

PLACE BRANDING AS AN APPROACH TO THE DEVELOPMENT OF RURAL AREAS: A CASE STUDY OF THE BRAND »BABICA IN DEDEK« FROM THE ŠKOFJA LOKA HILLS, SLOVENIA

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Figure: Weekly food fair.

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Place branding as an approach to the development of rural areas: A case study of the brand »Babica in Dedek« from the Škofja Loka Hills, Slovenia

ABSTRACT: Place branding is an approach to stimulating territorial development. From the theoretical point of view, place branding in rural areas should be an inclusive and participatory process. Applications and outcomes of the process have been insufficiently investigated so far in rural areas. The oldest place brand in Slovenia, »*Babica in Dedek*«, is analyzed to present its socioeconomic circumstances, impacts, and challenges from the perspective of local producers. Three qualitative methods are thus applied: analysis of documents, semi-structured interviews, and a focus group. This case study has revealed factors that contribute to new marketing opportunities, product packaging, holding seminars, and advertising local products in the area. On the other hand, the empirical findings are only partly aligned with the theoretical implications: the impacts of place branding are »sectorally limited« instead of being inclusive and participative.

KEY WORDS: rural geography, place branding, territorial development, network, local producers, bottom-up approach, Škofja Loka Hills

Znamčenje območij kot pristop k razvoju podeželja: študija primera znamke »Babica in Dedek« s Škofjeloškega hribovja

POVZETEK: Znamčenje območij je pristop za spodbujanje teritorialnega razvoja. S teoretskega vidika je znamčenje vključujoč in participativen proces, vendar so bile njegove aplikacije in učinki na podeželska območja doslej slabo raziskane. V tem prispevku smo analizirali vplive in izzive najstarejše tovrstne znamke v Sloveniji, »*Babica in Dedek*«, na območju Škofjeloškega hribovja z vidika tamkajšnjih ponudnikov. Uporabili smo tri kvalitativne metode: analizo virov in dokumentov, polstrukturirane intervjuje in fokusno skupino. S to študijo primera smo pokazali dejavnike, ki so pripomogli k novim tržnim priložnostim, k novi embalaži in organizaciji izobraževanja ter oglaševanju ponudbe na območju. Rezultati so osvetlili tudi neskladja s teoretskimi predpostavkami: namesto vključujočega in participativno naravnane procesa znamčenja območja so njegovi učinki omejeni zgolj na en sektor deležnikov.

KLJUČNE BESEDE: geografija podeželja, znamčenje območij, teritorialni razvoj, pristop »od spodaj navzgor«, Škofjeloško hribovje

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1 Introduction

Place branding is a process with the potential to improve the profile or reputation of an area. It is a sub-type of branding: an approach to giving meaning to a specific object (i.e., organization, company, product, or service) by creating and shaping a brand in consumers' minds (<https://www.thebrandingjournal.com/2015/10/what-is-branding-definition/>). Place branding borrows the techniques and ideas developed within general branding and uses them for at least three different aims of place branding: geographical nomenclature (i.e., promotion of location), product–place co-branding, and place management (Kavaratzis 2005). Due to its focus on diverse aspects of place, research in this field has encompassed multiple disciplines – human geography, sociology, economics (marketing), and anthropology – for more than four decades.

