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DOCTORAL THESIS SUMMARY

# **City Marketing and its Impact on City Competitiveness**

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# INTRODUCTION

Regardless of the economic status in which a city is at a given time, it inevitably heads for a different direction, subjected to internal cycles of growth and decline, as well as actions attributed to external shocks that cannot be controlled. All these factors represent challenges that the city has to face in order to adapt and evolve.

This research is focused on the marketing of places, more precisely on city marketing and it encompasses relatively new concepts such as “the marketing of places” and “city marketing”, based on the idea that the integration of these concepts in city management has a significant impact on the competitiveness of cities on a medium and long term basis.

According to Ashworth and Voogd (1990): *“there is nothing new in the promotion of places by those who benefit from it directly, by means of its development. In this context, what is new is the conscious implementation of the marketing approach by all the agencies that are in charge of urban planning, not only as an additional instrument to find solutions to unsolved planning problems, but also as a management philosophy of places.”*

The difference in approach comes from the fact that cities are complex products comprised from a variety of individual services such as theatres and museums, shops and sports centers, infrastructure services such as roadways and railways, which in turn make the product “City” to be co-created (Hankinson, 2007) by a multitude of public and private organizations. Given the complex nature of the product “City”, it is simultaneously consumed by different consumers in different ways. (Ashworth and Voogd, 1990)

## **Thesis structure**

The thesis is comprised of: introduction, five main chapters, conclusions and recommendations, bibliographical references and annexes.

The first chapter of the thesis – **Literature review** offers an overview on literature that deals with the problems of city marketing. It is comprised of three subchapters: the first one deals with general notions regarding the local economic development, the place marketing and branding. The second subchapter focuses on the state in which city marketing is situated: defining the concept and its evolution, the mix of city marketing, the process of applying city marketing and success factors. The third one deals with the connection between city marketing and city competitiveness.

The second chapter of the thesis – **Research methodology** presents in great detail the research methods used in the study, the justification of their choosing, the steps taken to be able to successfully conduct the research, the creation and validation of the utilized instruments, the selection of the case studies, data analysis and collection and the limitations of research.

Chapters three, four and five – **Qualitative research** includes the three case studies that were the object of the research: Bacău City, Iași City, Piatra Neamț City. In these three chapters, each case study is comprised of a detailed description and analysis of city marketing practices.

The last section of the thesis, **Conclusions and recommendations**, includes a comparative analysis of the obtained results, the conclusions of the research and the recommendations that can be given based on the conclusions, the limitations of research and future possible directions in which the research can be headed.

## **CHAPTER I – LITERATURE REVIEW**

The first chapter presents an overview of the main concepts made operational during the research: place marketing, city marketing, city branding, city competitiveness, as well as an analysis on the degree in which the specialized literature deals with these concepts.

### ***Local economic development, place marketing and branding***

The majority of the modern theoretical approaches state that, the economic development of a city or region represents a key factor in terms of place attractiveness and competitiveness. (Cheshire and Gordon 1996, 1998; Kotler et al. 1999; D’Arcy and Giussani 1996). According to Bennett and Krebs (1994), development refers to a series of factors that boosts and consolidates the growth and the development of local economies. Moreover, it targets all the actions that take place in the internal environment of the city/region by means of motivating already existing local businesses so that they can be a part of the local development, to become more competitive and to expand their financial and production activities.

In an environment that is more and more competitive, the policies of public administrations must become market oriented and aware of opportunities and threats that arise from the environment and the strengths and weaknesses of the city/county/region (Berg and Braun 1999).

Therefore, local economic development is an obtained result by means of a complex process and it is comprised of: *efficient planning, communication, activity coordination, controlling and evaluating the activities and the active implication of the local public administration during the entire process* (Metaxas, 2002).

In this competitive context, place marketing has come to represent an important aspect in local development (Ashworth and Voogd, 1994; Kotler et. al, 1999; Clark, 2002), being used as a planning and city management instrument (Ashworth and Voogd, 1990).

### ***City Marketing***

Cities are part of global markets and are continuously in competition with each other for resources, whether they realize it or not, regardless of the aspects that aim towards the public sector or the private one. Intervening to influence and modify their position in this market is not only possible and desirable, but also inevitable, given the dynamics of economy. Therefore, changes can be made deliberately, systematically and coherently or accidentally and lacking in any particular organization (Ashworth, 2004).

Extensive urbanization has led to popularizing the concept of city marketing, the phrase becoming a more important part after 1990, given the growth in competitiveness among urban centers for attracting tourists, residents, potential investors and the increase in living standards, but also the development of the city marketing concept in general.

