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Branding Innovation

How to successfully build the brand of a regional innovation system

Abstract

Around the world, regions are developing their knowledge-based assets in order to stay competitive in today's global economy. Europe alone is home to more than a thousand cluster initiatives. There are an overwhelming number of innovative regions and "valleys" competing to become the place to live and do business within a particular field. In this highly competitive environment, marketing directors and innovation system executives must develop and execute a well conceived branding strategy in order to survive and thrive.

Regional innovation systems are complex constructions often involving a variety of clusters, agendas and business models across a large number of partners from the business world, academia and society, each with their own best interest at heart. Unlike a company with a business idea and a range of products, an innovation system encompasses a multitude of business ideas and offerings that, when taken in the aggregate, are often abstract in nature.

The purpose of this study is to address some common challenges when building the brand of a regional innovation system and attempt to identify some possible solutions for how to successfully overcome those challenges. In doing so, a selection of eight experts and practitioners in the field of regional innovation systems have been interviewed.

The four most important challenges in the branding of regional innovation systems are converting interested bystanders into committed stakeholders, juggling the brands of multiple stakeholders, communicating the complex subject of innovation and technology, and building and maintaining brand trust in a localized, close-knit environment.

The findings in this report suggest that branding an innovation system requires a unique approach – different branding channels and skill sets – compared to traditional product branding. As a result I recommend that regional innovation systems focus on four major brand strategies: setting and managing brand expectations, ambassador development, creating a *Branded Warehouse*, and storytelling.

First in setting and managing brand expectations, it is important to communicate clearly so that potential members understand what the initiative is all about and why they should be excited about it. Paint a vision specific enough to drive interest but not so specific that members feel they have no input into the mission. Once consensus has been reached it's important to manage the different brand expectations so that all members are satified.

Suitable champions on a regional, national and international level can act as ambassadors of the regional innovation system, spreading the brand message in the right networks by the power of their own individual credibility. Brand managers should work proactively with the board to leverage their networks to the greatest extent possible.

The findings in this paper suggest that the best approach for juggling multiple brands may be a *Branded Warehouse* model where a strong branded house is just as important to the success of the initiative as the strength of the brands inside that house.

Identifying, creating and spreading the narratives that define the brand help people grasp the complex subject of a regional innovation system. For spreading the brand message both within and outside of the region, the media and ambassadors are unrivaled tools.

1. Introduction

1.1 Background

Around the world, regions are developing their knowledge-based assets in order to stay competitive in today's global economy. Europe alone is home to more than a thousand cluster initiatives and that's just counting the organized ones that have a cluster manager, an office and a website.[1] There are an overwhelming number of innovative regions and "valleys" trying to communicate their superiority as the place to live and do business within a particular field. In this highly competitive environment, marketing directors and innovation system executives must develop and execute a well conceived branding strategy in order to survive and thrive.

Regional innovation systems are complex constructions often involving a variety of clusters, agendas and business models across a large number of partners from the business world, academy and society, all with their own best interest at heart. Unlike a company with a business idea and a range of tangible products, an innovation system encompasses a multitude of business ideas and offerings that are, more often than not, of an abstract nature.

Since the concept of branding innovation systems is quite new, there is little documented best practice in the field and marketers find themselves forced to rely heavily on intuition. Although studies show that the branding of regional innovation systems is closely tied to their overall success[2], many regional innovation systems do not regard branding as a priority.[3] Consequently the person in charge of this function often lacks the tools to take on the task.[4] Many regional innovation systems face the same challenges in attempting to build a successful brand and consequently a successful innovation system.[5] For this reason I would like to devote my thesis to addressing some common challenges in branding regional innovation systems and present some possible ways of successfully overcoming those challenges.

1.2 The Purpose of the Study

The purpose of this study is to address some common challenges when building the brand of a regional innovation system and attempt to identify some possible solution for how to successfully overcome those challenges.

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[1] Sölvell, Örjan, *Clusters – Balancing Evolutionary and Constructive Forces*, Second Edition, Ivory Tower Publishers, Stockholm, 2009, p. 65.
[2] ibid, p. 77.
[3] Nordfors, Lennart and Johansson, Cecilia, *When Communication Supports Innovation – The Case of VINNOVA's Vinnväxt Programme*, Stockholm, 2009, p. 3.
[4] Gullers Grupp Informationsrådgivare AB, *Processstöd kommunikation – Vinnovas Vinnväxt-program*, 2008, Stockholm, p. 11.
[5] ibid, p. 20

1.3 Research Questions

1) What's the importance of branding for the success of a regional innovation system?

2) What are some common challenges when branding regional innovation systems?

3) How can those challenges be overcome?

1.4 Research Parameters

The notion that companies form part of systems has become increasingly popular in recent years. There are a number of systems concepts that partly complement and partly rival each other. Innovation systems, clusters, networks, and regional agglomerations are some examples. The different concepts emphasize somewhat different factors and relationships in attempting to explain the dynamics of industrial growth. However, they all assume that companies are part of systems consisting of similar businesses, and that such systems are, in some way, connected to a wider society where the conditions in the local environment are of particular significance.[6]

A number of different definitions can be found for each of the systems concepts mentioned above. For instance, there are many types of innovation systems and different people mean different things when using the term. Some use it as a synonym for cluster; others only use it when referring to growth initiatives that consist of participants from academia, public sector and industry.

Innovation systems can be regional, national, or international. Some also make a distinction between innovation *eco*systems meaning systems that have naturally appeared, as opposed to artificially constructed innovation systems.

For the purpose of this paper, I have chosen to focus on regional innovation systems because I wanted to include the delimited geographical dimension that a region constitutes. While a focus on clusters would have also enabled me to take a regional perspective, I was specifically interested in the more complex environment created by the collaboration between academia, public sector and industry that is typical of innovation systems. However, as the definitions that follow in the theoretical framework will show, the concepts of cluster initiatives and regional innovation systems are so closely related that they are virtually synonymous. For this reason my theoretical framework will include both concepts and my recommendations will likely be useful for branding managers of both regional innovation system and cluster initiatives alike.

In my paper, I do not make a distinction between naturally developed innovation *eco*systems and artificially constructed innovation systems.

I have chosen to limit my investigation to conducting qualitative interviews with a selection of eight experts and practitioners in the field of regional innovation systems.

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[6] Nilsson, Jan-Evert, Uhlin, Åke, *Regionala innovationssystem – en fördjupad kunskapsöversikt*, Vinnova Rapport VR 2002:3, Stockholm, 2002, p. 22.

Although several of my interviewees have experience working with regional innovation systems in different parts of the world, they have acquired most of their experience in the western world which is consequently reflected in my findings.

The aforementioned research parameters have not allowed me to draw any general conclusions concerning how all regional innovation systems should be branded. Naturally each case is different and the suggestions presented in this paper are merely some pieces of the puzzle, meant to inspire further research.

1.5 Disposition

The *Theoretical Background* of this paper gives an academic frame of reference on innovation systems, regional competitiveness, clusters, branding and trust as it relates to regional innovation systems.

In *Methodology* I explain how I went about conducting my research. I present my choice of qualitative interviews. I also discuss advantages and disadvantages of using this approach.

Analysis is a presentation of the results of my qualitative interviews. In the *Discussion* section these results are then discussed and related to the theoretical framework of the paper. Based on this discussion I then proceed to make my *Recommendations* on how to build the brand of a regional innovation system. Finally, in my *Conclusions* I outline the identified challenges in branding regional innovation systems and how they can be overcome. I also suggest some areas that could be interesting to further explore, in a different investigation.

2. Theoretical background

2.1 Innovation, Innovation Systems and Clusters

In the last few years innovation has become such a popular expression that it is no longer associated with something that is rare and difficult to come by. A quick Google search of the word immediately generates 125,000,000 hits. Innovation is a positively charged word that people seem to apply to anything, regardless of whether it truly applies or not.

A common misconception is to interpret innovation simply as 'something new' and one often finds the words innovation and invention used as synonyms. However, innovation exceeds invention to involve the whole "process of creating and delivering new customer value in the market place".[7]

Gary Lundquist refers to innovation as a broad concept, happening in all industries, government, the arts, education, the military and even religion. He describes innovation as the sum of invention and commercialization, a process that is not complete until customers are served.[8]

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[7] C. Carlson and William W. Wilmot, *Innovation. The Five Disciplines for Creating What Customers Want,*" Crown Business (2006). http://www.sri.com/about/innovation-book.html

[8] Lundquist, Gary, *The Colorado Innovation Newsletter*, No 6, July, 2005, Published on: http://www.coloradoinnovation.blogs.com/

Innovation goes beyond invention (creation and testing of a new idea), and beyond prototyping (proof that the idea works), and beyond manufacturing (proof that it can be built in quantity), and beyond launch (proof of tactical marketing expertise), to purchase and regular use in the real world by customers.[9]

According to Lundquist innovation always delivers new value, but newness by itself is not enough.

Innovation meets new needs and delivers new benefits, thereby changing customer behavior. In the process, innovation changes markets, competitive situations, and financial returns. Innovation enables momentum. Each new innovation changes customer perceptions of possibilities, thus creating new expectations and advancing criteria for the next innovation.
Any innovation is new to both its developer and its customers. An incremental innovation is a new modification of an existing product. A radical innovation is entirely new-to-the-world and performs a function for which no product has previously existed. In any case, innovation delivers value not previously available.[10]

Lundquist makes a distinction between innovation as a *result* and innovation as a *process*. He talks about innovation as a *result* as a valuable product, service, process, tool, strategy, business model or business not previously available that meets needs not previously met. Innovation as a *process,* on the other hand, he defines as a system for the development of ideas into products or services in use for the first time anywhere that create compelling value for customers or stakeholders of every type, within the company and out in the marketplace.[11]

Michael Porter describes innovation as the top level of national competitiveness,[12] while Peter Drucker defines innovation as "the act that endows resources with a new capacity to create wealth."[13] Thus while there may be differences of perspective, leaders in the field agree that innovation is more than just new technology.

Innovation replaces previous products to make room for the next generation - hence it is bound to face some resistance. If one considers that one third of a typical company's revenue today comes from products not sold five years ago, and that the top 20 percent of innovative firms deliver up to four times the shareholder return of the bottom 20 percent, innovation can also be regarded as a strategy - a method for achieving corporate goals.[14]

At a conceptual level, an innovation system is simply the context in which innovations are generated. However, at an implementation level, innovation systems are conceived by

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[9]Lundquist, 2005.
[10] ibid.
[11] ibid.
[12] Nordfors, David, *The Concept of Innovation Journalism and a Programme for Developing it*, Vinnova Information VI 2003:5, ISSN 1650-3120, Nov. 2003. Also published in Innovation Journalism, Vol. 1 No. 1, May 2004, www.innovationjournalism.org, p. 8.
[13] Sandred, Jan, *A Business Model for Innovation Journalism: Biotech Sweden*, Innovation Journalism, Vol. 2 No. 1., Jan. 17 2005, ISSN 1549-9049, www.innovationjournalism.org, p. 3.
[14] Lundquist, 2005.

practitioners as much more specific. VINNOVA, the Swedish Agency for Innovation Systems, defines innovation systems as "…consisting of actors from science, business and politics, which interact to develop, exchange and apply new technologies and new knowledge in order to promote sustainable growth by means of new products, services and processes."[15]

Lundquist's definition of an innovation system is: "The entire suite of processes and resources, linked and integrated into a whole, that turns investment in new ideas into return on investment from markets."[16]

What then is the difference between a regional cluster and a regional innovation system? According to Professor Arne Isaksen at the University of Agder in Norway a regional cluster is a geographic concentration of similar and interlinked firms and organizations. A regional innovation system on the other hand consists of two subsystems; the industry - often consisting of several clusters in a region - and the knowledge infrastructure that surrounds and interlinks with the industry. The theory of regional innovation systems differs from cluster theory in that it adds factors that can stimulate firms' innovation capability such as access to research based knowledge, the importance of universities, research and development institutes, and instruments towards stimulating interactive learning.[17]

Sölvell, Lindqvist and Ketels use a definition of clusters that is strikingly similar to regional innovation systems. They say that: "clusters consist of co-located and linked industries, government, academia, finance and institutions for collaboration."[18] Hence, while some argue than an innovation system is, at least in theory, a more all-encompassing concept that frequently contains several clusters, the term *cluster initiative* is also used by scholars when discussing initiatives that would fit the innovation system definition.

Sölvell, Lindqvist and Ketels define cluster initiatives as "organized efforts to enhance the competitiveness of a cluster, involving private industry, public authorities and/or academic institutions."[19]

Just like an innovation system, a cluster initiative involves:

1. Different member firms and organizations (three main types of actors: private, public and academic)

2. Often a cluster organization (CO) with an office, cluster facilitator/manager, website etc.

3. Governance of the initiative (e.g., constellation of CO board)

4. Financing of the initiative (international/national/regional/local public funding, member fees, consulting, etc.)[20]

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[15] Vinnova, Policy VP 2002:4, p. 3.
[16] Lundquist, 2005.
[17] Isaksen, Arne, *Clusters and Regional Innovation Systems in Theory and Practice*, Copenhagen, Feb. 2009,
[18] Sölvell, Ö, Lindqvist, G., Ketels, C., *The Cluster Initiative Greenbook*, Ivory Tower AB, Stockholm, 2003, p. 19
[19] ibid.
[20] Sölvell, p. 24.

2.2 The Importance of Innovation Systems – Regional Competitiveness

Globalization has radically altered the context that business and government operates in. Geographical restrictions on demand and supply are becoming less important as people, capital, goods, services, information and technology move across regional and national borders faster and at a lower cost than ever before. As a result, competition is growing and the need for innovation is increasing. Investments by companies are becoming more and more mobile internationally, seeking the regions and countries that offer the best conditions. While costs play a part, especially when choosing locations for simpler forms of production, studies show that stable rules, access to growing markets and the availability of personnel with appropriate skills are considered key factors when selecting where to set up business. Attractive knowledge environments in concentrated geographical areas are becoming increasingly significant for the localization of investments.[21]

Not only is the economy becoming increasingly global, it is also increasingly knowledge-based. The importance of unique products and high knowledge content in production is growing. While standardized and labor-intensive operations are being eliminated or transferred to countries where costs are lower, the competitive edge of Western society is increasingly made up of good provision of knowledge, product renewal, efficient production processes and a flexible, skilled and efficient working force.[22]

This development is followed by a growing sophistication of consumer demand. Demand is not only growing for products with a high knowledge content, but also for services that are connected with these goods. Even after a product has been developed and delivered, it has to be continuously adapted and supplemented with various forms of services, requiring a combination of industrial expertise with systems thinking. This development has been one important factor encouraging large corporations to merge and redefine their core activities. Parallel to this, small knowledge-based enterprises are taking on the roles of specialist suppliers and knowledge partners for the large companies.[23]

Another important consequence of globalization is that even relatively small companies with a strict focus on their domestic market now compete on a global market since their clients are extending their international contact points and supplier networks. For example, consider the impact of Amazon.com on the local bookstore. At the same time, the significance of local and regional environments is growing as geographical proximity facilitates meetings and communications between people developing and conveying knowledge and technology.[24]

The growing importance of local and regional networks has lead to many local and regional initiatives for knowledge-based business development.[25] This is further emphasized in the Lisbon agenda, aiming to make the EU the most competitive knowledge-based economy in the world by 2010.[26] Innovation in terms of new products, business models and

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[21] The Ministry of Industry, Employment and Communications, *Ds 2004:36. Innovative Sweden – A strategy for growth through renewal*, Stockholm, 2004, p. 9.
[22] ibid.
[23] ibid, p. 10.
[24] ibid, p. 11.
[25] ibid,
[26] Wikipedia, *Lisbon Strategy,* http://en.wikipedia.org/wiki/Lisbon_Strategy, Visited on December 10, 2008

processes, is regarded as the key driver for the success and sustainability of local communities.[27]

In the U.S. equal importance is placed on innovation for generating economic growth. This is illustrated, among other things, by the 'National Innovation Initiative' for U.S. leadership in the global marketplace, technological innovation and education, assembled by the Council on Competitiveness, a forum including Michael Porter and presidents of major U.S. companies and universities.[28]

2.3 Regional Innovation Systems and Clusters

The importance of technical innovations on economic development was recognized already in Adam Smith's *The Wealth of Nations*. Still, it was not until 1987 that the term *National Innovation System* was first coined by Christopher Freeman.[29] He defined it as: "The network of institutions in the public and private sector whose activities and interactions initiate, import, modify and diffuse new technologies."[30]

Freeman shifted the attention from the individual entrepreneur to an entire network of institutions – the national innovation system, which he claimed played a part in the development of new technology in a country.[31]

In his book *The Competitive Advantage of Nations*, Michael Porter addresses the question of why certain nations succeed while others fail in the global competition. Porter claims that rather than focusing on the economy of each country, attention should be paid to the companies, and why companies in certain sectors and certain countries are able to create sustainable competitive advantage over their foreign counterparts. Porter found that world-leading companies within different sectors tended to be concentrated to few geographic locations. Despite of globalization and international markets, the geographic location of their head quarters seemed to greatly influence companies' ability to compete. In order to keep their position as world-leader, companies have to be able to constantly renew themselves. This is facilitated by easy access to demanding customers, as well as proximity to distributors and related supporting businesses.[32]

The existence of multiple companies within a certain sector, in a certain geographical location - industrial clusters - creates a rivalry that plays an important part in stimulating companies to continuously develop their competitive advantage. This is an important reason as to why for instance Hollywood has a high concentration of successful film companies, Silicon Valley has a high concentration of companies in the computer industry and Sweden is home to both world-leading truck manufacturers Volvo and Scania. According to Porter, nations become successful by developing unique features, not by copying others.[33]

[27] Bulc, V., & Dermastia, M., *The Role of Innovation Journalism in Development of Local Communities*, The Fourth Conference on Innovation Journalism, 2007, p. 4.