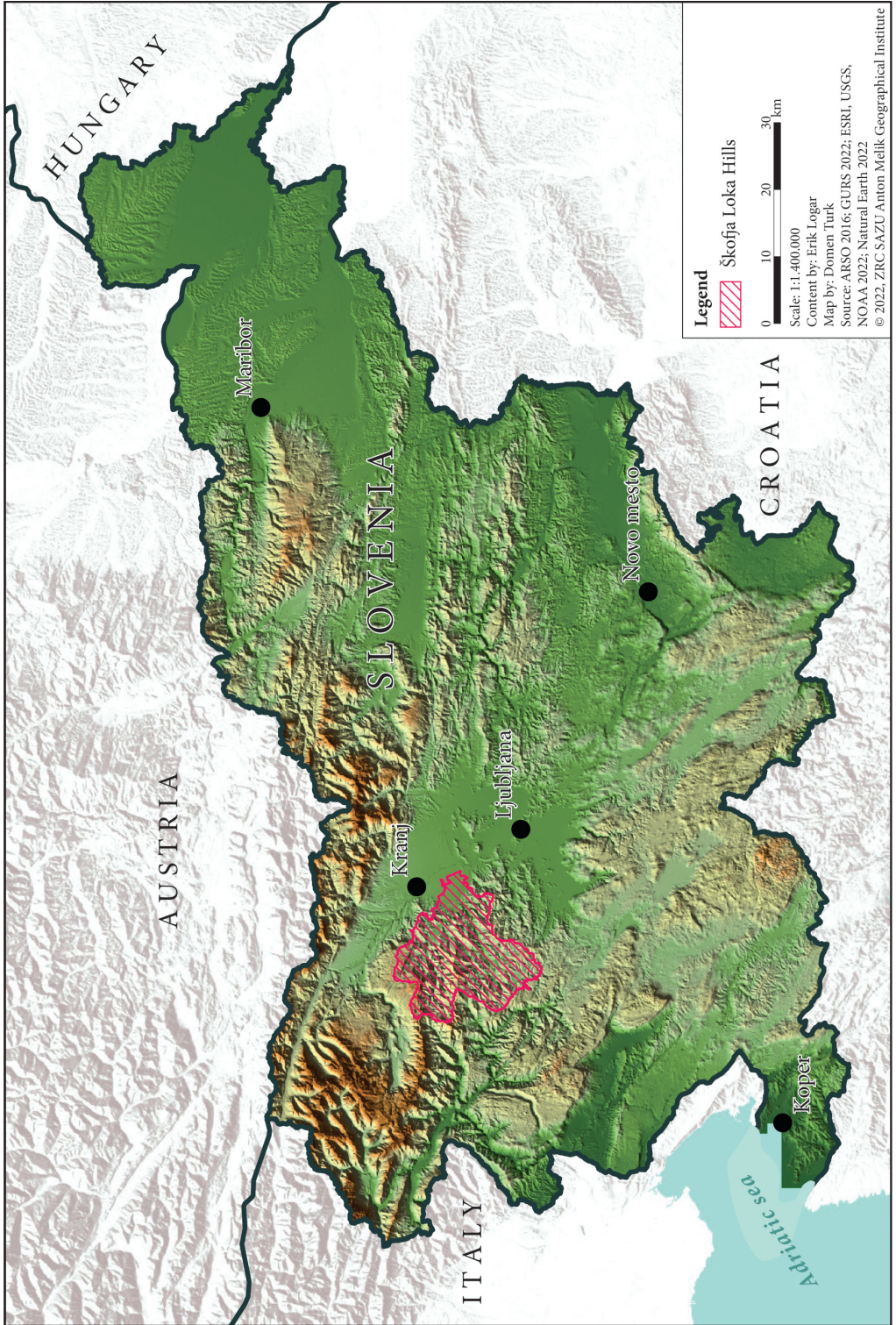
In this study, the conceptualization of place branding is aligned with Kavaratzis' definition (2005) due to its process and development emphasis: place branding can be considered an approach to integrate and guide place management. This process thus refers exclusively to places, such as countries (Anholt 2011), cities (Therkelsen and Halkier 2011; Razpotnik Visković 2021), regions (Lorenzini, Calzati and Giudici 2011; Fernandes and Richards 2021), tourist destinations (Campelo et al. 2013), and rural places as well. The place-branding process can thus develop the local economy and empower local communities (Donner 2016).

Rural areas have minor importance compared to urban areas and tourist destinations in place-branding literature. According to Karachyna et al. (2020), practitioners mostly do not monitor and evaluate place branding in rural areas, and researchers also rarely analyze this process. Compared to urban areas, the number of stakeholders in rural areas is usually lower and they are less motivated, skills and financial resources are more limited, and so on (Andersson 2014). Rural communities, the countryside, and its economies are not attractive for such research (Vogt and Mergenthaler 2015). Gulisova (2021) identified eighteen articles on place branding in rural areas in the last two decades (see the four paragraphs below). Those articles mostly focus on individual case studies without applying a comparative approach. Attempts at generalization or abstraction of research findings to expand the current theoretical framework are rare (de San Eugenio Vela 2013). Prior knowledge of place branding of rural areas can be classified into four thematic highlights:

- Place branding as an approach to stimulate the development of networks of cooperation, marketing activities, and innovations in a rural area in a holistic, inclusive, and participative way (Domínguez García et al. 2013; Urquhart and Acott 2013; Vuorinen and Vos 2013; Lee, Wall and Kovacs 2015; Mann and Plieninger 2017; de San Eugenio Vela and Barniol-Carcasona 2015; Topole et al. 2021);
- Place branding as a process of activating local resources (Pintar et al. 2010; Blichfeldt and Halkier 2014; Ledinek Lozej 2021);
- Place branding as a way of (re)constructing the image of a rural area (Vik and Villa 2010; Berg and Sevón 2014; Lai et al. 2017; Rinaldi 2017); and
- Place branding as a means to raise the quality of an area's products (e.g., foods and crafts) and services (e.g., gastronomy and tourism; Marsden and Smith 2005; Tregear et al. 2007; Wilson and Whitehead 2012; Káposzta et al. 2015; Gyimóthy 2017; Skowronek et al. 2020).

So far, only in rare cases has research addressed the identification and evaluation of the impacts of place branding in rural areas (i.e., economic, social, and cultural) from the perspective of stakeholders (i.e., residents, governance structures, companies, associations, NGOs, and producers). Due to the rural characteristics of the Škofja Loka Hills and the focus of place brand »*Babica in Dedek*« (»Grandma and Grandpa«) on producers as the main group of stakeholders, this article addresses this research gap: understanding the producers' perspective on place branding in this area.

