

CITY MARKETING: CONCEPTS AND PRACTICE IN ROMANIA

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Abstract: *Starting from the idea that cities have become the engines of European economic regions and that the EU is currently faced with challenges imposed by globalization, the international crisis and migration, we believe that city marketing can be a tool for implementing urban policies in European urban areas.*

The purpose of this paper is to address the competitiveness of cities in the current context of economic and social development, highlighting the aspects of competitiveness and the necessity of competition between cities by permanently increasing the demand for goods and public services, and by reorienting the attitudes of local authorities from administration to management and city marketing.

Keywords: *city marketing, economic and social crisis, competitiveness, urban management.*

JEL Classification: M31, M38, H83

1. Introduction

In recent decades, marketing underwent a profound change of its sphere of interest in all countries, moving from the *traditional stage* when meeting consumer needs for goods and services played an essential role to the *modern, holistic stage*, reflecting the evolution of society as a whole, the increase of global competition and aiming mainly to meet consumer needs that are more sophisticated, sometimes unexpected, in the form of products characterized more by image than by tangible attributes. It is noteworthy that among the main categories of entities to which the present stage principles, methods and techniques of marketing apply we find: *goods, services, experiences, events, people, places (cities, states, regions, nations), properties, organizations, information, ideas* (Kotler, Keller, 2012). In this context, it appears that marketers' actions are moving towards conceptualization and implementation of marketing in economies with different stages of economic development and towards identifying new practical marketing activities that are closely related to the dynamic of the global market, a market in which *cities are negotiated more than any good in capitalist society* (Goodwin, 1998).

In an increasingly competitive world, cities compete with other cities, near and distant in terms of space, to ensure a complex development and to access new human resources, advanced technology, and bigger investments. Thus, cities become more competitive by increasing their capacity to attract resources and use them more efficiently and by developing an attractive offer for the public, tourists, and the business environment. A significant number of researchers addressed the importance of urban marketing as *a factor in the formation of high urban competitiveness* (Ashworth Voogd, 1990 Kotler et al, 1993), but urban marketing is also *a main factor in the implementation of policies and urban strategies* (Bailey, 1989).

International experience shows that city marketing can operate efficiently by *promoting and supporting the image of a place as a commodity designed to become attractive and competitive on potential target markets* (McCann, 2002). Existing approaches of urban marketing insist on a separate analysis of terms, but experts, whether they are sociologists, geographers, planners or marketers, support the topic of urban marketing policy implementation, the role of local authorities, the successful contribution of city marketing to the whole process of local economic development.

The aim of this paper is to present different approaches to city marketing in scholarly literature, focusing on conceptual and practical peculiarities of this new and exciting area for modern urban development. We highlight some examples of urban marketing in

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European countries that have developed and have been promoted in recent decades, focusing on issues raised by the evolution of cities in the economic and social crisis of recent years. Finally, we describe some best practices and opportunities for implementing urban marketing in Romania.

2. Literature Review of City Marketing

Urban marketing is a relatively recent topic of academic research (Kotler, 1993), even if the promotion of cities dates after 1850 (Ward, 1998). We use different terms (Suchacek, Sed'a, 2011) from *territorial marketing* or place marketing in English literature, to *komunales marketing* in German literature, but most authors prefer *local and regional marketing*, *spatial marketing*, *municipal marketing* or *city marketing*. O'Leary and Iredale (1976) are among the first authors to identify urban marketing as a challenge of the future, describing *urban marketing as activities that are designed to create favorable disposition and behavior through geographic location*.

Used in the last three decades as a factor supporting the policies of development and promotion of cities, city marketing evolved slowly, passing through *discrete phases, different in sophistication, approach and objectives* (Kavaratzis, Ashworth, 2008) and developed using models taken from marketing and other related disciplines, becoming a selling tool of city image regardless of geographical location or characteristics. International experience shows that urban marketing as an activity is linked to local development and investment promotion in cities aiming to build and develop their image for the external environment.

In recent years, city marketing has become one of the most exciting areas of research, especially in Europe where cities promoted policies to support their image and have become more competitive as a result (Ashworth and Voogd, 1990).

Addressing issues of design and organization of cities, regions or nations, urban marketing, also called *strategic urban marketing* (Kotler, 1993), requires community design to meet the needs of the main constituent groups within that respective community (made up of citizens, workers and companies, visitors, new businesses and investors) interested in urban development and which are, from this perspective, target markets of city marketing (Kotler, 2001).

The core of urban marketing lies in promoting the values and image of the place so that potential users are aware of its advantages; thus, urban marketing becomes a tool to manage urban space. Urban marketing fulfils its purpose when the community is satisfied with the urban and socio-economic environment and when visitors and investors' expectations are met at the highest level.

