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## 'A good place to live'

### Rethinking residents' place satisfaction and the role of co-creation

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# ‘A good place to live’

## -Rethinking residents’ place satisfaction and the role of co-creation

LISA KÄLLSTRÖM | DEPARTMENT OF BUSINESS ADMINISTRATION



# ‘A good place to live’

## -Rethinking residents’ place satisfaction and the role of co-creation

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Developing a place into ‘a good place to live’ for people of all ages is a prioritized issue in many municipalities in Sweden, as well as around the world. But what do we really mean by ‘a good place to live’? How do the residents themselves comprehend and perceive ‘a good place to live’? And how do municipalities view their place and what they offer to their residents? This thesis explores how ‘a good place to live’ can be understood, conceptualized and studied, and the roles co-creation and the residents themselves play in this context. Taking the resident as a starting point and using the service-based logic as a theoretical foundation, this thesis connects the stream of research within place marketing focusing on co-creation and the users’ role with the stream of research dealing with success measurements and place satisfaction.

**Lisa Källström** is a lecturer and researcher in Business Administration, mainly within the field of marketing and place management. Her research interests lie within value co-creation in the place context, stakeholder involvement in the work of government and participatory place branding.



‘A good place to live’



# ‘A good place to live’

-Rethinking residents’ place satisfaction and the role  
of co-creation

Lisa Källström



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DOCTORAL DISSERTATION

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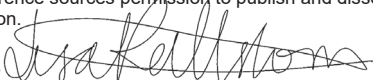
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<b>Abstract</b> <p>Developing a place into 'a good place to live' for people of all ages is a prioritized issue in many municipalities in Sweden, as well as around the world. For place development to be effective, it is critical to have a good understanding of what 'a good place to live' really is. Within the domain of place marketing, scholars have been successful in providing an extensive depiction of the various attributes that may influence place satisfaction. However, even if several researchers have highlighted the co-creation element of the place as a specific feature of place branding, previous research concerning residents' place satisfaction has neither recognized residents as more than just consumers of place nor recognized the co-creative element of the place offerings. Drawing upon the service-based logic, this thesis explores the place context and how 'a good place to live' can be understood, conceptualized and studied. Taking the residents as a starting point, this thesis bridges the stream of research on place satisfaction and studies that take stakeholders and co-creation into consideration.</p> <p>Six overarching main findings can be derived from the studies in the thesis. First, to make place satisfaction studies more theoretically interesting and more practically relevant, it is necessary to change the main unit of analysis to one that is actually able to create value. Thus, a shift in focus is suggested: from the place or the provider to the residents and their value creation processes. Second, value-in-use can be used as a complement to satisfaction, as introducing value-in-use to place satisfaction studies is a way to shed more light on the residents and to move away from provider dominance. Third, as a result of listening directly to residents and letting them speak freely, new value propositions are found that are important to residents. Fourth, the studies have shown that not all value propositions are produced under the same circumstances. Some value propositions are produced by the provider, while some are co-created by the provider and the resident themselves, or by two residents. Fifth, the research opens up the 'black-box' of co-creation and presents a new analytical model for co-creation activities, where six key activities in the co-creation of a place to live are constructed from the empirical material. Sixth, using indicator systems to assess 'a good place to live' and to evaluate urban development and growth comes with several difficulties, which are illustrated by employing three main dilemmas.</p>		
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# ‘A good place to live’

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of co-creation

Lisa Källström



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*To Sonja, Ellen and Rut*

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I am ready for new adventures!

Lisa Källström

Hedentorp, 2019-06-27

*-Motivation gets you going, but discipline keeps you growing! (John Maxwell)*

## Chapter 1

# Introducing the research topic and establishing the problem

Kristianstad must, just like any other medium-sized municipality, make every effort to appear as a good alternative as regards urban life for residents of all ages and for companies that can create job opportunities. The great challenge for Kristianstad is to encourage more people of working age to stay or move to the municipality and to get more young people into studies and work, in order to maintain the quality of life. (Kristianstad Municipality, 2017)

The quote comes from Kristianstad Municipality's 2017 annual report. Kristianstad Municipality is a typical average sized municipality in southern Sweden. The municipality is part of Skåne Nordost, a municipal collaboration between six municipalities in the northeast part of the Skåne region, which is the empirical setting for this thesis. Similar statements are to be found in many other municipal annual reports. It pinpoints a prioritized issue in many municipalities in Sweden, but also around the world: the issue of being a place that residents of all ages find attractive and developing the place into 'a good place to live'. But what do we really mean by 'a good place to live'? How do the residents themselves comprehend and perceive 'a good place to live'? How do municipalities view their place and what do they offer to their residents? These are some of the core issues explored in this thesis.

Place satisfaction is a current and well-researched topic in place marketing and branding, and residents' place satisfaction has been studied and measured quantitatively in different contexts and empirical settings (e.g., Van Ryzin, Muzzio, Immerwahr and Martines, 2004; Ng, 2005; Santos, Martins and Brito, 2007; Darchen and Tremblay, 2010; Inch and Florek, 2010; Inch and Sun, 2013; Zenker, Petersen and Aholt, 2013; Potapov, Shafranskaya and Bozhya-Volya, 2016). Like other marketing sub-disciplines, place marketing has long



predominantly drawn on the product-dominant logic (Källström, 2016; Eletxigerra, Barrutia and Echebarria, 2017). According to the product-dominant logic, products are viewed as being infused with value (Vargo and Lusch, 2004), and consequently the place is viewed as a bundling of offerings, leading to a specific competitive position (Kotler, Haider and Rein, 1993). The focus in place satisfaction studies, according to the product-dominant logic, has therefore mainly been on evaluating different place attributes (Källström and Hultman, forthcoming). This kind of research represents a rational view and rests on an ontology where it is believed that social phenomena, such as ‘a good place to live’, have an existence that is independent of social actors and therefore can be studied objectively.

During recent decades, however, a new stream of research within marketing at large, emphasizing the user and specifically the user as a co-creator of value, has won acceptance. The statement “*The customer is always a co-creator of value*” (Vargo and Lusch, 2008, p.7) implies that there is no value created without the user being involved. With this starting point, the objective ontological position becomes contradictory and is abandoned in favour of a view where social phenomena are seen as being created from the perceptions and actions of social actors, such as the residents themselves. In other words, value-in-use is socially constructed through experiences, and even the place itself can be regarded a social construction.

In the early 2000s, the traditional product-dominant logic and one-way marketing strategies began to be challenged by this new stream of research, referred to as the service-based logic in this thesis (e.g., Vargo and Lusch, 2004; 2008; Grönroos, 2008). Place marketing scholars in general seem to agree on the importance of co-creation in a place context (Eletxigerra et al., 2017), and it is argued that the service-based logic’s view of marketing matches the unique features of place marketing better than do previous marketing views (Warnaby, 2009). However, thus far such issues have not received enough attention within the field. Considering that the co-creation view is still largely explored on a conceptual level, little research in place marketing actually incorporates this perspective into empirical studies. Hence, there is a need for additional comprehensive empirical studies to further explore what co-creation means in a place context. While we have a rather good picture of place satisfaction and what constitutes ‘a good place to live’ using the product-dominant logic, the new stream of research emphasizing the user and co-creation challenges the very foundation of how to view the place context and, consequently, also challenges existing place satisfaction studies.

What co-creation and increased emphasis on the user mean for place satisfaction is still left to be explored.

In this chapter the research will be introduced. I will briefly introduce place marketing, both as a research field and as a tool for practitioners. I will describe how the focus of place marketing has developed from marketing slogans towards an emphasis on branding combined with an interest in co-creation and the user of the place. I will then present previous research on place satisfaction, problematize and propose an alternative approach to studying ‘a good place to live’, arguing that it may be useful to draw upon theoretical ideas from the service-based logic. This leads to a presentation of the purpose and the specific research questions. The chapter ends with an outline of the rest of the thesis.

## Background: The development of place marketing

The practice of marketing has been known for ages. ‘Marketing’, as a term for describing commercial activities associated with buying and selling products or services, was introduced and became popular in the late nineteenth century and marketing as a science has developed since the early 1900s (Hunt, 1976). However, over the decades, the marketing discipline has experienced changes in terms of its dominant focus, underlying thoughts, and practice. Most importantly, the time when marketing was synonymous with advertisement is long gone. The American Marketing Association today defines marketing as:

...the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. (AMA, 2018)

There is a strong trend towards viewing marketing as an integral part of the organization’s decision-making framework (Kumar, 2015), and marketing today is relevant not only for commercial purposes but can also be viewed as a strategic tool for the non-profit sector, political parties, and for the core of this thesis: places. Even if different kind of places are highlighted in place marketing research, the dominant emphasis is on urban places (Warnaby, 2009), such as cities and municipalities. In this context, ‘place’ refers to the place as a geographical place, but more importantly to the specific services, facilities and attributes that occur and are offered within this place (Warnaby and Medway, 2015).

The marketing discipline first showed an interest in places as tourist destinations (Skinner, 2008). But during the 1990s, when places became more exposed to competition due to a decline in traditional industries and the growing importance of services to the economy, interest in places grew from solely being about attracting tourists to also including how to attract investment, industry and residents (Kotler et al., 1993). Today, the competition between urban places has intensified, and as places seek to gain competitive advantage over others, place marketing has grown as research field, with an increasing number of published articles as a result (Lucarelli and Berg, 2011) and two journals dedicated to place marketing: *Place Branding and Public Diplomacy*, founded in 2004, and *Journal of Place Management and Development*, founded in 2008 (Lucarelli and Berg, 2011; Acharya and Rahman, 2016). Place marketing research is also frequently published in journals such as *Journal of Brand Management*, *Journal of Marketing Management*, *European Journal of Marketing*, *Journal of Business Research*, *Town Planning Review*, *Marketing Review*, *Journal of Town and City Management*, and *Scandinavian Journal of Hospitality and Tourism* (Acharya and Rahman, 2016). One of the main characteristics of the research domain is the cross-disciplinary mix, where urban studies, tourism, geography and marketing are the dominating academic disciplines (Lucarelli and Berg, 2011). Consequently, place marketing is sometimes criticized for being a fragmented research field, and there seems to be little consensus on what type of marketing and branding applies to places (Skinner, 2008). Thus, the essence of place in the context of marketing research still constitutes a developing research field (Anholt, 2010; Hanna and Rowley, 2012).

If we turn to practice, an interest in place marketing emerged during the 1990s (Eshuis, Braun, and Klijn, 2013). The travels of ideas (Czarniawska, 2002) can help us to understand why so many municipalities began showing an interest in place marketing in the late 1990s, and why it won wide acceptance. With new institutional theory as a theoretical backdrop, Czarniawska (2002) argues for why ideas travel in her significant book “A tale of three cities: or the glocalization of city management”. Normative and mimetic isomorphism (Czarniawska, 2002; DiMaggio and Powell, 1983) can help us to understand how the idea of place marketing as something useful for municipalities travelled from one municipality to another.

Norms, especially professional norms, are an important factor underlying the travel of ideas. Municipalities collaborate in different ways and have formal and informal methods of spreading and propagating ‘best practice’ and

inventions. In this respect, normative influence was important to the growth of place marketing. Norms are commonly influenced by fashions (Czarniawska, 2002). Scholars of 'fashion' regard fashion as a social phenomenon, which leads to relatively frequent changes in consumption. Prasad, Prasad and Mir (2010) argue that the discourse of fashion can help us to understand how external activities and trends influence organizations, and thus it can also help us to understand the way place marketing was first implemented by municipalities. Municipalities that want to be on the front line tend to have a rather high level of fashion consciousness, and the notion of place marketing was a rather burning trend in the beginning of the twenty-first century. Municipalities experienced increased competition regarding both people and capital, and consequently the pressure to work with municipalities' attractiveness grew. Place marketing was seen as an answer to the need to strengthen the municipalities' competitiveness and image, and soon working with marketing became fashionable and the norm.

However, the travel of place marketing cannot solely be explained by the discourse of fashion and professional norms. There are also traces of mimetic isomorphism, where organizations seem to imitate each other, for example due to spatial proximity, even in the absence of professional norms (Czarniawska, 2002). Here, the uncertainty of how to interpret and implement place marketing may have encouraged municipalities to model themselves on other organizations as a way to deal with their uncertainty about what to do (DiMaggio and Powell, 1983). Many municipalities focused on identity work, the goal being to create a municipal profile and slogan during this period. Today over 80 per cent of municipalities in Sweden have their own slogan, some more famous than others. To mention some: "When in Europe don't miss Skurup" (Skurups Kommun) and "Skåne's green heart" (Östra Göinge Kommun). The travel of ideas can contribute to both superficiality and cynicism (Prasad et al., 2010), which can be observed when it comes to marketing and branding of municipalities, where many critical voices have been heard regarding municipal slogans and this kind of marketing. The place marketing brand programmes of the early twenty-first century were typically implemented by consultants and tended to be quite superficial in content and approach, where the great focus on slogans can be seen as a sign of its superficiality. The travel of ideas helps us to understand why, when it first was introduced, place marketing was implemented and used in municipalities in a similar and rather superficial fashion.

Today we can observe how more and more cities, municipalities, and countries implement place marketing in a purposeful and strategic way. One current example is ‘Greater Copenhagen’, a collaboration between 85 municipalities in eastern Denmark and southern Sweden. The collaboration strengthens the area and the marketing offer, where beaches and numerous small family-friendly towns within short distances of the city complement Copenhagen. Through joint efforts, ‘Greater Copenhagen’ is marketed and promoted as a greater place to live, and an area that has it all. In their place marketing ‘Greater Copenhagen’ is communicated and promoted as a way of life:

Greater Copenhagen is much more than a dot on the map. It is a state of mind and a way of life. It is the Scandinavian spirit – sustainability, creativity, equality, trust and togetherness... Let us introduce you to a different life. A life where green is not just a colour, but a mind-set. Where you can ride your bicycle to work, swim in the harbor, eat local organic products and use the power of nature to keep you warm on a cold winter’s day. Greater Copenhagen. Consider yourself invited. (Greater Copenhagen, 2019)

Place marketing is increasingly being used as a governance strategy for managing perceptions about regions and cities (Eshuis, Braun and Klijn, 2013). Municipalities in Sweden, as in many other countries, are responsible for many core public services including schools, preschools, care for the elderly and disabled, social services, urban and local planning, environmental issues, roads, waste disposal, water supplies and sewers. Apart from these services regulated by national standards, municipalities undertake other relevant activities. Municipalities face many challenges, not only as geographic places, but also as service-providing organizations and political institutions (Waeraas, Björnå and Moldenaes, 2015). For example, the municipal collaboration Skåne Nordost has articulated ‘growth’ as a prioritized strategic goal, and it is common for municipalities to highlight in their visions the need to attract residents, businesses, visitors and skilled workers. These challenges encourage municipalities to turn to marketing and reputation management.

## Calls for a new perspective

The trend towards viewing marketing as an integral part of the organization’s decision-making framework (Kumar, 2015) has spread to the place marketing field. Today, place marketing has evolved from slogans and promotion to

becoming a tool for integrated place management (Zenker and Martin, 2011). Place marketing should not merely be about telling the world that a place is good, but rather making the place good and letting the world know it (Kavaratzis, 2010). In other words, place marketing should not only be used for intentional communication of a favourable image, but also be a basis for strategic thinking about development of places. This way of thinking steers away from the superficial use of place marketing, which we could see in many municipalities during the early twenty-first century. It also means that the essence of place still constitutes an interesting research field (Anholt, 2010; Hanna and Rowley, 2012), and fundamental issues—such as how we should view and understand the place context and how we should comprehend ‘a good place to live’—remain uncertain and, thus, require further research.

Leading paradigms and dominating theories strongly influence how researchers see things and approach problems. The marketing field was long dominated by a positivistic worldview, where researchers value objectivity and social phenomena and their meanings are regarded as having an existence that is independent of social actors. In this spirit, the product-dominant logic developed and became the leading paradigm in marketing for decades (Grönroos, 1994). The product-dominant logic sees products as infused with value, and thus the product as such, in this case the place, is essential to study. It is assumed that the place exists independently of social actors and can be studied objectively.

However, in the early 1980s (Grönroos, 1982), a new type of research began to develop that questioned the old view and instead saw value as something the users themselves were part of creating. The worldview changed alongside this development, and it was no longer self-evident to study social phenomena irrespective of social actors, rather value creation in the place context can be seen as socially constructed. In this thesis, the term ‘the service-based logic’ is used to describe different streams of research within this development. The service-based logic can be divided into two main streams: the service-dominant logic advocated primarily by Vargo and Lusch (e.g., 2004) and the service logic, for which Grönroos (e.g., Grönroos, 2006) acts as the main axis of development. For the present purposes, these two streams are not differentiated, and the term used is service-based logic, which incorporates both these streams of research as well as other research streams challenging the product-dominant logic by considering the customer and user as co-creator of value, e.g., the customer-dominant logic introduced by Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström and Andersson (2010). Although the first

publications introducing ideas about the service-based logic can be traced back to the 1980s, the service-based logic won wide recognition first in the 2000s through, for example, contributions such as Vargo and Lusch's article from 2004, "Evolving to a New Dominant Logic for Marketing", which has been highly influential and has changed the way many marketing researchers view the marketing context. Ultimately, the service-based logic should be seen as an attempt to provide a foundation for a general theory of marketing (Vargo and Lusch, 2008). The service-based logic is grounded in many of the same beliefs as the general relationship paradigm, and they rest, for example, on the principles of market orientation, relationship marketing, and service dominance (Vargo and Lusch, 2004; 2008; Grönroos, 2008; Grönroos and Voima, 2013 to mention a few). As an analytical lens, the service-based logic suggests that the unit of analysis is the interaction between user and provider, a relationship in which both are active. The service-based logic sees the foundation of marketing as value creation, and one of the cornerstones is that value is created by the user. The provider is a value facilitator and offers value propositions the customer can use to create real value—that is, value-in-use. Value is seen as something that arises when the user is or feels better off than before (Grönroos, 2008) or achieves increased well-being (Akaka and Vargo, 2015), and value is thus created when the customer uses the goods or services. This constitutes a major and important difference compared to the product-dominant logic, which sees the provider and the product as value creators.

Today, the ideas of the service-based logic have a strong presence in the general marketing field. Not surprisingly, the service-based logic has been suggested to be relevant also for place marketing (Merz, He and Vargo, 2009; Warnaby, 2009; Hankinson, 2010; Kavaratzis, 2012; Källström, 2016; Källström and Ekelund, 2016). Warnaby (2009) argues that the service-based logic would help shed light on what is truly important for successful place brand management and be able to offer a good foundation for analysing the place context. However, studies using the service-based logic to study the place context are relatively scarce. Instead, branding has strongly influenced the field, resulting in numerous place branding studies, and place branding has consequently been established as a strong branch within the discipline. Development of the service-based logic is, however, paralleled by, and reflected in, the branding literature. The branding literature has shifted from an output orientation to a process orientation, which is an important part of the service-based logic (Merz et al., 2009). There has also been a shift away from product brands towards corporate and service brands, in relation to which the stakeholders play a larger role (Leitch and Richardson, 2003). Co-creation in



the corporate branding process is highlighted as important, because it is believed to have clear benefits for the organization. The impact of co-creation participation on consumers is, however, less well-defined in the branding literature (Ind, Iglesias and Schultz, 2013). In the service-based logic, co-creation is also highlighted; the starting point, however, is not the organization but rather the user. Thus, the service-based logic puts the user in focus in a way that the branding literature does not. Merz and colleagues (2009) argue that the service-based logic and the branding literature can reinforce and inform each other. A service-oriented organizational culture constitutes a good foundation for building a strong municipality image and strong brand relationships with all of the municipality's stakeholders. The service-based logic and the branding literature are, thus, not in conflict with each other; rather, the service-based logic's emphasis on value-in-use offers a good foundation for creating a municipality brand with which residents can have an intimate relationship.

## The research problem: Residents' place satisfaction

Increased global connectivity and mobility of both humans and capital have created a competitive environment for countries, regions, municipalities and cities alike. Today many places experience the need to be attractive for a multitude of different stakeholders, i.e. to all actors who have a stake in the place, to be able to prosper and grow and to attract enough resources to achieve their developmental goals (Kavaratzis and Ashworth, 2008; Insch and Florek, 2010). As the place is multi-faceted, consisting of both physical dimensions of places as well as what happens within them, who the providers are and who is responsible for making the place attractive are complex questions that this thesis also explores. Hankinson (2010) argues that the place can be seen as co-created by a multitude of autonomous organizations, both public and private, and that place marketing ought to be seen as partner-based. Another perspective is to also see the residents themselves as place providers (e.g., Ashworth, 1993), because the residents construct their own unique place from the variety of services and value propositions offered. Still, given that municipalities are responsible for a large share of the community services, have the resources and size to assume great responsibility for the place and, according to several municipal annual reports and vision documents, have made it a priority to develop their municipalities into 'a good place to live' for residents, it seems fair to regard the municipality a key place provider. In



Sweden, regions and municipalities were given more explicit responsibility for developmental goals, growth and attractiveness issues at the end of the 1990s (Region Skåne, 2013). It is the local government's responsibility to lead the development and, together with society at large, achieve positive development for the region or municipality.

Residents are a key stakeholder group for municipalities (Insch and Florek, 2010; Zenker et al., 2013), and for many sparsely populated municipalities it is seen as a key strategic goal to retain the population, in order to be able to maintain a reasonable service level in the municipality but also, in the end, in order for the municipality to survive. Municipalities today do not seem to be able to take their residents for granted and, thus, it becomes important that the residents value the place they are living in. A municipality that has not been able to create an attractive place for its residents faces several risks: that residents will move, that it will be difficult to attract new residents and that the residents will stop being good ambassadors for the place (Braun, Kavaratzis and Zenker, 2013). Place marketing and branding has become a way to deal with the increasing competition between places, and being able to establish a place as 'a good place to live' for residents can be seen as one of the primary goals for place marketers (Zenker et al., 2013). Thus, place attractiveness and place satisfaction are buzzwords, not only in place marketing and branding research, but also in governments around the world. The research interest in residents' place satisfaction is a reflection of places, such as municipalities, becoming more and more aware and interested in developing, and communicating, an attractive place for residents.

Municipalities' interest in residents' place satisfaction is portrayed in the municipalities' annual reports. The annual report does not only contain financial statements, but also a mission statement and goals for the municipality. A review of 145 municipal annual reports in Sweden for 2016 shows that 87.6% of the municipalities studied had set goals related to being an attractive place for residents and/or residents being able to live rich lives in their municipalities (Bång and Persson, 2018). However, resident place attractiveness is interpreted very differently in the 145 annual reports, and there seems to be uncertainty about how to measure and evaluate place attractiveness. Thus, considering that most municipalities explicitly set goals connected to developing their municipality as 'a good place to live' for residents, but that the definition and understanding of the concept vary to a large degree, there seems to be a need to further explore what 'a good place to

live' really means and how it can be measured. An understanding of the concept is fundamental to being able to work towards more satisfied residents.

There is an agreement within the place marketing literature that being able to measure the impact of place management efforts is crucial (Zenker and Martin, 2011). The aim of place management is to maximize both the economic and social function of an area, and it is recognized within both place branding and the field of public sector corporate branding that measuring success requires the use of experiential dimensions (Bouckaert and Van de Walle, 2003; Roch and Poister, 2006; Rhee and Rha, 2009; Warnaby, 2009; Whelan, Davies, Walsh and Bourke, 2010; Zenker, 2011; Zenker and Martin, 2011). *Quality of life* (Warnaby, 2009), *citizen equity* (Zenker and Martin, 2011), and *satisfaction* (Bouckaert and Van de Walle, 2003; Van Ryzin et al., 2004; Roch and Poister, 2006; Inch and Florek, 2008; Rhee and Rha, 2009; Whelan et al., 2010; Zenker et al., 2013), for example, have frequently been used to measure place success.

Consumer value creation is a fundamental concept in marketing and plays a crucial role in all marketing activities (Holbrook, 1999). However, depending on the theoretical point of departure, consumer value creation can be viewed and understood differently. According to the product-dominant logic, consumer value is delivered by and through products (Anker, Sparks, Moutinho and Grönroos, 2015). As a consequence, the product and the consumer response to the seller's offering are in focus. Much of current place marketing is founded on ideas from the product-dominant logic, and thus the starting points of studies tend to be the place, the country or city (see, e.g., Inch and Florek, 2010; Zenker et al., 2013); consequently, measurements such as place satisfaction have been in focus. The place is viewed as a bundling of offerings (Kotler et al., 1993), and in attempts to understand place satisfaction, the place has typically been treated as a product and the focus has been on evaluating different place attributes. Thus, it seems as though the place is regarded as something that 'is out there' and that can be studied objectively. The attributes of place have varied somewhat from study to study, and there is no common set of dimensions (Gilboa, Jaffe, Vianelli, Pastore and Herstein, 2015). A review of recent studies investigating place attributes (Van Ryzin et al., 2004; Ng, 2005; Santos et al., 2007; Liao, 2009; Darchen and Tremblay, 2010; Inch and Florek, 2010, Inch and Sun, 2013; Zenker et al., 2013; Rozhkov and Skriabina, 2015; Potapov et al., 2016) resulted in a list of 14 common place attributes: transportation, security, nature, sports and leisure, culture, city centre offerings, public services, accommodation, location,

employment, environmental quality, atmosphere, diversity and prosperity. The review demonstrates the multiplicity of studies on residents' place satisfaction and the array of attributes that could potentially affect place satisfaction, as shown in previous research. Taken together, previous research in the field of place marketing has provided an extensive depiction of the various attributes that may influence place satisfaction.

However, the meaning of brand and branding has evolved over the past decades; branding is currently viewed as collaborative and brand value as the stakeholders' collectively perceived value-in-use (Merz et al., 2009). This development is visible in the place marketing field, where the idea of co-creation has been widely accepted among place marketing scholars (Eletxigerra et al., 2017). Studies have recognized that residents not only consume the place they live in, but also shape it, along with other stakeholders (Rozhkov and Skriabina, 2015). This is a strong argument for giving the residents a larger role in studies on place satisfaction. Moreover, several researchers have highlighted the co-creation element of the place as a specific feature of place branding. For example, exploring the roles residents play in the formation and communication of place, Braun, Kavaratzis and Zenker (2013) find that residents play three major roles in this regard: they can be seen as an *integrated part of the place*, as they and their interactions with others form the social milieu of a given place; they are also *ambassadors* for their place; their role as *citizens* is highlighted. Ambassadorship behaviours and citizenship behaviours were further emphasized in a study by Taecharungroj (2016), who defines citizenship behaviour as actions that contribute to the city by helping other people and participating in events that can improve the city. However, studies on place satisfaction have neither recognized residents as more than just consumers of place nor recognized the co-creative element of the place offerings. As Donner, Fort and Vellema (2014) conclude, the value of interactions is seldom considered or measured. Hence, there is a need to problematize the place context and what constitutes 'a good place to live', so that emphasis can be put on the most relevant unit of analysis.

Before I propose an alternative approach to research on 'a good place to live', I will elaborate a bit further on the two main shortcomings of previous research evaluating 'a good place to live'. First, as a consequence of being founded on ideas from the product-dominant logic, current place marketing research and studies of place satisfaction are largely provider-dominant, and thus the municipality and other providers are in focus. To give an example, we can look at Zenker and Martin's (2011) research. In their paper, measuring success in

place marketing and branding, they discuss customer focus: *“The nature of customer-centricity lies not in how to sell products but rather in creating value for the customer and, in the process, creating value for the firm...”* (Zenker and Martin, 2011, p. 35). Although this statement seems customer-oriented at first glance, it reveals one of the major arguments for the notion that current research is provider-dominant. The place and the municipality are seen as *“creating value for”* (Zenker and Martin, 2011, p. 35) the resident. Because the municipality and other providers and the place itself are viewed as the unit that can create value, this becomes the most important unit of analysis, which is thus the reason why much of the research on place satisfaction and ‘a good place to live’ has focused on place attributes and place providers, such as municipalities. The notion that the place rather than the resident is at the centre of current place branding studies is further supported by the fact that the starting points of studies tend to be the place, the country or city (see, e.g., Insch and Florek, 2010; Zenker et al., 2013). The most common way of including residents is to ask them to rate places (Niedomysl, 2010), and the attention actually given to residents is limited to their thoughts on a number of the place attributes provided to them. The purpose of studies on residents’ place satisfaction seems to reveal underlying dimensions of a resident’s perception about a place, and thus what many of these studies have in common is that they focus primarily on how to depict a city, which implies that the place, and not residents, is at the centre. Thus, the desires and needs of residents are not in focus. Considering the current emphasis in much of the marketing research on the user and his/her value creation, the provider focus in previous studies on ‘a good place to live’ indicates serious shortcomings.

Second, approaching place satisfaction and ‘a good place to live’ from a product-dominant logic leads to a focus on place attributes, which leaves out the interaction between the place provider and the resident, and consequently also the co-creative element. Today, co-creation is seen as a key concept in marketing, which in its turn has initiated a movement towards a participatory culture. Co-creation also plays an important role in the current stream of branding research in place marketing. As Merz, He and Vargo (2009) note:

The logic of brand and branding is also evolving and has shifted from the conceptualization of brand as a firm-provided property of goods to brand as collaborative, value co-creation activity of firms and all of their stakeholders. (Merz et al., 2009, p 328).

Co-creation is highlighted as important, because it is believed to have clear benefits for both the organization and the user. Leaving out the co-creative element in studies on 'a good place to live' means leaving out an important underlying factor of place satisfaction. The resident helps to shape the place, by co-creating important value propositions, something that earlier studies neglect. Thus, there is a need for a new type of research that approaches place satisfaction and 'a good place to live' not from the product-dominant logic, but rather, from a theoretical stance where co-creation and the user are in focus and can be incorporated into the understanding of the phenomenon. Increased interest in the user of the place and recognition of the importance of co-creation offer a new lens to more traditional place satisfaction studies, which tend to reduce the complexity of 'a good place to live' to a list of place attributes.

Because my study is related to the conception of new ideas through creative synthesis of existing ideas and constructs, the current research is conducted in the context of discovery (Yadav, 2010). The overarching purpose is exploratory, and I aim to shed new light on place marketing, and more specifically on residents' place satisfaction. The present research explores the foundation of the place context and suggests that the service-based logic constitutes a relevant theoretical foundation for analysing the place context and approaching 'a good place to live' (Källström, 2016). With service-based logic as a starting point, the focus is naturally on value creation and 'a good place to live' for residents is seen as a place in which the residents can create a lot of value for themselves. The place provider is still important; it should act as a value facilitator for the resident and support the resident's value creation process in the best way possible (e.g., Vargo and Lusch, 2004; 2008; Grönroos, 2008; Heinonen et al., 2010; Grönroos and Voima, 2013), but the main unit of analysis ought to be the interaction between the place provider and the resident, as well as the resident's value creation. Thus, using the service-based logic as a starting point helps us to problematize what ought to be analysed when the goal is to understand 'a good place to live'.

Emphasizing the residents and their value creation in a place context is a new way to approach the phenomenon. New light is shed on the residents and on place satisfaction, which helps to fill a current gap in the area of place marketing, as it has been emphasized that both place marketing theory and practice have considerable shortcomings as regards considering the role of the residents (Braun et al., 2013) and that involving residents more could improve place marketing theory and practice (Merrilees, Miller and Herrington, 2009). The service-based logic is used as a theoretical foundation, which focuses on

residents' role and connects the stream of research within place marketing focusing on users' role and co-creation (Aitken and Campelo, 2011; Hanna and Rowley, 2012; Kavaratzis, 2012; Braun et al., 2013; Kavaratzis and Hatch, 2013; Zenker and Erfgren, 2014; Thelander and Säwe, 2015) with the stream of research dealing with success measurements, place satisfaction and evaluations of 'a good place to live' (Van Ryzin et al., 2004; Ng, 2005; Santos et al., 2007; Liao, 2009; Darchen and Tremblay, 2010; Insch and Florek, 2010; Insch and Sun, 2013; Zenker et al., 2013; Rozhkov and Skriabina, 2015; Potapov et al., 2016), which thus far has not been challenged by this new perspective. This also has implications for how I, as a researcher, believe we can approach and study 'a good place to live'. It no longer seems reasonable to think that there is a predetermined bundle of offerings that constitute the place and the source of place satisfaction and that can be controlled and studied objectively. Rather, because this new lens allows us to see 'a good place to live' as a place where residents can create a lot of value for themselves, it seems as though every resident creates his/her own place by using and interacting with different value propositions and aspects of the place. In other words, there no longer seems to be *one* place for us to study, but rather we have to try to understand how residents interacts with and use the place to create value for themselves, and to, based on these stories, construct an understanding of 'a good place to live'.

## The purpose of the thesis

This study has been designed using both problematization and gap-spotting. How the place context can be understood and conceptualized has been questioned and problematized. However, gap-spotting has also been an important tool in designing the present research, as the need to focus more on residents and to incorporate the co-creation notion were identified as important issues in place marketing research early in the research process. Even if gap-spotting as a method for identifying possible research projects is sometimes criticized (Sandberg and Alvesson, 2010; Alvesson and Sandberg, 2011) for underproblematizing existing literature, it can still be a good way to identify valuable projects. Gap-spotting has many advantages. One is that it leads to knowledge accumulation, which is an important part of the development of, especially new, research fields such as place marketing. Yadav (2010) argues for the significance of conceptual articles, with contributions that focus

primarily on theoretical advances without relying on data, and claims that research conducted in the context of discovery is an important complement to research that focuses on justification. Discovery plays an important role in the present thesis, as the overarching purpose is to explore how ‘a good place to live’ can be understood and how the place is co-created. MacInnis (2011) has developed a framework for thinking about conceptualization in marketing, where general as well as more specific conceptual goals are described. The present research has a general conceptual goal that can best be described as *envisioning*, as I consider a new way of thinking about place marketing in which value and the resident play a larger role than previously. The more specific conceptual goal can be described as *identifying*, because I want to highlight the value creation aspect in place marketing, and the service-based logic is introduced to shed new light on the place context. Identifying, as described by MacInnis (2011), is connected to the context of discovery discussed by Yadav (2010), as both involve observing a reality for the first time; in this case by seeing ‘a good place to live’ in light of the service-based logic and thus observing it from this perspective for the first time. The purpose is to initiate theory development by moving to another level of analysis and by combining ideas from the service-based logic and place marketing research (Yadav, 2010).

In light of the discussion pursued above, the main purpose of this thesis can be described as follows:

- ✓ To explore the place context and how ‘a good place to live’ can be understood, conceptualized and studied, particularly by exploring this phenomenon using the service-based logic as a foundation.

The purpose of this thesis thus reflects an ambition to improve our understanding of ‘a good place to live’ through both theoretical reasoning and empirical work. I set out to explore place satisfaction and co-creation of places, focusing on residents’ perception of what constitutes ‘a good place to live’ and on how residents interact with, and create value from, the place they are living in. The importance of the resident for successful place management has been highlighted in previous research, and a call has been made for more studies focusing on residents and their role in place marketing (e.g., Merrilees et al., 2009; Braun et al., 2013). Furthermore, the study can also be seen as an attempt to meet the need for more theoretical frameworks and models in the area of



measurements, something that thus far has been understudied in place marketing research (Gertner, 2011). Research on place satisfaction and place attractiveness is relatively scarce, and the studies conducted tend to focus on the place and its attributes as the dominant unit of analysis (e.g., Insch and Florek, 2010; Zenker et al., 2013). Changing the level of analysis—putting the user and the interaction between the user and the provider in focus—influences how we understand ‘a good place to live’. For this purpose, the service-based logic is seen as a relevant theoretical foundation and is thus used as a frame of reference. The service-based logic focuses on value creation, and the dominant unit of analysis becomes the resident and his/her value creation process, including the interaction between the provider and the resident (e.g., Vargo and Lusch, 2004; 2008; Grönroos, 2008; Heinonen et al., 2010). The present research sets out to answer the following research questions:

- ✓ How can ‘a good place to live’ be understood, conceptualized and studied?
- ✓ What role does co-creation play for ‘a good place to live’?
- ✓ What role does the resident play for ‘a good place to live’?

In particular, using both theoretical reasoning and empirical studies, I aim to improve our theoretical understanding of how value is created in a place context and what facilitates residents’ place satisfaction. This constitutes a contribution to the field of place marketing, as approaching place satisfaction and ‘a good place to live’ not from the product-dominant logic, but from a theoretical stance where co-creation and the user are in focus and can be incorporated into an understanding of the phenomenon, adds a new lens to more traditional place satisfaction studies. My research creates a bridge between the stream of research on place satisfaction and studies that take stakeholders and co-creation into consideration; it does so by using the service-based logic as a theoretical foundation when exploring residents’ perception of the place they are living in. Previous research is integrated into the present study, allowing me to achieve progress through incorporation (Losee, 2003). In the current research, theoretical contributions are also made to the field of place marketing by problematizing the place context. Ideas from the service-based logic let us see things in a new light and offer us new underlying assumptions about how ‘a good place to live’ is co-created. I thus add insight



to the field by looking at the place context with the resident as the reference point, instead of, as is traditional, looking at the place and what it has to offer. From this point of view, the present contribution has more connections to revelatory insight than to incremental insight (Losee, 2003).

Another view on the contribution of the present research is that it lies in taking an established theory and applying it in a new empirical setting. The established service-based logic is applied to the place context. Even if the meaning of the service-based logic for place marketing has been discussed before (Warnaby, 2009), it has not been used as a theoretical foundation for understanding residents' place satisfaction, nor has it been used in empirical studies in this empirical context. Thus, applying the ideas of the service-based logic, in studies on how residents perceive the place they are living in, constitutes a contribution not only to place marketing, but also to the field of service-based logic, as their ideas are applied and explored in a new empirical setting and a conceptual model is developed.

Furthermore, as place marketing has become a strategy widely used by municipalities, regions and countries, public management researchers have also begun to show an interest in place marketing issues and, e.g., Erik-Hans Klijn and Erik Braun have made significant contributions by approaching place marketing as a governance strategy (e.g., Klijn, Eshuis and Braun, 2012; Eshuis et al., 2013). Public management researchers' interest in marketing can be understood in relation to New Public Management, which stresses market-based reforms, approaches citizens more like customers and has introduced competition to the field of public management (Eshuis et al., 2013). Thus, this thesis contributes not only to place marketing research and the field of service-based logic, but also to public management, by offering insights into what constitutes a 'good place to live', a central concept in this research stream as well.

Establishing the place as 'a good place to live' is the goal of many place providers, such as municipalities. To reach that goal, a first step is to clarify and define it. The current study takes its starting point in the service-based logic and thus sees 'a good place to live' as a place that facilitates residents' value creation processes to the greatest extent possible. An increased understanding of 'a good place to live' helps practitioners to structure their work concerning how to make their place an attractive place to live in, and it has several consequences for how the place should be managed and handled by a municipality, which will be further elaborated on throughout the thesis.

# The outline of the thesis

This is a compilation thesis consisting of five papers; the empirical findings and analysis will largely be presented in the papers. However, the summary section, ‘the kappa’, complements the papers by providing an overarching description of the research problem and reasons for the research, and it positions the study as a whole in relation to previous research. It should be noted that one of the papers in this thesis is a conceptual paper, and consequently, much of the theoretical discussion is carried out in that paper. Chapter 3 in ‘the kappa’ also provides further elaboration of methodological considerations, and Chapter 5 presents a concluding discussion highlighting the major findings and suggesting topics for future research. Still, the papers constitute the core of this thesis. The rest of the thesis is structured as follows.

*Chapter 2* presents the theoretical points of departure and starts with a discussion about how I view the place context. Next, previous research concerning ‘a good place to live’ is introduced, focusing on a review of place satisfaction studies. With the paradigmatic developments in the marketing discipline as a starting point, I then discuss different views on value creation and ‘a good place to live’ and introduce the theoretical foundation on which this thesis rests. The chapter ends with a reflection on, and review of, how stakeholder involvement and co-creation previously have been studied in the place context as well as a discussion about how I see myself participating in different academic conversations.

*Chapter 3* describes methodological considerations with a focus on methods of collecting empirical material and discussions motivating these choices. The papers comprising this thesis are introduced, focusing on their different purposes and how they contribute to the overarching purpose of the thesis as well as on the connection between the empirical material and the five papers. Analysis of the empirical material, trustworthiness and the empirical setting are also discussed.

*Chapter 4* offers an overview of the papers, but mainly comprises the five papers.

*Chapter 5* provides a summary and discussion of the theoretical, methodological and practical contributions that can be drawn from the presented studies. It also offers a critical review and suggestions for future research.

## Chapter 2

# Theoretical points of departure

Place marketing research has gained much attention among academics and practitioners (Acharya and Rahman, 2016); it is a growing research field that has experienced exponential growth during the past decades (Lucarelli and Berg, 2011). The phenomenon of place marketing has been studied using different methods and conceptual tools, and in Lucarelli and Berg's (2011) review of the research field, the cross-disciplinary mix of the research domain is highlighted as one of the main characteristics of the field. Furthermore, place marketing has special characteristics related to the complexity and uniqueness of the service offered (Kotler, Haider and Rein, 1993) and the shared responsibility for the place assumed by many stakeholders, which implies that marketing places is not a simple process of translating conventional marketing theory to the place context. Consequently, the research field is also characterized by a somewhat fragmented theoretical foundation (Lucarelli and Berg, 2011), even if the branding literature seems to predominate. The two terms *place marketing* and *place branding* are closely connected and often used interchangeably (Skinner, 2008). Branding is of great importance in marketing today. Cova (1996) argues:

Through branding, manufacturers add value to their product, building advantages over competitors through images. Branding endows a product with a specific and more distinctive identity. (Cova, 1996, p.20)

Giving a place a more distinct identity is in many ways what place branding is trying to do for a place, the aim being to develop a strong brand image. The term place branding signals that the branding literature is being used as a theoretical foundation. Because the present research is not primarily grounded in branding theory, the more general term place marketing is used throughout this thesis and defined as:

The coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large. (Braun, 2008, p. 43)

There are many stakeholders whose actions affect the place, or who are affected by the place and its achievements (Bryson, 2004). Governments, such as municipalities, and the entire public sector are stakeholders that are important to the place. This thesis focuses on municipalities, as they are one of the key place providers. Public management is an academic discipline focused on the implementation of government policy and how civil servants work in the public service. As place marketing has become a strategy widely used by municipalities, regions and countries, public management researchers have also begun to show an interest in place marketing issues and, e.g., Erik-Hans Klijn and Erik Braun have made significant contributions by approaching place marketing as a governance strategy (e.g., Klijn, Eshuis and Braun, 2012; Eshuis, Braun and Klijn, 2013). Public management researchers' interest in marketing can be understood in the light of New Public Management, which stresses market-based reforms, approaches residents more like customers and has introduced competition to the field of public management (Eshuis et al., 2013). The empirical setting, 'the place', is a common denominator for place marketing and public management research, and researchers within the two fields share a mutual interest in residents' place satisfaction. Considering the topic and purpose of this thesis, the public management field is an important scholarly community for my research—a field to which I believe I make a contribution by adding insights into our understanding of 'a good place to live' and the role of co-creation in this context. Municipalities are of course geographic areas, however within public management, municipalities are mainly regarded as service-providing organizations and political institutions (Waeraas, Björnå and Moldenaes, 2015). In Sweden, municipalities were given more explicit responsibility for developmental goals, growth and attractiveness at the end of the 1990s, and it is the local government's responsibility to lead the development and to, together with society as a whole, achieve positive development, where satisfied residents are seen as one important cornerstone. Marketing issues, such as branding, have gained increasing popularity during the past ten years in public sectors in the Western world (Waeraas, 2008), and more and more municipalities in Scandinavia have realized the importance of being an attractive place and municipality and of having a strong image and brand (KL, 2008). For marketing and branding to be effective, it is critical to have a good understanding of the place context.

The following sections will provide a discussion of the theoretical perspectives that have guided my research. First, I will introduce my view of the place context, focusing on the place 'service', the place providers and the place users. This will lay a foundation for the subsequent theoretical discussion. Second, I will introduce how previous research has approached 'a good place to live' and discuss residents' place satisfaction as a common type of statement-based success measurement, covering the social function. I will also introduce the place attributes typically used in previous research. Third, I give a brief introduction to some of the main developments within the marketing discipline and discuss different paradigms' views on value creation, and how this has consequences for how we see and approach 'a good place to live'. Fourth, I will describe an increased interest in stakeholder involvement, co-creation and the role of residents in both place marketing and public management. I will end this chapter by arguing for where I see myself making a theoretical contribution. I see myself as participating in different academic conversations, taking place in the fields of place marketing and management, public management and service marketing.

## The place context

The offering, i.e. the product or service, the provider and the customers are three key mechanisms in any marketing context (e.g., Grönroos, 1998). I will briefly discuss these three aspects of the place marketing setting, my goal being to paint a picture of how I comprehend the place context.

Conventionally, when thinking about the offering, we tend to think about tangible items such as clothes or mobile phones. However, in marketing terms, the definition of what comprises a product is much broader, and in the marketing literature we can read that “...*any form of value that is offered in exchange for money, votes or time is a product*” (Fahy and Jobber, 2015, p. 142). Thus, even if the place is multifaceted and much more complex than most other products and services, there seems to be a broad consensus within place marketing research that places can and should be seen as products (Berglund, 2013).

Even if different kinds of places are highlighted in place marketing research, the main emphasis is on urban places (Warnaby, 2009). In an urban context, the place refers to the place as a whole, but also to the specific services,

facilities and attributes that occur and are offered within this place (Warnaby and Medway, 2015). Braun's (2008, p. 43) definition of place marketing articulates the place as urban offerings:

The coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large. (Braun, 2008, p. 43)

Seeing the place as urban offerings implies that a place is not a single service, but instead a composition of a multitude of different services that are believed to bring value to the stakeholder. Van den Berg and Braun (1999) identify three levels of the place, thus furthering our understanding of how to comprehend the place. The first layer is the individual urban services or products, which can be marketed as discrete attractions. This could for example be a museum, a library or an ice rink. These individual urban services can be combined to create a second layer, i.e. a cluster or related services, which could be marketed to attract specific place users, such as families. The third and final level is concerned with the identity and image of the urban place as a holistic identity. The three layers of the place imply that the place is open to various interpretations, and that different place users see and experience different aspects of the place (Warnaby and Medway, 2004).

Place conceptualizations need to incorporate both tangible and intangible place elements (e.g., Balakrishnan, 2009), where both the physical setting and the social milieu contribute to the user's experience of the place. The creation of value commonly takes place through integrating tangible and intangible resources (Skålén, Karlsson, Engen and Magnusson, 2018), and places can be regarded as service systems in the way they constitute a combination of both hard and soft conditions that are integrated to develop an offer (Warnaby and Medway, 2014).

Therkelsen, Halkier and Jensen (2010) use the terms '*city of stones*' and '*city of words*' to describe two very distinct, but also to some extent contradictory, elements of the place. 'City of stones' refers to the fact that the hard factors, such as the place's infrastructure, location and environment, are to a high degree immovable. 'City of words', on the other hand, refers to the fact that the place is not only represented by these tangible elements, but equally importantly by stories and narratives. As touched upon, the place users themselves are active in creating the place. The place can be seen as co-created by the users themselves and the different elements of the place they interact

with. From this perspective, the place is not fixed at all, quite the opposite, because users construct their own individual version of the place in their minds on the basis of place experiences.

Although marketers tend to use the word ‘product’ for both physical products and services, I believe it is more illustrating to talk about a place as a ‘service’, rather than a ‘product’. Places share many of the distinguishing characteristics of services, such as intangibility, lack of ownership and an emphasis on exchange processes and relationships, even if there of course are also physical elements to a place.

The complex nature of the place ‘service’, encompassing both the physical dimensions of places but primarily what goes on within them, suggests that who is responsible for creating the place service, i.e. who the providers are, is also a complex question. The place can be seen as co-created by a multitude of autonomous organizations, both public and private, and thus, place marketing can be seen as partner-based (Hankinson, 2010). Thus, co-creation can be regarded as especially important for places. For many offerings there is a multitude of different providers who *together* create a good overarching offering of, for example, culture. Providers of specific services are relatively easy to identify and thus identify as providers of the place. It is however important to not forget issues such as clean air and closeness to water (Zenker, Petersen and Aholt, 2013), which also constitute important components of a place, but where the provider is more difficult to identify. We should also remember that the place does not only consist of a number of separate offerings, but also of the composition and the mixture of offerings. The public sector traditionally offers services such as schools, police, fire departments, libraries, parks, roads and public transportation, all of which constitute important components of the place (Van Ryzin, Muzzio, Immerwahr, Gulick and Martines, 2004). In Sweden, the municipalities are responsible for a large proportion of community services, such as preschools, schools, social services, elderly care, city planning, housing, environmental protection, waste disposal, and water and sewer service. The municipalities are obligated by law to offer certain services, whereas other services and businesses are voluntary and determined by local politicians. Thus, the municipality has good opportunities to form the urban offerings—that is, the place. Furthermore, many municipalities see it as their task to develop their place into ‘a good place to live’ for residents and have the resources and size to assume great responsibility for the place. Thus, the municipality must be regarded as a key place provider, even if there are more stakeholders to consider.