This article analyzes the development of the place brand »*Babica in Dedek*« to present its impacts on the Škofja Loka Hills area and the challenges faced from the perspective of producers. The study focuses on the place brand »*Babica in Dedek*« in the sparsely populated and agrarian Škofja Loka Hills in north-western Slovenia (Figure 1). For more than two decades, development of this brand has sought to stimulate territorial development from the self-sufficient, inhospitable, and even backwards image of the area to a more attractive, entrepreneurial, and well-connected one (<https://babicadedek.si/>). »*Babica in Dedek*« is also the oldest place brand in Slovenia. Place-brand development has addressed the physical components of area



(improving infrastructure, promoting the landscape, etc.) and territorial structures as well (i.e., development of governance structures, networking, and socioeconomic activities; <https://babicatedek.si/>). The research questions of this study are the following: 1) What development impacts does the place brand »*Babica in Dedek*« have for producers in the Škofja Loka Hills? and 2) What challenges do producers identify for further place-brand development?

2 Methods

The empirical parts of this study are based on three qualitative research methods: analysis of documents and sources, semi-structured interviews, and a focus group. All texts (documents and transcriptions) were analyzed using the Atlas.ti computer program.

The first step analyzed the documents and sources from the archives of the place-brand manager at the Sora Regional Development Agency in Škofja Loka: current and previous place-brand strategies, annual project reports on brand development, records of stakeholder meetings, and development policies. This method yielded the main findings about the process of brand development (Bowen 2009). The qualitative analysis of those documents contributed to reconstructing the history of the place brand's development and its conceptual structure: organizational features, a stakeholder list, socioeconomic characteristics of the brand, and marketing approaches.

The second step was conducting semi-structured interviews. The stakeholders that were interviewed had to meet the following criteria (Table 1):

- The interviewee had to have been a stakeholder in the place brand for at least three years;
- The interviewee had to actively participate in the brand events (e.g., weekly local markets, stakeholder meetings, and seminars); and
- The interviewees selected had to form a representative sample of the entire group of producers (all types of stakeholders were to be interviewed: food producers, craftsmen, entrepreneurs in tourism and gastronomy, and representatives of associations and the regional development agency).

In this text, the term »producer« refers to producers and service providers in the Škofja Loka Hills (i.e., farmers, artisans, and caterers), and the term »stakeholder« refers to all actors involved with the place brand (i.e., residents, public institutions, and associations). All the stakeholders cooperating in the place-brand initiative were invited to participate in the study. Eleven interviews were conducted in situ with stakeholders and one with the brand manager (Table 1). All the interviews were recorded, and transcripts of the recordings were created. Semi-structured interviews were an effective method to gain insight into stakeholders' opinions, experiences, and values (Crick 2020). In this way, deep insight was gained into the research topic: questions could also be partially adjusted to the interviewees' answers to better understand their point of view (Esparcia et al. 2015; Lee, Wall and Kovacs 2015; Lin and Bestor 2020).

After the interviews were performed, a qualitative analysis of the transcripts was conducted with the computer program Atlas.ti (Urbanc 2008; Friese 2019; Kozina, Bole and Tiran 2021). This program allows

Table 1: Interviewees in the study.

Interviewee	Date	Location	Type of interviewee
1	May 28 th , 2020	Škofja Loka	Brand manager (employee of the regional development agency)
2	May 29 th , 2020	Škofja Loka	Representative of producers' association
3	May 29 th , 2020	Srednje Brdo	Pastry producer
4	May 29 th , 2020	Kladje	Bakery
5	May 29 th , 2020	Žirovski Vrh	Farm tourism
6	June 2 nd , 2020	Studor	Pastry producer
7	June 2 nd , 2020	Dolenja Ravan	Vegetable producer
8	June 2 nd , 2020	Martinj Vrh	Pastry producer
9	June 2 nd , 2020	Dražgoše	Pastry producer
10	June 22 nd , 2020	Praprotno	Vegetable producer
11	June 22 nd , 2020	Dolenčice	Craftsman
12	June 22 nd , 2020	Žiri	Skin-care products producer

analysis by coding the information in a text. Those codes could also be treated as categories of answers for data segmentation on the basis of research questions. Codes were created in a deductive manner in reference to the research questions and theoretical framework. The data that were selected and classified in this manner were analyzed and compared using analytical tools of Atlas.ti, such as a matrix of quotes and interactive networks of relations between codes. As a result, some representative quotes were selected and included in Table 2 to highlight the findings of the article. Through coding of transcripts, other qualitative data were complemented, and more detailed information also emerged to explain the research questions.

Due to the great diversity of answers and sometimes even contradictions among the interviewees' answers, a focus group meeting was held on October 9th, 2020, from 3 to 5 pm at the Škofja Loka town hall. Seven participants attended the focus group: three stakeholders (not the same ones as those interviewed), the brand manager, the director of the Sora Regional Development Agency, and two researchers with previous experience in studying the place brand »Babica in Dedek«. The focus-group method was complementary to the previous two methods (Goodsell, Ward and Stovall 2009; Secor 2009). It also validated the findings gathered by analysis of documents and interviews (Vuorinen and Vos 2013).

