

City branding, financialization and mercadification of the city: new strategies of capital reproduction

Frederico Basso Montanari

Pontifícia Universidade Católica.
Rio de Janeiro. Rio de Janeiro. Brasil

fredpaulista@gmail.com

 0000-0003-0139-3654

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Abstract

This article proposes to establish a dialogue between territorial marketing and the commodification of space, evaluating the imagery construction strategies of the shop-window city / spectacle city¹. We will analyze, albeit briefly, the spatial transformations promoted by “urban entrepreneurship”, which increasingly articulate the construction and sale of the city’s image as a fundamental part of the capitalist accumulation process. It should be noted that the specificities of urbanization and financialization will also be considered. So, we ask: would marketing innovations be related to the space commodification process? How can we think of city marketing as part of the innovation economy? The answers to these questions will allow – in the course of the article – the identification of strategies used by territorial marketing in urban transformations, as well as the understanding of the mechanisms that involve city branding.

Keywords: financialization; city branding; shop-window city; spectacle city.

City branding, financeirização e a mercadificação da cidade: novas estratégias de reprodução do capital

Resumo

O presente artigo propõe estabelecer um diálogo entre o *marketing* territorial e a mercadificação do espaço, avaliando as estratégias de construção imagética da cidade-vitrine/cidade-espetáculo. Analisa brevemente as transformações espaciais promovidas pelo “empreendedorismo urbano”, que passam a articular cada vez mais a construção e venda da imagem da cidade como parte fundamental do processo

¹ Shop-window city and Spectacle city are free translations of expressions used by other authors (*cidade vitrine* and *cidade espetáculo* respectively), such as Gilmar Mascarenhas (2014), to name the process which many cities have gone through, that of commodification of the urban. This process will be worked on within the text, but as a first approximation it is worth saying that consumption in the city becomes - increasingly - the consumption of the city (and of space), which justifies the idea of “shop window city” and “spectacle city”.

de acumulação capitalista. Considera ainda as especificidades da financeirização urbanizadora. Então, perguntamos: as inovações de *marketing* estariam relacionadas ao processo de mercadificação do espaço? Como podemos pensar no *marketing* da cidade como parte da economia da inovação? As respostas a essa pergunta permite identificar estratégias utilizadas pelo *marketing* territorial nas transformações urbanas, bem como compreender os mecanismos que envolvem o *city branding*.

Palavras-chave: Financeirização. *City branding*. Cidade vitrine. Cidade espetáculo.

City branding, financiarización y mercadificación de la ciudad: nuevas estrategias para la reproducción del capital

Resumen

Este artículo propone establecer un diálogo entre el marketing territorial y la mercadificación del espacio, evaluando las estrategias de construcción de imaginarios de la ciudad escaparate/ciudad espectáculo. Analizaremos, aunque brevemente, las transformaciones espaciales promovidas por el “emprendimiento urbano”, que articulan cada vez más la construcción y venta de la imagen de la ciudad como parte fundamental del proceso de acumulación capitalista. Cabe señalar que también se considerarán las especificidades de la financiarización de la urbanización. Entonces, nos preguntamos: ¿las innovaciones de marketing estarían relacionadas con el proceso de mercadificación del espacio? ¿Cómo podemos pensar en el city marketing como parte de la economía de la innovación? Las respuestas a estas preguntas permitirán, en el transcurso del artículo, identificar las estrategias utilizadas por el marketing territorial en las transformaciones urbanas, así como comprender los mecanismos que involucran el city branding.

Palabras clave: Financeirización. *City branding*. Ciudad escaparate. Ciudad espectáculo.

Introduction

The transformations we have gone through in these first two decades of the 21st century offer new challenges to those who study the city and the urban. It is in the face of these challenges that we propose here to articulate the process of financialization with the geography of innovation and the commodification of the city and the urban. In this way, the dialogue between the geography of innovation and the commodification of the city will allow us to evaluate the strategies of imagery construction of the showcase city and/or the show city, which form a fundamental part of the urban restructuring processes foreseen in the strategic plans.

