The city branding processes: the case of Madrid

Introduction

Global market forces have brought about an arena in which centres of urban activity compete to become, or continue to be, main actors in the interlinked economy. Interest in cities as brands is growing as territorial competition increases. City branding is an emerging agent for urban socio-economic development. It is a strategy that provides cities with an image, a cultural significance, and a source of economic value, and constitutes an instrument that can agilely convey a city’s strengths. It is not surprising then to see a significant number of cities, both in the developing world and from mature economies, involved in processes to create a new brand or reinvent their existing one.

Two main issues converge in the process cities use to build an instrument to present themselves: First, city brands are a vehicle to broadcast urban identity. Second, city brands must be seen as an instrument to increase competitive capacity. Territorial competitiveness and strong urban identities are not paradoxical concepts; rather, exploring their synergies can open a window of opportunity for sustainable development.

This paper first describes a possible methodological approach in city branding, and, second, narrates the experience of Madrid in developing its brand.

1. Methodology

A significant number of initiatives undertaken by cities in order to systematically develop their brand evidences, first, a seemingly imperative need to respond to pressures of competitiveness; and second, the value brought by city branding as a tool to do so.

Creating powerful instruments that can broadcast a city’s strengths to a desired audience is a holistic and inclusive process. At a professional competency level, city branding requires the combined expertise of at least two disciplines that have only recently begun to dialogue with each other. In devising a city brand, the qualities of an urban territory must be contemplated both from the perspective of managerial and marketing techniques and from the viewpoint of urban development strategies including socioeconomic and spatial planning. And at a participatory level, the process of developing a brand benefits form a close partnership between leaders of stakeholder organisations, such as governmental and semi-governmental organisations, inward investment agencies, the business sector, tourism and conference promotion agencies, educational, cultural and heritage institutions, the general public and their civic organisations.

Three stages in the brand developing process have been identified. The first is concerned with articulating an urban identity. Globalisation, hereby referred to as the phenomenon of replication of Western values at a global scale, has begun to create an international and, in some cases, inter-civilisational monoculture that has rendered distinct urban identities on the verge of extinction. As Michael Speaks (2002) points out, “cities are faced with the paradoxical problem of constructing identities based on differences that disappear at a rate proportional of the growth of global sameness”.

Urban identity is a complex mixture of a city’s spatial configuration and its socio-cultural values. The interaction over time of spatial and social dimensions, such as, amongst others,
topography, climate, material resources, and demography, religion, and governance systems respectively, gives each city a character that is as unique and irreplaceable.

To be able to synthesise what Castells (1997) calls “the process of construction of meaning” in an urban setting, a multidisciplinary perspective is needed. To understand their depth, originality and distinct character, cities must be read through an overlay of historical, social, architectural, urbanistic and market research analyses. This multidisciplinary effort will reveal the nexus between the genius loci and its inhabitants.

The second stage aims to shape identity into an image. The values that inform the image are based on the outcome of the first stage, which brings up the importance of genuinely defining identity. Techniques used to develop corporate competitive tactics and consumer products are borrowed and adapted to the urban setting. Market research tools, in dialogue with urban stakeholders, will define the attributes that the proposed image needs to have, both inward (acceptance by, and participation of citizens) and outward (attractiveness to tourism, foreign investment, and human capital). A thorough analysis of the competition, meaning other cities of comparable strengths and potential, is necessary in order to define, as Florian (2002) points out, “solutions that are surprising, distinctive and cannot be copied”. These solutions must be informed by, and linked to the city’s development plan, including, inter alia, urban planning, conservation and upgrading programmes, and tourism strategies. If this synergy is not carefully explored, the potential disruption caused by a city brand and an urban development plans sending mixed or contradictory messages becomes significant.

The third stage is about implementation. First, values and image are distilled into an icon, slogan, theme, symbol, logo, or a number of visual devices. The design of these instruments is next broadcasted to the target audience through a media plan that can include periodicals, specialist publications, TV and radio, cinema, event sponsorship, and other marketing mechanisms. It is essential that dissemination programmes are related to the city’s identity and its physical appearance. In many cases urban upgrading initiatives trigger the brand development process; but this is not always the case. A new brand can convey a set of values that prompts a city to revise how urban life is experienced and thus guide its development or regeneration efforts.