3 Results

3.1 Socioeconomic circumstances of developing the place brand »Babica in Dedek« in the Škofja Loka Hills

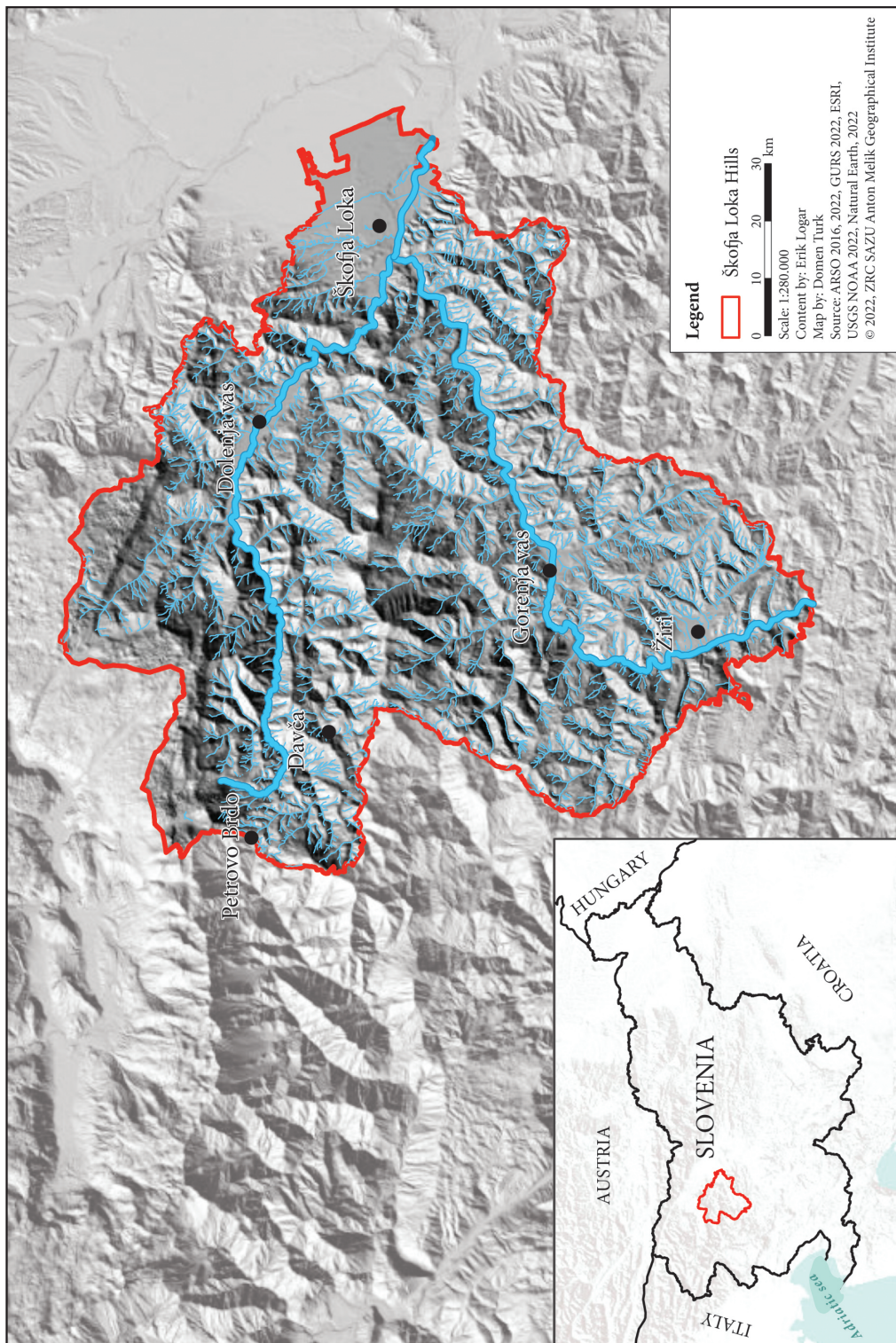
As a territorial entity in this study, the Škofja Loka Hills area is defined as »rural« due to its sparse population and network, embedded in and dependent on the broader regional spatial socioeconomic system (Potočnik Slavič 2010). The area is located in subalpine northwestern Slovenia. It consists of ranges of hills and two valleys (Figure 2). The Škofja Loka Hills area is one of the oldest historical regions in Slovenia, set up as one territorial unit in the tenth century. Despite the area's dispersed settlements, including hamlets and isolated farms, the local communities thus have a strong identity and sense of belonging to the area (Uhan and Potočnik Slavič 2019). The area has approximately 1,500 farms, and they are oriented toward dairy and beef production (Cunder and Lampič 2013; Uhan 2018).