[28] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 6.

[29] Nilsson, Jan-Evert, Uhlin, Åke, *Regionala innovationssystem – en fördjupad kunskapsöversikt*, Vinnova Rapport VR 2002:3, Stockholm, 2002, p. 2.

[30] ibid, p. 5.

[31] ibid.

[32] Porter, M. E. *The Competitive Advantage of Nations.* Macmillan, 1990.

[33] Nilsson, Jan-Evert, Uhlin, Åke, *Regionala innovationssystem – en fördjupad kunskapsöversikt*, Vinnova Rapport VR 2002:3, Stockholm, 2002, p. 13.

Porter's analysis of competitiveness starts on a national level, but his point is that competitive advantage in industries is often geographically concentrated. Internationally successful industries and industry clusters frequently concentrate in a city or region, and the bases for advantage are often intensely local.[34]

Consequently, although it is important for a country to have a sound macroeconomic, political, legal, and social environment, it is not sufficient for competitiveness. Porter claims that improving the microeconomic capability of the economy and the sophistication of local companies and local competition is key. By locating businesses that benefit from each other's differences and similarities in regional clusters, they have access to both partnerships and competition that will help them grow. In regional clusters, actors constantly rub shoulders, which enable co-ordination, sharing of resources, rapid diffusion of best practices and enhanced ability to perceive innovation opportunities.[35]

According to Porter, the national business environment in an innovation-driven economy - the most advanced and prosperous form of economy is characterized by a large degree of interaction in clusters. Porter's work on regional clusters is strongly connected to the concept of regional innovation systems and has raised global attention to their value as the driving force for national innovation systems.[36]

More recent developments in cluster-theory downplay the extent of cooperation and business transactions within a cluster, arguing that the majority of business relations tend to extend well outside the geographical boundaries of the local cluster. Be that as it may, it does not change the fact that similar businesses still typically aggregate in delimited geographical locations. However, it may require additional reasoning as to why this is so.

Bengt-Åke Lundvall and Anders Malmberg both emphasize social causes and the importance of intra-personal communication as important reasons for why proximity matters. Most people are reluctant to change places of living, and so by offering a higher salary or a better work environment companies can more easily attract skilled workers from their competitors when they are located in the same area. People in an innovation system learn and disseminate knowledge by interacting with one another. This leads to the buildup of collective knowledge that fuels the development of the innovation system.[37]

According to Örjan Sölvell, unplanned problems are often solved in unplanned meetings, using technology in unplanned ways. Tacit knowledge is based on personal skills and operational procedures for which there are no blueprints or formulae. Proximity favors this process as innovation is based on a process of continuous interaction across organizations, building ties, specialized language, and social capital within a region. This process of knowledge creation and exchange is intensified by face-

[34] Porter, M. E. *The Competitive Advantage of Nations.* Macmillan, 1990, p. 622.

[35] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 9-10.

[36] ibid, p. 7-8.

[37] Lundvall, 1992 and Malmberg 2002, in Nordfors, Lennart and Johansson, Cecilia, When Communication Supports Innovation – The Case of VINNOVA's Vinnväxt Programme, Stockholm, 2009.

to-face interactions.[38]

> Certain innovations are partly the outcome of a process of transferring technology and tacit skills through university education, apprenticeship training, specialized technology transfer offices and incubators, and regional public-private organizations that focus on networking and commercializing new discoveries. […]
> All of this can potentially take place at a global scale, but for reasons of efficiency, flexibility and openness, built on trust and social capital, these innovation processes seem overwhelmingly productive within proximate and networked environments (social capital), surrounded by a common set of institutions and particular historical and cultural norms.[39]

 Another authority in the field, William Miller, talks about how favorable environments or 'habitats' for innovation and entrepreneurship are created in innovative regions. By habitat he means "the combination of physical, legal and social mechanisms that promotes speed in product development and in cross-firm learning about both technical and business issues, helping the region adapt to waves of innovation and adjust to economic cycles."[40]

Habitats that are suitable for innovation and entrepreneurship have the following qualities, according to Miller:

> 1) Knowledge intensity as the only path to create new high quality jobs. 2) A work force with high quality and mobility. 3) A business climate that rewards risk taking and does not punish failure. 4) An open business environment. 5) Collaboration between business, governments, and the independent sectors. 6) Ready acceptance of diversity and youth in institutions and networks. 7) A venture capital industry that understands high tech. 8) Research institutions and universities that interact effectively with industry. 9) Presence of modern communications infrastructure. 10) High quality of life in the community (schools, recreation, health, etc.) [41]

Companies depend on their local context and the specific institutions present there to maintain and develop their ability to compete. The institutional heritage of a location along with the physical infrastructure, the natural resources, the knowledge and the skills, make up the localized capabilities of a place. The ability to use those capabilities in innovation and for interactive learning is the key to the wealth of that location.[42]

The increased importance of knowledge-based assets places new demands on the production of knowledge. If knowledge constitutes an important input into the innovation process, then the absolute boundaries between universities and the industry have to be abolished. This has lead to increased demands on universities. Besides educating and conducting research, modern day universities are also expected to contribute to the

[38] Sölvell, p. 37.
[39] ibid, p. 37-38.
[40] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 7-8.
[41] ibid, p. 13-14.
[42] Maskell, P., Eskelinen, H., Hannibalsson, I., Malmberg, A. & Vatne, E., *Competitiveness, Localised Learning and Regional Development. Specialisation and prosperity in small open economics.* Routledge, 1997.

development of their surrounding regions and companies. [43]

Most definitions of regional innovation systems recognize the role of universities, as well as industry and public sector, and use what is often referred to as the *Triple Helix*-model. This model explains the dynamics of the innovation system by the interdependency of academia, industry and government. The idea is that active participation of all three will generate added value, pushing each other in an upward spiral – a triple helix – that elevates the region. [44]

Two examples of how universities can contribute to a successful Triple Helix are MIT and Stanford University, known for having developed fruitful partnerships with the industry and government, which is believed to have played a decisive role for the economic development of the regional innovation systems in Boston and Silicon Valley. [45]

More recent developments of the Triple Helix-model tend to also include financial institutions like banks and venture capital. In his new book *Clusters – Balancing Evolutionary and Constructive Forces,* Professor Örjan Sölvell also includes organizations for collaboration like formal networks and cluster organizations, and the media in an extended model built on the Triple Helix concept. [46]

The extent to which regional innovation systems differ from national innovation systems obviously depends on how one defines innovation systems. If one uses Christopher Freeman's definition of innovation systems as networks of private and public institutions, then different regions differ in regards to what institutions are present in that particular region. Analyses of access to higher education, research institutes and other public institutions in different regions of a country will invariably show differences. This, along with Porter's findings in regards to the competitiveness of industrial clusters, has lead Swedish researchers Jan-Evert Nilsson and Åke Uhlin to conclude that the study of regional innovation systems is in fact more relevant than the study of national innovation systems. Their main argument for choosing a regional perspective over a national is that for the processes that result in innovation proximity matters. [47]

Cluster initiatives can be built on the specific strengths and capabilities already present in a region, or on a more generic framework. According to Sölvell, the former approach leads to better performance and increased competitiveness as failing cluster initiatives frequently have not adapted the framework to the cluster's own strengths. Another factor affecting success and competitiveness of clusters is achieving consensus among the involved parties about what actions to prioritize. Failure is strongly related to the absence of an explicitly formulated vision for the cluster initiative and quantified targets. [48] Naturally, not all clusters focus on promoting innovation and new technologies, but according to Sölvell those that do have better chances of success. The competitiveness of clusters is also strongly related to brand building. [49]

Sölvell also stresses the importance of evaluating cluster initiatives, both to facilitate the learning process, but also to legitimize all the resources being put into the construction of

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[43] Nilsson, Jan-Evert, Uhlin, Åke, p. 13.
[44] Nordfors, David, *The Role of Journalism in Innovation Systems*, p. 9-10.
[45] Nilsson, Jan-Evert, Uhlin, Åke, p. 16.
[46] Sölvell, p. 16.
[47] Nilsson, Jan-Evert, Uhlin, Åke, p. 18.
[48] Sölvell, p. 78.
[49] ibid, p. 76-77.

clusters and cluster programs and policies. Despite the thousands of cluster initiatives present around the world there is very little evidence of the existence of any serious cluster evaluation.[50]

2.4 The Innovation System Vs. The Information System

In the recent report *When Communication Supports Innovation*, authors Lennart Nordfors and Cecilia Johansson challenge traditional views of communication activities as something to be introduced after the "real" decisions have been taken. They argue that communication determines the conditions for innovation and that the connection between the communication and the information systems cannot be ignored. Many innovation systems start by deciding what to do and then go on to decide how to talk about it, informing stakeholders and the general public. This approach assumes a distinction between what the authors refer to as "the real world – a world of actions – and what might be called 'a world of images' which guides our perceptions." Making such a distinction causes organizations to place their communications functions away from decision centers.[51]

Communicators and marketers are seen as experts in their fields, producing brochures, websites or organizing events. According to the authors, this is a flawed way of designing innovation systems.

> "Information is not an add-on. Communication processes not only influence reality, setting the stage for what is possible and impossible, they are also at the core of the actual working of social and intellectual processes, such as the innovations process."[52]

David Nordfors also discusses the notion of the "innovation communication system," meaning a subset of the innovation system, focusing on the flows of communication and attention. He argues that the information flow among players in the innovation system is as important as the technology flow. He also argues that if innovation is the introduction of something new, it won't happen without attention. The streams of attention in the innovation system affect the power structures, the decisions, the output and the competitiveness of the system.[53]

According to Nordfors, communication is key for innovation. Communication creates the mandate for working on realizing the vision, for example convincing top management of finding investors. Communication is needed to transform a vision into an innovation, to make the innovation system work. The innovations, in turn need to be communicated to the customers and customer needs must be communicated back to the innovators.[54]

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[50] ibid, p. 81.
[51] Nordfors, Lennart and Johansson, Cecilia, *When Communication Supports Innovation – The Case of VINNOVA's Vinnväxt Programme*, Stockholm, 2009, p. 3.
[52] ibid.
[53] Nordfors, David, "*PR and the Innovation Communication System*," Innovation Journalism, Vol. 3 No 5, Oct 25 2006, ISSN 1549-9049 www.innovationjournalism.org, p. 8.
[54] ibid.

2.5 On Branding

According to the American Marketing Association, a brand is a "name, term, sign, symbol, or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition." The word *brand* comes from the old Norse word *brandr*, which means 'to burn' as brands were the means by which owners of cattle would mark their animals to identify them.[55]

At its most basic level, branding serves the purpose of distinguishing one thing from another, yet brands are much more than just names and logos. Gary Lundquist explains the difference between a name and a brand like this:

> We can write names on paper. Brands are written in the neurons of people's minds. Names can be brainstormed. Brands must be organically grown. Names are cognitive. Brands are emotional. Names are labels on mental file folders that help people remember information about a product or business. Brands are the relationships that fill those folders with trust, respect, loyalty, track records, and willingness to overlook mistakes.
> Names enable recognition. Brands enable relationships. It's the difference between acquaintance and sweetheart. Between, "I know that name." and "I know that person."
> Brands develop around trust. It's that simple…and that complex. Brands grow around promises made and kept – the core of trust is essential to any relationship. Businesses today carefully draft their value promises, then state those promises visibly and audibly. To make it very clear who is stating that promise, they use name, logo, slogan, and jingle to connect the brand and product and/or business.[56]

The reason to even bother with brands and not just settle for names is brand equity, according to Lundquist. He defines brand equity as the durable economic worth of a brand to a company over time.

> Well developed brand equity is a business's single greatest asset and only truly durable source of wealth. People and products come and go. Facilities degrade and alliances change. Market evolution is dynamic. Only brands have the potential to survive change over time.[57]

Brand equity affects things like a business' cash flow, costs, sales, barriers to competition and competitive platforms. For R&D and innovation-intensive industries, brand equity is a source of greater, faster and more reliable funding, lower costs of funding campaigns and capital, and ability to hire top talent. Powerful lab brands can enable stronger and more profitable collaborations, better visibility outside the parent organization, more effective outreach, shorter time to technology transfer, more consistent and swift application of research results, lower cost of licensing, stronger partner loyalty, and competitive platforms for market impact.[58]

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[55] Keller, K.L., Strategic Brand Management: Building, Measuring and Managing Brand Equity, Prentice Hall, New Jersey, 1998, p. 2.

[56] Lundquist, Gary, *Innovation or Branding: Which Comes First?,* The Business Blog at Inutive.com, Published on: http://www.intuitive.com/blog/, October 9, 2006.

[57] ibid.

[58] ibid.

According to Lundquist branding is about identity and promise, becoming the face of a range of innovations over time. While ad campaigns persuade purchases and represent needs for attention, brand campaigns develop loyalty and represent desires to build long-lasting relationships.[59]

Over time, the brand as a link between product and consumer, will gradually become more independent and will disconnect itself from its original meaning. For example, few people think of "clean" when they hear the word Kleenex. This product name for facial tissues has become a personal name.[60]

According to DK Holland, branding is at the heart of all outreach efforts promoting the identity and underlying values of a unique culture by communicating the messages, products and services created by that culture.[61]

> Branding becomes a tool for creating unity of purpose. What does communication mean, after all, but community, common, unity?
> Tibetan Buddhists, neo-Nazis, the Crips and the Bloods, Catholics, and Americans share common ground in that each is striving to express a common point of view – to communicate to a community and, often, to coalesce a diverse group.[62]

Holland describes branding as the systematic way we establish identity for ourselves. Since humans are identity-bearing and identity-creating creatures, branding will happen whether one has taken charge of it or not. Consequently learning to manage the brand increases control over the identity one is projecting. [63]

According to Kevin Lane Keller, the importance that brands play in the marketing equation is even more apparent in technologically intensive fields. Financial success is no longer driven by product innovation alone. Marketing plays an important role in the adoption and success of high-tech products.[64] Technological innovations and R&D breakthroughs enable high-tech products and services to change rapidly over time. This in turn places increased importance on company credibility. Because of the often complex nature of technology intensive businesses and the continual introduction of new or modified products and services, consumer perceptions of the expertise and trustworthiness of these types of organizations are especially important.[65]

According to Jean-Noel Kapferer, the brand is what makes it possible to capitalize on innovation, for both the buyer and the seller.

> A snapshot of a given market will often show similar products. A dynamic vision, however, reveals who has innovated and pulled the competition along in the wake of its success. A brand protects the innovator, granting momentary exclusiveness and rewarding its willingness to take risks. The meaning and director of a brand and its economic purpose is revealed in the accumulation over time of such

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[59] ibid.

[60] Kapferer, Jean-Noel, *Strategic Brand Management – New Approaches to Creating and Evaluating Brand Equity*, The Free Press, New York, 1996, p. 72-73.

[61] Holland, DK, *Branding for Nonprofits – Developing Identity with Integrity*, Allworth Press, New York, 2006, p. 5.

[62] ibid, p. 138.

[63] ibid, p. 130.

[64] Keller, p. 11.