As indicated by Kranz and Schatzl (1997), *city marketing has more to offer than a new term for what is called urban development policy*, although scholarly literature makes no separation between the concepts of urban marketing and local economic development or cities' competitiveness. The role of urban marketing is sometimes limited to the concept of city promotion policy, minimizing the importance of specific activities in the local strategies of economic development. Other times, urban marketing is perceived as a simple strategic planning process and is not integrated into local economics or city competitiveness.

Analysing scholarly literature, it appears that the term "city marketing" is used in *different approaches* (Corsico, 1994):

- a) *as a promotion of the city*, of its characteristics and prospects, to attract foreign investments and visitors, an approach criticized in theory, but applied in current urban marketing practice;

- b) *as an alignment of policies of urban development*, from conception to implementation, to the requirements of local economic factors and the expectations of external factors that must be met to promote the local economy as the driving force of the city's welfare;
- c) *as a reorganization of city administration*, to support the city product (citizens, companies, institutions, investors, visitors)

Whatever the approach, city marketing is based on two concepts that differ according to the location of marketing actions:

- the first concept refers to *city marketing as a tool* used by cities to prepare to face competition in the market of urban areas, as the city defines all its actions to attract new players able to support the local economy;
- the second concept *emphasizes the role of competition between cities*, as urban marketing allows effective reorganization of urban policies, acting so as to enhance what already exists; only the city that manages to satisfy its own citizens will attract new players.

It's worth noting an interesting point of view according to which urban marketing (Corsico, 1994):

- a) *takes place in the city*, the city being the place where goods and services are sold that has a system of commerce; *the city is*, in other words, *a market*;
- b) *is city marketing*; the city is, in terms of marketing, a good sold, *a commodity*.
- c) *is marketing implemented by the city*; the city, as a subject, performs a marketing activity, operating as a market actor, according to its marketing philosophy and acting as *a business*.

These three meanings do not cover the complexity of existing relations in the urban system; the concept of urban marketing suggests the notions of *market, commodity and enterprise* as three possible metaphors for the city, focusing attention on issues related to the negotiation between actors operating in the market, the formation of values and exchange mechanisms, and the idea of the market as a perfectible regulatory tool for urban development. The city is a market in which supply must meet demand, but is also a product able to attract or stimulate future demand, while at administrative level, the city is a business that reorients through its actions towards a new concept.

The principle of urban marketing is to be found in the urban planning process, in the formulation of development policies, incorporating in every sectoral policy four crucial aspects that characterize marketing practice:

1. product - city configuration, what products and services are there on the market?;
2. position - how does the city product reach the customer, where are services and urban functions located?
3. price – what is the price of services; does it ensure a fair distribution for target groups?
4. promotion - through advertising, public relations, direct communication.

Different definitions of urban marketing or city marketing extracted from scholarly literature are shown in Table no.1:

Table no.1 The concept of city marketing

Author(s)	Definition
Ashworth, Voodg, 1988	Urban marketing describes various ways in which cities can improve their competitive position in a market...Urban marketing can be described as <i>a process that facilitates the connection between urban activities and the demands of targeted customers, so as to maximize the efficient social and economic functioning of the area concerned in accordance with whatever goals have been established.</i> This idea can be applied at various spatial scales and thus urban marketing can be viewed as a part of the broader regional and even national marketing.
Van der Meer, 1990	Urban marketing can be described as <i>the set of activities intended to optimize the balance between the offer of urban functions and the demand from inhabitants, companies, tourists and other visitors.</i>
Kotler, Haider, Rein, 1993	Strategic marketing calls for designing <i>a community that satisfies the needs of target-markets.</i> Urban marketing succeeds when stakeholders, such as citizens, workers, and businesses derive satisfaction from their community, and when visitors, new businesses and investors have their expectations met...urban marketing means designing a place to satisfy the needs of its target markets.
Gold, Ward, 2002	City promotion is the conscious use of publicity and marketing to communicate selected images of specific localities or geographical areas to a target audience.
Kotler, Gertner, 2002	City marketing is used to accomplish several goals, such as creating a positive image for the community, attracting companies, institutions, tourists and skilled work force, as well as finding new markets for exports and using instruments of strategic marketing management in order to create an urban brand.
Bradley, Hall, Harrison, 2002	City marketing is presented more as a strategic process, without being analysed in correlation with local economic development or cities' competitiveness.
Kavaratzis, 2004	The way in which city-brand communication takes place through the choice and appropriate treatment of different variables, which have both functional and symbolic meaning.
Braun, 2008	The coordinated use of marketing tools supported by a shared customer-oriented philosophy, for creating, communicating, delivering, and exchanging urban offerings that have value for the city's customers and the city's community at large.

