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PLANNING, MANAGING AND IMPLEMENTING CITY MARKETING EFFECTIVELY: REVIEW AND DISCUSSION OF THE LAST 25 YEARS

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ABSTRACT

One of the most interesting issues in the literature of urban studies, the last thirty years especially, concern the significance of city marketing procedure on high degree of city competitiveness achievement. The basic questions arising refer to the effectiveness of city marketing and how it can be measured, to the ability of public local authorities to plan and implement promotion policies as well as to the determination of the prerequisites according to which the “final produced good”, which is the “city image”, can be promoted effectively to the potential target markets. The purpose of the paper is to provide some answers to the questions above by reviewing and discussing the main relevant arguments of the last 25 years.

Key words: City Marketing - Public Local Authorities – Planning, Managing and Implementing City Marketing

JEL Codes: O20, O21, O29
1. INTRODUCTION

In the last few decades, a significant number of scholars approaching city competition and city competitiveness, praises the importance of Marketing of a city/place as a factor in the formation of a high degree city competitiveness [Ashworth and Voogd 1990; Gold and Ward, 1994; Kotler et.al, 1993, 1999; Avraham, 2000, 2004; Warnaby et al., 2005, Stanciulescu, 2009, etc], but as well as a basic factor for strategic planning policies towards urban economic development, especially in the '80s, that, however, also continued in the '90s (Bailey,1989:3; Oatley, 1998:5). The international experience shows that place marketing can operate effectively through the promotion of the image of a place as a ‘final provided good’, in order that it becomes attractive and competitive in the potential target markets (Bramwell, 1998; Chervant-Breton, 1997; Dahles, 1998; Waitt; 2000; McCann, 2002, etc). But, most of the existing approaches tend to examine each of the above terms separately, presenting city marketing as a strategic process, which, however is something less interesting in the whole process of local economic development without any empirical investigation of the impact of city marketing on the cities’ development that is taking place (Bradley et al., 2002; Metaxas, 2006). Therefore, this situation is raising a very interesting debate among scientific approaches, as it concerns City Marketing effectiveness. Among others, questions that concerning the effective implementation of city marketing policies, the role of local authorities, the successful contribution of city marketing in the whole process of local economic development, have already built an interesting debate among geographers, planners, sociologists and marketers. The purpose of the paper is to present and discuss the main arguments that different approaches support, in order to provide some answers by reviewing and discussing the main relevant arguments of the last 25 years. In order to satisfy this aim the paper is structured as follows.
2. PLACE MARKETING HAS A STRATEGIC CHARACTER

Strategic character has also Place marketing, which has been identified as basic factor for strategic planning policies towards urban economic development, starting with the analysis of the place together with the work of the vision and the mission statements, especially in the '80s, that, however, also continued in the '90s (Bailey, 1989:3; Oatley, 1998:5; Killingbeck & Trueman, 2002; Duffy, 1995). Place marketing and, more recently, place branding literature is full of image improvements success stories (Schofield, 1996; Chevrant-Breton, 1997; Nuttavuthisit, 2007; Florek and Conejo, 2007; Metaxas, 2009; European Cities Monitor, 2002, 2003, 2004) and examples of well-planned and implemented campaigns worldwide (Capik, 2007; Shir, 2006). Many cities have failed to synchronize supply of--and demand for--urban products and services. Therefore the urban market must be analyzed in detail. City marketing can improve the relation between the demand for urban products and services, and the supply of the necessary urban conditions.

Place marketing supporters, identify local economic development and place competitiveness as goals, attributing the concept of “product” or ‘commodity’ or “good” to the place itself (Goodwin, 1993; Kearns & Philo, 1993; Metaxas, 2010) or to an island, especially talking about tourism destinations (Chaudhary, 2000; Buhalis, 2000) or tourism products (Meler & Ruzic, 1999), or destination products (Choi et al, 1999), knowing at the same time that place image promotion constitutes something more complicated and multi-dimensional. The core question is ‘How can urban managers use city marketing as an instrument for successful urban development? The aim of this paper is to discuss the problems above, focusing on the role of local actors and their capacity to plan and implement place marketing policies while in the next part the importance of organizing capacity is proved. In addition we attempt to itemize some basic needs we believe can contribute to the successful implementation of a Marketing Plan so that City Marketing can
become an effective tool in city competitiveness. Finally, the article ends up to conclusions and questions for further exploration.