[65] ibid, p. 610.

momentary differences.

   Brands cannot be reduced to a symbol on a product or a mere graphic and cosmetic exercise. A brand is the signature on a constantly renewed, creative process which yields product A today, products B and C tomorrow, and so on. Products are introduced, they live and disappear, but brands endure. The consistency of this creative action is what gives a brand its meaning, its contents, and its character. Creating a brand requires time and an identity.[66]

Just like products or services, geographical locations, can also be branded. Increased mobility of people and business, in combination with growth in the tourism industry, has contributed to the rise of place marketing. Today, most cities, states, regions, and countries are actively promoted in one way or another.[67]

   It is also common for brands to draw their source of identity from their geographical place of origin, gaining strength from values tied to the associated regions. Apple has benefited from the California values of progress and innovation, while IBM is associated with the order, power, and conservatism of the American East Coast.[68]

2.6 House of Brands Vs. Branded House

One of the first challenges when attempting to build a brand consisting of a number of independent brands joined together by a common idea - such as in the case of regional innovation systems - is whether to use the *House of Brands* or the *Branded House* approach. In the *Branded House* approach the brand is built around the organization and the individual member brands come in second, whereas in the *House of Brands* approach the brand of the organization is downplayed in favor of all the individual member brands.[69]

   In his book *Strategic Brand Management – New Approaches to Creating and Evaluating Brand Equity*, Kapferer recommends laying down a "brand map," i.e. a map of the organization including the role of each product/brand involved. The brand map views the brand-product relationship as a planetary system with the main brand at the center and the sub-brands as close or remote planets. The more remote a sub-brand, the more it should rely on its own brand identity and strength. If it's far from the main brand's core project, the sub-brand should be autonomous and may have its own style and language. However, if it directly expresses the main brand's project or program it should obey the stylistic guidelines of that brand. As such, the brand map defines the rules for managing all the brands.[70]
He also discusses the challenges of juggling multiple brands.

   Many brands make a systematic and excessive use of product names, creating a brand name for each of their products. […] However, all these names create a screen between the brand itself and the consumers: its meaning does not get

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[66] Kapferer, p. 12
[67] Keller, p. 19.
[68] Kapferer, p. 65-66.
[69] Gullers Grupp Informationsrådgivare AB, *Processtöd kommunikation – Vinnovas Vinnväxt-program*, 2008, Stockholm, p. 15.
[70] Kapferer, p. 183.

through. From parent brand or source brand they become a mere endorsing brand, rather empty of values and core identity.[71]

If a sub-brand is not formally associated with the parent brand, it doesn't contribute to the parent brand. The parent-brand image therefore is not nurtured by its best-selling products and cannot act as an endorsement brand on other products. Slowly, the parent brand becomes an empty name that lacks in content and substance. This becomes a real problem when future products are to be named by that parent brand.[72]

Another problem and potential source of confusion, according to Kapferer, is that brand, product and firm frequently have the same name. He exemplifies with the case of Canon, Shell and Sainsbury whose name is also in certain of its products.[73]

2.7 Common Mistakes in Branding Non-Profit Initiatives

In her book *Branding for Non-Profits*, DK Holland talks about the abundance of fuzzy, conflicted, or generic brands in the nonprofit world. She says that many organization are too busy focusing on service delivery or fundraising to consider the core work of branding. Another common problem, according to Holland, is that new organizations rush to pick a name, design a logo and prepare outreach materials, while at the same time neglecting the underlying branding work necessary for creating a sustainable identity. This often leads to branding messages that are unclear and inconsistent, or fail to resonate with its audience.[74]

Holland regards the building of consensus as essential to the success of the branding process. She states the importance that everyone with a stake in the brand – board members, staff, funders, constituents, consultants, and opinion-shapers feel that their views and concerns are captured. This facilitates buy-in and increases the credibility of the process, resulting in a more potent brand.[75]

An effective brand strategy should help communicate the organization's value proposition, grow the size of the audience (including board members, clients, and potential funders and staff), and motivate the audience to spread the word for you as word of mouth is the best and cheapest form of advertising.[76]

2.8 The Importance of Board Members as Brand Ambassadors

It is important that board members engage their networks to support the organization's mission. Holland also stresses the importance of having a board-approved "elevator conversation" that board and staff members can use to engage strategic partners and funders in casual conversation about the organization. Everyone involved has to be able to articulate what it is that the organization does.[77]

> All board members need to understand and have confidence in the message of the
> organization. This seems so obvious! Yet fuzzy branding is the norm in the

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[71] ibid.
[72] ibid, p. 182
[73] Kapferer, p. 246
[74] Holland, p. 8.
[75] ibid, p. 32.
[76] ibid, p. 8.
[77] ibid, p. 122.

nonprofit world. Eyes glaze over when board members struggle to explain the mission.[78]

Holland emphasizes the importance of including communicators on the board as clear communication builds trust. Board members should be able to accurately identify opportunities to raise the organization's profile in the community and have a public relations strategy. Board members have to be able to describe the mission and key programs accurately and demonstrate understanding of their competitive advantages and developmental needs.[79]

Although board members aren't necessarily celebrities, many are well-known and respected in their areas of expertise, making them good spokes people. Using well-known and admired people, typically celebrities, is a common way to build and promote brands. The idea is to draw attention to the brand, as well as shape brand perceptions. [80] Keller defines the ideal celebrity endorser as someone who is seen as "credible in terms of expertise, trustworthiness, and/or likability or attractiveness as well as having specific associations with potential product relevance of some kind".[81] In other words, there has to be a reasonable match between the endorser and the brand.

2.9 Delivering on Brand Promise

Brands go beyond the tangible. They create expectations and make promises to their audiences, whether they are people who are already part of the team, like staff or board members, or people you wish to attract, like constituents, funders and opinion shapers. To gain brand loyalty, and thereby organizational sustainability those promises have to be delivered on, and the brand and all that it stands for, has to be consistently presented. [82]

According to Kapferer, a brand can only survive by permanently being kept on its toes. This means updating not only the brand communication, but more importantly the products and services associated with the brand.[83] The brand should be regarded as "an obligation for perpetual endeavor" and has to honor its implied contract with the customer. As customers quickly grow accustomed to the latest in techniques, a brand must strive to constantly improve the performance of the products which it represents. This makes research and development the foundation of brand achievement."[84]

Lundquist also emphasizes the importance of keeping promises and honoring commitments for the survival of the brand.

> Branding is a corporate strategy for achieving the benefits of accepted brands.
> Branding thus sits at a par with product innovation (new product development and
> commercialization) in terms of direct delivery of revenues to the corporate bottom
> line.[85]

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[78] ibid.
[79] ibid, p. 123.
[80] Keller, p. 294.
[81] ibid.
[82] Holland, p. 5-6.
[83] Kapferer, p. 106.
[84] ibid, p. 210.
[85] Lundquist, 2006.

2.10 The Role of Stakeholder Trust in Regional Innovation Systems

According to Kotler and Keller, developing mutually satisfying long-term relationships with organizations that directly or indirectly affect the success of a company, is very important.[86]

The level of trust between different players in the regional innovation system affects the way they interact, the openness of the dialogue and the willingness to embrace new ideas. This perspective places increased importance on individual players in the system. Although institutions make up the general framework within which change can take place, what actually changes is determined by the chosen course of individual players and their success and failures in working towards their goals. Individual entrepreneurs and organizations become the motor in the development of the regional innovation systems.[87]

A business environment that can build trust will always generate economic growth.[88] According to Nilsson and Uhlin, trust plays an important role in regional innovation systems and clusters. So important, in fact, that they couldn't exist without it.[89]

Sociologist Piotr Sztompka defines trust as "a bet about the future contingent actions of others"[90] Nilsson and Uhlin apply his theories to regional innovation systems and clusters. They claim that such systems are too complex to fully grasp and hence they will remain impenetrable, risk filled and uncontrollable to its members. For that reason trust is vital. And it's not enough with just a spiritual trust manifested by for example hope, belief or even conviction, stakeholders also have to act on this trust, thereby actively demonstrating their trust despite of the fact that there are bound to be risks involved.[91]

To exchange knowledge, partnerships between different stakeholders in the regional innovation system are formed. Over time, as the frequency and the amount of exchanged knowledge increase, the level of trust between the involved stakeholders also increases. Now, the transfer of knowledge does not have to be strictly reciprocated any longer, nor does it have to be instantaneous. Trusting that certain knowledge, offered for free today, will be reciprocated in one way or another on a different occasion, increases the flow of knowledge.

As different partnerships are linked, networks are formed. These networks in turn enable each member of the network to benefit from previous investments made in partnerships by getting access to new knowledge. In tightly knit networks, abuse of trust is not an option as all members of the network know that this will lead to exclusion from the network. [92]

Trust is interpersonal and occurs in relationships between people, not institutions. It's about expectations and roles. As universities and the industry, for example, have grown increasingly dependent on one another people who work there have to find ways to relate to one another. The same goes for the public sector and the industry.[93]

The socio-economic processes in any innovation system or cluster involve expectations and risk taking, as well as collective learning and growth. Consequently, both interpersonal

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[86] Kotler, P., & Keller, K.L., p. 17-18.
[87] Nilsson, Jan-Evert, Uhlin, Åke, p. 20.
[88] ibid, p. 35.
[89] ibid, p. 42.
[90] Sztompka 1999:25 in Nilsson, Jan-Evert, Uhlin, Åke, *Regionala innovationssystem – en fördjupad kunskapsöversikt*, Vinnova Rapport VR 2002:3, Stockholm, 2002, p. 45.
[91] Nilsson, Jan-Evert, Uhlin, Åke, p. 46.
[92] ibid, p. 59-60.
[93] ibid p. 48-50.

and social trust is important for regional innovation systems and clusters alike.[94]

2.11 Storytelling and the Brand

Nilsson and Uhlin apply Earls & Cvetkovichs' research on trust to the concept of regional innovation systems. Earls & Cvetkovichs emphasize the role of language, saying that social trust is based on cultural values communicated by elites through narratives. They have a wide definition of narratives, including anything from visions and political rhetoric to research programs. Narratives generate meaning and create context. To be successful, leaders need narratives about the future that people can place their trust in. Although one cannot demand that the narratives will invoke trust, one can offer them in the belief that they will. If told well, narratives have the power of changing world views, invoking trust in a new order. Narratives give ethical guidance and existential orientation. To generate the necessary trust, it is important that the narrator is credible.[95]

Brands need tending to remain fresh, effective and clear. An important part of that is storytelling. There are many ways to convey the story of the brand. Some common methods include press releases, news articles, public speaking engagements, reports, and web sites.[96]

One of the advantages of storytelling is that stories are easier to relate to than for example PR agency copy which is typically more abstract and less engaging. People understand and are moved by stories since they use concrete imagery and usually are about people. According to Holland, good stories are clear and compelling and convey some kind of motivational message.[97]

2.12 The Role of Public Relations in Storytelling

Public relations (PR) and publicity consists of a variety of programs designed to promote and/or protect a company's image or its individual products. It can involve anything from press releases, media interviews, press conferences, feature articles and newsletters to annual reports, membership drives, lobbying and special event management. Starting out as a tool to manage marketing crises, PR is now a routine part of most marketing communications programs.[98] As media has unparalleled power to set the agenda of public discussion in society, enormous resources in time, money and human efforts are spent on attempting to influence media content."[99]

According to Nordfors, innovation communication is a natural part of any innovation process and as such, PR should develop in parallel with the R&D and business development. Successful innovation needs a good combination of technology, business model, marketing strategy and narrative, he argues. Consequently innovation communication should be an

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[94] Nilsson, Jan-Evert, Uhlin, Åke, p. 61.
[95] ibid, p. 58-61.
[96] Holland, p. 101-102.
[97] ibid, p. 103-104.
[98] Keller, p. 253.
[99] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 11.

integrated part of any innovation system.[100]

Nowadays, companies brand themselves on their potential to come up with innovative products tomorrow, rather than their long traditions of producing reliable products in the past. As Nordfors puts it:

> In the innovation economy, 'credentials from the future' are worth more than credentials from the past. Granted, brand value still needs to be built up over time, and the value needs to be accumulated, but we must increasingly convince our constituencies about our ability to innovate and succeed tomorrow to justify our value today.[101]

This leads Nordfors to conclude that besides being able to capitalize on innovation for brand equity, PR in an innovative industry must master the art of selling the novel and unknown, of selling the organization's innovative skills. PR must be able to convey the vision of the innovation and connect the new with the familiar so that people understand what it's about and why they should want it.[102]

> Innovation needs forward-thinking PR, balancing risks and opportunities between today and tomorrow. Good PR generates positive attention that enables a company to reach goals but avoid generating expectations that can't be met. This applies, for example, to recruiting investors, strategic customers and partners, or preparing the market for future innovative products. It might be tempting to communicate large visions that generate a lot of positive attention, like politicians' promises. Severe punishment accompanies unmet expectations – unlike politics, the free market has general elections daily. PR must know enough about the innovation processes to make the correct assessments.[103]

Nordfors talks about "attention workers," a subset of knowledge workers that are in the business of generating and trading attention, such as marketing and PR personnel or journalists. These "attention workers" are key players in the innovation communication system. For instance, PR people trade information for public attention in the news. Part of this attention, generated by journalists, is then in turn sold to advertisers. Advertisers purchase attention that is then transferred back to money as the attention they buy help them sell products or services.[104]

Since innovations are characterized by the unknown, complex and abstract, they don't fall into the pattern of a typical newsworthy message and hence have a harder time penetrating the media filters and receiving coverage. Consequently innovation communicators must learn to communicate in a more newsworthy way.[105]

According to Nordfors, public relations in innovation systems can increase brand value by communicating innovation processes and add value to innovation by generating narratives for

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[100] Nordfors, David, "*PR and the Innovation Communication System*," Innovation Journalism, Vol. 3 No 5, Oct 25 2006, ISSN 1549-9049 www.innovationjournalism.org, p. 8.

[101] ibid, p. 4.

[102] ibid.

[103] ibid, p. 5.

[104] ibid, p. 8-9.

[105] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 12.

new products and services in parallel with technological and business development. [106]

Nordfors also argues that the development of innovation communication and PR will benefit from the arising of independent innovation journalism. [107]

2.13 Storytelling through PR in Fiber Optic Valley

When handing over the task of messaging and communicating the brand to PR agencies, many clusters and innovation systems end up sounding remarkably similar. Although the outcome may look more polished and professional with regards to catch phrases and imaging, the initiative often loses the personal touch that makes it stand out from all other innovation systems or growth initiatives. The stories that truly move people to act are rarely found in glossy folders - they are the stories about the people who thrive in the innovation system and the champions who made it all happen. [108]

Fiber Optic Valley, a Swedish regional innovation system focusing on fiber optics, is a good example of a region where people's dedication and commitment to the region was crucial in building the brand of the innovation system. This dedication was also used by Fiber Optic Valley in their storytelling. The following is an example of a story communicated by Fiber Optic Valley as a part of their public relations strategy.

Fiber to the Farm – The case of Lindefallet
In Lindefallet, a small village located in the Fiber Optic Valley region in Northeastern Sweden, there is no school or hospital. Still the population is growing. The key is 98 percent fiber access, 32 associations and a lot of willpower.

Peter Engström, 34 and Linn Sjöberg, 30, chose to build a house in Lindefallet, a small rural town between Hudiksvall and Söderhamn, largely because of the fiber infrastructure. "I wouldn't survive without a fast connection. If it's too slow I feel like tossing the computer out the window," says Linn.

Getting a normal phone connection was too expensive so the family uses their fiber connection for all communication needs. Thanks to the fiber, Peter is also able to partly work from home.
"When my contractions started and our son Nils was about to be born, it was nice to have Peter right here at his home office," says Linn.

Being able to live close to nature without feeling isolated is important to the family, as well as for many others in the village.

Peter and Heather Nilsson left California in favor of Lindefallet to be able to raise their four children in a safe environment. Journalist Marie Sandberg and writer Georg Johansson chose Lindefallet over Brussels. And the examples continue. In a village with only 227 inhabitants, a wide variety of professionals are represented. Several local companies have been able to thrive despite of increasing global competition and even the farms have fiber connections.

Since fiber was installed in 2004, the population has increased with 7.5 percent in a village that has no school, hospital or other facilities. Getting fiber sends a message to the outside

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[106] Nordfors, David, "*PR and the Innovation Communication System*," Innovation Journalism, Vol. 3 No 5, Oct 25 2006, ISSN 1549-9049 www.innovationjournalism.org, p. 3.
[107] ibid.
[108] ibid, p. 103-104.

world that Lindefallet is alive and kicking and hence well worth moving to and investing in.