This area of Slovenia has preserved a strong tradition of local food production and self-sufficiency even though many farmers have also been employed part-time in industry in recent decades (Uhan and Potočnik Slavič 2019). To stimulate socioeconomic reconstructing and prevent depopulation of the area, Slovenia's Ministry of Agriculture created the Rural Development Program in 2000 to develop supplementary activities on farms, to add value to farm products, and to generate diversification of farm income (Potočnik Slavič 2002). The aim of this program was to boost farm-based entrepreneurship (i.e., to upgrade cereal production to baking or pastry production, and to develop agritourism services such as accommodation and hospitality services; Razpotnik Visković 2021). The development effects of this program were noticeable: 168 farms in the area have registered supplementary activity or entrepreneurial activity in the last decade (Uhan 2018).

This development success has created new challenges. Despite diverse traditional skills, which were fundamental in improving farm production and services, enormous gaps were identified in producers' marketing, legal, organizational, and logistics skills. For example, several farms developed their own bread production using a traditional recipe. However, there was the problem of who to sell to, how, and where. This challenge contributed to the bottom-up initiative of individuals and local associations to create a common place brand to support producers in the area in marketing tasks, package development, legal questions, and setting up sales channels and stores (Uhan and Potočnik Slavič 2019). In the original idea, the place brand was seen as a »magnet« to attract consumers in the area.

In such a manner, the place brand »Babica in Dedek« was registered at the Intellectual Property Office of Slovenia in 2000 by the Sora Regional Development Agency, which has carried out a rural development program in the area. This development agency is responsible for the area's territorial development. The

Figure 2: Area consists of ranges of hills and two valleys. ►



place brand »*Babica in Dedek*« is governed by a brand manager and a team of experts employed at the Sora Regional Development Agency. The primary aim is to stimulate territorial development through place branding in a holistic way despite the strong agricultural character of the area. The brand »*Babica in Dedek*« is used to advertise traditional food products (i.e., jam, bread, butter, milk, and vegetable products) and also other products, such as spirits and wooden crafts. To maintain the quality level, a quality check of the branded products is carried out every year. Furthermore, recommendations for each labeled product and service are made, and a broad variety of seminars, consultation services, and other activities are carried out to improve the quality level of labeled products and services. In addition to revitalization and marketing of traditional gastronomy and craftsmanship, other plans have also been created for place-brand development: stimulating cultural activities, conducting archaeological and historical research to shed light on the history of the area, and increasing the quality of life and general wellbeing in local communities (<https://babicadedek.si/>). This development has contributed to the growing reputation of the area as a gastronomic region, which is recognized for its food products (bread and pastry, jam, honey, pickled vegetables, and cheese); restaurants with homemade, traditional, and local cuisine; agritourism services; and weekly local food fairs in four settlements in the valleys.

3.2 Positive impacts of brand development

The producers have obtained new opportunities for marketing and sales channels. The brand manager and a team of experts at the Sora Regional Development Agency are responsible for brand development as well as seeking new marketing and sales channels. First, they contacted several retail chains to include products from the brand »*Babica in Dedek*«. Particularly successful is the cooperation with the local retail chain Loška Zadruga, which has stores in six locations in the Škofja Loka Hills. In 2011, the Sora Regional Development Agency obtained EU funds through the Leader program for Loška Zadruga to set up specialized points of sale and market shelves to highlight »*Babica in Dedek*« products (<https://loska-zadruga.si/domaci-koticcek/>). Second, in cooperation with the municipalities in the area and associations, the brand manager has launched weekly local food fairs to sell »*Babica in Dedek*« products at the Škofja Loka marketplace. Most of the interviewees stated that their experience with selling at fairs has positively contributed to their communication skills, networking, direct links with consumers, and positive self-image. The producers highly appreciate this impact of place branding, as illustrated in Quote 1 in Table 2.

Before the place brand »*Babica in Dedek*« was registered, many producers packaged their products in plastic bags, cellophane, or other non-degradable or non-reusable materials. Even though the products were of high quality, their physical appearance was unattractive and did not stand out. The brand manager and team of experts designed product packaging in a participatory way: the producers and designers were involved in designing the packages of their products considering their ideas, their needs, and the products' features. All the packages (bottles, jars, paper bags, and boxes) are designed to follow the color scheme and logo of place brand. Quote 2 in Table 2 is an example of the change in the producers' attitude.

Designing the product packaging showed that each producer has his or her own specific issues. Experts provided consulting regarding legal issues (intellectual rights, geographic indications, and registration issues), marketing and advertising issues (how to advertise products most effectively), financial issues (how to obtain funding for new business ideas), and issues concerning hygiene regulations. The consulting was mostly financed by the Sora Regional Development Agency and thus free of charge for the producers, and the sessions were therefore broadly attended.

