

Place Branding: Assessing Local Stakeholders' Participation in the Tskaltubo Spa Resort "Branding" Process

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Abstract

Tskaltubo is a resort with a unique composition of mineral water located in western Georgia. In the 20th century, while Georgia was part of the Soviet Union, Tskaltubo was a popular tourist destination, and the supply and demand of tourism services were regulated and controlled by the state. In the 1990s, after the collapse of the Soviet Union and as a result of subsequent fundamental political-economic changes and civil war, the popularity of the resort declined. The resort infrastructure became a safe haven for the IDPs and gradually degraded. In the last decade, the government of Georgia has demonstrated its commitment to restoring the resort and initiated assessment, planning, and restoration activities. In this process, a Tskaltubo market and technical feasibility study was conducted, and the vision for Tskaltubo development was formed, along with the elaboration of the general and development plans of the city and the introduction of the investment project "New Life of Tskaltubo." According to the mentioned documents, Tskaltubo will transform into an international spa and wellness centre, while the city "brand" is meant to be developed and managed through local engagement and cooperation, and it ought to be attractive to all residents, tourists, and investors. Although in the Tskaltubo development documents there is no mention of the term "place branding," conceptually, the document analysis reveals the vision of developing the Tskaltubo "brand" with local participatory elements. The aim of the study is to assess the level of engagement of local stakeholders, identify the challenges and risks associated with improper participation, and elaborate relevant recommendations to overcome these challenges. To achieve this aim, we employ a mixed-methods approach in the study, and we analyse the issue through the prism of the "participatory place branding" concept. On the one hand, the document analysis revealed the existing challenges and risks in Tskaltubo development documents, while on the other hand, the survey and in-depth interviews conducted during the field research made it possible to identify and assess the perspectives of the local stakeholders, namely, the residents, businesses, and Tskaltubo self-government. Based on the results of the on-site research, there is a high level of motivation and willingness among local stakeholders to actively engage in the process, while the participatory and cooperative/collaborative mechanisms (offered by the parties responsible for the development of the city) are weak and need to be established and/or further developed. In this regard, we highlight the importance of creating Tskaltubo DMO and institutional strengthening of Tskaltubo LAG.

Keywords: City Brand, Place Branding, Tourist Destination, Local Stakeholders, Community Engagement, Participatory Mechanisms

Introduction

Tskaltubo was a popular tourist destination throughout the 20th century, attracting visitors from all over the Soviet Union. After the political, economic, and social upheavals of the 1990s, the resort degraded, including its infrastructure. Since 2013, the Government of Georgia and the Partnership Fund have initiated and supported relevant activities to restore the Tskaltubo resort. In 2014, the Market and Technical Feasibility Study was conducted to assess the existing challenges and determine development opportunities. The document aimed to transform Tskaltubo into an international spa and wellness resort by taking into account local interests as well.

In December 2020, at the initiative of the Ministry of Regional Development and Infrastructure of Georgia, a group of local and foreign experts began to develop a conceptual master plan for Tskaltubo. The head of the project team was the Italian architect and general planning expert Marco Ardielli (Studio Ardielli Fornasa); "Bau Design" worked on the urban planning part; and the economic feasibility of the project was assessed by the international team of Cushman & Wakefield. In addition, the project group included experts in culture, tourism, and environmental protection.

The presentation of the conceptual general plan took place in Tskaltubo on August 20, 2021. According to the General Plan, the development of Tskaltubo should be based on four main strategies: (1) improving the main resource of the city, which is the unique structure and composition of the thermal park; (2) making the city a pleasant place to live, taking into account the interests of its residents; (3) preserving cultural heritage and place memory, strengthening values, and developing functions; and (4) restoring and strengthening the synergistic relationship between Tskaltubo and Kutaisi [1].

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Under the General Plan, a complete reconstruction of the city centre is planned; the development of small and medium-sized commercial spaces, hotels, and hotel-type accommodation facilities will be promoted and supported. Monumental buildings in Tskaltubo, following all the rules of conservation and rehabilitation of cultural heritage, will acquire new functions. These buildings will be transformed into modern hotels, medical rehabilitation centres, conference halls, and multifunctional youth hubs. In addition to the existing buildings, the construction of an "outlet mall" and an aquapark is planned on the outskirts of the city [1].

Within the framework of the conceptual plan of Tskaltubo, to restore and develop the resort, on July 5, 2022, the Ministry of Economy and Sustainable Development of Georgia presented a large-scale investment project, "New Life of Tskaltubo," which envisages offering 14 sanatoriums to investors at privatisation auctions.

Although the concept of the development of Tskaltubo as a resort and as a city is well understood in the General Plan, the socioeconomic profile of the city looks weak and requires further in-depth assessment, particularly in the context of unforeseen factors such as the COVID-19 pandemic, which has changed the public's demand for medical and wellness tourism.

In addition, Tskaltubo Municipality (local self-government) has a vision for development that is reflected in the "Medium-term Development Document of Tskaltubo Municipality 2020–2023." One of the key objectives of the document is to strengthen cooperation between local stakeholders.

Therefore, according to the Tskaltubo development vision, the city should become an international tourist centre, the "brand" of which will be attractive both for visitors and investors, as well as for the local population.

Tskaltubo Spa Resort development documents do not specifically use the term "place branding." However, we believe that the vision, goals, and objectives set in them are an attempt to do so. Therefore, in this article, we analyse the planned development path of Tskaltubo from the perspective of participatory place branding.

