown-level place branding. Internal branding, that is, aligning various

stakeholders' perceptions of a brand into a congruent and positive one to increase their branding-support behaviors, has emerged as a critical factor in successful creation of place branding. Like place branding, internal branding research has focused on concepts, interviews and case analyses rather than quantitative data. Therefore, this research contributes to expanded understanding of the current stream of place branding research by providing quantitative support for the application of corporate branding to places, the importance of stakeholders' level of internal branding in successful creation of place branding and the need for expanding the scope of place branding to include the perspectives of small communities' business owners.

#### **Definition of Terms**

- 1. Small Community: A city or town with a population of 20,000 or less.
- 2. Downtown: A central business district. The downtown area of each community is determined by the researcher with help from community administrators.
- 3. Downtown Branding: A representation of a downtown's distinctiveness that is built on the downtown's image, vision, culture and positioning.
- 4. Internal Branding: A process of aligning stakeholders' dispersed perceptions about a brand into a congruent and positive attitude toward the brand.
- 5. Downtown Commitment: A downtown business owner's identification with, involvement in and willingness to work on behalf of the downtown.
- 6. Downtown Performance: A downtown business owner's perceived evaluation of the downtown's economic well-being compared to local competitors (e.g., malls) and other downtowns in the area.

7. Business Performance: A downtown business owner's perceived evaluation of his or her own business performance compared to the previous year and other competitors.

#### **CHAPTER II**

#### REVIEW OF LITERATURE AND DEVELOPMENT OF HYPOTHESES

This chapter is comprised of three parts. The first part reviews the literature related to downtown revitalization and the roles of downtowns as firms and downtown businesses as employees, introduces a theory of resource-based view of the firm as well as the concepts of place branding, corporate branding and internal branding effects, and concludes with performance of a downtown and its businesses. The second part proposes a conceptual research model based on the relevant concepts and previous studies discussed in the literature review. Part three illustrates the construction of hypotheses that explain causal-effect relationships in the proposed conceptual research model.

#### **Review of Literature**

#### **Downtown Revitalization**

Historically, downtowns have been considered the heart of American communities where most economic transactions and social activities take place. Downtowns provide shopping, dining, tourism, employment and recreational opportunities to residents and visitors (Farst, 2003). Downtowns in small communities have been more likely to be home to small, independent, family-operated and community-based businesses which tend to return a large sum of their profits to communities and to support local organizations (Mayer, 2000; Moe & Wilkie, 1997) However, the advancement of transportation and Internet technology permits people to travel farther or to stay at home for shopping and socializing, which, along with rapid suburbanization, has caused the decline in downtowns' viability across the United States (Robertson, 2001). Consequently, downtowns with limited products, services and activities to offer become even more vulnerable in competing with other small communities.

Community administrators have explored various approaches to increase the quality of living environments, community tax revenues and ultimately community business competitiveness. Among these approaches, downtown revitalization has stood out as one of the most effective methods (Farst, 2003). Traditionally, the majority of studies addressing the cases of downtown development have concentrated on large cities (e.g., Brooks & Young, 1993; Frieden & Sagalyn, 1989). Scholars exploring specific downtown revitalization strategies have also used large cities as their main interests (e.g., Robertson, 1997; Sawicki, 1989; Yamagishi, 2008). However, Robertson (2001)

emphasized that downtown revitalization has become a norm for many small communities throughout the United States as a way to revive local economies. The well-being of a downtown directly affects its community's economy, and small businesses are major contributors to the downtown's economic confidence (Korsching & Allen, 2004; Rightmyre et al., 2004). Les (2000) further stated that the impacts of small businesses on the well-being of a downtown economy are even more magnified when the community size is smaller.

As an effort to revitalize a downtown and its businesses, some community administrators have paid special attention to place marketing. Kotler et al. (1993) and Holcomb (1993) suggested that the main goal of place marketing is the value derived from the image of the place. Haverkampf (2008, March) suggested that having a unified downtown image is a key component for downtown success, and the image needs to be unique, realistic and representative of a community. Similarly, Robertson (1999) and Ryan (2007, December) pointed out that a strong sense of place, that is, a resident's orientation toward, understanding of and feelings about the place (Hummon, 1992), is a common factor among successful downtowns.

Cities and communities increasingly look alike and have no sense of being distinguishable when they are home to the same national chain retailers, restaurants and hotel chains (Kotler et al., 1999). The basic premise of branding strategy is to create a positive image of the product for differentiation from and preference over competitors (Aaker, 1996), thus community administrators hope to achieve this same objective through branding their communities (Kavaratzis, 2004, 2007). Wilson (1995) envisioned that communities can market the distinctiveness of their traditions, heritage or cultural

differences, etc. to create their images and identities, which is the essence of place branding. In early 2009, Phoenix, Arizona launched its new community place brand, "Arizona's urban heart", to attract more locals and tourists to its downtown (Berry, 2009, March 2). New York (the Big Apple), New Orleans (the Big Easy), Los Angeles (City of Angels) and Detroit (Motor City) are other successful and classic examples that demonstrate the success of strong and positive place branding (Finucan, 2002, August).

Downtown branding efforts have also been reported in smaller cities and communities. Lansing, Michigan, Brea, California and Middletown, Connecticut are communities that have successfully revived their local economies through capitalizing on their unique downtown features and turning these features into attractions (Wells, 2003). Therefore, downtown branding can be an effective revitalization strategy for many cities and communities of varying sizes and economic states, with the importance of place branding acknowledged by both researchers and practitioners.

# The Roles of Downtown as Firms and Business Owners as Employees

Cities are run like businesses. This phrase is a main theme of the book titled "The Entrepreneurial City," edited by Hall and Hubbard (1998). In a similar vein, Virgo and de Chernatony (2006) argued that a place is a kind of an economic entity, and Paddison (1993) urged the use of a marketing concept for cities and businesses alike. The University of Michigan Dearborn publishes the Entrepreneurial Cities Index; an annual report that examines community-level factors affecting entrepreneurship, economic growth and employment generation.

In search for effective strategies to assist downtown businesses, Runyan (2005) and Runyan and Huddleston (2006) conceived of downtowns as firms. Penrose (1959) described a firm as a collection of human and physical resources. Since downtowns of small communities consist of a variety of small and independent businesses that are viewed as community resources (Korsching & Allen, 2004), the broad definition of "firms," which includes downtowns, may be warranted (Runyan, 2005). When the downtown is conceived as a firm or an employer, the downtown business owners can be viewed as its employees.

#### **Resource-Based View of the Firm**

The resource-based view of the firm (RBV) considers that firms are collections of resources (Wernerfelt, 1984). These resources are "anything which could be thought of as a strength or weakness of a given firm... a firm's resources as a given time could be defined as those (tangible and intangible) assets which are tied semi-permanently to the firm" (Wernerfelt, 1984, p. 172). The theory is based on the proposition that every organization has different resources and internal abilities, and these resources should be valuable, rare, imperfectly imitable and imperfectly substitutable in order to be an asset to an organization (Barney, 1991). Valuable resources are those that allow an organization to improve its efficiency and effectiveness; rare resources should not be easily available in the market or commonly possessed by a large number of other organizations; imperfect imitable resources mean those that are extremely difficult for competitors to internally recreate; imperfect substitutable resources should be unlikely to render the resources obsolete or significantly weaker (Barney, 1991).

Balmer and Gray (2003) maintained that one organizational resource is its corporate brand. Balmer (2007) concluded that the "British Crown" can be deduced as a corporate brand and therefore be a subject of the RBV (the British Monarchy). Other studies have also suggested that an organization's brand (images and names associated with the organization) can be a resource that provides the organization competitive advantages (Balmer & Gray, 2003; Barney, 1991; Brexendorf & Kernstock, 2007; Fiol, 2001) and therefore can be an asset (Boyd & Sutherland, 2006).

Based on the review of the RBV literature, this study proposes that downtown branding can be a resource that increases a downtown's competitive advantages for two reasons. First, knowledgeable, skilled and experienced employees can be important resources for organizations (King & Grace, 2008). However, these employees, if not managed properly, may not be valuable assets to the organization. For an organization to have employees as competitive resources, the organization needs to find ways to make employees loyal and committed to their organization. Successful corporate branding is one of the ways to help the organization have loyal and committed employees. Likewise, downtown branding increases downtown business owners' (acting as employees) commitment to a downtown (acting as an organization). Having business owners who are committed to work collectively for the improvement of the downtown can improve the downtown's competitive advantages. Second, downtown branding is created based on a downtown's unique features that help consumers form favorable attitudes toward the downtown. Therefore, downtown branding is viewed as a competitive advantage that brings more visitors into the downtown and increases residents' tendencies to shop in the downtown. Several studies have shared the same perspective of branding as a resource

for downtowns (e.g., Runyan, 2005; Runyan & Huddleston, 2006) and communities (e.g., Runyan, Huddleston, & Swinney, 2007).

## **Place Branding**

Geographic places can be branded like products (Aaker, 1996; Keller, 2000; Kotler et al., 1993). However, how to do it remains an area in which further exploration is needed. As places such as nations, cities, regions, and communities tend to blend into a huge single global marketplace, a well-defined and favorable place brand makes a particular place stand out from a myriad of other places. For more than ten years, researchers have witnessed practitioners' growing interests in adopting a branding concept to promote places. Anholt (2005) urged that place marketers "must" rather than "should" employ a brand-oriented approach to promote their places.

One of the earliest studies on place branding was conducted by Lynch (1960) who related physical characteristics to place images. Since then, various researchers examined place branding in terms of marketing philosophy (Ashworth & Voogd, 1990), globalization (Kotler et al., 1993), urban development (Smyth, 1994), marketing strategy (Buhalis, 2000; Uysal, Chen, & Willams, 2000), a combination of history, heritage and culture (Hankinson, 2004b) and brand personality (Morgan, Pritchard, & Pride, 2004). However, many of these studies had tourism as a main focus (e.g., Baloglu & McCleary, 1999; Pritchard & Morgan, 1998). A major concern for the studies that treat places as predominantly travel destinations is that the perception of the community tends to rest on visitors (outsiders to a place) rather than individuals who live and work in those places (Merrilees et al., 2009).

As the business environment moves toward globalization and diversification, places are more than merely travel destinations. Places are considered as independent economic entities (Virgo & de Chernatony, 2006) and are being operated like businesses (Kavaratzis, 2004). This means that places compete with other places to attract not only tourists but also investors, businesses and residents. The places which differentiate themselves from other places through clear vision, identity and image may be able to survive and grow (Anholt, 2005; Warnaby et al., 2002). To this extent, place branding has been considered an effective way to revitalize economically vulnerable small communities (Niedomysl, 2004). Place branding can be especially beneficial during an economic recession because positive images of places help the places survive economic recession relatively unhurt (Finucan, 2002) and may even reverse an economic decline (Kotler et al., 1993). As Gilmore (2004) stated, the value of a place can vary depending on how well the place manages its own resources. Branding is a place management skill that may turn resources into assets and risks into opportunities. Many researchers have also conceptualized this view, that is, place branding as a value enhancer (Hankinson, 2004a; Thode & Masulka, 1998). Therefore, the policy makers for nations, cities and communities are branding their nations, cities and communities to improve the desirability and values of their places as investment properties, business locations and residential sites as well as tourism destinations (Parkerson & Saunders, 2005).

How is a place brand developed? Researchers have called attention to the application of a branding concept to place and argued that place branding differs from conventional product branding (Fan, 2006; Hankinson, 2007; Kavaratzis & Ashworth, 2006). The differences between place and product branding are summarized in Table 1.

Table 1. Comparison between Place Branding and Product Branding

Feature	Place branding	<b>Product branding</b>
Focus of branding	Place	Product
Audience (Consumers)	Diverse groups	Target customers of the product
Ownership of branding	Entire organization	Marketing department
Branding process	Complex and strategic	Simple and functionality
Attributes	Difficult to define	Well-defined
Direction	Two-way (Top to bottom & bottom to top)	One-way (Top to bottom)

(Source: Csaba, 2005; Fan, 2006; Hankinson, 2007; Kavaratzis & Ashworth, 2006; Trueman, Klemm, Giroud, & Lindley, 2001; Warnaby et al., 2002)

Two of the most frequently reported differences between place branding and product branding relevant to this study are the audience and ownership of the brand. Unlike product branding that has a sole brand owner (e.g. manufacturers) and a sole brand audience (e.g. end users), places have multiple brand owners such as community administrators, entrepreneurs and residents as well as multiple brand audiences including the same community administrators, entrepreneurs and residents and also potential investors and visitors (Trueman et al., 2001). Diverse groups of place brand owners and audiences may have different purposes and needs, which makes the place branding process complex and challenging (Warnaby et al., 2002) as well as difficult to cohesively brand (Csaba, 2005). The next section discusses corporate branding as a feasible branding concept that can be applied to places.

# **Corporate Branding**

Corporate branding, which emerged from the traditional concept of product branding in the early 1990s, became a buzz word among marketing practitioners and scholars in the late 1990s (Balmer & Gray, 2003). Since then, researchers on the subject of place branding (e.g., Balmer & Gray, 2003; Csaba, 2005; Hankinson, 2007; Kavaratzis, 2004; Trueman, Klemm, & Giroud, 2004) have applied the concept of corporate branding to place branding. Thus corporate branding has played a major role in the development and practical application of place branding. The term "corporate" is an expression that incorporates any type of organization, and therefore, corporate branding is not limited to branding of business firms but includes places (Csaba, 2005). Numerous researchers have reported on the focus of marketing efforts shifting from product branding to corporate branding and attempted to explain what corporate branding is (e.g., Aaker, 1996; Aaker & Joachimsthaler, 2000; Keller, 2000). Knox and Bickerton (2003) described the concept as a visual, verbal, and behavioral representation of an organization's distinctiveness while Simoes and Dibb (2001) stressed that corporate branding is how an organization communicates its overall image through its mission, values, and beliefs. The importance of corporate branding is the delivery of consistent messages across an organization's stakeholders (Aaker & Joachimsthaler, 2000), and these messages can improve stakeholders' favorable perceptions toward the organization (Anisimova & Mavondo, 2003).