It should be noted that our object of analysis is the spatial transformations promoted by urban entrepreneurship, which increasingly articulate the production and sale of the city's image as a fundamental part of the capitalist accumulation process. But where will the geography of innovation come in?

For Rui Gama (2001, p. 50) "the Geography of Innovation should concern the spatial aspects of innovation, the forms and mechanisms used by organizations towards the appropriation and valorization of the new key resources (existing or created)".

We understand that with the production and sale of the image of "refunctionalised", "restructured" etc. cities have increasingly appealed to territorial marketing strategies, which raises the following questions: are marketing innovations related to the process of marketing of cities? How can we think of city marketing as part of the innovation economy?

If in his research Gilmar Mascarenhas (MASCARENHAS, 2014) sought to highlight the links between the dissemination of the model of the spectacle city, with the interests of urban entrepreneurship (especially the realization of major sporting events), here we seek to expand this link through the analysis of innovations in marketing in the production and reproduction of urban space, which also act "to display its triumph in the context of the spectacle of society" (MASCARENHAS, 2014, p. 55).

Thus, the present article is divided into three sections, in addition to this introduction. In the first section we will briefly discuss the rise and dominance of the financialized accumulation regime, our main interlocutors being Aalbers, Chesnais, Harvey, Lencioni and Paulani. In the second section we will devote efforts to the articulation of the process of commodification with innovations in marketing, evaluating how this articulation is able to propose new strategies of reproduction of capital. We will bring here a combination of authors from different areas, such as Tunes, Mascarenhas, Muñoz and Ferreira from Geography, and from marketing and innovation, Klein, Reis and Vacca. Finally, we will dedicate the last section to make some considerations about the discussion proposed in the article.

The financialization of everything (or almost everything)

Since the 1970s we have been experiencing a profound transformation in the capitalist mode of production. From the moments of inflexion to the consolidation of a new regime of accumulation, the production and reproduction of space were - and still are - in the wake of such transformations. For this reason, we will dedicate a few pages of this article in order to reflect

on the general characteristics of these changes in an attempt to understand their repercussions on the production and management of cities.

It is important, at the outset, to present a definition of the process of financialisation of the economy or the financialised accumulation regime. Based on different authors, such as Aalbers (2012; 2015), Chesnais (1998; 2002), Arrighi (2006 [1996]), Harvey (2013 [1982]; 2018), we understand financialization as a broad process, with social as well as economic and political scope, mobilizing differing geographical scales and in which we find different actors who sustain their actions on a solid institutional and cultural basis. According to Aalbers (AALBERS, 2015, p. 214. Apud. KLINK, J. and BARCELLOS, M. 2017, p. 381), “the increasing dominance of financial agents, markets, practices, metrics and narratives, at multiple scales, which has generated a structural transformation of economies, corporations (including financial institutions), states and households”.

This growing dominance of finance mentioned by Manuel Aalbers has been occurring, as we know, since the crises of the 1970s, leading to a change “in the spatial configuration of capital accumulation processes” (ARRIGHI, [1996] 2006, p. 1), and urban space is a fundamental part of such reconfigurations.

Still on the process of financialization, we recall that investments in the expansion of trade and production no longer served the interests of the financial class, while purely financial negotiations showed greater “efficiency”. Thus less and less surplus capital was absorbed into production and instead went into asset speculation. We can say, in accordance with Harvey (2011, p. 33), that “the move to financialisation since 1973 emerged as a necessity. It offered a way of dealing with the problem of surplus absorption”.

Therefore, the ideal condition for the realization of financial globalization and the consolidation of the new regime of accumulation - financialized - was that the financial market should overlap the productive market; the income from shares should replace the value of production, with the financial sector guiding the economy. There was, therefore, what Harvey ([2005] 2008, p. 41) called the “financialization of everything”. For this, there was an urgent demand to replace fixed to flexible exchange rates, a change that facilitated the process of financialization. Arrighi ([1996] 2006, p. 323) states that this situation led to “an acceleration of the tendency of the governments of the most powerful capitalist nations to lose control over the production and regulation of worldwide money”. Figure 1 below indicates one of the direct consequences of such a process, in which the origin of corporate profit has a greater financial proportion in relation to the profit derived from actual production; that is, the inviting flexible exchange rates became increasingly attractive and sustained the gains of the financialist and rentier wall street class to the detriment of the working class.