Supporting sustainability and competitiveness

The 1987 Brundtland report defined sustainable development as “development which meets the needs of the present without compromising the ability of future generations to meet their own needs.” At the centre of the concept is the belief that social, economic and environmental objectives should be complementary and interdependent in the development process. A balanced interplay between sustainability pillars will positively impact a city’s capacity to compete; and common sense indicates that cities performing above average will be those better utilising their assets. These urban assets include, first, the economical and procedural elements that enable an urban system to manoeuvre in the world city protocol, such as a determined and empowered governance system; encouraging and stabilised market conditions; incentives to attract FDI; decentralisation of decision-making from the nation-state; an acceptable degree of business transparency; infrastructure that grants physical and non-physical accessibility and mobility; and an emphasis on innovation and technological development. Second, social and cultural assets relate to, inter alia, access to housing, education, culture, and health care; inhabitant’s integration in a harmonious community; an appreciation for the history rooted in the built environment; an urban identity that makes the city distinct form other places; the opportunities of entertainment, recreation and sports, and the access to consumer goods. Third, environmental and natural assets include natural and man-induced elements such as the availability of land, the quality of the
air; the provision of water; waste treatment systems; the city’s natural features; the qualities of its landscape and the provision and care of urban flora and fauna, and climate.

A city brand must be conceived in a manner that supports, in every level, a sustainable model whilst contributing to increase a city’s competitive capacity.

**Economic objectives.** Understanding the local productive fabric and contributing to maximise its potential evolution vis-à-vis detected opportunities and threats at a global level is a key factor for a successful city brand. The brand should either ensure that the strengths of the city are properly connected to the needs of the marketplace, or, in the case of a need for change, support a regeneration strategy that will bring economic renaissance. These two economic missions are not mutually exclusive as many cities are able to retain some or their productive structure and increase their competitive capacity by entering, or inventing, a new sector; an example of this is Thailand’s innovative approach in mixing tourism and healthcare thus creating a new industry—medical tourism.

**Social objectives.** Social cohesion is an important contributor of sustainable urban development. Successful brands tap into existing socio-cultural values and, together with a strategic development plan, project an upgraded vision for everyone, portraying a place where people want to live and work. The main asset of a city is, after all, its inhabitants, and there is no better way to achieve sustainable development than motivated public participation. Articulating urban identity relates the spatial configuration and values towards an increase in quality of life so cities are active, diverse, inclusive, safe and fair for everyone. To this extent, the inhabitability of urban space, both built and open, is a very important contributor to society’s well-being, health and social integration.

**Ecological objectives.** Amongst other brand values, an environmental sensitive message can contribute to raise citizens’ awareness and understanding of the urban ecosystem, and thus promote environmentally responsible behaviour of administration, the enterprise and the general public. A city brand that has the ecosystem at its very centre promotes a higher degree of energetic self-sufficiency and influences policy towards revising a linear input-output were, for example, solid urban waste is generated faster than the earth can reabsorb it, farming takes nutrients out of the land faster than it can regenerate them, and water is contaminated faster than the natural cycle can purify.

Instead, sustainable development calls for a circular and integrated approach, urban metabolism, reducing a city’s ecological footprint -its impact on the environment- by way of, amongst others, optimisation in land utilisation, reduction of waste levels, management of pollution, re-use of urban waste in farming, improvement of the quality of drinking water and rationalisation of its use, rational exploitation of forests, integration of green zones into urban areas, design of housing to reduce use of energy, measures to reduce fossil fuel pollution, and reduction of private car traffic whilst improving urban mobility.

Enduring urban growth is that which maintains a balanced gravity centre between natural and built environment, tradition and progress, local and global forces, and the individual and society. To be able to do this, the city should be dealt with in an integral fashion, considering its physical appearance as the tip of the iceberg. A comprehensive branding process in synergy with other city-making initiatives will help the city to acquire a sustainable competitive advantage through a powerful, positive and distinctive reputation.