Just as product and place branding have been contrasted, so have product and corporate branding. Knox and Bickerton (2003) identified two features shared by product and corporate branding: differentiation and preference. When an organization positively

differentiates itself from competitors through its brand, consumers are more likely to form a preference to the organization over its competitors. Hatch and Schultz (2003) added the concept of belonging as a third feature that is a unique feature of organizational (corporate)-level branding. A successful corporate brand attracts stakeholders who share the same values and desires as the organization. These shared values and desires among stakeholders create their sense of belonging to the organization (Hatch & Schultz, 2003).

Hatch and Schultz (2003) categorized the distinctions between corporate branding and product branding. The first distinction is what is being branded. As each name clearly indicates, corporate branding focuses on corporations and organizations whereas product branding deals with products. Second, the range of audiences varies. While a product brand primarily targets potential users of the product, a corporate brand is aimed at multiple stakeholders of an organization including management, employees, suppliers and consumers (Balmer & Gray, 2003; de Chernatory, 2002; Hatch & Schultz, 2003). A third distinction between the two involves the participants in the branding process. Corporate branding is managed by top management but is built around employees who believe in and behave according to the brand (Brexendorf & Kernstock, 2007). Therefore, each member of an organization contributes to the formation of a corporate brand, and employees' involvement and support are antecedents of successful development and execution of corporate branding (Harris & de Chernatony, 2001). Because the entire organization is involved in branding efforts, the process tends to be sophisticated, complex and strategic (Hatch & Schultz, 2003). Conversely, product branding is usually handled by a marketing department of a producer, and the process is functional and one directional (Hatch & Schultz, 2003).

Corporate and place branding share common premises as they both are distinct from product branding. Table 2 summarizes the similarities between corporate and place branding concepts documented in various studies. In the following section, the application of corporate branding to downtowns is discussed.

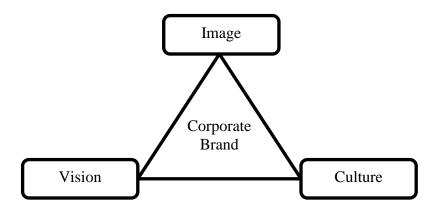
### **Application of Corporate Branding to Downtown Branding**

To build a foundation for downtown branding, this study adopts the theory of corporate branding (Balmer & Gray, 2003; Hankinson, 2007; Trueman et al., 2007) and applies the elements of corporate branding to downtown branding. As illustrated in Figure 1, a corporate brand is built on a systemic linkage of corporate image, corporate vision and corporate culture (Burt & Sparks, 2002; Hatch & Schultz, 2003). The corporate brand unifies members of the organization (Hatch & Schultz, 2001) and acts as an asset by adding values to the organization (Simoes & Dibb, 2001).

Corporate image is the combination of the internal perceptions of the stakeholders within organizations as well as the external perceptions of customers toward the organization (Anisimova & Mavondo, 2003; Hatch & Schultz, 2001, 2003). Corporate vision is the strategic and long-term goals and aspirations that the organization's top management implements (Anisimova & Mavondo, 2003; de Chernatony, 2001; Hatch & Schultz, 2001, 2003). Corporate culture incorporates values, beliefs and behaviors that manifest the organization's tradition, conveys its meanings to members of the organization and serves as a foundation of corporate brand identity (Melewar & Jenkins, 2002).

Table 2. Similarities between Corporate Branding and Place Branding

Features	Studies
Multidisciplinary natures	Ashworth & Voogd (1990); Knox & Bickerton (2003)
Multiple stakeholders as brand owners and brand audiences	Hankinson (2007); Kotler et al. (1993)
High levels of intangibility and and complexity	Kavaratzis & Ashworth (2006); Simoes & Dibb (2001)
Social responsibility	Ave (1994); Simoes & Dibb (2001)
Multiple identities	Dematteis (1994)
Act as an economic entity	Iversen & Hem (2008)



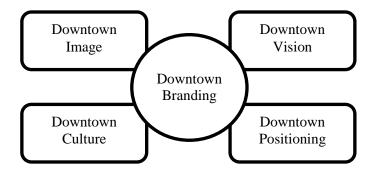
Source: Hatch & Schultz, 2003

Figure 1. Elements of Corporate Branding

Besides image, vision and culture, this study also considers positioning as one of downtown branding components because a brand message is delivered to the public through well-planned brand positioning (Hankinson, 2004a). Runyan (2005) empirically confirmed downtown positioning as a valid construct of downtown branding. Figure 2 illustrates the four components of downtown branding used in the present study. Each component is explained in the following sections.

#### Downtown Image

The downtown branding process begins with the image creation (Cai, 2002; Iversen & Hem, 2008; Kavaratzis, 2007; Kotler et al., 1999), which is either the formation of a positive visual image or the transformation of a negative image or dull image to a favorable image. The image of place is defined as "the sum of beliefs, ideas and impressions that people have of that place... a simplification of a large number of associations and pieces of information connected with the place" (Kotler et al., 1999, p. 160) and has strong impacts on people's expectations and perceptions of places. Morgan et al. (2004) argued that the image of a place lasts longer in people's mind than the reality of a place which can change relatively quickly. The general public has preset perceptions toward a downtown based on its symbols such as historical buildings (Yamagishi, 2008), natural landmarks (Kavaratzis, 2007), and museums and monuments (Kotler et al., 1999). A well-developed and defined retail mix and facilities also contribute to a downtown's symbolic representation as a shopping place (Runyan 2005; Snepenger, Murphy, O'Connell, & Gregg, 2003).



Source: Adapted from Dowling (1994), Hatch and Schultz (2003), and Runyan (2005)

Figure 2. Components of Downtown Branding

A downtown which turns these symbolic representations into its unique identification has competitive advantages over those which do not because these symbols can favorably influence public attitudes toward the downtown. The image can also be formed through events and activities sponsored by or taking place in downtowns (Kavaratzis, 2007; Kotler et al., 1999). Walkability can be an asset to downtowns to attract more tourists and create a positive downtown image (Robertson, 1998, October; Yamagishi, 2008). Fairs, sports events, cultural events, recreation and entertainment, shopping places and festivals that incorporate downtown's characteristics are also sources for a downtown's image (Kavaratzis, 2007; Kotler et al., 1999).

# **Downtown Vision**

The brand vision is management's long-term objectives that encourage employees to contribute to brand success (Hatch & Shultz, 2001). Palma (1998, January 5) contended that a community must have a vision about functional, physical, social and economic roles of its downtown. A well-defined downtown vision guides the various

interests of diverse downtown stakeholders (e.g., business owners, residents, visitors, shoppers, local governments, investors etc.) in the same direction. A downtown project, including downtown branding, without the consideration of feasibility, desirability and a long-term downtown vision is pointless (Robertson, 2001). Based on the practical examples of selected Oregon communities, Klebba, Garrett, Radle, and Downes (2001) wrote that setting up a community's vision is a precursor of a successful downtown branding and development project.

## Downtown Culture

Mitchell (2001) claimed that the downtown development involves a cultural association to the downtown as one of many stages of development. Applying the definition of organizational culture to the downtown, downtown culture can be defined as a downtown stakeholders' basic and shared set of values, assumptions, beliefs, attitudes and behaviors, which represents a downtown's history, heritage and identity (Hofstede, 1991). Culture can bring competitive advantage to a downtown (Porter, 1985) and differentiation from other downtowns (de Chernatony, 2001).

A downtown is usually where a community's history began and houses historic buildings and landmarks (Robertson, 2001). Lindsay (2005) suggested that culture influences values, beliefs and behaviors of stakeholders in a community, and in turn, determines the characteristics of the community. After the analysis of 25 communities Hankinson (2004b) suggested that community branding is built on the community's culture. Downtown-sponsored events and festivals in which a community's heritage and tradition are embedded can offer unique attractions to visitors (Evans, 2003; Kotler et al.,

1999) and add economic values to the downtown (O'Conor, 1998; Zukin, 1991). Visitors can recognize and remember the downtown's image through the cultural associations to the downtown they have experienced. Therefore, culture is one of many sources that provides a cohesive identification to the members of community and helps to develop a sense of place (Ruetsche, 2006, May).

### **Downtown Positioning**

Place brand positioning is a way of communicating to the public the features and benefits the place offers and sets the place apart from competitors (Hankinson, 2004a; Quelch & Jocz, 2005). Rainistro (2003) stated that "it is not possible to create any image for a place without a strategic decision on the contents of the place's identity" (P. 73). Place brand positioning determines the effect of place branding (Cai, 2002). Welldesigned and executed place brand positioning can even convert a negative place image into a positive one (Nuttavuthisit, 2007). Place brand positioning uses symbols, logos, slogans, and themes as a means to help consumers grasp the intended brand meaning of place (Hankinson, 2001; Kavaratzis, 2007; Kotler et al., 1999; Nuttavuthisit, 2007). For example, Grand Rapids, Michigan is described as the "Furniture Capital of America," although the city is not the largest furniture manufacturing city in the United States; yet the city wants to be recognized as the furniture capital and positions itself through slogans and marketing efforts (Hoekman, 2000, September 5). Gilmore (2002) and Harrison (2002) emphasized that the involvement of local residents, businesses and service providers is a significant factor in place brand positioning. Events (e.g., culture and sports) have recently emerged as a popular tool for place brand positioning (Nobili,

2005; Quelch & Jocz, 2005; Rein & Shields, 2007). Downtown brand positioning is a downtown's effort to be recognized as its intended brand identity and therefore constitutes downtown branding (Runyan, 2005; Runyan & Huddleston, 2006).

# **Internal Branding Effects**

How an organization's brand identity is placed in consumers' minds depends largely on its employees (Berthon, Ewing, & Hah, 2005) because they are "a touch point with customers" (Alcorn, Campanello, & Grossman, 2008, Fall, p. 11). According to Jacobs (2003, April), an organization's strong brand identity sustained by its employees is a very important competitive advantage of the organization. In this sense, employees are often called "brand ambassadors" (Jacobs, 2003, April, p. 23), implying that the success of the organization is determined by employees who deliver the brand promise to its customers. Thomson et al. (1999) explained that "greater staff understanding (intellectual buy-in) and commitment (emotional buy-in) can enhance brand and business performance" (p.819). Supporting this view, the importance of employees has frequently been quoted in corporate branding literature (Brexendorf & Kernstock, 2007; Harris & de Chernatony, 2001; Hatch & Schultz, 2001). Internal branding is defined as aligning employees' disparate attitudes and beliefs toward its brand identity (Bergstrom et al., 2002) and earning employees' commitment (employee buy-in) toward an organization and its brand (Thomson et al., 1999). Therefore, the main purpose of internal branding is to ensure all employees of an organization have congruent attitudes toward its brand values and are committed to deliver these values to customers (de Chernatony, 2001; Keller, 1999; Punjaisri & Wilson, 2007; Tosti & Stotz, 2001).

When employees have positive brand attitudes toward their organization, both employee and organizational performance is improved (Punjaisri & Wilson, 2007). Yaniv and Farkas (2005) confirmed that when employees perceive an organization's brand values are well-matched with their own values, they have a higher level of job satisfaction and attachment to the organization. Therefore, internal branding motivates employees to commit to, identify with (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002), be loyal to (Papasolomou & Vrontis, 2006), be passionate about (Alcorn et al., 2008, Fall) and feel proud of their organization (Gray, 2007, March 12). Finally, internal branding makes a corporate brand strong and powerful (Punjaisri & Wilson, 2007) and maximizes the performance of the organization as a result of having committed employees (Alcorn et al., 2008, Fall; Thomson et al., 1999).

The significant role of internal branding in the success of corporate branding has been recognized by scholars and practitioners as they have moved forward to find "how" to build strong internal branding (e.g., Bergstrom et al., 2002; Thomson et al., 1999; Yaniv & Farkas, 2005). Internal communication has been considered an effective tool to enhance internal branding (Asif & Sargeant, 2000; Punjaisri & Wilson, 2007; Thomson et al., 1999; Vallaster & de Chernatony, 2005; 2006). Communication is defined as "a process by which individuals share meaning, it offers the means of creating and implementing behavioral changes both within and without an organization" (Asif & Sargeant, 2000, p. 300) and links people to form relationships (Duncan & Moriarty, 1998). Dubrin (1994) stated that "the purpose of communication is to gather, process and disseminate information" (p. 336). Internal communication refers to the process at the intra-organizational level (Asif & Sargeant, 2000). Through internal communication,

organizations help their employees understand brand values, internalize them and deliver them externally, leading to a better organizational performance (Asif & Sargeant, 2000). Schweiger and Denisi (1991) found that organizations with effective internal communication survive hostile business environments relatively unhurt because their employees remain optimistic about their organizations, resulting in better organizational performance. Worrall and Cooper (1997) also highlighted that internal communication is a firm's core competency that enhances employees' positive attitudes toward their firm. Dessler (1999) stressed that a company has to plant its mission into employees through internal communication. Several studies have identified the consequences of internal communication. First, internal communication creates a well-defined and cohesive corporate identity (Ambler & Barrow, 1996; Ford & Ford, 1995); second, it encourages employees' commitment to organizational goals and objectives (McDonald, 1995); third, it educates employees to perform their jobs adequately (Kohli & Jaworski, 1990); and finally, it improves an overall organization's performance by aligning all employees (Piercy & Morgan, 1994). These studies confirm that effective internal communication allows an organization to achieve strong internal branding.