Ashworth (1993) argues that the resident her-/himself can be seen as a place provider. More specifically, he suggests that governments, their agencies and operators together form value networks, which can be considered as place providers, but that the consumers themselves also can be considered producers of the urban place, as they create their own unique place from the variety of services and other attributes offered. Furthermore, Braun, Kavaratzis and Zenker (2013) argue that residents can be seen as an *integrated part of the place*, because they and their interactions with others form the social milieu of a given place. Taecharungroj (2016) also emphasizes users' contribution to the place, arguing that residents form the place by helping other people and by participating in events that can improve the city.

The place does not only have different kind of providers, but also a plurality of users. The users of the place differ not only with regard to their structure, but also their particular place needs and demands (Balakrishnan, 2009; Zenker and Martin, 2011). An important assumption of place marketing research is consequently that a place must attract a multitude of different place consumers (Therkelsen et al., 2010), and that these groups are very different. Furthermore, a single public service may have multiple users (e.g., a school where both children and parents can be considered users), who may have different and perhaps even conflictual views about what constitutes a good service (Osborne, 2018).

Place users are grouped and categorized in different ways in the literature. Hospers (2004) identifies the *inhabitants* in search of an appropriate place to live, the *companies* looking for a place to locate their business and *visitors* seeking leisure facilities, adventures and relaxation as three important groups for a city or region to attract. Therkelsen et al. (2010), on the other hand, identify *tourists*, *investors*, *companies* and *talented employees* as important stakeholders. Braun (2008) and Niedomysl and Jonasson (2012) recognize a variety of target groups, but agree on *residents*, *visitors*, *companies* and *investors* as key groups of users. Zenker and Martin (2011), on the other hand, identify only three groups as main targets (*visitors*, *residents* and *businesses*), but emphasize that the groups actually targeted in marketing practice are much more specific. For example, visitors can be divided into *business tourists* and *leisure tourists*, and residents can be viewed from the perspectives of the *creative class*, the *skilled workforce* and *students*. Businesses can also be divided into *civil service*, *investors* and *companies*.

A broad categorization of users of the place is to separate the external market from the internal market. The external market consists of tourists, new



investors and firms, new residents and incoming students. The internal market consists of the existing investors and firms as well as current residents (Therkelsen et al., 2010). A considerable amount of research has focused on the external market and how to attract new residents, visitors and business, and the internal market has sometimes been reduced to consisting of good ambassadors (Berglund and Olsson, 2010). However, Hospers (2010; 2011) argues for what he calls ‘warm city marketing’, where stakeholders who have emotional or socio-economic ties to the place, for example existing residents and companies, are addressed. Because the aim of the present research is to improve our understanding of how ‘a good place to live’ can be understood, conceptualized and studied, the focus lies on residents as a key group of place users. Insch and Florek (2008) and Zenker et al. (2013) have argued that a place’s residents are the most valuable segment among all stakeholders. Owing to, for example, technological advances and the changing age structure, residents today tend to be more flexible and more willing to move than ever before (Niedomysl, 2010). A key goal for municipalities and place marketers therefore ought to be to create a place that is ‘a good place to live’ for residents, so that it is possible to keep existing residents as well as attract new residents, both of which contribute to the general economic development of the place. Furthermore, as has been argued, the resident is not only a passive place user but also an active part of the place and a co-creator of public goods, services and policies (Zenker et al., 2013), which makes residents especially interesting to study.

The people living in a place are sometimes referred to as *residents* (e.g., Insch and Florek, 2008; Insch, 2010) and sometimes as *citizens* (e.g., Van Ryzin et al., 2004; Zenker et al., 2013). These two terms seem to be used interchangeably in the place marketing field, although some (Braun, Kavaratzis and Zenker, 2013) have claimed that the term citizens refers more to people with political power who can choose their local governments officials, while residents is used as a more general concept. Because political power is not in focus in this thesis, the term residents is used.

## Residents’ place satisfaction

The conceptualization of place marketing has evolved from solely concerning marketing communication to becoming a tool for integrated place management (Kavaratzis, 2010; Zenker and Martin, 2011). As a result, there is growing

interest, both scholarly and practical, in increasing our understanding of the place context, what constitutes a ‘good place’ and how to measure the impact of place management efforts in terms of stakeholders’ perception of a place (Zenker and Martin, 2011). In a multidisciplinary literature review, Lucarelli (2012) identifies tourist and resident perception of the city image, public perception of image change, agreement on brand attitude, internal stakeholder perception and perception of place attributes as major streams as concerns measuring the outcome of place marketing. Still, relatively few attempts have been made to actually measure the outcome of place marketing efforts and stakeholders’ opinion of a place (Lucarelli and Berg, 2011), and Zenker and Martin (2011, p. 32) conclude that “*the current academic discussion demonstrates strong shortcomings in this respect*”.

Due to the complexity of the place, it is regarded as nearly impossible to measure every incidental aspect of success, and a variety of success measures must be utilized. Success measures can be both *assumption-based* and *statement-based* (Niedomysl, 2006). Assumption-based place satisfaction measures imply that assumptions are made about why people are drawn to certain places; it is an indirect approach where place satisfaction is simply assumed or defined as, for example, population growth in an area or willingness to stay at a place (Hospers, 2010). Statement-based place attractiveness, on the other hand, deals with subjectively defined place satisfaction based on stated preferences. Success can also be categorized in terms of an *economic function of success*, for example number of visitors to a specific place, or a *social function of success*, for example satisfaction with the place of living. Both perspectives are important. If one only looks at the hard facts, the economic function, one may miss the underlying reasons for the action. It is therefore important to look at the social functions of success (Warnaby, 2009; Zenker, 2011; Zenker and Martin, 2011), as they can reveal the underlying factors of a behaviour that the statistics miss. If we understand the social functions of success, also called the experiential dimension, it is possible to discover issues connected to the place that can be affected and improved. Considering the purpose of this thesis—to improve our understanding of how ‘a good place to live’ can be understood and conceptualized—the study focuses on statement-based success measures covering the social functions.

Zenker and Martin (2011) identify four major concepts for measuring success in place marketing: (1) *citizen equity*, which looks at a resident’s value to the place based on predicted future transactions and predicated future costs, (2)

*citizen satisfaction*, which is intended to capture the value a place presents for customers, (3) brand value drivers, such as *brand awareness* and *brand image* and (4) *place brand equity*, which focuses on the outcome variables of the customer-brand relationship. Another way to approach the success of a place is to focus on *quality of life* (Darchen and Tremblay, 2010; Zenker and Martin, 2011; Azevedo, Custódio and Perna, 2013). Quality of life has been a central societal goal for the past thirty years and has guided national policy in many European countries. Moreover, the notion of quality of life has enlarged the perspective of societal development by considering not only economic aspects but also social and ecological concerns (Berger-Schmitt, 2002). *Place attractiveness* is a connected research field, where Florida (e.g., 2002), for example, has made great contributions through his work on the creative class as a key group of people for government and local authorities to attract. When people reach a certain level of material wealth, their focus will turn to the more immaterial aspects of life, and the attractiveness of a place will be more important to residents. Thus, it can be concluded that there are several different success measures covering the social functions that are used, and residents' opinions are in general regarded as relevant and important in these studies.

*Satisfaction* is a common customer-centred measurement and concept within general marketing research (Grigoroudis and Siskos, 2010), and as introduced, it is also highlighted as an important aim for urban management and research (Zenker and Rütter, 2014). In recent decades, the importance of customer satisfaction for organizations has generally increased, and customer satisfaction is as an important performance measure (Grigoroudis and Siskos, 2010). The word satisfaction comes from the Latin *satis* (enough) and *facere* (to do or make), thus indicating that to achieve satisfaction, we have to reach a certain degree of fulfilment. The word fulfilment can lead us to believe that there should be a certain saturation level, but in reality companies compete to exceed the level of consumer fulfilment in different ways. Consumer researchers have thus moved away from the literal meaning of satisfaction and focus more on satisfaction from a consumer's point of view (Oliver, 1996).

Several definitions of satisfaction are used in marketing research, all of which are process oriented, which implies that satisfaction is something which consumers experience in the end (or in a current summation) after processing activities and not when the product or service is first observed. Most definitions of satisfaction include the aspect of expectations and, thus, satisfaction seems to arise when the experience is at least as good as it was supposed to be, and the concept of service (or product) gap (Parasuraman, Zeithaml and Berry,

1985) can be introduced to enable description of this difference (Grigoroudis and Siskos, 2010). The expectations are determined by, for example, previous experiences, friends' opinions and marketing promises. Oliver (1996) provides a well-used definition of satisfaction in his recognized book "Satisfaction -A behavioral perspective on the consumer":

Satisfaction is the consumer's fulfilment response. It is a judgment that a product/service feature, or the product or service itself, provide (or is providing) a pleasurable level of consumption related fulfilment, including levels of under- or over fulfilment. (Oliver, 1996, p. 8)

Customer satisfaction can be expanded beyond products and services and be applied to public sector organizations. Having satisfied customers, or residents, has also become important within the public sector, and one can talk about a societal perspective on satisfaction (Oliver, 1996). Because residents have a long-term relationship with the place with no clear endpoint, satisfaction must be measured during the process in what can be called an interim judgment of satisfaction (Oliver, 1996). This means that residents judge their satisfaction with the place, but have not yet seen the outcome and are not finished with consuming the place.

The idea that satisfaction depends on expectations lays the foundation for many of the customer satisfaction measurements. One of the most comprehensive and recognized approaches to measurement of customer satisfaction is the American Customer Satisfaction Index (ACSI) (Anderson, Narus and Narayandas, 2009), developed by Fornell, Johnason, Anderson, Cha and Bryant in 1996. The model focuses on overall customer satisfaction, which is seen as a fundamental indicator of the firm's past, current and future performance (Fornell et al., 1996). According to the model, overall satisfaction depends on perceived quality, perceived value and customer expectations. Perceived quality is seen as an evaluation of a recent consumption experience. Perceived value is the perceived value of product quality relative to the price paid. Including perceived value increases the comparability between different firms or sectors. Customer expectations are seen as representing both prior consumption experiences with the firm's offering and as a forecast of the supplier's ability to deliver quality in the future. Because customer expectations are both backward- and forward-looking, the model offers a cumulative evaluation of a firm's performance in the form of overall customer satisfaction. Customer expectations affect customer satisfaction directly, but also indirectly through their effect on perceived quality and perceived value.

Customer satisfaction has a negative effect on customer complaints and a positive effect on customer loyalty. The ACSI model is expected to be generally applicable to multiple sectors and has also been used in place marketing research. Insch (2010) and Insch and Florek (2010) use the ACSI model as the foundation of their research on residents' place satisfaction.

Several studies have focused on satisfaction as an outcome of residents' perception of places. Some studies (Insch, 2010; Insch and Florek, 2010; Zenker et al., 2013; Zenker and Rütter, 2014;) have aimed to measure residents' overall satisfaction with the place, while other studies have focused on specific groups of residents, such as university students (Insch and Sun, 2013). There are also studies that have measured tourists' satisfaction with a destination; these have similarities with studies on residents' place satisfaction even if tourists' satisfaction is measured using somewhat different dimensions and items (e.g., Huh, Uysal and McCleary, 2006; Andriotis, Agiomirgianakis and Mihiotis, 2008). Table 1 offers an overview of studies on place satisfaction, focusing on the purpose of the study, type of study (quantitative or qualitative) and the empirical setting.

**Table 1: Satisfaction studies in place marketing**

YEAR	AUTHOR	PURPOSE / RESEARCH QUESTION	SUCCESS MEASURE	TYPE OF STUDY	EMPIRICAL SETTING
2004	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines	To examine the drivers and behavioural consequences of overall satisfaction with local government services.	Citizen satisfaction	Quant	New York, United States
2006	Huh, Uysal and McCleary	To assess expectation and satisfaction with a cultural/heritage destination	Tourist Satisfaction	Quant	Virginia Historic Triangle, United States
2008	Andriotis, Agiomirgianakis and Mihiotis	To identify the underlying dimensions of tourists' satisfaction and to segment the tourists	Tourist satisfaction	Quant	Crete
2010	Insch	To identify gaps in residents' perception of the importance and their satisfaction with aspects of city life that drive and detract from their overall satisfaction	Resident satisfaction	Quant	Dunedin, New Zealand
2010	Insch and Florek	To understand how different factors influence city residents' place satisfaction.	Resident satisfaction	Quant	Dunedin, New Zealand

2013	Insch and Sun	To identify and assess attributes of the host university city that are important to students, and to determine the drivers of students' overall satisfaction with their host university city.	Resident satisfaction	Qual and quant	University of Otago in Dunedin, New Zealand
2013	Zenker, Eggers and Farsky	To quantify the competitive structure between cities and their perceived differences in image dimensions.	Citizen Satisfaction	Quant	Germany
2013	Zenker, Petersen and Aholt	What are the basic factors underlying how people distinguish cities from each other and how do these factors influence place satisfaction and the feeling of bonding with a place?	Citizen Satisfaction	Quant	Germany
2014	Zenker and Rütter	To show the role of citizen satisfaction in the field of urban research.	Citizen satisfaction, Place brand attitude, Positive citizenship behaviour	Quant	Germany

In attempts to understand place satisfaction, the place has typically been treated as a product and the focus has been on evaluating place attributes (for a more elaborate analysis, see, e.g., Källström, 2016). The attributes of place have varied somewhat from study to study, and there is no common set of dimensions (Gilboa, Jaffe, Vianelli, Pastore and Herstein, 2015). A review of recent studies investigating place attributes (shown in Table 2), resulted in a list of 14 common place attributes. The review demonstrates the multiplicity of the field and the array of attributes that could potentially affect place satisfaction, as shown in previous research.

**Table 2: Place attributes**

PLACE ATTRIBUTES	DESCRIPTION	SOURCE
Transportation	E.g., efficient public transportation, roads and traffic	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines (2004), Ng (2005), Santos, Martins and Brito (2007), Insch and Florek (2010), Insch and Sun (2013), Rozhkov and Skriabina (2015), Potapov, Shafranskaya and Bozhya-Volya (2016)
Security	E.g., personal and public safety, police and fire department	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines (2004), Santos, Martins and Brito (2007), Liao (2009), Darchen and Tremblay (2010), Insch and Florek (2010), Insch and Sun (2013), Potapov, Shafranskaya and Bozhya-Volya (2016)
Nature	E.g., access to wild nature, public green areas, parks and water	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines (2004), Ng (2005), Santos, Martins and Brito (2007), Liao (2009), Darchen and Tremblay (2010), Insch and Florek (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015), Potapov, Shafranskaya and Bozhya-Volya (2016)
Sports and leisure	E.g., sport activities, facilities, sport events and outdoor activities	Ng (2005), Santos, Martins and Brito (2007), Liao (2009), Insch and Florek (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015), Potapov, Shafranskaya and Bozhya-Volya (2016)
Culture	E.g., cultural events, theatres, library and nightlife	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines (2004), Ng (2005), Santos, Martins and Brito (2007), Darchen and Tremblay (2010), Insch and Florek (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013), Potapov, Shafranskaya and Bozhya-Volya (2016)
City centre offerings	E.g., shopping, restaurants, cafés	Santos, Martins and Brito (2007), Darchen and Tremblay (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015)
Public services	E.g., education, health and social security	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines (2004), Ng (2005), Santos, Martins and Brito (2007), Liao (2009), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015), Potapov, Shafranskaya and Bozhya-Volya (2016)
Accommodation	E.g., housing market, availability of apartments and houses	Ng (2005), Santos, Martins and Brito (2007), Insch and Sun (2013), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015)
Location	Location relative to other destinations and accessibility to other cities, airports	Insch and Florek (2010), Insch and Sun (2013)
Employment	E.g., job and career opportunities, professional networks and wages	Liao (2009), Insch and Florek (2010), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015)
Environmental quality	E.g., good environment, cleanness and pollution	Van Ryzin, Muzzio, Immerwahr, Gulick and Martines (2004), Ng (2005), Liao (2009), Zenker, Petersen and Aholt (2013), Potapov, Shafranskaya and Bozhya-Volya (2016)
Atmosphere	E.g., the image and atmosphere of the city, including openness	Santos, Martins and Brito (2007), Insch and Florek (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013)
Diversity	Many different cultures and subcultures	Darchen and Tremblay (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013)
Prosperity	General economic growth	Liao (2009), Zenker, Petersen and Aholt (2013)

# Different views on value creation and ‘a good place to live’

Consumer value creation is a fundamental concept in marketing. However, depending on the theoretical point of departure, consumer value creation can be viewed and understood differently. According to the product-dominant logic, consumer value is delivered by and through products (Anker, Sparks, Moutinho and Grönroos, 2015). As a consequence, the product and the consumer response to the retailer’s offering are in focus, and outcome consumption and measurements such as satisfaction are relevant (Grönroos, 1998). The strong emphasis within municipality branding and place branding on measuring place satisfaction (e.g., Insch and Florek, 2008; Zenker et al., 2013) implies that place branding and municipality branding rest on the beliefs of the product-dominant logic. However, the idea of co-creation has been widely accepted among place marketing scholars (Eletxigerra, Barrutia and Echebarria, 2017), and studies have recognized that residents not only consume the place they live in, but also shape it, along with other stakeholders (Rozhkov and Skriabina, 2015). Still, studies on place satisfaction have neither recognized residents as more than just consumers of place nor recognized the co-creative element of the place offerings. Hence, there is a need to problematize the place context and review the underlying assumptions forming our understanding of ‘a good place to live’ and how we approach and study this phenomenon.

To argue for a different theoretical starting point than the traditional product-dominant logic, I will first give a brief introduction to some of the main developments within the marketing discipline. I will compare and contrast *the marketing mix paradigm*, i.e. a paradigm that the product-dominant logic belongs to, to *the relationship marketing paradigm*, and introduce the core elements of the service-based logic. I will then move on to argue that much of the current research on residents’ perception of places can be traced to the product-dominant logic and that the service-based logic would offer a new relevant framework for studying ‘a good place to live’.

## Paradigmatic developments in the marketing discipline

In the beginning of the marketing discipline’s history, marketing physical goods was pervasive (Fisk, Brown and Bitner, 1993). The first studies were



focused on the exchange and distribution of manufactured products, and marketers did not see services as an issue (Vargo and Lusch, 2004). The leading marketing paradigm was the marketing mix paradigm (Borden, 1964), which adopted a transactional perspective and viewed marketing as a decision-making activity, in which optimal decisions on the marketing mix, later referred to as the '4 P:s', should be made. For decades, the '4 P:s' of the marketing mix, and the ideas behind them, constituted an indisputable paradigm in marketing research (e.g., Grönroos, 1994). However, in the beginning of the 1980s, a number of European academics began seeing the marketing mix view of marketing as outdated, and new streams of marketing research that did *not* apply the transactional perspective began to emerge. These streams of research moved away from short-term transaction-oriented goals, towards more long-term and relationship-building goals (Grönroos, 1994). The field of relationship marketing began to establish itself. Relationship marketing has its roots in different research streams, such as inter-organizational exchange relationships, focusing on resource dependency theory, channel literature, network relationships and the service-based logic (Bordie, Coviello, Brookes and Little, 1997). On the surface, it may therefore look like the marketing discipline was becoming more fragmented at this time; however, it has been suggested (Vargo and Lusch, 2004) that the marketing field was in fact evolving towards a new dominant logic. Thus, marketing research seems to have moved away from the product-dominant logic, where discrete transaction plays a major role, towards a more relationship-dominant logic (e.g., Grönroos, 1994; Bordie et al., 1997; Vargo and Lusch, 2004). Even if different streams of research can be identified within the relationship marketing paradigm, the common denominator is an agreement that pacifying the customer when analysing marketing phenomena is not a good starting point.

The different streams of research can be seen as offering complementary contributions to our understanding of service, relationships and value in marketing (Ballantyne, 2006). Much of my research is founded on the ideas of the *service-based logic*. The service-based logic specifically emphasizes the user as a co-creator of value, which suits my research ambitions well. It should be noted, however, that I recognize the other streams of research. The overarching relationship paradigm is largely relevant to the service-based logic and, thus, the central ideas of the relationship paradigm will be introduced and contrasted to the marketing mix paradigm. Even if the marketing mix paradigm has been criticized for being just a list of variables, or a toolbox, and not a true marketing concept or theory, it has still been the leading paradigm in the

marketing field for decades (Grönroos, 1994; Bordie et al., 1997). The marketing mix paradigm still underlies much of the current research, as well as teaching and textbooks, and there is thus good reason to use it as a reference to which other paradigms can be compared. The marketing mix rests on a production-oriented definition of marketing, where what the provider has to offer is most central. The customer is seen as a passive party, while the provider is the active party. To simplify it: If the firm does the right things, a transaction will take place. Discrete short-term economic transactions constitute the unit of analysis (Bordie et al., 1997). The provider has to decide what he/she wants to offer, and the marketing mix acts as a guideline for what has to be considered. The marketing mix was developed from the original 12 elements (Borden, 1964) to the four P:s (Product, Price, Place and Promotion), to different variations of the P:s, such as the five P:s, including the original four and a differentiating P representing People (Judd, 1987). No matter which list of variables is used, the focus is on the firm as the only active part. The provider offers a product to the potential customer, and any potential interaction between the provider and the buyer is not considered. The marketing mix paradigm must thus be considered product-dominant, and even service firms such as universities are analysed from a product perspective, where their services, i.e. the courses offered, are marketed as products (Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström and Andersson, 2010).

The relationship paradigm, on the other hand, is more clearly market oriented and, thus, the starting point is what the market, i.e. the customer and/or user, is “needing”, which is a word for what customers want from their suppliers (Strandvik, Holmlund and Edvardsson, 2012).

The relationship paradigm is service-dominant in the sense that it is the service that is offered and in focus and not the physical product, regardless of whether it is a service or product company that is under scrutiny (Heinonen et al., 2010). Relationship marketing is founded on the belief that it is not the single transaction that is interesting, but rather the relationship in which exchanges take place. The emphasis on relationships, rather than on transactions, redefines what is important in marketing (Sheth and Parvatiyar, 1995), as according to this view, relationships between parties and the interactions that occur between them are considered the core phenomenon in marketing. This implies that both the provider and the customer are active partners, and the interaction between the customer and provider becomes central (Grönroos, 1994; Sheth and Parvatiyar, 1995; Bordie et al., 1997). The relationship is characterized by mutual interdependence and mutual cooperation, compared

to the independence of actors, which is an underlying assumption in the marketing mix paradigm and which leads to competition and conflict between actors (Sheth and Parvatiyar, 1995).

Marketing is defined by the American Marketing Association (2013) as:

...the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. (AMA, 2013)

Based on this definition, the goal of marketing seems to be *value creation*, which thus must be regarded a central concept in marketing. The process of creating value for customers is viewed very differently in the marketing mix paradigm than in the relationship paradigm. In the traditional marketing mix paradigm, value for customers is created by the firm and embedded in a product, which then is sold and distributed to the customer. Marketing thus deals with value distribution and one can talk about *value-in-exchange*. The relationship paradigm, on the other hand, sees value as something that is either created only by the customer when using the product, or sometimes co-created by the provider and the user (Grönroos, 2008). *Interactive value formation* can be used to describe this view of value, which stipulates that value is co-created during the interaction between the provider and the user (Echeverri and Skålén, 2011). The key difference is consequently that when the marketing mix paradigm talks about value distribution where value is an outcome, the relationship paradigm talks about value creation where value is seen as a process (Sheth and Parvatiyar, 1995). The traditional value-in-exchange view is replaced by a *value-in-use* view. Table 3 summarizes the discussion about the main differences between the marketing mix paradigm and the relationship marketing paradigm.

**Table 3: The marketing mix paradigm versus the relationship marketing paradigm**

MARKETING MIX PARADIGM	vs	RELATIONSHIP MARKETING PARADIGM
Production orientation	vs	Market orientation
Exchange perspective	vs	Relationship perspective
Transaction marketing	vs	Relationship marketing
Goods dominant	vs	Service dominant
The customer is passive and the provider active	vs	Relationship between customer and provider in which both are active
No explicit interactive elements	vs	Direct interactions
Independence of actors	vs	Mutual interdependence of actors
Value distribution	vs	Value creation
Value-in-exchange	vs	Value-in-use and interactive value formation

## Introducing the service-based logic

The service-based logic is a stream of research in the relationship paradigm that has developed since the early 1980s (Grönroos, 1982). The service-based logic itself can be divided into two main streams: the service-dominant logic advocated by primarily Vargo and Lusch (e.g., 2004) and the service logic for which Grönroos (e.g., Grönroos, 2006) acts as the main axis of development. For the present purposes, these two streams are not differentiated, and the term used in this thesis is service-based logic, incorporating both the service-dominant logic and the service logic.

The service-based logic won wide recognition in the early 2000s through, for example, contributions such as Vargo and Lusch's article from 2004, entitled "Evolving to a New Dominant Logic for Marketing", which has been highly influential and has changed the way many marketing researchers view the marketing context. Ultimately, the service-based logic is seen as an attempt to provide a foundation for a general theory of marketing (Vargo and Lusch, 2008), and thus it has also been suggested to be of relevance to place marketing (Warnaby, 2009), which is otherwise often seen as a unique field that has few similarities with traditional marketing. The core of the service-based logic is that the role of organizations is to support and assist users' value creation processes, making them better off (Grönroos and Voima, 2013), rather than producing and delivering output. Users is invoked as a general term for those who benefit from the service and can refer to paying customers as well as patients or clients (Skålén, Karlsson, Engen and Magnusson, 2018; Vargo and Lusch, 2004). Thus, it is relevant to also apply these ideas to areas where there are no concrete paying customers, as in the case of place marketing.

The service-based logic is founded on many of the same ideas as the general relationship paradigm. Consequently, market orientation, relationship marketing and service dominance are highlighted as important aspects. There is a strong belief in the interaction between customer and seller, where both play an active role. The service-based logic sees the foundation of marketing as *value creation*, and one of the cornerstones is that value is created by the customer (Vargo and Lusch, 2004; 2008; Grönroos, 2008; Grönroos and Voima, 2013, to mention a few). The provider is a *value facilitator* and offers value propositions the customer can use to create real value—that is, value-in-use. As Grönroos and Ravald (2011) put it:

Value creation is the process of creating value-in-use out of...resources. Hence, value is not produced; resources out of which value can be created are produce. (Grönroos and Ravald, 2011, p. 7)

Value, in this thesis, is seen as something that arises when the user is or feels better off than before (Grönroos, 2008), and value is thus created when the user uses the goods or services. Value-in-use is seen as something that is socially constructed. This constitutes a major and important difference, compared to the product-dominant logic, which sees the provider as a value creator and the product as a carrier of value. Thus, the product-dominant logic seems to be founded on a positivistic worldview, where products are seen as infused with value and thus become essential to study. This view assumes that the place offerings exist independently of social actors and can be studied objectively.

There is agreement within the service-based logic that value-in-use is experienced by the user when he/she experiences the service; however, the service-based logic is rather vague with regard to how value is actually formed or emerges during value creation (Grönroos and Voima, 2013). One stream of research sees the experience of value as a *process* (Heinonen et al., 2010; Grönroos and Voima, 2013). Value accumulates in a dynamic process with both creative and destructive phases, where value-in-use emerges over time through physical, mental, and possessive actions on the part of the user. Others see value-in-use as determined by the user and as based on personal perceptions of the *benefits* embedded in the offering (Aarikka-Stenroos and Jaakkola, 2012; Mahr, Kalogeras and Odekerken-Schröder, 2013; Sok and O'Cass, 2011). A third approach to value creation is that the customers' use of a provider's service is *goal-directed* (Macdonald, Wilson, Martinez and Toossi, 2011). The user has goals on different levels, which form the customer's mental model, and value-in-use emerges when goals are achieved. However, the identification and determination of value-in-use is still largely unexplored (Aarikka-Stenroos and Jaakkola, 2012; Ballantyne, Williams and Aitken, 2011; Grönroos and Voima, 2013; MacDonald et al., 2011), and there is a need to reflect on the concept value-in-use as well as to clarify its meaning that goes beyond the scope of this thesis.

Value-in-use in a place context means that the place is not imbued with value, rather it is the resident him-/herself who is responsible for value creation—thus the concept of value-in-use (Grönroos, 2008; Grönroos and Voima, 2013; Vargo and Lusch, 2004; 2008). However, the municipality, as a place provider, can offer value propositions that facilitate the resident's value creation. Value

propositions can be conceptualized as configurations of resources that promise value to users (Skålén et al., 2018)

The notion of *resource integration* can help us to understand how value-in-use is created. Resource integration refers to how actors, in this case residents, combine and integrate tangible and intangible value propositions, i.e. resources, to create value (Skålén et al., 2018). As value is not embedded in services and goods according to the service-based logic, but rather realized through resource integration, providers can never know how the value propositions they offer the user will be realized. It is up to the user to create value from the value propositions offered, perhaps in combination with using other value propositions as well as their own and other users' resources when creating value-in-use.

Value, however, can sometimes also be *co-created* by the provider and the customer. Interactions must then be established between the provider and the user. Interaction is seen as mutual action, where two or more parties have an effect on each other. Because the value-creating capability belongs to users, interaction is required if the provider is to co-create value and not only be a provider of value propositions (Grönroos and Ravald, 2011). Bjurklo, Edvardsson and Gebauer (2009) emphasize the role of the provider and more specifically of the employees who actually interact with the customer and user. The competence of municipal employees and how they view their jobs become crucial, as they have the ability to contribute to the creation of value-in-use for residents. The users' problems, needs, and desires ought to be known, understood and accepted by all employees, because when users and representatives of the provider meet, the provider can engage in customers' value-generating processes as well as directly influence these processes. The importance of municipal employees has been stressed in previous studies concerning, for example, public sector corporate branding and customer orientation (Whelan, Davies, Walsh and Bourke, 2010) and, thus, the service-based logic's emphasis on employees is in line with previous research.

Plé and Chumpitaz Cáceres (2010) were the first to introduce the notion of *value co-destruction* in 2010, capturing the downside of interactive value formation. It is suggested that interaction does not always lead to co-creation, where providers and users collaboratively create value, but sometimes rather to co-destruction, where the interaction diminishes the experienced value-in-use. The notion of co-destruction offers a critical perspective on co-creation, which tends to otherwise neglect potential difficulties associated with interactions between providers and users. Drawing on an empirical study of

public transportation, Echeverri and Skålén (2011) conclude that the interactive value formation process between providers and users is both creative and destructive, i.e. value is both co-created and co-destroyed at the provider-user interface.

Some have argued that the expression ‘value co-creation’ creates confusion concerning how and for whom value-in-use is created (Grönroos and Ravald, 2010; Grönroos and Voima, 2013). Even if the notion that the customer is the value creator is one of the service-based logic’s cornerstones, the concept value co-creation implies something else. The provider and the customer are involved in the same process, and it is implied that the provider, too, can create value in this value-creating process (Grönroos and Ravald, 2010). It is therefore important to emphasize that it is the provider who becomes a co-creator of value with its customer; it is still the customer who produces the value, but the supplier offers assistance. This is in contrast to the view that it is the customer who is given opportunities to engage in the supplier’s processes (Grönroos, 2008; Grönroos and Ravald, 2010; Heinonen et al., 2010). The emphasis on co-creation is made explicit in one of the foundational premises of the service-dominant logic (Vargo and Lusch, 2008, p. 7): “*The customer is always a co-creator of value*”. To summarise, one of the main ideas of the service-based logic is that the user—in this case the resident—is the only one with the ability to create value, and the concept value-in-use is used to describe this. The municipality is sometimes a co-creator of value, but never the creator of value. The municipality mainly takes on the role as value facilitator.

### *Public service logic*

Osborne and colleagues (Osborne, Radnor and Nasi, 2013; Osborne 2018) have been looking at the service-based logic and propose that the foundation of this research would offer a good alternative to New Public Management for analysing and managing the public sector. Initially the terminology *public service-dominant logic* was used, but it has lately been replaced by the notion of *public service logic*, as it is argued that this stream of research has evolved within the public management literature and its link to primarily the service-dominant logic has become less evident. Still, the main ideas of the public service logic have many similarities with the general service-based logic research stream. Like the service-based logic, the public service logic emphasizes that municipalities and public service organizations do not create value for residents; they can only make public service offerings. It is how residents use the offering and how the offering interacts with the residents’



own life experiences that create value. Furthermore, the public service logic starts from the service user as its basic unit of analysis and explores how public services and public service organisations can be designed to facilitate the co-creation and creation of value by users, not vice versa. Thus, the main cornerstone of the service-based logic is also at the heart of the public service logic: The service user rather than the municipality should be the starting point for analysis and research.

The differences between the private and public sector should, however, not be underestimated or neglected. Even if the differences do not negate the usefulness of the service-based logic for public management, they do require a critical approach (Osborne, 2018). An often-highlighted difference between the private and public sector is that the value propositions in the public sector are different from those in the private sector, as they are partly based on the idea of collective or public value (Alford, 2016). The service-based logic presupposes that value is always subjectively determined by the user (Vargo and Lusch, 2008), but the public sector's primary goal is to create value for all residents. Often private/subjective value and collective value align, but sometimes they are in conflict (Skålen et al., 2018). What constitutes 'value' in the public service logic is still not clear. Osborne (2018) claims that some see it as a variant of Moore's (1995) 'public value', others see it as more connected to individual residents' value, i.e. private value, while still others see it as both. However, we can conclude that there is a degree of interdependence between public and private value, as creating public value is often accompanied by an effect, positive or negative, on private value (Alford, 2016). It also seems clear that it is a challenge for public managers to balance the public and private value. In this thesis, the focus is on residents' creation of value-in-use, i.e. on the creation of private value, as the purpose is to explore 'a good place to live' with the resident him-/herself as the starting point. This does not mean that I do not recognize the need for public organizations to work for public value, rather it is a result of me approaching 'a good place to live' from the residents' perspective.

### **Different theoretical understandings of 'a good place to live'**

A common standpoint in place marketing is that traditional marketing of physical goods offered for exchange by organizations aiming to make a profit is difficult to transfer to place marketing (e.g., Kavaratzis and Ashworth, 2005). It is emphasized that it is important to be *demand* oriented (as supposed



to *supply* oriented), and the central aim of place marketing should be to satisfy stakeholders, such as residents (Olsson and Berglund, 2009). Despite this line of reasoning promoted by some of the leading researchers in place marketing (e.g., Braun et al., 2013), current studies of residents' perception of a place seem to be founded on some of the key characteristics of the marketing mix paradigm, as earlier described. As discussed in the section Residents' place satisfaction, it is recognized within place marketing that the outcome and success of a place cannot be articulated only in economic terms, and that measuring success requires the use of experiential dimensions (Bouckaert and Van de Walle, 2003; Roch and Poister, 2006; Rhee and Rha, 2009; Warnaby, 2009; Whelan et al., 2010; Zenker, 2011; Zenker and Martin, 2011). The purpose of current studies on residents' perception of places seems to be to reveal underlying dimensions of a resident's perception about a place and, thus, what many of these studies have in common is that the focus is primarily on how to capture a city and get residents to rate predetermined place attributes. Outcome consumption is an important aspect of the product-dominant logic (Grönroos, 1998), and consequently, measurements such as satisfaction become important. The strong emphasis within municipality branding and place marketing on measuring place satisfaction (e.g., Insch and Florek, 2008; Zenker et al., 2013) implies that place marketing rests on the beliefs of the product-dominant logic.

The provider, the product, and the customers or users are the three key units of analysis in the product-dominant logic (Grönroos, 1998). These three units are also highlighted frequently in current place marketing studies. The main unit of analysis is the place providers, among which the municipality plays an important role. When it comes to branding, the municipality has three important purposes. First, the municipality should find out what place features interest residents. This aspect of place branding is often described as *customer orientation* (Kavaratzis and Ashworth, 2005). Second, the municipality should develop the place so that it contains the features asked for by residents. Third, the municipality should market the place and make promises to residents through external marketing activities. With some exceptions (e.g., Braun et al., 2013), the municipality treats the branding process as a closed process in which residents do not participate directly. If the place includes features that residents want, it is believed that the place will fulfil the promises that have been made to residents. The place is designed and delivered as a pre-packaged product,

and the recipient is the general market. The place context, seen in relation to a product-dominant logic, is illustrated in Figure 1.

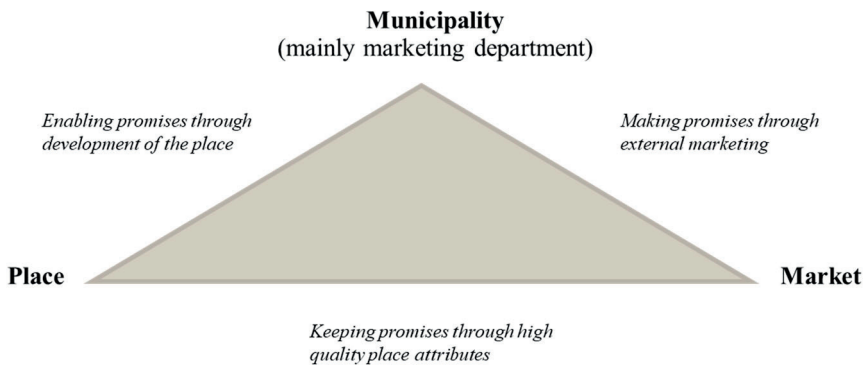


Figure 1: The place context seen in relation to the product-dominant logic (adapted from Grönroos, 1998).

As a consequence of being founded on ideas from the product-dominant logic, much of the current place marketing research and municipality reputation management is largely provider-dominant, and thus the municipality is in focus. For example, Zenker and Martin (2011) write:

The nature of customer-centricity lies not in how to sell products but rather in creating value for the customer and, in the process, creating value for the firm. (Zenker and Martin, 2011, p. 35)

Although this statement seems customer-oriented at first glance, it reveals one of the major arguments for the notion that current research is provider-dominant. The place and the municipality are seen as “*creating value for the customer*” (Zenker and Martin, 2011, p. 35), i.e. the resident. Because the municipality and the place itself are viewed as the unit that can create value, this becomes the most important unit of analysis, which is thus the reason why much of the place marketing research is focused on place attributes and place providers, such as municipalities.

The notion that the place, rather than the resident, is at the centre of current place marketing studies is supported by the fact that the starting point of studies tend to be the place, the country or the city (see, e.g., Insch and Florek, 2010; Zenker et al., 2013). The most common way of including residents is to ask

them to rate places (Niedomysl, 2010), and the attention actually given to residents is limited to their thoughts on a number of the place attributes provided to them. The purpose of studies on residents' place satisfaction seems to be to reveal underlying dimensions of a resident's perception about a place, and thus what many of these studies have in common is that they focus primarily on how to depict a city, which implies that the place, and not residents, is at the centre. The desires and needs of residents are not in focus. Instead, many studies take the providers and the place as their starting point, and thus the municipality's dominance is significant.

Furthermore, apart from residents' opinions about the place, little emphasis is placed on getting to know residents. Basic information about them is often included in studies, but frequently treated more as background information than as a way to understand different residents' needs and desires (e.g., Insch, 2010; Insch and Florek, 2010; Zenker et al., 2013). Residents are typically treated as one homogenous group, although some conclusions are based on, for example, income level differences within the group (Van Ryzin et al., 2004; Merrilees et al., 2009). The lack of emphasis on residents' lives supports the notion that current place marketing is dominated by the municipality and other providers. To conclude, even if there currently seems to be a strong interest in residents (Olsson and Berglund, 2009), they play a relatively subordinated role in current place marketing and municipality reputation management. Traditionally, the dominant unit of analysis is the place and what it has to offer, rather than the different kinds of residents living there and their unique desires and needs. The place context described in relation to a product-dominant logic in Figure 1 seems to be applicable to much of the current research on the attractiveness of places and residents' place satisfaction, as well as to municipality branding. In a simplified form, the place is treated as a product and the focus is on evaluating place features. The recipients of the place are treated, more or less, as *one* market.

The large and growing service-based logic suggests that the product-dominant logic, and thus much of the current place marketing research, emphasizes a unit of analysis that is not capable of producing value. By changing the unit of analysis to one that can create value, the research can be made more theoretically interesting and offer better input to practitioners. The service-based logic sees the foundation of marketing as value creation, and one of the cornerstones is that value is created by the customer (Vargo and Lusch, 2004; 2008; Grönroos, 2008; Grönroos and Voima, 2013, to mention a few). The provider is a value facilitator and offers value propositions the customer can

use to create real value, i.e., value-in-use. Value-in-use in a place context means that the place itself cannot create value. It is the resident who is responsible for value creation—thus the concept of value-in-use (Vargo and Lusch, 2004; 2008; Grönroos, 2008; Grönroos and Voima, 2013). However, the municipality, as a place provider, can offer value propositions that facilitate the resident's value creation. Value, however, can sometimes also be co-created by the provider and the customer, and in a place context, co-creation implies that the municipality can co-create value together with residents. Interactions must then be established between the municipality and the resident. Because the value-creating capability belongs to residents, interaction is required if the municipality is to co-create value and not only be a provider of value propositions (Grönroos and Ravald, 2011). Interactions occur when a resident meets a municipal employee at, for example, a school, a nursing home, or a library, and thus all employees can be seen as service providers with the ability to co-create value. The notion of value co-destruction (Plé and Chumpitaz Cáceres, 2010; Echeverri and Skålén, 2011) should also be considered here, i.e. interaction does not only have the ability to lead to co-creation of value, but also to lead to co-destruction of value.

If the service-based logic is used as a frame of reference, it has consequences for how the place context is interpreted and understood, and consequently for how 'a good place to live' ought to be studied. The most important difference from the place context, seen in relation to a product-dominant logic, is that the municipality is given a secondary role and the residents and their value-creating process are put in focus. The main unit of analysis shifts from the municipality and the place to the resident and his/her value creation. The place is 'missing' (Grönroos, 1998), because no pre-produced bundle of attributes constituting the place can be presented. Because it is the resident who creates the value-in-use, every resident creates his/her own place. It is recognized that the recipient is not the market at large, but instead individual residents with unique needs. Thus, instead of talking about the 'market', one ought to address 'residents'. Furthermore, because the municipality is able to co-create value in interaction with its residents, it is important to create opportunities for interaction and to create a joint sphere where the municipality and the residents meet. Interactions between municipal employees and residents occur all the time, for example, at schools, nursing homes, city planning offices, and childcare facilities. It is important to identify these encounters as interactions and to see them as opportunities for co-creation. It is also important to take advantage of the opportunities for interactions that exist, but that do not always necessarily lead to interaction and potential co-creation.

To summarize, if the ideas of the service-based logic are applied to studies on ‘a good place to live’, this will have several implications. First, using the service-based logic as a foundation would mean putting value creation in focus. Thus far, value creation has not been a major subject in the areas of, for example, place marketing and municipal reputation management. Second, with the service-based logic as a starting point, the place itself is not seen as having any value. Instead, resident value-in-use is introduced as a new, relevant concept in studies on residents’ perception of places. The shift in focus from residents’ place satisfaction to resident value-in-use has strong symbolic meaning. The word satisfaction implies an outcome-oriented view of the branding context, whereas *value-in-use* implies a process-oriented view of it. One consequence of changing from residents’ satisfaction to resident value-in-use is that the dominant unit of analysis ought to be changed from the place and place features to the resident and his/her value creation. Third, given the strong emphasis on the user within the service-based logic, Heinonen and colleagues (2010) stress that value is created in residents’ personal sphere, which makes it interesting to get to know residents on a much *deeper* level. The resident sphere consists of a multitude of different services from the past and expected services in the future as well as a number of personal activities and experiences going on simultaneously that together influence the value creation process (Heinonen et al., 2010). According to the service-based logic, the municipality can contribute to residents’ value-creation process as a value facilitator that provides value propositions, for example, city embellishments, access to broadband, effective heating, or garbage collection. Understanding how residents create value in their own personal sphere enables place providers to offer better value propositions and to develop place offerings that contribute more to high value-in-use for residents. In practice, however, this is not as straightforward as it is in theory. Residents tend to have very different needs, and it is difficult to address everyone’s need. Moreover, residents sometimes want what is not possible, and sometimes they do not know what they want until it is offered to them. Apart from offering relevant value propositions, the municipality can contribute to residents’ value creation as a value co-creator if interactions with residents are established and prioritized. Interactions between the municipality and residents thus become a prioritized research area (Bjurklo et al., 2009), as interactions offer opportunities to both co-create value and co-destruct value.

## Stakeholder involvement and co-creation

Among the different definitions of stakeholders originating in stakeholder thinking, we may recall the approach developed by Freeman in 1984, in which a stakeholder is “*any group or individual who can affect or is affected by the achievement of the organizations’ objectives*” (p. 46). As discussed earlier, many stakeholders affect the place or are affected by the place and its achievements. Governments, such as municipalities, and the entire public sector play an important role as a key stakeholder. Other important stakeholders are residents, visitors, companies and investors (Braun, 2008; Zenker and Martin, 2011; Niedomysl and Jonasson, 2012). The importance of stakeholders and co-creation has been given more attention lately (Thelander and Säwe, 2015). Kavaratzis (2012) goes so far as to talk about a new conceptualization of place branding, in which stakeholders are given a prominent role. The emergence of the service-based logic (e.g., Grönroos, 1982; Vargo and Lusch, 2004), which emphasizes the concept of co-creation, has contributed to this increased interest in stakeholders.

The stakeholder approach has, thus far, mostly been studied in the context of place branding (i.e., in connection with how a place *brand* is developed and implemented) (Nisco, Riviezzo and Napolitano, 2008; Ruzzier and Petek, 2011; Kemp, Childers and Williams, 2012; Lindstedt, 2015; Cerda-Bertomeu and Sarabia-Sanchez, 2016; Henninger, Foster and Alevizou, 2016; Martinez, 2016). Martinez (2016) argues that the most effective place branding initiatives are those in which a wide range of local stakeholders are involved, and Acharya and Rahman (2016) conclude, following their review of 147 articles on place branding published between 2004 and 2014, that stakeholder participation is one of the important constructs in the place branding context. Zenker and Erfgen (2014) develop a *participatory approach* to place branding in their paper entitled “Let them do the work: a participatory place branding approach”, where residents in particular are highlighted as important to the place branding process because they can function as ambassadors for the place and therefore are argued to be the most valuable assets in place branding. Inspired by this research stream, Eva Maria Jernsand (2016) conceptualizes and develops the notion of *inclusive place branding* in her doctoral thesis, where she offers the following definition:

Inclusive place branding is an evolutionary process characterised by transformation, participation, multiplicity and democracy. Inclusive place branding guides sustainable place development through the facilitation of a

social process of interaction between place stakeholders, with the aim of building sustainable place brand equity. (Jernsand, 2016, p. 14)

Place-making is a stream of research focused on how sense of place and community participation contribute to the making of a place (Kalandides, 2018a). It capitalizes on the community's assets and potential, the aim being to create public spaces that support people's well-being and happiness. In urban studies, participation has been a much-debated issue for many decades, and participatory processes have been promoted as a tool for more efficient implementation of programmes and as a way to empower the public (Vaiou, 2018). Recently, the Journal of Place Management and Development published a special issue on *participatory place-making*, with papers focusing on stakeholder participation in the context of place-making, rather than in the context of place branding. For example, Kalandides (2018b) offers a conceptualization of participation in which he differentiates between 'participation as rights', 'participation in the public sphere', 'participation as an institutional setting' and 'participation as practices'.

A specific feature of place marketing is that residents not only consume the place they live in but also shape it, along with the other stakeholders (Rozhkov and Skriabina, 2015). Braun, Kavaratzis and Zenker (2013), who have explored the roles residents play in the formation and communication of place brands, identify three major roles residents play. Given that residents and their interactions with others form the social milieu of a given place, residents can be seen as being an *integrated part of the place*. Residents are also *ambassadors* for their place and their role as *citizens* is highlighted. Ambassadorship behaviours and *citizenship behaviours* have been further emphasized in a study by Taecharungroj (2016), who defines citizenship behaviour as actions that contribute to the city by helping other people and participating in events that can improve the city. Insch and Stuart (2015) also recognize that residents play multiple roles in the place brand and, for example, highlight the possibility for residents to be *supporters*, but also to be indifferent or even spread negative word-of-mouth information. Even if most studies on how residents shape the place they live in are focused on how residents contribute positively to the place, the negative aspects should not be ignored. Echeverri and Skålen (2011) and Plé and Chumpitaz Cáceres (2010) stress that interactions between providers and users do not always lead to co-creation of value, instead they can also lead to *co-destruction* of value. This notion ought to be true also concerning interactions between residents. Thus, residents and their interactions with others form the social milieu of the place (Braun et al.,



2013), in both positive and negative terms. It should not be forgotten that not all residents strive to be good citizens. Sometimes there is a lack of good intentions and sometimes, even if there are good intentions, it may still be difficult for residents to behave in a way that positively contributes to the social milieu of the place.