The graph in Figure 1 represents very well what Leda Paulani (2016, p. 526) wrote, for whom that have “a very strong rentier trait” in contemporary capitalism and, unlike other contexts, this rentier trait “is not a sin against accumulation”, but a fundamental part of the financialised accumulation regime. There is, according to Klink and Barcellos (2017, p. 392) an important difference between urban production based on financialisation and that which was dominant until the 1980s. For them, bankers did not participate in the production of the urban

- or the “creation of cities” - which was much more associated with landowners, developers, state and inhabitants.

Still on the information present in the graph in Figure 1, we should pay attention to the inversion of the origin of profits, which corresponds - above all - to the form of capital that is valorised through financial application (G-d'), with interest-based returns. Financialisation is therefore a clear movement of accumulation where the economic and social content is shaped by the positions granted to highly concentrated forms of a certain type of capital (interest-bearing, or modern form of money capital). This same capital has a strong commanding role and high autonomy. Chesnais (1998) highlighted that emphasizing finance and interest-bearing capital does not mean abandoning the theoretical formulation of the fundamental role played by the extraction of surplus value in the exploitation of labor power. For him, the corporate governance characteristic of the financialised regime of accumulation constitutes one of the paths to understanding the new forms of extraction of surplus value, with the flexibilisation and precariousness of labor, or even, by the extension of spoliation through urbanizing financialisation which amplifies the processes of socio-spatial segregation.

Figure 1 – Rise of the financialised accumulation regime



Source: HARVEY, D. *O enigma do capital e as crises do capitalismo*. São Paulo, Boitempo, 2011, p. 27.

It is an interesting fact that the move to neoliberalism in the 1970s also led to a deepening of accumulation by dispossession. This deepening was, and is, sustained by the financialization of the world economy, which is “capable of unleashing from time to time, mild to violent, surges of devaluation and accumulation by spoliation in certain sectors or even entire territories” (HARVEY, [2003] 2014, p. 129). We can see, therefore, that Chesnais’ regime of financialised accumulation is co-constitutive of Harvey’s accumulation by spoliation, which indicates the intrinsic limits to

the continuity of such a regime. We can say, according to Chesnais (1998), that the rise of the financial sector presents three conditions: “autonomisation of the financial sphere in relation to production” (CHESNAIS, 1998, p. 13), “fetishism of the forms of valorisation of capital of a specifically financial nature” (CHESNAIS, 1998, p. 13) and the third highlights the freedom that financial operators have over capital flows, a freedom which can lead them from prophets to swindlers. As long as financialisation keeps the ‘wheel of accumulation’ turning, the aura of prophets will be maintained. However, Harvey (2018, p. 77) is emphatic about the future of accumulation by dispossession based on financialization and rentierism:

The economy of expropriation and accumulation by spoliation enters this framework in a disruptive manner, orchestrated through the debt and credit system, only to intensify as the difficulties of the conventional paths of capital accumulation increase, as has been the case since the 1970s. Marx clearly realized that of all the future dangers facing the reproduction of capital, this one was likely to prove fatal. And the irony is that the central contradiction in this case is not between capital and labor: it lies in the antagonistic relationship between the different factions of capital.

So the “insane forms” of speculation and the “height of distortion” reached within the credit system are therefore prone to be greatly magnified in the case of speculation in future rents. The integration of tenure within the circulation of interest-bearing capital may open the land to the free flow of capital, but it also opens it to the full game of the contradictions of capitalism. The fact that it does this in a context characterized by monopoly appropriation and control ensures that the problem of land speculation acquires a profound importance within the overall unstable dynamics of capitalism (HARVEY, 2013, p. 450).