Organizational performance is determined by members' level of commitment to the organization (Brown, 1995). Employees who are engaged in their organizations devote themselves to supporting the achievement of organizational goals. For this reason, every organization wants to improve its employees' engagement to the organization (Cannings, 1992). Herington et al. (2008) and Williams (1997) highlighted that employees' commitment to work on behalf of the organization is a significant predictor of the organization's success. Other researchers have also asserted that individuals'

higher dedication to the organization leads to superior organizational performance (Eisenberger, Fasolo, & Davis-LaMastro, 1990; O'Reilly & Chatman, 1986). For example, a 2007 Gallup survey revealed that organizations with employees of high-level commitment to the organizations were 18% more productive and 12% more profitable than those with employees of average-level commitment to the organizations (Alcorn et al., 2008, Fall). Using public-sector employees in South Korea, Kim (2005) attested that employees' commitment to an organization's goals correlates to the performance of the organization. Leisink and Steijn (2009) obtained similar outcomes with Dutch samples. In summary, various studies have documented positive links between employees' commitment to their organization and their willingness to benefit the organization (O'Reilly & Chatman, 1986), their longer job tenure (Mowday, Poter, & Steers, 1982), their tendency to work harder, their better performance and their contributions to the organization (Meyer & Allen, 1997). The importance of internal branding effects in the context of downtowns is discussed in the development of hypotheses.

# Performance of a Downtown and Its Businesses

Several studies suggested the positive link between the performance of the downtown and its businesses. For example, Snepenger et al. (2003) discovered consumers' tendency to stay in the same area for various consumption activities. Later Warbaby and Bennison (2006) identified the similar findings. Ryu and Swinney (2009) also supported a close association between the two.

# **Proposed Conceptual Model**

This study expects that downtown business owners' exposure to a downtown's image, vision, culture and positioning are positively related to their congruence with these components. This study also anticipates that downtown business owners' congruence with the downtown branding components and their commitment to the downtown are positively related. This commitment presumably leads them to form positive perceptions of downtown performance. With positive perceptions of downtown performance, downtown business owners are more likely to perceive their business performance favorably. Figure 3 illustrated the conceptual research model that explains the following causal paths: (1) exposure to internal communication about downtown branding components → congruence with downtown branding components; (2) congruence with downtown branding components → commitment to downtown; (3) commitment to downtown → perceived downtown performance; and (4) perceived downtown performance.

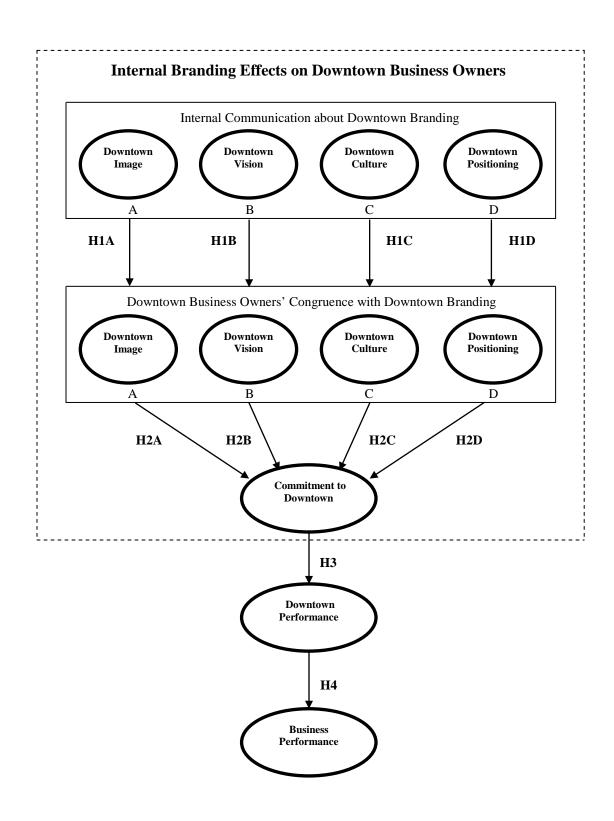


Figure 3. Proposed Conceptual Model for the Impact of Downtown Branding on the Performance of the Downtown and its Businesses

# **Development of Hypotheses**

The primary objectives of this study are to understand how downtown business owners' exposure to internal communication about downtown branding components influences their congruence with downtown branding, their commitment to the downtown and their perceptions of the performance of downtown and downtown businesses. To examine these research objectives, the following hypotheses are developed based on the relevant literature.

# Internal Communication to Congruence with Downtown Branding

An organization's image, vision and culture constitute corporate branding (Burt & Sparks, 2002; Hatch & Schultz, 2003). Based on previous studies (e.g., Balmer & Gray, 2003; Hankinson, 2007; Kavaratzis, 2004), which equate corporate branding and place branding, this study frames downtown branding to include image, vision and culture of the downtown. Brand positioning conveys a downtown's features and transfers to the public in a way the downtown intended (Hankinson, 2004a; Quelch & Jocz, 2005) and is an independent construct of downtown branding (Runyan, 2005; Runyan & Huddleston, 2006). Hence, this study incorporates a downtown's image, vision, culture and positioning as the components of downtown branding.

Corporate branding depends largely on congruent perceptions about the brands among an organization's stakeholders (Harris & de Chernatony, 2001) because multiple stakeholders participate in a branding process (Mitchell, 1997). Harris and de Chernatony (2001) conceptually and Yaniv and Farkas (2005) empirically supported the importance of internal branding in successful execution of corporate branding. Their studies

contended that the higher the congruence between employees' perceptions of the corporate brand values and the actual brand values declared by management, the higher the employee performance and commitment to an organization.

Likewise, a place's brand is created by the diverse stakeholders of the place. To overcome variability, place branding requires strong internal branding that shapes multiple stakeholders' various perceptions and beliefs about the place into cohesive and positive attitudes toward place branding. Vasudevan (2008) emphasized that "internal stakeholders must be given a role and voice in deciding and articulating the brand vision of a place" (p. 334). Through in-depth interviews and case studies, Heldt Cassel (2008) found that the establishment of a strong and positive image is critical for the success of place branding, and this image must be sold to insiders (e.g., city employees, business owners and residents). External place branding (delivering branding values to consumers) becomes effective only when internal branding supports them, and the two complement each other (Heldt Cassel, 2008). In a similar vein, Kotler et al. (1999) cautioned that without internal agreement among stakeholders of place branding, a place's appealing identity may not be properly transferred to consumers' positive attitudes toward the place, and Bergstrom et al. (2002) stated that "without consensus, there is no commitment" (p. 136). Thus, place branding should incorporate a place's attractive features into a unified marketing message that best represents the place and sell this message to its stakeholders because place stakeholders' attitudes toward these features determine the values of place branding (Merrilees et al., 2009). The importance of internal branding in successful execution of place branding has been conceptually (Csaba, 2005; Kavaratzis, 2007;

Kotler et al., 1999) and empirically (Heldt Cassel, 2008; Vasudevan, 2008; Virgo & de Chernatony, 2006) supported in literature.

Internal communication is an effective tool to achieve internal branding, that is, stakeholders' congruent attitudes toward a brand (Harris & de Chernatony, 2001; Murray, 1989). Stigel and Frimann (2006) pointed out that because diverse groups are involved in a branding process, city branding cannot be successfully created without internal communication that reinforces attitudes of these diverse groups into a coherent and positive one. Kavaratzis (2004) developed a theoretical framework for the development of city brands in which communication plays a focal point. Hankinson (2004a) emphasized the role of communication as a means of building positive brand relationships among various stakeholders of place branding. Hankinson (2007) contended that the success of place branding depends on consistent brand communication across stakeholders. To ensure success of community branding, McEachern (2008) urged that community leaders should earn public support by constantly communicating with community members regarding its brand. Community branding can only be meaningful and relevant to insiders who are involved in the branding process when the message is effectively and positively communicated to them (Vasudevan, 2008). communication ensures stakeholders' positive and congruent attitudes toward community branding and inclinations to act in a brand supporting manner.

Although no previous studies have directly investigated the relationship between business owners' exposures to communication and their congruence with branding, various studies have suggested that communication promotes congruent perceptions of an organization's brand (Harris & de Chernatony, 2001; Murray, 1989; Smith et al., 1994)

and reduces the perceptual differences (DelVecchio, 1998). Therefore, this study postulates the following internal communication hypotheses:

Hypothesis 1A: Exposure to the internal communication about downtown image will increase downtown business owners' congruence with the image.

Hypothesis 1B: Exposure to internal communication about downtown vision will increase downtown business owners' congruence with the vision.

Hypothesis 1C: Exposure to internal communication about downtown culture will increase downtown business owners' congruence with the culture.

Hypothesis 1D: Exposure to the internal communication about downtown positioning will increase downtown business owners' congruence with the positioning.

### Congruence with Downtown Branding to Downtown Commitment

Congruent perceptions of a corporate brand by an organization's stakeholders are a requirement for corporate branding; successful corporate branding is built on consistent messages about an organization's brand and effective delivery of these messages to stakeholders for their support of the brand (Harris & de Chernatony, 2001). Employees as facilitators of corporate brand performance have been documented in many studies (e.g., Aaker, 1996; Hatch & Schultz, 1997; Urde, 2003). Based on the above discussions, it is a reasonable assumption that a strong and effective corporate branding relies largely on

employees' congruent perceptions of an organization's brand. The match between employees' own personal values and their perceived organizational values increases employees' satisfaction with and commitment to the organization (Amos & Weathington, 2008; Cable & Judge, 1996; Chan, 1996; Kristof, 1996) and willingness to exert efforts on behalf of the organization (Cable & DeRue, 2002; Chatman, 1989). Boxx, Odom, and Dunn (1991) empirically confirmed these relationships between public-sector employees and public-sector organizations. More specifically in a corporate branding context, Harris and de Chernatony (2001) and Yaniv and Farkas (2005) identified that employees' congruence with an organization's brand improved their commitment to the brand. Mitchell (2002) claimed that an organization can improve employee commitment to the organization through promoting their engagement in corporate branding. Employees who favor an organization's brand tend to commit to the organization and work to improve the organizational goals (Aurand, Gorchels, & Bishop, 2005; Mitchell, 2002). Backhaus and Tikoo (2004) conceptualized the importance of corporate branding (employer branding is their own term) as an effective means to obtain committed employees. Boyd and Sutherland (2006) concluded that corporate branding improves employees' commitment to the organization. Hatch and Schultz (2003) also contended that corporate branding increases the level of members' belonging to an organization which works as a value to the organization.

Since the general perception is that a downtown is a core place where a community's values are evolved and a downtown's brand is a representation of these values, this study postulates that downtown business owners' congruence with downtown branding components increases their commitment to the downtown. The corporate

branding literature discussed above provides a foundation for the following congruencebased hypotheses:

Hypothesis 2A: Downtown business owners' congruence with downtown image will increase their commitment to the downtown.

Hypothesis 2B: Downtown business owners' congruence with downtown vision will increase their commitment to the downtown.

Hypothesis 2C: Downtown business owners' congruence with downtown culture will increase their commitment to the downtown.

Hypothesis 2D: Downtown business owners' congruence with downtown positioning will increase their commitment to the downtown.

### Downtown Commitment to Downtown Performance

The consequence of strong internal branding on employees is their commitment to an organization. Committed employees are assets to organizations (Cannings, 1992) because the organizational success is largely determined by employees who are dedicated to work on behalf of the organizations (Herington et al., 2008; Williams, 1997). Similarly, Lehman, Greener, and Simpson (2002) and Peterson and Reid (2003) maintained that individuals who are strongly committed to a group tend to exert efforts to achieve group goals.

On a community-level, Hummon (1992) found that individuals' perceptions of their community determine their degree of community commitment. Coleman (1988) conceptualized that individuals' commitment to their community strengthen their tendency to work on behalf of the community. With a general population from small communities of Texas, Theodori (2004) also found the positive relationship between individuals' commitment to their community and their community-level actions to improve community welfares. Downtown business owners who are committed to work for downtown's shared interests are thought to be more likely to evaluate downtown performance favorably and the following hypothesis is developed:

Hypothesis 3: Downtown business owners' commitment to the downtown will increase the positive perceptions of their downtown performance.

### <u>Downtown Performance to Business Performance</u>

This study anticipates that downtown performance influences the performance of individual businesses. According to Mayer (2000), the local economy of small communities depends mostly on two income sources: the dollars coming in from outside of the community and the dollars spent locally. This characteristic of local economy advises community administrators to pull outside consumers into their communities while engaging local spenders within their communities. Mayer (2000) and Moe and Wilkie (1997) also confirmed that the local economy of small communities work in a circular way; the dollars spent locally are more likely to remain in the community in forms of wages to local employees, tax revenues and reinvestment for community enhancement,

thus they are again used locally. Based on interview data from managers of shopping centers in the UK, Warnaby and Bennison (2006) validated a positive relationship between the economic performance of towns and that of retailers in the towns.

City administrators in the U.S. identified attracting more people to downtowns as one of the top priorities to assist downtown businesses (Robertson, 1999). The main objective of downtown branding is to add values to a downtown in the form of being differentiated from and being preferred by consumers over other competing downtowns (Anholt, 2005; Warnaby et al., 2002). Heldt Cassel (2008) posited that a strong and favorable downtown brand through values of differentiation and preference, brings more visitors to the downtown and, through a value of belonging, increases residents' inshopping intentions. Consequently, these benefits are byproducts of downtown branding (Barney, 1991; Brexendorf & Kernstock, 2007; Fiol, 2001). Hence, downtown business owners perceive that stimulating downtowns with consumer influx would eventually benefit downtowns, which in turn, would improve the performance of their own business. These findings lead to the final hypothesis:

Hypothesis 4: Downtown business owners' positive perceptions of the downtown performance will increase the positive perceptions of their own business performance.