The role of government is changing in modern society, and increased attention has been paid to public governance, in contrast to public government, during the past 20 years (e.g., Peters and Pierre, 1998; Bovaird, 2005; Bovaird and Löffler, 2009; Edelenbos, Steijn and Klijn, 2010; Klijn, 2012). Public governance refers to situations where decision-making and implementation take place in networks of public, private and semiprivate actors (Edelenbos et al., 2010) and where the traditional view that the public sector is the major actor and can alone influence the economy and society is questioned (Peters and Pierre, 1998). Public governance typically assumes:

a multiple stakeholder scenario where collective problems can no longer be solved only by public authorities but require the cooperation of other players (citizens, business, voluntary sector, media etc.) - and in which practices such as mediation, arbitration and self-regulation may often be more effective than public action. (Löffler, 2009, p. 217)

The designation governance, thus, incorporates stakeholder involvement (Klijn, 2012), and the shift from public government to public governance implies that governments are seen as depending on many stakeholders with different resources and that various actors have to be included in the policy-making and implementation process (Edelenbos et al., 2010; Klijn, 2012; Alford, Douglas, Geuijen and Hart, 2017). Thus, a dominant feature of the governance model is societal networks (Peters and Pierre, 1998; Bovaird, 2005). Bryson and colleagues (2017) argue that the creation of public value takes place at multiple levels, such as the individual, group, organizational, community, regional and national levels, and much of the dynamism in the public realm is due to the interactions across overlapping spheres.

From a government's point of view, there are several reasons for encouraging stakeholder engagement and participation. First of all, citizenship participation is important to strengthening democracy (Pestoff, 2009). Early involvement of stakeholders and citizen groups also enhances legitimacy by living up to the claim to be close to the citizen, which increases accountability, transparency and public confidence (Martin, 2009; Klijn, 2012). Perhaps most important, the knowledge and effort from stakeholders is believed to improve the outcome



and the quality of policy and public services (Bryson, 2004; Martin, 2009; Edelenbos et al., 2010; Klijn, 2012). Stakeholder participation increases the chances that the service will meet users' needs, because the users have been a involved in designing and/or producing the service themselves (Martin, 2009).

Stakeholders can be engaged and participate in the networks in different ways. Martin (2009) differentiates between forms of participation and has developed the public participation spectrum. In this spectrum, he distinguishes between *information*, a one-way flow of information from public agencies to the public, *consultation*, a two-way dialogue between public agencies and the public, and *co-production*. Co-production is a broad term (Melik and Krabben, 2016) that has become increasingly topical for a wide range of academics (Verschuere, Brandsen and Pestoff, 2012). A widely accepted definition of co-production is offered by Ostrom (1996):

the process through which inputs used to produce a good or service are contributed by individuals who are not "in" the same organization. (Ostrom, 1996, p. 1073)

Later definitions put more emphasis on public service and citizens as co-producers. For example, Brandsen and Honingh (2016) claim that:

coproduction is a relationship between a paid employee of an organization and (groups of) individual citizens that requires a direct and active contribution from these citizens to the work of the organization. (Brandsen and Honingh, 2016, p. 431)

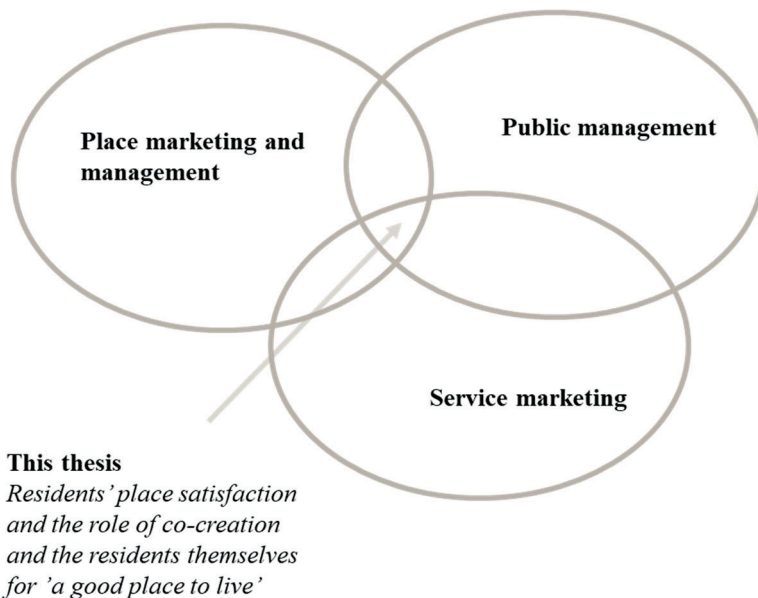
However, it is recognized that co-production can also include the non-profit sector and civil society at large (Brandsen and Pestoff, 2006), as well as large scale corporations (Melik and Krabben, 2016), not only citizens. Another term for active stakeholder involvement is co-creation, which refers to "*the active involvement of end-users in various stages of the production process*" (Voorberg, Bekkers and Tummers, 2015, p. 1335). The concepts co-creation and co-production seem to be closely related (Gebauer, 2010; Voorberg et al., 2015), as both refer to the notion that customers are involved in the creation of value. Osborne (2018), however, argues that co-production assumes a process where the municipality or the public service organization is dominant, while co-creation assumes an interactive and dynamic relationship where value is created at the nexus of interaction. Co-production is, thus, more closely connected to the product-dominant logic's conception of production, while co-creation adopts the service-based logic's view of value creation.

The intensity of stakeholder involvement differs, and co-creation can take different forms (Pestoff, 2009). For example, Martin (2009) and Pestoff (2009) have written about the importance of getting residents to cooperate by taking care of themselves and the place, for example by not committing crimes, living a healthy life or, more concretely, not spitting chewing gum on the pavement. Löffler (2009) highlights that public agencies need to *co-design*, *co-manage*, *co-deliver* and *co-assess* their services and resources with their key stakeholders. Based on a systematic literature review of co-creation and co-production, Voorberg et al. (2015) describe citizens as *co-implementers*, *co-designers* and *initiators*. Furthermore, it is recognized that private firms can “*do the service*” or have an “*enabling role*” (Löffler, 2009). Studying childcare in Sweden, Pestoff (2009) identifies four dimensions of co-production: economic, social, political and service-specific participation. Although active stakeholder involvement is a topical question within public governance, there is still great uncertainty concerning the relative roles of different stakeholders and how these stakeholders can contribute to co-creating, for example, a service or cooperate to improve overall quality of life (Boivard, 2005; Löffler, 2009).

## My research as input to academic conversations

According to Anne Huff (1999), it is important that researchers contribute to current academic conversations. Each scholarly subfield understands the world in a somewhat different way, and consequently focuses on somewhat different issues. If one is to conduct rigorous research that is useful to others, interaction with such as community is essential (Huff, 1999). An academic conversation is an ongoing dialogue, where participants have the potential to add information and insights, but also to change other participants’ opinions and priorities. As mentioned in the introduction of this chapter, my thesis is multidisciplinary, just like the place marketing field. Consequently, I participate in academic conversations positioned in different academic fields, and the multidisciplinary nature of the thesis manifests itself through the courses, conferences and journals I have targeted throughout the research process. I see it as essential to be aware of what I find to be relevant ongoing academic conversations and my own role and voice in these, my goal being to ensure progress and be able to contribute to the research. This thesis is positioned at the intersection of three disciplines and theoretical perspectives:

place marketing and management, public management and service marketing (see Figure 2). My research explores residents' place satisfaction by specifically studying the role of co-creation and the role the residents themselves play in creating 'a good place to live'; it thus builds on and gives insights into a conversation that is positioned where these three fields overlap. Knowledge integration between disciplines is important to achieving progress, and I contribute to this progress by translating and integrating current knowledge from service marketing into place marketing and public management.



**Figure 2: Relevant research fields and the position of the thesis in the academic community**

The contribution of this thesis will be further elaborated on in the final chapter; however, I will already at this point introduce the scientific communities to which I see myself belonging and exemplify the conversations I participate in. As the conceptualization of place marketing and management has evolved from solely concerning marketing communication to becoming a tool for integrated place management (Kavaratzis, 2010; Zenker and Martin, 2011), there is growing interest, both scholarly and practical, in increasing our understanding of the place context and what constitutes 'a good place to live'

(Zenker and Martin, 2011). Thus, the place marketing field in general constitutes an important scholarly community for my research. More specifically, I am part of two ongoing academic conversations within this community. First, I contribute to the stream of research focused on residents' place satisfaction. This conversation began in the early twenty-first century and is still ongoing. (e.g., Insch and Florek, 2010; Zenker et al., 2013; Potapov et al., 2016). Second, I contribute to the emerging conversation concerning co-creation in the place context. Place marketing researchers have begun showing an interest in the users of the place, e.g., the residents. Several studies have focused on stakeholder involvement and place co-creation (e.g., Aitken and Campelo, 2011; Hanna and Rowley, 2011; Kavaratzis, 2012; Braun et al., 2013; Kavaratzis and Hatch, 2013; Zenker and Erfgren, 2014; Thelander and Säwe, 2015). Studies have recognized that residents not only consume the place they live in, but also shape it, along with other stakeholders (Rozhkov and Skriabina, 2015). Within this conversation, the service-based logic was first mentioned by Warnaby within place marketing research in 2009, and since then more research has followed (Hankinson, 2010; Kavaratzis, 2012; Källström, 2016; Källström and Ekelund, 2016; Eletzigerra et al., 2017; Källström and Hultman, forthcoming). As an example, my research explicitly contributes to this conversation in the form of a paper entitled *Place satisfaction revisited: residents' perception of "a good place to live"* (Källström and Hultman, forthcoming), published in one of the leading journals for place marketing researchers, but also through presentations at place marketing conferences.

As place marketing has become a strategy widely used by municipalities, regions and countries, public management researchers have also begun to show an interest in place marketing issues (e.g., Klijn et al., 2012; Eshuis et al., 2013). This interest can be understood in light of the introduction of New Public Management, which approaches residents more like customers (Eshuis et al., 2013). Today, residents' place satisfaction is an important issue for public management researchers, and thus I have the opportunity to participate in academic conversations within this community as well. An example of me doing so is the publication of my paper entitled *Rethinking the branding context for municipalities. From municipal dominance to resident dominance* in a journal targeting public management scholars. More specifically, a lively conversation is going on within the public management community concerning co-creation and co-production, where the stakeholder involvement differ and co-creation can take different forms (Pestoff, 2009). I am participating in this conversation, e.g., through my research on co-creation in a place context

presented at a conference of the International Research Society for Public Management (IRSPM).

The current research uses the service-based logic as a theoretical lens when studying the place context. Using the service-based logic as a theoretical backdrop helps us to see new things, which contributes to ongoing conversations in both public management and place marketing. However, this thesis also contributes to service marketing, as these ideas are transferred to a new empirical context. The thesis helps to establish the service-based logic as a useful theoretical lens for studying residents' place satisfaction, through both conceptual contributions (Källström, 2016) and empirical studies (Källström and Ekelund, 2016; Källström and Hultman, forthcoming). By doing so, I explore, interpret and create new meaning in relation to these ideas. I continue the discussion about how the service-based logic can help strengthen our understanding of how users create value-in-use and how this can complement satisfaction as the current main concept and tool for evaluating services and experiences. For instance, I develop a new conceptual model for how to comprehend 'a good place to live' that incorporates both value propositions offered by traditional providers and co-creation elements as well as the value-in-use created in this context. This conceptualization can also be useful for other empirical settings and contributes to the ongoing conversation within service marketing about how the ideas of the service-based logic can be used in empirical studies.

## Chapter 3

# The research process

In the following sections, I discuss the methodological considerations underlying this thesis. I start by discussing the research approach of my study and my view of social science by elaborating on how I view the purpose of my study, the role of theory and objectivity, as well as scientific contribution and theoretical progress. There are of course many other interesting questions that could be discussed in this context, but I believe that by elaborating on these issues I am able to paint a picture of how I comprehend social science, which in turn has had implications for my research and methodological approach. The next part of this chapter is a review of the research design. The focus here is on introducing the research design at an overarching level for the thesis. The five papers, and how they relate both to the research subject and to each other, are introduced. A discussion of the collection of empirical material follows, where I provide an overview of the methods and empirical materials involved in this thesis and clarify the connection between the material and my five papers. I also discuss the practical procedures used for the interviews and selection of respondents. Next, the analysis of the empirical material is discussed as well as the issue of the quality of my work, such as its trustworthiness. The chapter ends with a presentation of the empirical setting.

## Research approach

As outlined in Chapter 1, the aim of my research is to explore the place context in order to improve our understanding of how ‘a good place to live’ can be understood, conceptualized and studied. Hence, the objective of the study is to create insights into this phenomenon, rather than to draw general conclusions. I believe that I, with an approach that is explorative, can fulfil my purpose and contribute to a field that thus far has been predominantly engaged with systematic empirical investigation of relationships between place attributes

and place satisfaction. Thus, the aim of my thesis is ‘Verstehen’ (Schwandt, 2003), i.e., to try to understand the meaning of action from the actor’s point of view. Starting from the residents, I *explore* the concept of ‘a good place to live’. Thus, I want to *interpret* and *understand* (Little, 1991) why residents like, or dislike, living where they live and how value is created by residents in a place context, and I believe that, by describing the situation in detail, I can also communicate an understanding of what is important. In doing so, I have to interpret the situation, as I choose what to highlight, include and exclude from the study. This approach, to focus on ‘Verstehen’ rather than on ‘Erklären’, has the potential to contribute new insights to research on residents’ place satisfaction, which thus far has been focused on measuring place attributes in an attempt to explain what causes residents to be satisfied with their place. My approach is completely different. In contrast to much of the current research on ‘a good place to live’, I do not set out to measure anything, rather I am searching for a better understanding of how residents relate to their place and how they create value in this context.

Just as interpretivists do, I strive to understand the world of lived experience from the perspective of those who live in it (Schwandt, 2003). To understand why residents have decided to live where they live, I need to understand the meanings that constitute that social action. Thus, if I am to comprehend others, I need to understand the meaning of what they do, and in order to understand this meaning, I believe I need to understand them on their own terms (Fay, 1996). This, however, should be seen as a vision rather than as something that can be achieved fully in practice. Interpreting the meanings of actions, practices and cultural objects is extremely difficult and complicated (Fay, 1996). Still, I see it as desirable and something to strive for without claiming that I have achieved such a deep understanding in my research. Furthermore, because I have conducted the research for this thesis for almost seven years, my view of social science and how I relate to the social phenomenon I am studying has developed and changed. In my early research endeavours, I show less interest in interpretation and in understanding the social actions of those I study, and I appear more occupied with, as objectively as possible, describing what I see and hear.

I find the constructionist view that knowledge is created and not discovered (Schwandt, 2003) compelling. Berger and Luckmann (1991) view society as existing both as an objective and a subjective reality. Social constructionism accepts that there is an objective reality out there, but it is concerned with how knowledge is constructed and understood. Similarly, I believe that concepts

are constructed rather than discovered, yet I believe that they correspond to something real in the world.

I believe the world becomes known to me through interpretation. I perceive certain things, while I ignore others. I do believe that by listening to different stories, one's understanding of the context and of what constitutes 'a good place to live' can improve. I seek 'thick' descriptions (Geertz, 1973), i.e. rich empirical material that are detailed, focused and full (Charmaz, 2014) in my attempts to describe and analyse 'a good place to live' as well as possible. Inspired by Charmaz (2014), who in her turn is inspired by Strauss and Corbin and grounded theory, I have a strong belief in the empirical material, even if I recognize the need to make interpretations in order to condense that material.

As researchers, many of us seem to agree that 'theory' is important, and our work very much circulates around theory (e.g., Corvellec, 2013). Perceptions of what theory is, however, may vary, and we tend to relate to theory in different ways. In the traditional philosophy of science, theory usually refers to:

...a proposed explanation of observable facts, scrutinized using scientific method...Theories are believed to consist of sets of laws that are considered to be true or universal. (Corvellec, 2013, p. 68)

I believe we invent concepts, models and theories to make sense of experience and what we see when we study a social phenomenon. When we gain new experience, perhaps through new interviews, we continue to modify our models and concepts. I see theories as being *truth-seeking*, which means I do not think we can be sure our theories actually are 'true'. Instead, the aim of research can be to increase the relevance of our description and, thus, increase our understanding of our research subject. In other words, I believe we can never prove a scientific theory 'true' and know for certain that it is in fact accurate, but we should strive for developing theories that are as good explanations of reality as possible and that increase our understanding of the world (Fay, 1996), in this case our understanding of 'a good place to live'. I recognize that we do not construct our interpretations in isolation, but against a backdrop of shared understandings, practices and language (Schwandt, 2003).

Another essential question is my view on theoretical contributions and what constitutes advancement in our understanding of a phenomenon, such as 'a good place to live'. Because I see theories as something valuable (even if I do



not see them as something universal and ‘true’), I attribute great value to theoretical progress. Common dimensions for theoretical contributions are *originality* and *utility* (Corley and Gioia, 2011). *Originality*, referring to how existing knowledge is challenged and extended, can take the form of incremental insight/progress, such as incorporation, or a more revelatory/revolutionary takeover (Losee, 2003; Corley and Gioia, 2011). I recognize both ways of achieving progress. I do believe theoretical contributions can be made through more *revelatory* insights, where theory helps us see what we would otherwise not see or understand. In my research, I wish to offer insights to the place marketing field by looking at the place context through a new lens, one that takes the resident as the starting point, instead of place providers and the place and what it has to offer. The contribution then lies in a new way of understanding the place context, rather than an incremental insight, and I do believe this is one way in which a research field can progress.

However, at the same time I see the incorporation of past results into present theories as the foundation for scientific progress and thus, Whewell’s “tributary-river” image attracts me (Losee, 2003), an image in which past results are incorporated into present theories like different water sources form a river. Thus, it is important for me to build on previous research, and there are several examples of such building in this thesis. For example, I use the service-based logic as a theoretical framework and build on place marketing and public management studies, emphasizing co-creation and the role of residents. Another concrete example of my belief in progress through incorporation is that I build on previous studies on place satisfaction and incorporate previous research into my own study on ‘a good place to live’, my aim being to build a bridge between two streams of research, i.e. between research on residents’ place satisfaction and research emphasizing co-creation and the importance of the user.

*Utility* is the other dimension of making a theoretical contribution that I see as important. Utility refers to the research as something useful; either for the research community or for practitioners, but preferably for both. The progress should thus also be useful, which it is if the conceptual rigor improves, if the concept is further specified or if the possibility to operationalize or test the concept is enhanced (Corley and Gioia, 2011). The objectives of this thesis reflect an ambition to improve our knowledge and further specify the meaning of ‘a good place to live’, which can have great value for both researchers and practitioners working in a place context.

Naturally, my view on how we can understand the world, theory and contribution has implications for my methodological choices. I see research methods as a tool for understanding my research subject and want to use the tool most suitable to the specific situation and the problem of interest. The methodological choice can, thus, be seen as a function of the purpose of the study as well as the level of established theory within the field. In order to achieve the overarching aim of this thesis—to improve our understanding of ‘a good place to live’ by exploring how it can be understood, conceptualized and studied—I have used qualitative methods. Qualitative research seeks an in-depth understanding of the phenomena at hand and, consequently, it can in this case be seen as a methodological consequence of the purpose of the study. As a first step in the research process, I problematize the place context and discover that if we look at this context without using the traditional starting points, i.e. the place provider and the place itself, we can see new things. With the service-based logic as a theoretical foundation, I want to study the phenomenon empirically. Considering that I wish to explore how ‘a good place to live’ is perceived by the main provider and residents, using a new theoretical framework for the field, the best approach is to use a qualitative method. Qualitative research often starts from the perspective and actions of the subject studied, and in most qualitative studies, the researcher’s interpretive work is central (Alvesson and Sköldberg, 2009). Qualitative research includes three main methods: interviews, observations and textual analysis (Silverman, 2011). In this research, different kinds of interviews have primarily been used, supported by observations when appropriate and possible. Considering my desire to understand the world from the perspective of those who live in it, it would have been desirable to use more observations when I studied the residents. However, for practical reasons this has not been possible.

Before I elaborate on collection of the empirical material, with a focus on interviewing as the main research method, I will introduce the research design and the five papers, focusing on their respective purposes.

## Research design

This thesis consists of a compilation of five papers, all related to the overall topic ‘a good place to live’. In order to gain a better understanding of the subject and fulfil the purposes of this thesis, empirical studies have been conducted and I have used different qualitative methods at different stages of

the research process. Considering the nature of a compilation thesis, the research design can be discussed on two different levels, both at an overarching thesis level and at the level of the individual studies and papers. In the section that follows, I outline the research process and focus on the research design for the thesis on an overall level. As will be seen, the research questions and the purposes of the individual papers have partly evolved as the work has proceeded. Thus, literature studies and collection of empirical material have been conducted alternately, and the literature has informed my way of relating to the empirical material. The specific research designs for the individual studies can be found in the papers. However, I will introduce the five papers' respective purposes and how they are linked to each other and to the overarching purpose of the thesis in following section. Thereafter, I will discuss collection and analysis of the empirical material.

My research process can be divided into three main phases. Phase 1 consists of a literature review and the development of an exploratory conceptual framework. Using the output from Phase 1, I employed a pre-structured qualitative design to further explore, describe and explicate the conceptualization of 'a good place to live'. Phase 3, on the other hand, evolved from my fieldwork and interaction with the study subject and, thus, consists of inductive qualitative studies. Figure 3 illustrates the different phases and how the study has evolved throughout the research process; it also connects the papers to the different phases.

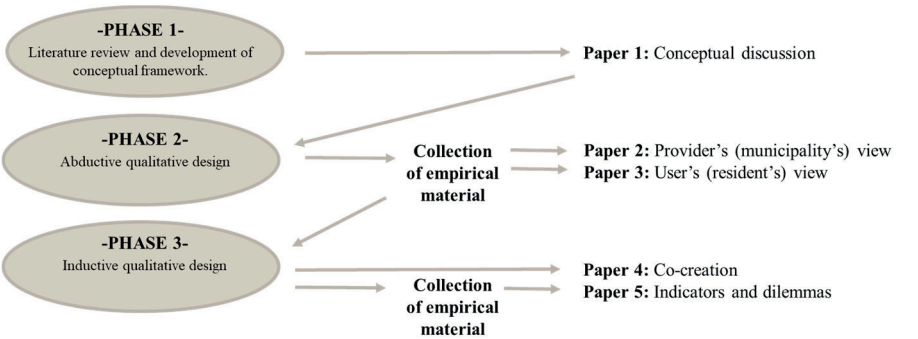


Figure 3: The research process and design

The overarching purpose of the thesis is to explore the place context and how 'a good place to live' can be understood, conceptualized and studied. Thus, the research is exploratory in nature. This research process started with an extensive literature review. Being new to research and to the research field, it was important for me to familiarize myself with previous research. In this first phase of the research process, the literature helped me to develop an exploratory conceptual framework. The framework acted as a map of the territory I wanted to study and included key constructs and presumed interrelationships among them. The conceptual framework helped me to be selective and guided me concerning what information should be collected and analysed, at least at the outset (Miles, Huberman and Saldaña, 2014).

This in turn led me to Phase 2, where the first empirical studies were designed. Starting from marketing, it was natural to think in terms of transactions. Someone provides something, someone uses something and the exchange relationship is central. I thus wanted to capture both the providers' point of view and the users' perspective and perceptions. Two studies were designed. One used the municipality as a key place provider, as the case, and the other used the residents themselves as the case. Because the purpose was to explore how 'a good place to live' was perceived, and to encapsulate the experiences and feelings of the respondents in their own terms and context, a qualitative methodology was employed. It enabled the respondents to reflect openly on and express their views on 'a good place to live' (Malhotra and Birks, 2003). Furthermore, as 'a good place to live' is a complex phenomenon and relatively un-researched, it is difficult to capture it with structured questions, which also favours a qualitative study.

It should be noted that I considered different qualitative methods at this stage. Observations and an ethnographic study would allow me to see how the municipality interacts with its residents, and similarly how the residents interact with the place, place providers and other residents; however, it would not help me to understand the underlying reasons and the perception of this interaction or the respondents' overall perception of the place. Furthermore, observations would be difficult to arrange from a practical perspective. I therefore chose to arrange interviews where I could talk with the respondents and they could express their views on 'a good place to live'. The fact that these interviews are not complemented by observations can be regarded as a weakness, particularly because I aim to understand social actions from the actor's perspective.

I conducted a series of semi-structured interviews with public officials and politicians in two municipalities. I chose one-to-one interviews, partly because it was easier to arrange interviews if the time was flexible and I did not have to get people to agree on a time but could arrange it according to their availability and partly because it allowed the public officials and politicians to open up and talk candidly without thinking about how their colleagues viewed the same issue. It would be possible to use one-to-one interviews also for the residents, but here I chose to arrange focus group interviews. This format allowed me to start a free-flowing group discussion between the residents, which I used to achieve unexpected findings. Typical residents are not used to being interviewed or to talking about their thoughts and feelings about the place they live in, and the group format helped to get the discussion started. The methods for collecting the empirical material are discussed in greater detail under ‘Collection of the empirical material’.

The exploratory conceptual framework developed in Phase 1 guided the interview processes and led to a rather tight and pre-structured qualitative research design (Miles et al., 2014). Planning and prior instrumentation were logical and relevant. This contributed to an efficient analysis, as very little redundant information was collected, thus helping me to obtain dependable and meaningful findings. However, there is a risk that structured tools will blind the researcher (Miles et al., 2014). Thus, I strived to find a balance and consciously redesigned the instrumentation as the studies evolved. For example, I arranged new interviews and focus group discussions during the research process as long as I saw that it contributed significantly to the study. I also revised the research questions and the interview guide as the study progressed. Even if the conceptual framework developed in Phase 1 guided the studies, the exploratory form of the framework still allowed me to make new discoveries. The studies can thus be seen as resting on abductive reasoning, where former studies and theory gave me constructs such as value propositions, value-in-use and co-created value propositions to focus the studies around, while I reached conclusions by identifying patterns in the empirical material (Hair, Celsi, Money, Samouel and Page, 2011). Thus, the theoretical constructs can, in this case, be viewed as sensitizing concepts, used to spark my thinking about the research subject. Sensitizing concepts can give researchers initial, but still tentative, ideas about how to pursue research and what questions to raise (Charmaz, 2014). The sensitizing concepts guided, but did not command, the inquiry for this thesis.

During my fieldwork and in interaction with respondents, new research questions arose. This led to Phase 3 of the research process. The studies conducted in this phase rest solely on inductive reasoning. The idea for Paper 4 came from closely reading the empirical material used for Phase 2 in the research process. Co-creation activities and how residents themselves contributed to developing ‘a good place to live’ constituted a recurrent theme. I could use the empirical material collected for previous purposes to develop a typology of perceived activities in stakeholder co-creation. The typology was built through inductive reasoning, using a methodology inspired by Charmaz (2014), which in her turn is inspired by grounded theory and Strauss and Corbin. The method used to analyse the empirical material is discussed in greater detail in the section ‘Analysis of the empirical material’. The idea for Paper 5 also arose through interaction with the research subjects and was developed during a joint project involving municipal cooperation. The difficulties associated with choosing relevant indicators for place attractiveness and growth became clear during the fieldwork. I wanted to explore the difficulties in selecting indicators. To facilitate this, I designed focus group discussions, which allowed me to capture key dilemmas in this process.

The overarching research design for the thesis has been reworked and altered during the research process, something that is common for qualitative research designs (Miles et al., 2014). The changes in the design are a result of my increasing knowledge about the research subject as well as a sign of my openness in relation to the empirical material. I simply did not know all the dynamics of the social setting at the beginning of the research process and had to allow myself to redesign the study along the way to avoid overlooking or misinterpreting key elements of the empirical setting.

## **The five papers**

Next, the individual papers’ respective purposes will be introduced, and I will discuss how they are linked to each other, as well as to the overarching purpose of the thesis. *Paper 1*, ‘Rethinking the branding context for municipalities. – From municipal dominance to resident dominance’ (Källström, 2016), is a conceptual paper on which I am the sole author. The paper lays the foundation for the rest of the thesis. For marketing to be effective, it is critical to have a good understanding of the marketing context. Paper 1 aims to achieve such an understanding. The purpose is to explore the marketing context for the

municipality and to develop a conceptual framework to generate knowledge about the marketing context and the residents' role. The paper was developed early in the research process, around 2013-2014. At this point in time, I was teaching a Master's level course in service marketing. The service-based logic, which sees the user as the main creator of value and which consequently takes the user as a starting point (e.g., Vargo and Lusch, 2004; Grönroos, 2008), had opened my eyes to a new way of viewing marketing. Reading the place marketing literature, it became evident that most of this literature rested on the product-dominant logic and, thus, focused on the place provider and the place as the product (see Källström, 2016 for further elaborations). I began to question the way most researchers viewed the place context and wanted to explore the possibility of instead approaching the place context using the service-based logic as my theoretical foundation. I discovered that some place marketing studies had begun taking another starting point than the traditional, emphasizing issues such as stakeholder involvement and place co-creation (e.g., Aitken and Campelo, 2011; Hanna and Rowley, 2011; Kavaratzis, 2012; Braun, Kavaratzis and Zenker, 2013; Kavaratzis and Hatch, 2013; Zenker and Erfgren, 2014; Thelander and Säwe, 2015). These studies resonated with the service-based logic. To deepen my knowledge and understanding of the service-based logic, I took the opportunity I was offered to study a PhD course in service marketing at 'HANKEN', Svenska Handelshögskolan in Helsingfors, where I was introduced to the field by some of the very best service marketing researchers, including Christian Grönroos. During the course we discussed the service-based logic's implications for place marketing, what this theoretical perspective could offer the field and how it could help me to make sense of the place context. I discovered Warnaby's (2009) suggestion that the service-based logic would be relevant to place marketing. Strengthened by the course, I started to develop Paper 1, a conceptual discussion about how to approach the place context. With the service-based logic as a starting point, the municipality and the place are not in focus, rather the residents and their value-creating process. Thus, the main unit of analysis shifts from the municipality and the place to the interaction between the provider and the user, i.e. the resident. Another important difference, compared to the place context seen from the product-dominant logic, is that the place is "missing" (Grönroos, 1998) because no pre-produced bundle of features constituting the place can be presented. Because it is the resident who creates the value-in-use, every resident creates his/her own place. Furthermore, because the municipality is able to co-create value in interaction



with its residents, it should focus on creating opportunities for interaction and a joint sphere with its residents.

Thus, a conceptual framework was developed in Paper 1 that contributed a theoretical understanding of 'a good place to live'. Next, this conceptual framework was used as a starting point for empirical studies. Starting from marketing, it was natural to think in terms of transactions, i.e. someone provides something and someone uses something and the exchange relationship becomes central. *Paper 2*, 'What can a municipality offer to its residents? Value propositions and interaction in a place context' (Källström and Ekelund, 2016), studies 'a good place to live' from the providers' perspective. The paper is written together with Christer Ekelund, my supervisor at the time. I am the main author, contributing roughly 80 percent. Even if it is argued that the place provider is not the most important unit of analysis, it is still necessary to understand how the providers view the residents and what they believe constitutes 'a good place to live' if one is to generate as broad an understanding of 'a good place to live' as possible. Furthermore, applying a marketing perspective to 'a good place to live' implies that there is a place provider who takes the role as a marketer of the place. The place providers are responsible for the place and how it is developed and marketed; thus, in order to fulfil the purposes of this thesis, it is necessary to also understand the provider. It is argued that the municipality is an important place provider and that a key goal for municipalities is to create a place that is good for residents to live in. If residents find the place good, this lays the foundation for creating a powerful place brand image (Anholt, 2010). The purpose was to explore the role of the municipality in the place context and to describe how municipalities work on making their municipality 'a good place to live'. The service-based logic is used as a theoretical foundation. The paper sheds new light on 'a good place to live', but for a deeper understanding it is necessary to look at the subject also from the users' perspective. Thus, *Paper 3*, 'Place satisfaction revisited. –Residents' perception of a good place to live' (Källström and Hultman, forthcoming), looks at 'a good place to live' from the residents' perspective. This paper is co-authored with my main supervisor Jens Hultman. I am the main author, contributing roughly 80 percent. With the resident as a starting point, the aim of the paper is to revisit the concept of place satisfaction, a more established term for 'a good place to live' in the place marketing literature, and to create a bridge between the stream of research on place satisfaction and studies emphasizing stakeholders and co-creation. Thus, the research questions asked here are: How can the conceptual framing of place satisfaction be strengthened, using service-based logic as theoretical backdrop?



What role does co-creation play in place satisfaction? When the service-based logic is employed as the theoretical lens, the focus turn to the users (i.e., residents) and how they create, and co-create, value-in-use in the context of place. The conceptual paper (Paper 1), together with the two empirical papers looking at ‘a good place to live’ from, first, the municipality’s perspective (Paper 2) and then, the residents’ perspective (Paper 3), helps us to conceptualize the subject and improves our knowledge of how ‘a good place to live’ can be understood.

Using the service-based logic as a theoretical foundation, co-creation is seen as a central activity in creating ‘a good place to live’. Both value propositions and real value can be co-created by the provider and the user, or by two users. Interactions must then be established, which are a mutual measure in which two or more parties have an effect on each other (Grönroos and Ravald, 2011). Broadly speaking, value co-creation occurs when interactions between providers and consumers are fundamental to the user’s positive perception of the value proposition’s and marketing offering’s value (Anker, Sparks, Moutinho and Grönroos, 2015). *Paper 4*, ‘A place to live –A typology of stakeholder co-creation activities’, on which I am the sole author, looks more closely at the concept of co-creation and, thus, can be viewed as a consequence of previous empirical studies as well as continued and in-depth literature studies. The idea for the paper came from closely reading the empirical material used for Paper 2 and Paper 3. Co-creation activities and how residents themselves contributed to developing ‘a good place to live’ was a recurrent theme. Although active stakeholder involvement is a topical issue, there is still great uncertainty about the relative roles of different stakeholders and how they can contribute in the co-creation of, for example, a service, or can cooperate to improve overall quality of life (Boivard 2005; Löffler 2009). The purpose of Paper 4 is to open up the ‘black box’ of co-creation and explore the stakeholder co-creation activities behind making a place to live. Thus, the paper contributes to our understanding of ‘a good place to live’, by specifically focusing on how this can be co-created. More specifically, the paper contributes a new analytical model of co-creation activities that are seen as crucial to developing a place.

*Paper 5*, ‘Selecting indicators for progress and growth in a region: Dilemmas and intraregional dynamics’, focuses on measurements and assessments of place attractiveness, i.e., of ‘a good place to live’. The paper is a result of a project I conducted together with six municipalities, the aim being to develop a tool for measuring attractiveness and growth in their region in an innovative way. The paper is co-authored with Ann-Mari Lindberg, a public official

working at one of the municipalities I studied. I am the main author, contributing roughly 90 percent. By analysing how municipal officials and politicians from the six different municipalities view city performance measures and how they evaluate, select and rank key indicators, dilemmas in choosing relevant indicators are revealed. The purpose of the study is thus to analyse the difficulties in choosing relevant indicators for evaluating place attractiveness and positive development in a region, and to capture key dilemmas. This adds to our understanding of the complexity of ‘a good place to live’, by pointing at difficulties in assessing and measuring the phenomenon.

To summarize, the papers in this thesis contribute to our understanding of ‘a good place to live’ in different ways. Paper 1 offers a conceptual understanding of the subject, while Paper 2 and Paper 3 study the phenomena empirically, taking the municipality and the residents, respectively, as starting points. Paper 4 is specifically focused on co-creation, an important aspect of ‘a good place to live’, and explores the stakeholder co-creation activities in a place context. The last paper points at difficulties in measuring ‘a good place to live’, adding to our understanding of the complexity of the subject. The papers are presented in chronological order, i.e. in the order they have been developed and written.

## **Collection of the empirical material**

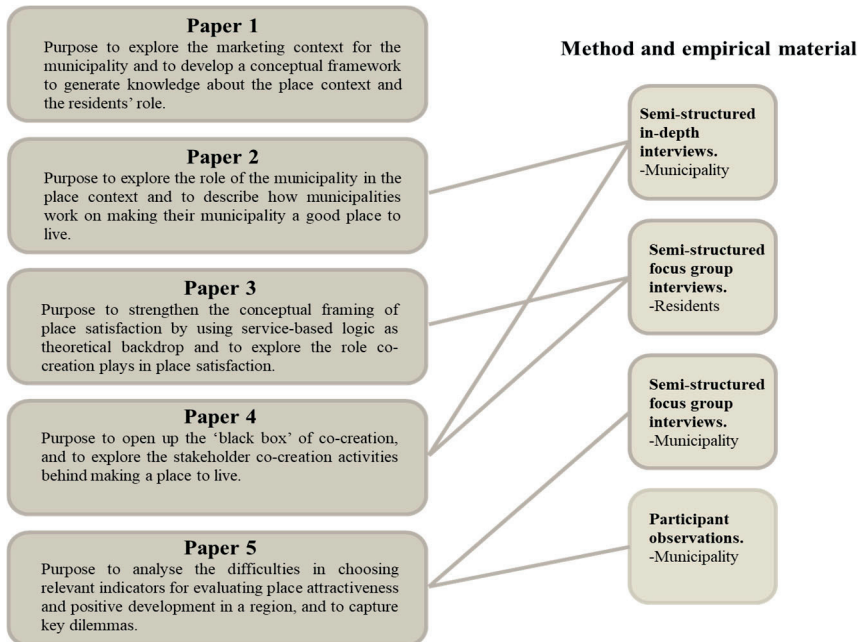
In order to achieve the overarching purposes of this thesis and of the individual papers introduced in the previous chapter, different empirical studies have been carried out. During the development of the conceptual paper, I learnt how previous empirical studies within the field had been conducted. As discussed in Chapter 2, most previous studies on ‘a good place to live’ had adopted a quantitative method and focused on explaining how different predetermined place attributes relate to residents’ place satisfaction. As a contrast, the aim of my thesis is to *explore* the place context and how ‘a good place to live’ can be understood and conceptualized; I approach ‘a good place to live’ with an open mind and few preconceptions and, thus, use a qualitative design to learn about the study subject.

To understand how municipalities view the place context—‘a good place to live’ and the role of the residents in this context—I conducted a series of semi-structured in-depth interviews with public officials and politicians in two municipalities. Interviewing is a direct type of qualitative research method (Malhotra and Birks, 2003) used to understand why something happens (Hair et al., 2011). I chose interviews because I wanted to study a topic the

respondents had substantial experience of, and because I wanted to uncover underlying beliefs and attitudes, not possible to observe, concerning ‘a good place to live’. The interviews gave me an understanding of how the municipality, one of the main providers of the place, viewed and comprehended ‘a good place to live’. It would have been interesting to complement the interviews with observations, but for practical reasons this was not done. The interviews constituted the empirical basis for Paper 2 and 4. Paper 2 explores the role of the municipality in the place context and describes how municipalities work on making their municipality ‘a good place to live’, while Paper 4 explores the co-creation activities underlying ‘a good place to live’.

The next step in the research process was to study ‘a good place to live’ from the residents’ perspective. In order to facilitate an understanding of how the place users view the context, focus groups with different kinds of residents were formed. A focus group is a discussion led by a researcher or moderator among a small group of respondents in a natural manner. The main purpose of focus groups is to gain insights by creating an atmosphere where unexpected findings can be discovered in a free-flowing group discussion (Malhotra and Birks, 2003). The focus group interviews are used as an empirical basis for Paper 3 and 4, where Paper 3 revisits place satisfaction and conceptualizes ‘a good place to live’, using the residents’ perceptions as a starting point, and Paper 4 explores the co-creation activities behind ‘a good place to live’. Paper 5 is founded on empirical material gathered during an eight-month-long project conducted with a municipal organization, where participant observations and focus group discussions with leading politicians and public officials were used to gather the material needed.

Figure 4 summarizes and outlines the methods used to gather the empirical material for this thesis; it also shows what empirical material has been used in the different papers.



**Figure 4: An overview of the empirical material and its relation to the papers<sup>1</sup>**

## *Interviews*

Because interviewing is the main method used in this thesis, next I offer some overall reflections on using interviews as a research method. I also describe and reflect on my way of conducting in-depth semi-structured interviews and focus group interviews. In addition, my four empirical papers contain further reflections and additional information on the procedures for collection of empirical material and subsequent analysis.

In an interview, the researcher speaks to the respondents directly, and interviews are particularly helpful in gathering empirical material when dealing with complex issues (Hair et al., 2011), such as understanding 'a good place to live'. Considering the overarching ambition of this thesis—to improve our understanding and knowledge of the meaning of 'a good place to live'—

<sup>1</sup> The outline of Figure 4 has been inspired by a figure that Bäckström (2013) presents in her thesis to provide an overview of her empirical material.

interviewing is seen as a suitable method as it allows us to explore subjective experiences and meanings. When using the term interview, one has to keep in mind that there are several different types of interviews, all of which have different purposes and imply different methodologies, at the same time as they place different requirements on the interviewer. Interviews can be categorized into structured interviews, semi-structured interviews, open-ended interviews and focus group interviews (Silverman, 2011). This study mainly employs two of these interview types: semi-structured interviews and focus group interviews. It should be noted that there is considerable variation in how these two methods can be used and analysed, largely depending on one's view of social science and the purpose of the specific study. Thus, the method may be the same, but the approach and the kind of knowledge you are looking for may differ, which influences the process (Åsberg, 2001). Combining approaches is said to enrich the research and to facilitate a reflexive methodology (Alvesson, 2003). Reflecting back on my research process, the interviews conducted for this thesis seem to have been used to gain somewhat different kinds of knowledge, and my view on the purpose of the interview as a method has slightly changed throughout the research process. This may reflect the need to acquire diverse varieties of knowledge, but it may also be a reflection of how I changed and developed as a qualitative researcher during my PhD work. The different approaches to the empirical material are particularly visible in the analysis of the material, which is discussed later in this chapter.

### *Semi-structured in-depth interviews*

The first interviews for this study were semi-structured in-depth interviews with representatives from the municipalities; they were conducted in the spring of 2014. In-depth interviews imply deep probing, where the researcher delves deeply into a response to identify possibly hidden reasons for a particular behaviour. The interviews were carried out one-to-one, in all cases except one where, for practical reasons, two people were interviewed together. These first interviews were primarily carried out to enable exploration of the role of the municipality in the place context, but also to describe how municipalities work on making their place a good one to live in. The study rested on abductive reasoning, whereby the service-based logic formed the study and offered a theoretical foundation for how to approach the phenomenon. I set out to account for events and to look for structures and patterns that could describe how municipalities worked with making their place 'a good place to live'.

The interview series consisted of 20 interviews with people from two different municipalities: Kristianstad Municipality (15 people interviewed) and Hässleholm Municipality (5 people interviewed). The first interview in each municipality was based on purposive selection and resulted in interviews with the two municipal directors. The director is the highest official in the municipality and manages the municipality's services. After the first interview, a snowball technique was used. The director recommended that I talk to people he thought could contribute to the study; these people in their turn recommended that I talk to new people, and so on. Apart from helping me to find relevant respondents, this also made it easier for me to get people to agree to be interviewed, because mentioning that they had been recommended to participate in the study by colleagues and managers previously interviewed encouraged them to participate. There are of course drawbacks associated with this technique as well; people tend to recommend people they know, respect and whose opinions they share. Additionally, the fact that their manager had signalled that he wanted them to talk with me about these things could have influenced how they approached the interview and how much and what they shared.

New interviews were arranged with recommended people as long as each new interview contributed significant knowledge about the phenomenon (Patton, 2002). Also, by the end of the interview series, I had already interviewed the people suggested to me, contributing to the feeling that the material had reached saturation. The 20 people interviewed were specifically engaged in issues surrounding the attractiveness of the municipality and/or resident dialog. More specifically, I interviewed the municipal directors in the two municipalities (2) and leading politicians, both in governing parties (2) and in the opposition (1). Furthermore, I approached public officials, primarily the heads of departments, from the following areas: growth and development (2), communication and marketing (3), children and education (2), trade and industry (1), city planning (1), culture and leisure (1), tourism (1), events (1) and service and civic centre (1). A controller with responsibility for the annual report and soft management controls (1) and a visionary with a very free position focused on development projects (1) were also interviewed. Considering the wide and diverse tasks of municipalities, there are of course a lot of people I did not manage to talk to, individuals who could have offered new insights. Particularly, I did not interview people working in public service organizations, such as schools or social services, who perhaps could have offered another perspective. Still, a relatively diverse group of people were

approached and participated in the study, which laid a good foundation for the subsequent analysis.

I prepared for the interviews by reviewing the annual reports of the municipalities, as well as their websites. It was important to be well informed about current events in the municipality, high-profile projects, the political situation and challenges as well as opportunities the municipality experienced. My personal relationship with, and consequent knowledge of, the two municipalities turned out to be a strength during the interviews. Being Having been born and raised in one of the municipalities, Hässleholm Municipality, and a resident of the other municipality, Kristianstad Municipality, for 15 years, I was perceived as knowledgeable and trustworthy. This positively influenced the atmosphere during the conversations, and the interviewees tended to open up and become more informal with me. It also helped me to better understand the empirical context. It could, however, have been become a weakness if the interviewees had perceived me as less objective or less professional due to my engagement in and relationship with the place, but I did not experience this reaction. The interviews were semi-structured, thus they had an overall structure and direction but allowed flexibility (Hair et al., 2011). Considering my ambition to describe phenomena as accurately as possible, it was important for me to be well organized and to follow a clear structure. Still I recognized the need to encourage the respondents to tell their story and, for example, I followed up an interviewee's answer to a question, added questions during the interviews, and slightly altered the interview guide from interview to interview. This approach helped me to obtain insightful information and to identify structures and patterns.

### *Focus group interviews*

Later in the research process, semi-structured focus groups interviews were carried out. The aim of the focus group interviews was to gather rich empirical material, i.e. detailed, focused and full material. By revealing participants' views, feelings and actions, 'thick' descriptions were sought (Charmaz, 2014). It was a more conscious decision to gather rich empirical material during the focus group interviews, compared to the previously conducted semi-structured interviews. Reflecting back, my interest in listening to the interviewees' stories and being more open to let the respondents guide the conversation has developed throughout the research process. Focus groups are valuable in exploratory research, because they provide opportunities to interact with a small number of people in a semi-structured and purposeful discussion, where



dialogue between participants is encouraged (Hair et al., 2011). Unexpected findings can be discovered from the free-flowing group discussion (Malhotra and Birks, 2003). For this thesis, two different focus group studies have been conducted. The purpose of the first study was to explore 'a good place to live' from the residents' perspectives. The service-based logic was used as a sensitizing concept (Charmaz, 2014), which provided a place to start the inquiry, and as a point of departure when creating interview questions. The sampling procedure was purposive; participants were chosen based on a combination of quota and reputational case selection (Miles et al., 2014). I wanted to reach a diverse group of residents and thus strived to reach both young and old, female and male, natives and immigrants and people with high positions in the business world as well as unemployed individuals. To achieve this I used existing networks, where it was likely I could find these people. I approached managing directors or people in equivalent positions and asked for permission to either contact their members/visitors/customers through e-mail (in the case of the think tank, the church's open house, the students and the market association) or in some cases to come to their gatherings to conduct focus group interviews with the people present at this time (in the case of the youth recreation centre, the municipal open day-care centre and the elderly care centre). The reason I carried out some of the focus group interviews at meeting points for specific clusters of residents was that I saw this as the best way to engage residents who would otherwise be difficult to get to participate in research studies, such as teenagers or parents on parental leave. Most people at the meeting points wanted to participate in the discussion when I was there, with the exception of some who were busy with other activities. When it comes to the people who were invited by e-mail, around 80% of those I approached declined or simply neglected my e-mail. I continued to approach new people through the networks until I had enough to conduct the focus groups. It can of course not be ruled out that the people who did not want to participate in my research would have expressed other opinions than the people who choose to be part of the focus groups. In the end, six focus groups were put together for the first study, with a total of 33 residents (see Table 4). These residents represented the mix of people I aimed to find, e.g. the group consisted of both men and women, young and old (the youngest 14 years old and the oldest over 80 years old), immigrants (both teenagers and a man in his 50s) and native Swedes, unemployed, stay-at-home parents and people with high positions in the business world (such as a business owner, a bank manager and an editor-in-chief). Still, there are groups of residents I did not reach in my study, e.g. people living in the margins of society, such as those on long-term sick leave



or people with addiction problems. Most of the focus groups consisted of respondents who shared something in common, e.g., being students (Hair et al., 2011), even if two groups consisted of participants approached through different networks (Focus Group 2 and 5).