This ‘brand equity’ will benefit from a thorough environmental agenda that contemplates both preventive and regulatory policy to minimise climate change, protect the environment and make effective use of resources, including incentives towards specific issues such as reduction of consumption, development of alternative sources of energy and recycling programmes for efficient solid waste management; a social programme that is inclusive, fair,
tolerant and cohesive, with a strong local culture, shared community activities, and resulting in low crime and anti-social behaviour; and economic initiatives that create job dynamism with local benefits, a strong business community, and tangible resources to fight poverty and support economic prosperity and change.

A brand for the competitive city

In his seminal work *Competitive advantage*, Michael Porter (1985) described competitive strategy as “the search for a favourable position in an industry, the fundamental arena in which competition occurs.” Academic analysis on the concept of competitiveness related to cities has been as significant in volume as turbid in proposing a short definition worth of a consensus comparable to the widely accepted and utilised definition of sustainable development put forward by the Brundtland report. According to Begg (2002) “a definition that has gained favour in the OECD is that competitiveness is a degree to which a place can, under free market and fair conditions, produce goods and services which meet the test of international markets while simultaneously maintaining and expanding the real incomes of its people over the long term.” Deas and Giordano (2002) adopt a two-pronged approach to derive indicators of competitiveness. They look first at the “assets" of the city, which they define in terms of socio-economic indicators. Then they examine various “outcome" variables that provide evidence on how well a city has been performing.

Risking oversimplifying matters, we can argue that those cities that are most competitive are the ones that obtain the best return from the utilisation of their assets. The city branding process, as an integral part of the positioning struggle, must identify what those assets are and which of those assets has the most potential of providing an outcome that is economically interesting, compatible with the city’s values and social beliefs and non harmful for its environment in the long term. Additionally, comparative studies can inform the city branding process in order to prioritise assets that are innovative and least easy to replicate.

In the Western free market, pressures to reconcile sustainability with economic dynamism have pushed for planning for growth rather than planning for containment. This has been accompanied by a raft of changes with far-reaching effects. First, the demise of the welfare state gives way to market oriented policies that are believed to bring competitive success. Second, these predominant policies revise the strict limits between public and private sectors proposing vehicles of partnership at both project and programme level. Third, the internationalisation of economic agents means that no longer they are limited to local, regional or national level, but are rather increasingly involved in the international economy.

Borja and Castells (1997) point out the interdependence between cities and the market system as “The global city is a network of urban nodes [...] an interactive system of variable geometry to which companies and cities must constantly adapt themselves in a flexible way. And the changing relation to this web is what determines, to a great extent, the fate of cities and citizens.” The growing influence of the market in city making is contemporaneous to the reorganisation of public competences in both territorial and functional terms among local, regional, national and supranational levels. The transfer of sovereignty between the nation-state to both supranational entities (as in the case of the EU), and towards local administrations through decentralisation processes has given cities more room to manoeuvre, allowing them to enter the international cooperative and competitive arena relatively independently from the nation-state, developing relations among cities and different states. Cities now develop, to a certain extent, an exterior economic policy in fields as diverse as industrial policy, R&D, technology transfer, opening of new markets, tourism promotion or job markets, among others. Some observers (Jones (1998); Aghion-Howitt (1998) have pointed out that these activities come under the definition of Schumpeterian growth theory, in which, as Aghion (2001) postulates, “growth is primarily driven by a
sequence of quality-improving innovations each of which destroys the rents generated by previous innovations. The search for new combinations to achieve competitive advantage will provide results of greater or lesser dimension depending on how successful the economic policies in question are.

Sassen (2004) defines the trend toward a lesser presence of the state and public organisations in the political organisation of societies as the “privatisation of the state.” This implies a loss of influence and operational and decision making autonomy by the public sphere. It has been argued that the benefit of it is an increased effectiveness of public sector in fields like the dissemination of knowledge or the influencing of partners and stakeholders from the private sector. Evidently this leads to a change in the public sector’s role, from being a guarantee for strategic economic sectors, to situations in which the public sector serves as a primus inter pares with partners in the private sector.

The shift from Keynesian policies, concerned about the aspects of the welfare state, to policies with a Schumpeterian slant is typical of a new post national political organisation. These new concerns are reflected in a rich range of policies that seek to foster innovation, the entrepreneurial spirit and a flexible job market, giving priority to supposedly essential international competitiveness over social policy. This is evidenced by the promotion and proliferation of entities that seek on the one hand to foster endogenous economic development in their respective areas of influence and, on the other, to increase their competitiveness in the face of rules of the game that are different to those of their home-ground.