2. PLANNING, MANAGING AND IMPLEMENTING CITY MARKETING POLICIES

Michael Porter (1990) in ‘The Competitive Advantage of Nations’, pointed out the opportunities for cities and regions. He supported that, far from being smothered by the global economy, authorities had an increasingly important role to play in fostering a local environment where business could flourish (Duffy, 1995:2). In order to face competition, urban management must be done with much more competitiveness and entrepreneurial sense. It must be strategic and market-oriented, and able to respond to the trend for increasing competition and interdependence between the cities that derives from the globalised economy and the implied increase in the scale of economic relationships between cities (Deffner and Liouris, 2005).

The Public Local Authorities’ contribution to the city competitiveness process concerns the planning of development projects, the management and the implementation of cities’ promotional strategies and cities’ image promotion globally. The main priority of these strategies focuses on the localities’ sustainable economic development, since the existence of local public authorities or urban managers with entrepreneurial orientation comes forward as a major necessity, especially in the decade of ’90s (Hall and Hubbard, 1998; van den Berg and Braun, 1999). Very characteristic is the survey of 140 municipalities in Minnesota Twin Cities metropolitan area, where 85% of the responders felt that competition phenomenon did exist, but half of them felt that they well doing in that competition, while more than a half appreciated that they needed to be more aggressive in the competition for more development projects (Goyetz and Kayser, 1993). From his point
of view, Barlow (1997) mentioned, the local public authorities’ absence, could have a negative impact (disadvantages) on a city’s development in comparison with others. We have to focus especially on the participations of Local Authorities and the existing enterprises (Strange, 1997) in cities’ environment associated with several fields of planning implementation (economy, entrepreneurialship, cultural planning etc.) [Dziembowska-Kowalska and Funck, 2000]. Furthermore, increasing attention has been given to the role of new forms of entrepreneurial actions such as business incubators (OECD, 2000), training and enterprise councils (TECs) [Wong, 1998; Bennett and Krebs, 1991:135; Huggins, 1997], Urban Development Corporations (UDCs) [Strange, 1997] and European Commission Programmes, such as EC-LEDA (Bennett and Krebs, 1994). Considering the fact that the economic development is the ‘key factor’ for cities’ development and that place/ city marketing procedure is based on the partnerships between local authorities and enterprises (mainly), we could support, finally, that a place marketing procedure concerns a multidimensional combination of activities, negotiations, strategic decisions and efforts that take place under the philosophy of Urban Management process. Furthermore, a special interesting are the views of Dicken et.al (1994) and Cheshire and Gordon (1995), who supported that the role of local authorities should not focus only on the attempt to attract foreign direct investments but also on their ability to formulate the proper ‘business environment’, in the frame of which the businesses will be able to operate effectively. Along with it, the development of cooperation and relations between the local factors and administration organizations is a factor of crucial importance for the successful attraction of FDI (Fuller et.al, 2003).

In their very latest studies, Cheshire and Magrini (1999, 2001) and Cheshire et al., (2000), using data of 122 FURs for the period 1978/80 and 1992/94, improve the existing growth model, as reported in previous studies (Cheshire and Carbonaro, 1996), by creating
a new variable called ‘policy capacity’ measured as the ratio of the FUR population in 1981 to the population of the largest governmental unit associated with the FUR. These studies show that the capacity to develop effective local promotion policies is not a random variable but is conditioned by a number of factors of which the most commonly cited is the structure of local governance – or administrative capacity. This argument stems from the recognition that since the output of promotion policies is the impact they have on local performance, they can be viewed as the provision of a ‘quasi-public good’ (Cheshire and Magrini, 2002). The main question is that ‘how to be provided effectively?’

The answer to that question is found in the existence of specific decision making quarters (Local Councils, Chambers, Consultant agencies etc.), which act in the city’s environment, planning and implementing competitive policies, expressing at the same time their preference to more strategic approaches including in them the presence of a) an administrative unit that represents the functionally economic region, the cultural identity, c) some leading local businesses with high regional market quotas which do not meddle in activities that are not or have ceased to be competitive in the region, d) and a strong possibility for important economic change in the environment of the local economy (Cheshire and Gordon, 1996). Polidano (2000), trying to determine ‘the measurement of the ability of the public sector in the planning and exertion of policies’, separates the meaning of ‘policy capacity’ – used by Cheshire and Magrini - from the concepts ‘implementation authority’ and ‘operational efficiency’. His approach is considered logical and necessary, since implementation authority does not entail operational efficiency or the fact than it can have an effective contribution to the economic growth and competitiveness of the city where it is implemented.
3. BASIC NEEDS OF IMPLEMENTING CITY MARKETING POLICIES EFFECTIVELY

