

## **LOYALTY IN CITY MARKETING: THE CASE OF ISTANBUL**

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### **Abstract**

There are many popular cities known as real brands in the world. In Turkey these cases are very limited. Istanbul is likely to be the most popular one. Especially tourists perceive the city as one of the most valuable brands in the whole world. However, citizens frequently complain about the crowd and also traffic in the city. Governors make an effort to promote their cities to become brands. Loyalty is one of the most important outputs of city branding. It is questioned in this research if it could be applied to cities as well. People thought to become loyal to the city that they were born or they live. The aim of this paper is to define the behavioral and attitudinal loyalty differences due to the individuals' place of birth and the place they currently live. A descriptive research was designed in order to examine the topic. Data were gathered from 170 respondents via online surveys. Parametric analyses were used to investigate the data because of their statistical power. According to the research results attitudinal loyalty was higher in the birthplace and behavioral loyalty in the current location. This paper seems to be valuable for researchers that it applies loyalty concepts to a city.

**Keywords:** City Marketing, City Branding, Brand Loyalty, Behavioral Loyalty, Attitudinal Loyalty

### **ŞEHİR PAZARLAMASINDA SADAKAT: İSTANBUL ÖRNEĞİ**

#### **Özet**

Dünyada gerçek birer marka olarak nitelendirilen pek çok şehir yer almaktadır. Türkiye’de bu örnekler oldukça kısıtlıdır. İstanbul bu şehirler arasında en çok bilinenidir. Özellikle turistler bu şehri tüm dünyadaki en değerli markalardan biri olarak algılamaktadır. Fakat şehirde yaşayanlar sıklıkla kalabalıktan ve trafikten şikâyet etmektedir. Her şehrin yöneticileri kendi şehirlerini marka haline dönüştürmeye çalışırlar. Sadakat, şehir markalamasının en önemli çıktılarında biridir. Bu çalışmada sadakat kavramının şehirlere uygulanabilirliği sorgulanmıştır. İnsanlar doğdukları veya yaşadıkları şehre sadık olabilirler. Bu çalışmanın amacı, bireylerin doğdukları ve yaşadıkları şehirlerde davranışsal ve tutumsal sadakat bakımından farklılık

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olup olmadığının tespit edilmesidir. Konunun incelenmesi amacıyla tanımsal nitelikte bir araştırma tasarlanmıştır. Veriler 170 cevaplayıcıdan online anket yöntemiyle derlenmiştir. İstatistiksel gücü dikkate alınarak veri analizinde parametrik testler tercih edilmiştir. Araştırma sonuçlarına göre doğum yerinde tutumsal sadakat daha yüksekken, yerleşim yerinde davranışsal sadakat daha yüksek olarak tespit edilmiştir. Bu çalışma sadakat yaklaşımlarını bir şehre uygulaması bakımından, araştırmacılar için önem arz etmektedir.

**Anahtar Kelimeler:** Şehir Pazarlaması, Şehir Markalama, Marka Sadakati, Davranışsal Sadakat, Tutumsal Sadakat

## **Introduction**

In the early years only products thought to be marketed. But today services, ideas, people, places etc. can be marketed as well. In the recent years city branding became an attractive area for the scientific researchers as well as marketing managers.

Brand loyalty is one of the most important items in city branding. If people become loyal to a city they will try to promote that city as well as voting for the same candidates as administrators. The main purpose of this study is to find out the difference between the behavioral and attitudinal loyalty levels above the birthplace and the current city that people live.

## **1. City Marketing**

City marketing is about promoting city strengths that form the city's character, such as natural, legacy, purpose-built, or man-made. It's also about place management and providing access to services and amenities that facilitate a visit.

Cities likewise products may be marketable since there are many various urban products to be presented for marketing. By means of products the natural beauties, historical and touristic places, fair organizations, art and cultural festivals, sports organizations, museums, shopping malls, industrial goods or investment opportunities may count (Berg&Braun, 1999).