# CHAPTER III

# **METHODOLOGY**

This chapter presents the methods employed in this study. First, the data collection procedures and the characteristics of respondents are explained. Next, the development of the survey instrument is addressed. Lastly, statistical data analyses to test the proposed research model and hypotheses are explained.

### **Data Collection Procedure**

This study intended to investigate how downtown business owners' congruence with downtown branding affected their commitment to the downtown and their perceptions of the downtown and their own business performance in selected small communities in a Midwestern state. This study defined small community as a city or town with a population less than 20,000. Communities with a population less than 2,000 were excluded to ensure sufficient businesses to survey in its downtown area.

First, the letter explaining the purpose of the study was sent to the Main Street director, Chamber of Commerce director or county extension educators in thirty five randomly selected communities to ask if their community would like to take a part. Seventeen communities initially expressed their interest, but only fifteen of them actually participated in the survey.

The researcher visited ten communities and distributed the survey questionnaire to downtown business owners and then made a second visit to each business for the collection of the surveys. When business owners had not completed the survey, a self-addressed returned envelope was provided to them. In five communities a community representative (e.g., Main Street director and Chamber of Commerce director) agreed to distribute the surveys. The researcher mailed surveys to each community representative, and collected surveys, along with the total number of surveys distributed, were mailed back to the researcher.

### **Sample Description**

Of the 568 surveys distributed, 169 were collected yielding a response rate of 29.8%. After excluding questionnaires with incomplete answers, 167 questionnaires were used in data analysis. The mean age of respondents was 45.3, and the majority of them were in the range of 31 to 50 years old with 54.5% female and 45.5% male. The most common business type was retailers of fashion-related products including shoes, accessories and beauty products, followed by retailers of home furnishings including antiques and flowers. Table 3 presents details of the respondents' demographic information.

## **Survey Instrument Development**

The proposed conceptual model included five main sections: (1) downtown business owners' exposure to internal communication about downtown image, vision, culture and positioning; (2) downtown business owners' congruence with the downtown image, vision, culture and positioning; (3) downtown business owners' commitment to the downtown; (4) downtown business owners' perceptions of downtown performance; and (5) downtown business owners' perceptions of their own business performance. Due to the exploratory nature of the study, various resources (see Table 4) were used in developing the survey instrument with wording of existing scales modified to fit the purpose of this study. The survey was pretested with twenty downtown business owners during October 2009. The results of the pretest analysis and comments by pretest participants were incorporated into the final survey questionnaire.

Table 3. Characteristics of Respondents

Category		Frequency (n=167)	%
Gender	Male	76	45.5
	Female	91	54.4
Age	30 and less	9	5.4
	31 - 40	54	32.3
	41 - 50	31	18.6
	51 - 60	20	12.0
	61 and over	22	13.1
	No response	31	18.6
Education	High school graduate	28	16.8
	Some college	44	26.3
	College graduate	52	31.1
	Graduate/Ph.D.	19	11.4
	Other	24	14.4
Business type	Retail: Apparel-related	56	33.5
• 1	Retail: Home furnishings	30	18.0
	Retail: Grocery/Food/Drug	14	8.4
	Services: FIRE*	24	14.4
	Services: Health	15	9.0
	Other	28	16.7
Years of business	Less than 1	4	2.4
ownership	1 - 10	82	49.1
	11 - 20	27	16.2
	21 - 30	10	6.0
	31 and more	5	2.9
	No response	39	23.4
Years of business	Less than 1	3	1.8
existed in downtown	1 - 10	72	43.1
	11 - 20	23	13.8
	21 - 30	17	10.2
	31 and more	19	11.4
	No response	33	19.7

<sup>\*</sup> Finance, insurance and real estate

All non-demographic survey items are presented in Table 4. They were measured with a seven-point Likert-type scale, and their reliability was satisfactory with the Cronbach's alpha coefficients ranging from .83 to .95.

## **Exposure to Internal Communication**

This study defines internal communication as a process by which downtown business owners are informed about branding messages. Internal communication happens in multiple directions such as managers to employees and between employees (de Chernatony, Cottam, & Segal-Horn, 2006; Harris & de Chernatony, 2001). However, this study considers communication as a whole because several studies have suggested that communication as a whole affects an individual's perceptual congruency (e.g., DelVecchio, 1998; Wagner, Pfeffer, & O'Reilly, 1984). Through in-depth interviews, Asif and Sargeant (2000) and King and Grace (2008) found that internal communication consisting of formal communication and informal communication. Similarly, Henkel, Tomczak, Heitmann, and Herrmann (2007) measured how a firm manages employees' brand-consistent behaviors. Although their study used the term "management control" rather than "communication," both terms infer a system of transmitting messages to employees in order to influence their behaviors. Boyd and Sutherland (2006) identified factors relevant to internal communication within an organization. The common thread of these studies is that written mechanisms such as newsletters and memos are considered as formal communication while person-to-person interactions are regarded as informal communication.

Incorporating the findings of these studies on internal communication, the survey questions were developed to measure downtown business owners' exposure to internal communication about downtown branding components. The following four items are used for measuring downtown business owners' exposure to internal communication of the downtown image: (1) I have discussed our downtown image with other business owners in the downtown; (2) our downtown image is clearly communicated to me; (3) our downtown uses newsletters, e-mails, memos, booklets or notice boards that inform me about our downtown image; and (4) in downtown meetings, our downtown image is discussed.

The same statements are used for measuring downtown business owners' exposure to the downtown vision and culture by replacing the word "image" with "vision" and "culture", respectively. However, in cases of downtown positioning, explanatory terms are used in the statements rather than the actual term "positioning" in order to help respondents' understanding of the statements. For example, "symbol, logo or slogan" is used instead of "positioning" in the questionnaire. A seven-point Likert-type scale, ranging from "1" as *strongly disagree* to "7" as *strongly agree*, is used to evaluate the items.

### **Congruence with Downtown Branding**

Congruence implies the fit, match, similarity or agreement between two constructs (Edwards, 1995). Cable and DeRue (2002) developed a three-item measurement scale that examines employees' subjective perceived congruence between their own values and an organization's. The reliability coefficient of the scale ranged

between .88 and .92 depending on study settings (Yaniv & Farkas, 2005). This study adapted Cable and DeRue's scale (2002) with the modification of wording in the statements. Cable and DeRue's original statement is "the things I value in life are similar to the things that my organization values" (2002), but for this study the statement is modified to read "the downtown image is similar to my perception of the downtown image." The second statement, "my personal values match my organization's values and culture," has been changed to "the image I have for this downtown matches the communicated downtown image," while the third statement of "my organization's values and culture provide a good fit with the things that I value in life," has been modified to "the downtown image communicated to me is a good fit with the downtown image I have." The same change is done for the other downtown branding components. This study uses a seven-point Likert-type scale in which "1" equals *strongly disagree* and "7" equals *strongly agree* to measure these items.

#### **Downtown Commitment**

Downtown Commitment is considered as downtown business owners' identification with, involvement in and willingness to exert efforts on behalf of the downtown as a whole. Mowday, Steers, and Porter (1979) developed a nine-item scale, which yielded reliability coefficients ranging from 0.82 to 0.93 to test downtown business owners' level of commitment to their downtown. Wordings of items were modified to reflect the purpose of this study. For example, "I talk up this organization to my friends as a great organization to work for" is restated as "I talk up this downtown to others as a great place to open and operate a business." The remaining eight items have also been

modified in a similar manner and scored on seven-point Likert-type scale from *strongly disagree* as "1" to *strongly agree* as "7".

#### **Downtown Performance**

The evaluation of downtown performance is challenging because downtowns do not generate official documents such as financial statements (Runyan, 2005; Runyan & Huddleston, 2006). For this reason, Runyan (2005) developed a scale to assess downtown performance by adapting the relative performance measurement used by Frazier (2000) and Niehm (2002). This study used the three-item scale by Runyan (2005) with a reliability coefficient of 0.91 to measure the performance of the downtown based on downtown business owners' perceived downtown performance in relation to that of the previous year, local competitors and other downtowns in the area. The items are scored on a seven-point Likert-type scale as "1" being *poor* and "7" being *excellent*.

#### **Downtown Business Performance**

Regarding the measurement of downtown business performance, several studies have approached the downtown business performance with business owners' perceived evaluation of their own business performance compared to the previous year and other major competitors (e.g., Frazier, 2000; Runyan, 2005; Ryu & Swinney, 2009). According to Venkatraman and Ramanujam (1986), the business performance assessed by more objective tools such as business revenue and profit growth yielded a similar outcome as the business performance assessed by the downtown business owners' perceived relative performance measure. Thus, this study adopts three items Runyan (2005) used in his

research. A seven-point Likert-type scale, from "1" for *poor* to "7" for *excellent*, was used to score these items.

## **Data Analysis**

A two-step approach recommended by Anderson and Gerbing (1988) was used to evaluate (1) the reliability and validity of the measurement model using Confirmatory Factor Analysis (CFA); and (2) the proposed hypotheses and the structural model with the structural equation modeling (SEM) technique. SPSS 17.0 and LISREL 8.80 (Jöreskog & Sörbom 2006) were used for the analysis.

The various model fit indices were used for the assessment of the measurement and structural model fit. A chi-square value and its p-value along with Root Mean Square Error of Approximation (RMSEA), Comparative Fit Index (CFI), Normed Fit Index (NFI) and the Standardized Root Mean Square Residual (SRMR) were utilized to determine the overall measurement and structural model fit.

Table 4. Summary of Research Constructs, Measurement Items and Reliability

Construct/Item	Reliability					
Internal Communication (Asif & Sargeant, 2000; Boyd & Sutherland, 2006; King & Grace, 2008; Henkel et al., 2007)						
I have discussed our downtown image (vision, culture, positioning)* with other business owners in the downtown.	Image: .83					
In downtown meetings, our downtown image (vision, culture, positioning)* is discussed.	Vision: .86 Culture: .89					
Our downtown image (vision, culture, positioning)* is clearly communicated to me.	Positioning: .90					
Our downtown has newsletters, e-mails, memos, booklets or notice boards that inform me about our downtown image (vision, culture, positioning).*						
Congruence (Cable & DeRue, 2002)						
The downtown image (vision, culture, positioning)* is similar to my perception of the downtown image	Image: .93					
(vision, culture, positioning).*	Vision: .95					
The downtown image (vision, culture, positioning)* communicated to me is a good fit with the downtown image	Culture: .95					
(vision, culture, positioning)* I have.	Positioning: .95					
The image (vision, culture, positioning)* I have for this downtown matches the communicated downtown image (vision, culture, positioning).*						
I believe downtown business owners agree with the communicated downtown image (vision, culture, positioning).*						

<sup>\*</sup> Each item for the both construct of Internal Communication and Congruence asked for vision, culture and positioning. Other item wording remained consistent.

Construct/Item	Reliability
Commitment (Mowday et al., 1979)	.94
I talk up this downtown to others as a great place to open and operate a business.	
I am willing to put in a great deal of effort beyond that normally expected in order to help this downtown be successful.	
I would accept almost any type of assignment in order to keep this downtown a good place for a business.	
I find that my values and the downtown's values are very similar.	
I am proud to tell others that I operate my business in this downtown.	
This downtown really inspires the very best in me in the way of work performance.	
I am extremely glad that I chose this downtown to operate my business over other downtowns I was considering at the time I opened the businesses.	
I really care about the fate of this downtown.	
For me, this is a good and favorable downtown in which to operate my busing	ness.
Downtown Performance (Runyan, 2005)	.94
How would you describe the overall performance of the downtown in 2008?	
How would you describe the overall performance of the downtown as a whole, relative to this downtown's major competitors?	
How would you describe the overall performance of the downtown as a whole, relative to other downtowns in your region?	
Business Performance (Runyan, 2005)	.94
How would you describe the overall performance of your business in 2008?	
How would you describe the overall performance of your business relative to your major competitors?	
How would you describe the overall performance of your business relative to other businesses like yours in the industry?	

# CHAPTER IV

# **FINDINGS**

This chapter discusses the results of data analysis and findings. First, the reliability and validity of the measurement and measurement model fit indices are presented. Then, this study summarizes structural model fit indices and results for hypotheses testing.

#### **Measurement Model Test**

The estimation of the measurement model was conducted by using CFA to test reliability and validity of the survey instrument. A statistically not significant chi-square value indicates a good model fit. The chi-square value of the measurement model in this study was 1607.37 with the degree of freedom of 979. The p-value was .00 indicating a statistical significance. However, the chi-square test is dependent on sample size and most likely to yield its p-value smaller than .05. Therefore, employing other indices such as Root Mean Square Error of Approximation (RMSEA) and Comparative Fit Index CFI (CFI), which are least influenced by sample size (Fan, Thomson, & Wang, 1999), can strengthen the overall model fit assessment.

The RMSEA estimates the difference per degree of freedom between the original and the reproduced covariance matrices. Its value .08 or less is considered a reasonable fit (Hair, Anderson, Tatham, & Black, 1998) while a value less than 0.05 reflects a close fit (Browne & Cudeck, 1993). This study yielded a RMSEA value of .076 (CI for RMSEA = .071 - .081).

The Comparative Fit Index (CFI) evaluates the relative improvement in fit of the hypothesized model compare to the null model, specifying all observed variables as uncorrelated with a value of .90 or greater signifying an adequate fit (Bentler & Bonett, 1980). This study yielded a CFI value .99 meeting the recommended value.