Methods and Materials

The aim of the study is to assess the level of engagement of local stakeholders in the Tskaltubo development ("branding") process and to explain the importance of employing participatory mechanisms and techniques in this endeavor. Moreover, we also discuss and address the risks associated with the improper participation of stakeholders. With this objective, we review the concept of place branding, with a particular focus on participatory place branding. However, as has already been mentioned, the present research is dedicated to Tskaltubo case analysis and not to the identification of gaps in relevant theory.

It is important to explain why we chose Tskaltubo as the research object. In the 20th century, Tskaltubo was a popular resort not only in Georgia but also in the Soviet Union, where a number of diseases were treated on the basis of mineral water of rare composition. By the end of the twentieth century, the political, social, and economic crisis in Georgia had caused the degradation and destruction of the resort and its infrastructure [2]. Tskaltubo is a unique multiprofile balneological resort with thermal-radon mineral waters that may be used for the treatment of 60 different diseases due to the naturally high temperature and presence of different gases, such as nitrogen. Since 2014, assessment, restoration, and reconstruction activities have been initiated and implemented, such as the rehabilitation of the Central Park, the construction of new accommodation facilities, and the elaboration of the General Plan of the City. In this regard, as the city is undergoing significant changes, the issues related to the place branding of Tskaltubo are of high importance. The process itself ought to be managed through the active participation of local stakeholders, including residents who know the local specifics and are interested in the progress of the city, the business sector, representatives of governmental and nongovernmental institutions and organisations, and others.

To achieve the goal and objectives of the study, we have defined the following key research questions: How effective is local stakeholders' participation in the Tskaltubo spa resort development ("branding") process? How can we mitigate the risks and improve local stakeholders' engagement?

To assess local stakeholders' participation, the study employs a mixed-methods approach and relevant research design, the main advantage of which is considered to be its ability to gather or provide "more complete" data for in-depth analysis of the research topic [3].

In the scope of the research, relevant documents aimed at Tskaltubo development were studied, such as the general and development plans of the city, the investment project “New Life of Tskaltubo,” etc. The aim of the document review was to identify participatory mechanisms envisaged in the named documents and development plans. In the next stage of the study, field/on-site research was conducted in Tskaltubo. As part of the field research, to assess the perspectives of all local stakeholders, a survey of local businesses and in-depth interviews with representatives of Tskaltubo self-government and Tskaltubo Local Action Group (LAG) were conducted. In the course of the field research in Tskaltubo, 16 respondents were interviewed, including 12 respondents from the business sector, 3 respondents from local self-government, and one respondent who was one of the managers of Tskaltubo LAG. A combination of open-ended and closed-ended questions was employed for the business survey, and nominal and ordinal scales were used for measurement. The economic activity of the surveyed business operators corresponded to Section I of NACE (Nomenclature of Economic Activities) Rev. 2 (classified under divisions 55 and 56), namely, accommodation and food and beverage service activities. To assess the perspective of the business sector and their engagement and participation in the Tskaltubo development process, it was considered relevant to survey only active and operational business entities. With this aim, the survey respondents were selected based on the data from the Geostat Business Register and from the list of active businesses provided by N (N) LE, “Tskaltubo Municipality Tourism Development Coordination Centre. ”.

Results

Participatory Place Branding

The concept of “place branding” is widely used and studied in various academic disciplines; however, its development is mainly related to tourism management [4].

The terms “brand” and “branding” have become popular, although despite this, the conceptualisation of the terms is often incorrect. Simon Anholt highlights three definitions of branding: popular (which is the least precise and is vague), simple (which is related to marketing and to the visual representation of the product—logo, name, and other attributes), and advanced understanding of branding, which, on the one hand, is simple but, on the other hand, encompasses a wide range of actors and processes, such as consumers, stakeholders, behaviour, motivation, communication, etc. The advanced way of defining “branding” focuses on people—stakeholders, employers, employees, and consumers—rather than on money, income, or profit, while branding is a result of people's opinions, interests, and aims. [5]. Place branding is not the same as place marketing, as the primary interest of a marketer or marketing manager is to identify and serve the needs of an external market (only from an external market perspective), while branding is a much wider concept and serves a variety of aims and different audiences [6]. Place brand is also a wider concept than destination brand, as the latter is associated with the promotion of tourism and tourism services, while this is only a part or one component of a place (city, region, and country). Tourism, as a component of a place, can be promoted and sold, but a place cannot, because a place is usually not limited to one product or one specific market [5]. Destination branding is often considered to be part of place branding [7]. It is worth noting that in the academic literature and among scholars, there is no consensus on the relationship between place branding and place marketing, and some scholars view branding as part of place marketing, as it “involves wider activities [8].

Postnikova attaches a great deal of importance to the geographical attributes and characteristics of a place or city. In her opinion, a “brand of a place (area) is a multidimensional concept (construct) that is based on the complex geographical features and unique symbolic elements of the region and evokes a competitive identity of the area in the public consciousness; its formation takes place through setting goals, establishing communications, and promoting values in a society. As usual, it is reflected in visual, verbal, and practical manifestations: a symbol, a slogan, and a strategy for the development of the territory and the brand itself.” For successful place branding, it is necessary to identify all the characteristics of the city on the basis of which it can be perceived positively. Among these characteristics, the following are distinguished:

1. complex geographical image of a city (physical landscapes, economic-geographical information, cultural-historical information about a territory);
2. Peculiarities of the studied region or city (its uniqueness);
3. Information about attractions, accommodations, and catering facilities [9].