To some extent, the aim of the City Marketing is to turn the city into a brand with a certain value in the consumers' minds. Brands bring a lot to companies: it has been approved that people are willing to pay more for trademarks and brands than for any other physical entity (Moilanen & Rainisto, 2009). Good news for cities because the branding concept can also be applied to places. According to Place Branding is "the management of place image through strategic innovation and coordinated economic, commercial, social, cultural, and government policy" (cited in Moilanen & Rainisto, 2009).

City marketing is the promotion of a city, with the intent of encouraging certain activities to take place there (Smyth, 1994). It is used to alter the external sense of a city so as to encourage tourism, attract interior migration of residents and permit business relocation.

An essential feature of city marketing is the improvement of new landmark, buildings and structures.

The development of cities as a marketable product has led to competition between them for inward investment and government funding. It is often manifested in the attempts by cities to attract international sporting events, such as the Olympic Games (Gordon, 1999).

Competition between cities exists at the regional, national and international level and is an effect of globalization.

Indeed, branding of places and cities has become particularly popular in recent years. In marketing "branding" refers to the building of brands by companies. Brand is the combination of a name, term, sign, symbol, or design, which is intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competitors (Kotler, 1997). Adding to this, brand is more than a label of products.

The basic idea is that a brand represents brand equity for a company. For instance, when certain outcomes result from the marketing of a product or service because of its brand name that would not transpire if the same product or service did not have that name.

Descriptive example of Schmitt (1999) who claims that a brand is a rich source of sensory, affective and cognitive associations that result in memorable brand experiences. Cities are looking for those positive associations meanwhile city branding is in progress, although many are suspicious of the effectiveness. Hankinson (2001) concludes that city branding is possible in spite of the general skepticism towards the subject Mommaas

(2002) also relates the public's associations with a city to the notion of city branding. So as to realize symbolic and economic added value cities look for a positive image. Hence, they hope to consolidate the city's position as a residence, business location or destination.

### **1.1. City Branding**

Today it is inevitable not to face with rivalry no matter being a large or small scaled firm. On the other hand that applies to the cities, as well. Without noticing being a metropolis or a little town. Fierce competition is being experienced interurban with the impact of globalization. On a global scale not to be adversely affected from cutthroat competition cities are both struggling to do acts which will enhance the life quality of its peoples and to find investors and tourists. Hence, it is the point in question being a brand city interurban.

Recently, around the world many countries in order to create an image and differentiate prefer to bring specific cities into forefront rather than national publicity. Municipalities and various establishments are constructing public spaces and organizing activities so as to make the cities have an attractive image and draw the tourists interest (Balibrea, 2001).

One of the basic goals of city marketing is to create a positive image of a questioned city. It takes a long period of time since it depends on the city's image management, communication and construction. Provided that being successful in respect to image management the city may proceed to branding (Kavaratzis, 2004).

Brand is not just a business or product fact. At this point, countries, people, even cities may become brands. (Kotler, 2004). As it is known one is differentiate from other by its identity. Therefore, the same is considered for the cities. Neither a man nor a city may be without identity. In this sense in order a city to become a brand it needs to have an identity by which it will differ from others.

Beside there must be analogy and harmony between the image which is thought to be created to the city and the facilities of the city. For instance, the style of the buildings (modern, traditional, complicated) the forms of the city (urban, rural, suburb) different characteristics (monument, archeological and natural characteristics, brands, industry,

public buildings) are the features must be regarded (Bill & Marion, 1997). Accordingly, it is important that the city to have a logo representing itself and brands belonging to the city. Due to the fact that the city logo and brands in the city getting increase the economic development of the province (Cross et al, 2004).

## **2. Brand Loyalty**

How to make consumers more loyal to a brand is one of the significant questions marketers face. Brand loyalty can provide both consumers and companies' essential benefits. A power of brand earned sales volume and higher profit margins against competing brands do increases.

Brand loyalty has received both attentions in academia and among business professionals. (Dick and Basu, 1994; Oliver, 1999; Srinivasan, Anderson and Ponnayolu, 2002). By increasing customer retention, customer loyalty programs can be significant competitive advantage for sellers. Loyal customers are usually less costly to serve since they continually repurchase from the same provider also they may buy in greater quantities and are willing to pay price premiums. (Zeithaml, Berry and Parasuraman, 1996).