Neo-liberalism affects not only the state, but also the cities that must pay increasingly greater attention to the evolution of the international context when defining their local economic policies. This is reflected, for example, in the attempt to combine endogenous economic development via local investment, and its impact on the promotion of exports and/or the substitution of imports in the heart of a constantly changing international economy.

In short, the city has become an entrepreneurial city by defining itself as an economic, political and cultural entity that actively seeks to develop entrepreneurial activities in order to improve its competitive position. And this redefinition of the city is strongly linked to the redesign of urban economy policies that affect the city, internationalising its profile and delegating implementation to public-private collaboration formats.

Local economic policies put forward by active local governments manage the following aspects in a strategic and integral manner:

- The promotion of the city toward the exterior, by developing a strong and positive image based on an offer of infrastructures and services which, on the one hand, attract investors, visitors and solvent users to the city, and, on the other, facilitate exports.

- Joint efforts with other public administrations and with the private sector, as a way to undertake both the abovementioned promotion toward the exterior, and the infrastructures and services that the new cities require depending on their scale and/or positioning.

- The internal promotion of the city of civic patriotism in its inhabitants, together with a sense of belonging, fostering a collective will to participate and confidence in the future of the city by employing both visible, objective and symbolic elements, and improving the quality of the city in general.
• Political innovation aimed at generating multiple mechanisms of social cooperation and citizen participation. The promotional role of the local government consists mainly of stimulating and channelling the population’s energies. For example, there are three areas that require local treatment and a considerable capacity for innovation and cooperation, which are: employment, security, and the maintenance of equipment, services and public spaces.

Developing a city brand can become a useful process in linking these aspects through setting a shared vision. City branding offers an integral voice to issues faced by society where public and private agents can be heard. A strong brand can help cities overcome crises reconstructing their future direction and renew beliefs for co-existence.

2. The case of Madrid

This conceptual framework is looked from a practical angle in the following brief analysis of Madrid’s brand-creation process.

Urban configuration

During the seventies, Madrid suffered a crisis as a result of the economic recession that affected western economies. Nevertheless, not all the regions suffered the same impact, the key factors for being able to rise to this challenge being sectorial composition and level of urbanisation. In cities where sectors in crisis were predominant (steel, shipbuilding, mining, textile), or very concentrated, the effect was devastating. Cities that were affected by the need for structural adjustments were those that focused on labour-intensive, vertically-integrated industrial activity (automobile and household appliances). In Madrid, where there was an important service sector, the effects were less dramatic.

In this context, a change took place in the institutional framework which, on the one hand, affected territorial organisation and, on the other, brought with it a marked recuperation for municipal activity: the arrival of democracy and the political transition process in Spain. This fact constituted a big change, given that the public sector regained its position of leadership in the city: for the first time, town halls put urban policy at the top of their agendas, and promoted a spirit of action by channelling creative impulses, placing special emphasis on the regeneration of the city and on the development of its possibilities in an attempt to reactivate its depressed economy.

The policy applied in Madrid during this period was primarily municipal and was centred basically on a proposal for renovation, in the form of a city planning regulation (PGOU) which served to lay the foundations for a drastic increase in possibilities of improving the quality of local life.

Paradoxically, the efforts to regenerate the existent city, which served to revalue both physical and functional space, also brought a series of tensions to the city, such as the rise in land prices, traffic and mobility problems, amongst others.

In the second half of the eighties and, again, fuelled by a favourable economic situation, urban growth actors challenged the compact city model that urban plans and the local government had favoured at the beginning of the decade.
Post-industrial Madrid

The end of the rural exodus characteristic of past decades meant a reduction in population growth. The change hence was rather qualitative than quantitative. On the one hand, there were changes in the composition of family units and, on the other, new forms of urbanisation appeared, in the form of detached houses and second residences, and single-person households became more common. This resulted in a notable territorial expansion which was not necessarily accompanied by a growth in population as in the previous period. Although empirical evidence is not conclusive, one of the characteristics that define post-industrial Madrid is the increase in consumption of land per inhabitant. It appears that this axis is the engine for the expansion of Madrid over the last two decades, although the land per capita is lower than other developed Western countries. The new post-industrial model in which Madrid is immersed based its urban expansion not so much on the increase in population (which actually fell), but rather on a greater number of building and infrastructure construction that resulted in spatial growth and in increased production and maintenance costs.