Place branding is sometimes criticised for being overly politicised, as it marginalises (excludes) certain social groups from the process. Highly successful place “brands” are often very popular tourist destinations that attract many visitors, which leads to dissatisfaction, a negative perception or attitude of the population as housing prices soar, local environmental quality declines, etc. Moreover, part of the money “leaks out to enormous international companies” that operate accommodation facilities (hotels, etc.). All the above-mentioned factors lead to “tensions and a reluctance,” as the participation of the local population at various stages of place branding is often “undertaken only at a very superficial level” [8]. Therefore, to avoid expected controversy, tensions, or criticism, the brand “managers” ought to ensure that as many participatory mechanisms as possible are employed not only at the brand-developing stage but also at every subsequent stage of branding (implementation, management, etc.).

Place branding is a complex phenomenon, and one of the main mistakes is to present it as a “linear” process when it consists of many “intertwined, simultaneous processes” [10]. Local population and residents are now more often considered an important factor in the process of place branding; however, despite this, there are significant gaps in the theory and relevant practice on how to ensure their engagement and their role in the aforementioned process [11]. As Govers (2011) notes, strong internal branding is essential for successful place branding, which envisages multifaceted local involvement in the process, including public, private, and civil society actors. If the interests of the local population are not taken into account in the branding process, it will most likely cause “antagonism” from the locals and may even threaten the existence of the brand [6]. Braun, Kavaratzis, and Zenker (2013) highlight three roles that residents play in place branding. The first role is as “an integrated part of the place brand,” which means that the local population (residents), through their communication with each other and outside, creates a social environment, which, together with the material and physical environment, creates a brand. The second role of residents is associated with them being “ambassadors for the place brand,” as the “informal, authentic” information that local residents spread through social networks or other means is important for potential brand customers. The third role is considered “citizens,” because the population has “political power” to influence the decision-making process [11]. Therefore, to develop a successful place brand, it is of high importance to employ a “bottom-up” approach, which means taking into account the interests of the residents and not focusing only on the interests and wishes of potential customers.

The engagement of local stakeholders is very important for successful place branding, but it is associated with many difficulties. The aforementioned difficulty is primarily due to the complexity of both the places themselves and the social structure, because in general, the interests of the business sector cannot be similar to the interests of the economically less active part of the population (who do not own their own businesses), as if the interest of business operators is to increase profit, the interest of other residents may be creating a more tranquil environment, which means, for example, limiting the number of tourists and imposing other measures. However, it is still possible to ensure effective participation of the population, at least by conducting a survey and holding discussions [11], but for more inclusive and effective engagement, it is important to employ other participatory tools and mechanisms.

Ensuring the engagement of different actors in the process is difficult and does not exclude competitiveness and conflicts of interest, especially considering that stakeholders have different influences on the process; however, participatory branding techniques make it possible to know or discuss different perspectives and points of view; therefore, competitiveness could be transformed into “creative tensions” [10]. In Sweden, the study of Dals Långed brand formation demonstrated how the DMO (Destination Management Organisation) plays the role of a kind of connecting link to deepen cooperation between different actors. The local DMO has cooperation agreements with up to 120 organisations, business entities, or associations, such as museums, companies, shops, and others. The role of the DMO in the branding process is associated with “initiating, maintaining, and developing collaborations” [12].

It is widely accepted in the academic literature that place branding is the opposite of a “top-down” approach and decision-making; therefore, the “managers” of the place branding process are not considered to be the “ultimate decision makers,” but rather, they should be seen as facilitators, “leaders of the place brand dialogue,” and leaders of dialogue between stakeholders [10].

Document Review - What mechanisms of Local Participation are envisaged in the vision and plan for the development of Tskaltubo spa resort?

In 2013–2014, Kohl & Partner, who was contracted by the “Partnership Fund,” conducted a market and technical feasibility study of Tskaltubo to identify and assess the opportunities for the development of a spa and wellness resort. The prepared “Technical Proposal for the Tskaltubo Spa Resort Development” report discussed the prospects for the development of Tskaltubo as the “medical and wellness and spa capital of Eastern Europe,” which was assessed as a “completely logical step” based on its characteristics. In the report, the authors argued that the implementation of this rather ambitious goal should be based on the “historical and cultural elements, and especially the extraordinary (exceptional) composition of the mineral water” of the city [13]. The report primarily focused on city planning activities, such as the creation of “certain territorial reserves” and establishing “a car-free zone for Ring Road 1.” However, along with these proposals, the need for integration of internally displaced persons (IDPs) was noted through reintegration and redislocation programmes [13]. Therefore, the document, to a certain extent, addressed the importance of taking into account the interests of the local population, especially vulnerable groups.

The establishment of two structures or institutions was proposed to coordinate the implementation of the presented Tskaltubo development concept, namely, the Tskaltubo Development Company and Destination Management Organisation (DMO), which were meant to be “owned and managed by the different stakeholders.” Based on the proposed vision for development, the representatives of the central and local self-government, as well as the civil sector (“community”), should have been members of Tskaltubo Development Company, while in the case of the DMO, private companies, business entities from tourism, and other related sectors of the economy should have been part of it [13]. However, none of the abovementioned institutions have been established yet.