Still inspired by David Harvey (2014, p. 70), we should remember that “land, however, is not a commodity in the ordinary sense of the term. It is a fictitious form that derives from expectations of future rents. Just like capital itself which appropriates part of the interest income - fictitious capital”. In this sense, urbanizing financialisation takes the contradiction of the financialised accumulation regime to the extreme. This means that, with the greater participation of the real estate market in the GDP - the result of a deep connection between financing and investment in the built environment - the greater will be the chances of the outbreak of the infamous systemic macro-crises.

The optimism of the financial market has the power to erect steel beams, but it cannot make a building yield profits. Moreover, the context of financialization also corresponds to the transition from a “society of producers, in which profits come from the exploitation of labor, to a society of consumers, in which profits are based on the exploitation of consumer desires” (RIBEIRO and DINIZ, 2017, p. 370). The role of image and representation is fundamental to this consumer society.

Articulating innovation and commodification: new strategies for the reproduction of capital

During UEFA Euro 2020 in 2021 one simple gesture marked the event and - possibly - the future of sponsors of major sporting events. Cristiano Ronaldo, celebrity star player who, while attending a press conference, removed from his table two small bottles of Coca-Cola, exchanging them for a bottle of mineral water. His justification was: water is healthier! This gesture alone was capable of making the Coca-Cola brand lose approximately U\$ 4 billion, without any production restructuring, new competitors, retraction in demand, reduction in sales, etc.

This unusual scene would already make us think about the brand and its impacts on our world and our daily lives. However, the relationship between a brand and the different dimensions of our lives goes far beyond a gesture performed by a celebrity or the loss of value in the market. It is in this sense that we propose in this section to discuss the new strategies of reproduction of capital based on the development of territorial marketing and the process of commodification of the city. Let us begin, therefore, with a brief history of the construction of brands.

In the 1980s, management theorists developed - and spread - the idea that “successful corporations must produce mainly brands, not products” (KLEIN, [2000] 2004, p. 27). Still according to Naomi Klein, it was at the neoliberal development of the 1970s to 1980s that large companies such as Microsoft, Nike, Tommy Hilfiger and others “boldly declared that producing goods was only an incidental aspect of their operations (...). What these companies mainly produced were not products, they said, but images of their brands” (KLEIN, [2000] 2004, p. 28). Thus, their real job was - no longer the elaboration of the product itself - but the marketing, the building of the brand.

The researcher Patrícia Cerqueira Reis offers us a definition in tune with the market discourse, in which “the brand is much more than a logo. The brand (or even the branding), is the effort to think of the identity that it represents” (REIS, 2016, p. 22). About the constitution of the brand, the author reinforces (REIS, 2016, p. 22):

When thinking about the definition of a brand, Hankinson and Cowking (1993) state that a brand is a product or service that is defined by its positioning in relation to the competition and by its personality; which comprises a unique combination of functional attributes and symbolic values; and that the key to success is to establish a relationship between the brand and the consumer, so that there is a very close correlation between the consumers’ own physical and psychological needs and the functional attributes of the brand and its symbolic values.

Thus, we cannot confuse a “mere” advertisement with the constitution of the “brand”. Advertising is like the vehicle, the means by which the brand is spread. It is, therefore, only one part of the branding process - brand management of a company and / or corporation. This difference became evident when, in the 1980s, Philip Morris bought Kraft for six times the market value, the huge difference being justified by what the Kraft brand represented, because “it added far more value to a company than its assets and total annual sales” (KLEIN, [2000]

2004, p. 31). The madness of advertising reached a level never expected before: a substantial amount of money had been applied to something abstract and unquantifiable.

Evidently, the changes in the marketing and advertising market will bring new demands, as mentioned above. One of them is the management not only of production, but - above all - the management of brands. Naomi Klein defines branding - the management of brands - from the changes that occurred at the turn of the 1980s and 1990s.

According to the old paradigm, all that marketing sold was a product. According to the new model, however, the product is always secondary to the real product, the brand, and the sale of a brand takes on an additional component that can only be described as spiritual. Advertising is about preaching the product. Branding, in its most authentic and advanced incarnations, is about corporate transcendence (KLEIN, [2000] 2004, p. 45).