Investment was accompanied by an improvement in accessibility to and communications with places beyond the immediate peripheral areas of Madrid, which facilitated the emergence and expansion of suburban areas that were not evenly linked to the core city in terms of governance. This revealed a disjoint in territorial control as a number of agglomerations were correlated to Madrid whilst others were quite independent. There is partial evidence that these new forms of fragmented development that fell outside the administrative boundaries of Madrid were associated with changes in the nature of processes which, as we have already pointed out, demand and imply a different organisation of city space and functions.

Elements of change in Madrid’s city model

Two foremost aspects of the changing spatial organisation of Madrid, which is parallel to the process taking place in cities in other developed western societies, are:

Firstly, we have to mention decentralisation and the disarticulation of many tertiary activities, which had been carried out until then in the central area and were moved outside Madrid due to the advantages this brought. Paradigmatic examples of this fact are to be found in both the centres of mass distribution and in complexes specialised in services, with particular emphasis on those of a recreational and cultural nature which have sprung up in suburban areas. The same can be said of services for companies, of the administrative functions of large firms and, even of head offices when the locations are strategic due to better accessibility, environmental or image factors, or opportunities in new “up and coming” areas.

The second aspect is the decentralisation of new residential spaces. There are social groups which either due to preference or lower prices opt to live outside the city, given the advantages in terms of size or style of housing, quality of the environment and services for families – all this taking into account the enormous improvements in mobility infrastructure.

Nevertheless, the central space in Madrid is still influential. Many urban zones have maintained a privileged residential status in spite of the profusion of office and corporate use whose purchase power has transformed the use of numerous buildings from dwellings to offices. In addition, the municipal authorities have been keen to revitalise the functionality and urban quality of central areas. The result is a revaluation of the centre, albeit alongside other less desirable effects like the rise in prices and a marked social specialisation of their residential function or gentrification.
It is interesting to note that this revitalisation of the city centre is not actually a question of edification, but rather a necessity to recuperate its position as a major city. This is a critical aspect for Madrid today, and has led authorities to combine recuperation of dilapidated areas and restoration of buildings with the landscaping of public spaces and overhauling of functional operations, with regard both to mobility and the introduction of new activity. These lines of action include flagship developments that have proved highly effective in many cases in repositioning the city.

If we take a look at the big picture, the trends of the Madrid city model could be seen as a dual re-composition, functional and physical, of the city space, following a centrifugal pattern given the new forms of peripheral expansion, and a centripetal pattern in view of the revitalisation of central areas. Nevertheless, while the dynamic expansion of the outskirts of Madrid seems to be in line with the new demands of economic and social agents acting within a framework of new urban externalities, the revitalisation of the centre would appear to be based, more than anything else, on the desire of the political and public leadership sphere to transform the city.

Despite the sophisticated techniques used to tackle the organisation and distribution of substantial wealth generated by urban buildable land, the legislation has managed to preserve a comparatively unchanged notion of a city, which has not varied drastically from that established by legislators in 1956, on the eve of the industrialisation and urbanisation process. It is clear that control and regulation of land is not a sufficient when it comes to managing urban realities that face growing tensions and challenges, given that there must be strategic vision, an eye for opportunities that sees beyond the possibilities of rudimentary tools.

The effectiveness with which the legislation of autonomous communities (regional governments) is attempting to tackle these deficiencies has yet to be proven. At present, municipal authorities are developing proposals to reactivate urban dynamism, occasionally in keeping with their urban plans, but more often than not in direct contradiction to them. This underscores the difficulties involved in tackling “the city model problem” from a thematic perspective, and carried out by authorities that are totally autonomous and independent of each other.