With the aim of developing Tskaltubo as the “first regional, and later, international, well-known spa destination,” Kohl & Partner conducted SWOT analysis and reviewed various factors and aspects of Tskaltubo, such as history, architecture, climate, mineral water, population, location (proximity to Kutaisi airport), attractions, political aspects, and other issues. Given the focus of this study, it is relevant that Kohl & Partner’s study identified (1) a “high unemployment rate in Tskaltubo and the region” among its strengths, which will not create a labour shortage either in construction (initial stages of the resort development) or in the subsequent provision of tourism services; along with (2) a “tourist-friendly attitude of the local population”; “IDP’s living in the cultural monuments,” namely, former sanatoriums, was identified as a weakness; employment of internally displaced persons was discussed among the possibilities; and as a threat—a negative impact on the population, which may be the result of the development of tourism (overtourism) [13]. However, when discussing the local population and their employment opportunities, it should be noted that the research was conducted before the 2014 population census, and as a result, the data used are outdated, which was realised in the Market and Technical Feasibility study: “The population census of 2014 will give us up-to-date demographic data” [13]. It is important that in the study of the development of Tskaltubo health and wellness tourism resort, place is given to its sustainability and that it should balance the “social, cultural, economic, and environmental needs of the current population and visiting tourists, as well as those anticipated to live in and visit Tskaltubo in the future” [13]. It is worth noting that the study, while reviewing various aspects of Tskaltubo, considers the local population and the business sector as beneficiaries of various development (reconstruction, restoration) efforts, for example, the development of the water supply network and waste management system [13].

However, in the mentioned report, the positioning and role of the local population are quite vague, lack clarity and are related only to their potential participation in Tskaltubo Development Company. This institution is mostly considered a carrier of the state’s vision, and the role of local self-government and population in this mechanism is not properly explained.

We also think that the challenge of the assessed assessment (the market and technical feasibility study) is the imperfect reflection of local business opportunities and interests. The research pays attention to the evaluation of the regional and international markets, which is positive; however, the perspective of the local business sector is not properly evaluated, even though it is not presented at all, which is its weak side. This may be explained by the fact that during the research (2013), the number

of business entities in the tourism sector, as well as the volume of local investment, was small if we compare it to the modern picture of Tskaltubo tourism.

On September 30, 2021, the concept of the "Tskaltubo City General Plan" was approved by the Council of Tskaltubo Municipality, on the basis of which the "Tskaltubo Central Part Development Plan" was developed in 2022. In the Development Plan, one of the main obstacles to the development of Tskaltubo was the monofunctionality of the city, in particular, dependence on the provision of treatment and rehabilitation services, which was discussed as Tskaltubo's Soviet heritage. According to the authors of the plan, monofunctional cities are "destined to face a certain number of difficulties," for which the development plan was elaborated [1].

For the purposes of the study, the forecast of the development of the tourism sector presented in the development plan and the management issues of tourism infrastructure and products and services are relevant. Unlike the market and technical feasibility study that was conducted prior to the 2014 general population census and therefore used outdated data, in the development plan, the tendency of population declines in the city of Tskaltubo and the municipality has already been recognised and taken into consideration. At the same time, the number of internally displaced persons was mentioned in the development plan, which is an important aspect to be considered. In particular, in 2021, 1772 internally displaced families were waiting for accommodation [1].

We think that the factor of population decline is particularly noteworthy because, along with the development of new accommodation facilities, there may be a shortage of the labour force. This will primarily have a negative impact on existing local businesses, which are mostly small entities and may find it difficult to compete with new, larger businesses. This in turn will have a negative impact on the perception and attitude of local businesses and potentially threaten the very existence of Tskaltubo's 'brand'. This factor is especially noteworthy considering that, according to the authors of the development plan, in 10 years, the total number of beds will exceed 5,000, which requires the accommodation of more than 230,000 people per year to achieve at least 55% occupancy [1]. This may lead to overtourism, which is often the reason for the "dissatisfaction" of residents as well as investors and tourists [8].

It should be noted that the Development Plan also addresses the diversification of tourism products, and for this purpose, "authenticity, uniqueness, and connection with the community" is considered one of the key issues [1] that, in our opinion, will have a positive impact on the successful creation of the "brand." From a management perspective, the development plan, as well as the market and technical feasibility study, state the need to create a destination management organisation (DMO) that will be based on "cooperation between the private and public sectors" [1]. However, the development plan does not specify the mechanism, structure, or role of local self-government, businesses, or the population in it.

According to the "Medium-term Development Document of Tskaltubo Municipality 2020-2023" that was elaborated in 2019, Tskaltubo should become an "economically developed international level (internationally recognised) spa resort" that is attractive for living and working, where various types of tourism are developed and favourable conditions are created for the development of the business sector [14]. It is important that in the document, the existing challenges in this direction are acknowledged, such as the high rate of population decline due to outmigration and, therefore, the outflow of the workforce, the shortage of qualified personnel in the labour market, and the lack of communication and cooperation mechanisms, especially in light of the fact that the development of tourism is named the "main goal/target" of the Tskaltubo municipality [14]. The "principle of partnership" is considered one of the bases for achieving the goals and objectives presented in the document, which implies the involvement of all interested parties in the implementation process [14], for example, local residents, business entities, the nongovernmental sector, and others.