The need of organizing capacity

The notion of city marketing in public sector policies is designated for actors that develop or implement public policy. It does not concern actors using marketing tools to increase or ensure their own competitive place, income or survival, cases where commercial marketing applies (Deffner and Liouris, 2006). So much Kresl and Singh’s approach, as that of Polidano, lead to the investigation of the ability of public authorities to organize the planning and implementation of development policies in a city’s internal environment. As representative approaches to analyzing this subject are mentioned those of van den Berg et al., (1997, 2003) and van den Berg and Braun (1999). Following, van den Berg et al’s., (1997, 2003) and van den Berg and Braun’s (1999:995) argument, ‘operational efficiency’ is mentioned as “the ability to secure the participation of all the involved factors of urban development and, through their participation, to produce new idea, plan and implement new policies which respond to the crucial issues of development and create, at the same time, the condition for viable development”.

The basic factors that contribute to an effective configuration of organizational efficiency on the part of public factors are the following (van den Berg and Braun, 1999): a) The structure of the administrative/managing organization, with clear recognition of the role of all the participants in this structure, b) Strategic networks, among everyone taking part in the organisational process. Such networks are mentioned between organisations and public factors, the local authorities and businesses, between private sector agents, c) Leadership and entrepreneurial spirit, in the sense who leads the organizational process and to what extent there are factors with ‘entrepreneurial spirit’ a fact to which – as we already saw – Hall and Hubbard (1998) refer as well, d) Vision and Strategy, in the sense that the development and implementation of strategies and tactics in a city’s environment requires the definition and the identification of the city’s vision, e) Spatial-Economic conditions,
which refer to the opportunities but also to the threats which develop in the frame of the new internationalized environment in which the cities are required to organise competitive policies in order to face or take advantage of the new challenges, f) Political and societal support, which refer to the support of various political agents and forces beyond the local lever (national or supernational level), as well as to the participation of forces in the interior of a city (citizens or specific groups e.g. private investors). The support of both parties is deemed necessary for the effectiveness of organizational policies and city competitiveness.

**The need of auditing**

The auditing process is placed in the beginning of City Marketing implementation and must include:

a) *What is the city offering good?* Van den Berg and Braun (1999) identify three levels of city marketing: the first level comprises the individual city goods and services, the second comprises clusters of related services and the third constitutes the city agglomeration as a whole and which is mainly concerned with identity and image building for the city as a holistic entity.

b) *SWOT analysis:* One should identify a city’s strengths, weaknesses, opportunities and threats in order to answer the three very crucial questions: ‘What is the city’s position now? Where do we want to go in future? What methods/ means will we use for this purpose?’,

c) *City vision identification:* A city’s vision relates with the city’s future. Bramwell (1998) supports that the marketing of place products should be based on the overall vision and the policy goals for the place, what influences which city products, and promotional images are targeted at which users. It is very important to answer the question: *‘What do the community’s businesses and residents want the community to be?’* (Kotler et al., 1999:107,276). The city’s vision identification constitutes the first step before setting up the development goals.
According to Fretter (1993:165) ‘the city vision should provide a clear understanding of what is desirable of what you want to achieve’.

d) Market research (city’s internal and external environment) [van Limburg 1998; Jansen-Verbeke and van Rekom, 1996; Balaz and Mitsutake, 1998; Garrod et al, 2002], that includes: collection and evaluation of the development trends and attitudes, evaluation of potential target markets needs and expectations, exploitation of development opportunities in foreign markets, building effective partnerships with foreign organizations, analysis of competitors etc.,

e) Segmentation of the internal and external target markets (Ashworth and Voogd, 1990:49; Kotler et al., 1999:33; Kastenholtz et al, 1999; Chen, 2003): This process relates to the use of some specific segmentation criteria (demographic, personal, etc) in order to achieve successful target markets segmentation. City’s ‘products’ and ‘services’ are tended for different target markets (this differentiation consist to: different income level, quality of life, hobbies, attitudes, target markets purchasing behavior, audience psychology etc.)