But getting to this point wasn't easy. Lindefallet wasn't considered commercially interesting enough to receive fiber through the city network in Hudiksvall or any other operator so the villagers decided to install fiber themselves. On their own initiative they dug, installed, set up nodes, and paid for everything themselves. All to ensure the survival of the village.

There is great solidarity with the village and each other in Lindefallet. This is demonstrated by the fact that the cost involved in installing fiber was divided equally between everybody who decided to get fiber to their home, regardless of individual differences in distance, etc. About half of all homes in the village installed fiber straight away. Some even got a connection without activating it just to show their support of the initiative. By Christmas 2004 everyone was connected. After negotiations with Hudiksvall city network, the villagers had persuaded the city network to install 3.2 kilometers of fiber. On their own they had dug and installed 5.5 kilometers of fiber and paid about 35 000 Euro themselves.

Ensuring the survival of the village, getting better TV options and the possibility to sign up for a beneficial fiber loan at the local bank, proved the most important reasons for success, according to Olle Persson, the local champion behind the initiative.

Now, young people throw LAN (local area network) parties in the old village estate, 80-year-old Anna-Stina Persson looks at photos online of her great grandson who lives in another part of Sweden, and many villagers are able to work from home. But even those who don't use the fiber today are happy about the initiative. Several of the village elders have for example invested in a fiber connection without ever having seen a computer.

"People trust their children's judgment when they say that it's important to the village," says Olle Persson, who compares the initiative to the introduction of telephony in the village in 1920.

"Back then no one knew how important this modern innovation would become. In the future, when we look back at the introduction of broadband it will probably be considered the most important factor for being able to live, work and participate in society from a small town such as ours," says Persson.

2.14 Innovation Journalism as Storytelling

Innovation Journalism is journalism covering innovation systems and processes in the same way political journalism covers political systems or business journalism covers the stock markets and their actors.[109] The concept was first coined by David Nordfors who introduced it as its own journalistic beat in 2003.[110] He defines it like this:

> Innovation Journalism is journalism about innovation, i.e. the market introduction of inventions, for example commercialization of emerging technologies. It is not 'innovative journalism,' which is about innovations in journalism. Innovation Journalism covers technical, business, legal and political aspects of innovations and innovation systems. Good Innovation Journalism enhances public debate by

[109] Sandred, Jan, *A Business Model for Innovation Journalism: Biotech Sweden*, Innovation Journalism, Vol. 2 No. 1., Jan. 17 2005, ISSN 1549-9049, www.innovationjournalism.org, p. 4.
[110] Nordfors, David, *The Concept of Innovation Journalism and a Programme for Developing it*, Vinnova Information VI 2003:5, ISSN 1650-3120, Nov. 2003.

improving common knowledge and understanding of innovation issues, essential for society. In industrial economies, innovation is crucial. In democracies, journalism is essential. So in democratic industrial economies, journalism dedicated to covering innovation is vital.[111]

Covering both technical and business aspects, as well as legal and political aspects of innovations and innovation systems, innovation journalism overlaps several traditional disciplines. However, cultural gaps between those traditional journalistic disciplines have prevented the development of best practice in covering innovation. According to Nordfors, business and technology journalists for instance, don't talk or work with each other enough for innovation journalism to occur spontaneously. Hence he concluded a new discipline was needed that could bridge the gaps."[112]

The success of a regional innovation system depends on the quality of interactions and shared knowledge between individuals and organizations that participate actively in developing the innovation system, as well as the shared knowledge of indirect participants such as skilled workers, researchers and company decision makers in the region. [113] Journalism contributes to the quality of those interactions as the media represents one of the main sources of shared knowledge in society, setting a standard for public discussion. Whether a statement is considered true or not is more frequently decided by how often it is repeated and by how many sources, than by how well it is formulated and by whom. In other words, journalists' understanding of innovation and innovation systems set the baseline for the public debate and the quality of knowledge concerning those issues in society.[114] According to Nordfors, this makes the relation between the press and the community symbiotic.

> An open pluralistic community without its own press will be limited in important aspects that depend on the sharing of larger amounts of knowledge, such as economic growth.[115]

Hence, it is important for the success of the innovation system, as well as for the community, that journalists analyze trends and relations in the innovation system as well as scrutinize involved parties.[116]

2.15 The Role of Local Media in Storytelling

In their paper *The role of Innovation Journalism in Development of Local Communities*, Violeta Bulc and Mateja Dermanstia, describe innovation journalism as a powerful tool for sustainable growth of innovation systems including local communities. They say innovation journalism "enables quality interaction, sharing of knowledge, experiences and visions,

[111] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 3.
[112] ibid.
[113] ibid, p. 11.
[114] ibid, p. 3.
[115] Nordfors, David, *The Concept of Innovation Journalism and a Programme for Developing it*, Vinnova Information VI 2003:5, ISSN 1650-3120, Nov. 2003. Also published in Innovation Journalism, Vol. 1 No. 1, May 2004, www.innovationjournalism.org, p. 4-5.
[116] ibid.

between all stakeholders of local environments, individuals and organizations". The authors also claim that "in order to maximize the potentials of local societies a more systematic and outspoken approach is needed and innovation journalism has a vital role to play in it".[117]

Bulc and Dermanstia argue that an awareness of the importance of innovation and its impacts on the community among the local leadership is not enough. In order to create a critical mass of people with advanced thinking and openness for innovation, more than just a written strategy is needed. A critical, outspoken, well informed and professional media could play an important role in creating "innovate self consciousness and self confidence"[sic] through raising interest, provoking action and even steering emotions, they argue. Innovation journalism can also play a powerful role in value creation, and consequently in branding.[118]

> Innovation is a matter of recognized creativity and its successful manifestation. The impact media has on social value creation is well understood and demonstrated daily. Making complex structures and expressions popular part of mainstream discussions only media can achieve. And that is so important, especially in the early development of innovative local communities.[119]

As the local innovation system evolves, the role of media also does. Bulc and Dermanstia talk about three stages: *the early stage* or *the seed stage* where the role of media is to help develop innovation as a value, encouraging cooperation and sharing of experiences, *the progression stage* where the role of media takes on a more critical view analyzing the results and performance of the actors in the innovation system, and the *proliferation stage* when innovation has become the accepted way of thinking and developing the community, and when the role of the media becomes more about analyzing the different impacts of innovation on the local community.[120]

According to Nordfors, since regional innovative clusters drive the national innovation system, there is a societal need and a market for innovation journalism not only in national and international news media, but also in local news serving innovative regions. Nordfors argues that trusted local news media that understands innovation and the presence of other news media that reach beyond the region are important to the success of regional innovation systems.

> For example, Silicon Valley has the San Jose Mercury News—a local newspaper with, vs. most other regions, superior coverage of the innovation system, and the San Francisco Chronicle—one of the largest regional newspapers in the U.S. with a large business and technology newsroom, serving the Valley's high-tech community. By reading the local newspaper daily, community members learn about who said what about whom and about what is happening in their regional innovation system. The news disseminates opportunities, strengthening collective trends.
> Furthermore, Silicon Valley hosts local news offices of national news media, like the Wall Street Journal, or the headquarters of influential magazines such as Business 2.0, Red Herring or Wired, ready to raise national or global attention on

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[117] Bulc, V., & Dermastia, M., p. 3.
[118] ibid, p. 6-7.
[119] ibid, p. 7.
[120] ibid, p. 7-8.

interesting events. Silicon Valley would not be nearly as influential without the presence of the news media.[121]

2.16 Storytelling through Journalism in Silicon Valley

In their paper *The Role of Journalism in Creating the Metaphor of Silicon Valley*, Nordfors and Uskali highlight the importance of journalism for introducing new concepts and metaphors representing innovation processes and ecosystems into societies. According to them, journalism is a key actor for introducing common language for innovations, so that they can be discussed. If an innovation is the introduction of something new, then this new something has to be discussed, which is difficult to accomplish if there is no common language surrounding the new phenomenon. As media makes or spreads new words, the authors suggest that journalism is essential in innovation economies.[122]

Nordfors and Uskali exemplify their line of reasoning with the metaphor of Silicon Valley. Silicon Valley was first introduced by the journalist Don Hoefler of the trade publication *The Electronic News* in 1971. Other news media then picked it up and it was spread all over the world. What started out as a nickname for a specific industrial area, over time became the name associated with the vision of the perfect innovation ecosystem, spurring a general discussion about innovation systems. [123]

Since the 1970s, several non-profit organizations for collaboration have been present in Silicon Valley. In the late 1970s there was *The Silicon Manufacturing Valley Group* with the purpose of facilitating cooperation around issues of quality of life and education as well as addressing infrastructure challenges such as transportation and energy. *The Silicon Valley Network* was established in 1993 to address issues affecting the region's overall economy and quality of life. The organization *CommerceNet,* founded in 1994, is another example. These organizations are all examples of conscious efforts to help the evolution of Silicon Valley.[124] Though most people are familiar with Silicon Valley, these organizations are not well-known. In fact, the notion of Silicon Valley did not exist until media created it by writing about it - three decades after the seeds of the electronics cluster had first emerged.[125]

Though the metaphor of Silicon Valley first appeared in *The Electronic News*, Nordfors and Uskali conclude that it was *The New York Times* that played the most important role of spreading it to a wider audience a few years after it was first published in *The Electronic News*. In 1982, it was still used with quotation marks in a *New York Times* story. Hence it took over a decade for this now famous metaphor to become a part of the language.[126]

A more literal examination of the name reveals that *Silicon* refers to the high concentration of semiconductor and computer-related industries in the area, and *Valley* refers to Santa Clara Valley, at the Southern end of San Francisco Bay. Definitions of where Silicon Valley

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[121] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 13-14.
[122] Nordfors, David and Uskali Turo, "*The Role of Journalism in Creating the Metaphor of Silicon Valley,*" Stanford Center for Innovations in Learning, Stanford University, 2007, p. 3.
[123] ibid.
[124] Sölvell, p. 68-69.
[125] ibid, p. 67.
[126] Nordfors, David and Uskali Turo, "*The Role of Journalism in Creating the Metaphor of Silicon Valley,*" Stanford Center for Innovations in Learning, Stanford University, 2007, p. 3.

actually begins and where it ends, vary, but Nordfors and Uskali use the most common definition which puts the location of Silicon Valley between San Mateo County in the north and Santa Clara County in the South, with the heart of the Valley being located in Palo Alto.[127]

Today, the brand of Silicon Valley comprises several elements. It is associated with 1) an area of successful entrepreneurship and innovation, 2) a geographical region covering about 1,500 square miles in Northern California, 3) a network for informal information exchange mechanisms and shared language.[128]

In Silicon Valley networking skills are vital.[129] Alumni networks were created during the industry's first 15 years and have remained an important element of what makes Silicon Valley unique. Despite fierce competition during business hours, away from the office professionals in the Valley remain friends.[130]

Nordfors and Uskali point out what may seem logical, that as Silicon Valley grew in importance, so did its news coverage increase. However, the authors are surprised that it took four years for mainstream media to present it to mass audiences after it was first used in *The Electronic News*.[131]

The authors highlight the importance of journalism as an intermediary actor in innovation, diffusing new concepts and metaphors into societies. By influencing the formation of language describing innovation, journalism influences global discussion about innovation ecosystems. Journalism creates a shared language for the processes and contexts of innovation which may enable communities to discuss how they innovate, which may in turn influence how the innovation ecosystems evolve.[132]

3. Methodology

3.1 Approach

I have chosen to use a qualitative approach when attempting to answer my research questions. Although quantitative methodologies are more structured, they require strict definitions to be applicable to units other than those included in the investigation at hand.[133] Innovation systems are a relatively new phenomenon, at least from a branding or even a pure marketing perspective. The aim of this paper is not to attempt to establish an absolute truth or blueprint for how regional innovation systems are to be branded. My intention is more to identify a few examples of how this can be done successfully. Although these examples are insufficient to be able to draw any general conclusions about the branding of regional innovation systems, I am convinced they will still provide valuable lessons. Given this aim, I felt that a qualitative approach would be the most suitable.

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[127] ibid, p. 7.
[128] ibid.
[129] ibid.
[130] ibid, p. 9.
[131] ibid, p. 10.
[132] ibid, p. 3.
[133] Holme & Solvang 1997, pg. 14

I used qualitative interviews to interview different practitioners and experts in the field of regional innovation systems enquiring about their views on and strategies for branding regional innovation systems. This methodology did not allow me to draw any general conclusions about the research units that can be applied to the entire group to which the units belong, i.e. all regional innovation systems.[134] Instead the data obtained from this approach provided me with knowledge about the non-measurable qualities of the research units.[135]

3.2 Qualitative Interviews

Qualitative interviews are relatively unstructured and one of the advantages with this is that the researcher is able to follow up unexpected leads that may surface during the interview.[136] The interviews are always based on confidentiality and the data cannot speak for itself. All research data lack meaning until they are interpreted by the scientist.[137]

Closed questions and a specific order should not be determined beforehand when planning for a qualitative interview.[138] However, the interviews were naturally carried out with focus on the topic at hand – strategies for branding regional innovation systems. All interviews were carried out face-to-face.

3.3 Selection

The aim of a qualitative interview is to achieve variation, and one way to guarantee this is by making strategic selections. For my qualitative interviews, I have selected to interview eight professionals who work with regional innovation systems either directly or indirectly in different parts of the world. Two interviewees (Curtis Carlson and David Nordfors) have worked with innovation systems in and around Silicon Valley, two interviewees (Cecilia Johansson and Jan Sandred) have worked with innovation systems at VINNOVA, the Swedish Agency for Innovation Systems, two interviewees (Matt Wenger and Bill Hutchinson) have worked extensively with regional innovation systems in Canada and the USA. Of the remaining two, Tommy Roxenhall is a researcher and practitioner of strategic networking in Sweden and Richard Lidén is General Manager of the regional innovation system Telecom City which has served as a role model for other regional innovation systems across Sweden and the world. My selection of interviewees has been based on a combination of personal contacts and my own assessment regarding who I believed would be able to add the most value in helping me come up with creative ways of how to brand regional innovation systems. A more in-depth presentation of each interviewee and my reason for the selection of each follows below.

Interviewees in alphabetical order:

Carlson, Curtis, CEO of SRI International, a research institute located in Menlo Park, USA. I chose to interview Carlson because SRI is together with Stanford University widely

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[134] ibid.
[135] Halvorsen 1992, pg. 78
[136] Holme & Solvang 1997, pg. 80
[137] Trost 1997, pg. 24
[138] ibid, pg. 47

regarded as a key component of Silicon Valley. The institute is 60 years old and has hence been around as long as Silicon Valley as a region. Carlson is also author of the book *Innovation: The Five Disciplines for Creating What Customers Want*. The purpose of the interview was to get his perspective on the secret behind the successful branding of Silicon Valley and what can be learnt from it.
The interview was conducted in San Francisco, USA on July 11, 2008.

Hutchison, Bill Executive Director of the Intelligent Communities initiative *iWaterfront Toronto*, the world's largest urban revitalization project. Previously, he advised on the creation of Hong Kong's innovation system *CyberPort*; he was the Global Chairman, Telecommunications Industry for Ernst & Young and he has more than 30 years of experience as a senior executive in CEO roles in telecom, media and IT companies.
Hutchison helped build Canada's technology infrastructure. Under the Prime Minister of Canada, he was the Founding Vice-Chairman of the National Advisory Board for Science and Technology and the Founding Chairman of CANARIE Inc, which has led the development of Canada's advanced Internet research and education infrastructure. He established the first American firm in Malaysia's Multi Media Super Corridor and he was the co-founder of SMART Toronto. The purpose of the interview was to draw on Hutchison's experience of mobilizing different networks of partners and strategically working with boards.
The interview was conducted in Toronto, Canada on January 15, 2009.

Johansson, Cecilia, Manager of the *Vinnväxt*-program at VINNOVA, the Swedish Agency for Innovation Systems. The aim of *the Vinnväxt*-program is to support sustainable development in regions by developing internationally competitive research- and innovation systems within well-defined areas. Johansson has extensive experience in marketing, communications and branding in general. Since 2001 she has worked with clusters and innovation systems in a number of different ways. The purpose of the interview was to get Johansson's perspective on the importance of communications and marketing for the success of a regional innovation system and input to what the most common branding challenges are for regional innovation systems, and how those can be overcome.
The interview was conducted in Stockholm, Sweden on February 6, 2009.