According to Jacoby and Chestnut (1978) brand loyalty has been studied in terms of both attitudinal and behavioral aspects. Consolidating attitudinal and behavioral loyalty, some recent efforts have provided significant cognitive frameworks that separate true brand loyalty from artificial brand loyalty. True brand loyalty can be conceptualized as an attitude-based behavior of brand loyalty, while artificial loyalty can be defined as the procrastinating repeated purchases with little or no brand-loyal attitude (Odin, and Valette-Florence, 2001).

The behavioral sight consists of repeated purchases of the brand. The attitudinal sight includes a degree of dispositional commitment toward the brand with some incomparable values, such as perceived quality and relevant brand image. For this reason, consumers should not be reckless to the brand (Aaker, 1991; Chaudhuri and Holbrook, 2001; Lau and Lee, 1999; Lim, 1997; Oliver, 1999).

### **3. Methodology**

This research can be defined as a descriptive one, while it describes the brand loyalty about the city that individuals live and the city where they were born. Quantitative techniques were used in the research. There are some other cities in Turkey known as brands like Eskisehir, Mardin etc. However, Istanbul has chosen as research environment, while it is perceived as a global brand all over the world. The people who live in Istanbul and were born in another city are forming the research population and convenience sampling is preferred. The research hypotheses are:

H<sub>1</sub>: There is a statistically meaningful difference between the behavioral loyalty about the city that individuals live and they were born.

H<sub>2</sub>: There is a statistically meaningful difference between the attitudinal loyalty about the city that individuals live and they were born.

Data from 170 respondents were gathered via surveys. Sample size was calculated due to the number of Likert items because the sample size is minimum  $10 \times$  Number of Likert items if non-probability samples are used. Convenience sampling was preferred in the research. Survey as a quantitative method was chosen because it is the most suitable form to measure the differences between variables in social sciences and it provides wider information about the sample. 5 item Likert scale was used to measure attitudinal and behavioral loyalty because people perceive and evaluate 5 items more efficient than 7 items in Turkey. Attitudinal and behavioral loyalty scales were adapted from Artuger, Cetinsoz and Kilic's study in 2013. The statistical methods used to analyze the data were frequency analysis, arithmetic mean, exploratory factor analysis, reliability analysis, correlation analysis and paired samples t test.

### **4. Findings**

Demographics are defined on Table 1:

**Table 1. Frequencies**

	<u>Frequency</u>	<u>Percentage</u>
<b><u>Gender</u></b>		
Female	83	48.8
Male	87	51.2
<b><u>Age</u></b>		
18-30	124	72.9
31-40	40	23.5
41-50	5	2.9
51+...	1	0.6
<b><u>Education Level</u></b>		
High School	8	4.7
BA	107	62.9
MBA/PhD	55	32.4
<b><u>Monthly Income</u></b>		
0-1000 TL	12	7.1
1001-2000 TL	36	21.2
2001-3000 TL	57	33.5
3001-4000 TL	35	20.6
4001-5000 TL	19	11.2
5001 TL +...	11	6.5

As seen on Table 1, 48.8 % of respondents are female and 51.2 % are male. 72.9 % of respondents are between 18-30 ages, 23.5% are between 31 and 40, 2.9 % are between 41-50 and 0.6 are 50 years old or older. 4.7% of them are graduated from high school, 62.9 % have BA degree and 32.4 % have MBA or PhD degree.