Some knowledge gaps (marketing, legal, organizational, and logistics) among producers led to seminars, training sessions, and networking events to stimulate knowledge exchange and boost innovative thinking. The seminars usually covered explanations of new legal rules and hygiene regulations or marketing issues. The training sessions were oriented toward developing practical skills such as business communication, digital administration, and innovative techniques in pastry decoration and craftsmanship. The networking events were held to strengthen internal cooperation networks between different types of producers (farmers, the tourism and gastronomy sectors, and craftsmen) and also external connections with researchers, policy developers, and politicians. Those events have stimulated the development of a feeling of a brand community and cooperation. Some producers have started advertising their products in a cooperative way. For example, vegetable producers have tried to jointly sell their products to local schools,

and some craftsmen have jointly advertised their products in regional newspapers. The place-brand manager emphasized this in Quote 3 in Table 2.

Advertising local products has become a key priority of the place brand. The place brand has stimulated cooperation and mutual benefits among producers in advertising. Many producers cannot afford their own advertising due to the high costs of media placement on TV or radio stations. The local newspapers were willing to publish ads, but hardly anyone would pay for them. Furthermore, most of the producers were unaware of the importance of advertising via social networks and webpages. In two decades of the brand's history, noticeable changes were made in advertising activities for local products:

- The web page Babicaindedek.si and related social media profiles have been established, which are the first approaches to digital marketing and virtual representation for many producers and their products;
- Today, local newspapers regularly cover the events of place branding (innovations, tenders for new products, new products, and producers' entrepreneurial stories) to stimulate the feeling of continuous place-brand development;
- Every December, the Sora Regional Development Agency publishes a promotional catalogue of products packaged as Christmas presents, which can also be used as business gifts; this catalogue is a shrewd marketing move because it emphasizes sustainable and responsible purchasing as an investment in the local economy;
- The place brand and its products are also represented at a variety of national and international fairs (for tourism, crafts, and food) and promotional events. Every October, the traditional promotional event »Teden podeželja« (Countryside Week) is held in Škofja Loka to promote producers and their products, and there are also discussions about the future of place-brand development in rural areas in the Škofja Loka Hills (Figure 3).

Table 2: Key quotes from the interviewees.

Source	Quote
1) Interviewee 7, vegetable producer	»Because of the brand »Babica in Dedek«, consumers can buy our vegetables in six stores in our region. This is great success! No individual producer could ever achieve such success due to a lack of business experience and engagement.«
2) Interviewee 3, pastry producer	»I was never aware of the role of the design of paper bags and boxes for my pastry. And, even if I were, I could not afford to design my own product packaging. The brand »Babica in Dedek« gave me this new opportunity, and now I can really see that the layout and appearance of the products are important too. My previous packaging was completely unattractive to consumers, and in some respects even hygienically questionable.«
3) Interviewee 1, brand manager	»Producers know how to create their product. Their knowledge was accumulated through lifelong learning and intergenerational cooperation. But how could they know everything about the changing rules in law, hygiene, or finances? The place brand »Babica in Dedek« has changed this: we take care of producers to keep them informed and offer them new skills too. This is one of the important ways our place brand works: it stimulates socioeconomic development by the educating the producers.«
4) Interviewee 11, craftsman	»I've been part of the place brand »Babica in Dedek« for several years. So what?! Even though I go to all the meetings, follow all the regulations, and use new forms of packaging, nobody has bought my products because of that place brand.«
5) Interviewee 5, farm tourism	»The brand manager is completely overloaded. She is hardly able to solve contemporary problems of the place brand, and she has no time to make long-term plans for brand development. Meetings of producers can confirm that: we plan activities to be done in the coming months and never actually discuss our vision of development and future plans. It's always just about the organizational perspective and never about the content.«
6) Interviewee 12, skin-care products producer	»The brand manager sometimes enforces her ideas or ideas in place-brand development regardless of our opinions and feedback. In fact, this is also our fault: we're always so inactive, disinterested, and without ideas or innovative proposals.«
7) Interviewee 9, vegetable producer	»Young people do not recognize the potential of brand »Babica in Dedek«. Brand community is too old for them and many of older producers see new products and innovations as a threat to their business.«



Figure 3: Weekly food fair in the Municipality of Žiri.

3.3 Challenges of brand development

Two decades of brand development empowered the producers. On the other hand, all the interviewees stress that the place brand did not bring them any increased sales or profit. The producers have noticed that most consumers of their products do not pay attention to the »Babica in Dedek« logo and do not have any information about the place brand, as the producer emphasized in Quote 4 in Table 2.

There are several explanations for this observation. First, despite a devoted brand manager and an engaged team, the interviewees point out that managing the place brand is just one of many tasks of employees at the Sora Regional Development Agency. Due to employee overload, brand development (i.e., shaping new ideas, communication with stakeholders, and endeavoring to get new or more stable financing) is usually limited to current tasks and short-term solutions only: nobody has full insight into the sales channels of the place brand or consumers' expectations. Consequently, there is an absence of a holistic approach and a lack of long-term planning for marketing and selling. The interviewee in Quote 5 in Table 2 thus suggests employing a sales specialist, whose full-time job should be marketing and selling the products.