Lidén, Richard, General Manager of Telecom City, a regional innovation system located in the Karlskrona region in southeastern Sweden. Once a more general telecom innovation system, today the focus is on mobile services and wireless communication. Telecom City was started in the early 1990s and has become so successful that the initiative was used as a role model by VINNOVA, the Swedish Agency for Innovation Systems, when they started their *Vinnväxt*-program with the goal of constructing internationally competitive regional innovation systems across Sweden. As General Manager, Lidén is also the person responsible for the communications and branding strategies of Telecom City. The purpose of the interview was to get Lidén's perspective on what has made Telecom City such a successful brand among regional innovation systems.
The interview was conducted in Karlskrona, Sweden on November 19, 2008.

Nordfors, David is Senior Research Scholar at Stanford Center for Innovations in Learning at Stanford University. He introduced the concept of *Innovation Journalism* in 2003 and founded the Innovation Journalism program at Stanford and in Sweden, which he is leading today. Nordfors is Commissioner for Innovation Journalism of the Barcelona-based Competitiveness Institute.
The purpose of the interview was to get Nordfors perspective on how to best use the concept of storytelling through public relations and the media to build the brand of a regional innovation system.
The interview was conducted in Palo Alto, USA on August 22, 2008.

Roxenhall, Tommy, Project Leader for *Strategic Network Development for Regional Competitiveness* at Mid Sweden University, Sundsvall, Sweden.
Roxenhall has a PhD specializing in strategic networks and the role of commitment in such networks. He is also a practitioner of strategic networking as he is responsible for running several regional strategic networks aiming to increase the competitiveness of the Sundsvall region in Sweden. The purpose of the interview was to get Roxenhall's perspective on how to best mobilize and maintain the network of regional partners so that it enhances the brand of the regional innovation system.
The interview was conducted in Sundsvall, Sweden on November 5, 2008.

Sandred, Jan, Program Director at Innovation Actors Division at VINNOVA and Commissioner for PR, Media and Information at the Barcelona-based Competitiveness Institute – TCI. Sandred was a Stanford Innovation Journalism Fellow in 2004, hosted by San Francisco Chronicle and has been working as a Reporter, Editor and Editor-in-chief since 1984, mostly with Swedish and international trade and business publications. He has also worked as Senior Consultant at Grey Communications Europe. Sandred has written several books on IT, the latest being *Managing Open Source Projects*. The purpose of the interview was to draw on Sandred's experience as both a journalist and a public relations professional, working with innovation systems.
The interview was conducted in Stockholm, Sweden on October 23, 2008.

Wenger, Matt, CEO of GroupSystems, a technology company specializing in designing and building systems and processes that expedite collaborative innovation. Over the years he has received a number of recognitions for his work in building innovation systems in North American communities, open-access economics and policy, and ICT-based community development, particularly in rural areas. Wenger also founded and served as President of the Columbia Mountain Open Network, a community networking initiative and regional innovation system spanning 137 rural communities over 90,000 sq kms in the Canadian Rockies. In addition to this, Wenger advises corporate boards and governments throughout North America and Europe on telecommunications management, marketing, economics and policy. The purpose of the interview was to draw on Wenger's experience in building and marketing regional innovation systems.
The interview was conducted in Toronto, Canada on January 5, 2009.

3.4 Choice of Topics

There are many possible topics to discuss when talking about branding regional innovation systems. The interviews conducted in my research were typical qualitative interviews in the sense that they were relatively unstructured so that the leads that surfaced during the interviews could be followed. Hence, topics largely depended on the interviewees main areas of expertise and where they felt they had the most value to add. Some of the discussion topics included:

- Can/should regional innovation systems be branded?

- Are there common branding challenges for regional innovation systems? If so, what are they?

- What is in your opinion/experience the best way to brand a regional innovation system?

Here the objective was to see whether the interviewee thought the best strategy was to place focus on the region, the network of businesses and institutions, the network of individuals, the core initiative itself, or something entirely different.

Other issues discussed were how branding managers can best 1) Ensure buy-in 2) Mobilize the network 3) Create commitment and manage expectations 4) Tell and spread the story of the brand.

3.5 Validity and Reliability

The concepts of reliability and validity derive from quantitative research and are often difficult to measure in qualitative research. One of the criteria included in reliability is constancy, or lack of change. But human beings are not static. Change is inevitable.[139] Since qualitative interviews are fairly unstructured and involve a great deal more interpretation, it is possible that another researcher would not receive the same answers nor interpret the information the same way. Even if another researcher would be looking to understand the same problem, his/her skills in interview techniques or the level of trust he/she manages to establish with the source, might be different. Since individuals and their values also change constantly, it is even possible that I would not reach the same results myself if I was to conduct the same interviews at a different time.

Regarding the validity of the report, a lack of validity is a more common problem when one uses a quantitative technique. While quantitative material is more reliable and more easily used for comparisons, it runs the risk of being superficial or irrelevant. Finding a way to ensure that one has really measured what one intended to measure can therefore be difficult.[140] Although using only qualitative interviews as a research method limits my abilities to draw general conclusions, it at least leaves me feeling confident that I have indeed

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[139] Trost 1997, pg. 99-101
[140] Holme & Solvang 1997, pg. 81

measured what I intended to measure, providing me with valid data.

3.6 Problems Related to My Choice of Methodology

One problem with my choice of methodology in general, and my selection of interviewees in particular is that as regional innovation system experts and practitioners in Sweden, USA and/or Canada, the interviewees all represent regional innovation system in the Western world. This creates a geographical and cultural bias and may well have caused me to miss creative ways of branding regional innovation systems that are used in other parts of the world. However, several of the interviewees are international experts in their field, and have worked extensively in other parts of the world as well. For example, Bill Hutchinson has extensive experience in developing regional innovation systems in Asia as well as North America, David Nordfors is the inventor of and internationally leading authority in his field *Innovation Journalism* and Cecilia Johansson is Manager of VINNOVA's *Vinnväxt*-program which has been implemented in several countries across Africa and Europe. The Swedish model for developing regional innovation systems has also achieved international recognition and is consequently being copied across the world. Obviously, this does not fully make up for the geographical and cultural bias, but hopefully it lessens the effects of it.

4. Findings and Analysis

4.1 The Importance of Branding for Regional Innovation Systems

Frequently people that take on the challenge of building regional innovation systems are so focused on the task at hand that communications and marketing in general, and branding in particular, end up last on their list of priorities. After struggling to achieve results and secure funding all day long, there is little, if any, time and energy left to spend on branding.

Cecilia Johansson is Manager of the *Vinnväxt*-program at VINNOVA, the Swedish Agency for Innovation Systems. The aim of *the Vinnväxt*-program is to support sustainable development in regions by developing internationally competitive research- and innovation systems. As part of her work at VINNOVA, Johansson has worked closely with a number of different regional innovation systems, helping them develop through the allocation of financial resources as well as guidance on issues relating to management and leadership, communication and information.

In helping regional innovation system develop through more sophisticated and strategically relevant communications strategies, Johansson found that communicative challenges were frequently related to strategic operational challenges and that the two blend together. One of the most valuable lessons she learned is that the sooner communication planning is introduced on the agenda the easier it is to ensure the effectiveness of general strategies.
"When general strategies are formulated, they tend to take on a life of their own. Often, formulating such strategies involves a lot of work and commitments are made to stakeholders

and other actors of what will happen. It is natural that communications planning, when it is performed long after general strategy has been formulated, has less chances of influencing these strategies. One tends to see communication as an add-on to other activities, identifying audiences and channels to spread a fixed message," she says.

Johansson does not believe that the planning of communications or branding should be separated from strategic planning in general. It is not just about including communicators in strategic planning so that they understand what they are expected to communicate. Discussing how to communicate will actually add quality to the discussion on strategy.
"To put it crudely: sometimes it might be easier to dodge complicated questions when they are discussed on an abstract level than when you are in the very concrete situation of discussing, for instance, what should be said on a world wide web homepage," she says.

Helping regional innovation systems improve their communications and marketing skills has produced effects that stretch far beyond basic communication strategy, proving crucial for overall operational strategies.
"Discussions about how to communicate led to regional initiatives gaining more insight and more well-defined strategies concerning the basics of managing innovation systems: definition of aims and goals, identification of the strategic participants, processes for learning, architecture for meeting-places etc," says Johansson.

4.2 Common Challenges for Regional Innovation Systems

In 2006, VINNOVA initiated a special communications support program for all of the 12 regional innovation systems that are part of VINNOVA's *Vinnväxt*-program. In preparation for this, Johansson commissioned communications group *Gullers Grupp* to conduct interviews with different regional innovation systems to find out what some of the common communicative challenges facing regional innovation systems were.

The interviews showed that there was a great deal of confusion regarding whether to brand the region where the innovation system was located or the initiative itself. How to brand something consisting of so many different players, each with their own agenda, turned out to be another common challenge, as well as how to build brand trust and attractiveness both internally among members, and externally to attract new members or clients. Difficulty in getting everyone involved to buy into and communicate the same message was another common problem.[141]

According to Bill Hutchison, Executive Director of iWaterfront Toronto, another common challenge is that regional innovation systems often cross political boundaries.
"There may be ten little cities or communities involved, each of which has its own goals. Trying to get them to collaborate and stay involved and interested isn't always easy. Some may think that the focus of the research is wrong, or the direction of investments is wrong, or that some cities are being favored with regards to time and resources," he says.

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[141]Johansson, Cecilia, Head of the *Vinnväxt*-programme at Vinnova, interviewed on February 6, 2009. Also published in *Processtöd kommunikation – Vinnovas Vinnväxt-program*, by Gullers Grupp Informationsrådgivare AB, 2008, Stockholm, p. 20.

4.3 The Region Vs. The Network of Partners Vs. The Initiative

So what should branding managers focus on when branding a regional innovation system? Is it about the region, the network of members, the innovation system as an initiative, the organization assigned to manage or facilitate interactions in the innovation system, or something entirely different? Should regional innovation systems choose to brand themselves as a *Branded House*, i.e. the brand is build around the organization and the individual member brands come in second, or as a *House of Brands* where the brand of the organization is downplayed in favor of all the individual member brands?[142]

According to Cecilia Johansson, all twelve regional innovation systems participating in the *Vinnväxt*-program, use the *House of Brands* strategy. This way, all involved partners can get the benefits of joining forces without having to give up or compromise with their own identity or brand.

Jan Sandred, Program Director at Innovation Actors Division at VINNOVA, believes building a single brand for the entire region is a better approach.
"If you're not the biggest or best it's important to form allies to compete. Together you will build a strong brand as a region containing x, y and z," he says.

Matt Wenger, CEO of GroupSystems, a technology company specializing in expediting innovation, stresses the need to separate the different brands involved in any regional innovation system. Wenger has been responsible for developing and managing a number of regional innovation systems all across North America, the first being CMON – Canadian Mountain Open Network consisting of 137 communities in British Columbia.
"Since economic development is the core focus of most regional innovation systems, the region should be the main focus of your branding efforts. However, people need to know who to contact and feel comfortable about doing so, so it is important to also brand the catalyst organization at the core of the innovation system. It should be a sub-brand to the region and provide a point of entry to the network of partners. If the region is the product, the value proposition is the network and all the brands it includes," he says.

When drafting the branding strategy for CMON, Wenger made sure it was all about branding the region.
"Everything else was secondary. We even put the mountains and the river flowing through our part of British Columbia in the logo," he says.

Bill Hutchison, on the other hand, stresses the need to tailor the brand message so that it suits each interest group.
"Some people will join because they can develop a new product or start selling internationally. In those cases joining is totally unrelated to the region and many couldn't care less about it. Others do care about the region in question and will join because of the regional benefits created such as for example easier access to good staff," he says.

However, besides your tailored messages, you still need some kind of broader branding strategy that is targeted at the kinds of companies you would like to see join, according to Hutchison. This message needs to be continually reinforced, as well as a message targeted at the community that explains why the community should be happy that the innovation system

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[142]Gullers Grupp Informationsrådgivare AB, *Processtöd kommunikation – Vinnovas Vinnväxt-program*, 2008, Stockholm, p. 15.

exists.

"If the innovation system is relying on public funding, you need to be able to demonstrate community benefits so politicians don't think the money is just going to a bunch of high-tech companies," he says.

David Nordfors is a Senior Research Scholar at Stanford Center for Innovations in Learning at Stanford University. He introduced the concept of *Innovation Journalism* in 2003 and is a Commissioner for Innovation Journalism at the Barcelona-based Competitiveness Institute. He has years of experience studying how the story of innovation is being told in different contexts.

Nordfors agrees with Wenger that branding has to focus on the region since the most important goal of any regional innovation system is to create growth and to attract new companies, organizations and individuals within a particular field to that region. He also stresses that every unit that has an identity needs its own brand and that using the same name for different things will cause confusion. Hence, naming the catalyst organization at the core of the innovation system the same thing as the network of partners is not a good idea.

In branding the region, Nordfors stresses the importance of including the professional storytellers of the region in that process, particularly journalists.

"Media is very important in this process. Regional innovation systems that have media capable of providing professional coverage will have a huge advantage," he says.

When it comes to what aspect of the region that should be branded, everyone seems to agree that it is about competence and the capacity for innovation in that particular region.

"The region has to be able to show that it offers all the necessary components for an innovative organization to function," says Nordfors.

This is best illustrated by good examples and the reasons behind why something became a success. In the case of Silicon Valley some examples would be the success stories of Google, Yahoo or Cisco, combined with the conditions that enabled them to succeed. Here the entrepreneurial spirit of Stanford University, the laws stimulating fierce competition for human resources, the relatively easy access to venture capital (50 percent of all venture capital in the USA is concentrated to Sand Hill Road in Silicon Valley), and the creative environment where people start companies out of their garage and seem to have an intuitive understanding of innovation are some examples of such underlying reasons that could be highlighted.

Although factors affecting life style, such as a pleasant climate, access to good schools, an abundance of options for entertainment and culture, inevitably play a part in attracting skilled workers to the region, Nordfors does not believe this should be explicitly communicated. Such factors will indirectly become included in any regional brand, but should not be at the centre of the regional story, he argues.

Johansson agrees that it is the innovative environment, and hence indirectly the available competence that should be the focus of branding efforts. To attract important players in a particular sector to the region the brands that are already present in that region have to be made visible in the external marketing. Johansson also stresses the need to combine access to competence with quality of life. If it's not a pleasant environment, no one will want to move to a particular region.

"The regional innovation system has to be attractive both internally to mobilize local resources and strengthen the self image of the region, as well as externally to attract

competence, capital and human resources. Attractiveness is crucial for the sustainable growth of any region," she says.

In creating this attractiveness, the internal mobilization has to come first. A regional innovation system that fails to activate and engage its own members won't be able to attract any new members or build a successful brand regionally, nationally or internationally.

In the early 1990s, Karlskrona had an unemployment rate of 15 percent and compared to the rest of Sweden, few people went on to study at University, according to Richard Lidén, General Manager of Telecom City. To come to terms with this, the regional innovation system Telecom City was started 15 years ago focusing on the telecom sector. In their branding, Telecom City places more importance on the network of businesses and organizations and what they do – the competence they have, than on the region itself. However, quality of life such as inexpensive housing by the sea is also used to recruit new talent. This is necessary as the local university alone cannot cover the demand for new personnel, according to Lidén.

4.4 Mobilizing the Network and Ensuring Buy-In

If mobilizing the network is so crucial to the successful branding of a regional innovation system, how is this achieved in practice?

The seemingly basic skill of being able to clearly communicate what the regional innovation system is, and what it does, is crucial for mobilizing the network of partners, according to Johansson. However, this has proven difficult for many regional innovation systems.

"When we started, surprisingly few of the regional innovation systems were able to explain their area of expertise and what they could offer in simple terms," says Johansson.

Her colleague Jan Sandred, Program Director at Innovation Actors Division at VINNOVA and Commissioner for PR, Media and Information at the Barcelona-based Competitiveness Institute – TCI, also emphasizes the importance of starting by building the brand internally and making sure everyone involved has a shared understanding of the brand, the goals and the objectives, before taking the next step.

"External branding is all about creating attractiveness, but unless you've done your homework internally you will fail. Trying to communicate a brand that is fragmentized or simply not shared by the members will get you in trouble. Everyone has to agree on the direction and the task at hand in order for the innovation system to be successful. Setting and agreeing on brand identity internally must come before this identity is communicated externally," he says.