Currently, the Tskaltubo Local Development Group (LAG) is one of the main cooperation mechanisms of the local self-government, population, and business sectors in Tskaltubo municipality. The strategic vision of the "Tskaltubo local development strategy 2020-2024" developed by Tskaltubo LAG implies "enhancing the quality of life of Tskaltubo Municipality residents and promoting sustainable economic development using local resources" [15].

In the business survey conducted as part of the field research, representatives of 12 business entities took part, including 11 representatives of business entities in a leadership position (owner or manager, 1 administrator), whose activities are related to the following activity types of the NACE Rev. 2 classifier: hotels and similar accommodation facilities (9 out of 12 surveyed business entities); restaurants and food services (3 out of 12 business entities). The majority of surveyed businesses (9 business entities) were, according to Geostat methodology, small businesses (the average annual number of employees does not exceed 50), 2 business entities were medium-sized (the number of employees ranged from 50 to 250 people), and one was large.

The results of the survey indicate that the willingness and readiness of the business sector to be actively involved in the development process of Tskaltubo is high, as 75% of the surveyed businesses participated in the relevant meetings. More specifically, the respondents had participated in the process of discussing the general plan, although, as they recalled, there were only two meetings organised. The respondents also recalled attending the presentation of the investment project "New Life of Tskaltubo" by the Government of Georgia in July 2022. Additionally, 3 respondents additionally noted the meeting organised by the Ministry of Infrastructure (BS_Respondent_02, BS_Respondent_10) and the event organised by the City Hall (BS_Respondent_09).

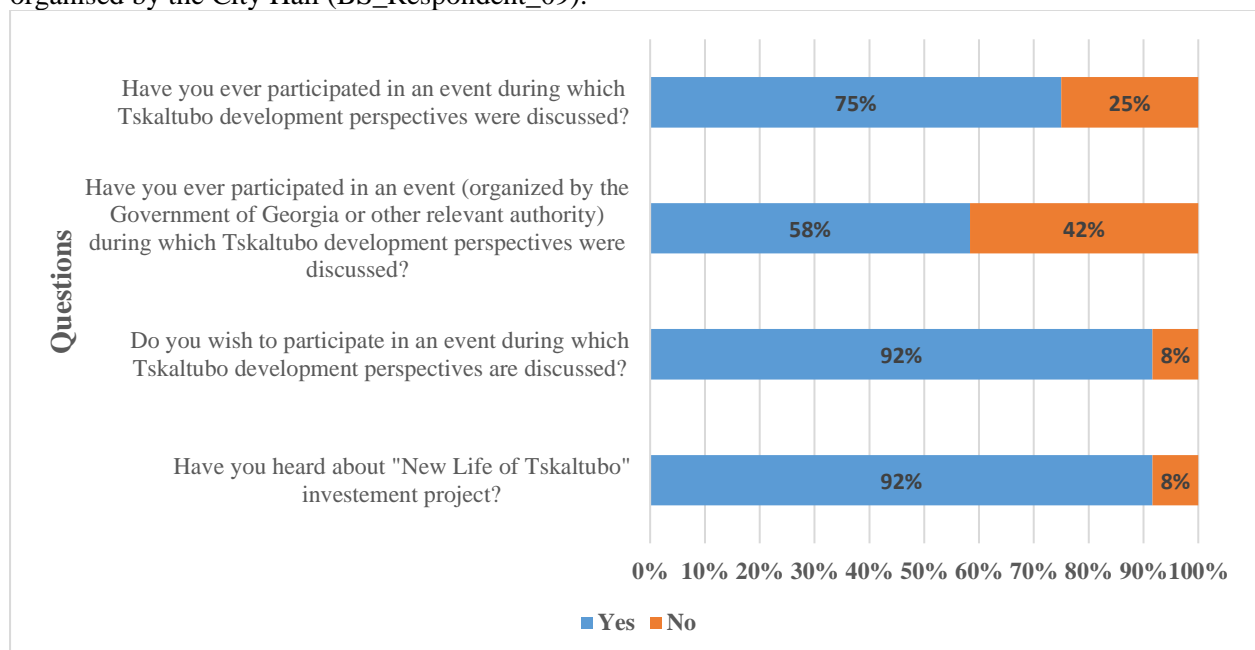


Figure 1. The results of the business survey

However, the fact that even a greater share of local businesses, more than 90%, are willing to be involved in the development process and relevant meetings indicates that the interest exceeds the dialogue and discussion opportunities currently being offered to them by the Tskaltubo Spa Resort development "managers." Additionally, supporting this is the fact that more than 80% of respondents want to hold meetings at least twice a year where they will have the chance to exchange ideas. The fact that the majority of respondents indicate that the meetings should be intensive indicates that the representatives of the local business sector want to be more active in the process. At the same time, it was noted that there should be an opportunity to receive information at the meetings so that "they do not fall behind the news," and, on the other hand, there should be an "opportunity to discuss or share ideas." However, it is important that the vast majority of businesses indicate that the meeting should have a specific purpose and outcome. As one of the respondents mentioned, his interest is negatively affected by the fact that the previous meetings did not lead to any results or changes: "I do not see the point in participating because I do not think anything will change after the meetings" (BS_Respondent_05).