It is in this sense that Klein talks about the attempt by corporations to free themselves from the corporeal world of products, stopping only at the construction of signs and symbols that will compose a particular brand. In other words, “branding was not just a matter of adding value to the product. It was about covetously infiltrating cultural ideas and iconography that their brands could reflect by projecting these ideas and images onto the culture as extensions of their brands” (KLEIN, [2000] 2004, p. 52). Thus, the novelty brought by branding is that the articulation between products (brands) and cultural experiences leaves the realm of representations to compose the reality of everyday life.

A good example presented by the author is about the Starbucks chain, which understood that “the design of a brand went beyond the logo spread on a billboard” (KLEIN, [2000] 2004, p. 44). She quotes then-VP of Marketing at Starbucks, Scott Bedbury: ““consumers don’t really believe there’s a big difference between products’ and that’s why brands must ‘establish emotional bonds’ with their consumers through ‘Starbucks experience’” (KLEIN, [2000] 2004, p. 44).

Another observation pointed out by Naomi Klein is about the location and size of clothing brand logos. According to the author, little by little the small emblems came out of the inner labels of the garments to the outer side, as a testament to the exclusivity of the garment. In Klein’s words, “these logos had the same social function as the clothing’s price tag: everyone knew exactly how much the owner of the clothing was willing to pay for the distinction” (KLEIN, [2000] 2004, p. 52). Thus, displaying the logo of the American Polo Ralph Lauren or the French Lacoste turned into the same status as a piece of art signed by some great name, such as Tarsila do Amaral, Cândido Portinari, etc.

Let us now imagine the extension of branding to cities and urban space. Some authors have already dedicated themselves to this analysis, so it is not our intention to point to a new phenomenon, but – above all – to establish new articulations, expanding the studies.

It is in the context of the restructuring of cities and urban space, where the idea of competition for investments gains strength and becomes the leitmotif of public policies and urban planning, that territorial marketing takes center stage. But what does this notorious territorial marketing, or even the diffusion of city branding, consist of?

The proposals of territorial marketing and city branding gained greater prominence in the 1990s, in the wake of the development of the global cities concept. In this context, territorial marketing was very much associated with the idea of promoting places, which would involve - only - the communicational form about parts of the space. It was only as of the 2000s that marketing plans began to articulate with development plans, that is, the forms of representation of the city began to demand - effectively - spatial transformations.

According to Patrícia Cerqueira Reis

Territorial marketing will take its best known form in Brazil in the first decade of the 2000s, applied to the tourism industry. In this field, the works of Josep Chias are considered a reference. Besides being a scholar on the subject, the author was responsible for drafting the Plan for the Barcelona Olympics in 1992 and the Aquarela Plan for Embratur (responsible for National Tourism Marketing Policies in Brazil) in 2005, which defined Brazil's international tourism marketing policy (REIS, 2016, p. 60).

Therefore, branding is a foundational part of competition between brands and between places:

Branding is, at its core, a deeply competitive enterprise, in which brands are built not only against their immediate rivals (Nike versus Reebok, Coca-Cola versus Pepsi, McDonald's versus Burger King, for example), but against all the brands that occupy the urban landscape, including the events and people they are sponsoring (REIS, 2016, p. 60).

Like the strategic planning policies imposed on cities - stimulating competition on a global scale - branding is also based on this maximum competition. Paradoxically, the domination of brands over urban landscapes ends up eliminating the exceptionality and uniqueness that cities once offered. There is, as Ferreira ([2011] 2013) and Muñoz (2004) wrote, a banalization of urbanization, which is also expressed by the production and reproduction of repeated, common and standardized landscapes (MUÑOZ, 2004). In this way, for Francesc Muñoz (2004, p. 28), this *urBANALización*:

[...] refers therefore to the way in which the cityscape is thematized in the manner of theme parks, fragments of cities are currently reproduced, replicated, cloned into others. The cityscape, thus submitted to the rules of the urban, ends up belonging neither to the city nor to the urban, but to the government of the spectacle and its global chain of images².