Hutchison agrees that it's important that the regional innovation system has a branding strategy that all the communities that are part of it can identify with.

"It's one thing to agree on the vision, for example to put a man on the moon, and start communicating that, but don't communicate the details of how this will be accomplished before all important members have bought into a common strategy," he says.

According to Hutchison, there has to be frequent communication with all communities so that people don't forget why the innovation system was created. The brand has to resonate with the original goals and with all the communities that form part of the regional innovation system. He also stresses the importance of leadership for buy-in. The leader has to have the

respect of the people you want as members and needs good sales and promotional abilities as this is the person who has to convince people of why they should join. The leader has to understand how the other members work and what their goals are.

For Hutchison, mobilizing the network starts with identifying the partners you would like to have and make sure you have something to offer them.

"Companies don't participate in things out of the goodness of their heart. There has to be something in it for them and if there isn't, you have to stage it in a way so that there is. In any case, the initiative has to be attractive enough for companies to see enough of a benefit to be willing to commit time and money, if not it's not worth the effort nor is it sustainable as an initiative without committed companies will die when the public funding runs out," he says.

Hutchison stresses the importance of understanding the self-interest of the members and how they tie with your goal.

"You then have to make sure that this self-interest gets satisfied. If you don't, people will come to meetings for a while, only to fall away over time," he says.

4.5 Creating Commitment and Managing Expectations

Tommy Roxenhall, at Mid Sweden University in Sundsvall, Sweden, specializes in the study of commitment and how to create efficient networks. According to him the importance of commitment is frequently underestimated and/or there is a lack of knowledge about how to create commitment. Roxenhall divides the reasons why individuals commit to something into three main categories: *Emotional reasons, Calculating reasons* and *Moral reasons*.

1) *The Emotional* category constitutes the "want to"-component, when something feels right instinctually.

2) *The Calculating* category is the "must" or "ought to"-component, where future value can be calculated. Something is considered an advantage and the individual feels that "for business reasons I really ought to be a part of this," there is something to be gained here. It doesn't have to be financially related as gaining competence or other benefits may be equally important in convincing someone to give something a chance.

The Calculating category can be divided into a positive and a negative dimension. The positive dimension is when someone is committed to doing something because future value is anticipated. The negative dimension is when time and resources have already been invested into something and there is a feeling that this previous investment will be lost if the commitment is now broken.

3) *The Moral* category is the "should"-component. The person feels obligated to do something for moral reasons - often it's related to some kind of guilt. "We owe them this".

Often, the decision to commit to something is triggered by a combination of all these factors that influence commitment.

Roxenhall is surprised that not more regional innovation systems try to determine where on this commitment scale their members are located as this will help to understand the different sets of expectations that different members have.

"One often forgets that besides the more general expectations of what activities will be carried out in a certain innovation system/network/cluster, every person also has his/her personal expectations of what will be gained. The organization that each person represents also has its

own set of expectations of what they will benefit from sending a representative. Hence, managing expectations becomes an important part of managing the innovation system," says Roxenhall.

According to him, one of the most commons sources of failure is that the expectations of the different members aren't known or understood, or simply don't align with each other or with what can be offered.

"When listening to managers of regional innovation systems, clusters or networks that have failed one often hears things like: 'It should have been obvious to everyone what could have been gained from this' or *The others*, often referring to politicians, were hardheaded or slow," says Roxenhall.

According to him, shedding light on all the different sets of expectations so that they are known to everyone is an important way of increasing commitment.

Hutchison refers to this as the "enlightened self-interest" of all members and how playing to that interest is necessary both to get the right partners to join, and to stay committed. "There has to be an open dialogue where you make it clear that you're aware of the benefits a certain partner is looking for and where you double check that you have understood their objectives and expectations correctly. You then have to convey the sense that you will be working to help the partner achieve those objectives. The trick is maintaining the interest and focus of all individual members and part of doing that is to understand each member's objectives for participating," he says.

The leader has to continually check that somehow the goals of each member are being satisfied. This may require targeted messaging or targeted activities. If a goal of a certain member is to develop closer links to research institutions then the leader's job is to make sure that member gets invited to those kinds of meetings. Having two or three favorite companies, is a common mistake which often causes the organizations that feel neglected to leave the innovation system, according to Hutchison.

In the case of Telecom City, the Pentecost Church started out as the "cluster glue". Most of the original champions of the innovation system were active in this church and it added to the commitment.

"That's the advantage of starting to build something in a small place. Everybody knows everybody else and it's easier to find champions. Since one sour deal can poison everything, people tend to behave," says Richard Lidén, Managing Director of Telecom City.

Starting out with only three companies, Telecom City currently has 45 member organizations. To ensure commitment, there is a very tight dialogue with members. "All member companies used to be represented on the board. When the number passed 30 this was no longer practically possible, but representatives for each category were assigned. Having the right board is extremely important for buy-in," says Lidén.

Before setting the annual operational goals, meetings are held with every member company to find out what they want to prioritize. This way, all members get to influence the agenda. The members then participate in activities around the different themes that they have jointly decided on. In 2008 those themes were *Recruitment, Internationalization*, and *Education*.

Currently, there are 10 companies in line waiting to become members of Telecom City. When applying for membership, the applying organization has to state why it wants to

become a member and what it will contribute to the initiative, hence answering the questions of *what's in it for me* and *what's in it for you?*

Lidén thinks it's important that membership is not free of charge as that would attract the wrong kind of members.

"If you're not paying, you're not going to put any time in," he says.

Telecom City makes a distinction between members and partners. To be a member, you have to be in the IT & telecom business and be located in the southeast of Sweden. To be a partner, meeting one of these criteria is enough. However, Telecom City makes it very clear to everyone joining that the focus of the innovation system will always be on creating benefits for the members above anything else.

Recognizing that keeping member organizations committed, also involves keeping the individuals that make up these organizations committed, Telecom City has created a social club open to all employees of member organization (currently about 15 000 people evenly distributed between the municipality, the university and the member companies). About 20 membership events are organized every year with about 150 people actively participating each time. Examples of club events include everything from outdoor activities like hiking or kayaking to pub nights or cooking classes. When the Bond movie *Quantum of Solace* premiered in 2008, the club bought access to the movie two days before it premiered anywhere else in Sweden. They then subsidized the tickets and organized a gala. The members paid the equivalent of roughly 10 dollars per person to attend a red carpet gala premier complete with champagne and tuxedo dress code.

4.6 Building and Managing Relationships through Meetings

If we accept that Triple Helix, i.e. the joint participation of universities, business, and public sector, is vital for regional innovation systems, and that finding new ways for these sectors to collaborate is crucial for innovation, then getting representatives from the different sectors to meet under meaningful circumstances is going to be an important task for the management of any regional innovation system, and an important opportunity for branding. The interviewees suggest that three main types of meeting places need to be in place:

1) *Individual meetings*
It's important to make sure that meetings between different members and stakeholders actually take place so that all members feel they are getting the value they're expecting. If you, for example, have a member company who joined the innovation system in the hopes of developing better governmental contacts, you need to make sure that this company does in fact get to meet with key governmental players, according to Hutchison.

2) *Events and conferences*
Organizing evens or conferences is a common way of creating opportunities for meetings, both within a certain niche and across different sectors. The design of and experience created around such events and meeting venues are also great opportunities for branding.

Many regional innovation systems organize at least one big event every year. Events help to knit members together, but more importantly it forms an important part of the external branding. For Telecom City, *The Catwalk* is the big annual event focusing on branding

Telecom City as the fashion capital of the world for mobile applications. The event is built around customers of different member companies that enter the stage to tell the story of how a certain application or service has helped them succeed. There is also an exhibition, matchmaking sessions and panel discussions. In organizing the event, Telecom City makes sure all leading Scandinavian companies in the industry participate in the event.

"This is the only way to attract the best companies in the sector internationally. To get enough of the right attendees to come, we decided in 2007 to cut back from two major annual events to just one. By doing this we got 220 international companies from the wireless application industry to attend the event," says Lidén.

The two-day conference is heavily subsidized in order to make exhibiting affordable even for small companies.

According to Hutchison, it's also important to make sure that the meetings you organize are interesting and the choice of physical location can have a big impact on that.

Wenger agrees, "A key part of an economic development strategy is branding the region, how better to do that than to host industry events that highlight the unique experiences to be enjoyed there. People who travel extensively have seen the insides of enough conference centers, airports and hotels. They all look the same. Besides new knowledge and contacts, an entire cultural experience, something that captures the essence of the brand can be offered. Let the entrepreneur see what life would be like for them and their employees. It is no different than tourism – you are competing with every other region around for that business and quality of life is a major deciding factor for knowledge economy workers and entrepreneurs.

3) *Access to animated spaces*
Having worked in both Silicon Valley and in the innovation system around Boston and MIT, Hutchison found access to animated spaces like bars or coffee shops where people can meet to be an important differentiating factor.

"In Boston, all tech companies were located along route 128 which at that time was the by-pass around Boston, while the universities, like MIT, were located downtown. We rarely spoke to one another, nor did we really speak to the other high-tech companies around us. When the work day was over we simply went home. In Silicon Valley however, everyone went to the local pubs in Palo Alto after work. We'd chat and exchange ideas, which makes a huge difference on innovation," he says.

It is important that the design of the innovation system facilitates easy meetings.

"Often people think this will just happen on its own and so they don't put enough effort to facilitate collaboration. This is important for virtual meetings as well and there you want to make sure you're using the latest technologies in order to create as many synergies as possible," says Hutchison.

Or as Sandred puts it:

"Facilitating innovation is easier if the atmosphere is pleasant and people are happy. Since everything is about relationships, it's important to create arenas where people can meet."

4.7 Developing the Brand Story
According to Nordfors, it takes three things to brand something: a name, a definition and

stories. To be able to refer to something it needs to have a name. Then a definition is needed to know that one is talking about the same thing. Finally, in order for people to be able to relate to something, there has to be stories. The stories have to be simple enough so that people can understand them and compelling enough to make people care. When it comes to innovation, the main challenge is explaining complicated matters in a simple way. Innovation is generally thought of as something that is hard to grasp, complicated and quite blurry. It has a name and a definition, but few are able to tell stories about innovation so that people can relate to it.

According to Nordfors, every brand manager needs to identify the stories that capture the essence of what is being done and find a way to tell those stories in a compelling way. An innovation system markets its ability to innovate so being able to tell the stories that illustrate that innovation is indeed taking place is crucial. It's important to build stories that the members of the innovation system can relate to, fit into and that they are incited to tell and help develop. The main story of the innovation system has to be one that everyone shares and that benefits everyone so that members want to take on the role of ambassadors, repeating the story in their own networks. The story has to be compelling enough to make people care, hopefully enough to come to the region. It also needs to be easily shortened into an elevator pitch that fits the purpose and appeals to the target audience.

The branding and storytelling is closely related to the overall purpose and strategy, according to Nordfors and Johansson.
"One can't just turn to a PR bureau and tell them to write stories that make people like the initiative. One has to constantly keep the storytelling in mind when drafting the overall strategy of the innovation system and ask oneself: If we do things this way, does it make a good story," says Nordfors.

While Nordfors doesn't believe that an environment like Silicon Valley can be copied or staged through marketing, he does believe that branding can help facilitate the success of regional innovation systems. The key is to pay close attention to the stories that are taking shape.

4.8 Journalism as Storytelling

There is a common language for discussing what goes on in society. This language is constantly being developed and enriched. New words are created that help us discuss new phenomena. This evolution of the language is vital for innovation since all new things need new names for people to be able to talk about and refer to them. What then is the mechanism for creating this new common language? According to Nordfors, it's journalism. Innovation cannot evolve faster than the development of a common language to discuss innovation, he argues. Without a common language it is difficult to discuss new things. Media enables words to spread and become part of the common language. But, it doesn't happen on its own.

Independent journalism of good quality has the ability to deliver stories that focus the readership's attention on things that interest the readership, creating a filter and a feedback-loop. That which gets the attention of the public is reinforced. Journalism doesn't decide what people should think, but it has the ability to identify that which people find interesting. There is a number of standard stories, certain formats that journalists know will work and it is often difficult to introduce new types of stories or new types of characters in these stories. In the

1990s the nerdy techie was introduced as an acceptable main character in news stories. This changed the way technology was discussed in the media. Now it's time to find formats for how to tell the story of innovation. Innovation journalism is the kind of journalism that will help us develop a common language for how we develop new things, the ways in which we develop them and our ability to continue developing them, according to Nordfors. It will introduce the new concepts and metaphors representing innovation processes.

Although journalism and the media play the leading role in this introduction of a new common language, the gap between the media and private communication is beginning to close through new communication channels like online blogs and communities. These are channels for storytelling that mustn't be overlooked, according to Sandred.
"What is media these days? Is Facebook or Myspace media? It doesn't really matter, they are certainly important. What one has to ask oneself is: how do I reach the people I want to communicate with in the smartest possible way?" says Sandred.

Matt Wenger has been involved in building regional innovation systems covering hundreds of communities across North America. He has experienced first-hand how the introduction of new technology in communities, particularly in rural areas, have a drastic impact on the way of life of the citizens in those communities. Wenger struggled for years to garner the attention of local media for his initiatives and is convinced that if local media did a better job of covering and focusing on innovation, many communities would have better capitalized on important new technology to improve quality of life.
"Media has to take an active role in informing the public not only about local innovations, but about how innovations can be applied locally. This applies to farming techniques as well as telecommunications. If the media doesn't shine a spotlight on the issues that can make a difference to quality of life in rural areas, how will people find that information? It's a matter of survival, for the local community as well as for local media," he says.

Wenger believes most media are reluctant to take on the challenge of covering matters that are time consuming and complex.
"In the many rural communities where I've worked, I haven't seen a single medium able to package and communicate innovation in a way so that the readership cares. The impact on the economic development, health care, education, and local governance, has been huge in the communities where telecommunications have been introduced. The innovations that come with connectivity dramatically improved quality of life in these communities, yet when building the networks, we struggled for years to communicate the value in a way that people cared," he says.
Wenger thinks one way to overcome the complexity is to not try to convey the entire picture in one single story.
"Through coverage of isolated events, projects and organizations, people in the communities gradually started to grasp the impact of particular innovations. It was never thanks to one particular story, but rather to the fact that the stories just kept coming and coming that people eventually got the whole picture," he says.

4.9 The Role of Public Relations in Storytelling
According to Sandred, using public relations is the best way to communicate the brand as

information received from a credible, independent third party carries so much more weight than information received through marketing. This is true regardless of whether the product is Coca-Cola or a regional innovation system.

So, if we accept that storytelling is crucial for branding, and that the media is an important and credible channel for telling and spreading stories, then how can a brand manager best influence how the regional innovation system gets depicted in media?

According to Nordfors there is always a way to gear the language journalists create to describe innovation. Over time certain word combinations develop that become associated with a certain place. In the case of Silicon Valley words like "Business angel" or "start-up" have become important components of the overall system. Identifying such positively charged key word combinations and stories and finding ways to spread them is important for conveying the identity of the brand. And in doing so you want to make sure you develop a truly unique brand identity, according to Nordfors.

"If you chose a name that ends with for example *Valley*, you're already saying that you aspire to be like Silicon Valley. Your name now conveys that you're a cover band. It's important to brand what makes you unique - being a copy isn't enough to be successful. There is an obvious difference between being *like* The Beatles and being the Beatles," he says.

According to Nordfors, companies as well as innovation systems have to learn how to communicate their innovation processes.

"PR can strengthen brand value by communicating innovation processes and add value to innovation by developing narratives for new products and services in parallel with technology and business development. In the innovation economy 'credentials from the future' are worth more than credentials from the past. Granted, brand value still needs to be built up over time, but we must increasingly convince our constituencies about our ability to innovate and succeed tomorrow to justify our value today," he says.

Telecom City has put increasing efforts into public relations in the last few years. The innovation system offers member companies to rewrite their press releases and distribute them under the Telecom City logo. Initially, this was done for free, but now members have started paying for the service as Telecom City is able to show that the press releases get printed four times as often when they have been rewritten and repackaged by Telecom City.

"We are able to make them sound more interesting and when they are distributed by us, the media seem to get the impression that they are coming from an "independent source" and so they get more credibility, says Lidén.