Descriptive statistics of behavioral and attitudinal loyalty about the city that individuals live and they were born are summarized on Table 2:

**Table 2.** Descriptives

<b><u>Item</u></b>	<b><u>Minimum</u></b>	<b><u>Maximum</u></b>	<b><u>Mean</u></b>	<b><u>sd</u></b>
If I decide to visit somewhere my first choice will be the city I was born.	1	5	<b>2.76</b>	1.133
I'm considering revisiting the city I was born in the future.	1	5	2.02	1.032
The probability that I visit the city I was born again is high.	1	5	2.74	1.148
When asked about a city to visit I will recommend the city I was born.	1	5	3.44	1.082
I will say positive things about the city I was born to those around me.	1	5	3.56	0.984
I will recommend the city I was born to other people.	1	5	<b>3.68</b>	1.101
I will encourage those around me to go to the city I was born.	1	5	3.21	1.151
If I decide to visit somewhere my first choice will be the city I live if I go out of town.	1	5	<b>3.44</b>	0.985
I'm considering revisiting the city I live if I go out town in the future.	1	5	<b>3.44</b>	0.990
The probability that I visit the city I was born again is high.	1	5	3.39	0.986
When asked about a city to visit I will recommend the city I live.	1	5	3.04	1.176
I will say positive things about the city I live to those around me.	1	5	2.69	1.163
I will recommend the city I live to other people.	1	5	3.06	1.160
I will encourage those around me to come to the city I live.	1	5	<b>3.23</b>	1.125



It is clear on Table 2 that respondents mostly agree with the item "If I decide to visit somewhere my first choice will be the city I was born" in behavioral loyalty about the city they were born and "I will recommend the city I was born to other people" in the attitudinal loyalty for the same city. Mostly agreed items in behavioral loyalty about the city that individuals were born were " If I decide to visit somewhere my first choice will be the city I live if I go out of town" and " I'm considering revisiting the city I live if I go out town in the future" and mostly agreed item in attitudinal loyalty for the same city is " I will encourage those around me to come to the city I live".

Brand loyalty concept refers to companies generally. So, there exists a validity problem about applying this concept to cities. In order to test the validity and reliability of scales in city branding, exploratory factor analysis and Alpha method reliability analysis were used. Exploratory factor analysis and reliability analysis results for loyalty about the city that people were born can be seen on Table 3:

**Table 3.** EFA and Reliability Analysis Results for the City that Individuals were Born

<b>Factor</b>	<b>Item</b>	<b>Factor Weight</b>	<b>Variance Explained</b>	<b>Cronbach's Alpha</b>
<b>Behavioral Loyalty</b>	I'm considering revisiting the city I was born in the future.	0.868	42.673 %	0.865
	If I decide to visit somewhere my first choice will be the city I was born.	0.846		
	The probability that I visit the city I was born again is high.	0.814		
<b>Attitudinal Loyalty</b>	I will say positive things about the city I was born to those around me.	0.903	34.034 %	0.880
	When asked about a city to visit I will recommend the city I was born.	0.877		
	I will recommend the city I was born to other people.	0.806		
	I will encourage those around me to go to the city I was born.	0.704		
<b>Total Variance Explained: 76.706 %</b> <b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy: 0.823</b> <b>Bartlett's Test of Sphericity      Approx. Chi-Square: 798.055</b> <b>df: 21</b> <b>p: 0.001</b>				

As it's explained on Table 3 loyalty has two factors named behavioral and attitudinal loyalty. Behavioral loyalty has 3 items and attitudinal has 4. Both of these factors are reliable.

Factor and reliability analysis results for loyalty about the city that people live are presented on Table 4:

**Table 4.** EFA and Reliability Analysis Results for the City that Individuals Live

<b><u>Factor</u></b>	<b><u>Item</u></b>	<b><u>Factor Weight</u></b>	<b><u>Variance Explained</u></b>	<b><u>Cronbach's Alpha</u></b>
<b>Behavioral Loyalty</b>	I'm considering revisiting the city I live if I go out town in the future.	0.914	39.533 %	0.766
	If I decide to visit somewhere my first choice will be the city I live if I go out of town.	0.899		
	The probability that I visit the city I was born again is high.	0.836		
<b>Attitudinal Loyalty</b>	I will say positive things about the city I live to those around me.	0.846	34.350 %	0.791
	When asked about a city to visit I will recommend the city I live.	0.832		
	I will recommend the city I live to other people.	0.774		
	I will encourage those around me to come to the city I live.	0.518		
<b>Total Variance Explained: 73.883 %</b> <b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy: 0.819</b> <b>Bartlett's Test of Sphericity      Approx. Chi-Square: 642.636</b> <b>df: 21</b> <b>p: 0.001</b>				

Table 4 shows that loyalty has two dimensions. Factors are named as behavioral and attitudinal loyalty and they are both reliable. Behavioral loyalty has 3 and attitudinal has 4 items.