Overall, the business sector is informed about the development plans of the Tskaltubo spa resort, as more than 90% of respondents have "heard" about the "General Plan" and the "New Life of Tskaltubo" investment project, but as a result of in-depth discussions about the issue, it was revealed that the awareness is of a more general nature and lacks details, which could become the basis for alienating the

"brand" of Tskaltubo. The same risks were identified as a result of the in-depth discussions with representatives of local self-government and Tskaltubo LAG.

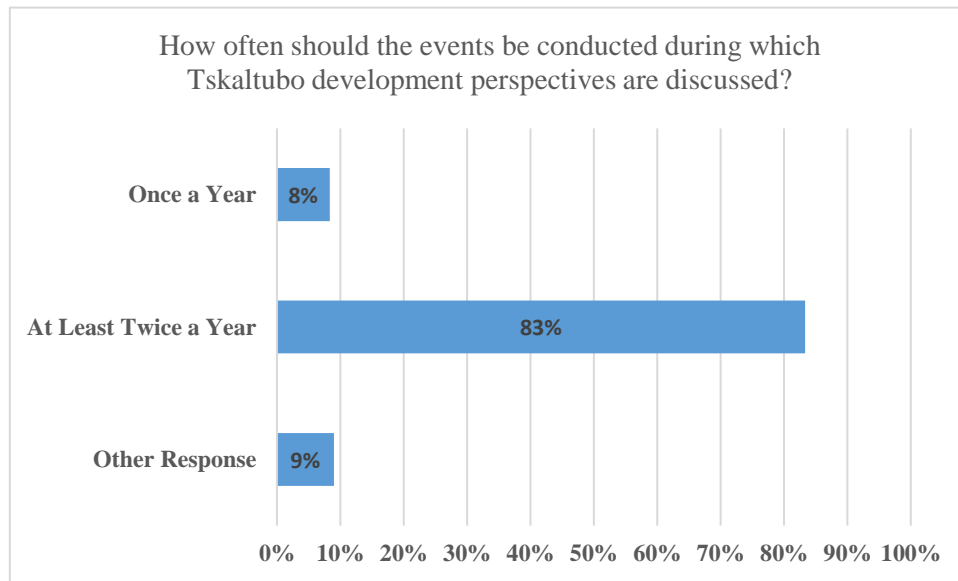


Figure 2. The results of the business survey

The fact that every representative of the surveyed business sector deemed the development of tourism "very important" (92%) or "important" (8%) will, in our opinion, facilitate the successful "branding" of the Tskaltubo spa resort. This is a significant factor because the support of local businesses and residents for the idea or initiative will have a positive impact on relevant plans that are proposed by the "brand managers".

At the same time, it is worth noting that all the respondents consider the role of mineral water as "very important" for the uniqueness and/or attractiveness of Tskaltubo. Accordingly, the business sector perceives mineral water as the centre of attraction around which the development of Tskaltubo should take place, which should be carefully considered by the "brand managers" of the resort. Along with mineral and thermal water, respondents named sanatoriums (5), nature (4), proximity to caves (4), and Tskaltubo Park (3) Tskaltubo's "calling card." During the interviews, it was also noted that even before the implementation of expensive infrastructure projects, Tskaltubo still has significant tourism potential. As one of the respondents noted, Tskaltubo "needs good advertising and proper packaging" because "many visitors want to see even abandoned sanatoriums," especially since "Kutaisi has a great airport," but it is a pity that "you cannot find information there [at the airport] on Tskaltubo" (BS_Respondent_07).

It is particularly noteworthy that more than half of the respondents do not believe that the interests of local businesses and residents are properly taken into account in the resort development process, which potentially poses a risk to the success of the project. However, this can be addressed through more active communication, as the local businesses are willing to cooperate.

The attitude of local businesses towards "large investments" (in the article, more than 5 million GEL) is positive (more than 90% of respondents). While explaining the positive attitude, the respondents mentioned that "after the investments, Tskaltubo will be popularised and local businesses will get better known" (BS_Respondent_06), "it will attract more tourists" (Respondent_12), "when the competition increases, the service level and quality increase and the salary of service personnel will also rise" (BS_Respondent_02), and "it is better to do something than to live in a destroyed city" (BS_Respondent_05). It should be noted that local business operators do not perceive large investors as competitors. As one respondent noted, "I do not think that a Georgian investor will buy these sanatoriums; more foreign businesses will buy them, and I do not see businesses as competitors in general because there are no two identical hotels; all are individual. The buyer of a former sanatorium cannot be my competitor because if my hotel has three stars, the new hotels will be five-star hotels and even better, and they will attract wealthy tourists" (BS_Respondent_07). This is interesting, particularly

considering that the Tskaltubo municipality is experiencing a population decline, and after rehabilitation and construction of new accommodation and catering facilities, there may be a demand for labor. Several respondents pointed out the mentioned risks: "If the restoration of all sanatoriums is completed, today if I have 100 guests, tomorrow I will have 10... all risks should be considered. "...", "hunting" for personnel will begin; there will be a shortage of personnel; the population is already reduced" (BS_Respondent_10), as well as "there should be no price dumping" (BS_Respondent_02).