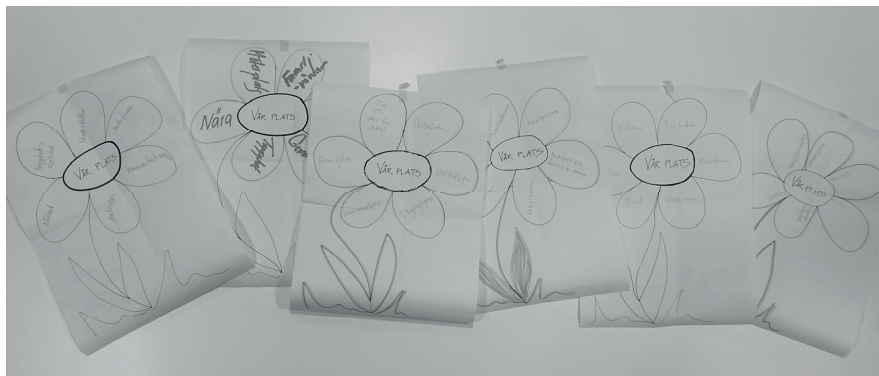
**Table 4: The composition of the focus groups with residents**

FOCUS GROUP	1	2	3	4	5	6
DATE OF FOCUS GROUP	31 May, 2016	31 May, 2016	1 June, 2016	8 June, 2016	16 June, 2016	29 June 2016
CASE SELECTION	Students	Think tank & Church's open house	Youth recreation centre	Municipal open day care centre	Think tank & Market association	Elderly care centre
PLACE OF FOCUS GROUP	University Campus	Meeting room in city centre	Youth recreation centre	Open day-care centre	Meeting room in city centre	Elderly care centre
NUMBER OF PARTICIPANTS	7	7	4	4	6	5
GENDER	Male: 4 Female: 3	Male: 3 Female: 4	Male: 2 Female: 2	Male: 2 Female: 2	Male: 3 Female: 3	Male: 1 Female: 4
AGE GROUP	21–30	21–55	14–30	25–40	21–55	70-

I strived to employ an intensive interviewing strategy, where I let the participants talk and I as the interviewer encouraged, listened and learned. I adjusted my interviewing style depending on the people in the focus group and the social context, my aim being to show respect for the traditions and situations of my participants (Charmaz, 2014). Interviewing business people belonging to a think tank, teenagers at a youth centre and eighty-year-olds at an elderly care centre demands very different interview skills. No matter the social context, I acted as a moderator for the focus groups and saw it as my key tasks to encourage discussion, but also to keep the group on track so that they did not stray too far from the primary topic. I strived to be personal and attentive in an effort to make the participants feel comfortable discussing the subject matter and to encourage comments from everyone, even the quiet respondents (Hair et al., 2011). The two most difficult groups to get to discuss and to express their opinions about these issues were the youth recreation centre and the elderly care centre. Here I was forced to adapt my focus group guide quite a lot and to ask more provocative questions to facilitate a discussion. On both these occasions, a person working at the youth recreation

centre or the elderly care centre assisted me and helped to spark the discussion. A semi-structured interview guide was designed to ensure that the different focus groups covered the same topics and to create a basis for the development of dependable and meaningful findings. At the same time, in light of the exploratory purpose of the study, the interview guide was left open to some extent and treated as a flexible tool to be revised. Collection of empirical material and analysis were interwoven to some extent, to facilitate the collection of new, and often better, empirical material. The questions were open-ended and designed to inspire conversation. For example, probing questions were posed, such as “*What reasons do you have to live where you live?*” and “*What could make you even more satisfied with the place in which you live?*”. These kinds of questions can be difficult for residents to answer, and the discussion was sometimes slow at the beginning. I believe the focus group format helped in getting participants to think about these issues because they could listen to others’ thoughts and feelings and react to what they were hearing. However, while this can benefit the discussion, one has to be aware that it is also one of the drawbacks of focus groups: There is risk that people will simply agree with whatever is being said. Moreover, the group format is not suitable for all personality types, and some participants can find it difficult to express their opinions in front of a group of people. To make full use of the dynamic potential of the focus group, the group was given a task to solve. Employing stimulus material has been highlighted as a way to encourage discussion in focus groups (Wibeck, 2000), and I also experienced that use of a task helped to drive the discussion. The task was to agree on six good reasons why the place where they lived was ‘a good place to live’. Practically, they were given a flower, symbolizing ‘our place’, with six petals they were to fill with reasons for why their place was ‘a good place to live’. The task created a valuable and insightful free-flowing group discussion, which captured the participants’ feelings and approach to ‘a good place to live’. The task also forced participants to talk to each other, which in some groups did not happen

spontaneously. The actual flowers produced (see Figure 5) were secondary, and not specifically used as findings.



**Figure 5: 'Place flowers' created during the focus group discussions**

The second focus group study was carried out during a meeting hosted by Skåne Nordost, a municipal collaboration, consisting of six municipalities in the same region. The sampling procedure was strategic and purposive, and participants were chosen based on a quota case selection (Miles et al., 2014). The local governments were represented by three main subgroups: municipal directors, politicians and municipal officials responsible for spatial planning. Furthermore, two more subgroups were represented, namely the regional government and the collaboration itself (see Paper 5 for more details). To maximize diversity within the focus groups, the professional roles of the participants were balanced, as were the municipalities they represented and gender. The three focus groups, with a total of 26 participants, were held simultaneously. Jens Hultman, my supervisor, and my colleague Felix Terman assisted me and acted as moderators for two of the focus group interviews. At this time, I was known to most of the people participating in the meeting and the focus groups. They were used to me and my research, which contributed positively to an open and informal atmosphere at the meeting. However, familiarity with my research may have influenced the participants in an unfavourable way, e.g. there is the risk that some of the participants tried to deliver what they thought I was looking for instead of answering my questions honestly. Just as for the first focus group study described above, a semi-structured focus group guide was designed to ensure that the focus groups covered the same topics and to create a basis for development of a reliable and

meaningful analysis. The guide played an even larger role in this study, considering that three different researchers conducted the interviews. The questions were open-ended and designed to inspire conversation; they revolved around three assignments. First, participants were asked to list the strengths and weaknesses of the region regarding its living conditions. Second, the groups were given the assignment to brainstorm about possible indicators of progress and growth in the region. Finally, the groups were asked to agree on three indicators that could complement the given indicators ‘population growth’ and ‘employment rate’ as key indicators for progress and growth. The discussions around these three tasks were used as a means to capture intraregional dynamics and dilemmas connected to regional performance indicators. The second focus group study was carried out as a part of a collaborative research project between me and Skåne Nordost. The active phase of this project lasted for eight months, and during this period participant observations took place on numerous occasions. By working together with the municipalities and participating in their project, I could move beyond observing at a distance, and understand their world and problems ‘first hand’ (Silverman, 2011). Being present and participating in work meetings and informal discussions provided me with clues and pointers that helped me to grasp the difficulties associated with identifying relevant indicators for success and growth for the region. These insights complement the findings from the focus group study and help me to make sense of the discussions in the focus group interviews.

## **Analysis of the empirical material**

As the analysis has involved different empirical material and been conducted for different unique purposes, the analytical procedures are described in detail in each of the empirical papers (Paper 2, 3, 4 and 5). In this section, I discuss the overarching perspectives that have guided the analyses and provide insights into the procedures these have involved. When looking back and reflecting on how I have analysed my empirical material at different stages in the research process, it becomes clear that the method of analysis has developed throughout the research process. Nevertheless, certain analytical procedures have been the same throughout the thesis, e.g., qualitative data reduction and sense-making efforts attempting to identify core consistencies and meanings (Patton, 2002). As discussed, my studies and subsequent analyses have been influenced by my research questions, theoretical underpinnings and previous studies on the topic. Still, considering the exploratory approach, I have been open to the empirical

material to a great degree. In particular, I have explored the phenomenon in an inductive way, with inspiration from Charmaz's (2014) view of grounded theory, in the later studies conducted in the third and final phase of the research. In this section, I focus on similarities related to the overarching approach to analysing the empirical material by introducing some common procedures underlying the different analyses conducted in this thesis. I pay special attention to how themes and categories have been used in the focused analysis of the empirical material.

Certain analytical procedures have been the same throughout the thesis and for all papers. First, collection of empirical material and analysis have been interwoven throughout the process. Typically, analysis and theorization have started during the interviews and focus groups discussions, but have become more intense during transliteration and more structured during the formal analysis stages. Simultaneously collecting and analysing the empirical material can help the researcher to go further and deeper into the research problem, as well as to start developing categories (Charmaz, 2014). I used memo-writing during the entire research process as a tool to help me with my early analysis. More specifically, memo-writing helped me to develop ideas early on, to start the theorization and to interpret what had been expressed in the interviews as well as to start constructing concepts and models to make sense of what I had heard and experienced. This was also a way for me to focus the interviews by improving and altering the interview guide between interviews. Second, all interviews and focus groups have been recorded. According to Silverman (2011), it is not possible to simply rely on notes or recollections of interviews and conversations. The recordings can be replayed; they preserve sequences of talk and help us to remember details. Interviews have typically been audio-recorded, while focus groups have been video-recorded. Video-recording the focus group discussions has facilitated the transliteration and analysis, as it has been possible to safely identify who says what and also to capture body language and facial expressions, which makes the true intent of statements and conversations clearer. The interviewees and participants in the focus groups were informed about the recording in advance. No one refused to be recorded. Third, the recorded material has been transcribed. The interviews were conducted in Swedish and transcribed in Swedish. I have translated the material into English first after the analyses, and then only the material I have used for displaying my empirical material. Recording and transcribing material has several benefits. It corrects the natural limitations of our memories, allows more thorough and repeated examination of what people say and opens up the material to scrutiny by other researchers; it also allows the material to be reused

in other ways than those first intended (Bryman and Bell, 2015). I have conducted the transcriptions myself, which allowed me to intensify the analysis of the material already during the transcription phase. Paper two is based on interviews with municipal politicians and public officials, and in this case reduction of the empirical material started already during the transcription, as only material that dealt with the key elements of the study was transcribed. The other empirical material is transcribed in its entirety.

Finally, some type of coding and thematization has been used to structure and make sense of the empirical material in all analyses. Nevertheless, as indicated, the empirical materials have been, to some extent, subject to different forms of analysis suited to the purpose of the different papers. The empirical material for Paper 2 is analysed in line with content analysis (Miles and Huberman, 1994), where the main focus is to provide an overview of the central categories studied. Analysis of the empirical material for this paper follows a four-step framework for analysing qualitative material, developed by Miles and Huberman (1994). The analysis thus followed four basic steps: data collection, data reduction, data display and drawing conclusions. To display the empirical material, a priori (Smith, 2000) coding categories were used, where overarching categories were specified before the material was examined. These categories were derived from the service-based logic and the overarching dimensions were set to *value propositions* and *interactions with residents*. Considering the explorative purpose of the study, it was crucial to be open to the empirical material and, thus, further coding and analysis were inductive. In other words, theoretical underpinnings offered a direction for the study and consequent analysis, while the more detailed analysis was grounded in the empirical material. The coded material was grouped and further condensed to include only unique statements or arguments. Themes were then extracted from the empirical material by two researchers independently; the result was compared, and the few differences discussed until consensus was reached concerning the most appropriate themes. In my attempt to systematize the empirical material, there are some traces of quantitative reasoning, in that ideas mentioned by only one participant were not included and the number of interviewees who mentioned the dimension and items was accounted for in the findings. In qualitative research, figures naturally tend to be ignored, as the purpose of qualitative research is to go beyond how much there is of something and instead offer a deeper analysis focused on essential qualities. Still, Miles et al. (2014) argue that a lot of counting goes on in the background when judgements of qualities are being made and that numbers can make you see

what you have in a large set of empirical material and also keep you analytically honest and more comfortable about the claims you are making.

As highlighted during the discussion about collection of empirical material, my sensitivity to the empirical material has grown throughout the research process. This has had effects both on how I have used the interview to gather empirical material and on how I have approached and analysed the material for Paper 2, 3, 4 and 5. Analyses in subsequent work have been inspired by Charmaz's (2014) views on analysing empirical material. Charmaz has strong faith in empirical material. Thus, the interview transcripts have been very central, and the process of analysing the empirical material has started with a close reading of the text (Thomas, 2006). I have read the transcripts in detail until I have felt familiar with their content and started to develop an understanding of the themes and events covered in the text. Then, the material has been condensed through various steps of coding. This can be seen as a process of *categorical reduction*, where certain parts of the material are excluded to make the material more manageable and theoretically interesting (Rennstam and Wästerfors, 2015). Codes are labels attached to specific parts of the material that vary in size. It can be a word or short phrase that in some way assigns a summative and essence-capturing attribute to a portion of the transcript. As Miles et al. (2014) argue, coding is thus analysis, as it is a deep reflection and interpretation of the empirical material's meaning. Different types of codes have been used for the different analyses. Typically, the analyses have contained more than one round of coding. In the initial coding phase, in vivo coding (Miles et al., 2014) was used for both Paper 3 and Paper 5, i.e., words or short phrases from the participant's own statements were used. Typical codes could be: *"Everyone is nice to each other here"*, *"It's cool to live somewhere where there's a history"* or *"Cheap house prices"*. In Paper 4, the material was primarily coded for action, i.e., the ambition was to code using words that reflect an activity (Charmaz, 2014). Here typical codes could be: *"Talking positively about their place"*, *"Making things happen"* or *"Bringing people together"*.

After initial coding, the analytical process moved on to more focused coding, where I searched for patterns and themes in the material and focused on grouping statements with similar meanings. Clustering is a common tactic used at many levels to qualitative material and can be seen as a process of moving to higher levels of abstraction (Miles et al., 2014). Clustering is thus a process to inductively form categories and the iterative sorting of statements into those categories. During these processes, I have constantly moved back and forth



between the empirical material and my categories. Practically, I have most often printed my codes, and sometimes codified extracts from interviews, working on the puzzle until I have found a structure in the material that appears plausible and makes good sense. Other people have been invited into this process, to challenge my ideas early on and to ensure that the analysis makes sense to others as well. Figure 6 shows such a puzzle being put together for Paper 3. The empirical material was labelled with our own categories, which meant we defined what the empirical material concerned. Furthermore, with the theoretical framework as a background, the categories were divided into value propositions, co-created value positions and value-in-use. The puzzle was placed on a table in my office for several weeks, allowing me to re-visit and adjust the categories, but also to invite others, such as colleagues and students, to participate in the process by letting them question the logic of the puzzle.

**Figure 6: Clustering for Paper 3**



I used memo-writing to think about the empirical material and to discover ideas and themes within the paragraphs highlighted in the initial coding of the material. I brought the raw material into the memo and started to sort and order codes and clustered the material into categories, which in the end resulted in three metaphors capturing main dilemmas in selecting performance indicators.

## Considering the quality of the work

It is important to evaluate the quality of my research, no matter the scientific methodology employed (Silverman, 2011; Charmaz, 2014; Miles et al., 2014, to mention a few). While the trustworthiness of quantitative research is mainly established through statistical procedures, qualitative research must be evaluated in other ways. My result needs to make sense to my audiences, and in qualitative research trustworthiness is often assessed through the credibility of the research (Lincoln and Guba, 1985; Silverman, 2011; Charmaz, 2014). Silverman (2011) highlights criteria that he believes research findings, regardless of whether they are qualitative or quantitative, need to satisfy if they are to be regarded as credible. The research should build on existing knowledge, constructs should be explained and operationalized, and the connection between theory and the empirical material should be clearly articulated. Furthermore, the case selection needs to be described and explained, and it is vital to provide a clear and detailed description of both the collection and analysis techniques of the empirical material. It is also important to be able to anticipate potential reviewer objections and to specify the limitations of the research. Finally, it is necessary to describe the significance of the research and discuss the significance beyond the specific cases selected. Charmaz (2014) agrees with many of Silverman's claims, but also stresses the importance of achieving an intimate familiarity with the setting and that the empirical material should be sufficient to merit your claims. Moreover, she highlights that the categories, or themes, derived from the empirical material need to cover a wide range of empirical observations as well as the need to make systematic comparisons between observations and between categories. According to Charmaz (2014), the credibility of the research can be boiled down to whether your research provides enough evidence for your claims to allow a reader to form an independent assessment and agree with your conclusions and claims. Another important aspect related to the trustworthiness of qualitative research is transferability (Lincoln and Guba,

1985; Miles et al., 2014). Issues of transferability refer to the question of whether the findings from a given study in some other context at some other time (Lincoln and Guba, 1985). To enable readers to reach their own conclusion as to whether the findings in this study can be transferred to other settings, it is important to provide comprehensive descriptions of the research setting and context as well to offer transparency regarding the analysis.

Although I believe it is up to others to assess and comment on the trustworthiness and credibility of my research, I would like to elaborate on how I have reasoned when planning my work, in relation to ensuring the credibility of my study. Lincoln and Guba (1985) argue for activities that increase the probability that credible findings will be developed. Prolonged engagement, i.e. investing sufficient time to learn the ‘culture’ and understand the research subject, is one such crucial activity. I have worked alongside the municipalities included in my study during almost the entire research process. The first meeting with representatives from the municipalities took place in September 2012, the first interviews during the spring of 2014 and the last focus groups during the summer of 2017. I have been actively involved in a project run by a municipal collaboration, Skåne Nordost, 2016-2017. My prolonged engagement with the municipalities has allowed me to build trust and increase my understanding of the research subject, which ought to also have impacted the credibility of my research. My prolonged engagement with the research setting has also allowed me to easily work with member checks (Lincoln and Guba, 1985), i.e., I have been able to discuss my interpretations and conclusions with my respondents. In order to strengthen the design of the study, I have also worked with triangulation through the use of multiple and different sources and methods (Lincoln and Guba, 1985; Thurmond, 2001). There are traces of both *data source triangulation* and *methodological triangulation*. My sources for the empirical material vary, as I have collected material in two different municipalities. I have interviewed several public officials and politicians, but also residents, to verify the findings, and my ambition has been to select respondents (both residents and representatives from the municipalities) who represent different views. Furthermore, I use within-method triangulation (Thurmond, 2001), i.e., more than one qualitative data collection procedure in the design. Apart from using multiple cases of one type of source, i.e. several interviews, I have also aimed to use different sources, such as both interviews and focus group interviews. Moreover, I have used secondary information in the form of documentation to verify information gained through interviews, for example the municipal webpages and annual reports. When appropriate, observations have been used to further complement

the interviews. All ‘raw’ material has been archived, both in the form of video and audio files but also the transcripts, allowing me to return to the original empirical material.

I have from time to time conducted research accompanied by a fellow researcher. For example, one of my supervisors and co-author of a paper joined me during an interview with a public official, and another supervisor, and co-author of another paper, was involved in some focus group discussions. Having an additional pair of eyes has been rewarding. My co-authors have also been involved in selected parts of the analysis of the empirical material. The fact that I have not been totally alone in my research ought to increase the credibility of my study. Discussing my research with other researchers, what Lincoln and Guba (1985) call ‘peer debriefing’, has played an important role throughout my research process. Apart from coaching sessions with my supervisors, I have actively discussed my research at different stages at international conferences as well as at research seminars at Kristianstad University, where my ideas were challenged early in the research process. I believe this has improved my research substantially. Furthermore, the methodological courses I have participated in during my time as a PhD student has increased my awareness of how I design and carry out my research; it has caused me to continuously question my decisions and approach.

Another important technique for generally improving the trustworthiness of my research has been memo-writing (Charmaz, 2014), or what Lincoln and Guba (1985) call a ‘reflexive journal’. Writing memos during the research process has encouraged me to start the analytical process early and made it progressively stronger, clearer and more theoretical, at the same time as it has provided me with information about the methodological decisions made and the reasons for making them.

## Empirical setting

In contrast to much other research within the field of place marketing, which has often empirically investigated well-known and popular places (e.g., Darchen and Tremblay, 2010; Kerr and Balakrishnan, 2012), the present empirical material was collected in medium-sized municipalities in north-eastern Skåne, a region in southern Sweden. In a European context, Sweden and the rest of the Nordic countries are, to some extent, unique in that they

have low population densities and large and sparsely populated areas. Furthermore, Sweden is among the countries of the world that spend the highest percentage of gross domestic product on public social benefits (OECD, 2018). The money goes, among other things, to entirely tax-financed education, heavily tax-subsidized healthcare, a basic pension guaranteed by the state and unemployment insurance. To support these social services, all levels of government receive their share of tax revenues: the municipality, the regions and the national government. Swedish municipalities and regions are responsible for providing a significant proportion of all public services, and local and regional governments have a great deal of freedom to organize their activities (Persson, 2010). Sweden, and the rest of the Nordic countries, have a well-developed democratic system and a systematic approach to citizen participation has evolved with a focus on developing a better working democracy. My research is conducted in this rather unique Nordic context.

The empirical material was primarily collected in two typical municipalities: Hässleholm and Kristianstad. The purpose of typical case selection is that the cases can illustrate or highlight what is typical, normal and average (Patton, 2002). The municipalities in this study are fairly typical for Sweden as regards, for example, size, rankings of satisfied residents, and the municipal emphasis on resident dialogue.

Hässleholm Municipality has around 52,000 inhabitants. Kristianstad Municipality has around 85,000 inhabitants, around 40,000 of whom live in the city centre. Both municipalities are experiencing slow but steady growth. In Kristianstad, four right-wing parties together are governing the municipality during the period 2018-2022 (Kristianstad Municipality, 2019). The municipality has experienced a relatively stable political situation over the past decade. Hässleholm, on the other hand, has experienced, and is still experiencing, an unstable political situation where it has been difficult to decide who should govern. In the latest election in 2018, the Sweden Democrats, a national-conservative right-wing party, won the election in Hässleholm, but does not have the majority to govern on their own (Hässleholm Municipality, 2019). Kristianstad is the largest city in the north-eastern Skåne region, and it is a commercial city, famous for its wetlands and its biosphere reserve. It is also a university city, where 14,000 students study at Kristianstad University. Hässleholm Municipality, on the other hand, has industrial traditions and excellent communications, as it is a railway hub for the region. Land and property prices are low. Both municipalities have higher

unemployment rates than the average in Sweden, partly due to a low-educated population and immigration.

As introduced, the municipalities of Hässleholm and Kristianstad are positioned in southern Sweden, in the northeast part of the region of Skåne. There are 20 regions in Sweden and they have extended responsibility for regional development (SKL, 2017). Skåne is a conurbation with a multi-core urban structure. Of the around 250 urban areas in Skåne, seven have been identified as regional hubs: Malmö, Lund, Helsingborg, Landskrona, Ystad, Hässleholm and Kristianstad, and there is a strong belief that the larger cities can take the lead in development and growth. In many contexts, Skåne is divided into its four corners: north-western, north-eastern, south-western and south-eastern areas (Region Skåne and Helsingborgs stad, 2017). The southwest corner, with the cities Malmö-Lund and the direct link to Copenhagen, is the part of Skåne that is experiencing the greatest growth in the form of population and job growth. The north-eastern corner of Skåne, with Hässleholm and Kristianstad as regional hubs, has not experienced the same growth and Region Skåne emphasizes the need to strengthen the northeast part of Skåne, which contributes to making Hässleholm and Kristianstad an interesting case for this study.

A collaboration, Skåne Nordost, between six municipalities in the northeast part of Skåne (Bromölla, Hässleholm, Hörby, Kristianstad, Osby and Östra Göinge) has been established to stimulate and facilitate cooperation and growth in the sub-region. The main focus for the collaboration is growth and that more residents should have employment (Skåne Nordost, 2016). The cooperation is organized around four strategic fields: business, employment market and competence development, community planning and infrastructure and the growth engine focused on the cities of Kristianstad and Hässleholm. Thus, the empirical setting covers not only the municipalities of Hässleholm and Kristianstad, but also extends to the sub-region Skåne Nordost.

I used empirical material collected in the municipalities of Hässleholm and Kristianstad for Paper 2, 3 and 4. Paper 5 is based on empirical material collected with the help of focus group discussions with representatives from all the six municipalities, including Hässleholm and Kristianstad, in the collaboration Skåne Nordost.

## Chapter 4

# The papers

In this section, the five papers are presented. The papers constitute the core of this thesis, and it is in them the empirical findings and analyses can be found. Before the separate papers are presented, an overview of them is provided including a summary of their respective purposes, methodological approaches and findings.

### Overview of the papers

Table 5 provides an overview of the compilation of papers constituting this thesis, including where in the research process the respective papers are, i.e., the level of scientific scrutiny they have received. It also outlines the purposes, methodological approaches and findings of each of the papers. Because some of the papers are co-authored, my contribution to these articles is specified as a percentage. Paper 2 and 3 are co-authored with a supervisor, while the co-author of Paper 5 is a public official working at one of the municipalities I studied.

**Table 5: Overview of the papers**

PAPER AND AUTHOR(S)	PURPOSE	TYPE OF PAPER / METHOD	MAIN FINDINGS	CONFERENCE PRESENTATION AND PUBLICATION (IF APPLICABLE)
<p>1. Rethinking the branding context for municipalities. From municipal dominance to resident dominance.</p> <p>Author: Lisa Källström</p>	<p>Purpose: to explore the marketing context for the municipality and to develop a conceptual framework to generate knowledge about the place context and the residents' role.</p>	<p>Conceptual</p>	<p>This paper reviews previous research on residents' place satisfaction and how the place context is approached. In particular it argues that previous research is provider dominant to a large degree and too focused on evaluating the place product. A new conceptual framework is suggested, proposing that more attention be devoted to the residents' value creation in a place context and to the relationship between the provider and the user, where co-creation plays an important role.</p>	<p>Scandinavian Journal of Public Administration, (2016), 20(2): 77-96.</p>
<p>2. What can a municipality offer to its residents? 'Value propositions and interaction in a place context.'</p> <p>Authors: Lisa Källström (80%) and Christer Ekelund (20%)</p>	<p>Purpose: to explore the role of the municipality in the place context and to describe how municipalities work on making their municipality 'a good place to live'.</p>	<p>Empirical</p> <p>Semi-structured in-depth interviews</p>	<p>This paper shows six dimensions of value propositions the municipality believes it offers to its residents: Geographical location and the natural environment, Basic and essential services, Accommodations, Urban quality, Recreation and leisure and Ambience. It also gives insights into how the municipalities work on creating interactions with their residents. This paper, thus, improves our understanding of how municipalities work on making their place good to live in.</p>	<p>The international conference on Destination Branding and Marketing (DBM-V), Macau (2014).</p> <p>Paper awarded: The Best paper-Runner-up.</p> <p>International Journal of Culture, Tourism and Hospitality Research, (2016), 10(1): 24-37.</p>
<p>3. Place satisfaction revisited. - Residents' perceptions of "a good place to live".</p>	<p>Purpose: to strengthen the conceptual framing of place satisfaction by using service-based logic as theoretical backdrop and to</p>	<p>Empirical</p> <p>Semi-structured focus group interviews</p>	<p>This paper creates a bridge between the stream of research on place satisfaction and studies that take stakeholders and co-creation into consideration. Place attributes are classified into two kinds of value</p>	<p>International Place Branding Association Inaugural Annual Conference (IPBA), London (2016).</p>

Authors: Lisa Källström (80%) and Jens Hultman (20%)	explore the role co-creation plays in place satisfaction.		propositions (produced in the provider sphere or co-created in a joint sphere) and reveals new value propositions not highlighted in previous research. Furthermore, what kind of value-in-use the residents create in the place context is also explored. Thus, the paper improves our understanding of residents' perception of 'a good place to live' and how residents create value in a place context.	Journal of Place Management and Development, (Fortcoming)
4. A place to live –A typology of stakeholder co-creation activities.	Purpose: to open up the 'black box' of co-creation, and to explore the stakeholder co-creation activities behind making a place to live.	Empirical  Semi-structured in-depth interviews and Semi-structured focus group interviews	This paper shows that place co-creation consists of six main activities: Handling, Enabling, Operating, Social networking, Supporting and Representing. Thus, the paper helps us to understand the different activities that take place in the co-creation of a place to live as well as increases our understanding of the roles of different stakeholders.	International Research Society for Public Management (IRSPM) 21st Annual Conference, Budapest (2017).  Paper awarded: The Best New Researchers "Osborne" Award.
5. Selecting indicators for progress and growth in a region: Dilemmas and intraregional dynamics.	Purpose: to analyse the difficulties in choosing relevant indicators for evaluating place attractiveness and positive development in a region, and to capture key dilemmas.	Empirical  Semi-structured focus group interviews and Participant observations	Using three metaphors – 'The chicken or the egg dilemma', 'A blessing or a curse' and 'No man is an island' – this paper shows three fundamental dilemmas in choosing relevant indicators for evaluating place attractiveness and positive development in a region. It also provides insights into how municipalities want to assess their development and growth. Thus, the paper increases our understanding of the complexity of the place context and the difficulties associated with choosing relevant indicators.	Nordiska Kommunforskar-konferensen (NORKOM), Reykjavik (2017).
Authors: Lisa Källström (90%) and Ann-Mari Lindberg (10%)				



The respective papers, thus, contribute to our understanding of ‘a good place to live’ in different ways. Figure 7 shows a simplified illustration of a resident’s value creation process in the place context, showing how the different papers contribute different pieces of the puzzle.

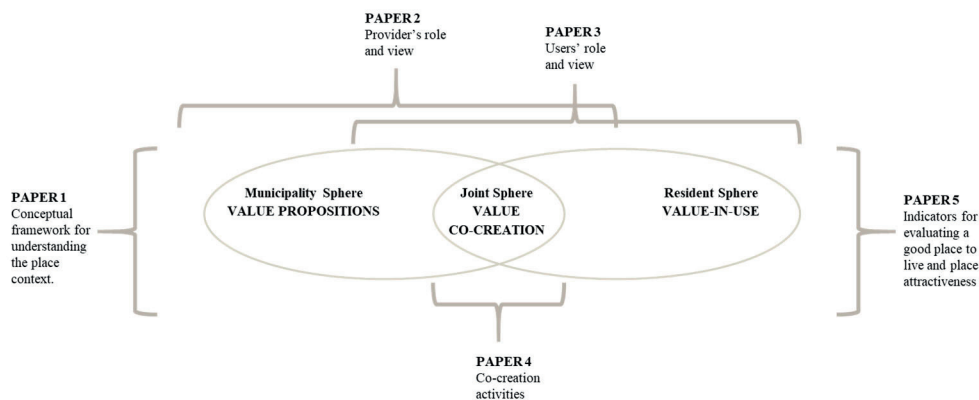


Figure 7: Illustration of the papers’ respective contributions

Paper 1 contributes a conceptual framework, which helps us to understand the place context. Paper 2 and 3 then study ‘a good place to live’ empirically: Paper 2 from the provider’s perspective and Paper 3 from the residents’ perspective. Inspired by what I saw in my empirical studies, Paper 4 explores co-creation activities in a place context and, thus, specifically studies the interaction between stakeholders and how they together co-create the place. Lastly, Paper 5 is focused on indicator systems to assess ‘a good place to live’ and to evaluate urban development. The difficulties of selecting indicators are highlighted by introducing three fundamental dilemmas.





# Rethinking the Branding Context for Municipalities. From Municipal Dominance to Resident Dominance

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## Abstract

The increased global connectivity and mobility of both humans and capital has created competition between municipalities in attracting the resources needed to achieve their developmental goals. A call for papers focusing on reputation and brand management in Scandinavian municipalities has been announced. Today, it is absolutely necessary to be an attractive place and municipality, and brand management can be a tool in both achieving and communicating this. For branding to be effective, it is critical to have a good understanding of the branding context, and this conceptual paper explores the branding context for municipalities by analysing it—firstly, based on a product-oriented paradigm and, secondly, on service-based logics. It is argued that much of current place management and place branding research rests on belief in the product-oriented paradigm and thus focuses largely on the provider. In contrast, using service-based logics as a starting point places value creation at the center and shifts the focus to the resident. This has several theoretical and methodological consequences as well as practical implications for Scandinavian municipalities, and these will be discussed in the paper.

## Introduction

The increased global connectivity and mobility of both humans and capital has created competition between municipalities in attracting the resources needed to achieve their developmental goals (Kavaratzis & Ashworth, 2008; Insch & Florek, 2010; Waeraas & Björnå, 2011; Waeraas et al., 2014). More and more municipalities in Scandinavia have realised the importance of being an attractive place and municipality and of having a strong image and brand (KL, 2008). At the same time as competition between places has intensified, the fields of municipal branding and municipal reputation management have experienced a rapid rise in popularity over the past decade (Nielsen & Salomonsen, 2012; Ryan, 2007), as have the fields of place marketing and place branding (Caldwell & Freire, 2004; Nedomysl & Jonasson, 2012). Almost 80.2 percent of Norwegian municipalities acknowledge that they have become more concerned with reputation management over the past few years (Waeraas et al., 2014), and municipal branding is frequently highlighted as important (KL, 2008). Corporate branding has gained increasing popularity in the last ten years in public sectors in the Western world (Waeraas, 2008). Today, it is absolutely necessary to be an attractive municipality and place, and branding is believed to be a tool in both achieving and communicating this.

For branding to be effective, it is critical to have a good understanding of the branding context. This paper is an attempt to achieve such an understanding (Yadav, 2010), and its purpose is to explore the branding context for the municipality and to develop a conceptual framework that can generate knowledge about

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Place branding  
Municipal reputation man-  
agement  
Service-based logics  
Resident place satisfaction  
Resident value-in-use

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the branding context and the role of the residents. This will have implications for both theory and practice and help municipalities develop a more effective branding strategy, both for the place and for the municipality.

It is important to recognise the complexity of a municipality. A municipality can be seen as a geographic entity, an organisation, and a political institution (Waeraas et al., 2014). For the present purposes, the municipality is primarily seen as an organisation. The municipality needs to market and brand both its own organisation and the place, which is closely associated with the municipality and for which the municipality is an important provider. Municipality branding and place branding are closely connected because the municipality is an important provider of both.

This paper argues that the branding context for the municipality needs to be further explored. Even though there is a growing consensus that public organisations can benefit from marketing, it is frequently stressed that the public sector represents a more challenging context than the private sector (Ryan, 2007; Waeraas, 2008; Whelan et al., 2010), requiring a different approach toward, for example, branding. It has been suggested that service-based logics are the new dominant paradigm for the marketing field, and they have changed the way many marketing researchers view the branding context. Warnaby (2009) explicitly suggests that place branding researchers would benefit from looking at service-based logics (e.g., Grönroos, 2006; Vargo & Lusch, 2004) for inspiration to develop the field, because such logics would help shed light on what is truly important for successful place brand management. Public organisations are typical service providers (Waeraas, 2008), which further strengthens the relevance of service-based logics for the municipal branding context. It has also been argued that branding in general would benefit from using the ideas of service-based logics, because these ideas would further our understanding of brands and branding (Merz et al., 2009).

The branding context for municipalities is explored in this paper. The traditional product-oriented paradigm, which is argued to dominate much of the existing municipality branding and municipal reputation management as well as place branding research, is contrasted to the perspective of service-based logics. It is argued that service-based logics constitute a more suitable frame of reference for branding, and this changes how the branding context for municipalities is understood as well as what the dominant unit of analysis ought to be.

Lately there has been increased interest in the user—that is, the customer—within service-based logics (Grönroos & Voima, 2013; Heino et al., 2010), and the customer plays a major role within the paradigm. An interest in stakeholders and customer orientation also has been emphasized lately in municipality branding (KL, 2008), public sector corporate branding (Whelan et al., 2010), as well as in place branding (Braun et al., 2013). However, the fields seem to lack a suitable theoretical framework that emphasises the stakeholder (Braun et al., 2013). As stated, service-based logics are used as a foundation in this paper, which will focus on stakeholders and their role in the branding context, thus

filling a current gap in the research, which has important consequences for municipalities.

In the following sections, the place, place provider, and place stakeholder will first be discussed. Second, the branding context for the municipality will be analysed, initially based on a product-oriented paradigm and then on service-based logics. It will be argued that much of the current place management and place branding research rests on the beliefs of the product-oriented paradigm and focuses, thus, largely on the provider. In contrast, using service-based logics as a starting point puts value creation in the centre and shifts the focus to the resident, which has several theoretical and methodological as well as practical implications that will be outlined at the end of the paper.

## **Definitions and problematisation of the place, place provider, and place stakeholder**

An established definition of place marketing is that provided by Braun:

The coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large. (Braun, 2008, p. 43)

According to Braun's definition of place marketing, the place must be regarded as valuable urban offerings. Seeing the place as urban offerings implies that a place is a composition of a multitude of different services and products (Hankinson, 2010). The place of course can also be defined based on geography, where it is seen as a specific geographical area. It is, however, seldom the geographical area that is the main interest. The area certainly provides specific conditions such as its location relative to other destinations (Insch & Florek, 2010) and its access to water (Zenker et al., 2013) and nature (Merrilees et al., 2009), which constitute important parts of the place concept. What is made of these conditions and the activity in the geographical area, however, is often of greater interest than the geographical area per se. In this paper, a "place" is seen as the urban offerings accessible within a municipality's borders.

In Sweden, the municipalities are responsible for a large proportion of community services, such as preschools, schools, social services, elderly care, city planning, housing, environmental protection, waste disposal, and water and sewer services. The municipalities are obligated by law to offer certain services, whereas other services and businesses are voluntary and determined by local politicians. Thus, the municipality has good opportunities to form the urban offerings—that is, the place. The municipality, however, is certainly not the only place provider. The urban offerings are provided by a number of different companies and organisations, and the place can be seen as co-produced by a multitude of autonomous organisations (Hankinson, 2010). For many offerings, there

are a multitude of different providers who together create a good offering of, for example, culture. Even if it is recognised that there are many providers and organisations accountable for a place, the role and great responsibility placed on municipalities imply that the municipality is a key place provider. This paper is focused on the municipality as an important place provider. Not considering other place providers implies a considerable simplification; for the purpose of the present analysis; however, the simplification is of no great significance.

A place has a diverse group of stakeholders that includes main groups such as residents, companies, and visitors (e.g., Hospers, 2004; Braun, 2008). To develop and enhance a place means creating and developing a good place for all stakeholders. However, because of the multitude of stakeholders and their unique needs, it is extremely difficult to develop one place brand that is suitable for all stakeholder groups (Zenker & Beckmann, 2013). Instead, the place can be seen as an umbrella brand where different brands are developed for different place stakeholders, although all belong to the same brand family (Kavaratzis & Ashworth, 2005). The present paper is focused on residents as one very important stakeholder group (Insch & Florek, 2010; Zenker et al., 2013). Local taxes represent around 70 percent of the municipalities' revenues, and consequently residents play an important role in municipal finances. Owing to technological advances and changes in their age structure, for example, residents today tend to be more flexible and more willing to move than ever before (Niedomysl, 2010). For this reason, one key goal for municipalities ought to be to create a good place for residents to live in, enabling municipalities to keep existing residents and attract new ones, thus contributing to the general economic development of the place. Furthermore, residents are not only passive place customers, but also active parts of the place and co-producers of public goods, services, and policies (Zenker et al., 2013), which makes them an especially interesting stakeholder group. The people living in a place are sometimes referred to as *residents* (e.g., Insch & Florek, 2008; Insch, 2010) and sometimes as *citizens* (e.g., Ryzin et al., 2004; Zenker et al., 2013). These two terms seem to be used interchangeably within the place branding field, although some (Braun et al., 2013) have claimed that the term *citizens* refers more to people with political power who can choose their local government officials. In the present paper, the term *resident* is used.

## The product-oriented paradigm as a starting point

Place branding is a multidisciplinary field developed in academic disciplines such as geography, urban studies, public administration, sociology, and marketing. As a consequence, the place and place branding are viewed and defined differently across the field, and many different exploratory approaches can be identified. Place branding is sometimes interpreted as a way to make places famous, for example, and thus it is seen as a set of techniques used to enhance the place image. This interpretation of place branding has been widely criticised (e.g., Anholt, 2010; Warnaby, 2009), however, for offering too narrow a view of

the large and important field of place branding. Anholt (2010) argued instead that place branding should be seen as a process of accumulation of respect and liking for a place that goes on largely in the mind of the resident. This interpretation implies that one key goal of place branding is to develop a place that residents find attractive. It is important, however, to stress that public organisations exist to serve the public interest, which makes public organisations into complex entities, which are obligated to emphasise wider and often conflicting political, economic, and social interests; as a result it is necessary to balance the need to be resident-oriented and to be authoritative (Waeraas, 2008).

It is recognised within the field of public sector corporate branding, as well as place branding, that the outcome and success of a place cannot be articulated only in economic terms, and that measurement of the success requires the use of experiential dimensions (Bouckaert & Van de Walle, 2003; Rhee & Rha, 2009; Roch & Poister, 2006; Warnaby, 2009; Whelan et al., 2010; Zenker, 2011; Zenker & Martin, 2011). Quality of life (Warnaby, 2009), citizen equity (Zenker & Martin, 2011), and satisfaction (Bouckaert & Van de Walle, 2003; Insch & Florek, 2008; Whelan et al., 2010; Rhee & Rha, 2009; Roch & Poister, 2006; Ryzin et al., 2004; Zenker et al., 2013), for example, have frequently been used to measure place success. Place attractiveness is also an interesting research field; Florida (e.g., 2002), for example, has made great contributions through his work on the creative class as a key group of people for government and local authorities to attract. As people reach a certain level of material wealth, their focus will turn to the more immaterial aspects of life, and the attractiveness of a place will be more important to residents. To summarise, outcomes such as place satisfaction and place attractiveness are commonly used in place branding, and residents' opinions are regarded as important.

Outcome consumption is an important aspect of the product-oriented paradigm (Grönroos, 1998), and consequently, measurements such as satisfaction become important. The strong emphasis within municipality branding and place branding on measuring place satisfaction (e.g., Zenker et al., 2013; Insch & Florek, 2008) implies that place branding and municipality branding rest on the beliefs of the product-oriented paradigm.

The provider, the product, and the customers are the three key units of analysis in the product-oriented paradigm (Grönroos, 1998). These three units are also highlighted frequently in current place branding. The main unit of analysis is the place providers, among which the municipality plays an important role. When it comes to branding, the municipality has three important purposes. First, the municipality should find out what place features interest residents. This aspect of place branding is often described as *customer orientation* (Kavaratzis & Ashworth, 2005). Second, the municipality should develop the place so that it contains the features asked for by residents. Third, the municipality should market the place and make promises to residents through external marketing activities. With some exceptions (e.g., Braun et al., 2013), the municipality treats the branding process as a closed process in which residents take no direct part. If the place includes features that residents want, it is believed that the place will fulfil,



almost on its own, the promises that have been made to residents. The place is designed and delivered as a pre-packaged product, and the recipient is the general market. The place branding context, seen in relation to a product-oriented paradigm, is illustrated in Figure 1.



Figure 1: The Branding Context seen in relation to a Product-Oriented Paradigm (adapted from Grönroos, 1998).

**Municipal dominance as a consequence of the product-oriented paradigm**  
As a consequence of being founded on ideas from the product-oriented paradigm, current place branding research and municipality reputation management is provider-dominant to a large degree, and thus the municipality is in focus. Zenker and Martin (2011) wrote:

The nature of customer-centricity lies not in how to sell products but rather in creating value for the customer and, in the process, creating value for the firm... (Zenker & Martin, 2011, p. 35)

Although this statement seems customer-oriented at first glance, it reveals one of the major arguments for the notion that current research is provider-dominant. The place and the municipality are seen as “creating value for” (Zenker & Martin, 2011, p. 35) the resident. Because the municipality and the place itself are viewed as the unit that can create value, this becomes the most important unit of analysis, which is thus the reason that much of place branding research is focused on place attributes and place providers, such as municipalities.

That the place rather than the resident is at the centre of current place branding studies is supported by the fact that the starting points of studies tend to be the place, the country or city (see, e.g., Insch & Florek, 2010; Zenker et al., 2013). The most common way of including residents is to ask them to rate places

(Niedomysl, 2010), and the attention actually given to residents is limited to their thoughts on a number of the place attributes provided to them. The purpose of studies on resident place satisfaction seems to be to reveal underlying dimensions of a resident's perception about a place, and thus what many of these studies have in common is that they focus primarily on how to depict a city, which implies that the place, and not residents, is at the centre. The desires and needs of residents are not in focus. Thus, many studies take the providers and the place as their starting point, and thus the municipality dominance is significant.

Furthermore, apart from residents' opinions about the place, little emphasis is placed on getting to know residents. Basic information about them is often included in studies, but frequently treated more as background information than as a way to understand different residents' needs and desires (e.g., Insch, 2010; Insch & Florek, 2010; Zenker et al., 2013). Residents are typically treated as one homogenous group, although some conclusions are based on, for example, income level differences within the group (Merrilees et al., 2009; Ryzin et al., 2004). The lack of emphasis on residents' life supports the notion that current place branding is dominated by the municipality and other providers.

To conclude, even if there currently seems to be a strong interest in residents (Olsson & Berglund, 2009), they play a relatively subordinated role in current place branding and municipality reputation management. Traditionally, the dominant unit of analysis is the place and what it has to offer, rather than the different kinds of residents living there and their unique desires and needs. The branding context described in relation to a product-oriented paradigm in Figure 1 seems to be applicable to much of the current research on the attractiveness of places and resident place satisfaction as well as to municipality branding. In a simplified form, the place is treated as a product and the focus is on evaluating place features. The recipients of the place are treated, more or less, as *one* market.

## **Service-based logics as a starting point**

The large and growing paradigm of service-based logics suggests that the product-oriented paradigm, and thus much of the current place branding research, emphasizes a unit of analysis that is not capable of producing value. By changing the unit of analysis to one that can create value, the research can be made more theoretically interesting and offer better input to practitioners.

Service-based logics are a stream in the relationship paradigm that has developed since the early 1980s (Grönroos, 1982). Service-based logics can be divided into the service-dominant logic advocated by primarily Vargo and Lusch (e.g., 2004), the service logic for which Grönroos (e.g., Grönroos, 2006) is the main spokesman, and the rather new customer-dominant logic introduced by Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström, and Andersson (2010). Service-based logics have won wide recognition through, for example, contributions such as Vargo and Lusch's article from 2004, "Evolving to a New Dominant Logic for Marketing," which has been cited more than 4,600 times

and has changed the way many marketing researchers view the branding context. For the present purposes, these three streams are not differentiated, and the term used is service-based logics, which incorporates all three streams of research. Ultimately, service-based logics are seen as an attempt to provide a foundation for a general theory of marketing (Vargo & Lusch, 2008), and thus they have also been suggested to be of relevance to place branding (Warnaby, 2009), which is otherwise often seen as a unique field that has few similarities with traditional marketing.

Service-based logics are founded on many of the same beliefs the general relationship paradigm is founded on, and they rest, for example, on the beliefs of market orientation, relationship marketing, and service dominance. There is a strong belief in the relationship between customer and seller, in which both play an active role. Service-based logics see the foundation of marketing as *value creation*, and one of the cornerstones is that value is created by the customer (Grönroos, 2008; Grönroos & Voima, 2013; Vargo & Lusch, 2004; 2008 to mention a few). The provider is a value facilitator and offers value propositions the customer can use to create real value—that is, value-in-use. As Grönroos and Ravald (2011) put it:

Value creation is the process of creating value-in-use out of...resources. Hence, value is not produced; resources out of which value can be created are produced (p. 7).

Value, in this paper, is seen as something that arises when the customer is or feels better off than before (Grönroos, 2008) and value is thus created when the customer *uses* the goods or services. This constitutes a major and important difference compared to the product-oriented paradigm, which sees the provider and the product as value creators. There is an agreement within the service-based logics that value-in-use is experienced by the user when he/she experiences the service; however, the service-based logics are rather vague about how value is actually formed or emerges during value creation (Grönroos & Voima, 2013). One stream of research sees the experience of value as a *process* (Heinonen et al., 2010; Grönroos & Voima, 2013). Value accumulates in a dynamic process with both creative and destructive phases, where value-in-use emerges over time through physical, mental, and possessive actions on the part of the user. Others see value-in-use as determined by the user and as based on personal perceptions of the *benefits* embedded in the offering (Aarikke-Stenroos & Jaakkola, 2012; Mahr et al., 2011; Sok & O'Cass, 2011). A third approach to value creation is that the customers' use of a provider's service is *goal-directed* (Macdonald et al., 2011). The user has goals on different levels, which form the customer's mental model, and value-in-use emerges when goals are achieved. However, the identification and determination of value-in-use is still largely unexplored (Aarikke-Stenroos & Jaakkola, 2012; Ballantyne et al., 2011; Grönroos & Voima, 2013;

MacDonald et al., 2011), and there is a need to reflect on the concept value-in-use as well as to clarify its meaning that goes beyond the scope of this paper.

Value-in-use in a place context means that the place itself cannot create value. It is the resident him-/herself who is responsible for value creation—thus the concept of value-in-use (Grönroos, 2008; Grönroos & Voima, 2013; Vargo & Lusch, 2004, 2008). However, the municipality, as a place provider, can offer value propositions that facilitate the resident's value creation. Value propositions can be parks, exhibitions, playgrounds, trails, outdoor gyms, beaches, and much more. The better the propositions, the more value-in-use the resident can create for him-/herself. The task of the different providers of the place is thus to offer good value propositions that residents desire.

Value, however, can sometimes also be co-created by the provider and the customer, and in a place context, co-creation implies that the municipality can co-create value together with residents.

Interactions must then be established between the municipality and the resident. Interaction is seen as a mutual action, where two or more parties have an effect on each other. Because the value-creating capability belongs to residents, interaction is required if the municipality is to be able to co-create value and not be only a provider of value propositions (Grönroos & Raval, 2011). Interactions occur when a resident meets a municipal employee at, for example, a school, a nursing home, or a library, and all employees can be seen as service providers with the ability to co-create value. The competence of municipal employees and how they view their jobs becomes crucial (Bjurklo et al., 2009), because they have the ability to contribute to value-in-use for residents. Residents' problems, needs, and desires must be known, understood and accepted by all employees, because when residents and representatives from the municipality meet, the municipality can engage in customers' value-generating processes as well as directly influence these processes. The importance of municipal employees has been stressed in previous studies concerning, for example, public sector corporate branding and customer orientation (Whelan et al., 2010) and, thus, the service-based logics' emphasis on employees is in line with this previous research.

It is important to emphasise that it is the municipality that becomes a co-creator of value with its residents, and that it is still residents who produce the value; the municipality offers assistance, however, rather than interpreting the situation as if it were the residents who have opportunities to engage themselves in the providers' processes (Grönroos, 2008; Grönroos & Raval, 2010; Heimonen et al., 2010). The emphasis on co-creation is made explicit in one of the foundational premises of the service-dominant logic (Vargo & Lusch, 2008): "The customer is always a co-creator of value" (p. 7).