Two additional indices of model fit are the Normed Fit Index (NFI) and the Standardized Root Mean Square Residual (SRMR). The NFI is a relative comparison of the proposed model to the null model and a value of greater .90 is recommended (Hair et al., 1998). The NFI value of this study was .97. The SRMR compares the standardized

discrepancy between the observed and predicted variances and covariances, and a value less than 0.10 is regarded as a favorable outcome (Kline, 2005). This study produced the SRMR value .06.

The convergent validity confirms whether supposedly related constructs are, in fact, related. The factor loadings of indicators were used to assess the convergent validity of the measurement model. Factors loadings were in the range of .61 to .93 and were statistically significant at p < .01, confirming construct validity for the measurement. The Structural Multiple Correlations (SMC) ranged between .37 and .86, verifying item reliability. The Construct Reliability (CR) and Average Variance Extracted (AVE) were used to provide internal consistency of the measurement model, and the range of each value was .82 to .94 and .70 to .92, respectively. These values exceeded the recommended levels of .70 for the CR and .50 for the AVE (Fornell & Larcker, 1981). Table 5 summarizes the results of the CFA measurement model test.

Discriminant validity confirms the independence of a construct from other constructs and was measured with a confidence interval in this study. The confidence interval of paired constructs is their correlation coefficient plus and minus two standard errors. When this confidence interval does not include 1.0, each construct is different from one another (Anderson & Gerbing, 1988). The confidence intervals and correlation coefficients of all paired constructs are shown in Table 6. None of them included 1.0, confirming discriminant validity of each construct. However, the correlation coefficients of some paired constructs were high, which might have caused overestimation of some coefficients. This concern will be addressed further in the limitations section.

Table 5. Results of the CFA Measurement Model Test

n = 167

Latent	Indicator	CSS (t-value)	SMC	CR	AVE
Internal communication	I1	.61 (8.36)	.37	.82	.70
about downtown image	I2	.75 (11.09)	.57		
	I3	.78 (11.71)	.61		
	I4	.75 (11.06)	.57		
Internal communication	V1	.65 (9.24)	.43	.85	.77
about downtown vision	V2	.78 (11.65)	.60		
	V3	.84 (13.21)	.71		
	V4	.78 (11.68)	.60		
Internal communication	C1	.71 (10.27)	.50	.88	.82
about downtown culture	C2	.83 (12.87)	.69		
	C3	.89 (14.39)	.79		
	C4	.76 (11.32)	.58		
Internal communication	P1	.68 (9.73)	.46	.88	.84
about downtown	P2	.82 (12.75)	.68		
positioning	P3	.92 (15.22)	.84		
	P4	.81 (12.48)	.66		
Congruence with	IC1	.84 (13.20)	.71	.91	.88
downtown image	IC2	.84 (13.28)	.71		
2	IC3	.91 (14.89)	.82		
	IC4	.80 (12.18)	.64		
Congruence with	VC1	.91 (15.07)	.82	.94	.92
downtown vision	VC2	.92 (15.49)	.85		
	VC3	.91 (15.22)	.83		
	VC4	.80 (12.42)	.65		
Congruence with	CC1	.85 (13.58)	.73	.93	.91
downtown culture	CC2	.91 (15.22)	.83		
	CC3	.91 (15.04)	.82		
	CC4	.85 (13.50)	.72		
Congruence with	PC1	.89 (14.69)	.80	.94	.92
downtown positioning	PC2	.93 (15.71)	.86		
	PC3	.90 (14.76)	.80		
	PC4	.84 (13.19)	.70		

(Table 5 continued in the next page)

Latent	Indicator	CSS (t-value)	SMC	CR	AVE
Commitment to	CT1	.87 (14.10)	.76	.90	.80
downtown	CT2	.66 (9.53)	.44		
	CT3	.63 (8.97)	.40		
	CT4	.71 (10.37)	.50		
	CT5	.87 (14.02)	.75		
	CT6	.86 (13.77)	.74		
	CT7	.88 (14.22)	.77		
	CT8	.72 (10.62)	.52		
	CT9	.86 (13.72)	.74		
Downtown	DT1	.85 (13.51)	.73	.90	.86
performance	DT2	.91 (15.03)	.83		
•	DT3	.91 (15.11)	.83		
Business	BU1	.82 (12.61)	.67	.89	.84
performance	BU2	.91 (14.97)	.83		
1	BU3	.92 (15.31)	.85		

CSS: Completely Standardized Solution; SMC: Squared Multiple Correlations; CR: Composite Reliability = square of the summation of the factor loadings/(square of

the summation of the factor loadings + summation of error variances)

AVE: Average Variance Extracted = summation of the square of the factor loadings/ (summation of the square of the factor loadings + summation of error variances)

The model fit indices:  $\chi^2 = 1607.37$  (df = 979), p-value = .00; RMSEA = .076 (CI for RMSEA = .071 - .081); CFI = .99; NFI = .97; SRMR = .06.

Table 6. Results of Discriminant Validity

	IC	VC	CC	PC	IG	VG	CG	PG	CT	DT	BU
IC											
VC	.91(.03) .8597										
CC	` /	.86(.03) .8092									
PC		.76(.04) .7884	. ,								
IG		.77(.04) .6985	. ,								
VG		.87(.03) .8193	. ,	. ,	. ,						
CG		.82(.04) .7490	. ,		. ,	. ,					
PG		.70(.05) .6080	. ,	. ,	. ,	. ,	. ,				
CT		.64(.05) .5474									
DT		.69(.05) .5979	. ,	. ,	. ,	. ,					
BU	. ,	.49(.07) .3563	. ,		, ,	, ,	, ,	, ,		, ,	

<sup>&</sup>lt;sup>a</sup> Correlation coefficient (standard error)

IC: Communication about image

CC: Communication about culture

IG: Congruence with image

CG: Congruence with culture

CT: Commitment to downtown

BU: Business performance

VC: Communication about vision

PC: Communication about positioning

VG: Congruence with vision

PG: Congruence with positioning

DT: Downtown performance

<sup>&</sup>lt;sup>b</sup> Confidence interval

#### **Structural Model Test**

To evaluate the hypotheses of the proposed conceptual model, a structural model test was conducted. The overall fit indices suggested that the structural model has an adequate fit:  $\chi^2 = 1811.16$  (df = 1018), p-value = .00; RMSEA = .085 (CI for RMSEA = .08 - .09); CFI = .98; NFI = .96; SRMR = .09. Figure 4 and Table 7 present the results of the structural model fit test, the coefficient of each path, and the outcome of hypothesis testing. To explain how much variance was accounted for by this research model,  $R^2$  values for the endogenous variables are provided in Figure 4.

# **Communication about Downtown Branding** → **Congruence**

Four hypotheses were proposed to examine the impacts of the communication about downtown image (H1A), vision (H1B), culture (H1C), and positioning (H1D) on congruence with its respective component. All four hypotheses were supported:  $\gamma = .87$  for H1A,  $\gamma = .88$  for H1B,  $\gamma = .89$  for H1C, and  $\gamma = .89$  for H1D. The results suggested when downtown business owners were frequently informed about downtown branding they were more likely to buy-in to the downtown's brand value.

## **Congruence with Downtown Branding** → **Downtown Commitment**

The effects of congruence with downtown image (H2A), vision (H2B), culture (H2C) and positioning (H2D) on the downtown commitment were tested. Only three hypotheses, H2A ( $\beta$  = .23), H2C ( $\beta$  = .35), and H2D ( $\beta$  = .29), were supported. The path from congruence with downtown vision to the downtown commitment was not significant ( $\beta$  = -.07), causing H2B to be rejected. These results indicated that downtown

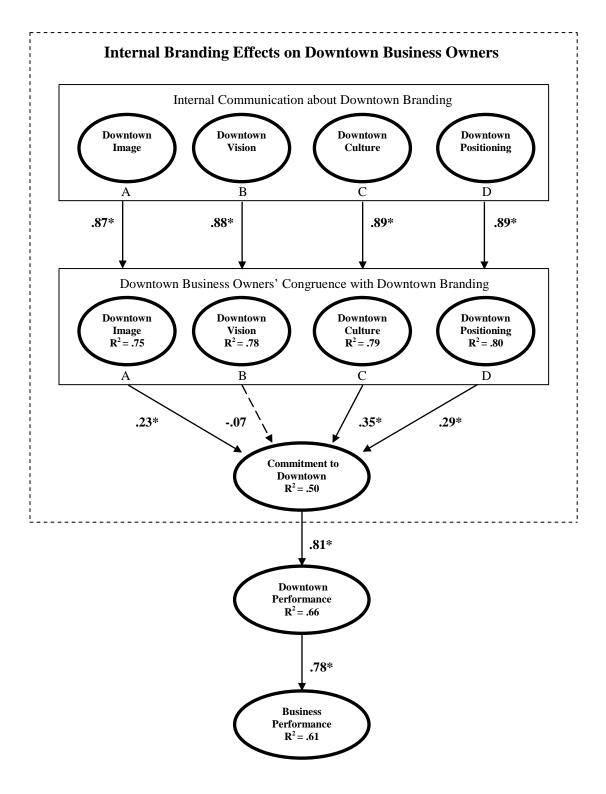
business owners who have the high level of congruence with downtown image, culture, and positioning tend to be more committed to the downtown, whereas business owners' congruence with downtown vision was less relevant to their commitment to the downtown.

#### **Downtown Commitment** → **Downtown Performance**

The impact of downtown commitment on the downtown performance was significant, which supported H3 ( $\beta$  = .81). Downtown business owners perceived the downtown performance more positively when they were committed to their downtown.

### **Downtown Performance** → **Business Performance**

H4, that is, the effect of the downtown performance on the business performance, was supported ( $\beta$  = .78). Downtown business owners who perceived their downtown performance positively also perceived their business performance favorably.



The model fit indices:  $\chi^2$  =1811.16 (*df*=1018), p-value =.00; RMSEA =.085 (CI for RMSEA =.08 - .09); CFI =.98; NFI =.96; SRMR = .09; Numbers on paths are structural coefficients; \* p < .01

Figure 4. Results of the Structured Model Test

Table 7. Results of the Structural Model Test

n = 167

Hypothesis	Path	Coefficient (t-value)	Result
H1A	Internal communication about downtown image → Congruence with downtown image	.87* (10.96)	Supported
H1B	Internal communication about downtown vision → Congruence with downtown vision	.88* (12.51)	Supported
H1C	Internal communication about downtown culture → Congruence with downtown culture	.89* (11.96)	Supported
H1D	Internal communication about downtown positioning → Congruence with downtown positioning	.89* (12.43)	Supported
H2A	Congruence with downtown image → Commitment to the downtown	.23* (2.17)	Supported
H2B	Congruence with downtown vision → Commitment to the downtown	07 (-0.69)	Rejected
H2C	Congruence with downtown culture → Commitment to the downtown	.35* (3.45)	Supported
H2D	Congruence with downtown positioning → Commitment to the downtown	.29* (3.46)	Supported
Н3	Commitment to the downtown → Downtown performance	.81* (11.14)	Supported
H4	Downtown performance → Business performance	.78* (9.82)	Supported

<sup>\*</sup> p < .01

# CHAPTER V

# CONCLUSION

This chapter summarizes the major findings of this study. Then, the academic and practical implications of the study are presented. This chapter concludes with the limitations of the study and suggestion for future research.

### **Summary and Discussion of Major Findings**

Branding strategy can be used to enhance the value and competitiveness of a particular place. Keller (2000) contended that places can be branded like products, and Anholt (2005) claimed that a brand-oriented approach to promote places is a necessity, not an option. As places are run like business entities (Kavaratzis, 2004) and compete with each other for visitors, residents and retail businesses (Hall & Hubbard, 1998), a place that differentiates itself from other places through a successful place branding strategy is more likely to survive and grow than those that fail to produce this distinguishable brand (Kotler et al., 1993). Walzer and Kline (2001) asserted that a community may be able to overcome economic hardship by developing a community brand, which in turn benefits the businesses in the community.

No previous research had established a robust concept for place branding. This study used as its conceptual foundation downtown branding as the composition of four elements: downtown image, vision, culture, and positioning. Based on the resource-based view of the firm, this study proposed that downtown branding is a resource for the community and helps provide the community economic development strategies. In order for the community to utilize downtown branding to its full benefit, downtown business owners should have congruent attitudes toward its brand value, which increases their commitment to the downtown. Frequent and effective internal communication about downtown branding helps this process. Results indicated that as downtown business owners have greater commitment to the downtown, they have more positive perceptions about the performance of their downtown and their individual business.

Data was collected from downtown business owners of small communities in a

Midwestern state. Ten hypotheses were proposed, and nine were found to be statistically significant. The first four hypotheses supported evidence that internal communication about downtown branding components - image, vision, culture, and positioning - improved downtown business owners' congruence with each component. These results support the previous research suggesting the positive association between internal communication and congruence in various contexts (e.g., Harris & de Chernatony, 2001; DelVecchio, 1998; Murray, 1989; Smith et al., 1994). The results also confirm McEachern's (2008) and Vasudevan's (2008) view, that is, the important role of communication in achieving stakeholders' brand congruence. Another important finding was that the coefficients of the relationship between communication and congruence were similar across all four downtown branding components (ranging from  $\gamma = .87$  to  $\gamma = .89$ ). This indicates that the communication-congruence relationship may be stable regardless of the specific communication component (image, vision, culture or positioning).

The next set of hypotheses confirmed that downtown business owners' commitment to the downtown was driven by their congruence with downtown image, culture, and positioning. That is, downtown business owners' high level of congruence with downtown image, culture, and positioning enhanced their willingness to work for the downtown's welfare and satisfaction to operate the business in the downtown. Many studies found this relationship in the employees-organization context (e.g., Amos & Weathington, 2008; Aurand et al., 2005; Boxx et al., 1991; Mitchell, 2002; Yaniv & Farkas, 2005), and this study supported their findings in the context of downtown business owners and the downtown.