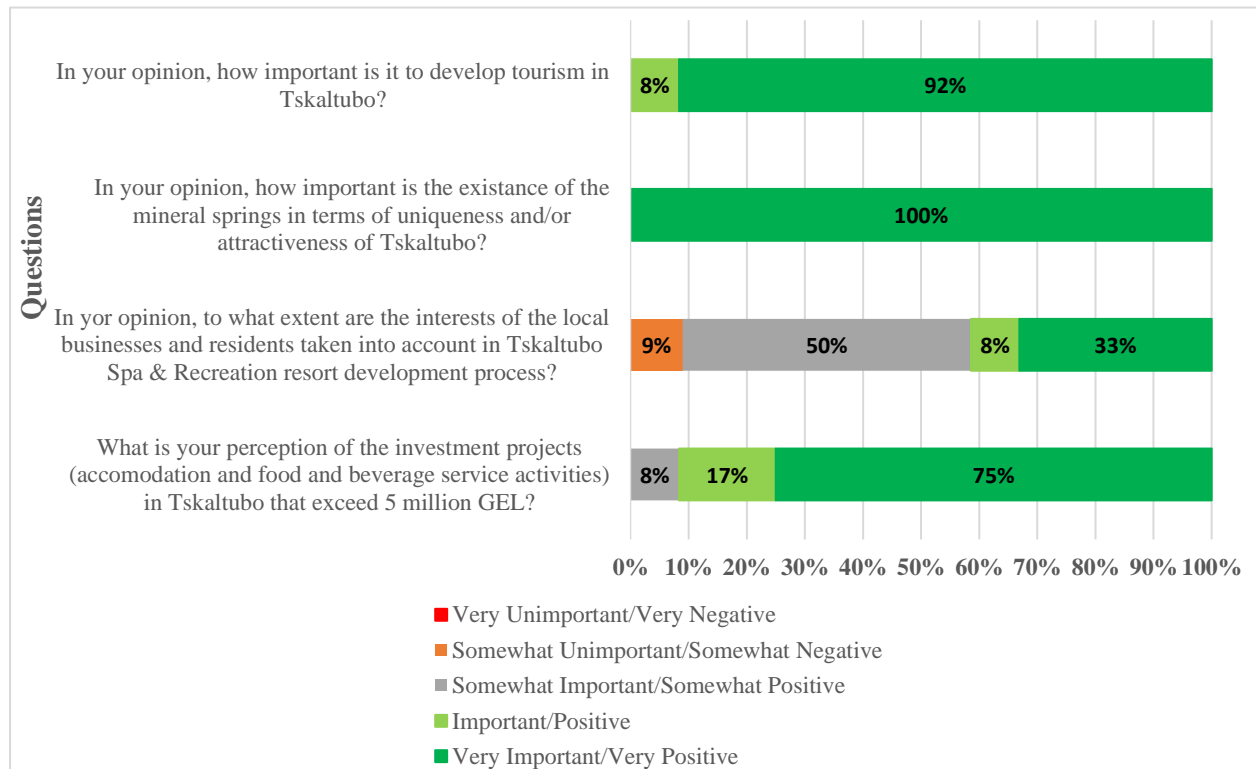


Figure 3. The results of the business survey

Regarding the new potential investors, it was noted that they should have an obligation to communicate with the local population/business and consider their interests. More specifically, the respondents indicated that "the needs of the local population/business should be studied and there should be close communication" (BS_Respondent_09) and "price/wage policy should be agreed on" (BS_Respondent_02). At the same time, the respondents mentioned the obligation to restore the sanatoriums to their original state (BS_Respondent_02, BS_Respondent_03, and BS_Respondent_10). If the interests of the local population/business are not taken into account, "the population will have a negative attitude" (BS_Respondent_01), and "the development of local business will be hindered" (BS_Respondent_03).

The perspectives of local self-government and population

In-depth interviews were conducted with the participation of three representatives of the Tskaltubo City Hall and City Council and a representative of the Tskaltubo Local Development Group (LAG) to study the perspective of the local self-government and the population.

During the field research, the respondents from the local self-government noted that the City Hall and the City Council are currently involved in the process of reviewing the general plan, and in particular, the plan approval procedure is underway. With regard to population involvement, it was noted that two presentations were held with the participation of the representatives of "BAU Design." At the same time, local stakeholders had the opportunity to submit proposals in writing to the company [BAU Design], although as one respondent pointed out, "this did not create a working process." As a result, the plan "lacks a local perspective," and "it would be better if a mixed working group was established with the participation of all stakeholders." For example, in the General Plan, "some of the plots of land and buildings were placed in Zone I and some in Zone II (in certain cases, land plots owned

by the residents were artificially split and placed in different zones)," "which causes a negative attitude in the population". However, as the local self-government representatives noted, "all problems can be resolved if there is proper communication with the population or business sector. "

Respondents from the self-government emphasised that "[the general plan] is very important, and if the requests and needs of the population are not taken into account, it will not be effective." In the process of developing the general plan, a working group with the participation of local businesses and community representatives was not created. The residents of the city were presented with the already-completed plan and a number of decisions they did not agree with. For example: 1. If the planned Tskaltubo bypass road is implemented, the accommodation of tourists in hotels will become harder and will become a challenge. 2. The removal of trading facilities outside the city limits will lead to a decrease in the volume of trade and, accordingly, revenues; 3. The irregularity of the procedure for receiving compensation delays the use of land previously purchased by the population and the start of construction.