City marketing means adapting the traditional marketing model of the 4 Ps (product, price, place, promotion) and its performance in urban marketing. In the case of urban marketing, *the product* is a place or a city that has certain characteristics of economic, social or cultural and touristic interest. According to Short and Kim (1998), implementing urban marketing as a procedure is based on the realization of urban marketing as a science and as a practice.

The most significant aspect of urban marketing is that the city's vision; its development objectives and strategies depend on the distinctive local characteristics and peculiarities of each individual city.

Urban marketing is different from urban planning (Deffner, Metaxas, 2006); city marketing complements, but does not replace urban planning. Complementary fields to urban planning refer to: a) urban development, b) urban management; c) urban governance, d) cultural planning, e) city branding, f) planning of demonstration actions, g) urban regeneration, h) urban policy.

Implementing policies of urban marketing as a *tool of urban development* expanded in certain sectors such as tourism, sport, recreation, arts, media (Bianchini, 1993), creating strong cultural industries with activities such as fashion and design, architecture, local history, entertainment, that give the city an identity and an external image.

The procedure of city marketing must be assessed under *the philosophy of urban management* (Ashwort Voogd, 1990), in the same way as the marketing promotion process. The process of strategic planning is related to the analysis of the internal and external environment of cities (SWOT and PEST analysis). City marketing depends on cooperation between a plurality of local actors and building social consensus, and thus relates to urban governance.

The approach of cultural planning as an area of urban development highlights the link with urban development, contributing to the emergence of a sense of place / city. A successful city must be branded, or vice versa; thus, city marketing is interrelated to city branding (Kavaratzis, 2004).

Table no. 2: Overview of the components of theoretical frameworks

Ashworth, Voogd (1990)	Kotler et.al. (1999)	Kavaratzis(2004)
Promotional measures	Design	Primary communication
Spatial and functional measures	Infrastructure	<i>Landscape strategies</i> <i>Infrastructure projects</i>
Organisational measures	Basic services	<i>Organisational structure</i>
Financial measures	Attractions	<i>City behaviour</i>
		Secondary communication
		<i>Advertising, Public Relations, Graphic Design, Logo and slogan</i>
		Tertiary communication
		<i>Word of mouth, Media representations</i>

Source: Boisen M., (2007). The role of city marketing in contemporary urban governance, Conference Future of cities:impact-indicators.... www.bestplaceinstytut.org

Concluding on the role of city marketing, it must serve to achieve four goals: 1) improving urban products, which is the city with everything in it; 2) improving the incentives for consumers to make use of the city's products; 3) improving infrastructure and institutions that provide or improve access to the city's products and; 4) communication of the city, making potential customers aware of the products the city has offer (Arcarani, Valade, 2000).

3. City Marketing practice in Europe

The city is a set of traditional and modern values, of material and human resources, through which people identify with its values. As, for example, a product is bought and sold not necessarily for the raw materials that it's made of, but for the value that consumers get, a city is more than a mix of streets, buildings, institutions, parks, shops, restaurants, as it becomes a brand that builds during a lengthy and complex process that reveals *the sum of all the perceptions and associations that people have in relation to that particular city* (Smith, 2007). They refer to previous experiences, movies, news, advertisements, access to information, climate, prices, and opinions of friends and citizens of that city.

Cities *have become goods, were standardized, grouped, promoted and became the subject of negotiations more than any other commodity in capitalist society* (Goodwin, 1993). A city is a combination of products or services known as *distinctive local*

characteristics (European Commission -LODIS Programme, Anshworth Voogd, 1990) whose role is to build the image of a place as a whole (Metaxas, 2003). Modern cities are trying to be attractive on potential target markets to satisfy needs and perceptions.

One notable aspect of city marketing is *the evident discrepancy between theory and practice* (Kavaratzis, 2009). The scholarly literature mentioned above has attempted to provide, on the one hand, clarifications concerning the exact nature of the activity and its potential to assist urban development and, on the other hand, effective guidelines on practical implementation.

The practice of city marketing shows that there is a limited understanding of the concept, with two main characteristics:

1. marketing is not implemented as a process, but as a set of fragmented actions;
2. marketing is still mistaken for one of its elements, namely promotional activities.

There are examples of cities (shown in table no. 3) that planned and implemented successful worldwide campaigns.