Pearson Correlation was used to define the correlation between behavioral and attitudinal loyalty for the city that people were born. Table 5 shows the results:

**Table 5.** Correlation Analysis Results between Behavioral and Attitudinal Loyalty for the City that People were Born

		<b>Behavioral Loyalty</b>	<b>Attitudinal Loyalty</b>
<b>Behavioral Loyalty</b>	Pearson Correlation p	1	0.572 0.001
<b>Attitudinal Loyalty</b>	Pearson Correlation p	0.572 0.001	1

As seen on Table 5 there is a significant correlation at 57.2% level between behavioral and attitudinal loyalty.

Table 6 shows the correlation analysis results between behavioral and attitudinal loyalty for the city people live:

**Table 6:** Correlation Analysis Results between Behavioral and Attitudinal Loyalty for the City that People Live

		<b>Behavioral Loyalty</b>	<b>Attitudinal Loyalty</b>
<b>Behavioral Loyalty</b>	Pearson Correlation p	1	0.681 0.001
<b>Attitudinal Loyalty</b>	Pearson Correlation p	0.681 0.001	1

It can be seen on Table 6 that there is a correlation at 68.1 % level between behavioral and attitudinal loyalty.

In order to find out how people's loyalty differ due to the city they were born and they live paired samples t test is used. Paired samples t test results are summarized on Table 7:

**Table 7.** Behavioral Loyalty Difference due to the City that Individuals were Born and they Live

<b>p</b>	<b><u>Mean</u></b>	
0.001	<b>City that People were Born</b>	2.5078
	<b>City that People Live</b>	3.3510

Table 7 shows us that individuals' loyalty is higher in the city they live.

Difference in attitudinal loyalty due to the city that people were born and they live is analyzed by paired samples t test. Test results are presented on Table 8:

**Table 8.** Attitudinal Loyalty Difference due to the City that Individuals were Born and they Live

<b>p</b>	<b><u>Mean</u></b>	
0.001	<b>City that People were Born</b>	3.4735
	<b>City that People Live</b>	3.0559

Attitudinal loyalty about the city that people were born seems to be higher according to Table 8.

As a result, both of the research hypotheses were accepted.

### **Conclusion**

It is observed that administrators are willing to improve the perceptions about their cities. The efforts in this way start with benchmarking process. Following the successful cities' strategies is one of the efficient methods used. However, finding out the factors that drives better perceptions is more important to set a better strategy.

Generally Turkish people tend to be loyal to the city that they were born. This situation was the main driver of this study. It's found at the end of this research that city loyalty can differ by the behavioral and attitudinal side. While attitudinal city loyalty was higher in the place of birth, behavioral city loyalty was higher when it comes to the current place that individuals live.

Being loyal depends on being satisfied as well as many other issues. So, administrators must try to reveal the satisfaction drivers. Especially in Istanbul, satisfaction level is really low. Living conditions are the primary problems. People often complain about the traffic, crowd and chaos in Istanbul. Quality of life is distinctly refused in the city.

Behavioral city loyalty is higher about Istanbul for many reasons. First of all, people can satisfy all of their needs here. Also they get used to the city and going out of town becomes very difficult even impossible.

Attitudinal city loyalty is higher when the birthplace is considered. People miss the city they were born and this causes the attitudinal city loyalty even if they didn't visit the city in the past years.

Tourists are generally interested in metropolises like Istanbul but this doesn't show us that people are loyal to these cities. If they lived continuously in the city, would they be pleased? Being comfortable is as important as having so many historical places for the citizens rather than tourists.

In conclusion, we cannot discuss about city loyalty by just one side. In little towns, infrastructural studies seem to be more important. By the way, most of the metropolises cannot be stated as real brands yet. Managers must work hard to enhance the people's quality of life in these cities.

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