However, this study failed to establish that downtown vision increased business owners' commitment to the downtown. A vision is a common value and goal among group members (Miller, Besser, & Malshe, 2007) and is a "holding mechanism" that encourages members to work together for an organization (Tsai & Ghoshal, 1998). Wollebaek and Selle (2002) stated that one of the characteristics in a successful organization is that its members share the organization's vision of what is to be achieved and valued (Wollebaek & Selle, 2002). Robertson (2001) and Klebba et al. (2001) suggested that the vision is a required element of projects initiated by communities. The vision should be set before downtown branding direction is implemented. Consequently, this study anticipated a positive relationship between congruence with downtown vision and commitment, but results indicated a non-significant relationship. Ryu and Swinney (2009) also failed to confirm that the vision was a significant predictor of business owners' commitment to the downtown. These outcomes suggest that the use of vision as one of place branding components may need to be examined further.

Next, results supported the relationship between commitment and the positive perception of downtown performance, confirming that downtown business owners with a high level of downtown commitment perceived their downtown performance more favorably. Cowell and Green's research (1994) may provide a reasonable explanation for this association. In their research, residents' level of community attachment was a predictor of their in-shopping tendency because they perceived that "shopping locally" was a good way of giving back to the community. In the same sense, downtown business owners' commitment to the downtown may encourage them to work for the downtown, which leads to their positive perception of the downtown performance.

Finally, results validated that a positive perception of the downtown performance increased downtown business owners' perception of their business performance. The overall performance of a mall has a positive impact on the performance of its individual businesses (Warbaby & Bennison, 2006). The findings of this study demonstrated that the same relationship can be found between a downtown and its individual businesses.

#### **Academic Contributions**

"Branding places" as an effective strategy to revitalize local community economy has recently received much attention from scholars and practitioners. Yet, place branding has been an under-examined research topic. Most place branding studies have been conceptual or qualitative pieces (e.g., Hankinson, 2007; Kavaratzis, 2004). Furthermore, they have primarily focused on large places such as nations, states and metropolitan areas from consumers' or visitors' perspectives (e.g., Fan, 2006; Hankinson, 2007; Merrilees et al., 2009). By addressing these limitations of previous research, this study makes several academic contributions.

The first significant contribution of this study is the attempt to quantitatively test the application of the corporate branding concept to places. Place branding has been practiced for many years but has not been a common topic in academic research. Hankinson (2001, 2004a) and Kavaratzis (2004) have been advocates of place branding research, but they have primarily contributed to the conceptual development by employing qualitative techniques such as interviews and case analyses. Although their contributions have helped other researchers further examine this topic, these contributions may lack in generalization. By empirically validating the application of

corporate branding to the downtown, this study helped the understanding and the development of the place branding concept.

Three distinctive trends of the previous place branding research have been (1) focusing on larger places such as nations, states and metropolitans; (2) treating places as travel destinations; and (3) taking the perspectives of visitors and consumers (e.g., Fan, 2006; Hankinson, 2007; Merrilees et al., 2009). By focusing on and surveying downtown business owners in small communities rather than visitors and consumers, the second contribution of this research is to expand the scope of place branding to include the perspectives of small communities' business owners.

Lastly, this study incorporated an internal branding concept in the study. An important role of internal branding in a brand success has been addressed in numerous studies (e.g. de Chernatony, 2001; Papasolomou & Vrontis, 2006; Punjaisri & Wilson, 2007; Yaniv & Farkas, 2005). However, like place branding, a quantitative approach to examine the internal branding concept is in its infancy. This study is one of the first attempts for a quantitative investigation linking the brand congruence to commitment. In addition, this study expanded the application of internal branding beyond the traditional employees-organization relationship through an empirical support for internal branding effects on business owners' commitment to the downtown.

#### **Managerial Implications**

The revitalization of the local economy has been a concern of many community administrators. This study proposes that downtowns and their businesses share a common economic destiny. That is, the sustainability of downtown businesses may depend on the

downtowns' economic viability. Having downtown business owners working together for the downtown's behalf will in turn benefit the downtown businesses. The findings from the current study supported this proposition.

This study reveals that downtown business owners' brand congruence improved their commitment to the downtown, and internal communication about downtown branding was a precursor to their brand congruence. Among four downtown branding components, congruence with downtown image, culture and positioning were found to be factors affecting business owners' commitment to the downtown whereas the congruence with downtown vision was insignificant. Therefore, community administrators should develop the image, culture and symbol/logo/slogan (positioning) that best represent the downtown's unique offering. These efforts should include communication of the branding effort to the downtown business owners for maximum effectiveness. Consequently, an equally important task is to implement an effective internal communication strategy. One of the participating communities uses e-mail newsletters to announce downtown's upcoming events and exchange information. This could be something many communities could easily implement for the better communication among community members.

The findings of this study confirmed the overall positive impact of downtown branding on the performance of the downtown and its businesses. The business performance of retailers operating in a shopping mall depends largely on its ability to attract consumers into the mall (Yin & Yau, 2006). As downtowns consist of a variety of businesses, the role of downtowns to downtown businesses may be parallel to that of shopping malls and shopping mall retailers. This means that the success of downtown

businesses may depend on its ability to entice more consumers into the downtown. This study can help community administrators recognize the value of "branding the downtown" as an effective strategy to revitalize the downtown. As the downtown becomes more viable, its businesses may perform better. Hence, community administrators need to practice this innovative approach of building a strong business environment through downtown branding.

#### Limitations

Several limitations are identified in this study. First, the data was collected from a relatively small number of business owners in one Midwestern state. Because this study focused on small communities with a population of less than 20,000, there were a limited number of downtown businesses available. A low response rate from surveys of small business owners is common (Dennis, Jr., 2003), but more study participants would increase the statistical strength of the findings. Since business environments may vary state by state, including business owners in other states could also strengthen the study.

Second, this study was initiated based on several assumptions. One is that corporate branding is similar to downtown branding. This study applied a corporate branding concept to downtown branding and considered image, vision, culture and positioning as downtown branding components. This assumption was based on strong conceptual foundations, but the lack of empirical support for the application of the corporate branding concept to places may be a limitation. Further this study assumed that downtowns function as business firms and the downtown businesses function as employees.

Third, this study yielded relatively high correlations among the constructs of internal communication about four downtown branding components. The format of the questions may be the main reason for this result. To measure internal communication about image, vision, culture, and positioning, the statements were worded the same only replacing "image" with "vision," "culture," and "positioning." Due to similar wording in the statements, study participants may be responding to the questions similarly. The same problem was noticed among the constructs of congruence with four downtown branding components. The high correlations between constructs might have affected the estimates of the path coefficients. Furthermore, the degree to which these estimates were affected is unknown. This might be problematic, thus interpretation of results should be made with caution.

Finally, some of statements used in the survey might have been interpreted with meanings different from this study's intentions. For example, the first and fourth items in the congruence construct, "the downtown image (vision, culture, positioning) is similar to my perception of the downtown image (vision, culture, positioning)" and "I believe downtown business owners agree with the communicated downtown image (vision, culture, positioning)," were believed to be less meaningful in obtaining downtown business owners' level of congruence with downtown branding components. Also, this study intended to use the relative measurement, that is, the performance compared to the previous year and other competitors, to evaluate the performance of the downtown and downtown business. However, the wording of the first item in the both downtown performance and business performance asked the respondent simply to evaluate the

performance of the previous year. This might cause this study to have biased results in downtown business owners' perception of downtown and business performance.

#### **Future Studies**

The limitations provide good directions for future studies. More business owners who represent different regions of the U.S. could be surveyed in future studies. Because communities in other parts of the U.S. may operate in a different economic climate, the inclusion of business owners in various areas is desirable. Future studies could also validate the application of corporate branding to places with quantitative data. Hence, research that explores the relationship between corporate branding and place branding may contribute to further theoretical development for place branding.

In addition to addressing the limitations identified in the previous section, future studies could use theoretical components in this study in future work. Internal branding is an emerging research topic but has been rarely studied quantitatively. To our knowledge, no measurement scale for internal branding is available, which makes the measurement development for internal branding a promising area for future studies.

The relationship between congruence and commitment may be influenced by two different concepts of congruence, that are, (1) business owners' agreement with communicated downtown branding, and (2) the match between what business owners believe downtown branding is and what they want downtown branding should be. Since "agreement" as well as "match" affects an individual's level of congruence, the distinction between these two types of congruence and their relationship to commitment

can be a subject of future studies. Recognition of these two forms of congruence was an important outcome of this work.

This study posited that downtown branding attracts consumers into the downtown and retains local consumers within the downtown for their consumption activities. Future studies may use a pull factor to evaluate the community's ability to draw more consumers into the downtown through its branding strategy.

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# **APPENDICES**

# APPENDIX A INSTITUTIONAL REVIEW BOARD APPROVAL

## Appendix A. Institutional Review Board Approval

### Oklahoma State University Institutional Review Board

Date:

Wednesday, October 21, 2009

IRB Application No

HE0957

Exempt

Proposal Title:

An Exploratory Investigation of Downtown Branding as an Effective

Downtown Revitalization Strategy: Downtown Business Owners' Perpective

Reviewed and Processed as:

Status Recommended by Reviewer(s): Approved Protocol Expires: 10/20/2010

Principal Investigator(s)

Jay Sang Ryd

Jane Swinney

431 HES

**445 HES** 

Stillwater, OK 74078

Stillwater, OK 74078

The IRB application referenced above has been approved. It is the judgment of the reviewers that the rights and welfare of individuals who may be asked to participate in this study will be respected, and that the research will be conducted in a manner consistent with the IRB requirements as outlined in section 45

The final versions of any printed recruitment, consent and assent documents bearing the IRB approval stamp are attached to this letter. These are the versions that must be used during the study.

As Principal Investigator, it is your responsibility to do the following:

1. Conduct this study exactly as it has been approved. Any modifications to the research protocol

must be submitted with the appropriate signatures for IRB approval.

2. Submit a request for continuation if the study extends beyond the approval period of one calendar year. This continuation must receive IRB review and approval before the research can continue.

3. Report any adverse events to the IRB Chair promptly. Adverse events are those which are

unanticipated and impact the subjects during the course of this research; and 4. Notify the IRB office in writing when your research project is complete.

Please note that approved protocols are subject to monitoring by the IRB and that the IRB office has the authority to inspect research records associated with this protocol at any time. If you have questions about the IRB procedures or need any assistance from the Board, please contact Beth McTernan in 219 Cordell North (phone: 405-744-5700, beth.mcternan@okstate.edu).

Shelia Kennison, Chair Institutional Review Board

#### Director of Chamber of Commerce

Oklahoma State University is conducting a research study to benefit small communities in Oklahoma. In the fall of 2008 we surveyed community residents about their perceptions of the downtown shopping district in four Oklahoma communities. Previously we had gathered information from business owners operating in the downtown area. This year we are moving forward in our research study and asking business owners to provide their feedback on the downtown branding efforts of their community as a resource that attracts more consumers into the downtown and enhances the performance of the downtown and its businesses.

With each phase we are giving valuable feedback to the community and have shared our findings with the communities and with the County Extension Offices.

This letter is to recruit communities who are willing to participate in the research study. Your community was randomly selected for this year's research study. We are asking for your help in identifying names and addresses of businesses located in your community's downtown business district. We will then come to your community and provide them a paper survey that will take less than 20 minutes to complete. Their responses will not be associated with any specific business but only with the community it came from. The focus of the research study is on perceptions of the downtown branding efforts.

We will work with you and your downtown businesses to determine dates for distribution and pick up of the surveys. It is our desire to collect responses from the business owners during October and early November. If you feel this project is something that your community business owners might be interested in helping us with please provide their names and addresses to me or my doctoral student at the address given below. We will provide you the full findings of our work in your community and the results from the other participating communities for comparison purposes.

Dr. Jane Swinney
Associate Professor
Dept. of Design, Housing & Merchandising
445 HES Building
Oklahoma State University
Stillwater, OK 74078
jane.swinney@okstate.edu

Jay Ryu
Doctoral Student
Dept. of Design, Housing & Merchandising
431 HES Building
Oklahoma State University
Stillwater, OK 74078
jay.ryu@okstate.edu



Dear Downtown Business Owner;

This questionnaire is part of an Oklahoma State University multi-community research study titled An Exploratory Investigation of Downtown Branding as an Effective Downtown Revitalization Strategy: Downtown Business Owners' Perspectives.

The purpose of this research is to ask you about your perceptions of downtown image, symbol/logo/slogan, vision and culture in your community. The goal is to help improve downtown and business performance. A survey that should take approximately 20 minutes to complete has been attached with this letter. Please complete the survey and return it to the researcher when he revisits you for survey collection. The survey also has brief questions about yourself and your business.

All information will be anonymous as no names or identification numbers will be recorded on the survey. The surveys will be destroyed in May 2010 after the responses have been entered into a computer. No names or identification numbers will be recorded in the data file. All results will be reported as aggregated data and no individual responses will be reported. There are no known risks associated with this project which are greater than those ordinarily encountered in daily life. The OSU IRB has the authority to inspect consent records and data files to assure compliance with approved procedures.