Strategic planning is one of the relatively recent, non-regulated formulas used for municipal urban activation policies. During its short existence results have been uneven and have often served more as a show of goodwill in the general sense of the word, or as a political showcase, than as an effective platform to tackle objectives and recognised problems. City branding is another, more innovative and as yet unexplored endeavour to tackle these problems, which offers interesting possibilities in the case of Madrid given its orientation toward segmentation.

**Madrid’s image**

The contrasting facets of Madrid, present and past, traditional and modern, village and city, the quintessential Spanish and the multicultural, all co-exist happily and satisfactorily in the city. Furthermore they form a balance that for the majority is precisely what defines Madrid in specific, personal and genuine terms, namely that Madrid is a city of contrasts, or, rather, that Madrid is a city of contrasts *par excellence*.

These contrasts generate contradictions. Firstly, we have to describe the contradictions that result from the destruction or alienation of the Madrid of the past by the increasing weight of the Madrid of the present. They include the danger of losing Madrid’s legendary renown as an open city, due to problems derived from growing levels of immigration, or the danger to
the atmosphere, the *modus vivendi* and the quality of life in Madrid, due to increasingly unsustainable growth that translates into saturation and chaos.

Secondly, we have to underscore the contradictions derived from the fact that some of the things that remain from Madrid’s past prevent the emergence of a modern and competitive Madrid. The world sees Madrid’s past as linked to the traditional stereotypes of Spain which makes it difficult to construct and consolidate a new image. There are also obstacles and difficulties when it comes to crystallising Madrid’s new image as a modern, European city in the eyes of its citizens.

The question that remains, therefore, is the following: What can be done to integrate these two inherited factors – the past and the present- into a new image that will be the Madrid of the future?

*Madrid as a brand: “focussed passion”*

This contrast underlines the *brand driver* developed by Landor, an agency specialised in branding, to create the Madrid brand: “focussed passion” covers this contrast between a passionate past and a focussed future, more oriented to functionality.

The gap between the images of Madrid and its reality has become an abyss over the last few years. Research we have carried out corroborates that Madrid is a surprise for many visitors. They have their own stereotyped version: Madrid is the capital of Spain, Spain is flamenco and bulls, ergo, Madrid is “Sunny Andalucia” (which is actually an advertisement in Madrid’s Puerto del Sol). The surprise consists of finding a world-class transport infrastructure, a dynamic economy, an exhibition centre that is second to none in Europe, etc. in short, they find a great European capital, symbolised in the brand by the word MADRID.

The new brand reflects its essence as a city of contrast. Madrid is not the kind of city that fits into a simple mental map, and it is not predictable. According to Lynch, in Barcelona it is impossible to get lost, because there is a path, a limit, and a landmark (Calle Diagonal, the sea, and Montjuich Mountain). In Madrid, the districts (“los Madriles”) are king. The city is a puzzle, a potpourri of districts, each with its own style. Madrid’s Gran Via is a smaller Broadway, New York; Los Austrias is like the old city of Segovia; the Barrio Salamanca might resemble Paris to some. You can lose yourself and, therefore, immerse yourself in discovery and surprise, as insinuated by the other element that comprises the brand: the dual exclamation marks that are exclusive to the Spanish language (¡Madrid!).

These two graphic elements form part of the creative development of the “focussed passion” concept, which is the expression that synthesises this contrast between a great European capital with the accelerated pace of life of a postmodernist society, and the sense of community in each district, along with the enjoyment and fun that life in Madrid brings. This is the contrast between North and South, between the dehumanisation of a big city and the humanity of an open city, known for its solidarity. Every brand should have a legend behind it, and in this case the legend is that of a humanitarian city.

The fact that Madrid is a complex city has pros and cons when it comes to building a brand. One of the advantages is that the risk of saturation is very small. Madrid is authentic and genuine, what you see is what you get.

The risk lies in that it is difficult to synthesize the message in a concept, in a logo. If we see the Madrid brand and we think that behind it lies what we have just described, the reaction could easily be: “I would never have imagined it was like that!” It is more difficult to get a sophisticated identity across to a society that is already saturated with stimuli. In order to get
an identity across, subsequent publicity campaigns will have to focus on different audiences with total and absolute fidelity to this architecture, the versatility of which is clearly a card that must be played.

Bibliography