It is important to note, however, that territorial marketing and city branding strategies bear little or no resemblance to advertising models in the past. These were fundamentally informative about the product, i.e. marketing developed after the product. This formula was also applied to

2 Original text: se refiere, así pues, a como el paisaje de la ciudad se tematiza, a como, a la manera de los parques temáticos, fragmentos de ciudades son actualmente reproducidos, replicados, clonados en otras. El paisaje de la ciudad, sometido así a las reglas de lo urbano, acaba por no pertenecer ni a la ciudad ni a lo urbano, sino al gobierno del espectáculo y su cadena global de imágenes.

the space produced, where marketing from the territory renovation aimed to represent the new scenario resulting from the urban project, i.e., it was a narrative built a posteriori about the city transformations (Muñoz, 2004). However, the transformation of territorial marketing and of the brand city has turned the city image into a necessary condition for the realization of urban transformations, “to the point that it can be considered as the first necessary element to produce a city. This explains why the urban image needs to be promoted and published before a single brick is laid³” (MUÑOZ, 2004, p. 29). For Alvaro Ferreira it is the virtual image transformed into landscape (FERREIRA, 2013, p. 57):

At every instant the images become closer to the “real” world; they gain movement as in a film, and more and more virtual images are carefully “placed” in the landscape. If the landscape has a character of something that already exists, then these images, by being “glued” to it, end up helping to introject into the agents the sensation that this is already given, already a given, because it has been transformed into landscape.

As Gilmar Mascarenhas (2014, p. 63) pointed out:

When talking about city marketing, we are operating on the symbolic plane. And this plane has become central to capitalist accumulation, through the hegemonic control of images and information, an ideal scenario to produce lucrative illusions and camouflage contradictions.

In this sense, the society of the spectacle (DEBORD, [1992] 1997) reaches unprecedented levels, since the spectacle of urban images starts to mediate not only the social relations of production, but - also - starts to participate decisively in the process of capital accumulation, under the financial-patrimonialist regime, just as the railway and the automobile were fundamental in other previous accumulation regimes.

An interesting example that reinforces the analyses of Ferreira (2013) and Muñoz (2004) is the proposal to create a Koreatown or Little Seoul in the district of *Bom Retiro* in São Paulo (Figure 2). During his short period as mayor of the city (between January 2017 and April 2018), businessman João Dória had already proposed renaming the traditional São Paulo district as part of the infamous strategy of revitalizing central areas. The proposal involved, at the time, the participation of seven South Korean companies, among which were the giants LG, Hyundai and Samsung. Everything would start by changing the name, in allusion not only to the presence of Korean immigrants, but also an analogy to the Korean towns present in large capitalist cities. It is worth remembering that the proposal resurfaced in mid-2021, when Consul General Insang Hwang presented a new proposal to the Legislative Assembly for the creation of a Korean town. Thus, both the proposal brought by João Dória and that presented by the consul-general follow the logic in which the image - and the discourse - come before any bricks are laid (MUÑOZ, 2004).

3 Original text: hasta tal punto que se puede considerar como el primer elemento necesario para producir ciudad. Eso explica por qué la imagen urbana necesita promoverse y publicarse antes de que se coloque un solo ladrillo.

**Figure 2 – Proposed changes for the Bom Retiro neighbourhood - São Paulo / SP
Bom Retiro/Coreia**

See the proposed changes



1 - Change the name of a metro station on *linha 1 - azul* to *Coréia - Tiradentes*

2 - Lighting with Korean lamps in front of commercial establishments (Prates, Três Rios, José Paulino and Guarani streets) and the installation of the Military Police and a mobile base in the neighborhood

3 - Preservation of the Uri monument and transformation of the place into a Brazil-Korea square (a central square in the intersection between Prates and Ribeiro de Lima Streets).

4 - Adoption of the "coname" Rua da Coreia (a plaque on Prates Street would receive, right below, another one with the inscription Coreia St.)