If you have any questions about the research or your rights as a participant in this study, please feel free to contact a researcher investigator Jay Ryu from Oklahoma State University at 405-744-6552 or <a href="mailto:jay.ryu@okstate.edu">jay.ryu@okstate.edu</a> or Dr. Jane Swinney from Oklahoma State University at 405-744-6552 or <a href="jay.ryu@okstate.edu">jay.ryu@okstate.edu</a> or Dr. Jane Swinney from Oklahoma State University at 405-744-6552 or <a href="jay.ryu@okstate.edu">jay.ryu@okstate.edu</a> or <a href="jay.ryu@okstate.edu">jay.ryu@okstate.ed

Your participation in this project is appreciated and completely voluntary. You may choose not to participate at any time without any penalty or problem. Returning your completed survey in the envelope provided indicates your willingness to participate in this study.

Sincerely,

Dr. Jane Swinney Associate Professor Design, Housing & Merchandising 445 HES Building Oklahoma State University Stillwater, OK 74078 jane.swinney@okstate.edu Jay Ryu
Doctoral Student
Design, Housing & Merchandising
431 HES Building
Oklahoma State University
Stillwater, OK 74078
jay.ryu@okstate.edu



# APPENDIX B SURVEY QUESTIONNAIRE

# Appendix B. Survey Questionnaire

1. The downtown image is its distinctive features that differentiate the downtown from others and give it a unique identification. Please CIRCLE the number that best represents your strength of agreement or disagreement with what the statement implies. "1" means you strongly disagree with the statement while "7" means you strongly agree with the statement.

Statemer	a mane y means you should be with the same mean.	Stroi Disa	0,	Λ	leutra	l	Stre Agi	ongly ree
1.1	I believe our downtown has a recognizable image.	1	2	3	4	5	6	7
1.2	I have discussed our downtown image with other business owners in the downtown.	1	2	3	4	5	6	7
1.3	In downtown meetings, our downtown image is discussed.	1	2	3	4	5	6	7
1.4	Our downtown image is clearly communicated to me.	1	2	3	4	5	6	7
1.5	Our downtown has newsletters, e-mails, memos, booklets or notice boards that inform me about our downtown image.	1	2	3	4	5	6	7
1.6	The downtown image is similar to my perception of the downtown image.	1	2	3	4	5	6	7
1.7	The downtown image communicated to me is a good fit with the downtown image I have.	1	2	3	4	5	6	7
1.8	The image I have for this downtown matches the communicated downtown image.	1	2	3	4	5	6	7
1.9	I believe downtown business owners agree with the communicated downtown image.	1	2	3	4	5	6	7

2. The downtown vision is its long-term objective of the downtown's functional, physical, social and economic roles. Please CIRCLE the number that best represents your strength of agreement or disagreement with what the statement implies.

	to represent your stronger of agreement of disagreement with which the statement implies.		ngly igree	1	Veutro	ıl	Stro Agi	ongly ree
2.1	I believe our downtown has a recognizable vision.	1	2	3	4	5	6	7
2.2	I have discussed our downtown vision with other business owners in the downtown.	1	2	3	4	5	6	7
2.3	In downtown meetings, our downtown vision is discussed.	1	2	3	4	5	6	7
2.4	Our downtown vision is clearly communicated to me.	1	2	3	4	5	6	7
2.5	Our downtown has newsletters, e-mails, memos, booklets or notice boards that inform me about our downtown vision.	1	2	3	4	5	6	7
2.6	The downtown vision is similar to my perception of the downtown vision.	1	2	3	4	5	6	7
2.7	The downtown vision communicated to me is a good fit with the downtown vision I have.	1	2	3	4	5	6	7
2.8	The vision I have for this downtown matches the communicated downtown vision.	1	2	3	4	5	6	7
2.9	I believe downtown business owners agree with the communicated downtown vision.	1	2	3	4	5	6	7

3. The downtown culture is its stakeholders' basic and shared set of values and beliefs which represents the downtown's identity, history and heritage. Please CIRCLE the number that best represents your strength of agreement or disagreement with what the statement implies.

		Stron Disa <sub>z</sub>	0,	Ι	Veutra	ıl	Stro Agr	ngly ee
3.1	I believe our downtown has a recognizable culture.	1	2	3	4	5	6	7
3.2	I have discussed our downtown culture with other business owners in the downtown.	1	2	3	4	5	6	7
3.3	In downtown meetings, our downtown culture is discussed.	1	2	3	4	5	6	7
3.4	Our downtown culture is clearly communicated to me.	1	2	3	4	5	6	7
3.5	Our downtown has newsletters, e-mails, memos, booklets or notice boards that inform me about our downtown culture.	1	2	3	4	5	6	7
3.6	The downtown culture is similar to my perception of the downtown culture.	1	2	3	4	5	6	7
3.7	The downtown culture communicated to me is a good fit with the downtown culture I have.	1	2	3	4	5	6	7
3.8	The culture I have for this downtown matches the communicated downtown culture.	1	2	3	4	5	6	7
3.9	I believe downtown business owners agree with the communicated downtown culture.	1	2	3	4	5	6	7

**4.** The downtown positioning is a downtown's planned effort to deliver its image to consumers' minds through a symbol, logo or slogan. Please CIRCLE the number that best represents your strength of agreement or disagreement with what the statement implies.

		Stror Disa	0 2	Λ	leutra	ıl	Stro Agr	ongly ee
4.1	I believe our downtown has a recognizable symbol, logo or slogan.	1	2	3	4	5	6	7
4.2	I have discussed our downtown symbol, logo or slogan with other business owners in the downtown	. 1	2	3	4	5	6	7
4.3	In downtown meetings, our downtown symbol, logo or slogan is discussed.	1	2	3	4	5	6	7
4.4	Our downtown symbol, logo or slogan is clearly communicated to me.	1	2	3	4	5	6	7
4.5	Our downtown has newsletters, e-mails, memos, booklets or notice boards that inform me about our downtown symbol, logo or slogan.	1	2	3	4	5	6	7
4.6	The downtown symbol, logo or slogan is similar to my perception of the downtown symbol, logo or slogan.	1	2	3	4	5	6	7
4.7	The downtown symbol, logo or slogan communicated to me is a good fit with the downtown symbol, logo or slogan I can support.	1	2	3	4	5	6	7
4.8	The symbol, logo or slogan I have for this downtown matches the communicated downtown symbol, logo or slogan I can support.	1	2	3	4	5	6	7
4.9	I believe downtown business owners agree with the communicated downtown symbol, logo or slogan.	1	2	3	4	5	6	7

5. For the following statements we would like to know your level of downtown commitment. Please CIRCLE the number that best represents your strength of agreement or disagreement with what the statement implies.

		Stron Disa <sub>s</sub>	0 .	Ν	Veutra	ıl	Stro Agr	ongly ree
5.1	I talk up this downtown to others as a great place to open and operate a business.	1	2	3	4	5	6	7
5.2	I am willing to put in a great deal of effort beyond that normally expected in order to help this downtown be successful.	1	2	3	4	5	6	7
5.3	I would accept almost any type of assignment in order to keep this downtown a good place for a business.	1	2	3	4	5	6	7
5.4	I find that my values and the downtown's values are very similar.	1	2	3	4	5	6	7
5.5	I am proud to tell others that I operate my business in this downtown.	1	2	3	4	5	6	7
5.6	This downtown really inspires the very best in me in the way of work performance.	1	2	3	4	5	6	7
5.7	I am extremely glad that I chose this downtown to operate my business over other downtowns I was considering at the time I opened the business.	1	2	3	4	5	6	7
5.8	I really care about the fate of this downtown.	1	2	3	4	5	6	7
5.9	For me, this is a good and favorable downtown in which to operate my business.	1	2	3	4	5	6	7

6. For the following statements we would like to know your perception of downtown performance and your own business performance. Please CIRCLE the number that best represents your strength of agreement or disagreement with what the statement implies.

		Poor	r	No	eutral		Exce	llent
6.1	How would you describe the overall performance of the downtown in 2008?	1	2	3	4	5	6	7
6.2	How would you describe the overall performance of the downtown as a whole, relative to this downtown's major competitors?	1	2	3	4	5	6	7
6.3	How would you describe the overall performance of the downtown as a whole, relative to other downtowns in your region?	1	2	3	4	5	6	7
6.4	How would you describe the overall performance of your business last year?	1	2	3	4	5	6	7
6.5	How would you describe the overall performance of your business relative to your major competitors?	1	2	3	4	5	6	7
6.6	How would you describe the overall performance of your business relative to other businesses like yours in the industry?	1	2	3	4	5	6	7

7. P	Please circle 3 services/factors that might be useful to your dow	ntown business.
7.1	Group business training (e.g. workshops, speakers)	7.2 Cooperative advertising coordination
7.3	Façade upgrades	7.4 Marketing of Main Street district as shopping destination
7.5	Downtown public improvement projects	7.6 Downtown resident properties
7.7	Downtown business directories, brochures, maps	7.8 Retail or special event coordination
7.9	Parking convenience	7.10 Pedestrian-friendly sidewalks (walkability)
7.11	Extended evening business hours	7.12 Extended weekend business hours
7.13	3 Downtown website (homepage) or Internet resources	7.14 More young consumers
8. P	lease tell us about yourself and your business.	
8.1	What is your gender?MaleFemale	
8.2	What year were you born?	
8.3	Is this a family owned business?YesNo	
8.4	How long have your owned this business?Years	
8.5	How long has this business existed?Years	
8.6	How long have you lived in this community? Years	
8.7	How long has your business been located downtown?Y	ears
8.8	What is the highest level of education you completed?	
	High School graduateSome collegeCollege g	raduateMS/MA/MBA Ph.D Other
8.9	How often do you attend (formal or informal) downtown busi	ness meetings?
	every month every other month twice a	yearonce a year never
8.10	Have you participated in local sponsorships (youth sports, ad	ult teams, community events, etc.)?YesNo
8.11	What local or community organizations do you belong to (ex-	ample: Chamber of Commerce, Downtown Merchant Association, Rotary, Lions, etc.)?
8.12	2 From the business types listed below, please check the one th	at most accurately reflects your business.
	Retail: Clothes, shoes, jewelry, accessories	Retail: Home furnishings
	Grocery/Convenience store	Restaurant/Bar
	Beauty Shop/Barber/Salon/Nails	Non-profit organization
	Service: Financial/Insurance/Real estate	Service: Health care & Fitness
	Other, please list	

Thank you for your participation!

# APPENDIX C COVARIANCE MATRIX FOR VARIABLES

Appendix C. Covariance Matrix for Variables

	I1	I2	I3	I4	IC1	IC2
I1	2.14					
I2	1.12	1.50				
I3	1.46	1.44	3.92			
<b>I</b> 4	0.89	1.07	1.99	2.93		
IC1	1.17	1.43	3.02	2.27	6.81	
IC2	0.92	1.20	2.60	1.70	3.64	3.62
IC3	1.12	1.35	2.87	2.18	4.65	3.35
IC4	0.83	1.11	1.96	1.56	2.82	2.19
V1	1.03	0.74	0.95	0.71	1.09	0.77
V2	0.90	1.12	1.39	1.27	1.62	1.20
V3	0.82	0.89	1.74	1.35	2.10	1.67
V4	0.70	0.96	1.85	2.40	2.38	1.79
VC1	1.22	1.42	2.89	2.39	4.12	2.98
VC2	0.98	1.16	2.40	1.95	3.26	2.47
VC3	1.06	1.31	2.65	2.10	3.55	2.70
VC4	0.72	1.16	2.04	1.94	2.88	2.21
C1	1.59	1.13	1.62	1.21	1.67	1.16
C2	1.37	1.49	1.90	1.67	2.07	1.46
C3	0.94	0.90	1.71	1.45	2.10	1.46
C4	1.37	1.46	2.81	3.42	3.31	2.40
CC1	0.97	1.11	2.29	2.00	3.09	2.15
CC2	0.88	0.92	1.90	1.76	2.76	1.86
CC3	1.07	1.13	2.22	1.96	3.08	2.03
CC4	0.66	0.89	1.78	1.74	2.37	1.57
P1	1.02	0.76	1.11	0.99	1.38	1.06
P2	1.01	1.29	1.77	1.53	2.25	1.66
P3	1.11	1.15	2.04	1.79	2.82	1.88
P4	0.89	1.06	1.85	2.19	2.58	1.70
PC1	0.92	1.00	1.98	1.79	3.14	2.14
PC2	1.00	0.98	1.85	1.76	2.90	1.95
PC3	1.27	1.26	2.57	2.10	3.82	2.53
PC4	0.82	1.01	2.17	2.08	3.05	2.10
CT1	2.00	1.75	2.39	2.22	3.21	2.04
CT2	2.45	1.71	1.98	1.68	3.72	1.64
CT3	1.66	0.99	1.42	1.08	2.39	1.18
CT4	1.57	1.44	2.46	2.33	3.97	2.69
CT5	1.33	1.51	1.95	1.70	2.54	1.61
CT6	1.40	1.49	2.26	1.96	3.12	2.08
CT7	1.34	1.44	1.85	1.78	2.35	1.57
CT8	3.06	2.80	3.47	2.87	4.74	3.07
CT9	1.10	1.08	1.66	1.55	1.92	1.41