Last year, 100 articles about Telecom City appeared in the printed media and the initiative was covered 150 times in digital media. Lidén believes that the extensive media coverage is the main reason for Telecom City's rapidly increasing brand recognition. In 2008 Telecom City had 46 percent brand recognition, according to a survey in Swedish trade publications *Computer Sweden* and *Dagens Industri*. In 2003 that number was only 18 percent.

The label "Member of Telecom City" is available as an option in the graphic manual for smaller companies that want to take advantage of the membership in their branding. Telecom City also offers their members to participate in joint ad campaigns that give them scale of advantage.

"More visibility and credibility at a lower cost is of huge advantage to the smaller companies. The joint ad campaigns are for example used when many companies need to recruit at the same

time," says Lidén.

4.10 Ambassadors and Champions

All parties directly participating in the development of the regional innovation system have to realize that they are ambassadors, representing the brand of the innovation system at all times, according to Sandred.

"There is no such thing as off the record. Even when having dinner with the neighbor or doing whatever it is you do in your free time, you are an ambassador of the brand you represent. This is something everyone has to accept. What you say about the innovation system becomes the image others are left with. Under no circumstances can you spread a negative message. If you have nothing positive to say, be quiet. It is up to the management to make sure that partners have a positive attitude towards what they represent," he says.

However, even if all members have a positive attitude towards the brand of the regional innovation system, some are likely to be better channels for spreading the story of the brand than others. These people are the ones who are the most passionate about the regional innovation system - the champions.

According to Nordfors, it is important to associate the brand with people who have high credibility both in the region in question and in the particular technologies that the regional innovation system specializes in. Other than media, these people are the most suitable channels for spreading the stories of the regional innovation system.

Sandred agrees:

"It is very helpful when strong regional personalities, especially politicians, make public statements promoting the innovation system. However, this is difficult to achieve as politicians, just like media typically don't see themselves as a part of the system," he says.

Neither Nordfors nor Sandred believe in forcing members or stakeholders who aren't employed by the innovation system to actively promote the innovation system by for example making use of the logo or graphic profile of the innovation system a condition for funding.

"Engage those who are passionate about the brand and don't waste time on the rest," says Sandred.

"Using the logo and presenting oneself as part of the regional innovation system should be considered a privilege, not a requirement," says Nordfors.

For it to be regarded as a privilege, people have to feel incented to present themselves as part of the innovation system. There has to be a strategy for how to create that incentive, for how to get others to help you build the brand. The most basic component of that strategy is that members have to have more to gain by speaking well of the innovation system than by criticizing it. That way they also become your allies in defending the brand.

The Swedish innovation system Fiber Optic Valley found an international ambassador in Matt Wenger, who was so inspired by the commitment of local ambassadors to deploy fiber optic broadband to everyone in Hudiksvall that he now travels the world telling the story.

In 2002 Matt Wenger, then CEO of Columbia Mountain Open Network, visited Fiber Optic Valley. He was in the process of building several broadband networks in the Canadian Rocky Mountains and wanted to take a closer look at the technical solutions chosen in the region.

"The visit made me realize that it wasn't just about technology. It was about what a local ambassador did to inspire people to act. That working together they could achieve more than they imagined," says Wenger.

During his stay in Fiber Optic Valley, Wenger was invited to accompany Bengt-Åke Nilsson, operations manager for the City of Hudiksvall's telephone system, as he travelled, door to door, to convince partners and local residents help him build the advanced broadband network. Wenger was inspired by how everyone in and around the innovation system, including local banks, technology companies, research institutes, and individual citizens joined together to make the venture possible.

"At times I was almost moved to tears. One girl we met had read a goodnight story to her disabled brother every night. Now she'd moved from Hudiksvall and was using the broadband network to read her brother stories via a video link. And these were people who got out in their own tractors, brought their own shovels and just went out and built what some of the most sophisticated telecom companies in the world have not yet even begun to plan for never mind construct."

Wenger now travels around the world giving talks about the advantages of broadband networks. In his presentations he frequently uses Fiber Optic Valley as an inspirational example.

"I call the presentation Stone Soup Networks, but I should have called it KaffeNet – How a rural farmer built a high-performance fiber network in six months by drinking 800 cups of coffee," says Wenger.

"Bengt-Åke used coffee as the way to get inside each home and make his pitch. It didn't take long and I was all shaky. I'm not used to drinking that much coffee. We must have had at least 800 cups during those few days in Hudiksvall. But, it obviously worked," says Wenger laughing.

For Fiber Optic Valley, having Nilsson as an ambassador not only helped cement the success of the initiative locally, but has helped to capture the imagination of ambassadors around the world giving it a global audience it would not otherwise have been able to attract.

4.11 The Role of the Board in Branding

Whenever you're creating something that's new and different, your idea will frequently meet opposition. According to Hutchison, the best way to defend your brand against opposition is by identifying the stakeholders that have an indirect interest in what you're trying to do by creating an advisory council or board with representatives from the broad community of stakeholders. Their main function is to provide support against the opponents of the idea, to provide the core organization and the members of the regional innovation system with coverage and protection. The members of the advisory board won't necessarily help implement or facilitate the innovation system as operational members, but their job is about providing political protection for the members that are in fact expected to contribute resources.

In the example of iWaterfront Toronto, Hutchison is trying to create a world-leading intelligent community. His first step four years ago was to create the iWaterfront Advisory

Council with 33 members. Only nine of those represent the ICT community. The rest are all leaders in application areas like education, health care, entertainment, the arts, business, and government services. Hutchison created this advisory board early on for two reasons: 1) to gain the community support for the initiative 2) to get the necessary connections into health care, education, and other areas that are to come up with the new e-applications that constitute the real value of any intelligent community.

Hutchison knew that the first area that was likely to cause opposition would be the introduction of a new communications company on the waterfront.
"In order to facilitate the creation of advanced applications, we want to provide residents and companies with higher bandwidth at a lower cost than is otherwise available because of existing monopolies and duopolies. This will naturally cause opposition from existing incumbents," he says.

The idea is that the advisory board can step in and provide the necessary broad community support if the incumbent communications companies start making a fuss.
"The board can make the point that we need this in order to advance the applications in all the different areas that the board represents. They will protect the initiative and gain community support," says Hutchison.

Hutchison has used this same model for putting together boards of other consortiums as well. In 1989 the Canadian government wanted to provide a national communications backbone across Canada that would connect regional R&D communications networks, universities and research institutes to one another.
"The universities in Quebec, British Columbia and Ontario all had high-speed networks in their own regions, but no way of communicating with each other at any kind of speed. So this trans-Canada digital highway was supposed to provide the backbone to make that happen," says Hutchison.

To accomplish this, Hutchison pulled together an advisory board of 250 people consisting of representatives from every province, hence creating a large community that bought into the vision. This advisory board provided the community support for creating a private broadband link, taking power away from the incumbent telecommunications companies. The overall organization to fund it and manage it became known as CANARIE, The Canadian Network for the Advancement of Research Industry and Education, which still exists today.

Besides providing credibility and protection, the board also ensures continuity and some stability. The board helps maintain a constant direction in pursuit of the original goals and makes sure that the direction and focus of the innovation system don't change completely with new leadership. This is important as directors often change over time.

Board members also provide useful communication links into the communities they represent. For that reason it makes sense to select board members holding respected positions in communities or networks that are important to the initiative. Naturally, they also need to understand the business the innovation system focuses on so that they can give useful support and guidance in that regard as well.

4.12 Delivering on Brand Promise

Fulfilling the brand promise is obviously important for the survival of the brand. According to Nordfors, it's ok for the brand story to develop before the actual brand, and hence becoming a self-fulfilling prophecy.

"Innovation always starts from nothing. The next step is the vision. To some extent one always has to present things as if they will exist in order for them to be able to exist," he says.

However, there has to be a balance between an inspiring vision and the ability to get there - to meet the expectations the vision provokes.

Curtis Carlson, President of research institute SRI, in Menlo Park, stresses the importance of keeping the brand promise real.

"Although your vision has to be a little bit ahead of where you are at present, you can't brand air. It's all about achievement," he says.

Carlson tells the story of how, on a long flight to Europe not too long ago he ended up next to a high-level executive at Nike.

"I asked her what they sell and got the answer that 'it's a piece of an athlete'. But what about your products, I asked. She told me that it wasn't about the products - that they can be made anywhere. 'We sell a piece of an athlete', she repeated."

A while later, as coincidence would have it, Carlson ended up spending another long flight next to a person in charge of recruiting the athletes Nike uses in their branding.

"He said the same thing. He said his job was the most important one because what Nike sells is a piece of an athlete. For SRI it's not like that, we're not Nike and branding innovation is not like branding shoes. For us, branding only works if we can prove it, if we can deliver the goods," says Carlson.

This leads to a very cautious branding strategy where the only thing that counts is achievement.

"We always wait to announce something until we have actual achievements to show and we're very cautious about the kind of press releases we put out"; says Carlson.

Although it's important for SRI to build on their legacy of innovation, like the invention of the computer mouse in the 60s, it's even more crucial for their brand to talk about what they are doing right now.

"We have a world-class research program in artificial intelligence. We need to tell people about that and not just keep talking about our past achievements," says Carlson.

To Carlson, word-of-mouth is crucial for developing narratives around achievements, as are testimonials from customers and partners.

"What we do costs a lot of money and customers who are about to hire us are likely to ask others who have hired us whether we did a good job or not. It's great to hear partners and customers say great things about you. I couldn't say those things, it wouldn't have the same effect," says Carlson.

According to Carlson, the Silicon Valley brand is all about recent achievements, not on relying on past accomplishments. You always have to improve and keep a humble attitude. No matter how good you are today, it's not going to be enough in the future.

"Steve Jobs releases the new iPhone and a month later people are asking, 'but what has he done lately?' This is our greatest strength and at the same time our greatest challenge as it

makes the competition so much fiercer. Creating a billion dollar company isn't that much of an achievement in Silicon Valley," says Carlson.

According to him people come to Silicon Valley because they take innovation seriously and because they want to work on solving the most important problems in the world today. Hence, providing them with meaningful challenges is the only way to get employees to stay. "People here have big expectations. There are millions of brilliant people here and if we don't create the most exciting and important projects in the world for people to work on, they leave. Exciting projects motivate people to stay and work long hours," says Carlson.

He believes being located in Silicon Valley gives SRI credibility and keeps the employees on their toes.
"The Silicon Valley brand is a life style brand. Buildings and land mean nothing. It's about people and knowledge, about cross-pollination creating an eco-system of innovation," he says.

According to Carlson, the lifestyle is manifested by very little bragging or greed. People don't show off their wealth. There are no yellow Ferraris or flashy buildings in the streets. Everything is very low key. Status is reached by constant achievement and no one is ever content or complacent. It's an informal environment where it's all about ideas and knowledge. People change jobs a lot and they network. Everybody thinks globally and in scale.
"In Silicon Valley, no one is interested in million dollar companies. If it's a good idea someone will be doing it somewhere else at scale and then they will eventually wipe you out. 30 percent of the CEOs here are from India or China. That means that when they start something new, they automatically think, how can I bring this home?" says Carlson.

Although Silicon Valley was created by accident, it's not a miracle, according to Carlson. "All the necessary pieces just fell into place, and it didn't hurt that there were three great universities located here and that the weather was beautiful. Proof-points like good universities, a venture capital community and government policies supporting companies coming to the region are must-haves for any region that wants to brand itself as an innovation system," says Carlson.

Bill Hutchison also stresses the importance of not promising more than you can deliver or creating expectations that can't be met. He believes timing the communication well is an important component of this.
"In Toronto we're building an intelligent community, but things take time. Just getting approvals for buildings etc., take time and four years into this thing on the surface you still only see piles of dirt. In other words it doesn't look very intelligent. When I give presentations about the Toronto initiative, I'm sometimes criticized by people who wonder why they didn't know that this was going on. They tell me that I haven't been communicating very well, but I've done that on purpose to not inflate expectations prematurely," he says.

However, it is of course important to be able to show that things are progressing. In the case of Waterfront Toronto, the organization took measures to schedule things early on that would show results quickly.
"Just little things like broadening the boardwalk by the waterfront, but enough to show that something was happening," he says.

Matt Wenger learnt the importance of creating quick wins the hard way. When trying to raise funds to build the Columbia Mountain Open Network, a community networking

initiative and regional innovation system spanning 137 rural communities in the Canadian Rockies, finding funding wasn't easy. Wenger and his team spent two years trying to get people interested and involved, seeking support and funding from local and provincial government.

"We managed to raise 650 000 dollars in the first couple of years and spent that money on studies in an effort to try to convince people that it was the right thing to do. It got so ridiculous that the sponsor organization at the end of the initial two years, commissioned a study to study a study of the study," Wenger says.

About that time, the economy in the area was having a downturn. People were leaving the region to look for work elsewhere and so there were less children going to the schools. In British Columbia, if the number of students that were interested in taking a class dropped below a certain number, the school had to stop offering that class. All of a sudden the three high schools in the region all simultaneously no longer had enough students to be able to offer Chemistry 12 which meant that no student in the region could take this class, which meant they couldn't go on to university to study anything related to science.

"Now, if you're an educated parent and you want your child to get a good education, are you going to live in this place? No," Wenger says.

There were six students in each of the three schools who wanted to take Chemistry 12. At approximately 300 kilometers apart busing the kids between the different schools wasn't an option. So Wenger and his team went to the schools in the province and proposed to connect them with fiber optics. That way the teacher could teach one day in each of the three schools and the students who didn't have the teacher in on a particular day could attend class via videoconferencing.

"All of a sudden the support for the initiative went through the roof and we were able to raise 10 million dollars to build the whole network. Looking back in hindsight we learnt the importance of being able to demonstrate a win. If we had spent our initial funds on deploying fiber early on to show some results, I think we could have gained two or three years of speed on the initiative," Wenger says.

5. Discussion

The concepts of innovation systems and clusters have exploded in the last few years. The competition for attention is fiercer than ever before. Many regional innovation systems and cluster initiatives are hard to tell apart from a communications perspective. This makes the branding of innovation systems crucial on regional as well as national and international levels.

5.1 Branded House vs. House of Brands

Marketers of regional innovation systems frequently find themselves wondering what it is they are really trying to build a brand around? Is it the region, the network of companies or the organization at the core of the innovation system?

All things with a name deserve its own brand. Hence, the first thing to think about to avoid

confusion is to not give things the same name.[143] For example, the regional innovation system and the different organizations facilitating the system shouldn't have the same name.

Most interviewees seem to agree that the region and the competence available in that region should be at the heart of external branding efforts. This also aligns with examples of successful regional innovation systems. For example, while Silicon Valley is widely known, few people are familiar with *The Silicon Manufacturing Valley*, *The Silicon Valley Network* or *CommerceNet*, all non-profit organizations for collaboration that contributed to the evolution of Silicon Valley.

However, to secure support and funding it is also important to carry out internal branding of the organization facilitating collaboration in the regional innovation system. Regional politicians have to be persuaded to keep allocating resources for facilitation of the regional innovation system and partners of the network have to see the value of having an organization that facilitates collaboration.

In Sweden, most regional innovation systems use the *House of Brands*[144] approach where the brand of the innovation system as a unit is downplayed in favor of all the individual member brands. This way, all involved partners can get the benefits of joining forces without having to give up or compromise with their own identity or brand.

However, Kapferer warns that this approach may dilute the brand of the regional innovation system as the individual brands then don't contribute to strengthening the overall brand, rendering it void of content and substance.[145] Interviewee Jan Sandred agrees that building a single brand for the entire region is a better approach.

According to Kapferer, it's important to have a clear picture of all brands involved and their relationships with one another. By laying down what he refers to as a "brand map," a picture is painted of all brands involved in the regional innovation system, giving a better idea of how they can reinforce each other. Older more established brands can lend credibility to younger less established brands by the power of association. It's important to have guidelines so that at least brands that are directly involved in the core projects or activities of the regional innovation system somehow help build the overall brand. In the case of Telecom City, a graphic manual has been created where member brands have the option of presenting themselves as part of Telecom City. If members perceive some added value of presenting themselves as part of the regional innovation system and consequently volunteer to do so, that is obviously better than regulating this through contracts. However, there are initiatives that make their members use the name and logo of the regional innovation system as a condition for membership or funding.