To summarise, one of the main ideas of service-based logics is that the customer—that is, the resident—is the only one with the ability to create value, and the concept value-in-use is used to describe this. The municipality is sometimes a co-creator of value, but never the creator of value. The municipality mainly takes on the role of value facilitator.

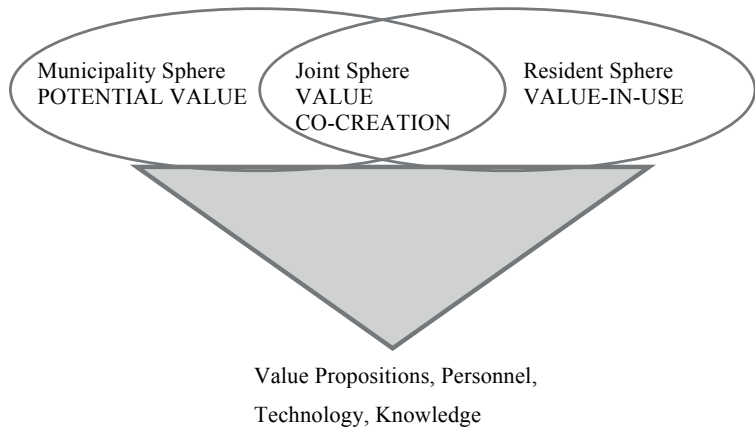
If service-based logics are used as a frame of reference, they have consequences for how the branding context for the municipality is interpreted and understood. Figure 2 illustrates the branding context inspired by the ideas from service-based logics. The most important difference from the branding context, seen in relation to a product-oriented paradigm, is that the municipality is given a secondary role and the residents and their value-creating process are put in focus, which is represented in the figure by the upside-down triangle. The main unit of analysis shifts from the municipality and the place to the resident.

Another important difference is that the place is “missing” (Grönroos, 1998) because no pre-produced bundle of features constituting the place can be presented. Because it is the resident who creates the value-in-use, every resident creates his or her own place. This aspect of the service-based logics becomes difficult to recognise fully in practice. Instead, treating every resident as a unique resident ought to be seen as an ideal and as guidance, rather than as something that can be worked for concretely. The municipality should focus on developing value propositions, their employees, their technology, and the knowledge they need to be able to keep their marketing promises and to facilitate value creation for their residents.

Furthermore, because the municipality is able to co-create value in interaction with its residents, it should focus on creating opportunities for interaction and creating a joint sphere with its residents. Interactions between municipal employees and residents occur all the time, for example, at schools, nursing homes, city planning offices, and childcare facilities. It is important to identify these encounters as interactions and to see them as opportunities for co-creation. It is also important to take advantage of the opportunities for interactions that exist, but that do not always necessarily lead to interaction and potential co-creation. For instance, when a resident enters a library, an opportunity for interaction emerges. Interactions can be more or less developed. Being greeted in a friendly manner when one enters the library may be enough for the resident to experience more value-in-use from the visit than would otherwise have been the case. Interactions can also be more developed. For instance, the library could offer advice and guidance, give residents the opportunity to influence the purchase of new books, meet the young at preschools and the elderly at nursing homes with the help of bookmobiles, as well as offer readings and lectures by authors. These interactions enable the librarian to become a co-creator of value, and thus the emphasis on interactions is an important consequence of viewing the branding context for the municipality from the perspective of service-based logics. Furthermore, the “market” is replaced by the “residents,” because it is recognized that the recipient is not the market at large, but instead individual residents with unique needs.

The development of service-based logics is paralleled by, and reflected in, the branding literature. The branding literature has shifted from an output orientation to a process orientation, which is an important part of the service-based logics (Merz et al., 2009). There is also a shift away from product brands toward

corporate and service brands, in relation to which the stakeholders play a larger role (Leitch & Richardson, 2003).



*Figure 2: The Branding Context seen in relation to Service-Based Logics*

Co-creation in the corporate branding process is highlighted as important, because it is believed to have clear benefits for the organisation. The impact of co-creation participation on consumers is, however, less well-defined in the branding literature (Ind et al., 2013). In the service-based logics, co-creation is also highlighted; the starting point, however, is not the organisation but rather the consumer. Thus, the service-based logics put the customer in focus in a way that the branding literature does not. Merz and colleagues (2009) argued that the service-based logics and the branding literature can reinforce and inform each other. A service-dominant organisation philosophy constitutes a good foundation for building a strong municipality image and strong brand relationships with all of the municipality's stakeholders. The service-based logics and the branding literature are, thus, not in conflict with each other; rather, the service-based logics' emphasis on value-in-use offers a good foundation for creating a municipality brand with which residents can have an intimate relationship. In the quest for a unique municipality brand, the ideas of the service-based logics help the municipality focus on the stakeholders. Creating a brand involves creating a profile, identity, and image (KL, 2008), and a service-based logics mindset helps the municipality put stakeholders' value creation in focus in this branding process. This can be an important counterpart to the focus on differentiation, which is evident in much of the municipality branding taking place today (Waeraas & Björnå, 2011). The link between the service-based logics and the branding literature supports the importance of the service-based logics for municipalities. Apart from being its own research field, it has been suggested that the service-based

logics be used as a foundation on which to build future branding research (Merz et al., 2009).

## Resident dominance and implications

If the ideas of service-based logics are applied to the branding context for municipalities and research concerning residents, this would have several important theoretical implications. First, using service-based logics as a foundation would imply that value creation would be put in focus. Thus far, value creation has not been a major subject within, for example, place branding and municipal reputation management.

Second, with service-based logics as a starting point, the place itself is not seen as having any value. Instead, resident value-in-use has been introduced as a new, relevant concept in studies on place success. The shift in focus from resident place satisfaction to resident value-in-use has strong symbolic meaning. The word *satisfaction* implies an outcome-oriented view of the branding context, whereas *value-in-use* implies a process-oriented view of the branding context. One consequence of changing from resident satisfaction to resident value-in-use is that the dominant unit of analysis ought to be changed from the place and the place features to the resident and his or her desires and needs. The main focus should be shifted from what the resident thinks about the offerings to what kinds of *needs* he/she possesses. *Needs* is a term introduced to denote what customers want from their suppliers (Strandvik et al., 2012), and is useful in relation to service-based logics, because what customers want is central within the paradigm. Furthermore, satisfaction has shown itself to be elusive to measurement, and it is highlighted that satisfaction responses are easily swayed by the broader public mood (Bouckaert & Van de Walle, 2003), which supports the shift away from residents' place satisfaction to resident value-in-use.

Third, given the strong emphasis on the user within service-based logics—Heinonen and colleagues (2010) stressed that value is created in the resident's personal sphere—it becomes interesting to get to know residents on a much *deeper* level. The resident sphere consists of a multitude of different services from the past and expected from the future as well as a number of personal activities and experiences going on simultaneously that together influence the value-creation process (Heinonen et al., 2010). According to service-based logics, the municipality can contribute to residents' value-creation process as a value facilitator that provides value propositions, for example, city embellishments, access to broadband, effective heating, or garbage collection. By understanding how residents create value in their own personal sphere, it becomes possible for place providers to offer better value propositions and to develop place offerings that better contribute to high value-in-use for residents.

Fourth, the municipality can also contribute to residents' value creation as a value co-creator if interactions with residents are established and prioritised. Interactions between the municipality and residents thus become an extremely important research topic. The emphasis on interactions, the number of interac-

tions, and the broadness of interactions are all dimensions worthy of study (Bjurklo et al., 2009).

Fifth, because municipal employees have a major influence on residents' creation of value-in-use, employees need to be highlighted in discussions on attractive places. Studies on resident value-in-use need to include not only evaluations of value propositions, but also evaluations of employees' competencies and attitudes. Recruitment of employees who have the potential to be active participants in residents' creation of value-in-use and internal marketing also become important research topics as a result of viewing the branding context from a service-based logics perspective.

With the ideas from service-based logics come important methodological implications, because it is no longer interesting to understand only what residents think about their place but also to understand how they create value from the place. The provider perspective should be complemented by a resident perspective if we are to obtain a more complete picture of the success of the place as well as valuable input concerning how to improve, so that residents can create more value from the place. Furthermore, quantitative studies should be complemented with qualitative studies, which have been rare to date. Because every resident is unique and because the value creation process is complex and involves many different aspects, it may be difficult to capture all aspects in a quantitative study. Quantitative studies can still be interesting and provide a shallow explanation of the situation, but to truly explain the phenomena, they ought to be complemented with qualitative studies.

For a place provider such as a municipality, the ideas presented in the present paper also have important implications. A municipality should not focus on designing a nice "product"—that is, a place that can be marketed to the general public. Emphasis should instead be placed on branding *with* residents rather than marketing *to* residents (Bjurklo, 2009). If more service-based logics are applied, the focus will shift to how different stakeholders should be supported in creating value-in-use for themselves in the place context. According to the service-based logics, a playground—no matter how pedagogical and modern—has no value in itself. Value emerges when children play at the playground and the child achieves his/her own hierarchical goals (MacDonald et al., 2011), for example, self-development. This interpretation of the branding context has several consequences for how the place should be managed and handled by a municipality.

First, because the stakeholders differ, their needsings (Strandvik et al., 2012) from the place will differ. This means that the municipality has to develop its customer focus and to work more seriously with segmentation *within* target groups, such as residents. It has previously been stressed that because public organisations have a responsibility for serving the entire population, they cannot rely on one single, overarching organisational identity but must be able to match the diversity of the market (Waeraas, 2008). Even if the recipients of the place, according to the service-based logics, are a wide variety of residents with unique desires and needs, this does not mean that it is not meaningful to try to identify stereotypes among the residents. Moving from one large segment—"the resi-



dents”—to a portfolio containing different kinds of residents could be a manageable and important step. One critique of the service-based logics is that the ideas are difficult to apply in practice; segmentation, however, is a way to transform the philosophy of the logics into manageable actions.

Second, because it is residents who create value, it is interesting to get to know them on a deeper level. Many municipalities today use quantitative studies to get a picture of what their residents, on the whole, think about the place, but more in-depth qualitative studies should be conducted as a complement. This would provide insights into *how* some residents use the place to create value for themselves, which would help in understanding what a value-creation process can look like, which in turn would be valuable knowledge for the municipality.

Third, because value from the place is created in the personal sphere of the resident and this sphere consists also of past and future services as well as many other experiences and activities, it is important that the municipality make resident value-in-use a general issue that is dealt with at the top management level. It is not only the separate services offered in a place that matter, but also how these services interact with one another. This implies that resident value-in-use cannot be an issue for only specific departments in a municipality, but must also be dealt with on a principal level.

Finally, the municipality can facilitate value for its residents in two basic ways. Value propositions, such as exhibitions, parks, and broadband access, can be offered, and value can be co-created in interactions with residents. In order to offer good value propositions, it is important that the municipality work with continuous development and in close contact with residents. Contact—that is, interaction—is also a prerequisite for the municipality becoming a co-creator of value. Many municipal employees have contact with residents on a daily basis in schools, nursing homes, and preschools. This contact must be treasured and thought of as interaction so that co-creation of value can be maximised. Internal marketing can be a tool for making everyone in the organization a part-time marketer (Gummesson, 1991), so that employees who deliver value propositions and who interact with residents can do this in the best way possible. Technology and the use of digital communication can be a crucial tool for establishing and maintaining interactions between the municipality and residents. Digital communication enables municipalities to be available at all times and it opens the door to new ways of creating interactions, for example, through chat rooms and forums. It is also important that municipality officials, who have overall responsibility for the municipality, get to know their residents, so that residents' interests are taken into account when officials make decisions. This can be done through good internal communication, where experiences and knowledge from administrations are transferred within the municipality organisation. Municipal officials can also use the municipality's operations to meet residents directly at schools, libraries, or nursing homes. It is important that the municipality meet residents on their own terms and in their own reality. If the municipality can manage to be part of a resident's world, it can also directly influence value creation.

## Conclusion

The aim of the present paper was to rethink the branding context for a municipality in order to increase our understanding of the context so that branding efforts can be directed more effectively. When the ideas from the service-based logics (e.g., Vargo & Lusch, 2004; Grönroos, 2006; Heinonen et al., 2010) are applied, new light is shed on the situation. Service-based logics put value creation (e.g., Grönroos 2006; 2008) and, consequently, the resident (Heinonen et al., 2010) in focus and thus change the point of departure of analyses of the attractiveness of a place or a municipality. What is most important is neither the place itself nor the place providers. Instead, it is the residents and the value creation taking place in their personal spheres that are most important. Table 1 shows the main implications of the different paradigms when applied to the branding context for a municipality.

*Table 1: Product-oriented paradigm vs. service-based logics*

	Product-oriented paradigm	Service based logics
Dominant unit of analysis	The municipality and place features	Residents
Place success concept	Outcome: place satisfaction	Output: resident value-in-use
Municipality's role	Value creator	Value facilitator

A municipality that designs its branding efforts according to the beliefs of the service-based logics puts the stakeholder, in the present example the resident, more in focus. Branding would then be concerned with understanding and contributing to residents' value creation, creating interactions and opportunities for co-creation and with internal marketing to make all employees part-time marketers. How to promote and sell the place and place attributes would no longer be given priority. Such a change in branding strategy is likely to have positive consequences also for municipal reputation, which deals with beliefs about the municipality's capacities and intentions (Carpenter & Krause, 2012).

In place branding research, for example, it has been recognized lately that the perception of a place can differ significantly across target groups owing to their different perspectives and interests. It has been stressed that instead of reducing multiplicity and focusing on a single, predefined organisational identity, public organizations would gain from emphasising the diversity of their identities and values (Waeraas, 2008). The current academic discussion shows shortcomings when it comes to taking into account different target groups' perspectives and interests (Braun et al., 2013; Zenker, 2011; Zenker, 2009). Service-based logics can offer a theoretical foundation for research within the municipality branding context, which will move place branding research, as well as municipality branding, in a new, more customer-oriented direction.

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# What can a municipality offer to its residents? Value propositions and interactions in a place context

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## Abstract

**Purpose** – *The purpose of this paper is to explore the role of the municipality in the place marketing context and to describe how municipalities work on making their place good to live in. The study rests on abductive reasoning whereby service-based logic forms the study and offers a theoretical framework for how to approach the phenomena.*

**Design/methodology/approach** – *A qualitative study in the form of 20 semi-structured interviews with leading elected officials and civil servants is used to let us understand how two typical municipalities in southern Sweden work on making their municipality a good place for their residents to live in. Content analysis is used to analyze the data.*

**Findings** – *The study reveals how municipalities work on creating opportunities for interactions between themselves and their residents, as well as offers insight into what value propositions the municipalities believe they offer their residents. The current study shows that the geographical location and the natural environment, basic and essential services, accommodations, urban quality, recreation and leisure and ambience constitute important dimensions in the place offering.*

**Originality/value** – *Service-based logic is used as a backdrop to facilitate the analysis in this study, which emphasizes value propositions offered by the municipality and interactions between the municipality and its residents, which increase our understanding of how municipalities work on making their place good to live in. The service-based logic help shed new light on the place marketing context and allows us to understand the context in a new way.*

**Keywords** *Residents, Interaction, Municipality, Place marketing, Value propositions, Service-based logic*

**Paper type** *Research paper*

## Introduction

### Background

Increased global connectivity and mobility of both humans and capital have created a competitive environment for cities and regions. Places have to be attractive for a multitude of different stakeholders, for example tourists and residents, to be able to prosper and grow and to attract enough resources to achieve their developmental goals (Kavaratzis and Ashworth, 2008; Insch and Florek, 2010). At the same time, as competition between places has intensified, the fields of place marketing and place branding have experienced a rapid rise in popularity over the past decade (Caldwell and Freire, 2004; Niedomysl and Jonasson, 2012), and so have areas such as municipal marketing, destination marketing and urban governance.

It is necessary to be an attractive region and city today, and branding can be a tool in both achieving and communicating this. It is important to emphasize that branding should not be about *telling* the world that the place is good but rather about *making* the place good and letting the world know it (Kavaratzis, 2010). Branding should not merely be about intentional communication of a favorable image, but a useful basis for strategic thinking when it comes to place development. If a place is serious about enhancing its image, it is necessary to

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focus on a place's equivalents of "product development" and thus on building a place that *stakeholders find good*, so that a powerful brand image for the place can be created and the place will earn a good reputation (Anholt, 2010). To develop the place into one that is good for tourists to visit, for residents to live in and for businesses to operate in can thus be seen as primary goals for municipalities and place marketers (Zenker *et al.*, 2013). How to define and measure a good place does, however, need further analysis.

Urban governance is a complex theoretical construct which can be defined as "[...] more or less institutionalized working arrangements that shape productive and corrective capacities in dealing with – urban- steering issues involving multiple governmental and nongovernmental actors" (Hendriks, 2014, p. 3). The change in focus from *government* to *governance* might have downplayed the local government's role; however, there is still a substantial role for local governments to play within the context of urban governance (Hendriks, 2014). Governance can take the form of "networks", "markets" and "hierarchies". These three basic modalities occur in various blend in existing urban governance models. Government and hierarchy might be downplayed; however, they cannot be taken away altogether (Stoker, 2011). To study the local government's role in creating an attractive place is thus still highly relevant, especially if it can be combined with the governance forms of networks and markets.

Service-based logic (Grönroos, 2006; Vargo and Lusch, 2004) has been suggested as the new dominant paradigm for marketing. The logic emphasizes value creation and the user's role in the marketing context. In the quest for a unique and effective place brand, service-based logic can offer a theoretical foundation that focuses on what stakeholders find good (Merz *et al.*, 2009). The service-based logic's view of the marketing setting fits very well with a network approach toward urban governance. Warnaby (2009) explicitly suggests that place marketing researchers would benefit from looking at service-based logic for inspiration to develop the field because such logic would help shed light on what is truly important for successful place brand management. To use the service-based logic as a theoretical foundation in this study is also in line with one of the main tracks within urban governance, which stress the ordinary residents and the need to include them as much as possible (Swyngedouw, 2005).

### **Purpose**

The present paper argues that the municipality is an important place provider, and that a key goal for municipalities is to create a place that is good for residents to live in. If residents find the place good, it lays the foundation for creating a powerful place brand image (Anholt, 2010). Tourists constitute another important stakeholder group, and tourists and residents are interconnected. Tourists interact with locals, and satisfied and happy residents can have a positive impact also on the place's destination brand. The purpose of this paper is to explore the role of the municipality in the place marketing context and to describe how municipalities work on making their place good to live in. This will be achieved by using service-based logic as a theoretical frame of reference.

## **Literature review**

### **Background**

To facilitate the analysis of how municipalities work on making their place good for their residents to live in, service-based logic is used as a theoretical frame of reference. The place context and the place entity are multifaceted and very complex phenomena (Warnaby, 2009; Warnaby and Medway, 2013), as the result of which the essence of place marketing still constitutes an important research field (Anholt, 2010; Hanna and Rowley, 2012). It is not self-evident what constitutes a good place to live in or how this should be analyzed. Warnaby (2009) has suggested that place marketing researchers would benefit from looking at service-based logic (Grönroos, 2006; Vargo and Lusch, 2004) for inspiration to develop the field because it would help shed light on what is really important

for successful place brand management. It has also been suggested that branding, a dominant field within both place and destination marketing, can gain from using the ideas of service-based logic because these ideas would further the understanding of brands and branding (Merz *et al.*, 2009). Service-based logic and the branding literature can reinforce and inform each other, as service-dominant organizational philosophy constitutes a good foundation for building a strong municipal image and strong brand relationships with all of the municipality's stakeholders. Using service-based logic as a starting point helps us to problematize and understand what ought to be analyzed to answer the question concerning how municipalities contribute to creating a good place for residents to live in.

Before introducing service-based logics, a short overview will be given on current place marketing research concerning municipalities and how they create a good place to live. Much of current research is founded on ideas from the product-oriented paradigm which leads to that current place marketing research is provider-dominant to a large degree, and thus the municipality is in focus. The place is treated as a product, and the focus is on evaluating place features. The recipients of the place are treated, more or less, as *one* market. The municipality, as a place provider, should contribute with high-quality place attributes which the residents desire. When, for example, place satisfaction is studied, it is often measured by a number of dimensions. The dimensions are seen as representing the place product, and thus the dimensions and connected items can be seen as the place attributes. What these place attributes are varies somewhat from study to study. Dimensions in the frequently used Aspects of City Life index (Insch and Florek, 2010) are work/life balance; personal and public safety; the natural environment; the city's community assets; cultural, arts and creative scene; city's vibrancy and energy; openness of residents to new people, ideas and diversity; sports grounds and facilities; location relative to other destinations and accessibility to other cities; and efficient public transportation. Zenker *et al.* (2013) have created another popular index, Citizen Satisfaction Index, which includes three major dimensions, namely, urbanity and diversity, nature and recreation and job opportunities.

#### *Introducing service-based logic as a backdrop to increase the understanding of place marketing context*

Service-based logic is a current stream in the relationship paradigm that has developed since the early 1980s (Grönroos, 1982). Service-based logic can be divided into the service-dominant logic advocated by Vargo and Lusch (2004), the service logic for which Grönroos (Grönroos, 2006) is the main spokesman, and the rather new customer-dominant logic introduced by Heinonen *et al.* (2010). Service-based logic has won widespread recognition through contributions such as Vargo and Lusch's article of 2004, "Evolving to a new dominant logic for marketing", which has been cited more than 4,600 times and has changed the way many marketing researchers view the marketing context. For present purposes, these three streams are not distinguished, and the term used is service-based logic, which incorporates all three streams of research. Ultimately, service-based logic is seen as an attempt to provide a foundation for a general theory of marketing (Vargo and Lusch, 2008). Thus, it has also been suggested to be of relevance to place marketing (Warnaby, 2009), which is otherwise often seen as a unique field that bears few similarities to traditional marketing.

Service-based logic is grounded on many of the same beliefs that the general relationship paradigm is grounded on, and they rest, for example, on the beliefs of market orientation, relationship marketing and service dominance. There is a strong belief in the relationship between user and provider in which both are active. One of the cornerstones of service-based logic is that value, in terms of which the customer is or feels better off than before (Grönroos, 2008), is created by the user when s(he) actually uses the goods or services. The term value-in-use is used to describe this phenomenon (Grönroos, 2008; Grönroos and Voima, 2013; Vargo and Lusch, 2004, 2008 to mention some). The emphasis

on value-in-use constitutes a large and important difference from the product-oriented paradigm, which sees the provider and product as value creators.

As the user, according to service-based logic, is the only one who can create value, emphasis should be put on the user. An exclusive focus on the service or service provider is not relevant; rather the provider should be studied in the light of what it can offer its users with a focus on provider–user interaction. It is argued that both the marketing mix paradigm and the general relationship paradigm are too production-focused and thus emphasize the service provider (Heinonen *et al.*, 2010). Service-based logic is introduced as an alternative to this provider-dominant logic, putting the user, in this case the resident, in focus.

### *Municipality's role in creating a good place to live*

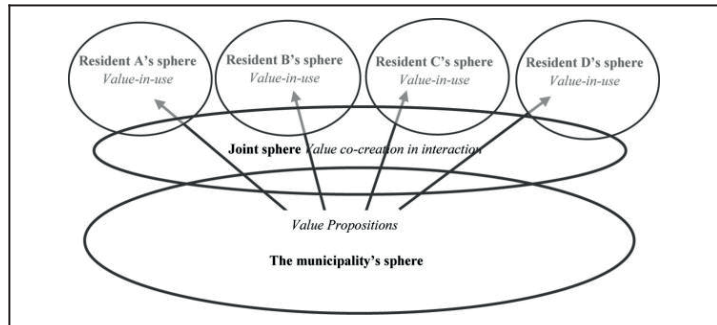
Service-based logic refocuses from the municipality and what it offers to residents and how they create value in the place context. As value-in-use in a place context means that neither the place itself nor the municipality as a place provider can create value and the resident is responsible for value creation, provider dominance in the analysis ought to be replaced by resident dominance.

With service-based logic as a backdrop, the municipality should primarily assume the role as a value facilitator for residents and support their value creation process in the best way possible (Grönroos, 2008; Grönroos and Voima, 2013; Heinonen *et al.*, 2010; Vargo and Lusch, 2004, 2008). As a value facilitator, the municipality can offer value propositions that facilitate a resident's value creation. Value propositions can be parks, exhibitions, playgrounds, trails, outdoor gyms, beaches and much more. The better the propositions, the more value-in-use the resident can create for herself/himself. The task of the various providers of the place is thus to offer good value propositions that residents desire.

Value can sometimes also be co-created by the provider and the user. Interactions must then be established between the municipality and the resident. Interaction is seen as a mutual measure whereby two or more parties have an effect on each other. As value creating capability belongs to the user, interaction is a necessity for the provider to be able to co-create value (Grönroos and Ravald, 2011). When the resident and municipality meet, the municipality can participate in the resident's value-generating processes and directly influence these processes. Applying a service-based perspective opens the door and encourages the municipality to create opportunities to develop interactions with its residents during their value-generating processes (Grönroos, 2008).

Current research on a good place to live tends to focus on place attributes such as the natural environment and the creative scene (Insch and Florek, 2010) or nature and recreation and job opportunities (Zenker *et al.*, 2013). Service-based logic changes the focus of the analysis from the place attributes that the municipality provides to how the municipality works toward assisting its residents in their value creation. Figure 1 shows how the municipality can contribute to a resident's creation of value-in-use. The municipality is responsible for the production process and, in the municipality sphere, it produces resources and processes for use by its residents. By providing value propositions, with the potential to become value-in-use, the municipality can be characterized as a value facilitator. If interactions with a resident are established in the joint sphere, the municipality may have the opportunity to participate in the resident's value creation process and assume the role of value co-creator. The emphasis on interactions, as well as the number and broadness of the interactions, is critical for value co-creation to occur (Bjurklo *et al.*, 2009). The role of the resident in the joint sphere is twofold: the resident is a co-producer of resources and processes with the municipality, as well as creator of value-in-use jointly with the municipality. In the resident sphere, which is closed to the provider, the resident creates value-in-use independently of the provider (Grönroos and Voima, 2013). Every resident has her/his own sphere in which value creation takes place, which is indicated in the figure by the inclusion of more than one resident's sphere.

**Figure 1** Municipality's role in a resident's value creation



### Methodology

The purpose of the paper is to explore the role of the municipality in the place marketing context and to describe how municipalities work on making their place good to live in. This is achieved through studying and describing typical cases: Hässleholm Municipality and Kristianstad Municipality in southern Sweden. The purpose of typical case selection is that they can illustrate or highlight what is typical, normal and average (Patton, 2002). The municipalities in this study offer an interesting empirical setting and are typical cases, as both have articulated growth and satisfied residents as goals for their municipalities, just as many others of the Swedish municipalities. Hässleholm and Kristianstad can be described as typical cases also when it comes to how satisfied their residents are. Fokus' (2014) examination of the municipalities in Sweden put Hässleholm in Place 83 and Kristianstad in Place 46 of 290 municipalities. In a similar examination of municipalities in 2013, Hässleholm ranked 165 and Kristianstad ranked 194 of 290 municipalities (Fokus, 2014). The municipalities have together 130,000 inhabitants, and both municipalities experience slow but steady growth.

The study rests on abductive reasoning whereby service-based logic forms the study and offers a theoretical framework for how to approach the phenomena. The research design and the analysis of the data are inspired by qualitative researchers Miles and Huberman (1994). The aim of the study is to account for events and to look for structures and patterns that can describe how municipalities work with making their place a good place to live. The research can be described as reality-oriented qualitative inquiry, as the aim is to describe and explain phenomena as accurately as possible so that the description and explanation correspond as closely as possible to the way the world is and actually operates (Patton, 2002). The perspective influences the research design of the study as well as the approach to the analysis of the data.

### Data collection

The study is based on interviews conducted at the municipal organization in Hässleholm and Kristianstad. The first interview in each municipality was based on purposive selection and resulted in interviews with municipal directors. The director is the highest official in the municipality and manages the municipality's services. After the first interview, a snowball technique was used. New interviews were arranged with recommended people as long as each new interview contributed significantly to the understanding of the case (Patton, 2002). The case selection technique resulted in 20 interviews. The field-generated data were collected with the help of semi-structured interviews. The interviews took place in the interviewee's office and was conducted during a period of five months. Each interview lasted between 45 to 70 min and the interviews were recorded. The interviews were

supplemented by found data, such as annual reports, public documents and information found on the municipality's web site, to ensure in-depth understanding of the study subject.

### *Analysis of data*

The analysis of the data can best be described as content analysis, which refers to qualitative data reduction and sense-making efforts that attempt to identify core consistencies and meanings (Patton, 2002). The goal is to reveal themes, and the approach can also be referred to as theme analysis.

Miles and Huberman (1994) developed a four-step framework for analyzing qualitative data which have inspired us in the analysis of our data. The analysis of our data thus followed four steps. First, data were collected. Second, the data were organized and reduced in the data reduction step. The predetermined research purpose and the theoretical framework guided this process and helped us to decide what should be emphasized, minimized and eliminated from further study. The objective was to reduce the data without eliminating anything that was relevant to the study. Practically, the data reduction took place when the interviews were transcribed. Only data which dealt with the key elements of the study, value propositions and interactions with residents were transcribed which resulted in roughly 70 pages of transcribed material. The original audio files were archived for future reference.

Third, focus was turned to data display where the data were organized in a way that facilitated drawing conclusions. In this process, a priori (Smith, 2000) coding categories were used; thus, categories were specified before the material was examined. The categories were derived from the service-based logics and the overarching dimensions were set to value propositions and interactions with residents. When the reduced data from the interviews were analyzed, 174 offers of value propositions were identified. In a first step to display the data, the value propositions were grouped which resulted in 41 unique value propositions. Concerning interactions with the residents, 57 relevant quotes were first identified, which in the first step were reduced to 26 unique statements or arguments. Themes, or coding dimensions, were then extracted from these data using an empirical approach, inductive in its nature. The approach was suitable to use, as the purpose is to reach a summary description of the municipality's view of their role in creating a good place to live. The process was conducted by two researchers independently. The result was compared and the few differences discussed until a consensus concerning the most appropriate themes could be reached. Ideas that were municipality specific or mentioned by only one participant were not included. Fourth, conclusions were drawn which involved deciding what the identified themes meant and how they helped to answer the research purpose and questions.

## **Findings**

### *Value propositions*

Service-based logic is used as theoretical framework in this paper to facilitate analysis and description of how municipalities work on making their place good to live in. This implies that the municipality as a place provider cannot create value for a resident. Instead, value propositions, of which the resident can create value for herself/himself, should be offered (Grönroos, 2008; Vargo and Lusch, 2004, 2008). In annual municipal reports, key value propositions are highlighted. Hässleholm Municipality and Kristianstad Municipality emphasize that they should offer services, including education, childcare and elderly care, of high quality. They also stress the physical environment including parks and gardens. Culture in the form of libraries, events, performances and culture in schools, as well as school projects, education and care, is also emphasized (Hässleholm Municipality, 2013; Kristianstad Municipality, 2013).

In the empirical study, a variety of value propositions were set forth. The value propositions are offerings that representatives of the municipality believe that the place offers residents

and that they see as propositions from which residents ought to be able to create value. Table I lists the major themes that emerged from the interviews with the representatives of the municipalities. The value propositions were grouped into six dimensions, or themes, and each dimension captured an important group of value propositions. The six dimensions were geographical location and the natural environment, basic and essential services, accommodations, urban quality, recreation and leisure and ambience. The table

Table I	Summary of value propositions that the municipality believe they offer the residents	
Geographical location and the natural environment (17/20)	<p>Closeness to metropolitans and city pulse (10)            Illustrative example: "The closeness to large metropolitans such as Malmö and Copenhagen has a clear value for our residents. Personally, I also see us as Copenhagen's green neighborhood, or green lung"            The municipality's geographical appearance (9)            Illustrative example: "The municipality's appearance is important. That there is a city, but also townships and a countryside within the municipality's borders. This variation is important. That we have both a countryside and a city"            Nature and natural geographical diversity (8)            Access to seaside and beaches (7)            Unique natural environment (for example, wetland area) (6)</p>	
Basic and essential services (19/20)	<p>In general high-quality basic services (5)            Education (16)            Health care and elderly care (3)</p>	
Accommodations (6/20)	<p>Highways, public transportation, airports, etc. (10)            Access to a wide variety of accommodations (4)            Illustrative example: "I believe that it is important that we can offer different kinds of accommodations within the municipality's borders. You can live in the countryside or in the city, in apartments or in houses"            Affordable accommodations (3)</p>	
Urban quality (15/20)	<p>Access to city life (12)            Illustrative example: "That the municipality has a city is vital, not only for the people living in the city but also for the people living in the countryside"            The city's physical appearance and unique attributes (for example closeness to nature and attractions) (8)            Commercial offerings and shopping (10)</p>	
Recreation and leisure (16/20)	<p>Wide range of culture (8)            Activities, sports and recreation groups (6)            Points of interests such as museums, concert halls and heritage sites (4)            Parks and access to nature (9)</p>	
Ambience (11/20)	<p>Renewal and change (6)            Illustrative example: "The place is not finished, changes occur here. That the city continues to change and develop is important and development projects are in themselves important since they create a certain ambience and renew the image of place"            Safety, security and comfort (2)            Pride (8)            Illustrative example: "It is important to have things that can bring us together and create a sense of pride. It can be a successful handball team, a large scout camp or a large exhibit. It is important that we can offer unique things that stand out and can make our residents proud of their place"</p>	



also shows the more specific items, or value propositions, belonging to each dimension. The numbers in brackets indicate how many of the 20 people interviewed mentioned the dimension and item.

Around half of the representatives of the municipalities we interviewed for this study also stressed that it is important not only to focus on separate value propositions, but also to try to see the larger picture. The entirety, as well as how the various value propositions interact and work together, is regarded as just as important as the separate offerings. For example, a head of city planning said:

I believe that you as a resident think beyond the drainpipes. It is the combination. Not every part on its own is important. You want to have everything in your life. You don't just want to live and have a nice house. It is the connections that are the most interesting part. You need to pick up children from daycare, go grocery shopping, go to the park, etc. To look at the quality of the separate offerings measures one aspect but you also need to look at the combination. How everything fits together.

Apart from the fact that the offerings should interact with each other, several interviewees also emphasized that the range of the value propositions is important. In the words of an elected official:

We cannot put all our eggs in one basket. Imagine that the place is a flower. The flower has many petals and the place also needs to have many petals. We need to have shopping, nature, a strong handball team that offers entertainment and that makes us proud, a university [. . .]. Our place should be a flower with many petals.

### *Interactions*

According to service-based logic, value-in-use is something that the user, in this context the resident, creates for herself/himself. The municipality, in terms of being a place provider, can co-create value together with a resident if interactions are established between the resident and the municipality (Grönroos and Ravald, 2011). Thus, interactions become very important for the municipality, as they pave the way for getting to know the residents so that better value propositions can be offered, as well as for meetings at which the municipality and residents together can create value for residents. Both Hässleholm Municipality and Kristianstad Municipality emphasize in their annual reports and in their strategic goals that it should be easy to have contact with the municipality and that contact between residents, elected officials and civil servants should be close and smooth.

A majority of the interviewees emphasize that the municipality is there for its residents, and there seems to be general agreement that it is important to have a dialog with residents and be inclusive and interact with people. Several representatives of the municipalities mention, however, that the current interaction and resident dialog has room for improvement. One prominent municipal official says that:

We do have dialog, but we could definitely have dialog with more residents and interact with a wider variety of residents.

The interviews reveal how the representatives of the municipalities meet and interact with their residents. Several forms of interactions were mentioned and will be briefly introduced. Rallies and meetings with open invitations are used when the purpose is to make sure that everyone feels included. The number of participants at open meetings tends to vary. In general, it is difficult to attract residents to this type of meeting unless the issue is something that strongly affects the residents. Targeted invitations to focus groups and dialog meetings are used as a way to reach both all residents and specific groups. These meetings have a much higher level of participation. The meetings can take place both at municipal and neighborhood facilities.

Other forms of interactions are township meetings, which are held in the townships around the main city of the municipality. At the meetings, to which everyone in the township is invited, questions and concerns of the residents are addressed. The municipalities also

have various kinds of councils, for example disability councils and senior councils, where the municipality can meet specific groups of residents.

Another form of interaction, where the purpose is to reach out to as many residents as possible, is when representatives from the municipality put up canopies or *stalls in public places*. A head of city planning uses this form of interaction from time to time and explains:

We put up a canopy close to a grocery store or other meeting point. In this way we can be in direct contact with many different kinds of residents. My experience is that all kinds of people come and talk to us, even children and teenagers whom it is normally difficult to attract to open meetings. We have very interesting discussions, in close contact with residents.

Other times, the municipalities use existing networks, for example communities and athletic clubs, often in the nonprofit sector, to make contact with residents. To meet residents in this kind of situation is a way to meet residents on their own terms, which was stressed by several interviewees as an effective way to interact with residents.

The municipalities also use various kinds of surveys to get to know their residents. The interaction is limited, but the surveys can still give the municipality input that they can use in their services and in future contact with residents. Officials emphasize that they have digital contact with their residents in the form of e-mail, the web site and social media. This contact can be initiated by either the municipality or a resident. Citizen and service centers are services that have interaction with residents as their primary task. A citizen center can be compared to a customer service department, a place to which residents can turn to get answers to their questions.

A very important, and common, form of interaction is the daily interaction that takes place in municipal services at schools, nursing homes and cultural facilities such as libraries. Several interviewees, both elected officials and civil servants, refer to daily services and people working at these services when it comes to resident dialog. Another argument for not personally having daily contact with residents is that elected officials are the residents and that the residents are represented by them. As a municipal official puts it:

Since we have elections every four years at which all residents over 18 have the right to vote, residents decide who should run the municipality and in that way the governance of the municipality depends on what residents want and their opinions. Officials are elected as representatives of the residents. And in that way we have good contact with residents.

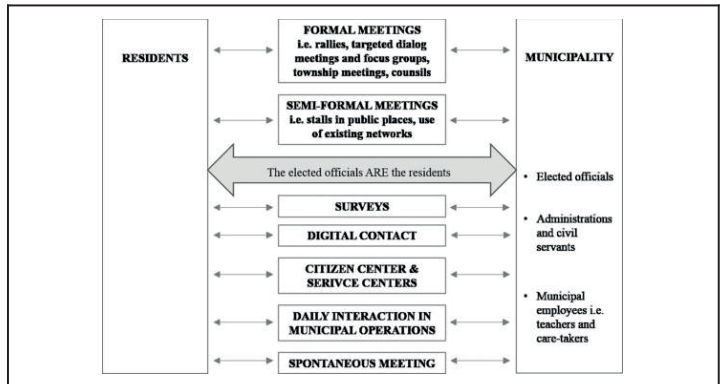
To see elected officials as residents was however criticized by some of the interviewees, who claimed that this viewpoint tends to lead to weak resident dialog and that the municipality needs to meet all sorts of residents and not merely refer to elected officials as a source of resident support.

The spontaneous meeting is mentioned by half of the interviewees as a common, and effective, way to interact with residents. It is stressed that it is an advantage if you live in the municipality and/or participate in a lot of social events where you meet many people. Leading elected officials and civil servants also mention that they are known faces and local celebrities, which facilitates spontaneous interaction with residents. A leading elected official explains:

I like the meeting. When I go outside the town hall, it should take an hour to cross the square. It should be interesting to stop and talk. I want that kind of dialog with the people living here and with local entrepreneurs and business owners. I like when people are both happy and disappointed and unhappy. It gives me a mission, I need to do something as an elected official.

Figure 2 offers an overview of how the municipalities work on creating interactions with their residents. Residents are a large and heterogeneous group of individuals. The municipality consists of elected officials, civil servants working at the various offices and a large group of municipal employees who are working at municipal services such as nursing homes, preschools, libraries and schools. The three groups of representatives of the municipality interact with the residents in different ways, which is

**Figure 2** Interactions between the municipality and residents



portrayed in the middle of the figure. A special kind of interaction is the democratic system, which means that the officials are elected to represent the residents, symbolized by the arrow in the figure.

To conclude, the municipality interacts with its residents in a variety of ways. Some ways are formal while other are informal. Many times residents take the initiative for interaction, but other times the municipality reaches out to residents. The interactions are more often unsystematic than systematic, and it was emphasized by several of the interviewees that the interactions could be better documented, and the insights and knowledge gained could be taken care of in a more systematic way by the organization.

## Conclusions

In this study, the service-based logic is used as a theoretical framework to explore the role of the municipality and to describe how municipalities work on making their place good to live in. With the service-based logic as a foundation focus is turned toward the municipality as a value facilitator, who provides value propositions with the potential to become value-in-use, but also toward interactions. If interactions with a resident can be established, the municipality may have the opportunity to participate in the resident's value creation process and thus assume the role of value co-creator (Grönroos, 2008; Grönroos and Voima, 2013; Vargo and Lusch, 2004). With the research model (Figure 1) as a starting point, the study reveals a number of value propositions which the municipality believe they offer their residents as well as give a picture of the joint sphere where interactions are created between the municipality and the residents.

The service-based logic tell us to include both value propositions and interactions, more traditionally thought of as resident dialog or citizen participation, in the study. To see resident dialog, i.e. interactions, as a way to create a good place to live is a meaningful way to approach the topic, also for practitioners. There seem to be a consensus within the municipalities concerning that resident dialog is important; however, there seem to be lacking agreement concerning why the dialog is important. According to the service-based logic, interaction, and resident dialog, is important because it is the only way for municipalities to be able to be a part of the residents' value creation. This study shows that service-base logic successfully can be applied to a place setting, and that it can help to reveal issues which would otherwise not have been noticed.

### *Interactions*

The study reveals a myriad of interactions. The complexity of the situation is what stands out the most. Although the service-based logic emphasizes interactions (Heinonen *et al.*, 2010), the great variety concerning, for example, the initiator of the meeting, the form, the length and the depth of the interaction is still surprising. Complexity plays a large role also within urban governance where different forms of governance, i.e. "markets", "networks" and "hierarchies", occur in various blends (Hendriks, 2014). The complexity of the interactions needs to be considered and managed in a systematic and constructive way.

A part from revealing the complexity of the interactions, additional conclusions and implications concerning interactions can be drawn from the study. First, the lack of systematic segmentation of the residents makes the interactions less efficient and effective. The research model stresses that every resident is unique with a personal sphere in which (s)he creates value which makes it important for the municipality to get to know, and interact with, as many residents as possible (Heinonen *et al.*, 2010). Due to the large number of residents, it is however necessary for the municipality to work on segmentation and identify various groups of residents with similar needs and personal spheres. The municipalities in the present case have not done any systematic segmentation of their residents. Many forms of interaction are directed at the entire group of residents: for example, rallies, township meetings, stalls in public places and citizen centers. An advantage of targeting everyone is that no one will feel excluded. However, the risk is that no one will feel included either. The study shows that the municipalities experience difficulty in getting their residents involved at open meetings, etc. The study also shows that open invitations tend to attract a certain kind of resident while missing other groups. Municipalities would benefit from working more systematically on segmentation, making sure that all kinds of residents are included in a segment. This would give the municipality a greater opportunity to influence value creation by all residents, both in interaction and by offering value propositions that residents want.

Second, the study also shows that much of the interaction is due to the resident having approached and sought contact with the municipality – for example, through the citizen center or by approaching elected officials and civil servants and creating spontaneous interaction. A spontaneous meeting is a very important supplement to more formal interaction. The citizen center, which has interaction with residents as its primary task, does not currently have any outreach activities. To make sure that the municipality supports and works for all of its residents, not only active residents, the citizen center could be given the responsibility of working on segmentation of residents and actively reaching out to residents as a supplement to its current customer service-oriented tasks.

Third, many of the more profound interactions between the municipality and its residents seem to take place at daily services, such as schools and assisted living facilities. This is a very important form of interaction by which the municipality is given the opportunity to co-create value together with its residents. It is important that this daily contact be seen as interaction and given high priority, and that employees of schools, etc., are trained in the importance of a personal meeting. It is also important that the knowledge and understanding created at daily services be taken care of in a systematic and effective way so that the information can be shared and used in other parts of the municipal organization. The municipal organization is a complex and large network consisting of elected officials and civil servants working at various offices, as well as a large number of municipal employees at the various services. The various groups of people in the organization experience very different opportunities when it comes to interacting with residents. Knowledge sharing within the organization is thus central, especially as the study shows that many deep interactions with residents take place far from the centers of power.

### *Value propositions*

Apart from exploring how a municipality interacts with its residents, the current paper offers insight into what value propositions the municipalities believe they offer their residents. The current study shows that the geographical location and the natural environment, basic and essential services, accommodations, urban quality, recreation and leisure and ambience constitute important dimensions in the place offering. There are similarities between what is emphasized as important by the interviewees in the current study and the two most frequently used and cited indices of resident place satisfaction (Insch and Florek, 2010; Zenker *et al.*, 2013). For example, recreation and leisure and natural environment are parts of both the current study and established scales. The indices focus, however, on evaluating cities rather than municipalities, and thus neglect aspects that are stressed as important in the current study. A typical Swedish municipality has residents in a city, in townships and in the countryside that seem to influence what value propositions are emphasized as being important. In this case, the municipality's geographical location and access to city life are seen as important value propositions, while they are neglected, or assumed, in the established indices.

The study also shows that the municipalities believe that the larger picture and the complete offering of value propositions are just as important as the quality of individual value propositions. It is also emphasized that the range of the value propositions is important. This view of what ought to be offered to residents fits well with service-based logic, as this theoretical framework emphasizes that value propositions have no usefulness on their own (Grönroos, 2008; Heinonen *et al.*, 2010). Value is created by a resident when (s)he uses the propositions, which implies that the combination of propositions and how they fit together is crucial for a resident to be able to create any real value out of them. In studies concerning how residents perceive their place, this overarching perspective is important and must thus be included in these kind of studies.

As a final note, to study how value is created in a place setting by combining what is offered, i.e. value propositions, with how dialog and interactions are used, would offer an interesting perspective also in, for example, a destination and tourist setting. Issues such as the complexity of interactions, the strong need for segmentation and the dual focus on high-quality unique offerings as well as an attractive range of offerings, ought to be relevant also in other contexts.

### *Future studies*

Although the municipality as a place provider is important for the understanding of a good place to live, residents and how they perceive the context is crucial for a complete understanding. The perspective of residents will be described in a separate research report. This paper accounts only for the municipality's contribution to value creation by its residents.

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# Place satisfaction revisited: residents' perceptions of "a good place to live"

Place  
satisfaction  
revisited

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## Abstract

**Purpose** – Using service-based logic as its theoretical lens, this study aims to approach residents' place satisfaction in a novel way. The purpose is to explore residents' perception of the place in which they live and to shed new light on their place satisfaction.

**Design/methodology/approach** – The paper is based on explorative qualitative focus group research. Data were collected in two typical municipalities in southern Sweden. The sampling procedure was purposive, resulting in six focus groups, consisting of a total of 33 residents. The empirical material was transcribed and analyzed using a structured content analysis inspired by grounded theory.

**Findings** – A model for understanding residents' perceptions of what constitutes a good place to live is introduced. The model shows that many value propositions are produced in the provider sphere, independent of the user, for example by the municipality or the business sector. Other value propositions are co-created in a joint sphere, meaning that the user is actively involved in the production of these value propositions. The resident then uses different value propositions to create value-in-use in the resident sphere, independent of the provider, and to co-create value-in-use in the joint sphere.

**Originality/value** – The study creates a bridge between the stream of research on place satisfaction and studies that take stakeholders and co-creation into consideration; it shifts from the prevalent provider perspective on place branding and static place attributes to a focus on the relationship between users and providers.

**Keywords** Co-creation, Residents, Place satisfaction, Service-based logic

**Paper type** Research paper

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## Introduction

The conceptualization of place branding has evolved from solely concerning marketing communication to being a tool for integrated place management (Kavaratzis, 2010; Zenker and Martin, 2011). As a result, there is growing interest, both scholarly and practical, in increasing our understanding of the place context, what constitutes a *good place* and how to measure the impact of place management efforts (Zenker and Martin, 2011). The social function of the place is often measured in terms of place satisfaction. Because satisfaction is associated with the response to an offering (Yoo and Park, 2016), researchers have typically used survey methods to identify and list place attributes important to place satisfaction, such as nature, public service, accommodation, closeness and prosperity (Van Ryzin *et al.*, 2004; Ng, 2005; Santos *et al.*, 2007; Liao, 2009; Darchen and Tremblay, 2010; Insch and Florek, 2010; Insch and Sun, 2013; Zenker *et al.*, 2013; Potapov *et al.*, 2016).

However, in recent years, alternative approaches to trying to understand how a place is perceived have emerged. Such studies have focused, instead, on stakeholders and place co-creation (Aitken and Campelo, 2011; Hanna and Rowley, 2011; Kavaratzis, 2012; Braun *et al.*, 2013; Kavaratzis and Hatch, 2013; Zenker and Erfgen, 2014; Thelander and Säwe, 2015). In previous research, Kavaratzis (2012) even suggested a new conceptualization of place



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branding, in which stakeholders are given a prominent role. This resonates with the service-based logic (Vargo and Lusch, 2004), an established stream in the relationship marketing paradigm, which has been suggested to be relevant to place management as well (Merz *et al.*, 2009; Warnaby, 2009; Hankinson, 2010; Kavaratzis, 2012; Källström, 2016; Källström and Ekelund, 2016). As an analytical lens, the service-based logic suggests that the unit of analysis is the user's value creation process, including the relationship between the user and provider.