	I1	I2	I3	I4	IC1	IC2
DT1 DT2 DT3 BU1 BU2 BU3	0.69 0.69 0.90 0.91 0.70 0.92	0.73 0.80 1.04 0.80 0.67 0.80	1.41 1.72 1.96 1.07 1.10 1.23	1.31 1.50 1.66 1.01 0.91 1.10	1.72 2.15 2.42 1.31 1.25 1.37	1.19 1.45 1.83 0.87 1.00 1.03
	IC3	IC4	V1	V2	V3	V4
IC3 IC4 V1 V2 V3 V4 VC1 VC2 VC3 VC4 C1 C2 C3 C4 CC1 CC2 CC3 CC4 P1 P2 P3 P4 PC1 PC2 PC3 PC4 CT1 CT2 CT2	5.40 2.89 0.93 1.52 2.04 2.25 3.89 3.21 3.70 2.97 1.62 2.07 2.01 2.94 2.85 2.69 2.94 2.25 1.64 2.36 2.71 2.44 2.84 2.63 3.55 2.98 3.05 3.15	2.91 0.72 1.10 1.43 1.62 2.34 1.91 2.24 2.26 1.28 1.60 1.32 2.20 1.83 1.63 1.90 1.73 1.05 1.71 2.04 1.88 1.92 1.87 2.48 2.35 2.49 2.24	1.30 0.97 0.88 0.88 1.26 1.11 1.12 0.84 1.23 1.00 0.75 1.02 0.96 0.79 0.86 0.77 0.80 0.85 1.13 0.89 0.84 1.01 0.81 1.52 2.18	2.03 1.24 1.53 2.03 1.70 1.86 1.53 1.17 1.76 1.13 1.89 1.47 1.32 1.43 1.22 0.89 1.33 1.37 1.36 1.14 1.15 1.53 1.14 1.15	1.84 1.67 2.26 1.97 2.08 1.58 1.07 1.37 1.31 1.98 1.76 1.52 1.63 1.35 0.85 1.23 1.68 1.51 1.57 1.46 1.93 1.58 1.98	3.36 2.85 2.34 2.46 2.23 1.03 1.57 1.58 3.53 2.24 1.89 2.02 1.77 1.12 1.61 2.02 2.45 1.97 1.90 2.14 2.17 2.24 1.80
CT3 CT4 CT5 CT6 CT7	1.98 3.71 2.27 2.82 2.37	1.34 2.60 1.90 2.14 2.08	1.15 1.26 1.06 1.17 0.98	0.92 1.45 1.21 1.29 1.32	0.95 1.82 1.22 1.68 1.48	1.04 2.37 1.59 2.14 1.70

	IC3	IC4	<b>V</b> 1	V2	V3	V4
CT8	4.37	2.88	2.48	2.62	2.65	2.80
CT9	1.87	1.53	0.77	1.08	1.23	1.57
DT1	1.76	1.45	0.48	0.75	0.99	1.26
DT2	2.02	1.50	0.51	0.89	1.11	1.44
DT3	2.32	1.77	0.70	1.19	1.43	1.68
BU1	1.25	1.35	0.63	0.66	0.91	0.97
BU2	1.25	0.99	0.45	0.58	0.73	0.86
BU3	1.32	1.19	0.56	0.65	0.80	0.92
	VC1	VC2	VC3	VC4	<b>C</b> 1	C2
VC1 VC2 VC3 VC4 C1 C2	5.97 4.26 4.37 3.35 1.62 2.33	4.09 3.77 2.73 1.36 1.97	4.85 3.21 1.44 2.19	3.72 1.15 1.76	3.33 2.36	3.49
C3	2.01	1.77	1.88	1.45	1.64	1.94
C4	3.60	2.94	3.20	2.72	2.13	2.91
CC1	3.17	2.68	3.09	2.47	1.74	2.25
CC2	2.93	2.40	2.64	2.17	1.45	1.88
CC3	3.07	2.52	2.87	2.32	1.66	2.05
CC4	2.44	2.07	2.27	2.17	1.33	1.76
P1	1.61	1.31	1.51	1.19	1.59	1.34
P2	2.19	1.71	1.97	1.76	1.52	1.95
P3	2.83	2.16	2.45	2.23	1.69	1.78
P4	2.40	1.83	2.11	2.19	1.21	1.54
PC1	2.83	2.24	2.49	2.19	1.39	1.62
PC2	2.58	2.04	2.34	2.11	1.54	1.61
PC3	3.35	2.72	3.21	2.83	1.92	2.28
PC4	2.82	2.25	2.63	2.67	1.37	1.59
CT1	2.98	2.49	2.84	2.52	2.31	2.35
CT2	2.68	2.44	2.85	2.17	3.04	2.81
CT3	1.67	1.46	1.67	1.34	1.98	1.73
CT4	3.63	2.92	3.09	2.63	2.17	2.19
CT5	2.01	1.62	1.89	1.76	1.72	1.75
CT6	2.85	2.29	2.46	2.04	1.91	2.21
CT7	2.09	1.71	2.16	2.01	1.71	2.02
CT8	4.02	3.58	4.31	3.75	3.25	3.98
CT9	1.78	1.53	1.85	1.72	1.39	1.70
DT1	1.84	1.50	1.77	1.54	1.03	1.18
DT2	2.13	1.81	2.02	1.68	1.08	1.31

	VC1	VC2	VC3	VC4	C1	C2
DT3	2.54	2.11	2.37	1.92	1.35	1.66
BU1	1.29	1.12	1.44	1.35	1.23	1.38
BU2	1.17	1.01	1.29	1.18	0.83	1.11
BU3	1.09	0.96	1.33	1.29	1.18	1.35
	C3	C4	CC1	CC2	CC3	CC4
C3 C4 CC1 CC2	1.98 2.46 1.97 1.74	6.85 3.40 2.60	4.21 2.74	2.89		
CC3 CC4 P1 P2	1.83 1.56 0.96 1.27	2.85 2.67 1.65 2.16	2.84 2.58 1.53 1.62	2.59 2.22 1.17 1.52	3.40 2.49 1.32 1.65	2.91 0.92 1.26
P3	1.54	2.51	2.04	1.81	1.94	1.58
P4	1.44	3.26	1.89	1.68	1.76	1.59
PC1	1.53	2.81	2.09	1.90	2.09	1.55
PC2	1.46	2.52	1.94	1.78	1.97	1.45
PC3	2.00	3.22	2.60	2.39	2.71	2.24
PC4	1.54	2.99	2.22	2.02	2.15	2.08
CT1	2.10	3.62	2.53	2.38	2.72	2.30
CT2	2.30	2.62	2.17	2.15	2.54	1.92
CT3	1.40	1.68	1.32	1.32	1.50	1.17
CT4	2.18	4.09	2.75	2.62	2.86	2.41
CT5	1.50	2.67	1.62	1.58	1.91	1.63
CT6	1.95	3.18	2.28	2.20	2.47	1.99
CT7	1.56	2.75	1.84	1.85	2.13	1.78
CT8	3.42	4.56	3.29	3.11	3.91	3.09
CT9	1.43	2.50	1.66	1.49	1.71	1.47
DT1	1.06	1.98	1.55	1.38	1.53	1.36
DT2	1.19	2.15	1.62	1.49	1.67	1.41
DT3	1.40	2.49	1.93	1.72	1.91	1.59
BU1	1.03	1.84	1.38	1.13	1.26	1.13
BU2	0.90	1.61	1.09	0.96	1.08	0.96
BU3	1.05	1.94	1.22	1.05	1.23	1.08

	P1	P2	P3	P4	PC1	PC2
P1	3.14					
P2	2.22	3.41				
P3	2.25	2.74	4.06			
P4	1.83	2.52	3.00	4.05		
PC1	1.85	2.44	3.09	2.61	3.99	
PC2	1.81	2.30	2.99	2.43	3.18	3.63
PC3	1.89	2.66	3.37	2.77	3.62	3.77
PC4	1.70	2.35	3.24	2.84	3.42	3.34
CT1	1.57	2.09	2.84	2.90	2.60	2.73
CT2	2.06	2.00	3.09	2.24	2.78	2.76
CT3	1.03	1.12	1.69	1.34	1.57	1.62
CT4	2.14	2.64	3.25	2.96	3.15	3.07
CT5	1.03	1.64	2.01	2.30	1.77	1.82
CT6	1.33	2.06	2.53	2.45	2.38	2.41
CT7	1.18	1.78	1.99	2.17	1.91	1.93
CT8	2.05	2.37	3.48	2.71	3.58	3.67
CT9	0.96	1.41	1.72	1.93	1.63	1.61
DT1	1.12	1.30	1.63	1.58	1.51	1.50
DT2	0.86	1.21	1.59	1.48	1.69	1.61
DT3	1.14	1.52	2.06	1.81	1.94	1.88
BU1	0.97	1.17	1.55	1.22	1.34	1.46
BU2	0.61	0.83	0.97	0.91	1.02	1.05
BU3	0.84	0.98	1.29	1.14	1.20	1.27

	PC3	PC4	CT1	CT2	CT3	CT4
PC3 PC4 CT1 CT2 CT3 CT4 CT5 CT6 CT7 CT8 CT9 DT1 DT2 DT3 BU1 BU2 BU3	5.46 4.07 3.44 3.66 2.10 3.36 2.39 2.90 2.63 4.92 2.15 1.81 2.03 2.38 1.75 1.39 1.66	5.22 3.01 2.70 1.65 3.07 2.29 2.42 2.50 4.11 1.99 1.91 1.92 2.17 1.57 1.17	8.15 6.78 3.72 5.13 5.14 4.95 5.08 8.87 3.93 2.59 2.58 2.97 2.84 2.03 2.77	14.71 5.04 5.80 4.89 4.67 5.23 13.81 3.55 1.97 2.01 2.58 2.66 1.70 2.48	5.23 3.28 2.89 2.78 2.80 6.95 2.11 1.14 1.37 1.65 1.48 1.02 1.36	7.97 3.77 4.49 3.72 6.86 2.87 2.54 2.53 3.07 2.32 1.58 2.06
	СТ5	CT6	CT7	СТ8	СТ9	DT1
CT5 CT6 CT7 CT8 CT9 DT1 DT2 DT3 BU1 BU2 BU3	5.44 4.16 4.40 7.95 3.20 1.82 1.91 2.25 2.00 1.56 2.04	5.28 3.99 7.34 2.99 2.01 2.17 2.50 2.18 1.66 2.03	5.62 8.39 3.41 2.14 2.15 2.47 2.45 1.93 2.47	29.90 6.75 2.96 3.72 4.03 4.20 3.71 4.63	3.41 1.69 1.85 2.06 1.91 1.54 1.97	2.30 1.83 1.91 1.62 1.13 1.49
	DT2	DT3	BU1	BU2	BU3	
DT2 DT3 BU1 BU2 BU3	2.28 2.06 1.50 1.17 1.46	2.74 1.69 1.26 1.65	2.95 1.52 2.12	1.49 1.68	2.66	

#### VITA

## Jay Sang Ryu

## Candidate for the Degree of

### Doctor of Philosophy

Dissertation: AN EXPLORATORY INVESTIGATION OF DOWNTOWN
BRANDING AS AN EFFECTIVE DOWNTOWN REVITALIZATION
STRATEGY: DOWNTOWN BUSINESS OWNERS' PERSPECTIVES

Major Field: Human Environmental Sciences

Biographical:

Personal Data: Born in Seoul, Korea.

Education: Received Bachelor of Science degree in Fashion Apparel Management from Philadelphia University, Philadelphia, Pennsylvania, USA in May 1994; received Master of Science degree in Fashion Merchandising from the University of North Texas, Denton, Texas, USA in May 1996; completed the requirements for the Doctor of Philosophy in Human Environmental Sciences at Oklahoma State University, Stillwater, Oklahoma in July, 2010.

Experience: Employed as an assistant manager at Kmart, Houston, Texas, USA; Served Korean Air Force as an officer; worked as a merchandiser/buyer at LG Home Shopping in Seoul, Korea; worked as a buyer at 3G Care in Los Angeles, California; worked as a marketing director at ISKYCOM in Long Beach, California; worked as a marketing director at Dash Dream in San Jose, California; employed as research and teaching assistant by Department of Design, Housing and Merchandising, Oklahoma State University; employed as an adjunct instructor by School of Merchandising and Hospitality Management, the University of North Texas; currently teaching a class at Oklahoma State University.

Professional Memberships: American Collegiate Retailing Association, International Textiles and Apparel Association Name: Jay Sang Ryu Date of Degree: July, 2010

Institution: Oklahoma State University Location: Stillwater, Oklahoma

Title of Study: AN EXPLORATORY INVESTIGATION OF DOWNTOWN
BRANDING AS AN EFFECTIVE DOWNTOWN REVITALIZATION
STRATEGY: DOWNTOWN BUSINESS OWNERS' PERSPECTIVES

Pages in Study: 103 Candidate for the Degree of Doctor of Philosophy

Major Field: Human Environmental Sciences

Scope and Method of Study: The viability of the downtown is closely related to the economic health of a community. Community administrators have explored various strategies to revitalize their downtowns, and a brand-oriented approach has emerged as an effective strategy to revive downtowns. The primary objective of this study is to investigate the impacts of downtown branding on the performance of downtowns and their businesses from the perspectives of downtown business owners. More specifically, this study aims to examine the casual relationships between downtown business owners' exposure to internal communication about downtown branding and their congruence with downtown branding; congruence with downtown branding and their commitment to the downtown; and commitment to the downtown and their perceived evaluations of the downtown performance; and perceived evaluation of the downtown performance and that of their own business performance. The data was collected from 167 downtown business owners from fifteen communities in a Midwestern state. A Structural Equation Modeling (SEM) technique was used to test causeeffect relationships in the proposed conceptual model.

Findings and Conclusions: Among proposed ten hypotheses, nine were found to be statistically significant. The first four hypotheses supported evidence that internal communication about downtown branding components - image, vision, culture, and positioning - improved downtown business owners' congruence with each component. The next set of hypotheses confirmed that downtown business owners' commitment to the downtown was driven by their congruence with downtown image, culture, and positioning. However, this study failed to establish that downtown vision increased business owners' commitment to the downtown. Results supported the relationship between commitment and the positive perception of downtown performance, as well as between the positive perception of the downtown performance and that of their own business performance. Findings suggested that "branding downtowns" may be an effective strategy to revitalize downtowns and to build a strong business environment for downtown businesses.

ADVISER'S APPROVAL: Dr. Jane Swinney