The need of strategic acting

The overall strategic acting includes:

a) Creating and managing a city’s image (based on the city’s vision and distinctive characteristics): The image of a city is a critical determinant of the way that citizens and businesses (internal and external target markets) respond to that city. Kotler et al., (1999:160) mentioning the ‘Strategic Image Management’ (SIM), supported that in order to create an effective place/city image we should examine the following issues: i) what determines a place’s image?, ii) how can a place’s image be measured?, iii)what are the guidelines for designing a place’s image?, iv) what tools are available for communicating an image?, v) how can a place correct a negative image?，“
b) The evaluation and the selection of *Promotional strategies, tactics, alternative scenarios – flexible action plans*: Besides the generic strategies performance (i.e. the differentiation and the focus strategies) [Porter, 1980], there are also specific strategies (i.e penetration and co-operative strategy) [Deffner and Metaxas, 2004], tactics and alternative scenarios per development action. The necessity of using, most of the time, different strategic scenarios derives from the specific development needs that each of the development sectors has. So, in order to satisfy the requirements of the strategic planning effectively, the place-marketing planners have to create flexible and innovative action plans based on the particularities, the strengths and the weaknesses, of the development sectors, separately,

c) *Feasibility study of each action separately*: The importance of feasibility study relates to the degree of the necessity to implement a particular action. The main questions arising in this case are: i) what is the reason to implement this action, ii) what is the reason to implement this action and not some other, iii) does the city have the ability (financial, know-how, organizing etc) to implement this action, iv) how does this action relate to city’s long-term objectives?

d) *Feedback procedure, measurement and evaluation of city's marketing policies and their impacts on the city's development*: One of the most important phases on the city marketing procedure and generally on the strategic planning process. This procedure provides an obvious picture of the city’s marketing policies which have been applied, evaluates the outcomes and measures the effectiveness degree of each action, taking into account their impact on the city’s economic development and competitiveness.

**The need of investing on city’s distinctive characteristics**

For many scholars (Kresh & Singh, 1995; Duffy, 1995; Oatley, 1998), city competitiveness unquestionably derives from the internal characteristics of a city. Each city
has some characteristics associated with the city’s historical background creating something different or special for the city’s profile. Each city has its own particularities and distinctive characteristics. The geographical position, the size of the city, the accessibility to big financial or commercial markets, the accessibility to Universities and technological Institutes, the level of infrastructure (harbors, airports, telecommunications), the quality of life and the environment, as well as, the city’s specialization on some particular production sectors (manufacturing, tourism or culture) constitutes some very important characteristics that, under the umbrella of strategic planning, could create competitive advantages for the city. What is most important is that each of the city’s distinctive characteristics is a ‘distinctive good’ in itself. Following this argument, each city image - more or less- is a puzzle of different ‘distinctive goods’ and each of them needs a different development strategic process (Metaxas, 2003). City marketing is aiming to promote and support these characteristics strategically, in order to set up a competitive city image.

The need of networking and building partnerships with other cities

Even though an aggregate urban center system does not exist in Europe, several cities participate in networks or develop networks making use of one another’s experiences. They are trying to learn from their environment, to meet the challenges of Common Market, the technological boom and become capital and human attraction poles. The international experience records cases of important co-operations, such as LODIS initiative (RECITE programme, DG XVI), the CultMark project which is applying a place marketing strategy with a cultural approach, and emphasizes the cultural dimension of marketing, as well as the promotion of the cultural resources of five European places (Deffner and Metaxas, 2005), the ECOS-OUVERTURE, which is aiming at the promotion of co-operations between E.U. cities and their peers in Central and Eastern Europe as well as cities of the former U.S.S.R. (Kotios, 1999), the IBA project (International Building Exhibition Urban
Redevelopment Saxony-Anhalt 2010’ (IBA, 2005), promoting the development of networks among cities in Britain aiming at the exchange of information and knowledge (ERSC, 2000), or the cases of the cities of Coimbra and Aveiro in Portugal (Balsas, 2000), that focuses on the joint analysis of the cities’ environment with the objective to pinpoint the specific factors that influence the attractiveness and competitiveness of their market precincts.

**The need of experts**

The existence of a particular public city’s promotion office manned with specialized stuff. The executives of this office should operate and be motivated just like business executives: We argue that this office has to be public because we strongly support that the development of a City marketing procedure must be under the Urban Management supervision. This, of course, is something that in most cases is difficult to be done. The first step relates to a public authority with entrepreneurial orientation. We could also agree with Kotler et al’s, (1999:282) view, that actions associated with industrial, technological or promotional projects, concern the private sector rather than the public. But, in the current situation, the produced good is the city’s image and, in order to promote this image effectively, the city must have a particular public office manned with specialized stuff.