Increased interest in the user of the place and recognition of the importance of co-creation can add a new lens to more traditional place satisfaction studies, which usually capture residents' responses to place offerings and, thus, use the provider and the place as the foundation. More empirical studies are needed that truly take the resident/user as the starting point when exploring residents' perception of a place. Our aim is to revisit the concept of place satisfaction and to create a bridge between the stream of research on place satisfaction and studies emphasizing stakeholders and co-creation. Thus, the research questions asked here are: How can the conceptual framing of place satisfaction be strengthened, using service-based logic as theoretical backdrop. What role does co-creation play in place satisfaction? When the service-based logic is used as the theoretical lens, the focus becomes the users (i.e. residents) and how they create, and co-create, value-in-use in the context of place. Many of the place attributes traditionally evaluated to measure place satisfaction are highlighted as value propositions that residents use to create, and co-create, value-in-use. However, using the residents' experiences as a starting point and the service-based logic as our theoretical underpinning allows us to identify other significant value propositions, the importance of co-created value propositions and what kind of value-in-use is created and co-created in the place context.

The paper is structured as follows. First, we explore the literature surrounding place satisfaction, co-creation in place branding, and the service-based logic. Second, we introduce the method covering the focus group research and the data analysis and its different steps of coding. Third, we introduce the findings and analysis structured around three main parts: value propositions, co-created value propositions and value-in-use created in the place context. The paper ends with a discussion and conclusion concerning the conceptual framing of place satisfaction and the role of co-creation for place satisfaction. Additionally, three insights on the complexity of place satisfaction is introduced.

### **Place satisfaction and value creation in a place context**

Place management is currently an established research field, and place branding a common tool for promoting cities and municipalities and addressing the increased competition between places. It is crucial to be able to measure the impact of place management efforts (Zenker and Martin, 2011). The aim of place management is to maximize both the economic and social function of an area, and Zenker and Martin (2011) argued that new concepts and variables for measuring the social function of a place are important complements to hard facts such as revenue and citizen equity. Most attempts to conduct such measurements have been focused on measuring place satisfaction, and the starting point has been the provider, for example, a municipality or a city. In attempts to understand the place satisfaction, the place has typically been treated as a product and the focus has been on evaluating place attributes (for a more elaborate analysis, see, e.g. Källström, 2016). The attributes of place have varied somewhat from study to study, and there is no common set of dimensions (Gilboa *et al.*, 2015). A review of recent studies investigating place attributes (shown in Table I) resulted in a list of 14 common place attributes. Our review demonstrates the multiplicity of the field and the array of attributes that could potentially affect place

Place attributes	Description	Source
Transportation	Efficient public transportation, roads and traffic	Van Ryzin <i>et al.</i> (2004), Ng (2005), Santos, Martins and Brito (2007), Insch and Florek (2010), Insch and Sun (2013), Rozhkov and Skriabina (2015), Potapov, Shafranskaya and Bozhya-Volya (2016)
Security	Personal and public safety, police and fire department	Van Ryzin <i>et al.</i> (2004), Santos, Martins and Brito (2007), Liao (2009), Darchen and Tremblay (2010), Insch and Florek (2010), Insch and Sun (2013), Potapov <i>et al.</i> (2016)
Nature	Access to wild nature, public green areas, parks and water	Van Ryzin <i>et al.</i> (2004), Ng (2005), Santos, Martins and Brito (2007), Liao (2009), Darchen and Tremblay (2010), Insch and Florek (2010), Insch and Sun (2013), Zenker, Petersen and Aholt (2013), Rozhkov and Skriabina (2015), Potapov <i>et al.</i> (2016)
Sports and leisure	Sport activities, facilities, sport events and outdoor activities	Ng (2005), Santos <i>et al.</i> (2007), Liao (2009), Insch and Florek (2010), Insch and Sun (2013), Zenker <i>et al.</i> (2013), Rozhkov and Skriabina (2015), Potapov <i>et al.</i> (2016)
Culture	Cultural events, theatres, library and nightlife	Van Ryzin <i>et al.</i> (2004), Ng (2005), Santos, Martins and Brito (2007), Darchen and Tremblay (2010), Insch and Florek (2010), Insch and Sun (2013), Zenker <i>et al.</i> (2013), Potapov <i>et al.</i> (2016)
City center offerings	Shopping, restaurants, cafés	Santos <i>et al.</i> (2007), Darchen and Tremblay (2010), Insch and Sun (2013), Zenker <i>et al.</i> (2013), Rozhkov and Skriabina (2015)
Public services	Education, health and social security	Van Ryzin <i>et al.</i> (2004), Ng (2005), Santos <i>et al.</i> (2007), Liao (2009), Zenker <i>et al.</i> (2013), Rozhkov and Skriabina (2015), Potapov, Shafranskaya and Bozhya-Volya (2016)
Accommodation	Housing market, availability of apartments and houses	Ng (2005), Santos <i>et al.</i> (2007), Insch and Sun (2013), Zenker <i>et al.</i> (2013), Rozhkov and Skriabina (2015)
Location	Location relative to other destinations and accessibility to other cities, airports	Insch and Florek (2010), Insch and Sun (2013)
Employment	Job and career opportunities, professional networks and wages	Liao (2009), Insch and Florek (2010), Zenker <i>et al.</i> (2013), Rozhkov and Skriabina (2015)
Environmental quality	Good environment, cleanness and pollution	Van Ryzin <i>et al.</i> (2004), Ng (2005), Liao (2009), Zenker <i>et al.</i> (2013), Potapov, Shafranskaya and Bozhya-Volya (2016)
Atmosphere	The image and atmosphere of the city, including openness	Santos <i>et al.</i> (2007), Insch and Florek (2010), Insch and Sun (2013), Zenker <i>et al.</i> (2013)
Diversity	Many different cultures and subcultures	Darchen and Tremblay (2010), Insch and Sun (2013), Zenker <i>et al.</i> (2013)
Prosperity	General economic growth	Liao (2009), Zenker <i>et al.</i> (2013)

**Table I.**  
Place attributes

satisfaction, as shown in previous research. The place attributes identified here will provide an important backdrop for our analysis.

Consumer value creation is a fundamental concept in marketing and plays a crucial role in all marketing activities (Holbrook, 1999). However, depending on the theoretical point of departure, consumer value creation can be viewed and understood differently. According to

the good-dominant logic, consumer value is delivered by and through products (Anker *et al.*, 2015). As a consequence, the product and the consumer response to the retailer's offering are in focus. Much of current place branding is founded on ideas from the good-dominant logic, and thus the starting points of studies tend to be the place, the country or city (Innsch and Florek, 2010; Zenker *et al.*, 2013), and consequently, measurements such as place satisfaction have been in focus. Consumer value and satisfaction are related, but prior research has shown a clear distinction between the two constructs. Value depends on the relationship between a consumer and a product, while satisfaction is more associated with the consumer response to a retailer's offering (Yoo and Park, 2016). Theoretically, consumer value can be categorized as cognition and satisfaction as an affective response derived from the perceived value (Woodruff, 1997). Thus, perceived value has been shown to be a significant predictor of customer satisfaction (Yoo and Park, 2016).

Thus far, research on place branding has mostly been interested in assessing satisfaction. However, the meaning of brand and branding has evolved over the past decades, and branding is currently viewed as collaborative, and brand value as the stakeholders' collectively perceived value-in-use (Merz *et al.*, 2009). This development is visible in the place branding field, where the idea of co-creation has been widely accepted among place marketing scholars (Eletxigerra *et al.*, 2018). Studies have recognized that residents not only consume the place they live in, but also shape it, along with other stakeholders (Rozhkov and Skriabina, 2015). Moreover, several researchers have highlighted the co-creation element of the place as a specific feature of place branding. For example, exploring the roles residents play in the formation and communication of place, Braun, Kavaratzis and Zenker (2013) found that residents play three major roles in this regard: they can be seen as an *integrated part of the place* as they and their interactions with others form the social milieu of a given place; they are also *ambassadors* for their place; their role as *citizens* is highlighted. Ambassadorship behaviors and citizenship behaviors were further emphasized in a study by Taecharungroj (2016), who defined citizenship behavior as actions that contribute to the city by *helping other people* and *participating in events* that can improve the city. However, studies on place satisfaction have neither recognized residents as more than just consumers of place nor recognized the co-creative element of the place offerings.

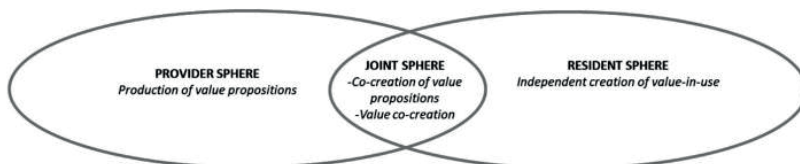
The development within branding toward a more collaborative approach is paralleled by and reflects the related, evolving service-based logic in marketing. Some researchers have suggested that the service-based logic is relevant to place management as well (Warnaby, 2009; Hankinson, 2010; Kavaratzis, 2012; Källström, 2016; Källström and Ekelund, 2016; Eletxigerra *et al.*, 2018). The branding logic and the service-based logic can reinforce and support each other (Merz *et al.*, 2009). In a review on place marketing examined through a service-based logic lens, Eletxigerra *et al.* (2018) concluded that even if some place marketing authors refer to co-creation, it is rarely explicitly conceptualized and measured, and there is no consensus regarding how value should be measured. In the present paper, the service-based logic is used as a theoretical backdrop to study residents' value creation in the place in which they live, and with the help of this logic we re-visit the concept of place satisfaction. By using concepts and models from the service-based logic, we can frame and conceptualize place satisfaction in a way that includes the co-creative element – something that tends to be neglected in traditional place satisfaction studies.

The service-based logic is a current stream in the relationship paradigm. This paradigm has developed since the early 1980s (Grönroos, 1982), but won its initial widespread recognition through the widely cited work of Vargo and Lusch (2004). The service-based logic is grounded in many of the same beliefs as the general relationship paradigm, and it

rests, for example, on the principles of market orientation, relationship marketing and service dominance. As an analytical lens, the service-based logic suggests that the unit of analysis is consumers' value creation process, including the relationship between the user and provider. There is a strong belief in the relationship between customer and provider, in which both play an active role. One of the cornerstones of the service-based logic is that notion that value is created by the user (Grönroos, 2008; Grönroos and Voima, 2013; Vargo and Lusch, 2004; 2008, to mention a few). The service-based logic refers to the consumer value, i.e. the "interactive relativistic preference experience" (Holbrook, 1999, p. 5), as *value-in-use*, because value is created when the customer uses the goods or services. Value-in-use is created when a user becomes better off in the sense of experiencing an overall increase in well-being (Grönroos, 2008; Vargo and Lusch, 2008). Value-in-use is most often conceptualized as a cognitive assessment (Sandström *et al.*, 2008), and there are several major types of value-in-use. Holbrook (2006) introduced a typology of customer value, which can help to increase our understanding of different types of value-in-use. The typology covers two main dimensions: extrinsic value (means to some further end) versus intrinsic value (self-justifying end-in-itself) and self-oriented value (value for my own sake) versus other-oriented value (value for the sake of others).

When applied in a place context, the service-based logic helps to put focus on users (e.g. residents and visitors) and how they create and co-create value-in-use, as compared to studies that rely on the good-dominant logic and consequently focus on satisfaction and residents' response to place offerings. In Figure 1, Grönroos and Voimas's (2013) model of value creation spheres is adapted to the place branding context, the aim being to illustrate the roles of providers and residents.

The providers, in this case, e.g. municipalities and businesses, are responsible for the production process, and in the *provider sphere* they produce *value propositions* that are offered to, in this case, the residents (Grönroos, 2008; Grönroos and Voima, 2013; Vargo and Lusch, 2008). The provider's sphere has been in focus in studies based on a good-dominant logic (Grönroos and Voima, 2013; Källström, 2016); consequently, most of the place attributes assessed in place satisfaction studies are believed to be connected to this sphere. Value propositions carry potential value for residents, for example, parks, exhibitions, playgrounds, trails, beaches, and much more, and thus, providers facilitate residents' value creation and can be characterized as value facilitators. The more relevant the propositions, the more value-in-use the residents can create for themselves. In the *resident sphere*, which is closed to the provider, the resident creates the value-in-use. There is also a *joint sphere*, where both value propositions and real value can be *co-created* by the provider and the user, or by two users. *Interactions* must then be established, which are a mutual measure in which two or more parties have an effect on each other (Grönroos and Ravald, 2011). Broadly



Resident's role		Value co-creator	Value creator
Provider's role	Value facilitator	Value co-creator	Value facilitator

**Figure 1.**  
Residents' value  
creation process  
(based on Grönroos  
and Voima, 2013)

speaking, value co-creation occurs when interactions between providers and consumers are fundamental to the user's positive perception of the value proposition's and marketing offering's value (Anker *et al.*, 2015). Other place users, e.g. visitors and other residents, can also be co-creators of value and of value propositions (Källström, 2016). Providers can influence the value creation process throughout the entire value creation chain. However, provider involvement changes from direct to indirect, thus shifting from the provider sphere to the resident sphere (Anker *et al.*, 2015). The theoretical backdrop helps us to frame and conceptualize residents' value creation process as a predictor of place satisfaction. The co-creative element, which tends to be neglected in traditional place satisfaction studies, plays a central role here.

### Method

To fulfill the study aim to explore how place satisfaction can be understood when using the service-based logic as a theoretical starting point, we used *focus group* research. Focus groups are valuable in exploratory research, because they provide opportunities to interact with a small number of people in a semi-structured and purposeful discussion, where dialogue between participants is encouraged (Hair *et al.*, 2011). In contrast to much other research within the domain of place branding, which has often empirically investigated well-known and populous places (e.g. Darchen and Tremblay, 2010; Kerr and Balakrishnan 2012), the present data were collected in two typical, and fairly mundane, Swedish municipalities: Hässleholm and Kristianstad. The purpose of typical case selection is that the cases can illustrate or highlight what is typical, normal and average (Patton, 2002). The municipalities in this study are fairly typical for Sweden as regard, for example, size, rankings of satisfied residents, unemployment rates and the municipal emphasis on resident dialogue. The two municipalities together have 130,000 inhabitants, and both are experiencing slow but steady growth. The sampling procedure was purposive, and participants were chosen based on a combination of quota and reputational case selection (Miles *et al.*, 2014). To maximize diversity, we aimed to balance the gender, age, life-stage, and ethnicity composition of our focus groups. The empirical data collection continued until we reached theoretical saturation (Charmaz, 2014), that is, the point at which we thought adding more focus groups would not add more value to the study. Table II shows the composition of the six focus groups.

A semi-structured interview guide was designed to ensure that the focus groups covered the same topics and to create a basis for developing a reliable, meaningful analysis. At the same time, in light of the exploratory nature of the study, the interview guide ensured open-ended discussions, as part of the aim of the focus groups was to encourage participants to speak freely and candidly. The questions were open-ended and designed to inspire conversation. For example, probing questions were posed such as "What reasons do you have for living where you live?" and "What could make you even more satisfied with the place in which you live?". To make full use of the dynamic potential of the focus group method, the groups were also tasked with reaching consensus on six good reasons why the place they lived was a good place to live. Each focus group interview lasted between 45 minutes and two hours, depending mainly on how the discussion developed. To ensure and enhance the quality of the data analysis, the focus group interviews were filmed and the films were transcribed.

The empirical material comprised 99 pages of transcribed material, subsequently reduced through various steps of coding. The initial coding was done in two steps. First, the transcribed material was read through and then coded for topics (Charmaz, 2014, p. 120). All passages that in some way touched upon the question of place attractiveness and what the

Focus group	1	2	3	4	5	6	Place satisfaction revisited
Date of the focus group interview	31 May, 2016	31 May, 2016	1 June, 2016	8 June, 2016	16 June, 2016	29 June 2016	
Case selection	Students	Think tank and Church's open house	Youth recreation center	Municipal open day care center	Think tank and Market association	Elderly care center	
Place of focus group	University Campus	Meeting room in city center	Youth recreation center	Open day care center	Meeting room in city center	Elderly care center	
Total number of participants	7	7	4	4	6	5	
Gender	Male: 4 Female: 3	Male: 3 Female: 4	Male: 2 Female: 2	Male: 2 Female: 2	Male: 3 Female: 3	Male: 1 Female: 4	
Age group	21-30	21-55	14-30	25-40	21-55	70 and above	

**Table II.**  
The composition of  
the focus groups

respondents liked about the place they lived were coded with “place attractiveness”. Material coded in this way ended up consisting of 49 pages of transcribed text, which then constituted the empirical material that underwent further coding and analysis. In the second step of the initial coding, *in vivo* coding was used (Miles *et al.*, 2014, p. 74), i.e. words or short phrases from the participant’s own language were used in the codes. Because our aim was to increase our understanding of residents’ perception of place attractiveness and why they liked the place in which they were living, we actively searched for reasons for liking a place. The coding resulted in 266 codes. Typical codes were as follows: “Everyone is nice to each other here”, “It’s cool to live somewhere where there’s a history” or “Cheap house prices”.

After the initial coding, the next step was *focused coding*. The starting point was the 266 codes and the aim was to group codes with the same meaning, which resulted in a total of 74 unique codes distributed across all six focus groups. Some of the codes were found in all focus groups, while others were unique to one group. The reduced data were scrutinized once more, the purpose being to identify higher levels of categories, and the codes were grouped together under higher-order categories in a theorizing process (Ryan and Bernard, 2003). The empirical data were labeled with our own categories, which meant we defined what the empirical data concerned. In the end, the material consisted of 27 codes representing different dimensions of place attractiveness. With the theoretical framework as a starting point, the codes were divided into three main categories: value propositions, co-created value propositions and value-in-use.

## Findings and analysis

The service-based logic, and more specifically Grönroos and Voima’s (2013) value creation spheres, inspired the analytical work. Thus, the service-based logic helps us to conceptualize place satisfaction, emphasizing the resident’s value creation process as a significant predictor of place satisfaction. Using this theoretical backdrop, three main categories became visible in the empirical material: value propositions produced in the provider sphere, value propositions co-created in the joint sphere and value-in-use, co-created in the joint sphere and created in the personal sphere of residents. Thus, the present study does not only highlight the importance of the co-creative element for place satisfaction, but also more specifically shows what role co-creation plays in residents’ value creation processes.



*Value propositions*

The study reveals that residents see a wide range of different place attributes as being important to their satisfaction in the place context. A typical resident uses many of these different place offerings to create value-in-use in the place context. The coding of the empirical material shows that *all* 14 main place attributes, highlighted in previous research and identified in our literature review (Table I), were discussed during the focus groups as being important value propositions. Of these, 12 could be *linked to the provider sphere*: city center offerings, sports and leisure, culture, public service, transportation, employment, accommodation, closeness, environmental quality, nature, security and prosperity. Many of the value propositions are likely to be co-produced between different providers, but the user, i.e. the resident, is not actively involved in co-producing the value propositions and thus the propositions are linked to the provider sphere. Two additional new kinds of value propositions were discovered in the present empirical material. In the focus group discussions, the importance of the place offering something unique, something it could be famous for, was a recurrent theme. It seemed important that this unique aspect – this source of fame – be recognized by people from the outside and be something residents in the same town could agree on. It became obvious that a clear identity was something that created status and pride, and thus could be identified as a value proposition the residents used to create value, and which increased place satisfaction. More concretely, the participants talked about popular tourist attractions and successful and nationally renowned elite sport teams. For example, a woman in one of the focus groups highlighted the importance of having an identity:

This is something that I highlight when someone asks. Kristianstad. Then I normally say Vattenriket Biosphere Reserve, that's something that is really unique here. It's amazing.

Even if place identity is used extensively in place branding literature (Kalandides, 2011), it has not previously been highlighted as relevant specifically in place satisfaction studies. Our study indicates that place uniqueness/identity has a strong influence on residents and ought to be considered a value proposition that contributes to place satisfaction. Second, in our study, place appearance is also considered a value proposition in its own right. Place appearance has earlier been highlighted in place branding research, for example as a vital priority for action to ensure vitality of town centers (Parker *et al.*, 2017). As several participants in the study raised the question about how the place appearance influenced their satisfaction with the place, our study indicates that appearance also can contribute more directly toward place satisfaction. The proposition, similar to place uniqueness/identity, creates feelings of pride and status, but also improves residents' well-being. A woman at the municipal open day-care center elaborated on the appearance of the city:

I was just about to say. I think it's a beautiful city. Most of it at least, there are of course parts. But, it is a beautiful city, it sure is!

*Co-created value propositions*

With the service-based logic as a backdrop, it becomes evident that not all value propositions are produced under the same circumstances. The focus group discussions showed, repeatedly, that individual value-in-use is often created from value propositions that the residents themselves are active in co-creating with others. Thus, certain value propositions were seen as being dependent on the interaction between the provider and the resident, and by interactions between residents. Interaction is seen as a mutual action, where two or more parties have an effect on each other (Grönroos and Ravald, 2011). Many

important value propositions can be enjoyed, only if the resident him/herself is active in producing them, such as a friendly atmosphere at a playground or feeling visible being greeted walking down the streets in the city center. These value propositions can be viewed as *being co-created in the joint sphere* (Grönroos and Voima, 2013). Braun, Kavaratzis and Zenker (2013) have touched upon this phenomenon earlier, without explicitly connecting it to co-creation, describing how residents are an integrated part of the place. Residents and their interactions with each other and with outsiders form the social milieu of a given place, which together with the physical setting shapes the experience of the place.

Table III illustrates the co-created value propositions that were put forward during the sessions. *Atmosphere* (Santos *et al.*, 2007; Insch and Florek, 2010; Insch and Sun, 2013; Zenker *et al.*, 2013) and *diversity* (Darchen and Tremblay, 2010; Insch and Sun, 2013; Zenker *et al.*, 2013) have previously been highlighted as place attributes important to place satisfaction. Considering residents' active role in creating the atmosphere and contributing to diversity, these place attributes need to be described as co-created value propositions. Atmosphere includes elements such as tranquility, cosiness and the absence of noise. Apart from being emphasized in studies on place satisfaction, atmosphere has been the core focus in other place branding research, such as when Billie (2015) explored the role of light and atmospheres in shaping the sense of home and community and when Löfgren (2014) discussed the role of an attractive atmosphere using the cities Malmö and Copenhagen as cases, proving the importance of atmosphere for the residents' perception of the place. Our

Value Proposition	Dimensions	Quotes (examples)	Found in focus group
Atmosphere	Cosiness	"I feel it. It's cosy in Kristianstad. And that's what makes it special" (Focus group 1)	1, 2, 6
	Tranquility	"It's so quiet and nice. In the long run, I wouldn't be able to live in a big city" (Focus group 2)	1, 2, 3, 6
	Absence of noise	"There are so many people if you live in big cities. People everywhere. It never gets quiet" (Focus group 3)	3, 5
Diversity	Know each other over cultural borders	"Everyone is with everyone and there are no specific groups. You know each other over cultural borders" (Focus group 3)	3
Fellowship	Neighborliness and solidarity	"Everyone was involved much more, you were involved in everything. And your neighbor helped in another way" (Focus group 5)	5, 6
	Respecting each other	"We live together. People from other cultures and the Swedish culture. And you respect each other" (Focus group 3)	1, 3
Networks	Supporting networks	"You have the contacts. I mean you have contacts here that you can use. Perhaps find an apartment with the help of people you know" (Focus group 4)	2, 4
Visibility	Everyone knows everyone	"I, who quite recently moved here, I'm recognized at many places and I've gotten to know people in stores and cafés and so on... That's something about this place, that you feel special, in a good way" (Focus group 1)	1, 2, 3, 6
	You are a part of a context	"You feel like you're part of a context... I think that's important. That you feel you belong and that people count on you" (Focus group 2)	2

**Table III.**  
Value propositions  
co-created in the joint  
sphere

study offers further support for the relevance of atmosphere for place satisfaction, e.g. a student in one of the focus groups refer to the atmosphere when he tries to put his finger on what he likes about the city he lives in:

I feel it. It's cosy in Kristianstad. And that's what makes it special.

Diversity is an attribute in relation to which the resident needs to be actively involved to experience value from the proposition. A teenaged boy talks about how he treasures the diversity in his neighborhood:

Everyone is with everyone and there are no specific groups. You know each other over cultural boundaries.

Several propositions not highlighted in previous place satisfaction studies were also highlighted in the discussion and considered important to residents' value creation: fellowship, networks and visibility. Just as atmosphere and diversity, these value propositions cannot be produced without interaction, and without residents themselves being involved, thus they are co-created in a joint sphere. Fellowship has to do with neighborliness, solidarity and people respecting each other. A young girl at a youth recreation center, who lives in a multicultural neighborhood, emphasized the importance of fellowship:

We live together. People from other cultures and the Swedish culture. And you respect each other.

Supportive networks can also increase the ability to create value in a place context, and consequently improve place satisfaction. Networks are highlighted as important because they increase people's opportunities. However, to enjoy the benefits of a network, the individual him-/herself must be active. A man at an open day-care center stressed the benefits he experienced from having a network in town:

You have the contacts. I mean you have contacts here that you can use. Perhaps find an apartment with the help of people you know.

Finally, visibility and being a part of a context were stressed in most of the focus groups as something that positively affects their value creation in the place context. People highlighted the importance of being seen, and many seem to value the small-town feeling: "everyone knows everyone." A student discussed the importance of visibility:

I, who quite recently moved here, I'm recognized at many places and I've gotten to know people in stores and cafés and so on [selb] It's something about this place, that you feel special, in a good way.

The importance of visibility can be connected to previous research on belonging and home in relation to places. Tuan (1975) talks about the home as a nurturing shelter and connects the home and the place when he writes "We go to all kind of places but return home or to homelike places" (1975, p. 155). Tuan emphasizes the importance of experiences of life that add up to a profound sense of place. The sense of belonging and the feeling of home can help us to understand why our respondents refer to visibility as a strong reason for place satisfaction.

It is essential to separate value propositions that are co-created from those that can be created by providers without involvement of residents, because the role of the provider changes. If they are to enjoy the propositions, residents need to be engaged and participate in creation of the co-created value propositions. Thus, the providers' role is to facilitate residents' participation and to create opportunities for interaction. Overall, issues connected to the joint sphere were a frequent topic in the discussions, indicating the importance of co-creation for place satisfaction.

*Value-in-use*

According to the service-based logic, users take part in and use value propositions to increase their well-being (Akaka and Vargo, 2015; Grönroos, 2008). In other words, the place value propositions contribute to residents' creation of value-in-use. Looking at the creation of value-in-use in the place context adds a new dimension to our understanding of residents' perception of the place. The focus groups participants did not only talk about what the place offers them, but the conversations also concerned what benefits these different value propositions have given them. Apart from creating value-in-use in the personal sphere of the resident, residents mentioned often interacting with other residents – both those they do not know and those they do know, such as neighbors, colleagues and friends – and how this influenced their perception of the place and how it led to increased value-in-use. For example, a friendly attitude at a playground increases the value of the experience for all visitors. Using Holbrook's (2006) typology of customer value, all four main types of value could be identified, as seen in Table IV.

Economic value, i.e. means to a resident's own sake, is a commonly highlighted type of value-in-use that is important for residents, and which has been discussed in connection to place satisfaction studies before. Zenker *et al.* (2013) presented four categories of factors contributing to overall place satisfaction, where one factor was labeled "cost-efficiency," consisting of factors leading to economic value for the residents. Economic value can involve concrete monetary savings, but also time savings and convenience. A man with three young daughters stressed the importance of the economic value he experienced from living in Kristianstad:

The house prices. You can get the same house here for half the price. But you don't have half the salary. I mean that is a huge advantage; how much more can't you do here in a year?

Hedonic value is also important, i.e. residents' own pleasure as an end-in-itself kind of value. For example, happiness has been highlighted in previous place marketing studies (e.g. Azevedo *et al.*, 2013; Gilboa and Herstein, 2012) as has general well-being (Beck, 2009), however, not in direct connection to place satisfaction. Here the participants highlight well-being, including freedom and comfort, a sense of belonging/familiarity and safety as key reasons for liking their place. A woman in her 40s, born and raised in Kristianstad, emphasized the familiarity aspect of the hedonic value:

I like it here because I feel at home. I have lived here my entire life. You kind of know everything, you can drop me off anywhere and I know where I am. You feel at home.

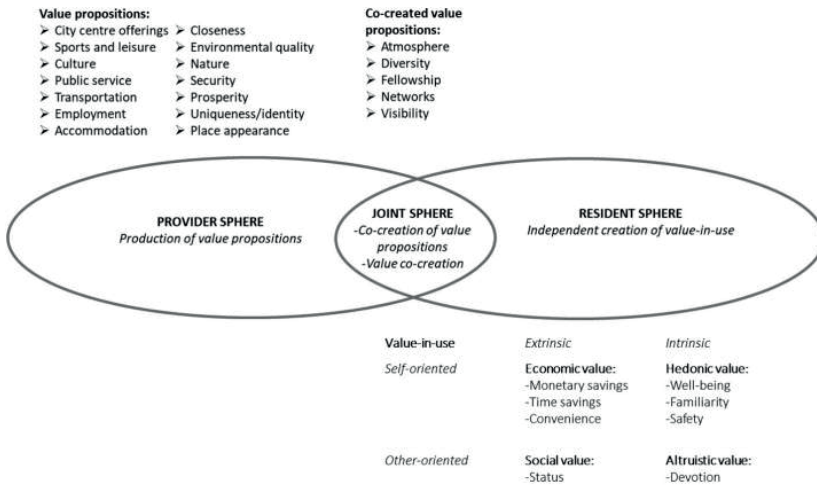
Other-oriented value as a means to some further end, i.e. social value, is seen as an important aspect of place attractiveness and status, and the fact that other people like the place we live in is frequently highlighted in the focus group discussions. For example, this became evident when the participants discussed uniqueness/identity and place appearance as valuable propositions. A student talked about tourists coming to Kristianstad. This made him proud of Kristianstad, and he experienced a social value – as if the town's popularity reflected on him:

Kristianstad is quite unique. When you're out, you notice that people from all over the Nordic countries are here. They want to be here[. . .] It's exciting.

Finally, Holbrook's (2006) fourth type of value, the altruistic value – where own behavior affects others and where this experience is viewed as a self-justifying end-in-itself – can be identified in the study, although it is not mentioned as frequently as the other three types of value. For example, the enthusiasts who are active in the non-profit sector as youth leaders and

Type of value	Value-in-use	Dimensions (Codes)	Quotes (examples)	Found in focus group
Economic value	Monetary savings	More money left for other things	"The house prices. You can get the same house here for half the price. But you don't have half the salary. I mean that is a huge advantage; how much more can't you do here in a year?" (Focus group 1)	1, 2, 6
		Closeness	"I can take my bike to work, I can take the bike to the city center. I can walk to town. It's really close" (Focus group 1)	3, 4, 6
		Simplicity	"We want to live close to the city because you want to give your future kids this thing, that it should not be a problem, simply take your bike to the practice. And, of course, that makes things easier for me" (Focus group 2)	1, 2, 3
	Well-being	Simply like it here	"You can find everything here. . . Nightlife, several restaurants. Here's a shopping mall. . . So for me Kristianstad is..well I feel good here!" (Focus group 4)	All
		Freedom	"The nature is fantastic. I mean it's priceless when you come from Malmö inner-city and then all of the sudden have access to this incredible nature" (Focus group 1)	1, 5
		Comfort	"If I hadn't felt comfortable here, I wouldn't have stayed. Regardless of falling in love" (Focus group 1)	1, 2, 4, 5, 6
		Familiarity	"I feel that we have this family, the us-feeling. . . It's an us-feeling no matter if it has to do with sports, outdoor life, or whatever. That we have an us-feeling, or family feeling, I don't know what is what" (Focus group 1)	1, 2, 6
			"I like it here because I feel at home. I have lived here my entire life. You kind of know everything, you can drop me off anywhere and I know where I am. You feel at home." (Focus group 2)	1, 2, 5, 6
		Safety	"I feel still safe here, it's safe to grow up here. This is how I feel" (Focus group 1)	1, 2, 3, 5
	Social value	Status	"I'm not sure. Maybe it has to do with what you were talking about, that we like it here and are proud of the town. Also, there has been more, more focus on us since we had some successes. With handball and other things" (Focus group 2)	1, 2, 4, 6
		Other people like the place/are impressed	"Kristianstad is quite unique. When you're out, you notice that people from all over the Nordic countries are here. They want to be here. . . It's exciting" (Focus group 1)	1, 2, 4
Altruistic value	Devotion	Happy to help others	"Yes, I mean there are some enthusiasts who make up their mind. Let's do something! They want to see a change and I believe that they play an incredibly important role"	2, 5

**Table IV.**  
Value-in-use created in the context of place



**Figure 2.**  
Residents' value  
creation in the  
context of place

volunteers are highlighted as crucial to a place; they are thought to experience several types of values, one of which is the altruistic value, because they experience devotion in helping others.

Figure 2 summarizes the main findings of the empirical study and offers a conceptualization of place satisfaction using the service-based logic as a theoretical foundation. Residents identified a wide range of value propositions, traditionally referred to as place attributes, that are offered to them in the context of place and that they then use to create value-in-use. Some of these value propositions, e.g. culture, transportation, closeness and place appearance, are produced in the provider sphere, independent of the user, for example, by the municipality or the business sector. Other value propositions, such as the atmosphere and fellowship, are co-created in the joint sphere, meaning that the user is actively involved in their creation. The resident then uses the different value propositions to create value-in-use. This takes place in the resident sphere independent of the provider or through co-creation of value in the joint sphere. The resident experiences economic value (e.g. monetary savings and time savings), hedonic value (e.g. familiarity and well-being) and social value and altruistic value. Thus, co-creation is a key element of place satisfaction, both in terms of propositions being co-created and in terms of value co-creation.

## Discussion and conclusions

Understanding stakeholders' perceptions of a place can be seen as the starting point for effective place management (Lucarelli and Berg, 2011; Zenker and Martin, 2011). The purpose of the present paper has been to create a bridge between the stream of research on place satisfaction and studies that take stakeholders and co-creation into consideration, by using the service-based logic as a theoretical underpinning when exploring residents' perception of the place they are living in. In doing so, co-creation and the importance of stakeholders are looked at in light of how they contribute to value creation for the resident, and consequently to place satisfaction, as consumer value has been shown to be a significant predictor of customer satisfaction (Yoo and Park, 2016).

Using the service-based logic, more specifically Grönroos and Voimas's (2013) model of value creation spheres, as an analytical model helps us to strengthen the conceptual framing of place satisfaction and to explore the role of co-creation for place satisfaction. A distinction is made between value propositions produced in the provider sphere, value propositions co-created in a joint sphere and value-in-use created in the personal sphere of the resident and co-created in the joint sphere. Our study shows that residents recognize the place attributes traditionally included in place satisfaction studies and acknowledge the importance of these attributes for their perception of the place. The place attributes are seen as value propositions, either being produced by, e.g. the municipality in the provider sphere or co-created in a joint sphere by the resident him-/herself together with a provider or other residents. This division is important, as the providers play very different roles depending on the type of value proposition. Because residents need to be engaged and participate in the making of the co-created value propositions if they are to enjoy the propositions, the providers' role becomes to facilitate residents' participation and to create opportunities for interaction. For example, a municipality can host events such as industry forums and business breakfasts to facilitate new relationships and to get people to develop their networks, offer parenting courses where mothers and fathers can meet and enter into fellowship with other parents or actively encourage a service culture in schools and preschools, where both children and parents feel visible. In these examples the providers carry important roles for value creation and increased place satisfaction by creating opportunities for interaction.

The study does not only confirm and classify existing place attributes into two kinds of value propositions, but also reveals new value propositions, not highlighted in previous research, that residents find important to their perception of the place. Two new propositions produced in the provider sphere are put forward as important: place appearance and uniqueness. Uniqueness is an important part of place branding, however not commonly included in studies on place satisfaction. Our focus group discussions indicate that place uniqueness contributes to value creation in the place context, such as status, and ought to be included in place satisfaction studies. Fellowship, networks and visibility were also pointed out as important value propositions, but have not been highlighted in previous studies. These are all co-created in a joint sphere, by the resident him-/herself and a provider or other residents. Even if these co-created aspects are important to residents' perception of the place and their value creation, they seem to be neglected in many current place satisfaction studies. To fully understand why residents are satisfied with a place, our study suggests to include these co-created elements in place satisfaction studies.

The present study also explored what kind of value-in-use the residents create, or co-create, in the place context, using the different kinds of value propositions. Value-in-use is created in the personal sphere of the resident and also often co-created together with other people. Thus, co-creation is a key element of place satisfaction, both in terms of propositions being co-created and in terms of value co-creation. As mentioned, consumer value has been argued to be a predictor of satisfaction (Yoo and Park, 2016), and it is therefore important to understand what value is created in the context of place if we are to understand why residents are satisfied with their place of living. Using Holbrook's (2006) typology of customer value, four main types of value-in-use were identified: economic value (e.g. monetary savings and time savings), hedonic value (e.g. well-being and familiarity), social values (e.g. status) and altruistic values (e.g. devotion).

Finally, the open-ended dialogue with residents revealed the complexity of place satisfaction, discussed here as three separate insights. First, we found that it was not only the presence of offerings that provides opportunity for value creation. What a city does not have can actually be its main advantage. For example, the absence of noise and the absence of crime were highlighted

as important value propositions. Second, residents talked about a wide range of value propositions they believed made their place a good place to live, but some of these value propositions were far from what is traditionally seen as belonging within the borders of the place. This indicates that being close to an amenity can be enough to satisfy residents who are willing to travel for entertainment and experiences. Third, during the focus group discussions, many value propositions were mentioned as valuable, though not all of them were actually used by the respondents. This indicates that a person does not have to use a value proposition to consider it valuable. For example, living close to the sea and the beach can benefit people even if they never go to the beach. It may give them status, make them more confident in their choice of place, increase their opportunities and, thereby, improve their well-being.

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# A place to live -A typology of stakeholder co-creation activities

Lisa Källström<sup>1</sup>

## Abstract

Stakeholder co-creation is of key strategic importance and a topical issue within both place marketing and public governance. However, co-creation is a wide concept and there is a need to further the understanding of the roles of stakeholders and the specific activities in co-creation. Inspired by the place marketing field, the context of this study is the place. Thus, a contribution is made to public governance by a change in focus. Furthermore, a model grounded in empirical work is created which helps us to understand different activities that take place in the co-creation of a place to live. Six important activities in place co-creation are identified: handling, enabling, operating, social networking, supporting and representing.

**Key words:** place marketing, public governance, co-creation, stakeholders, grounded theory

## Introduction

“We [the municipality] have of course a very big responsibility. Who else is as large as we and can take that responsibility? However, it is not only our

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responsibility; we share it with companies, residents, non-profit organizations, Kristianstad University and many more, who all are ambassadors for their city.”

The quote comes from an interview with a municipal official, where we discussed the municipality’s role in creating an attractive place for their residents. The quote is important, since it puts the finger on the relative roles of government, e.g. the municipality, and other stakeholders and how they contribute to the development of the place. The last 20 years, the interest in, and the relevance of, public governance has grown (e.g. Peters and Pierre, 1998; Bovaird, 2005; Bovaird and Löffler, 2009; Edelenbos, Steijn and Klijn, 2010; Klijn, 2012), and as a consequence stakeholder engagement has become a buzz-word. At the same time we can see an emergent awareness within place marketing for stakeholder involvement (Kavaratzis, 2012; Kemp, Childers and Williams, 2012; Lindstedt, 2015; Thelander and Säwe, 2015). Within place marketing, stakeholder involvement and co-creation has, so far, mostly been studied in the scope of the place branding processes (Nisco, Riviezzo and Napolitano, 2008; Ruzzier and Petek, 2011; Kemp et al., 2012; Lindstedt, 2015; Cerda-Bertomeu and Sarabia-Sanchez, 2016; Henninger, Foster and Alevizou, 2016; Martinez, 2016). Even if there has been some recognition for stakeholders as co-creators of public goods, services and policies (Braun, Kavaratzis and Zenker, 2013), there is a evident gap in the place marketing literature when it comes to the co-creation of actual offerings, which this paper helps to close.

Public management naturally assume governments, e.g. the municipality, the starting point for analysis (Martin, 2009). Thus, public management differ from place marketing, where the place itself is the natural level of analysis. The above mentioned, growing field of public governance does, however, open up for studies that do not study the place context solely from a government perspective, but rather take a more open approach. Lately, the need for coordination and collaboration between a range of organizations and groups, both within and beyond government, has been put forward (Alford, Douglas, Geuijen and Hart, 2017). Inspired by the place marketing field, the context of this study is the place, and the purpose is to explore the stakeholder co-creation activities behind a place to live. The municipality is not the focus, rather the municipality is seen as one of many stakeholders to the place. Furthermore, the scope of the concept co-creation is extended, since what is studied is not the co-creation of a specific public service but rather how the place as such, i.e. a bundle of urban offerings (Braun, 2008), is co-created. Interviews with municipal officials and elected politicians as well as focus group discussions

with residents help us to explore how a place is perceived as being co-created by different stakeholders. A part from contributing to public governance by a change in focus, a model is created which helps us to understand different activities that take place in the co-creation of a place to live. Co-creation is a wide term and stakeholders can contribute and co-create in many different ways. Grounded in empirical work, this paper describes six important activities in place co-creation.

## Literature review

### Place marketing and stakeholder involvement

The increased global connectivity and increased mobility of both humans and capital have created competition between cities and regions, which has led us to produce the market-oriented solution place marketing (Caldwell and Freire, 2004; Nedomysl and Jonasson, 2012). Place marketing is focused on creating a place in which actors can create value, which Braun's (2008) definition of place marketing explicates. According to Braun, place marketing is:

...the coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large. (Braun, 2008, p. 43)

To create a good place image is also an important part of place marketing (Kavaratzis, 2004). Image marketing and branding is closely related, and branding is of great importance in marketing today. Branding endows a product, or in this case the place, with a specific and more distinctive identity (Cova, 1996). Place branding is a large field within place marketing, however the two terms place *marketing* and place *branding* is closely connected and are often being used interchangeably (Skinner, 2008).

The unit of analysis within place marketing is normally 'the place'. According to Braun's (2008) definition of place marketing the place must be regarded as valuable *urban offerings*. These offerings consist of a large variety of both products and services, which are believed to bring value to the stakeholders. The offerings are dependent upon the natural conditions in the geographical area, but are still to a high degree possible to influence and develop. The



offerings can for example be a place's community assets such as parks and gardens (Insch and Florek, 2010; Zenker, Petersen and Aholt, 2013) and availability of apartments and houses (Zenker et al., 2013). To see the place as urban offerings also implies that a place is not a single product, instead it is a composition of a multitude of different services and products. It is the composition of services that constitutes the place and it is the composition together with the quality of the individual components that is under scrutiny when the place is discussed in place marketing. These offerings are provided by a number of different companies and organizations, which makes the place context very complex.

There are many stakeholders to the place, i.e. many actors whose actions affect the place or who are affected by the place and its achievements (Bryson, 2004). Governments, such as municipalities, and the entire public sector, plays an important role as a key stakeholder of the place. Other important stakeholders are: residents, visitors, companies and investors (Braun, 2008; Zenker and Martin, 2011; Nedomysl and Jonasson, 2012). Due to the complex nature of the place, stakeholders play a large role in place marketing and the importance of stakeholders and co-creation has been given more attention lately (Thelander and Säwe, 2015). Kavaratzis (2012) goes as far as talking about a new conceptualization of place branding, where the stakeholders are given a prominent role. The emergence of the service-based logic for marketing (e.g., Grönroos, 1982; Vargo and Lusch, 2004), which emphasizes the concept of co-creation, has contributed to the increased interest in stakeholders. The service-based logic has been suggested to be relevant for place marketing (Merz, He and Vargo, 2009; Warnaby, 2009; Hankinson, 2010; Kavaratzis, 2012; Källström, 2016; Källström and Ekelund, 2016) and when applied in a place marketing context, the service-based logic helps to put focus on the user, e.g. residents and visitors, and how they co-create value-in-use in the place context.

The stakeholder approach has, so far, mostly been studied in the context of place branding, i.e. in connection to how a place *brand* is developed and implemented (Nisco et al., 2008; Ruzzier and Petek, 2011; Kemp et al., 2012; Lindstedt, 2015; Cerda-Bertomeu and Sarabia-Sanchez, 2016; Henninger et al., 2016; Martinez, 2016). Martinez (2016) argue that the most effective place branding initiatives are those in which a wide range of local stakeholders are involved. The significance of local government is not invalidated within the co-creation approach, rather the government is seen as having a focal position in the place service system (Lindstedt, 2015) and is playing a key role in place

branding initiatives since they often defines when, how and why place branding projects are initiated (Cerdeira-Bertomeu and Sarabia-Sanchez, 2016).

A specific feature of place marketing is that residents not only consume the place they live in but also shape it, along with the other stakeholders (Rozhkov and Skriabina, 2015). Braun, Kavaratzis and Zenker (2013) have explored the different roles residents play in the formation and communication of place brands and they identified the residents as having three major roles. Since the residents and their interactions with others form the social milieu of a given place, the residents can be seen as being an *integrated part of the place*. Residents are also *ambassadors* for their place and their role as *citizens* are highlighted. Ambassadorship behaviours and citizenship behaviours has been further emphasized in a study by Taecharungroj (2016), who defined citizenship behaviour as behaviours that contribute to the city by *helping other people* and *participating in events* that can improve the city. Insch and Stuart (2015) also recognizes that the residents carries multiple roles for the place brand and e.g. highlights the possibility for residents to be *supporters*, but also indifferent or spreading negative word-of-mouth.

## **Stakeholder involvement in public management and public governance**

Public management is an academic discipline that studies the implementation of government policy and how civil servants are working in the public service. Public management naturally assume the governments, e.g. the municipality, the starting point for analysis (Martin, 2009). Municipalities are of course geographic places, however within public management municipalities are mainly regarded as service-providing organizations and political institutions (Waeraas, Björnå and Moldenaes, 2015). Thus, public management differ from place marketing when it comes to the main level of analysis. Within place marketing the place itself is the natural level of analysis, while in public management the municipality, or other government, and the public service is most often in focus.

However, the role of government is changing in the modern society and public governance, to be compared to public government, has been given increased interest the last 20 years (e.g. Peters and Pierre, 1998; Bovaird, 2005; Bovaird and Löffler, 2009; Edelenbos et al., 2010; Klijn, 2012). Public governance points at situations where decision making and implementation take place in networks of public, private and semiprivate actors (Edelenbos et al., 2010) and

the traditional view that the public sector is the major actor and that they alone can influence the economy and society is questioned (Peters and Pierre, 1998). Public governance typically assume:

...a multiple stakeholder scenario where collective problems can no longer be solved only by public authorities but require the cooperation of other players (citizens, business, voluntary sector, media etc) and in which practices such as mediation, arbitration and self-regulation may often be more effective than public action. (Löffler, 2009)

The label governance, thus, incorporates stakeholder involvement (Klijn, 2012) and the shift from public government to public governance implies that governments are seen as depending on many stakeholders with different resources and that various actors have to be included in the policy-making and implementation process (Edelenbos et al., 2010; Klijn, 2012; Alford et al., 2017). Thus, a dominant feature of the governance model is societal networks (Peters and Pierre, 1998; Boivard, 2005). Bryson and colleagues (2017) argue that the creation of public value takes place at multiple levels such as individual, group, organizational, community, regional and national levels, and much of the dynamism in the public realm is due to the interactions *across* overlapping spheres.

From a government's point of view, there are several reasons for encouraging stakeholder engagement and participation. First of all, citizenship participation is important so strengthen democracy (Pestoff, 2009). Early involvement of stakeholders and citizen's groups also enhances legitimacy by living up to the claim to be close to the citizen, which increases the accountability, transparency and the public confidence (Martin, 2009; Klijn, 2012). Perhaps most important, the knowledge and effort from stakeholders is believed to improve the outcome and the quality of policy and public services (Bryson, 2004; Martin, 2009; Edelenbos et al., 2010; Klijn, 2012). Stakeholder participation increases the chances that the service meet the user's needs, since they have been a part of designing and/or producing the service themselves (Martin, 2009).

Stakeholders can be engaged and participate in the networks in different ways. Martin (2009) differ between different forms of participation and has developed the public participation spectrum. In this spectrum he distinguishes between *information*, one-way flow of information from public agencies to the public, *consultation*, two-way dialogue between public agencies and the public and *co-production*. Co-production is a broad term (Melik and Krabben, 2016)

which has become increasingly topical for a wide range of academics (Verschuere, Brandsen and Pestoff, 2012). A widely accepted definition of co-production is offered by Ostrom (1996, p. 1073): “*the process through which inputs used to produce a good or service are contributed by individuals who are not “in” the same organization*”. Later definitions put more emphasis on the public service and the citizens as co-producers. For example Brandsen and Honingh (2016, p. 431) claim that “*coproduction is a relationship between a paid employee of an organization and (groups of) individual citizens that requires a direct and active contribution from these citizens to the work of the organization*”. However, it is recognized that co-production also can include the non-profit sector and the civil society at large (Brandsen and Pestoff, 2006), as well as large scale corporations (Melik and Krabben, 2016), and not only citizens. Another term for active stakeholder involvement is *co-creation*, which refers to “*the active involvement of end-users in various stages of the production process*” (Voorberg, Bekkers and Tummers, 2015, p. 1335). The concept co-creation and co-production seems to be closely related (Gebauer, 2010; Voorberg et al., 2015), as both concepts refer to that customers are involved in the creation of value. The present study adopts the usage of the service-based logic (Vargo and Lusch, 2004), in using the term co-creation.