Table no. 3: Types of urban marketing policies in Europe

City	Main goals
Amsterdam, Berlin (Aalst, Boogaarts, 2002)	Focusing on the emergence of the museums' role on cities' economic development in order to increase attractiveness
Amsterdam (Dahles, 1998)	Re-imagining the city as a tourist destination focused on evaluating the behavior of tourists
Coimbra, Aveira (Balsas, 2000)	Seeking cities as centers of economic development and reimagining
Bilbao (Gonzales, 1993)	Analysis of the relationship between culture, citizens and quality of life (emphasis on the role of culture in strategic planning)
Bologna (Bloomfield, 1993)	Planning and development of cultural policies and actions; culture as a field of production of urban economic development
Bradford (Hope, Klemm, 2001)	Transforming the city in order to make it a tourism pole by creating an effective image
Paris, London (Chevrant-Breton, 1997)	Analyse and compare two cities' promotional activities in a global and competitive context
Czech and Slovak areas (Johnson, 1995)	Measure the visitors' impacts on the development of Czech and Slovak areas, through the visitors' demand and the supply of attractions.

Source: Metaxas T., (2007). City marketing and City Competitiveness: An Effort of reviewing the last 25 years, 2007

Traditional industrial cities in the UK, such as Glasgow, Bradford, Manchester, etc., that gave signs of decline in the industrialization period have enhanced their image, development and competitiveness by planning and implementing marketing action schemes. Each city implements specific urban marketing policies according to its objectives (Metaxas, 2007), with representative examples of implementation of urban marketing in Amsterdam and Berlin (for the role of museums in economic development), Coimbra and Aveiro in Portugal (for cities as centers of economic development and reimagining), Bilbao (for the relationship between culture, citizens and quality of life), Bologna (for planning and developing policies and cultural activities), Paris and London (for the promotional activities of the two cities in a global and competitive context). These

examples of cities prove that the design and development of concrete strategies aimed at meeting potential target markets increases the efficiency of promotional policies adopted by competitive cities.

4. City Marketing in Romanian Cities

The countries of Central and Eastern Europe began applying urban marketing taking into account the international economic climate and the ability of the private sector to participate in city projects. Urban marketing can be defined in these countries as an attempt by local government to adapt to new conditions in the industry and world trade, where the development of new technologies in computing and telecommunications influence decisions related to new investments in economic activities.

In the context of the past few years, companies can choose from several possible alternative locations. The European integration process and the development of multinational corporations contribute to increasing the flexibility of companies and the creation of a new international division of labor. Cities compete for jobs and form new strategic coalitions extending beyond borders of nation states, but in the competition for international projects, Eastern European cities do not occupy the same position as the West, which is a problem for European integration (Dekleva, 1994).

Urban marketing requires a public-private partnership that is consistent at town level, as this ability is the difference between European cities. The private sector is underrepresented in European countries with transition or emerging economies, and the public sector has a different attitude in these countries.

Competition between cities in Eastern and Western Europe is not conducted on equal terms as Eastern cities do not have a sufficiently developed private economic sector and the state's attitude is still not market-oriented.

In these countries of Central and Eastern Europe, urban marketing must become a tool that is used in a way that *precedes, accompanies and continues urban planning* (Ave, 1994), thus ensuring that development trends correspond to the vocation of the city, the development of international markets and the aspirations and expectations of citizens.

In Romania, there are few examples of cities that apply urban marketing principles; there are *only isolated successful urban interventions in various stages* - Sibiu, Cluj, Pitesti, Brasov, Timisoara and Oradea (Ianas, 2014).

Of those cities, only Sibiu has a coherent urban program, in which we can find urban marketing principles and policies. This program was developed in the context of assuming the role of European Cultural Capital in 2007 and has been a program of rehabilitation of public spaces benefiting from the existence of external financing and continuous managerial support.

Sibiu was the first European Capital of Culture (ECOC) to be staged in one of the post 2004 EU accession countries under the theme "City of Culture-City of Cultures" and even if it was a risky bet at first, due to lack of experience in managing large scale cultural projects, insufficient funding, or the fact that Romania was just joining the European Union, in the end it proved to be a success story. Beyond the ECOC programme itself, the city managed to capitalize the advantages offered by the programme and transformed itself in a "best practice model" for many Romanian cities which were stuck in the "nothing to offer kind of town" paradigm.

5. Conclusions

For the future, the present study aims to continue to identify urban marketing peculiarities in Romanian cities where urban development has become a reality and public administration authorities design a new organizational culture in administrative structures.

The purpose of future research efforts in the field of urban marketing is to identify and analyse urban development projects implemented in Romanian cities, projects that are efficient both economically and socially.

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