Second, even though the initiative to establish the place brand came from local stakeholders, brand-development decisions were mostly made by employees at the Sora Regional Development Agency. Although they hold annual stakeholder meetings to discuss development issues of the place brand, the number of participants at those meetings is decreasing due to an increasing sense of irrelevance and noncompliance with the decisions made at such events for the place brand. On the one hand, the lack of stakeholder engagement in developing the place brand »Babica in Dedek« in the Škofja Loka Hills is seen as a key problem of place-brand development. On the other hand, the brand manager often does not consider producers' ideas. For example, in designing the product packaging, a broad variety of producers' ideas emerged, but most of them were not accepted. A similar problem was seen in the LEADER/CLLD project for launching promotional sales cabinets (*marejne*) to establish small points of sale at tourist locations and in restaurants in the area with products labeled with the place brand. This project was carried out without broad

stakeholder participation. The sales cabinets have also been criticized due to their design and idea: they are seen as an outcome of an unsuccessful »top-down« project. The producers are aware of the lack of their engagement too, as stated in Quote 6 in Table 2.

The brand manager has emphasized the unstable financing of place-brand development, which has caused a long-term structural problem. The place brand »*Babica in Dedek*« is mainly funded by two volatile financial sources: 1) the budgets of the four municipalities in the Škofja Loka Hills, which can change every year due to the municipalities' annual financial plans; and 2) EU funds (the Leader/CLLD funds, the Regional Development Fund, and the European Social Fund), which finance time-limited projects, usually over a two- to four-year timeframe. Lack of long-term financing puts the brand manager and employees of the Sora Regional Development Agency in a difficult position, in which the future of the place brands seems highly uncertain. The development plans for the place brand must usually be adjusted to the demands of municipalities and conditions of tenders. This uncertainty prevents shaping future plans, visions, and development strategies for the place brand. Consequently, the achievements of brand development are sometimes not cohesive or harmonized by strategies and a brand vision. The brand manager argues that her scope for autonomous decision-making regarding brand development is thus usually very limited.

All the interviewees pointed to the absence of new, especially young, producers. On average, the producers are over fifty years old. On the one hand, the level of engagement and enthusiasm for cooperating in place-brand development decreases proportionally with the lower age of producers. Young people are less interested in participating in place-brand activities; although they know considerably more about marketing skills and digital administration, they do not recognize the place brand as a long-term project with potential benefit for their business. To them, place-based networking and cooperation in the local area has a secondary role compared to digital networking and cooperation at the regional, national, or even international level. On the other hand, young producers could contribute new ideas to the place brand (Quote 7 in Table 2).

4 Discussion

The results of this research indicate a limitation of brands' impacts on one sector of stakeholders (producers). The results of this case study show alignment with one of Kavaratzis' (2005; see Introduction) three aims of place branding: product-place co-branding. This contradicts the primary aim of the place brand »*Babica in Dedek*«, which is stimulation of territorial development in a holistic way. »Sectorally limited« outcomes instead of holistic place branding are a phenomenon already known in the literature (Donner 2016; Gulisova 2021; Lešnik Štuhec 2021), but this has never been evaluated from the perspective of territorial development so far.

The development of the place brand »*Babica in Dedek*« has created quite a non-inclusive, considerably closed group of producers with a limited supply of products and services in the Škofja Loka Hills. This contradicts the theoretical presumptions of place branding as an inclusive and participative process, resulting in positive experiences and common success stories of local communities such as cooperation of producers with associations and residents, and shared events and initiatives (Domínguez García et al. 2013; Urquhart and Acott 2013; Vuorinen and Vos 2013; Lee et al. 2015; de San Eugenio Vela and Barniol-Carcasona 2015; Mann and Plieninger 2017). In such a way, branded products and services could acquire an »elitist« reputation, being sold in special places or occasions (i.e., specialized points of sale, food fairs, and festivals) and for higher prices, which would not be affordable for most local communities.

On the other hand, some interviewees also pointed out a »lock-in« feeling. They pointed to other stakeholders in the rural area that are interested in place branding of the area and could also participate in the process, but the brand manager never created an opportunity for them to join the process (i.e., through public tenders, invitations, media campaigns, etc.). The »lock-in« feeling is contrary to the definition of territorial development: it decreases of area's level of cohesion and raises its internal development discrepancies (WIKIAlps 2022). Even more, the place-branding process in the Škofja Loka Hills has contributed to new differences and inequality between stakeholders.

The results of this case study also confirm the findings of Karachyna et al. (2020) about the lack of monitoring, evaluating, and analyzing place-branding processes in rural areas. Despite two decades of brand development, the impacts of »*Babica in Dedek*« have never been evaluated. So far, the place brand has not

had any sort of monitoring system or research-based assessment regarding how much the impacts of place branding rely on the theoretical framework. Without feedback and reflection on the process, it is hard to plan further development and address the challenges identified.