The intensity of stakeholder involvement differ and co-creation can take different forms (Pestoff, 2009). For example, Martin (2009) and Pestoff (2009) writes about the importance of getting the residents to cooperate by taking care of themselves and the place, for example by not committing crimes, living a healthy life or, more concretely, not spitting chewing gum on the pavement. Löffler (2009) highlights that public agencies need to *co-design*, *co-manage*, *co-deliver* and *co-assess* their services and resources with their key stakeholders. Based on a systematic literature review of co-creation and co-production, Voorberg et al (2015) describes citizens as *co-implementers*, *co-designers* and *initiators*. Furthermore, it is recognized that private firms can ‘*do the service*’ or have an ‘*enabling role*’ (Löffler, 2009). Pestoff (2009) studied childcare in Sweden and found four dimensions of co-production: *economic*, *social*, *political* and *service specific participation*. Although active stakeholder involvement is a topical question within public governance, there is still great uncertainty about the relative roles of different stakeholders and how different stakeholders can contribute in the co-creation of for example a service or cooperate to improve the general quality of life (Boivard, 2005; Löffler, 2009).

## Methodology

A qualitative methodology is used to explore the stakeholder co-creation activities behind a place to live. The empirical context is two typical municipalities in southern Sweden, Hässleholm Municipality and Kristianstad Municipality. Sweden is a democracy with a long history of stakeholder engagement. In Sweden, resident dialogue should be integrated in both the control and the operational development in the municipalities, with the purpose to build a sustainable society (SKL, 2017). The purpose of typical case selection is that they can illustrate or highlight what is typical, normal and average (Patton, 2002). The municipalities in this study are fairly typical cases for municipalities in Sweden when it comes to for example size, rankings concerning satisfied residents, unemployment rates and the municipal emphasis on resident dialogue. The municipalities have together 130,000 inhabitants, and both municipalities experience slow but steady growth.

### Data collection

The study is based on interviews with municipal officials and elected politicians as well focus group discussions with residents, which allowed me to capture the residents' and municipalities' perceptions of how a place is co-created. The semi-structured interviews were conducted at the municipal organization in Hässleholm and Kristianstad and the first interview in each municipality was based on purposive selection and resulted in interviews with the municipal directors. The director is the highest official in the municipality and manages the municipality's services. After the first interview, a snowball technique was used. New interviews were arranged with recommended people as long as each new interview contributed significantly to the understanding of the case (Patton, 2002). The sample selection technique resulted in 20 interviews. Each interview lasted between 45 to 70 min and the interviews were recorded. The interviews took place in the interviewee's office and was conducted during a period of five months.

Focus groups is a valid research approach in exploratory research, as they provide opportunities to interact with a small number of people in a semi-structured and purposeful discussion where discussion between the participants is encouraged (Hair et al., 2011). This method was used to explore the perception of the residents. The case sampling was *purposive* and the participants were chosen based on a combination of *quota* and *reputational*

case selection (Miles, Huberman and Saldaña, 2014). The selection was guided by a reference group consisting of representatives from municipalities and the business sector. It was important to include a good representation of gender, age, life-stage, and ethnicity to maximize the diversity of the sample. Six focus groups were conducted before theoretical saturation was achieved (Charmaz, 2014). In total 33 residents participated in the focus group discussions; 18 women and 15 men between 14-85 years old, with varying positions in the society and with different ethnical backgrounds. Each focus group interview lasted between 45 minutes and two hours, depending mainly on how the discussion developed. A semi-structured interview guide was designed to make sure the different focus groups covered the same topics and to create a basis for the development of dependable and meaningful findings. The aim in the focus groups was to encourage the participants to talk free and candidly.

The study is inspired by grounded theory. However, I see the need for interpretation and share Charmaz's (2014) view that theory is constructed by the researcher, but should be grounded in the empirical data. Next follows a description of the data analysis, with focus on how the empirical material was sorted and reduced.

## **Sorting and reducing**

The data analysis and theorization started already during the interviews, but became more intense during the transliteration and more structured during the formal data analysis stages. To simultaneously collect and analyze data can help the researcher to go further and deeper into the research problem, as well as starting to develop categories (Charmaz, 2014). Memo-writing (Charmaz, 2014) was used during the entire research process as a tool to facilitate early analysis.

The empirical material is quite rich and cover more topics than the focus of this paper. It was therefore necessary to start the formal data analysis by making an initial sorting and reduction of the material. The *initial coding* (Charmaz, 2014), or first cycle coding if one prefer (Miles et al., 2014), was done in two steps. First, the transcribed material was read through and the material coded for topics (Charmaz, 2014, p.120). All passages which in some way touched upon the question of how stakeholders contributed to making the place a good place to live was coded with "stakeholders' contribution". Material coded in this way was moved to a new document which ended up consisting of 36 pages of transcribed text, which then constituted the empirical

material subject for further coding and analysis. This can be seen as a categorical reduction, where certain parts of the material is excluded in order to get a more manageable and theoretical interesting data (Rennstam and Wästerfors, 2015).

In the second step of the initial coding the material was, primarily, coded for action (Charmaz, 2014, p.116), i.e. the ambition was to code with words that reflect an activity. This ambition can be traced back to the constructionism beliefs underpinning the study, which makes me interested in action and activity in order to be able to re-create the context and process (Charmaz, 2014). Since I was looking for increasing the understanding of stakeholders contributing to the place and the activities in place co-creation, I actively searched for: *Who is seen as responsible for the place?* and *In what way do they contribute to the place?* (the actual action or process). Thus, every code entailed two rows; who did something and what did they do? The coding resulted in 179 codes. A typical code could look like:

Residents
Talking positive about their place

After the initial coding, the next step was *focused coding*. The purpose was to reduce the data further and to see higher level of categories. The starting point was the 179 codes and the aim was to group codes with the same meaning, which resulted in 71 unique codes. The reduction, from the transcribed material to the 71 codes, was carefully conducted, and repeated, in order to make sure that the categories represented the empirical data. The reduction can be seen as theorizing, since I label the empirical data with my own categories, and by doing so I define what the empirical data is about. Examples of codes were '*offering something to do*', '*investing in large projects*' and '*supporting initiatives*'.

In an effort to increase the understanding of stakeholder co-creation activities behind a place to live, it was important to approach the empirical material with an open mind. The common feature of the stakeholder groups is that there are human beings behind all categories and many times an individual belong to more than one stakeholder group at the same time. I therefore moved on to theorize how stakeholders contribute to the place, without the traditional categorization of stakeholder groups as a starting point. To be able to explore

how stakeholders contribute to the place focus is turned to the activities performed by the stakeholders. This puts the people behind the place in a new light; the *identity* is no longer in focus rather the *activity* they contribute with to the place.

The reduced data, which at this point was consisting of 71 codes, was scrutinized one more time. Focus was turned to the activities, and with this as a starting point a new puzzle was put together. To create themes, types or categories is one way to build theory (Swedberg, 2012), which help to differentiate fact from each other and in this way to order them. The data was reduced even further to 41 activities, that the municipality and residents perceived as being performed in the place context. These were grouped together under a higher order (Ryan and Bernard, 2003) and in this way a typology over perceived activities in stakeholder co-creation was created from the empirical data, i.e. the empirical data defined the activities (Becker, 1998). Six main types of activities are seen as central for stakeholders to perform. The typology of these activities are presented below, together with quotes from the transcribed interviews, with the purpose to be transparent and show how the findings are grounded in the empirical material.

## Findings

### Handling

The study shows that it is important that someone steps up and are handling business in the place context. Handling the place incorporates taking responsibility for the place and other difficult tasks such prioritizing and making decisions. One municipal manager highlights the importance of being determined and making decisions:

But sometimes you [the municipality] cannot listen all the way, sometimes you have to do things, for things to happen.

Also the residents highlights the importance of someone who takes responsibility and make the decisions:



The municipality has an important responsibility as they decide very much of what can be done and what cannot be done in this town. They have their various rules and tools.

When handling it is also seen as vital to be active in developing the place and with this comes investing in the place and large projects and to coordinate different actors and initiatives.

## **Enabling**

Enabling things to happen is seen as an important activity in the co-creation of a place to live. You don't necessarily do the things yourself, but you are assisting others and are creating opportunities and conditions for development. This is well articulated by a municipal manager working with leisure and culture:

We [the municipality] cannot do everything. I try to work with different actors. We cannot produce all theater, other people also have to do it. There must be a will among citizens to do things. But I do believe that we [the municipality] have a great role when it comes to having institutions and to enabling things.

One way to enable things is to unite different actors to allow for cooperation between stakeholders. Another important aspect of enabling is to encourage and to strengthen good initiatives. Just as a car needs lubricating, a place also needs lubricants to function well. In this case lubricating can take many different forms, for example monetary grants or the use of influence in order to win advantages for someone else.

A student in one of the focus groups highlights the aspects of supporting, strengthening and investing in projects:

The municipality has to be there for the enthusiasts. If someone wants to do something, then they has to be there. With financing for example. If there is something that can enrich Kristianstad [one of the municipalities in this study], the municipality should be there.

## **Operating**

The study clearly shows that a place needs someone who actually initiates and does things. An important part of operating is making things happen, i.e. to create and start new things. This in turn creates job opportunities.

A woman in one of the focus groups highlighted the importance of enthusiastic people:

We talked about the nightlife and then there is a man called [excluded for anonymity] in this town, whom you can have many different opinions about, but he is an amazing entrepreneur who starts things.

The municipality, the regional government and the state government are responsible for a wide range of public services. A municipal politician explains:

The municipality has really two roles. One is to run the public welfare; schools, preschools, a secure elderly care. That is to operate. This is a big and tough assignment.

A part from the public services it is important that other services are offered, it can for example be offering events, culture experiences and, in general, things to do for all ages. It can also be about making the place beautiful.

## **Social Networking**

The social aspect of co-creating a place to live is highlighted in the study. The social networking activity contributes, for example, to the place by creating meeting points and by bringing people together and in that way linking together the city. As a municipal manager puts it:

This is what we work with now when we are creating a new vision for Kristianstad [one of the municipalities in this study]. Here we see the municipality's role as linking people together. We are the one who creates arenas, which can be used as meeting points.

An important part of social networking has to do with communication. Listening is one part, but it is also necessary for people to speak their mind. Spreading positive vibrations is also a part of social networking. Social

networking does not have to big things. As a woman in her early teens expressed it:

We can be nice to people who lives here.

A vital part of social networking is to create fellowship and to work with integration.

## **Supporting**

Supporting is highlighted as a crucial activity. To support the place means, for example, to participate in the activities that are offered in the place setting. As a mother with two young children pointed out in one of the focus groups:

But this is on a large scale. When they talk about businesses and the municipality and so on. But I also think that we people, the ordinary person, also play a role. Maybe the lead role. For example, when we go to Kyrkis [church open house]. It would be so boring if no mum would be there. To meet other mums, that's what makes the moment so special.

This notion is highlighted by many, both by representatives from the municipality and the residents. A local business owner stressed:

There are entrepreneurs and enthusiasts who start things, but then it is the "us" who needs to support and participate. An arena is build and therefore WE together need to fill the arena.

Supporting is not only about participating in activities and events. It can also be about supporting the local shops. A student in one of the focus groups claimed:

It is maybe a bit old fashioned, but I like that you support the local shops. I like to buy Klackabacken's [local micro brewery] bier just because it is from here.

Another part of supporting is to offer ones time in for example youth associations. In that way you support both the association and the young. A rather invisible, but still very important, aspect of supporting is to take responsibility for one's own action, to make sure that you don't destroy anything and to be a role-model for others. A woman at a meeting point for parents and children said:

Then I think that everyone has a responsibility. That it, us that lives here. When I'm walking I make sure not to through my garbage on the ground. Everyone has a responsibility.

## **Representing**

Finally, the study shows that an important part in co-creating a place to live is to talk about the place in positive terms. This is believed to impact both the internal and external stakeholders of the place in a positive way. One municipal manager argues:

Everyone who lives here is responsible for the place. Everyone who works here. As an ambassador. The municipality cannot say that now we have an attractive place, that is everyone's task! The stories that we tell other people. If you give a bad picture, then it doesn't matter how much the municipality does. It is the people who lives here and who spends time here who are the best marketers of the place.

A local newspaper and local radio channels are also highlighted as having an important part in this activity theme. A man in one of the focus groups argued:

...it is important with a local newspaper. You can joke all you want, but you get your local news!

Talking about the place, spreading news and information and in general marketing the place strengthens the profile of the place, helps to build pride for the place and can in the long run even make the place famous.

## **Six Activities in the Co-Creation of a Place to Live**

Surprisingly many activities are identified as important in creating a place to live and the importance of co-creation, i.e. the active involvement of end-users in various stages of the production process (Voorberg et al., 2015), is supported. It is seen as desirable for many different types of stakeholders to be active in the place context and for example, the passive resident that simply lives in a place is gone and instead the resident is highlighted as being able to contribute to the place through many different activities. Concretely, six key activities in the co-creation of a place to live are constructed from the empirical material; *handling*, *enabling*, *operating*, *social networking*, *supporting* and *representing*, which help us to understand how the place is perceived to be co-

created, as well as increases our understanding of the concept of co-creation (see figure 1). The study indicates that the activities should be seen as complementing each other. It is believed that if all activities are performed, they together create a good place to live, thus the activities are interrelated and reinforces each other. A fictive example can illustrate how the different activities co-exist and complement each other.

A youth association wants to put up a play, a modern version of Romeo and Juliet (activity: operating). In order for them to be able to do it they need to have access to a theater. The municipality chooses to let them rent the city theater at a very low price (activity: enabling). This starts a debate about how to use the theater, but the municipal decides to stick with their initial decision (activity: handling). The actors primarily promote the play themselves, by talking to friends and family (activity: representing). Opening night the theater is almost sold out (activity: supporting). The evening is a success and the atmosphere in the theater is very positive; people are talking to each other and are in general having a good time (activity: social networking). The local newspaper writes about the play (activity: enabling) and the people who was there the opening night tells their family, friends and co-workers what a great time they had at the show (activity: representing). The next show is sold out.

This example illustrates the complexity of the place context and shows how different stakeholders *together*, but through *different activities*, can co-create something positive for the place.



**Figure 1: A Place to Live: Stakeholder Co-creation Activities**

Previous research offer some support for the activities constructed from the empirical material. Löffler (2009) recognize private firms as having an *enabling* role. Löffler (2009) also argues that the government should co-manage the place as well as co-design and co-deliver their services, which can be connected to the activities *handling* and *operating*. The importance of *representing* has been highlighted as an important activity for residents in earlier studies. For example, Braun, Kavaratzis and Zenker (2013) describes the residents are ambassadors, Taecharungroj (2016) emphasizes the ambassadorship behaviors of the residents and Insch and Stuart (2015) argues that residents can be both supporters, but also indifferent or spreading negative word-of-mouth. The substance of *supporting* has also been mentioned in earlier research, in connection to the role of the resident as a citizen (Braun et

al., 2013) where Taecharungroj (2016) incorporates participating in events and helping other people in the citizenship behavior. Activities that can be included in supporting has also been highlighted by public governance scholars such as Martin (2009) and Pestoff (2009), who both emphasize the importance of residents to cooperate by for example taking care of the place.

The study also reveals who, i.e. what kind of stakeholders, the residents and representatives for the municipality view as important in the co-creation of the place. Even if researchers in public governance are open for a multiple stakeholder scenario (Löffler, 2009), the government, such as municipalities, has often a natural and often leading, role within public governance (Martin, 2009, Waeraas et al., 2015) and also within the place marketing literature the government is seen as having a focal position in the place service system (Lindstedt, 2015). The study offers support to the notion that the municipality and its public officials and politicians play a major role in the place co-creation. The municipality is seen as being involved in five, out of the six activities and as having a lead role when it comes to handling and enabling. It is only when it comes to supporting that the municipality is not highlighted as playing a role. A second stakeholder group that is highlighted as important for the place, in both the place marketing literature (Insch and Stuart, 2015: Rozhkov and Skriabina, 2015; Braun et al., 2013 to mention some) and within public governance (Löffler, 2009; Martin, 2009) is the residents. The residents are highlighted as being very important for many activities, especially when it comes to supporting, where they are seen as having the key responsibility, but also in operating, social networking and representing.

A part from the two major stakeholder groups, the municipality and the residents, the business sector, the local media, the non-profit sector, the church and elite sport teams are highlighted as contributing to the co-creation of the place. These groups can be identified in previous research, even if elite sport teams and the church normally is not specifically highlighted, but rather can be seen as incorporated in for example community organizations and the business-sector (Löffler, 2009). Visitors, who often are seen as an important stakeholder group in place marketing (Braun 2008; Zenker and Martin, 2011; Niedomysl and Jonasson, 2012), are not specifically mentioned by the participants in this study.

## Conclusions

Stakeholder involvement has become an important concept both within public governance (e.g. Löffler, 2009; Pestoff 2009, Edenbos et al., 2010; Klijn, 2012) and in place marketing (e.g. Kavartzis, 2012; Thelander and Säwe, 2015). Stakeholder involvement can take many forms, for example co-creation, which implies active involvement of the public in for example service design and delivery (Voorberg et al., 2015). However, co-creation is a wide concept and activity, which many stakeholders can be involved in, in many different ways. This study aims to explore the stakeholder co-creation activities, and what co-creation more specifically incorporates. The context is not a specific public service, rather the scope is the place and the stakeholder co-creation activities behind a place to live. Six central activities in co-creation are constructed from the empirical material, and a framework is developed. Thus, the current paper contributes to the public governance field with a new analytical model on co-creation activities. *Handling, enabling, operating, social networking, supporting* and *representing*, are seen as crucial co-creation activities in order to create a place to live.

The framework sheds light on the different activities that are essential in the co-creation of a place to live. Since the activities are interrelated and reinforces each other, all activities are equally important. If one activity is weak or not existing, the entire co-creation process will be affected and suffer. It is therefore necessary to encourage all six activities and develop structure and systems to facilitate more of these activities. The framework is useful for analyzing why, and how, things happen and are co-created but, equally important, it can be useful for understanding why certain things does *not* happen in a place. Are there any activity that is weak or non-existing? Do the residents not support initiatives and local shops and participates in events enough? Are the non-profit sector and the local media not doing their job representing the place? Or does the municipality not enable things to happen to the extent necessary? Which is the weakest link?

The municipality is often the focus in public governance studies. Even if the municipality is not the starting point in this study, the municipality is still highlighted as an important stakeholder and are believed to contribute to the co-creation of the place by the activities handling, enabling, operating, social networking and representing. The study backs earlier findings claiming that the municipality can have an important role when it comes to leading the decentralized network of stakeholders and relationships (Thelander and Säwe,



2015) as well as setting basic constraints and rules in which interactions can take place (Klijn, 2012). However, surprisingly, the municipality is not seen as having monopoly on any of these activities. In practice, the municipality does not own the place question, rather the place is co-created through six types of activities where different groups of stakeholders play important roles. For example, the business sector can operate, handle and represent the place. This supports Löffler's (2009) argument, that governments are no longer necessarily the central actor in a societal network. Enabling, i.e. to coordinate and encourage stakeholders to be a part of the co-creation of a place to live, can thus be seen as one of the most important tasks for the municipality.

The only activity the municipality is not seen as being a part of is supporting. Supporting incorporates to participate in offered activities and events, shop in the local stores and to take responsibility for one's own action and be a role-model for others. Here the residents are emphasized. The residents have been highlighted as a particularly important stakeholder group, both within place marketing (e.g. Kavaratzis and Zenker, 2013; Insch and Stuart, 2015; Taecharungroj, 2016) but also in public governance (e.g. Martin, 2009; Pestoff, 2009) and both the municipality and the residents themselves see the resident as a key stakeholder in the place context. Supporting is central in the co-creation of the place. If no one participates and supports the initiatives, there will be no long-term positive development in the place. The residents are also seen as being a part of the activities operating, representing and social networking.

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## Paper 5





# Selecting indicators for progress and growth in a region: Dilemmas and intraregional dynamics

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## Abstract

Assessing city performance through measurements such as place satisfaction, the capability to effectively deliver liveability and place sustainability is a constantly up-to-date and debated topic, and many forms of audit and indicator systems are used with the purpose to evaluate urban development. However, their utility is questioned due to conflicting understandings of the indicators and frameworks and indicator projects are often problematic. The purpose of the research reported here is to analyse the difficulties in choosing relevant indicators for evaluating place attractiveness and positive development in a region, and to capture dilemmas. The paper is exploratory and builds on qualitative focus group research. The empirical context is a municipal collaboration, Skåne Nordost, consisting of six municipalities in the northeast part of Skåne in south Sweden. By analysing how municipal officials and politicians from the six different municipalities view city performance measures and how they evaluate, select and rank key indicators, three main dilemmas in choosing relevant indicators are revealed.

**Key words:** Place attractiveness, indicators, regional development, dilemmas

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# Introduction

Assessing city performance through measurements such as place satisfaction (e.g. Zenker, Petersen and Aholt, 2013; Insch and Florek, 2010; Van Ryzin, Muzzio, Immerwahr, Gulick and Martines, 2004), the capability to effectively deliver liveability (e.g. Leach, Lee, Hunt and Rogers, 2017; Okulicz-Kozaryn, 2013) and place sustainability (e.g. Bramley, Dempsey, Power, Brown and Watkins, 2009; Mayer, 2008), is a constantly up-to-date and debated topic. There exist a wide variety of urban measurements and assessment methods. Indicators are typically used to measure a phenomenon in order to follow the state of society (Godin, 2003), and are important tools for decision makers and governments. The choice of which city performance measure to use is important, since different methods of assessment look at different performance aspects (Leach et al., 2017; Mayer, 2008). In other words, what constitutes “good performance” can differ depending on the assessment and indicators used, which in its turn can give very different images of the performance of the city or region and affect policy direction. One of the most important aspects of a valid and useful city performance measurement and assessment method is that it is fit for purpose, e.g. specific geographic or thematic context (Leach et al., 2017), which makes it common for cities and regions to adapt existing assessments tools and to create their own set of indicators to use. As an assessment does not merely reflect cities, but also contribute to actively framing and producing them (Kitchin, Lauriault and McArdle, 2015), what is measured is crucial.

Today it is very common to measure and assess place attractiveness, and many forms of audit and indicator systems are used with the purpose to evaluate urban development. However, their utility is questioned due to conflicting understandings of the indicators and frameworks (Holden, 2006). The purpose of the research reported here is to analyze the difficulties in choosing relevant indicators for evaluating place attractiveness and positive development in a region, and to capture dilemmas. Skåne Nordost, a municipal collaboration in the south part of Sweden consisting of six municipalities, is used as a case study. Skåne Nordost runs a large regional planning project connected to structural plans, where one sub-project is an urban and regional indicators project. The municipal collaboration wants to use digital maps to portray and follow the intraregional development and growth. By analyzing how municipal officials and politicians from the six different municipalities view city performance measures and how they evaluate, select and rank key indicators,

dilemmas and intraregional dynamics in choosing relevant indicators are revealed.

In this paper we review urban measurements, assessments and indicators. The case Skåne and Skåne Nordost is then introduced. Next, we describe the research approach and methodology, and then present the results in form of indicators highlighted as important in the regional planning project. Also, we provide a critical reflection on urban and regional indicators by introducing three critical dilemmas in choosing performance indicators.

## City performance measurement

To measure the performance and success of cities, municipalities, regions, and countries is not a new phenomenon, rather social and economic indicators have been used since the early 20th century (Kitchin et al., 2015). Economic indicators were introduced in the 1930s and were typically focused on growth, productivity, employment and inflation. The first social indicators were developed during the same period, but became widespread first in the 1960s (Godin, 2003). The use of indicators has grown since then and is today used to monitor and assess various aspects of cities such as sustainability, quality of life, competitiveness and a variety of urban services (Kitchin et al., 2015). The result of the assessment is then used to inform decision-making and to influence governance practices (Leach et al., 2017; Holden, 2006).

Indicators are measures that are recurrent and quantified and that can be tracked over time to show change with respect to a specific phenomenon (Godin, 2003). There are different types of urban indicators, e.g. single indicators and composite indicators. Single indicators is typically a statistic that relate to a single phenomenon, e.g. unemployment rate. A single indicator ought to be a direct measure that is unambiguous, quantitative and have strong representativeness, i.e. it measures what it declares to measure (Kitchin et al., 2015). Furthermore they should be objective, independent of external influence, traceable over time, verifiable and replicable, easy to interpret, timely and preferably quick and cost-effective to collect, process and update. If the underlying phenomenon of interest is intangible or not possible to directly observe, indirect indicators can be used (Kitchin et al., 2015). Composite indicators consists of several single measures that is combined to create a new derived measure (Maclaren, 1996). Single indicators can also be

presented in form of a framework. Frameworks do not involve any quantitative aggregation of data, but rather indicators is grouped into different types and can be described as a qualitative way to present large numbers of indicators. An advantage with frameworks, compared with composite indicators and indices, is that the values of all of the indicators are easily observed and not concealed behind an aggregated index (Mayer, 2008). In other words, there is no loss of information. Selecting and designing a performance assessment framework of course requires careful consideration. According to Leach, Lee, Hunt and Rogers (2017) a good framework needs to be holistic with minimal overlap, simple, include subjective and objective perspectives as well as quantitative and qualitative data, and be relevant to decision-making. However, most important is that the city performance measurement is fit for purpose, which requires a clearly defined area of focus, that it is designed for the context in which the measurements are to be taken and a strong understanding of the intended use of the outcomes (Leach et al., 2017).

In order for performance data to be relevant and useful, it has to be determined what constitutes “good” performance. How this is done, and by whom, strongly influences the conclusions drawn, and transparency is therefore crucial (Leach et al., 2017). Visualizations are sometimes used to summarize, communicate and identify patterns in indicators (Kitchin et al., 2015; Mayer, 2008). It can for example be dashboards, statistical charts, diagrams or maps. The visual approach facilitates that a quick scan can yield an overall image, and for example colors can be used to indicate positive or negative development (Mayer, 2008).

## Examples of city performance measurements and place indices

A multitude of different measurements, indices and frameworks have been developed in order to assess and measure city performance (Kitchin et al., 2015). Some are objective in nature, i.e. actual place attributes are measured such as infrastructure, and some are subjective and based on perceptions of for example quality of live and satisfaction with city (Okulicz-Kozaryn, 2013). A detailed review of existing frameworks and indices is beyond the purpose and scope of this paper. However, a few examples are provided.

One stream of research within place branding deals with place satisfaction and place attractiveness and the assessment of a place. Place branding focuses on creating a place in which actors can create value. According to Braun (2008), place branding is:

the coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large. (Braun, 2008, p. 43).

According to this definition of place branding, the place must be regarded as valuable urban offerings. The offerings, partially, depend upon the natural conditions in the geographic area, but also, to a great degree, consists of offerings that are possible to influence and develop. The offerings can, for example, be a place's community assets such as parks and gardens (Insch and Florek 2010; Zenker et al., 2013) and availability of apartments and houses (Zenker et al., 2013). To see the place as urban offerings also implies that a place is not a single product, but instead constituted of different services and products. The composition of services together with the quality of the individual components are under scrutiny when a place is discussed in place branding. It is considered vital that residents be satisfied with the place they live, and the social function of the place constitutes an important field of study (Zenker and Martin, 2011). The social function of the place is commonly measured in terms of satisfaction, e.g. residents' satisfaction with the place in which they live. How place satisfaction is measured vary somewhat from study to study, and there is no common set of dimensions researched in these types of studies (Gilboa, Jaffe, Vianelli, Pastore and Herstein, 2015). However, one of the most recognized frameworks is The Citizen Satisfaction Index (CSI) which measures resident place satisfaction with the help of four dimensions; Urbanity and diversity, Job opportunities, Cost efficiency and Nature and recreation (Zenker et al., 2013). The dimensions with connected items can be found in table 1.

**Table 1. The Citizen Satisfaction Index (Zenker et al., 2013)**

<b>DIMENSIONS IN CSI</b>	<b>ITEMS</b>
Urbanity and diversity	<ul style="list-style-type: none"><li>-A wide range of cultural activities (theatre, clubs etc)</li><li>-A variety of shopping opportunities</li><li>-Many different cultures and subcultures</li><li>-The energy and atmosphere of the city</li><li>-Availability of different services</li><li>-The urban image of the city</li><li>-Openness and tolerance of the city</li></ul>
Nature and recreation	<ul style="list-style-type: none"><li>-A lot of nature and public green area</li><li>-Environmental quality (low pollution)</li><li>-A number of parks and open spaces</li><li>-A wide range of outdoor-activities</li><li>-Tranquility of the place</li><li>-Cleanliness of the city</li><li>-Access to water</li></ul>
Job opportunities	<ul style="list-style-type: none"><li>-The general level of wages</li><li>-Good job and promotion opportunities</li><li>-General economic growth of the particular region</li><li>-Professional networks in the city</li></ul>
Cost-efficiency	<ul style="list-style-type: none"><li>-Housing market/cost of living</li><li>-The general price level in the city/cost of living</li><li>-Availability of apartments and houses</li></ul>

Richard Florida's writings about the creative class has received attention across the globe since the publication of the book *The Rise of the Creative Class* in 2002, and his framework has influenced how municipalities think about place attractiveness and positive development. Florida introduced the concept 'creative class' and argued that creative people are the main drivers of economic growth in a society (Florida, 2002). The creative class consist of people that engage in work with the purpose to "create meaningful new forms". The creative people can for example be engineers, artists, architects or analysts. The creative capital theory rests on that creative people drive regional economic growth. With this as a starting point it becomes important for regions to attract creative people. Creative people prefer places that are innovative, diverse and tolerant and Florida claims that regional economic growth depends on three specific factors: technology, talent and tolerance (Florida, 2003). Thus, Florida's creative capital theory has influenced how regional development is assessed and made attractive lifestyle an important indicator for positive development (Donegan, Drucker, Goldstein, Lowe and Malizia, 2008).

The evolving world of international standards has also begun to show an interest for standardization in cities. Cities need indicators to measure their performance in delivering services and improving quality of life, and it is

claimed that there is a need to be able to globally compare city data (McCarney, 2015). Standardized indicators allow city leaders to measure their performance and compare it with other cities. The International Organization for Standardization (ISO) published a new international standard in 2014, ISO 37120 Sustainable Development of Communities –Indicators for City Services and Quality of life, which became the first international standard on city indicators (ISO, 2014). The new international standard includes a comprehensive set of 100 indicators divided into 17 themes, which measures a city's social economic and environmental performance. The themes are: Economy, Education, Energy, Environment, Finance, Fire and emergency response, Governance, Health, Recreation, Safety, Shelter, Solid waste, Telecommunication and innovation, Transportation, Urban planning, Wastewater and Water and sanitation (McCarney, 2015).

Fokus is an independent newspaper in Sweden, which every year conduct a ranking of the Swedish municipalities in terms of which municipality is the best municipality to live in. Charlotta Mellander, professor in Economics at Jönköping University, is responsible for the study and every year when the ranking is published it receives great media attention. The ranking is based on over 40 variables and the municipalities are divided into four categories: large cities, cities, countryside and rural areas (Fokus, 2017).

Many more rankings, measurements, indices and indicators exist and are used to assess regional development and growth. The purpose here is simply to show some examples of how indicators can be used and how single indicators can be put together to frameworks. These examples may portray indicator projects and data as straightforward and simple affairs, but the great variety of existing indices and indicator initiatives indicates the opposite. According to Kitchin, Lauriauly and McArdle (2015) indicator data is messy, dirty and most often inconsistent. Indicator projects are often problematic, and a complex process of negotiation and decision-making is behind selecting indicators (Kitchin et al., 2015).

## The case: Skåne and the municipal collaboration Skåne Nordost

There are 20 county councils in Sweden, whereof 13 have an extended responsibility for regional development, and therefor are called regions (SKL,

2017). Skåne is one of these regions, in the very south of Sweden. The region has experienced population growth and development the last decades, partly due to its geographical location with good connections to Copenhagen and the rest of Europe. Still, Region Skåne experience a lower growth than the average region in Sweden, in terms of that the population growth exceed the growth in employment opportunities, which has resulted in relatively low employment rates and low tax income (Region Skåne, 2013)

Skåne is a conurbation with a multi-core urban structure. Out of the around 250 urban areas in Skåne, seven have been identified as regional hubs: Malmö, Lund, Helsingborg, Landskrona, Ystad, Hässleholm and Kristianstad, and there is a strong belief that the larger cities can take the lead in development and growth. To meet the needs for growth and development, Region Skåne's politicians have therefore decided on a structure image, 'The polycentric Skåne', which will guide all municipal development efforts for increased growth. To create sustainable physical structures at a regional level, by coordinating settlement structures, infrastructure and green structures in order to create attractive living environments is seen as important for Skåne's attractiveness and competitiveness. It involves considering different development opportunities and being aware of the choices that are made and their consequences for growth, quality of life, land use, climate impact, and accessibility and so on. The structures that Region Skåne and its municipalities plan for today will affect social development long into the future and it is crucial to prioritize and plan wisely. 'The polycentric Skåne' aims to highlight the opportunities in Skåne. The vision for the year 2030 is formulated as below.

In 2030, Skåne is an attractive region with several strong growth engines and a multitude of living environments. Skåne has developed based on and with the aid of the strengths that the polycentric urban structure entails, with different localities complementing one another and with all of Skåne vibrant and alive. We find ourselves in The Polycentric Skåne, a vibrant region with sustainable physical structures with a focus on people... (Region Skåne, 2013, p. 8)

The strategic objective of 'The Polycentric Skåne' is concretized in five strategy areas that aim to create a vibrant, sustainable and attractive region with global competitiveness offering high quality of life for inhabitants, businesses and visitors alike (Region Skåne, 2013). The five strategies covers the following topics:

1. Invest in Skåne's growth engines and regional hubs and develop the polycentric urban structure

2. Enhance accessibility and bind Skåne together
3. Grow efficiently with a balanced and sustainable use of land
4. Create socially sustainable, attractive localities and environments that offer high quality of life
5. Strengthen Skåne's relations within the Öresund region, southern Sweden and the southern Baltic sea

In many contexts Skåne is divided into its four corners; north-western, north-eastern, south-western and south-eastern areas (Region Skåne and Helsingborgs stad, 2017). The southwest corner, with the cities Malmö-Lund and the direct link to Copenhagen, is the part of Skåne, which stands for the greatest growth based on population growth and job growth. The north-eastern corner of Skåne, with Hässleholm and Kristianstad as regional hubs, has not experienced the same growth and Region Skåne emphasizes the need to strengthen the northeast part of Skåne.

A collaboration, Skåne Nordost, between six municipalities in the northeast part of Skåne: Bromölla, Hässleholm, Hörby, Kristianstad, Osby and Östra Göinge, has been established in order to stimulate and facilitate cooperation and growth in the sub region. The main focus for the collaboration is growth and that more residents should have employment (Skåne Nordost, 2016). The cooperation is organized around four strategic fields; business, employment market and competence development, community planning and infrastructure and the growth engine focused on the cities Kristianstad and Hässleholm.

The four focus areas are working together in the development of a new structural plan for the sub region in the north-eastern part of Skåne. The structural plan will act as a unified base for planning, to increase the expansion and growth in the six municipalities. Different aspects have been identified in the common work. A key issue is infrastructure, where there is a need for a common policy. The six municipalities need to be better connected, both with each other and with the economic expansion areas in the surroundings. Jörnmark (2017) highlights the importance of infrastructure development for a more open society and for being able to live up to the requirement of being self-sufficient, as well as to for being able to compete and develop in relation to the surrounding world.

As a part of the regional planning project, Skåne Nordost wants to select indicators for positive development and growth in the region, which should be used to follow the development in the sub region. Population growth and employment growth are seen as key indicators by Region Skåne, but Skåne



Nordost wants to complement these indicators with more context relevant indicators. The indicators will be visualized with the help of a digital map, with the purpose to portray and follow the intraregional development and growth in the different parts of the sub region (Skåne Nordost, 2016).

## Research approach and methodology

To fulfil our purpose of exploring local governments' perceptions of performance measurements and to capture dilemmas in choosing relevant indicators for evaluating place attractiveness and positive development in a region, we used a qualitative case study. The empirical context is a municipal collaboration, Skåne Nordost in the northeast part of Skåne in South Sweden.

*Participant observations* were made possible by a collaborative research project and the observations took place over the period of eight months. The observations helped to increase the understanding for the planning project and the challenges connected to the indicator project. Focus group interviews complemented the observations. Focus groups are a valuable approach in exploratory research, because they provide opportunities to interact with a small number of people in a semi-structured and purposeful discussion, where dialogue between participants is encouraged (Hair, Celsi, Money, Samouel and Page, 2011). The sampling procedure was *strategic* and *purposive*, and participants were chosen based on a *quota* case selection (Miles, Huberman and Saldaña, 2014). The local governments were represented by three main subgroups; municipal directors, politicians and municipal official responsible for spatial planning. Furthermore, two more subgroups were represented, namely the regional government Region Skåne and the collaboration Skåne Nordost. Table 2 shows the composition of the three focus groups. To maximize diversity within our focus groups, we aimed to balance the professional role of the participants, the municipalities they represented as well as gender. The three focus groups, with in total 26 participants, were held simultaneously, during a counsel hosted by the municipal collaboration Skåne Nordost.

**Table 2: The composition of the focus groups**

<b>FOCUS GROUP:</b>	<b>1</b>	<b>2</b>	<b>3</b>
Date of the focus group interview:	28 September, 2017	28 September, 2017	28 September, 2017
Total number of participants:	9	9	8
Professional roles:	Skåne Nordost (1) Municipal director (2) Politician (3) Spatial planning (3)	Skåne Nordost (1) Region Skåne (1) Municipal director (2) Politicians (4) Spatial planning (1)	Region Skåne (1) Municipal director (1) Politicians (3) Spatial planning (3)
Municipalities represented:	All	All	All, but Osby
Gender:	Male: 5 Female: 4	Male: 4 Female: 5	Male: 5 Female: 3

A semi-structured focus group guide was designed to ensure that the focus groups covered the same topics and to create a basis for development of a reliable and meaningful analysis. The questions were open ended and designed to inspire conversation and revolved around three assignments. First, they were asked to list strengths and weaknesses of the region, when it comes to its living conditions. Second, the groups were given the assignment to brainstorm ideas about possible indicators for progress and growth in the region. Finally, the groups were asked to agree on three indicators that could complement the given indicators ‘population growth’ and ‘employment rate’ as key indicators for progress and growth. The discussions around these three tasks were used as a mean to capture intraregional dynamics and dilemmas connected to regional performance indicators. Each focus group interview lasted around 45-60 minutes. In order to ensure and enhance the quality of the data analysis, the focus group interviews were recorded and transcribed.

The empirical material comprised 36 pages of transcribed materials and was analysed with inspiration from grounded theory (Charmaz, 2014). The material was coded twice. During the first coding, the transcribed material was read through and *coded for topics* (Charmaz, 2014, p.120). Because our aim was to increase our understanding of how the participants perceived performance indicators, we actively searched for indicators for evaluating the development and growth in the region. This coding resulted in 153 codes. The next step was focused coding where the aim was to group codes with the same meaning, which resulted in a total of 82 unique codes spread over all three focus groups. Some of the codes were found in all focus groups, while others were unique to one group. The reduction, from the transcribed material to the 82 codes, was

furthermore repeated to ensure that the codes represented the empirical data. The reduced data were then scrutinized one more time, the purpose being to identify higher levels of categories of place attractiveness. Finally, the codes were grouped together under a higher order (Ryan and Bernard, 2003) and further reduced. This reduction can be seen as a kind of theorizing process, as the empirical data were labelled with our own categories, which meant we defined what the empirical data were about. In the end, the material consisted of 40 unique codes, grouped into 9 dimensions.

During the participant observations it had become evident that selecting indicators to use for assessing positive development and growth within the region was a difficult task. Memo-writing (Charmaz, 2014) was used throughout the process, as a way to analyse the material early in the research process and to facilitate a conversation about the data, codes, ideas and hunches. The focus group discussions confirmed many of the initial ideas. It became evident that dilemmas arose in selecting indicators, and a picture of a complicated dynamic within the region began to emerge. We went back to the empirical material and coded the material a second time. Now the focus was on dilemmas and difficulties in selecting indicators. Paragraphs were marked and coded using *in vivo coding* (Miles et al., 2014, p. 74), i.e. short phrases from the participant's own language were used in the codes. The second round of coding resulted in that 55 paragraphs that stood out were marked and constituted the material for further analysis. We continued to use memos to help us think about the data, and to discover ideas and themes within these 55 paragraphs. Memo-writing encourages the researcher to focus and to compare codes and data and define links between them (Charmaz, 2014). We brought raw data into the memo, and started to sort and order codes and clustered the data into categories, which in the end resulted in the presentation of three main dilemmas in selecting performance indicators.

The findings are presented below. First, the indicators that the local governments' highlighted as important measures for positive development and growth is introduced. Second, an analysis of dilemmas found in measuring positive development is presented, with quotes from the transcribed focus groups interviews in order to be transparent and show how the findings are grounded in empirical material.

# Indicators for positive development and growth

The participants in the focus groups were asked to choose relevant indicators for evaluating growth and positive development in their region, as input to the urban and regional indicator project. Two performance indicators were given, ‘population growth’ and ‘employment rate’, as key indicators for progress and growth, and the task was to complement these factors with more relevant indicators. Table 3 shows 40 key indicators which were highlighted during the discussions. As we can see, the indicators are widespread over a variety of areas and captures both traditional growth indicators such as educational level as well as more innovative assessments such as vicinity and happiness.

Table 3: Indicators of growth and positive development

Education:	Educational level of the population
	High quality schools and preschools
	Good school environments
	Local schools
Infrastructure:	Infrastructure including cycle paths
	Commuting: distance to work and time spent commuting
	Transportation (in and out)
	Public transportation
	Distance (in time) to nearest larger city
	Car dependence
Business:	Digitalization and broadband
	New enterprises and establishments
	Business growth/number of businesses and headquarters
	Industry width
	Profitability
	Trade sales
Housing:	Event visitors
	New housing
	A wide variety of housing, in different environments
	Housing prices
	Housing turnover

<b>Land:</b>	Available land, for housing and industry Attractive land Sparsely populated / not crowded
<b>Happiness &amp; Health:</b>	Public health Happiness Safety Pride of the place and place image Sustainable life Meeting places Culture
<b>Nature:</b>	Nature conservation Outdoor activities and recuperation Beeches, woods and nature
<b>Vicinity:</b>	Close to higher education Close to airports, train stations and bus stations Close to larger cities (e.g. Malmö and Copenhagen) Close to service
<b>Multifaceted range:</b>	A wide variety of environments and offers

The participants were also asked to prioritize among the indicators, and select only three indicators that should complement ‘population growth’ and ‘employment rate’. All three focus groups stated the education ought to be a key indicator for growth and positive development. Two of the groups stated that infrastructure and mobility should be an indicator. Closeness to service, a wide variety of housing in different environments, business growth, housing and happiness/health were also put forwarded as crucial indicators.

## Dilemmas in selecting indicators for regional performance

By analyzing how municipal officials and politicians from the six different municipalities view city performance measures and how they evaluate, select

and rank key indicators, intraregional dynamics and dilemmas in choosing relevant indicators are revealed. Next, three fundamental dilemmas, grounded in the empirical material, are introduced.

## **The chicken or the egg dilemma**

But how do you regard that to be an indicator? Because I see it as a tool, for sure. But as an indicator? Kilometers of asphalt, does it show if it is good or bad here? (Public official)

Indicators are used to monitor and assess various aspects of the city, for example growth and positive development. It is important that the indicators are unambiguous and have strong representativeness, i.e. it measures what it declares to measure (Kitchin et al., 2015). Furthermore, the performance measurement must be fit for purpose and be designed for the context in which the measurements are to be taken (Leach et al., 2017). The purpose for selecting indicators in the present case is that the local governments' want to follow the growth and positive development in the region. One dilemma that arose in the discussion about which indicators to select and use in the framework, was that interventions and efforts to promote growth were sometimes seen as actual indicators for growth. Thus, factors that positively contribute to development and growth, and actual growth, seemed interconnected and it appeared difficult to separate the two. One reason for this seemed to be that a factor was so elemental and important for the region, that it was regarded by many as a key indicator for actual growth. For example, infrastructure is seen as key factor for positive development and growth. Two of the three focus groups chose infrastructure as one of the three most important indicators. A public official, responsible for trade and industry in a municipality, argued:

Yes, I am thinking of our infrastructure, which is extremely important for us and the function. Both the roads, the road network, busses and trains. The whole structural part with the possibility to both inwards and outwards commuting. And as we have talked about before, this is a tremendously important part for the projects and the interactive map, to be able to function.

Infrastructure is considered to be so important, and so elemental, for the region and for a positive development that it is considered by many to be an indicator for success on its own. The difference between a *necessity for growth* and an

*indicator for growth* seemed blurred in the focus group discussion. Another example concerned accommodations and housing. Population growth is a common indicator for growth. However, for population growth to be possible, housing is essential. So essential that it can be regarded as an indicator for growth itself? And what comes first; population growth and then housing, or housing and then population growth? A public official from one of the smaller municipalities reflects on this issue:

I am thinking about housing. I mean it is pretty interesting to be able to facilitate the construction of housing. I mean it is easy to say: we need housing, let's build housing. But maybe it goes the other way as well? We can create the housing needs, by actually facilitate and encourage the construction of housing?

Housing is a necessity for population growth, but it is often also a response to population growth. Just as with the chicken or the egg, it can be difficult to decide what comes first and what is an effect and what is a cause. Construction and housing projects can be an evidence of positive development and growth, but it can also be an evidence for an attempt to drive and encourage positive development. The representativeness of using housing as an indicator for growth can therefore be questioned. A dilemma to reflect upon is if the indicators used are actual indicators for growth, or indicators of efforts to promote growth.

### **A blessing or a curse**

A key elements of a relevant performance indicator is that it should be traceable over time and easy to interpret (Kitchin et al., 2015), i.e. there should only be one way to read and understand the indicator. However, our study show that many of the indicators that the representatives from the municipalities lifted as significant indicators, could be interpreted as both a strength and a weakness. An example is 'value for money', which was highlighted by a politician from one of the smaller municipalities in the region:

I would like to comment on the picture you showed about Kristianstad, which told us that you get more value for your money here, I mean you get the best housing for your money. And I guess this is in general true for this region. It is very affordable. You can find really nice places to live, a great variety, and it does not cost at all the same money as it costs in Malmö, Lund and Stockholm.

Affordable house prices is an important benefit connected to the region, but as an indicator for growth and positive development it constitutes a dilemma. It is a benefit which effects the place attractiveness in a positive way, but at the same time it is an indicator for the lack of positive development in the region. As the region experience positive growth, the house prices are likely to go up and, thus, the region will lose an important competitive advantage. The same goes for available land. For the moment, it is an important competitive advantage to be able to offer attractive and relatively affordable land for housing projects and business establishments. However, this competitive advantage is not sustainable. A municipal politician highlights the importance of available land as a source of positive development:

A strength is that we have available land, if you compare with other parts of Skåne. Look at Malmö and Lund, this region is overdeveloped, or will be in the near future. It is difficult to get access to land, and if the rules are not changes so that you are allowed to build on farmland, the growth will decrease. And we can absorb it. The growth can come here instead.

Other strengths that are highlighted as possible indicators for positive development and growth in the region is that we are sparsely populated, which is an competitive advantage for this region since it is believed to increase the quality of life and the residents' convenience. At the same time, to be sparsely populated can be negative for tax incomes and limit service offers. A politician put forward the benefits of being a sparsely populated region:

Here is plenty of space, which I find good. I often say that you get more life for your money here. And this relates to what you were saying; you can find an accommodation quite easily, you can be close to most things...

Thus, some indicators are not easy to interpret and can be considered to be both a blessing and a curse, depending on how you look at it. This constitutes a critical dilemma when you want to use these indicators to assess long-term positive development and growth.

## **No man is an island**

That we have vicinity to nature, vicinity to big cities. Closeness to the continent and Europe. Vicinity to larger work places, to a university... (Public official within spatial planning)



To measure performance and success of cities, municipalities, regions and countries is not a new phenomenon and today most municipalities and regions use indicators as a tool to monitor and assess various aspects of the region, within a specific geographic context (Leach et al., 2017). However, our study shows that to measure the performance within a specific geographic context can be problematic. A constant theme throughout the focus group discussions is vicinity and the importance of being close to things, such as public service and nature.

Studies on place satisfaction show that a resident needs a lot of different things to be satisfied with their place. The Citizen Satisfaction Index (Zenker et al., 2013) for example, shows that 21 variables affect our place satisfaction. In other words, we need a lot of different things in order to be satisfied with the place where we live. However, not everything can exist in our own neighborhood. A wide range of cultural activities, a variety of shopping opportunities and a lot of nature and public green areas are for example important (Zenker et al., 2013), but not everything can be right where we live. This leads to that vicinity becomes very central in the discussion about what makes a place attractive, but also in how positive development best is measured.