In general, the research found that the involvement of the local self-government in the general plan development stage was limited, as was that of the population or business. As the respondent from LAG noted, citizens also attended the presentation of the general plan; the information was spread through local social networks, but "the population's interest in community activities is low compared to the representatives of the business sector." Regarding the development plans of Tskaltubo Spa Resort directly, "the population is informed about what needs to be done, what is the end point," but the awareness is low about "how it should be done." The general attitude towards investments is positive: "the population knows what Tskaltubo was, and everyone, especially the young people, is waiting for restoration."

A respondent from LAG also noted that "the population wants to preserve the appearance of the former sanatoriums, but I think it will be difficult because these buildings are depreciated and investors may not want to restore them." Along with the development of tourism in Tskaltubo, promotion of agriculture was also mentioned because "agriculture is very important for the villages of Tskaltubo municipality...and today the city of Tskaltubo has fallen out of the economic chains and the villages of the municipality sell their products in Kutaisi".

Discussion

In the Tskaltubo development vision, tourism and the improvement of the tourist service have a leading place, which is actually considered the cornerstone of development. The authors of the article share the vision of the possibilities of the development of the tourism sector in Tskaltubo. Although we believe that this should not be done with a top-down approach, the interests of the locals (population, business sector, etc.) should be considered more and more effectively. It is also important not to overrely on tourism alone. Most scholars believe that the brand of the place should more or less reflect the brand of the country. In this respect, the branding of Tskaltubo as a tourist centre is consistent with the presentation of Georgia as a country with tourism diversity. However, here, it should be considered that there is a need to diversify tourist products. Tourism and relevant services in Tskaltubo should not be limited to balneotherapy. Speleotherapy can be added to it, the implementation of which has already been attempted in recent decades but failed to develop due to improperly selected speleoobjects. Currently, there are alternative facilities where locals are treated in an unorganised manner. In addition, "unique thermal waters can be added to the therapeutic indications: general recovery, wide-spectrum physiotherapy, removal of the "fatigue syndrome, etc. Tskaltubo is also a resource for the development of agrotourism (vegetable gardens, including "Herbia," where the agrotourism complex "Imeruli Ezo" has already been created). The number of visitors to the speleoobjects around Tskaltubo is increasing.

The state should be able to limit its leading position in the branding of Tskaltubo and reduce its own role a little so that other local actors can participate more effectively.

A vision that considers the development of tourist services as one of the priorities for Tskaltubo is in line with the interests of local interested parties. Although more information should be provided to the population and the profile of potential tourists should be better studied, what impact will the opening of so many hotels have on the existing businesses? Some of the local entrepreneurs do not see new potential investors as competitors because they believe that the businesses located in the former sanatoriums will have more wealthy customers, and as one respondent said, "The guests at my 3-star

hotel cannot afford to stay at those new hotels." However, it is important to better assess the impact mentioned, for example, whether it will lead to a shortage of the labour force in the city, as Tskaltubo's population is experiencing a significant decline. Although Tskaltubo may become a centre of attraction for nearby cities and the labour force may be attracted from, for example, Kutaisi and other nearby cities and villages, it should be taken into account that the entire Imereti region is characterised by a high rate of depopulation, especially rural areas [16].

The Tskaltubo Development Plan states that in 10 years, after all potential hotels are operational, with a 55% hotel occupancy rate, the city should receive more than 230,000 guests annually. This may contain the risks of overtourism, especially since the same study recognises the significant rate of population and therefore workforce decline.

The whole spectrum of the local community should be the beneficiary of the "branding" process of Tskaltubo and subsequent reconstruction. As Skinner points out, "no matter how politically attractive the annual increase in the number of visitors looks, it is important to focus on sustainability, "which makes these places, on the one hand, "more sustainable and resilient to" possible crises (for example, COVID-19) and, on the other hand, transforms them into places where life is "better for everyone" to work, study, invest, and visit [8].

Conclusion

The creation of a place brand is of great importance for the development of the place or city in the right direction because it expresses the uniqueness of the place and helps to strengthen its positioning and attractiveness.

It is necessary to involve the population in the development of the brand of the place to use its genetic memory and perspective of the place;

As a result of the on-site research, a very high rate of interest in participation in the development of Tskaltubo from local businesses was revealed. In particular, more than 90% of the surveyed businesses are willing to participate in any format or mechanism of discussion and cooperation. At the same time, more than 80% of respondents note that meetings should be intensive. The motivation for cooperation is overshadowed by the fact that the previous meetings did not lead to concrete results, and their opinion was not taken into account.

The local business sector has knowledge of Tskaltubo development documents, although awareness is general and vague.

According to the representatives of the local self-government and Local Action Group, the awareness and involvement of the population in the development process of the Tskaltubo spa resort is limited and has a "top-down" nature, which is why the documents lack a local perspective, which indicates the need to create participatory mechanisms;

The creation of Tskaltubo DMO, which will coordinate local interests, can be considered the first stage of establishing local cooperative mechanisms in terms of population involvement in the branding process. We think that the Local Development Group (LAG) can play an important role, which can become the "voice of the population" in the process of creating a brand. That is why we also consider the institutional strengthening of LAG as an important aspect.

Competing interests

The authors declare that they have no competing interests.

Authors' contribution

A.S. conceived of the presented idea. All authors contributed to the design and implementation of the research and to the writing of the manuscript. All authors provided critical feedback and helped shape the research, analysis and manuscript.

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