5 - Reclamation of the area today occupied by junkyards

Murals and sculptures representing South Korea throughout the neighborhood

Source: *Folha de São Paulo*

Following this reasoning and in agreement with Alvaro Ferreira, we understand that the explosion of the spectacle-city and the vitrine-city make up the process of commodification of cities, in which the world of merchandise incorporates all dimensions of life. In Ferreira's words (FERREIRA, 2021, p. 90-91):

To clarify this further, alienation continues to take place from a construction of the world in which the image and the representations gain an ever greater dimension, in which it is not really the consumer or the goods consumed that matter, but the representation of the consumer and the act of consuming itself. All this is amplified if we take into account that both the goods and the act of consuming gain forms and meanings of spectacularization [...]. When we talk about space commodification and city commodification we take into account that now, more than in any previous moment, the relationship between a certain space and its constructed image is modified, because it is the space - transformed into product - which starts to represent the image and not the opposite.

The territorial marketing and the city branding raised the consumption to another level, because we started to buy, as was exposed, not only goods, but especially "a lifestyle, a differentiated daily experience, we buy what it represents to have that, to be part of that" (FERREIRA, 2021, p. 91).

The examples presented below help us to see how these strategies operate. Let's start with one of the most famous brands in the world, the one that represents the city of New York (Figures 3 to 5).

Figures 3, 4 and 5 – Origin of the brand associated to New York City



Sources: MoMA's file (1ª image), Milton Glaser, Public domain, via Wikimedia Commons (2ª image) e Franco Folini / Flickr (3ª image)

It was developed by Milton Glaser on the orders of the New York authorities (especially the Department of Commerce) who wanted to deconstruct the idea of a city marked by violence and insecurity in the 1970s and thus stimulate tourism in the Big Apple. In the case of New York the city itself became a brand, a slogan. A similar process has been happening in different cities, neighborhoods and regions of large capitalist cities, where brands of companies are associated with fragments of urban space. A case in point is the Botafogo underground station in Rio de Janeiro, which is now called "Botafogo Coca-Cola" (Figures 6 and 7).

Figures 6 and 7 – Name changes on the Rio de Janeiro Metro - Botafogo Station



Source: <https://gl.globo.com/rj/rio-de-janeiro/noticia/2021/01/07/em-crise-metro-rio-vende-naming-rights-e-estacao-de-botafogo-vira-botafogo-coca-cola.ghtml> (1ª imagem) e <https://diariodorio.com/estacao-de-metro-botafogo-passa-a-se-chamar-botafogo-coca-cola/> (2ª imagem).

It is important to highlight that the advances in information and communication technologies in the last decade have reshaped the way we represent cities and urban space. Thus, new denominations have emerged to represent these new cities, such as the concept of smart cities, widely disseminated by IBM from 2008 and which seeks to reinforce the idea that the "solutions are global and can be adapted in several cities" (REIS, 2016, p. 39).

Therefore, it is worth explaining how the economy of innovation composed -and still composes- an important part of this process. Important, because:

[...] in relation to the capital invested in innovation, the general conditions of production have a differentiated nature in relation to those that support traditional manufacturing production. This is because there are certain characteristics of the innovation process that are unique and that can be synthesized, as we have previously discussed, by the role of knowledge as a productive force essential to innovation (TUNES, 2020, p. 46).

For the author, inspired by the OECD⁴ Oslo Manual, we have four types of innovation: product, process, organizational and marketing (Figure 8). Product innovations occur when “the company produces something new or improves something that already exists” (TUNES, 2020, p. 82). As for process innovations, these are in which there is “total or significant partial change”, of the industrial production process or services” (TUNES, 2020, p. 82). Also in the words of Regina Tunes (2020, p. 59), the “speed of the creation of the economic good and its diffusion is what differentiates the innovation process that we are experiencing today from what happened throughout the entire historical process of evolution of techniques (for example, in the nineteenth century with the railways)”. Finally, the organizational and marketing innovations - which were only considered for market analysis from 2005 onwards (TUNES, 2020, p. 81) - are those dedicated to new forms of management and production organization (organizational innovations) and studies in the area of marketing and advertising (marketing innovations), which have come “to mean a differential to be sold by companies to the consumer market” (TUNES, 2020, p. 57).

Figure 8 – Typology of Innovations



Source: Author's Elaboration, based on Regina Tunes (2020) and Oslo Manual.