The experience of the interviewees viewed in the light of previous research by for example Kapferer suggest that perhaps a strong house brand as well as strong brands in the house are important to success. This model, championed famously by wholesalers Costco and Walmart, could be referred to as a *Branded Warehouse* model, where a strong overall house brand is an essential component to attract quality brands that then help to reinforce the strength of the house brand. In the example of Costco and Walmart, they are strong house brands that carry

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[143] Kapferer, p. 246 and David Nordfors, interviewed on August 22, 2008.
[144] Gullers Grupp Informationsrådgivare AB, *Processtöd kommunikation – Vinnovas Vinnväxt-program*, March 31, 2008, Stockholm, p. 15.
[145] Kapferer, p. 182

and sell strong personal brands. People go to Walmart hoping to find good brands at a lower cost and companies go to Walmart because they attract the customers.

5.2 The Start-Up Phase - Mobilizing the Network and Creating Commitment

In the experience of the interviewees, some factors are more crucial than others when it comes to mobilizing the network of members. Once the key people and organizations have been identified, they have to be transformed from passive bystanders with an interest in the initiative to active stakeholders with something to lose. Regional innovation systems that have been successful in converting their founding members into ambassadors painted a vision specific enough to drive interest but not so specific that members feel they have no input into the mission. In essence, they have built consensus and set common values that can be shared by everyone, as demonstrated by Hutchison in his work with CANARIE. For Johansson, the first basic step in all of this is communicating clearly so that potential members actually understand what the initiative is all about and why they should be excited about building a regional innovation system. Given the fiercely competitive environment, it is important to clearly outline what business the regional innovation system is in, what differentiates it from the competition and what is superior about the value offered.

As suggested by both interviewees Hutchison and Lidén, to have a stake in something is stronger than having an interest in something. This demonstrates the importance of the principle of having "skin in the game," which means that people are more committed and will put more effort into the initiative if they have something to lose should it fail. This loss could involve personal credibility, organizational credibility, money, and/or resources.

If someone has publicly associated him/herself with an initiative, that person runs the risk of brand depreciation of his/her own personal brand if the initiative fails. If the initiative succeeds, on the other hand, the personal brand value will increase with the growth of the initiative. And to most successful people their reputation is worth more than a few dollars of contributed resources. Consequently, getting partners to score high in both interest and stake, and ideally to commit both resources and the personal brand to the initiative, increases the chances of partners actually putting in the necessary effort to help build the brand and make the regional innovation system successful. In the quest for more partners it can be tempting to promise things in return for almost no commitment or resources, but in doing so one has to be aware that things that come too cheaply typically aren't valued as highly. Lidén's work at Telecom City demonstrates that partners that have put some serious thought into how they can benefit from being a part of the regional innovation system are likely to be more committed and more able to contribute useful project ideas as they have thought about how they can contribute and what they would like to see the initiative focus on. Hence, in building the brand a few active participants are more valuable than many passive supporters.

However, to get stakeholders to commit time, money and ideas it's important to understand what each one stands to gain from participating and communicate this to them. What's in it for them? This can be different in each case. Once expectations have been set,

they have to be managed. This is part of fulfilling the brand promise internally. Neglecting this work will undermine further branding efforts as it dilutes the brand and drains it of meaning. If partners aren't happy they're not going to make good ambassadors and help champion the brand message.

5.3 Ambassadors, Credibility and Trust

Trust is important for business[146] and plays a crucial role in regional innovation systems as they are too complex for any individual member of the system to fully grasp. For the system to work, members have to act without necessarily understanding the whole picture, in essence, an act of faith demonstrating trust.[147]

According to Keller, the importance that brands play in the marketing equation is even more apparent in technologically intensive fields.[148] This also places increased importance on company credibility. Because of the often complex nature of technology intensive businesses and the continual introduction of new or modified products and services, the expertise and trustworthiness of these types of organizations are especially important.[149] In other words, the credibility of the regional innovation system is essential if it is to attract members and thrive. Given this, what are the best strategies for enhancing the credibility of the initiative?

Both the theoretical framework and the findings from the interviews suggest that an essential strategy for generating trust is to recruit trustworthy ambassadors. Experience shows that because of their complexity, regional innovation systems have a hard time using traditional channels like advertisement in their marketing. People are likely to support an initiative that someone they respect supports. This is the core driver behind the use of celebrity endorsers in branding. The brand essentially "borrows" the credibility of the endorser or, put oppositely, the endorser "lends" their credibility to the brand. Simple initiatives can be sold on the concept itself. But for initiatives as complex as innovation systems, the concept is too abstract for most stakeholders to fully grasp. Therefore it is essential that brand managers of regional innovation systems work aggressively to find the right ambassadors who can lend their credibility to the brand and help provoke action in the community.

Ambassadors can bring two major forms of credibility to the brand. One is indirect credibility. This credibility might be peripherally related to the technologies or activities of the innovation system. Examples might include celebrity credibility, political credibility, financial credibility, decision making credibility, or ethical credibility. A second credibility to look for is direct credibility. These are the people that have developed a reputation as being highly knowledgeable about the business of the regional innovation system. A good example of a local ambassador in this paper is Bill Hutchison who leveraged the credibility he built successfully turning around Canada's largest computer manufacturer to enlist the commitment of the strong national partners required to successfully launch his CANARIE initiative. Matt Wenger, on the other hand, is a good example of an international ambassador with direct

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[146] Nilsson, Jan-Evert, Uhlin, Åke, p. 35.
[147] ibid, p. 46.
[148] Keller, p. 11.
[149] ibid, p. 610.

credibility. As a widely respected expert in the telecommunications industry, Wenger travelled the world telling the story of Fiber Optic Valley thus lending powerful international credibility to the initiative. This credibility also flowed down to the local level as people are more apt to believe in an initiative that was vetted by an international expert.

The board is an important source of ambassadors. Recruited to help develop the regional innovation system, they should be selected with eye to the fact that they should be active ambassadors, championing the initiative across their respective networks. As board members are often influential people within their respective fields, riding on their credibility and taking advantage of their networks is especially important. Beyond the board, the employees of the organization/s facilitating the development of the regional innovation system are also important ambassadors of the innovation system.

5.4 Storytelling and the Brand

Storytelling is a fundamental part of branding and as such its' importance cannot be overestimated. Social trust is based on cultural values communicated through narratives. Narratives generate meaning and create context. There are many ways to convey the story of the brand. Some common methods include press releases, news articles, public speaking engagements, reports, and web sites. When building the brand of a regional innovation system all these methods and more need to be taken advantage of. New channels like social media, blogs and online communities, should also be put to use. Journalists play an important role in spreading the stories, and although branding managers cannot control the stories told by media, they can at least make sure journalists are aware of all the compelling stories in and around the regional innovation system, and try to be proactive in introducing the new expressions needed to discuss innovation.

Regional innovation systems are complex and many players who are parts of innovation systems are not aware of what their systems look like, or how they work.[150] The quality of the information system affects the quality of the overall innovation system. Journalism contributes to the quality of that information as the media represents one of the main sources of shared knowledge in society, setting a standard for public discussion. Hence, it is important for the success of the innovation system, as well for the community, that journalists analyze trends and relations in the innovation system as well as scrutinize involved parties.[151] How the journalist tells the story matters, hence media is an actor and not an observer of the regional innovation system.[152]

The most famous regional innovation system brand in the world was created through media. Media created the notion of "Silicon Valley" to describe the agglomeration of electronics firms in the Santa Clara County. This valley became the hotspot for IT hardware and software and later Internet industries. Would it have become as successful if the media

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[150] Nordfors, David, *The Role of Journalism in Innovation Systems*, Innovation Journalism, Vol. 1 No. 7, 8 Nov 2004, www.innovationjournalism.org, p. 13.

[151] Nordfors, David, *The Concept of Innovation Journalism and a Programme for Developing it*, Vinnova Information VI 2003:5, ISSN 1650-3120, Nov. 2003. Also published in Innovation Journalism, Vol. 1 No. 1, May 2004, www.innovationjournalism.org, p. 4-5.

[152] Sandred, Jan, *A Business Model for Innovation Journalism: Biotech Sweden*, Innovation Journalism, Vol. 2 No. 1., Jan. 17 2005, ISSN 1549-9049, www.innovationjournalism.org, p. 7

had not chosen to tell the story and thereby help build the brand? Probably not. The presence of international media has certainly helped communicate the brand internationally, attracting talent from all over the world.

Economic development through innovation systems is becoming increasingly important for urban and non-urban environments alike. Although local media may have a harder time setting aside the necessary resources to cover complex matters like innovation systems and attracting skilled journalists who understand the often complex technologies involved, it is no less important for them. And when it comes to the storytelling part, I would argue that regional innovation systems actually have an advantage over their national or transnational counterparts. Why? Given the immense impact of regional innovation on the economic, technological and political climate, as well as on the quality of life in a geographically delimited region or community, coverage of these issues may well be even more important for local and regional media than for national media where coverage of these matters often are left to trade publications. Frequently there is also less competition for news space in the local or regional media. And as has hopefully been illustrated in this paper, the stories of regional innovation systems are no less compelling than the stories of national or transnational innovation systems.

6. Recommendations

Brand managers should recognize that branding a regional innovation system requires a different strategy than traditional product branding, putting emphasis on different aspects of the branding process. While advertising may be a suitable way to create brand awareness when it comes to certain products or services, regional innovation systems are too complex to benefit meaningfully from advertising solely. It's more about facilitating knowledge exchange to promote growth than about selling a product. This typically requires different branding channels. Consequently the sets of skills that are important for the successful branding of regional innovation systems are different compared to traditional product branding.

Naturally, each case is different, but my general recommendations to the brand manager of a regional innovation system would be to focus efforts on:

1) Paint a vision specific enough to drive interest but not so specific that members feel they have no input into the mission. Build consensus and set common values that can be shared by everyone. The first basic step in all of this is communicating clearly so that potential members understand what the initiative is all about and why they should be excited about it. While painting a compelling vision is important, it is also important that it be anchored in reality. Emphasize your real strengths and don't make the mistake of overinflating expectations. Trust is crucial for regional innovation systems and damaged trust is hard to repair, particularly in a geographically delimited region where most influential people are interconnected in a close-knit network.

2) Develop a strategy for how to juggle multiple brands, varying agendas and conflicting interests. *The House of Brands* and *Branded House* approaches are two possible strategies for dealing with multiple brands, neither of which is perfect for a regional innovation system. As suggested in the discussion, a better solution could be what I refer to as a *Branded Warehouse*

approach where a strong overall house brand is an essential component to attracting quality brands that then help to reinforce the strength of the house brand. It is important to take advantage of the strength of the individual brands involved. More established brands can lend younger brands credibility by the power of association. Also, make sure to understand the expectations of everyone involved and manage these expectations accordingly.

3) Look for suitable champions on a regional, national and international level that can be ambassadors of the regional innovation system, spreading the brand message in the right networks by the power of their own individual credibility. Build, manage and take advantage of all the different networks in the regional innovation system to achieve this. Brand managers should encourage their organization to recruit board members who would make good ambassadors, and work proactively with the board to leverage their networks to the greatest extent possible.

4) Identify, create and spread the narratives that define the brand and help people understand what the regional innovation system is all about and why people should be excited about it. For spreading the brand message both within and outside of the region, the media and ambassadors are unrivaled tools.

7. Conclusions

Around the world, regions are developing their knowledge-based assets in order to stay competitive in today's global economy. In this highly competitive environment, marketing directors and innovation system executives must develop and execute a well conceived branding strategy in order to survive and thrive.

Branding a regional innovation system requires a different approach than branding typical commercial enterprises. This is because innovation systems have unique attributes that pose unique challenges for the branding manager. In this paper I have identified a number of challenges and strategies for overcoming them. I believe the four most important of these are as follows:

1. Innovation systems have unique startup marketing challenges. Selling the idea, recruiting the first members, and attracting funding are all essential objectives of the startup brand of a regional innovation system made unique by the diverse stakeholders involved. Brand champions who have demonstrated success during this stage seem to have some commonalities: first, they inspire others to act by crafting and communicating the story of the idea in very human terms. Second, they focus on creating strong governance and recruiting other founding members with commitment who together shape the agenda. Third, even as the initiative progresses past startup they continue to listen to the needs of these stakeholders and ensure they are accounted for. This aspect of the founder as ambassador and core relationship manager is key to the success of the brand during this initial phase.

   As the regional innovation system evolves, it is important for the brand to continue to recruit and develop more ambassadors. As the initiative grows, it needs the increased

outreach provided by the networks these people have. Brand managers should also be cognizant of the fact that people are mobile assets and thus constant recruitment of new brand champions needs to stay high on the agenda in order to ensure brand continuity and strength even as people move on.

From an internal branding perspective, founding ambassadors need to ensure that members share a common vision and are excited about being a part of the innovation system if the brand is to grow. In order to accomplish this it's important to understand the individual expectations and manage them. What's in it for the different members? How can being a part of the regional innovation system help them achieve their goals? Because of the complexity of regional innovation systems, formulating offers that make it clear what the individual members stand to gain from becoming involved is important. Then the different expectations have to be fitted together so that a consensus can be reach in terms of what the broader goal should be.

2. Innovation systems involve a challenging number of brands from a variety of member companies, research institutes and governmental agencies, working in coop-etition for mutual benefit.

   In this complex environment, what does the branding manager focus branding efforts on? Should the region, the individual member organizations, the network or the organization facilitating collaboration be the focus of branding efforts? How can one brand something consisting of so many different players, each with their own agenda? Should the regional innovation system be branded as a single entity or should only the member brands be emphasized? How does one ensure buy-in of the brand among all different members?

   The findings in this paper suggest that the best approach may be a *Branded Warehouse* approach where a strong branded house is just as important to the success of the initiative as the strength of the brands inside that house. This approach has been pioneered successfully by the big American box stores Costco and Walmart that are some of the most well recognized brands in their markets in spite of the fact they do not make, nor brand, any products of their own. The findings in this paper also suggest that the region and the competence available in that region should be at the heart of external branding efforts.

3. Innovation systems are highly complex structures dealing with complex technologies and diverse stakeholders. This creates significant challenges for those who are trying to build the brand. In order to overcome these challenges brand managers must build compelling narratives and leverage multiple communication channels to spread those narratives.

The media is the most powerful and credible source of information in society and can make or break any brand. For example, the strongest regional innovation system brand in the world, Silicon Valley, was a creation of the media. Consequently, it is important to devote the necessary time and effort to help media identify and craft the newsworthy stories that the general public can relate to and be inspired by. The complicated technologies often involved in innovation systems do not easily translate to a general audience nor fit the standard formats for what constitutes news. Brand managers and PR people must therefore be prepared to spent significant effort simplifying complicated technological contexts so that journalists who are not familiar with these technologies understand what is newsworthy about them.

While the media is an important channel for communicating the brand, influencing journalists, particularly when it comes to news content, is not always possible. Therefore, additional channels are needed. Perhaps the most important additional channel for spreading the brand are the initiative's ambassadors. Used effectively, these people, bring their storytelling abilities, their networks, and perhaps most importantly, their credibility to bear on the brand. Brand managers should pay particular attention to recruiting and arming ambassadors, be they board members, staff from member organizations, stakeholders, or just passionate citizens in order to drive the brand message far and wide.

4. Regional innovation systems are, by definition, constrained geographically. This puts unique pressures on a brand as word of mouth spreads quickly. Trust is vital for the success of a regional innovation system and this should be accounted for when building the brand. While painting a compelling vision is important, it is even more important that this vision is anchored in reality as falsely inflating expectations can cause irreparable damage to local trust and destroy the mission of the initiative. For example, if Coca-Cola were to have a quality issue in one factory or one village, it might have a temporary, localized effect. But if a regional innovation system fails to fulfill its brand promise, it is far more difficult to recover from.

Naturally, the scope of my research is limited and the limited number of interviewees in this study has not allowed me to draw any general conclusions concerning how all regional innovation systems should be branded. As pointed out in the *Methodology* section, the interviewees all represent regional innovation system in the Western world. This creates a geographical and cultural bias and may well have caused me to miss creative ways of branding regional innovation systems that are used in other parts of the world.

Each regional innovation system is of course different and the suggestions presented in this paper are merely some pieces of the puzzle, meant more as inspiration of possible solutions than as a ready-made formula.

7.1 Further Research

Regional innovation systems and clusters are spreading as an important way to create growth and competitiveness not just in the Western hemisphere, but all over the world. I recently learned that in Eastern Africa, where illiteracy is high, communities spread the message of their work with regional innovation systems through Stage Theater and music. When written words cannot be used to communicate the brand and evoke interest, the importance of finding other ways to tell the story obviously grows, spurring creative communication and branding practices. Looking closer at such branding and communication methods in developing countries and what regional innovation systems in the Western world could learn from them could be an interesting topic for further research.

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