In this case study, the sectoral impacts of the place-branding process are related to the identified absence of bottom-up approaches due to a lack of participative and inclusive approaches. This is a key factor that weakens place branding as an approach to territorial development. It contributes to the feeling of exclusion of several stakeholders and weakens integration of the place brand »*Babica in Dedek*« in the economies and sociocultural life of the local communities. Although the initiative for the place brand »*Babica in Dedek*« originated from the local community, a predominately top-down approach to development was used. There are several reasons for this: 1) deficient community engagement (most decisions about brand development were made by the brand manager and team of employees at the Sora Regional Development Agency), 2) ineffective use of participation methods (i.e., at annual stakeholder meetings), and 3) a continuous need for place-brand adjustment due to unstable financing. In such circumstances, a top-down approach is unavoidable in brand management, but more attention should also be paid to strengthening the bottom-up approach. Place branding will be better aligned with the needs of stakeholders only through an effective combination of top-down and bottom-up approaches (Nared and Bole 2020). A common vision and development strategy should be broadly discussed in an interactive process between the brand manager and local communities. Only in this way can the stakeholders in the area strengthen the feeling of the place brand as a common project with shared responsibilities among the stakeholders.

Due to these findings (i.e., limitation of brands' impacts on one sector; domination of non-inclusivity and top-down approaches over bottom-up; and absence of monitoring, evaluating, and analyzing the place-branding process), the place brand is not broadly accepted or embraced by the general public at the regional, national, and international levels, although several positive impacts are recognized (i.e., marketing and a new packaging layout, and opportunities for training and networking). There are no plans to expand the development scope of the brand »*Babica in Dedek*« in a holistic way, and there are no far-reaching decisions to change its structure. Broadly speaking, effective ways of updating the place brand must be developed in line with the stakeholders' needs and integrated into its structure and organization. In general, place branding in the Škofja Loka Hills area is a process that has contributed to territorial development, but there several factors and circumstances have been identified that hinder full development of its potential.

In this case study we faced to several methodological challenges. This challenges have influenced to results and have potential to develop further researches, focused on methodological point of view. First, weakness of qualitative analysis of documents and sources is the absence of other sources (i.e. unofficial notes, preparatory documents, and drafts of policy documents), which could broaden the perspective on the place-branding process. Further on, two challenges arose when applying the method of semi-structured interview: it was very time-consuming to organize and conduct the in situ interviews due to the COVID-19 pandemic, and some stakeholders that were interviewed were unable to remember certain details of place-brand development. Application of third method, qualitative analysis of the transcripts with the computer program Atlas.ti, was challenging from two viewpoints too. First, due to the complexity of the Atlas.ti computer program, preliminary training and experience of researchers are required. Second, several tools in the Atlas.ti program (i.e., automatic coding and sentiment analysis) are not adjusted to analyze texts in Slovenian, which entailed more manual coding and thus a lower level of objectivity in research. Final method, the focus-group, was conducted during the COVID pandemic, and it was a challenge to convince participants to attend the live focus group. There was also the problem of different levels of motivation to participate in the group discussion (de San Eugenio Vela and Barniol-Carcasona 2015).

5 Conclusions

The place brand »*Babica in Dedek*« is a living organism whose functions and impacts are strongly related to the socioeconomic environment of a rural area. In this case study, the theoretical implications of the place brand »*Babica in Dedek*« are of secondary importance and are partially disregarded due to other development factors.

This study has shown the contribution of a place brand to territorial development. The impacts of the place brand on producers have successfully overcome several shortcomings and knowledge gaps: new sales

channels were set up, and the producers of labeled products have also learned about marketing, legal issues, and hygiene rules. The impacts of the brand are mostly in a practical and concrete form (i.e., packaging, events, and ads), whereas more abstract processes and approaches (i.e., networking, creativity, and innovation) are of secondary importance.

The place brand »*Babica in Dedek*« also has influence on boosting cooperation among the group of stakeholders in the rural area and strengthening their advertising activities. From the viewpoint of the impacts of place branding, the place brand »*Babica in Dedek*« has created a development breakthrough in the competitive advantages of the Škofja Loka Hills, and it has contributed to better socioeconomic stability of the area.

The problem of the brand's sectoral limitation and its inaccessibility to all the stakeholders engaged is unsolved. Funding of the place brand remains unstable, and consequently the brand has to be adjusted to each tender specifically. Nobody is really committed to the development of the place brand full time, and a significant lack of a long-term vision and strategies has also been identified. From the point of this research, the place brand »*Babica in Dedek*« could not be considered an approach that could fully integrate and guide place management, as is presumed in Kavaratzis' definition (2005). The findings of this research could thus also imply broader development challenges of place brands in other areas with similar factors (a sparse population, a strong role of agriculture, and self-sufficiency). Thus, further comparative studies of place branding are needed.

Although »*Babica in Dedek*« has a two-decade history, it would be incorrect to characterize it as a success story of applying place branding to stimulate territorial development. It is better characterized as an example of a place brand with longevity and resilience: adaptation strategies to constant changes are the main feature of the brand »*Babica in Dedek*«.

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