Small municipalities cannot offer everything on their own and there seems to be an understanding for that the municipality needs to supplement their offers with what other municipalities and regions can offer. Through cooperation and geographical proximity residents in small municipalities can still enjoy a wide variety of offers, within reasonable vicinity. A politician elaborated on the importance of being close:

I am thinking of [excluded for anonymity] municipality. We have a civil vision that focuses on that we are the close municipality in the middle of Skåne. With 'close' we of course mean that we are close to the large industries, the business areas south and west of us, but also to a high degree that we are close to the nature..

It is important to have vicinity both *within* the municipality and the region and a closeness to things *outside* the region. The current region is close to Copenhagen, the city is 1.5 hours away by train. This is highlighted as a benefit for the region, which is a concrete example of that the geographic context can become a dilemma. Vicinity to key elements of place satisfaction is regarded as an indicator for positive development, but these elements can exist both within the municipality or region as well as outside the geographic context of

the performance assessment. In the current case, the sub region is lacking a big city. This is regarded to be a weaknesses. But at the same time, the participants in the study talks about the closeness to larger cities, such as Malmö and Copenhagen, as a positive factor for the region. Even if these cities are not within the current region, they still affect the development and the attractiveness by being accessible for the residents.

Another challenge in selecting performance indicators for a specific geographical context is that places in the outer edge of the region tend to be disfavoured. The focus is often on what is within region, and often the opportunities and circumstances just outside the region tend to be neglected. In this way the places in the outer borders a portrayed more negatively than is actually the case. As a politician in a municipality that is positioned in the corner of the region argued:

It is also a question about how you are portrayed. Because in these pictures that we just have seen, it doesn't show that just 10 kilometers north of the boarder is one of Sweden's biggest company's headquarter. It is not included, at all...

The strong emphasis on vicinity also means that distances become central. It is highlighted, numerous times, that the region complements each other. The individual municipalities, cities and villages are not big enough to be able to offer everything that the residents need on their own, but infrastructure makes it possible for the residents to still reach all the important place attributes. It is important to be close to a lot of different services and place attributes, and infrastructure is a mean to increase vicinity and decrease distances. To be close to bus stops, main roads and airports are therefore crucial. A politician from a countryside municipality highlights airports as an important mean for achieving vicinity:

...If you live in our parts, which then are outside the city, you often have the mind-set that you are very far from everything, but in reality you are close. We often market our self by saying that we have seven airports within less than 1.5 hours; how many have seven airports within 1.5 hours? No one!

One can be tempted to think in terms of that the closer the better, when it comes to all place attributes important for place satisfaction. However, people in the focus groups could also see that the distance could be something positive. A municipal director in one of the larger municipalities highlighted:

It is in what you choose to NOT choose. We have not chosen the big city. But we are close to it! We have the vicinity to Malmö and Copenhagen if we want to take part of what they can offer, but we have actively turned down something, in order to actively choose something else... We didn't want to live in the city. It was safer, easier, more comfortable here. The proximity to school, sports, leisure...

Different places are close to different things, and it is highlighted that it is important to take advantage of the benefits and uniqueness of the place, at the same time as it is necessary to take advantage of what is close to the municipality or region. Just as no man is an island, not place is an island. A part of a place's attractiveness lies outside its own borders, and thus the geographic context becomes a dilemma when growth and positive development is assessed in a municipality or region.

## Conclusions

Performance assessments and urban indicators are common today, and an important tool for policy makers and governments (Leach et al., 2017). Indicators does not only show a picture of the current development, but also actively help to frame the place and influence priorities and urban strategies. Thus, it is crucial to use an assessment framework that is valid, unambiguous and have a strong representativeness (Kitchin et al., 2015). However, our study showed that to select indicators for positive development and growth is a complicated task. That there are difficulties associated with using indicators as an assessment tool for urban development and growth has been highlighted before (Kitchin et al., 2015), and in this paper we have captured these difficulties and introduces three main dilemmas grounded in empirical data. It is important to be aware of these dilemmas and potential hazards, in order to not risk misinterpreting and, thus, misusing indicators.

First, it tends to be difficult to separate efforts for supporting development from actual development and growth. Just as it can be discussed what came first; the chicken or the egg, it can be discussed if new housing projects are a sign of development and growth or if it is a sign of government's investment for future growth. Public officials and policy makers that are using assessments to prioritize and guide investments need to be aware of this dilemma, and interpret these kind of indicators with precaution. Second, it can sometimes be difficult to determine if an indicator shows a blessing or a curse, and this might

also change over time. Access to land is a great benefit, but at the same time it is a sign of a lack of development, at least when assuming that the norm is urbanity. Urbanity is seen as an important part of place attractiveness today, however, this might change in a longer perspective. In the future, when countryside and rural areas becomes a scarce resource, it might be in great demand. Thus, it becomes a dilemma how to interpret certain indicators, which show both a strength and a weakness.

Finally, just as no man is an island, no place is isolated and on its own. Governments and policymakers using indicators ought to give geography, distances and vicinity central roles. Relationships between places are central. A place can seldom offer everything on its own. To be aware of what a municipality or region can offer and to develop and market its strengths are important, just as it is crucial to be aware of what the place is lacking, and where and how residents can get access to it. Residents see no borders and, thus, it is difficult and rarely meaningful to assess place attractiveness and positive development within a municipality or region, without including a broader perspective and outlook. The perspective must be widened and key place attributes that are possible for residents to use and enjoy, but which happen to be found outside the border of the municipality or region, ought to be included in analyses and assessments. We are more willing to travel to value propositions that we don't use every day, such as theatres, but we need basic services that we use every day, such as preschools and supermarkets, close. Another implication, connected to distances and vicinity, is that infrastructure becomes very central for assessing place attractiveness. To be close to bus stops, train stations and airports also means that the distance to a whole variety of place offerings shrinks and that the residents can enjoy more than what is just offered in their own neighbourhood. Furthermore, the distance to key place attributes ought to be measured in time, and not in actual distance. The time spent to reach the workplace, entertainment or other services is what counts for the residents. The distance in kilometre will always be the same, but the distance in time to go from one place to another can be improved by better roads, other routes for public transportation and more frequent departures. It is not only infrastructure in terms of road networks that influence our vicinity to place offerings, broadband also helps to bridge distances and increases the range of offers and possibilities for residents.

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## Chapter 5

# Concluding discussion

The overall purpose of this compilation thesis has been to explore the place context and how ‘a good place to live’ can be understood, conceptualized and studied, particularly by exploring this phenomenon using the service-based logic as a foundation. Thus, the purpose reflects an ambition to improve our understanding of ‘a good place to live’, through both theoretical reasoning and empirical work, and more specifically to improve our knowledge of the roles of co-creation and the resident in creating ‘a good place to live’. In Paper 1, I present a theoretical discussion of how the place context can be approached and understood, proposing that more attention be paid to residents’ value creation and to the relationship between the provider and the user, instead of using the municipality or the place itself as the main unit of analysis. This shift is important, as it means that emphasis is put on the unit of analysis that can actually create value. In Paper 2 and 3, I then empirically study ‘a good place to live’, first from the municipality’s perspective and, then, from the residents’ perspective. In doing so, our understanding of how municipalities work on making their place good to live in improves, as does our knowledge of residents’ perception of ‘a good place to live’ and how residents create value in a place context. Co-creation is emphasized as an important source for value creation in a place context, as many relevant value propositions are co-created in a joint sphere. The resident plays a critical role for ‘a good place to live’, primarily because it is the resident who can create value for her/himself, but also because every resident creates her/his own place by engaging with different value propositions and because residents shape the place and thus influence other residents’ experience of the place. Paper 4 specifically focuses on co-creation and activities that stakeholders engage in when the place is co-created and, as a result, it helps to improve our understanding of co-creation in a place context. Paper 5 studies difficulties in choosing relevant indicators for evaluating place attractiveness and positive development in a region and, thus, adds to our understanding of the complexity of ‘a good place to live’.



In this final chapter, I present the major findings from the studies included in the thesis and reflect on how they contribute to ongoing academic conversations (Huff, 1999). This thesis helps to increase our understanding of residents' value creation in a place context and highlights the implications of the service-based logic in this context, that is, how a place is co-created and how 'a good place to live' can be studied. These issues are relevant to place marketing, public management as well as service marketing, and thus I build on and offer insights into an academic conversation that is positioned where these three fields overlap. Apart from discussing the theoretical contributions, I will also argue for the methodological implications and implications of the findings for practitioners, e.g., public officials and politicians in municipalities. Lastly, I will reflect on the limitations of the studies and offer some suggestions for future research within the field.

## **'A good place to live': main findings and theoretical contributions**

With a view to increasing our understanding of 'a good place to live' and our knowledge of the roles of co-creation and the resident in this context, several studies have been conducted for this thesis, both theoretical and empirical. The findings are discussed and analysed in detail in the respective papers, however, in the following sections six overarching main findings derived from these studies are introduced. Building on the findings, I also argue for how my research contributes to ongoing academic conversations concerning residents' place satisfaction. A conceptualization of 'a good place to live', originating from the studies in the thesis, concludes this section, and with the conceptual framework as a starting point, I answer my research questions.

### **A shift of the main unit of analysis**

Previous research aimed at studying and evaluating 'a good place to live' is relatively scarce. The studies that have been conducted have typically focused on measuring the social aspect of success through residents' place satisfaction, even if citizen equity, brand awareness and place brand equity have also been used as measures of success (Zenker and Martin, 2011). In these studies, the emphasis is on evaluating residents' place satisfaction by asking them to evaluate different place attributes (Van Ryzin, Muzzio, Immerwaht, Gulick

and Martines, 2004; Insch and Florek, 2010; Zenker, Petersen and Aholt, 2013, to mention a few), thus the place itself and the place provider are used as starting points. These studies rests on the product-dominant paradigm, which sees the provider and the product as value creators. However, lately there has been increased interest in stakeholders in place marketing (e.g., Braun et al., 2013), municipality branding (e.g., KL, 2008) and public sector corporate branding (e.g., Whelan, Davies, Walsh and Bourke, 2010). Because this increased interest in stakeholders has not yet been fully visible in studies on ‘a good place to live’, my starting point was to fill this gap.

Warnaby initiated a conversation in 2009 concerning how the service-based logic can be useful for place marketing research, i.e., how it can add value and develop the field. He suggested that the service-based logic would be able to offer a relevant theoretical foundation for analysing the place context, which would help to shift the orientation of place marketing towards the place users. According to the service-based logic, value arises when the customer is or feels better off than before (Grönroos, 2008), and value is created when the customer uses the good or services. In other words, the user, in this case the resident, is always a co-creator of value (Vargo and Lusch, 2004). However, there is a downside of interactive value formation, and value can also be co-destroyed in cases when the interaction diminishes the experienced value-in-use (Plé and Chumpitaz Cáceres, 2010; Echeverri and Skålén, 2011).

Since Warnaby’s article in 2009, more research in this direction has followed (e.g., Hankinson, 2010; Kavartzis, 2012; Källström, 2016; Källström and Ekelund, 2016; Eletxigerra, Barrutia and Echebarria, 2017; Källström and Hultman, forthcoming), and I have a voice in this academic conversation. In Paper 1, I used the service-based logic to explore the place context with a specific focus on place satisfaction. By exploring the usefulness of the service-based logic in a *specific* context, I contribute to the ongoing conversation about what it would entail to use the service-based logic in a place context.

I found that, in much of the current place satisfaction studies, the emphasis is on the place, i.e. a unit that cannot create any real value. However, as it is only the user, in this case the resident, who can create value according to the service-based logic (e.g. Vargo and Lusch, 2004; 2008; Grönroos, 2008; Grönroos and Voima, 2013), it is suggested that residents and their value creation processes ought to be in focus when ‘a good place to live’ is studied, instead of the place or the provider. Thus, the most important difference as regards using the service-based logic as a theoretical lens when studying ‘a good place to live’, compared to previous research grounded in the product-dominant paradigm, is

that the provider, e.g. the municipality, is given a secondary role and the residents and their value creating process are put in focus. The main unit of analysis shifts from the municipality and the place to the resident. Focusing on a unit of analysis that is actually able to create value makes place satisfaction studies more theoretically interesting and more practically relevant. Furthermore, it guides research on ‘a good place to live’ in a more user-oriented direction, which Braun and colleagues (2013) suggest is important to the development of the place marketing field.

Apart from offering theoretical reasoning concerning what it would imply to use the service-based logic as a theoretical lens when studying residents’ place satisfaction, I have also used the ideas of the service-based logic as a theoretical backdrop when empirically studying ‘a good place to live’. The empirical studies support the usefulness of the service-based logic for place marketing research, in that shifting the main unit of analysis helps us to see new things, such as residents’ creation of value-in-use. Thus, the empirical studies contribute to the ongoing conversation concerning whether and how the service-based logic might be useful for research on a place context, which has thus far mostly consisted of conceptual and theoretical papers. This conversation exists within both place marketing and public management research, meaning that my research has targeted both research streams. Because the thesis helps to establish the service-based logic as a useful theoretical lens for studying residents’ place satisfaction, a contribution is also made to the research field of service management, as their ideas are applied to a new empirical context. I translate the ideas of the service-based logic to the place context in my thesis and illustrate what these ideas imply in this unique context. A conceptual model is developed that sheds light on value creation, in general, and on residents’ creation of value in a place context, in particular.

The empirical studies did not only support the usefulness of the service-based logic as a theoretical backdrop for research on the place context. Shifting the main unit of analysis gave me additional insights, contributing more directly to specific conversations concerning co-creation, residents and ‘a good place to live’, which will be introduced next.

## **Value-in-use as a complement to satisfaction**

A shift in the dominant unit of analysis, from the place and the providers to the residents and their relationships and interactions with different stakeholders, means emphasizing a unit that can actually create value (Källström, 2016).

Thus, the residents themselves ought to be given a large role in place satisfaction research, as this would make the research more relevant. This, in turn, has several consequences for how we understand, conceptualize and can study ‘a good place to live’ and place satisfaction.

One consequence is that interest in the residents and the value-in-use they create in the place context increases. Consumer value and satisfaction are related, but prior research has shown a clear distinction between the two constructs. Value depends on the relationship between a consumer and a product, while satisfaction is more associated with the consumer’s response to a retailer’s offering (Yoo and Park, 2016). Thus far, most studies have been focused on place satisfaction (e.g., Andriotis, Agiomirgianakis and Mihiotis, 2008; Insch and Florek, 2010; Insch and Sun, 2013; Zenker, Petersen and Aholt, 2013; Zenker and Rütter, 2014). My research suggests that studies on ‘a good place to live’ should not focus solely on how satisfied residents are with the different value propositions offered, but also include the value-in-use created by the residents in their personal spheres in the place context.

The residents’ personal spheres consist of a multitude of different services, which occurred in the past and are expected in the future, as well as a number of simultaneous personal activities and experiences that together influence the value creation process (Heinonen, Strandvik, Mickelsson, Edvardsson, Sundström and Andersson, 2010). Every resident creates her/his own place, and does so by using different value propositions and by interacting with others in the place context. Thus, one can claim that there is no pre-produced place that ‘is out there’ and that can be studied objectively. Rather, because it is the resident who creates the value-in-use, every resident creates and constructs his/her own place. According to the service-based logic, users take part in and use value propositions to increase their well-being (Grönroos, 2008; Akaka and Vargo, 2015). In other words, the place value propositions contribute to residents’ creation of value-in-use. Looking at the creation of value-in-use in the place context complements the residents’ response to the offer and adds a new dimension to our understanding of residents’ perception of the place. I have previously stressed that one of the main shortcomings of current place satisfaction studies is that they are provider dominant (Källström, 2016). Introducing value-in-use to these studies is a way to shed more light on the residents, and to move away from provider dominance.

The empirical study accounted for in Paper 3 shows that value-in-use can be created in the personal sphere of the resident, but also highlights the notion that interacting with place providers, such as the municipality, and other residents

influences the perception of the place and can increase the experienced value-in-use. The study shows that all four main types of value highlighted in Holbrook's (2006) typology of customer value are created in a place context: *economic value*, *hedonic value*, *social value* and *altruistic value*. Thus, Holbrook's (2006) typology of customer value is suggested to be relevant also to this context as well. Economic value can involve concrete monetary savings, but also time savings and convenience. For instance, affordable accommodations and cheap house prices means more money left for other things, which allows residents to experience increased well-being. Hedonic value is also important, i.e. residents' own pleasure as an end-in-itself kind of value. The study shows that residents experience well-being, including freedom and comfort, a sense of belonging/familiarity and safety that derive from the place. In addition, altruistic value, e.g. devotion to helping others, and social value, such as status, can be created in the place context. Not only studying value propositions and what the place has to offer, but also exploring what kind of value-in-use is created in the place context, adds a new dimension to our understanding of 'a good place to live'. It also challenges current research on 'a good place to live', where place satisfaction is the main concept being researched (e.g., Insch and Florek, 2010; Zenker et al., 2013).

## **New value propositions**

As presented, users, such as residents, create value-in-use from different value propositions (e.g., Grönroos, 2008). The more relevant the value propositions offered, the more value-in-use the resident will create. Paper 2 shows the value propositions representatives from the municipality identify as important: Geographical location and the natural environment, Basic and essential services, Accommodations, Urban quality, Recreation and leisure, and Ambience. However, the importance of not only focusing on separate value propositions, but also trying to see the larger picture, is stressed as well. The entirety, as well as how the various value propositions interact and work together, is considered just as important as the separate offerings. Paper 3 explores residents' perception of 'a good place to live' and the value propositions that are important for residents. *All* of the place attributes emphasized in previous place satisfaction studies (Van Ryzin et al., 2004; Ng, 2005; Santos, Martins and Brito, 2007; Liao, 2009; Darchen and Tremblay, 2010; Insch and Florek, 2010; Insch and Sun, 2013; Zenker et al., 2013; Rozhkov and Skriabina, 2015; Potapov, Shafranskaya and Bozhya-Volya, 2016) are highlighted as important: City centre offerings, Sports and leisure,

Culture, Public service, Transportation, Employment, Accommodation, Closeness, Environmental quality, Nature, Security, Prosperity, Atmosphere and Diversity.

However, as a result of listening directly to residents and letting them speak freely about how they view ‘a good place to live’, new relevant value propositions were discovered that were important to residents and that had not been highlighted in previous research on residents’ place satisfaction. The importance of the place offering something unique, something it could be famous for, was a recurrent theme. It seemed important that this unique aspect be recognized by people from the outside, but also something residents in the same town could agree on. It became obvious that a clear identity was something that created status and pride, and thus *uniqueness/identity* could be identified as a value proposition that the residents used to create value and that increased place satisfaction. Even if place identity is used extensively in the place branding literature (Kalandides, 2011), it has not previously been highlighted as relevant specifically in place satisfaction studies.

Similarly, *place appearance* has earlier been highlighted in place marketing literature in general, for example as a vital priority for action intended to ensure the vitality of town centres (Parker, Ntounis, Millington, Quin and Castillo-Villar, 2017), but not in place satisfaction studies. The findings of this thesis indicate that appearance also can contribute more directly to place satisfaction and ought to be considered a value proposition in its own right. The proposition, similar to uniqueness/identity, creates feelings of pride and status, but also improves residents’ well-being.

Additionally, *fellowship*, *networks* and *visibility* were also suggested to be relevant value propositions and, thus, ought to be included as value propositions when ‘a good place to live’ or residents’ place satisfaction is studied. Fellowship has to do with neighbourliness, solidarity and people respecting each other, while networks are considered important because they increase people’s opportunities. People highlighted the importance of being seen, and many seemed to value the small-town feeling: ‘everyone knows everyone’. Thus, visibility and being part of a context were stressed as things that positively affect residents’ value creation in the place context. The importance of visibility can be connected to previous research on belonging and home in relation to places. For example, Tuan (1975) talks about the home as a nurturing shelter and connects the home and the place. The sense of belonging and the feeling of home can help us to understand why our respondents refer to visibility as a strong reason for place satisfaction.

To update and add new relevant value propositions, grounded in what the residents themselves find important, to the list of place attributes traditionally used in place satisfaction studies is important if we are to keep these studies relevant. It should be noted that these studies have been conducted in a Nordic context and that it may be the case that, in another empirical context, different value propositions are considered to be of value. Still, one important finding is that there are more value propositions being offered to residents than previously studied. By being open and responsive to residents' perception of what is valuable, we can get a better understanding and a better picture of 'a good place to live'.

### **Value propositions created under different circumstances**

As concluded, place providers, such as municipalities, offer a variety of value propositions that facilitate residents' value creation in the place context. However, apart from finding new relevant value propositions, my studies have found that not all value propositions are produced under the same circumstances. Paper 1 elaborates on how some value propositions are produced by the provider, while some are co-created by the provider and the resident themselves, or by two residents. Paper 2 and 3 confirm this notion through empirical studies. The empirical material shows, repeatedly, that individual value-in-use is often created from value propositions that the residents themselves are active in co-creating with others. Thus, certain value propositions are dependent on the interaction between the provider and the resident, or by interactions between residents. Interaction is seen as a mutual action, where two or more parties have an effect on each other (Grönroos and Ravald, 2011). Many important value propositions can be enjoyed only if the resident him-/herself is active in producing them, such as a friendly atmosphere at a playground or feeling visible and being greeted on the street in the city centre. These value propositions can be viewed as being co-created in a so-called 'joint sphere' (Grönroos and Voima, 2013). Residents and their interactions with each other and with outsiders form the social milieu of a given place, which together with the physical setting shapes the experience of the place. In the present study, five main types of value propositions were suggested to be co-created: *atmosphere* (including elements such as tranquillity, cosiness and the absence of noise), *diversity*, *fellowship* (arising from neighbourliness, solidarity and people respecting each other), *networks* (which increase people's opportunities) and *visibility* (being part of a context). Considering the residents' active role in creating all of these value



propositions, they need to be considered as co-created. It is essential to separate value propositions that are co-created from those that can be created by providers without the involvement of residents, because the role of both the provider and the user change. If the residents are to enjoy the propositions, they also need to be engaged and participate in the creation of the value propositions. Overall, issues connected to the joint sphere where residents interact with providers, but also with other residents, were a frequently highlighted topic in the empirical material in Paper 2 and 3, indicating the importance of co-creation for ‘a good place to live’. Although my study does not specifically explore situations where the interaction between the resident and the provider or the interaction between two residents leads to a negative outcome, i.e. where the interaction diminishes the experienced value-in-use (Plé and Chumpitaz Cáceres, 2010; Echeverri and Skålén, 2011), this is the other side of the coin and it should not be ignored.

The idea of co-creation has been widely accepted among place marketing scholars (see Eletxigerra et al., 2017, for a review), and studies have recognized that residents not only consume the place they live in, but also shape it, along with other stakeholders (Rozhkov and Skriabina, 2015). However, studies on place satisfaction have neither recognized residents as more than just consumers of place nor recognized the co-creative element of the place offerings. Here, this thesis makes a contribution by connecting research on co-creation in the place context to studies on residents’ place satisfaction. Concretely, this is done by making a distinction between value propositions created in the provider sphere and value propositions co-created in a joint sphere. Later in this chapter, this is also visualized in the conceptualization of ‘a good place to live’.

## **Co-creation activities**

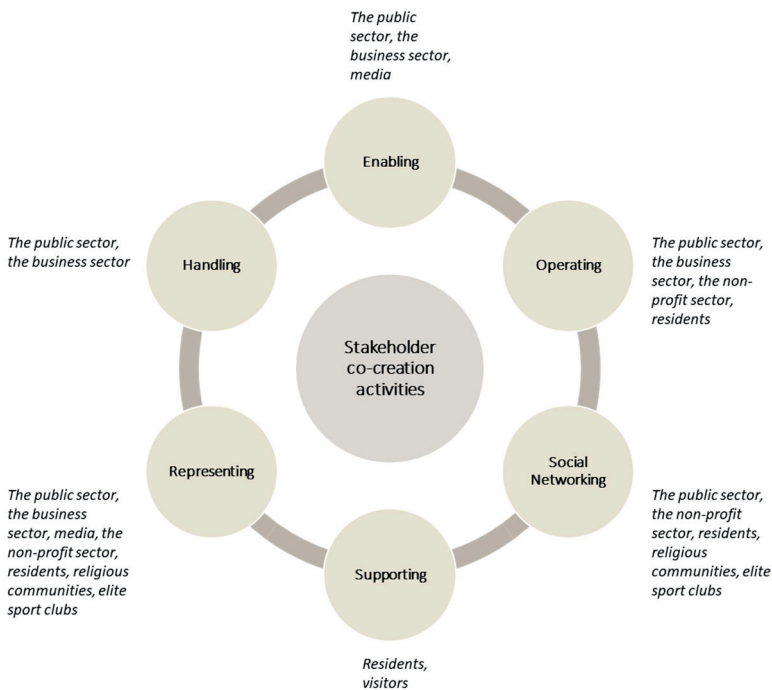
Co-creation plays an important role in residents’ value creation in a place context, and consequently in how ‘a good place to live’ ought to be understood. However, co-creation is a broad term, and stakeholders can contribute and co-create in many different ways (Martin, 2009; Melik and Krabben, 2016). Co-creation is a central concept in the service-based logic, and it is discussed both in place marketing research and in public management. As the role of government is changing in modern society, public governance has been the subject of increased interest. Public governance points at situations where decision-making and implementation take place in networks of public, private



and semiprivate actors (Edelenbos, Steijn and Klijn, 2010) and, thus, it incorporates stakeholder involvement (Klijn, 2012) and co-creation becomes important. The intensity of stakeholder involvement differs and co-creation can take different forms (Pestoff, 2009). Although active stakeholder involvement is a topical question, there is still great uncertainty about the relative roles of different stakeholders and how different stakeholders can contribute in the co-creation of, for example, a service or cooperate to improve the general quality of life (Boivard, 2005; Löffler, 2009). Thus, there is a need to further our understanding of the roles of stakeholders and the specific activities involved in co-creation. My research opens up the 'black-box' of co-creation and presents a new analytical model for co-creation activities. This helps us to understand how a place can be co-created and what kind of more specific activities this implies.

Six key activities in the co-creation of a place to live are constructed from the empirical material. It is important that someone step up and handle business in the place context. *Handling* the place includes taking responsibility, prioritizing, coordinating and making decisions as well as working with development and making investments. It is often the public sector and the business sector that are large enough to be able to handle issues in the place context. A slightly different activity is *Enabling*. You do not necessarily do the things yourself, but you assist others and create opportunities and conditions for development. The public sector, the private sector as well as the media are important stakeholders in this activity. The place also needs someone who actually does things, i.e. has a focus on *Operating*. Besides the public sector and the private sector, the residents and the non-profit sector play an important role when it comes to operating. The current study is conducted in a Nordic context, where the non-profit sector is well developed and plays an essential role in the society, not least when it comes to operating leisure activities. An important part of operating is making things happen, offering services, events and culture activities and, in general, arranging things to do for people of all ages, which in turn creates job opportunities. The social aspect of co-creating a place to live is also important. The *Social networking* activity contributes, for example, to the place by creating meeting points and by bringing people together, in that way linking together the city. Often, the public sector, the non-profit sector, the residents, the religious communities or elite sport clubs are active stakeholders in this activity. Furthermore, *Supporting* is a crucial activity. Supporting the place means, for example, participating in the activities that are offered in the place setting, but also supporting local stores, offering one's time to, for example, youth associations and assuming responsibility for

one’s own action by making sure one does not destroy anything and by being a role-model for others. Here the residents play the lead role, but visitors to the place are also important. Finally, *Representing* is also found to be a key activity in co-creating a place. Talking about the place in positive terms positively affects both the internal and external stakeholders of the place. Talking about the place, spreading news and generally marketing the place strengthen the profile and help to build pride in the place. Here all stakeholders are important and represent the place. The six co-creation activities are summarized in Figure 8, together with an indication of which stakeholder groups are active in the different activities. The activities are discussed in greater detail in Paper 4.



**Figure 8: A place to live: Stakeholder co-creation activities**

The new analytical model over co-creation activities sheds light on the different activities that are essential in the co-creation of a place to live. Because the activities are interrelated and reinforce each other, all activities are

equally important. If one activity is weak or not existing, the entire co-creation process will be affected and suffer.

## **Difficulties with selecting indicators**

There are many forms of audit and indicator systems with which to assess ‘a good place to live’ and to evaluate urban development and growth. However, their utility is often questioned due to conflicting understandings of the indicators and frameworks, and indicator projects are often problematic (Kitchin, Lauriaul and McArdle, 2015). Paper 5 stresses the difficulties associated with selecting indicators for positive development and growth by introducing three fundamental dilemmas, grounded in the empirical material. The purpose of selecting indicators is often that the government wants to follow the growth and positive development in the region. The first dilemma, ‘*the chicken or the egg*’ dilemma, is connected to the difficulty of separating efforts from results when indicators are selected. Factors that positively contribute to development and growth, such as accommodation, and actual growth, for example more people moving to the region or more companies being started, seemed to be interconnected and it appeared to be difficult to separate the two. Another example is infrastructure, which is commonly used in indicator projects and which can be considered both a *necessity* for growth and an *indicator* of growth.

The second dilemma, the ‘*a blessing or a curse*’ dilemma, originates from the notion that relevant performance indicators should be traceable over time and easy to interpret (Kitchin et al., 2015). However, it has been found that many indicators can be interpreted as both a strength and a weakness. For example, having affordable house prices is an important benefit connected to the region, but as an indicator of growth and positive development it constitutes a dilemma. It is a benefit that affects place attractiveness in a positive way, but at the same time it is an indicator of lack of positive development in the region. Other examples are having available land and being a sparsely populated region, which increase the quality of life and residents’ convenience, but at the same time have negative effects in the form of lower taxable income and limited service offers. Thus, some indicators are not easy to interpret and can be considered to be both a blessing and curse, depending on how you look at it.

The third dilemma, the ‘*no man is an island*’ dilemma, relates to the fact that it can be problematic to measure performance within a specific geographic

context. Vicinity – and the importance of being close to value propositions such as services, nature, culture, shopping and sports – is a key element in dealing with place attractiveness. However, not everything can exist in our own neighbourhood. Through cooperation and geographical proximity, residents in small municipalities can still enjoy a wide variety of offers within reasonable distance. Just as no man is an island, we can say that no place is an island. A part of a place's attractiveness lies outside its own borders, and thus the geographic context becomes a dilemma when growth and positive development are assessed within the confines of a municipality or region. To summarize, it is critical to use an assessment framework that is valid, unambiguous and that has a strong representativeness. I have found, however, several difficulties associated with these kinds of projects, which I illustrate with the help of the above three main dilemmas. This increases our understanding of the problems that need to be considered when indicator systems are designed, but also when they are interpreted.

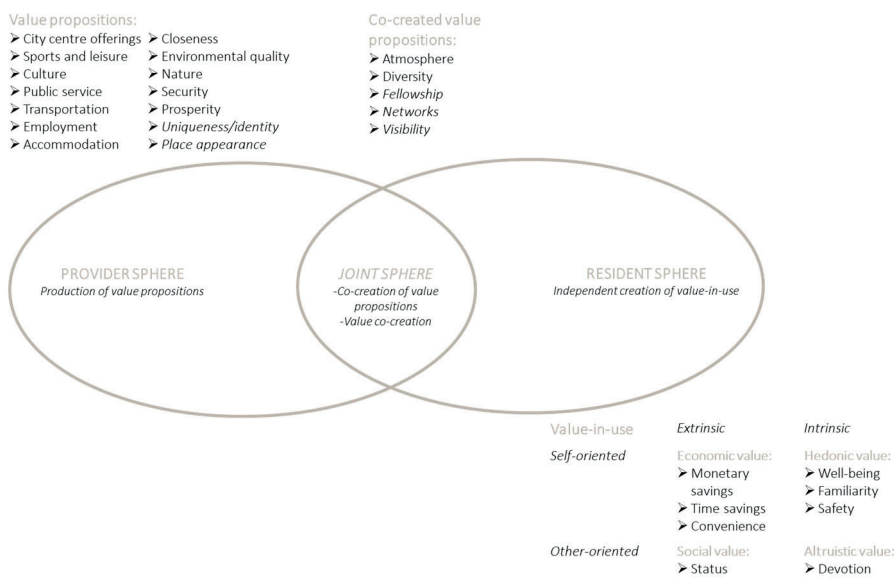
## **Summarizing conclusions and answering the research questions**

The main findings from the studies in this thesis and the theoretical contributions have just been presented, and I will now sum up my discussion by answering my initial research questions.

First, *how can 'a good place to live' be understood, conceptualized and studied?* Interpreting the empirical material based on theoretical insights from the service-based logic results in a conceptualization of 'a good place to live' in which the value creation process is the starting point and 'a good place to live' is seen as a place where the resident can create a great deal of value. Somewhat simplified, the resident uses value propositions produced in the provider sphere, e.g. culture, public service and accommodation, and value propositions co-created in the joint sphere, e.g. atmosphere and fellowship, to create value-in-use, either independently in the resident's own sphere or together with other residents or place providers in a joint sphere. In general, the more relevant the value propositions offered are, the more value-in-use the resident will be able to create. In contrast to the product-dominant logic, where products are seen as infused with value and it is assumed that the place exists independently of social actors and can be studied objectively, I, thus, see value creation in the place context as something that is socially constructed. It seems as though every resident creates his/her own place by using and interacting with different value propositions and aspects of the place. In other words, there

no longer seems to be one place for us to study, but rather we have to try to understand how residents interacts with and use the place to create value for themselves, and in this way construct an understanding of ‘a good place to live’.

Using the study’s empirical material and the service-based logic as a backdrop, Figure 9 illustrates how ‘a good place to live’ can be conceptualized, which in turn can be used as a starting point for studying ‘a good place to live’. Earlier studies on residents’ place satisfaction, such as Zenker, Petersen and Aholt’s significant CSI-framework (2013), have been limited to studying residents’ evaluations of offered value propositions. My conceptualization of ‘a good place to live’ also embraces the residents’ value creation processes in the place context, including the creation of value-in-use and the interaction between the resident and the place provider or between residents. The unit of analysis shifts from the providers’ offerings to the residents and their value creation, resulting in a more user-oriented framework.



**Figure 9: Conceptualization of ‘a good place to live’: residents’ value creation in the place context.**

My second question is *what role does co-creation play for 'a good place to live'*? Stakeholder involvement and co-creation are recognized as important in the place context (e.g., Klijn, 2012), and there is a growing literature in the area of place marketing dealing with stakeholder participation (Acharya and Rahman, 2016). However, co-creation has not previously been put in the context of residents' place satisfaction. Scrutinizing Figure 9, it is evident that co-creation plays a central role in a 'good place to live' and that co-creation can influence value creation in the place context in two distinct ways. Co-creation is necessary for creating certain types of important value propositions, e.g., diversity and visibility. These value propositions can be enjoyed only if the residents themselves are active in creating them. A categorization of value propositions based on how they are created has not been offered in previous research. This is crucial, however, as the various actors play very different roles depending on the type of value proposition, and this division lets us understand the role of co-creation in 'a good place to live'. Furthermore, my research also shows that interacting with place providers, such as the municipality, or with other residents can influence perception of the place and can increase the experienced value-in-use, i.e., residents' well-being. In other words, value-in-use can also be co-created. For example, familiarity is a hedonic value that is often co-created with other people. Thus, my study shows that co-creation is a central element that is fundamentally interlinked with 'a good place to live'.

My third question is *what role does the resident play for 'a good place to live'*? According to the service-based logic, value arises when users, in this case residents, are or feel better off than before (Grönroos, 2008), and value is created when residents *use* the place, the good or services. Considering that 'a good place to live' is seen as a place where the resident can create a great deal of value, the resident must be considered an integral part of 'a good place to live'. Furthermore, residents also play an important role as co-creators of value propositions, and they can influence other residents' value creation in the place context by becoming a co-creator of their value, for example by interacting with others at a local bar or playground. The notion that residents not only consume the place they live in but also shape it along with the other stakeholders is a recognized specific feature of place marketing (e.g., Rozhkov and Skriabina, 2015). Co-creation and the role of residents are also highlighted within public management, where involvement of residents is thought to enhance legitimacy and improve the outcome and quality of policy and public services (Bryson, 2004; Martin, 2009; Edelenbos et al., 2010; Klijn, 2012). My study shows that the resident can be involved in several of the key stakeholder

co-creation activities needed to create a place to live, namely operating, social networking, supporting and representing.

In the following sections, I continue to discuss these findings by reflecting on how they lead to methodological contributions as well as on their implications for practitioners, such as municipal public officials and politicians.

## Methodological implications

One of the main findings of this thesis is that we ought to change the main unit of analysis when studying ‘a good place to live’. Because it is only the user, in this case the resident, who can create value, the residents, including their interactions with other place stakeholders, should be in focus when it is the residents’ place satisfaction that is being studied, not the place itself or the place provider. Of course, this change of focus has methodological implications.

In general, residents should be given more attention in research aimed at understanding residents’ place satisfaction. Today, residents are the respondents in quantitative studies, however, they are asked to respond to pre-selected place attributes on fixed scales. These place attributes or location factors are typically selected based on items that have been included in past studies. Zenker, Petersen and Aholt (2013) verified their list of place attributes with “city-experts from different disciplines” (p. 157) when they established the widely recognized CSI framework for studying residents’ place satisfaction. One implication of giving more attention to residents would be to let them participate in deciding what is important to their place satisfaction. This can be done by conducting qualitative studies, as in this thesis, where the residents themselves are encouraged to express their views and opinions about the place they live in. Because every resident creates his/her own place by using different elements of the place, one can claim that no pre-produced places exist. This makes it difficult to conduct relevant quantitative studies, which so far have focused on asking everyone to evaluate their place using the same scale and the same place attributes. We must think creatively if quantitative studies on ‘a good place to live’ are to be relevant. As a starting point, to make quantitative studies on residents’ place satisfaction more interesting and important, qualitative pilot studies can be conducted with residents to capture their viewpoints. This work can then guide establishment

of a relevant list of place attributes to be tested – attributes unique to the specific empirical context. Simply allowing the place providers, or researchers, to decide what to measure and study makes the research unbalanced and entails the risk of neglecting important aspects.

Furthermore, an additional consequence of users being the value creators in the place context is that not only their satisfaction with the place becomes interesting, but also the value-in-use they create in the place context. Thus, it is interesting to get to know residents on a deeper level and to study their personal sphere as well as how they interact with the place, as this will enable us to learn how residents create value-in-use in a place context. This encourages us to use new methods for studying ‘a good place to live’, for example observations and diary studies. An ethnographic study, designed to explore ‘a good place to live’ by observing and interacting with residents in their real-life environment, would be useful in identifying and analysing unexpected matters and concerns, and as a tool to provide a detailed, faithful representation of residents’ behaviours, attitudes and emotions. Moreover, longitudinal studies, following residents’ relationship with their place over a longer period of time, would improve our understanding of how residents interact with their place and how this helps them to create, and co-create, value.

## Practical implications

Just as the findings have methodological implications, they also have implications for practitioners, e.g. public officials, politicians and place marketers. This thesis has resulted in one main, overarching practical implication, namely that residents ought to be seen as playing an active role in creating ‘a good place to live’. We can observe how place-making – i.e., an approach to planning, designing and managing public spaces which focuses on community participation and creating a place that supports people’s well-being and happiness – is growing and receiving more attention from scholars and practitioners alike. My study and results go hand in hand with this development. The notion that residents ought to be seen as actively participating in creating ‘a good place to live’ can be concretized into several different recommendations.

First, because it is the residents themselves who can create value-in-use, the role of place providers, such as municipalities, is to support residents’ value



creation by both offering relevant and desired value propositions and, through interactions, co-creating value with residents. Thus, it is necessary to get to know the residents if one is to deliver what they need and want. Because every resident is unique, it is important for the municipality to get to know and interact with as many residents as possible. However, as it is impossible to get to know every resident, segmentation is useful. The municipalities in this study do not explicitly work with segmentation, often stating that they cannot single out residents because their task is to meet the needs of all residents. However, by identifying various groups of residents with similar needs and lifestyles, the municipality can be more effective in its communication, interaction and in prioritizing what value propositions to develop.

Second, because my research shows that both value propositions and value-in-use can be co-created in a place context, it ought to be a priority for municipalities and other place providers to establish and develop their interactions with residents. In the Nordic context, resident dialogue is a prioritized issue, often motivated by claims that it, e.g., strengthens democracy, enhances legitimacy and improves the outcome and quality of policy and public services. However, my research suggests that the municipality also ought to see resident dialogue and different forms of interaction with residents as a way to create ‘a good place to live’, because it enables co-creation of value propositions such as networks, visibility and diversity, as well as, for example, social and hedonic value-in-use together with the residents.

Third, my study indicates that many of the profound interactions between the municipality and its residents seem to take place in association with daily services and operations, such as at schools and assisted living facilities. This is a very important form of interaction, as the municipality is given the opportunity to co-create value together with its residents. It is important that this daily contact be seen and treasured as interaction and co-creation with residents that go beyond creating value associated with the core service at hand. This in turn suggests that people working at service institutions such as schools ought to be trained in the importance of personal encounters. It is also important that the knowledge and understanding created in association with daily services be taken care of in a systematic and effective way, so that the information can be shared and used in other parts of the municipal organization.

Fourth, my research suggests that some value propositions are created in the provider sphere while others are co-created with the resident in a joint sphere. This division is important, as providers play very different roles depending on

the type of value proposition. Because residents need to be engaged and participate in the making of the co-created value propositions if they are to enjoy those propositions, the providers' role becomes to *facilitate* residents' participation and to create opportunities for interaction. For example, a municipality could host events such as industry forums and business breakfasts to facilitate new relationships and to get people to develop their networks, offer parenting courses where mothers and fathers can meet and enter into fellowship with other parents or actively encourage a service culture in schools and preschools, where both children and parents feel visible. In the Nordic context, we currently see municipalities taking more initiatives of this kind, and the municipalities then play an important role in value creation and increased place satisfaction by enabling and creating opportunities for interaction.

Fifth, residents highlight a wide range of value propositions they believe make their place 'a good place to live', but some of these value propositions are far from what is traditionally seen as belonging within the borders of the place. This indicates that being close to an amenity can be enough to satisfy residents who are willing to travel for entertainment and experiences. Being close to bus stops, a train station and airport means that the distance to a whole variety of place offerings shrinks in terms of time, and that residents can enjoy more than what is offered in their own neighbourhood. This also means that it can be difficult to measure the positive development or performance within a specific geographical context. It is important to be aware of the dilemmas and potential hazards that can emerge in performance assessments and when choosing urban indicators, as such awareness can reduce the risk of misinterpreting, and thus misusing, indicators.

Last, the thesis shows that six activities are important in co-creation: handling, enabling, operating, social networking, supporting and representing. It is necessary to encourage all six activities and to develop structures and systems that facilitate more of these activities. The framework is useful for analysing why and how things happen and are co-created, but equally important, it can be useful for understanding why certain things do not happen in a given place. Is there any activity that is weak or non-existent? Do the residents not support initiatives and local shops or not participate enough in events? Other possibilities are that the non-profit sector and the local media are not representing the place in the best way or that the municipality is not enabling activities to happen to the extent necessary.

By offering insights into how residents create value in a place context and the different roles the place provider has in this process, this thesis contributes an in-depth understanding of the complexity of ‘a good place to live’ and the role of co-creation in this context. Although the complexity may have increased, the thesis nonetheless offers some guidance concerning how place marketers, public officials and politicians can approach residents’ place satisfaction and what to consider when striving to develop their place into ‘a good place to live’.

## Critical review

This thesis is a part of a process in which theoretical as well as methodological choices have been made at different times. Reflecting back on this process and reviewing the final product, I have identified some limitations of the study, which I wish to discuss and reflect upon.

The thesis explores ‘a good place to live’ using the service-based logic as a theoretical foundation. In my endeavour to explore how a place can be understood and what creates place satisfaction, I saw early on the need to emphasize the residents themselves to a greater extent than previous studies have done. Because the service-based logic helped me to bridge the research on stakeholder involvement/co-creation and studies on residents’ place satisfaction, this theoretical perspective became the dominating perspective on which this thesis rests and it constitutes the foundation for three of the five papers in the thesis. So clearly choosing a theoretical lens can be seen as a shortcoming. Looking at a phenomenon with certain glasses allows us to see certain things, but at the same time we risk ignoring others. There is, simply put, a risk that we will see what we want to see. Being aware of this risk, I have consciously strived to see the service-based logic as something that offers me sensitizing concepts (Charmaz, 2014), which give me initial, though tentative, ideas about how to pursue research and what questions to raise. Put differently, the service-based logic has guided, but did not controlled, the inquiry pursued in this thesis. The service-based logic turned out to be a useful theoretical perspective, as it facilitates incorporating co-creation in the conceptualization of ‘a good place to live’, allowing us to generate new findings and increased knowledge about the roles of co-creation and the residents in making ‘a good place to live’.

The service-based logic has been criticized for ignoring the dark side of relationships. A review of service research priorities (Ostrom, Parasuraman, Bowen, Patricio and Voss, 2015) highlights the need for more research on situations in which co-creation does *not* lead to positive outcomes. The research that does exist on value co-destruction shows that a failed interaction process may lead to a decline in well-being (Plé and Cáceres, 2010; Echeverri and Skålen, 2011). Even if value co-destruction is acknowledged, the vast majority of research within the service-based logic has focused solely on positive aspects and outcomes, which may lead to an overly optimistic view of the power of co-creation. Järvi, Kähkönen and Torvinen (2018) identify no less than eight reasons for value co-destruction: absence of information, insufficient level of trust, mistakes, ability to serve, inability to change, absence of clear expectations, customer misbehaviour and blaming. This adds a new dimension to the service-based logic – a dimension my studies do not fully explore. Furthermore, Osborne, Radnor and Strokosch (2016) argue that even if the service-based logic has insights to offer concerning our understanding of co-creation, it provides limited insights into the political and policy context of public services as well as the context of unwilling or coerced service users or situations in which there are multiple, or even contested, outcomes. I find it important to recognize these limitations of the service-based logic and to be aware of what it can, and cannot, help us see.

As I argue when discussing my research approach, I have strived to understand the world of lived experience from the perspective of those who are living it and, thus, I believe I need to understand residents on their own terms. I use interviews to learn about my respondents' experiences and perceptions. Even if the interviews helped me to understand underlying reasons and the respondents' overall perception of the place, they did not allow me to observe how the residents interact with the place, place providers and other residents. The fact that I, for practical reasons, did not complement my interviews with observations can be regarded as a limitation of this study, particularly because I aim to understand social actions from the actor's perspective.

## Suggestions for future research

In this thesis I have explored how 'a good place to live' can be understood, conceptualized and studied, using in particular the service-based logic as a theoretical backdrop. My findings have increased our understanding of 'a good

place to live', e.g., by highlighting the role of co-creation and illustrating the role of the residents themselves in this context. There is more to be done, however, and thus future research should continue to explore this phenomenon.

In this thesis, I have focused on municipalities as a key place provider. However, I recognize the importance of other place providers such as businesses or the non-profit sector. Studying specifically how other providers contribute to 'a good place to live' and capturing their perceptions would be valuable and add additional perspectives. The media's role in 'a good place to live' is relatively unexplored. My research suggests that the media constitute an important place stakeholder (read more in Paper 4), and thus I encourage further research on how the media affect residents' perception of their place and how media reporting creates, strengthens or negatively impacts the place image. This can be researched using documentary studies in combination with focus group discussions with residents.

This thesis emphasizes the importance of interactions between place providers and residents, as interaction enables co-creation of both value propositions and value-in-use. The interaction between a municipality and its residents is an area that requires further research. Echeverri and Skålen (2011) and Plé and Chumpitaz Cáceres (2010) have emphasized that interactions can lead to co-creation of value, but also to co-destruction of value. My research shows that both the municipality and the resident see interactions as important to the perception of the place. To map the interactions in greater detail in order to see how different kinds of interactions lead to different kinds of value creation, but also value co-destruction, both for the municipality and the residents, would help to improve our understanding of how interactions relate to 'a good place to live'. An ethnographic study, designed to explore 'a good place to live' by observing and interacting with residents in their real-life environment, would be a useful tool for producing a detailed and faithful representation of residents' behaviours and attitudes in relation to interactions in a place context. Co-creation and co-destruction of value would be valuable to explore both regarding interactions between the municipality and the residents and regarding interactions between different residents and resident groups. As an example, preschool and school staff's role in co-creating value in the place context would constitute a relevant case. It would also be relevant to specifically study networks, as these are highlighted as a co-created value proposition that residents use to create value in the place context. Still, it remains uncertain what exactly networking contributes. What is happening at these network events that contributes to residents' value creation? To gain new

insights into networks' and networking's role in the place context, it would be valuable to closely follow some network events, such as breakfast meetings, parent groups and industry days. Using observations and interviews, it would be possible to follow the co-creation, and possible co-destruction, of value at these events, allowing the researcher to pinpoint key elements, and how these benefit different actors.

Municipalities in Sweden today set goals related to becoming an attractive place for residents (Bång and Persson, 2018). A review of municipal annual reports concerning how municipalities highlight and treat the issue of 'a good place to live' would help us to understand how municipalities interpret and measure 'a good place to live'. How municipalities set goals and measure place attractiveness impacts their priorities and strategic decisions and, thus, these measurements are central.

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