Throughout this paper we have emphasized the analysis of marketing innovations - especially territorial - as they are those “associated with different techniques for studying market and consumption characteristics, different strategies for inserting products in markets and different forms of communication” (TUNES, 2020, p. 07).

4 Oslo Manual. Guidelines for collecting and interpreting data on innovation. 3. ed. Brasília: Ministry of Science and Technology, 2005.

This means that territorial marketing - or city branding - unquestionably participates in the capitalisation process, in which capital has the magical ability to reproduce itself autonomously. It can be seen, therefore, that city branding and the financialization of the urban express themselves as alienating production, since the “strong intertwining of real estate income with financial assets income” leads to a huge “increase in the price of properties and cities - partly supported by the massive capture of public funds” (RUFINO, 2017, p. 219). Such condition reinforces what Alvaro Ferreira ([2011] 2013, p. 227) had already pointed out about cities in 2011:

Becoming competitive has become synonymous with having the capacity to attract international investments, however, in order to do so, major structural reforms are required to adapt cities to international requirements, which leads public administrations to assume very high costs, which are socialized with the entire population.

In the words of Ana Fani Alessandri Carlos (2015, p. 15), “the extension of capitalism has taken space, first as a resource, then as a productive force, and finally as a reproducible commodity, through the real estate sector. Its movement towards its reproduction points to the urban”. It is in this sense that, inspired by Alvaro Ferreira, we speak of cities’ mercadification. According to him (FERREIRA, 2019. p.38):

[...] We take into account now, more than in any previous moment, that the relationship between a given space and its constructed image is modified. It is the space, transformed into a product, that comes to represent the image, and not the other way around. What we want to make clear is that, increasingly, space is consumed by what it represents; that is, what it represents to attend and be in a certain place. In other words, talking about the commodification of space means to say that it is commodified, but that this commodity we are buying is increasingly a lifestyle, a differentiated daily experience, we buy what it represents to have that, to be part of that niche.

Closing this long topic, a short reflection is in order. When dealing with the commercialisation of cities, we point to innovations in marketing. These, in turn, are responsible for the imagetic construction of the “new” restructured urban products, composing the “new” lifestyles, the “new” everyday experiences and - therefore - transforming consumption in the city into consumption of the city.

Final considerations

The analysis of the triad innovation in marketing - financialization - commodification of cities can greatly help us understand the urban transformations of the early twenty-first century, since territorial marketing - or city branding - is already an effective part of urban transformations. Major urban projects have grounded part of their strategies through imagetic construction, as well as in the dissemination of this image, making the shop-window city / spectacle city (MARSCARENHAS, 2014) a model to be sold and replicated. This means, therefore, that city branding is increasingly mobilized in the reproduction of urban space.

So, when we articulate innovation in marketing - financialization - mercadification of cities we reinforce the idea that “[...] in the perspective of the Geography of Innovation [...] the territory is no longer just a receptacle of production and static but starts to play a decisive role in production” (TUNES, 2020, p. 339). In other words, still in the words of Regina Tunes (2020, p. 340):

Thus, by specializing for consumption, for leisure and for entertainment, the city not only ended up being another consumer product, a commodity, but, once this process was concluded, the city starts to have the same role as the other products of the global franchise, that is, it is nothing more than a support to represent brands. It is, in this sense, a branded space⁵.

It seems to us, finally, that the financialization of the spectacle-cities and the city-vitrines - rather than symbols of innovation - are signs of autumn for the capitalist mode of production, to paraphrase Fernand Braudel and Giovanni Arrighi. The question remains: how long will images and narratives succeed in stifling contradictions?

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5 Original text:: Así, a través de la especialización hacia el consumo, el ocio y el entretenimiento la ciudad no sólo ha acabado siendo un producto de consumo más, una commodity, sino que, toda vez consumado este proceso, la ciudad tiene el mismo papel que los demás productos en la economía global de las franquicias, es decir, se convierte en nada más que un soporte para representar a las marcas. Es en ese sentido, un espacio brandificado.

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MONTANARI, F. B.