**The need of understanding that city marketing is a continuing process**

All the above factors point out the need to seek those groups in the internal environment of a city that have the willingness and the knowledge to proceed strategically to organize the planning and the effective implementation of the chosen competitiveness policies. This issue, however easy it may sound, is very difficult to implement. In regard with that we set forth two basic reasons: a) although the sense of strategic planning is based on the principles that refer to the environment of enterprises, we cannot support that ‘a
city’s administration’ is the same as that of a business. Businesses have a specific structure of power and hierarchy with set goals for development and profits. In the case of cities we have opposing groups with different representation of interests and different objectives (Kotler et al., 1999:106) and b) city administrations have little experience of entrepreneurship, have come to depend and rely on higher authorities for their actions and are characterized by a rather different organization culture (van den Berg and Braun, 1999). It can draw attention to the city’s opportunities, get investments placed where they are likely to be most profitable for society as a whole, and prevent wrong investment decisions at an early stage (van den Berg and Braun, 1999).

Closing this part, we will support that city competitiveness is directly dependent on the ability of cities decision makers to organize strategic planning (planning and implementation of policies). Van den Berg et al’s approaches bring out the importance of organization in the planning process as a major factor for the formation of high degree competitiveness of European cities. The most important matter, though, is that they also bring out the need for understanding, on the part of a city’s power and administration bodies, that city competitiveness is a target that concerns all the powers that act and develop in a city’s environment and which accept common visions and interests.

4. CONCLUSIONS AND FURTHER RESEARCH

The main aim of the paper was the investigation and the awareness of the relationship between city competitiveness and city marketing. This relationship does exist and in many city cases is also strong. The main questions that this relationship arises concern the city marketing effectiveness as a tool for high degree city competitiveness achievement, the need for city marketing measurement and finally the identification of local authorities capacity, as regards their ability to plan, to manage and to perform competitive
policies aiming to the benefit of the cities they rule. The most important conclusions of the analysis above are the following:

a) the relationship between city marketing and city competitiveness exists but is also being questioned by many scientists. This dispute arises from the fact that this particular process deprives from any specific way or method for effective measurement, and also from the absence of knowledge and know-how of planners and policy makers on how to implement it. Lovering’s and Krugman’s approaches have a very logical base since they accept city competition as an outcome of firm competition, considering the fact that the competitiveness of a firm is easier to identify. On the contrary, city marketing supporters, by beginning from marketing’s traditional theory of ‘4ps’ by Kotler (1986) and by accepting the difference between the ‘firm’ and the ‘city’, try to award the necessity of strategic planning, in order for the ‘final good’, that is the ‘image of the city’, to be promoted to the potential target markets effectively, creating at the same time benefits not only for the city but for the wider community, too.

b) the second conclusion, which follows the first, concerns the promotion of city image. Cheshire and Magrini, set up the question and they also try to provide an answer, which is correct to a certain extent, regardless of the fact that the only element taken into account on the variable ‘public capacity’ is the number of employees in the largest administrative department of a city, without taking into account other factors such as the level of education or former experience. Certainly, though, this approach is the first one, on empirical level, which attempts to measure the influence of this variable on city competitiveness.

c) continuing, the third conclusion awards the need of strategic planning existence and the measurement of local authorities and policy makers capacity to implement competitive policies. Van den Berg and Braun’s, but also Kresl and Singh’s, studies point out the
importance of organising strategic planning, which, in our opinion, leads to city marketing effectiveness.

d) Adopting Kotler et al., and van den Berg and Braun views we advocate that the implementation of city marketing is not something simple but, on the contrary, something multi-dimensional. Of course the city is not an enterprise; the representation of common interests in city's environment is more difficult and complicated than that in an enterprise. City policy makers, in the majority of cases, are devoid of specialization and knowledge, but despite of that, the necessity for strategic planning remains the same, and, in the case of cities, much greater and more sophisticated.

In conclusion, the study supports that city marketing could become an effective tool of city competitiveness, if decision makers and planners satisfy the basic needs that are mentioned above. Additionally, though, its effectiveness may be affected by other factors in cities’ environment. Factors that concern a city’s distinctive characteristics and on which strategic planning, strategies and tactics should be based. That is, which policies, in a total city marketing plan, influence each city’s competitiveness substantially; Furthermore, what the nature of those that exercise these policies is, as well as how the positive influence springing from the implementation of promotion policies is diffused in both the city environment and the region in which it belongs. We believe that the answers to these questions are necessary in order to understand better the importance of the relationship between city competitiveness and city marketing as well as the importance of city marketing as a procedure.

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