City marketing or the marketing of cities is a relatively new field. At a first glance, city marketing represents solely an assembly of instruments and methods that are used for the “sale” of the city. However, city marketing refers to much more, given the fact that it entails the analysis and definition of the city as a product and its image, so that the final perception reflects the intention of marketing. Therefore, city marketing plays an extremely important role due to its intent to create a bridge that connects the potential of the city with the usage of this potential so that it benefits the local community (Karmowska, 2002).

According to Ashworth and Voogd (1990): *“there is nothing new in the promotion of places by those who benefit from it directly, by means of its development. In this context, what is new is the conscious implementation of the marketing approach by all the agencies that are in charge of urban planning, not only as an additional instrument to find solutions to unsolved planning problems, but also as a management philosophy of places.”*

### ***Applying city marketing and city competitiveness***

Aspects that deal with city competitiveness have been the subject of debate for the last thirty years. This is a consequence of the major changes that have intervened in the economic dynamic (Kresl, 1995; Chesire and Gordon, 1998; Budd, 1998; Begg, 1999; Kotler et al., Webster and Muller, 2000; Turok, 2004; Budd and Harmis, 2004; Puissant and Lacour 2011; Singhal et al., 2013).

Therefore, specialized literature deals with aspects that pertain to city competitiveness from the viewpoint of the measures and effective actions undertaken for the local economic development, as well as the viewpoint of strategic decisions regarding medium and long term development policies, that are established not only by means of internal analysis, but also by taking into consideration the strategies of the cities that are in competition with each other (Budd, 1998).

## CHAPTER II – RESEARCH METHODOLOGY

Chapter II – Research methodology deals with methodological aspects of the undertaken case study: justification for using the qualitative method by means of case studies, research design, the stages and tools used in data collection, the analysis and interpretation of data.

Using the case study as the primary research method, this thesis has set the objective to analyze the stage in which understanding and applying city marketing is situated in three Romanian cities from the North-East region: Bacău, Iași și Piatra Neamț.

### Research goal and objectives

The goal of the research is to describe and analyze the stage in which understanding and applying city marketing is at this point in time in three cities from the North-East region of Romania: Bacău, Iași și Piatra Neamț so that a qualitative assessment can be made on the impact of city marketing on city competitiveness.

The objectives of the research are as follows:

- Objective 1.* Identifying the most frequent activities from the city marketing field, based on the three cities included in the research;
- Objective 2.* Describing and analyzing the aspects of city marketing and branding that were applied in the three cities;
- Objective 3.* Identifying the players involved in the implementation of the city marketing process in each of the three cities;
- Objective 4.* Determining the stages undergone in the strategic planning of city marketing, as it is defined in specialized literature.
- Objective 5.* Describing the city marketing mix applied in each city, on the basis of the 5P model (Metaxas, 2002);
- Objective 6.* Describing and analyzing the success factors in the case of applying city marketing in the three cities present in the case study (Rainisto, 2003);
- Objective 7.* Analyzing the connection between the development and application stage of city marketing and city competitiveness, by means of attracting tourists and receiving European funds for each of the three cities.

In general, empirical research regarding city marketing is relatively rare, and when it can be found, it is focused on individual case studies that analyze only one element, such as the way in which a city can implement city marketing activities, particular to a certain event: The Program “City – European Capital” (Kunzmann, 2004; Bianchini and Ghilardi, 2007; Richards, 2000; Richards and Wilson, 2004; Kavartzis, 2005; Richards and Rotariu, 2010; Alexa and Alexa, 2011) or the Olympic Games (Metaxas, 2002; Zhang and Zhao, 2009; Xing and Chalip, 2006; Asprogerakas, 2007).

Comparative studies are even rarer and the majority of these studies are aimed towards large or extremely large cities in general, capitals that have very well thought out city marketing programs. (Rainsto, 2003; Kavartzis, 2008).

In this context, this study can be considered unique given the fact that it utilizes qualitative research by means of case studies so that it can explore and compare city marketing in cities of different sizes, important to the studied territorial and administrative region.

As a research strategy, the case study involves an all-encompassing method, which includes the logic of design, data collection techniques and specific approaches to their analysis. Therefore, the case study is, by no means a tactics to collect data, nor is it a simple design characteristic, but rather an encompassing research strategy.

The research design is based, on the one hand on the combination of a complete characterization and a detailed analysis of each case study, and on the other hand, on the usage of the obtained results in this stage to create a comparative analysis meant to offer a clearer picture to the studied aspects.

### **CHAPTERS III, IV, V – CASE STUDIES – BACĂU, IAȘI, PIATRA NEAMȚ**

All the analyzed case studies have had the same structure, focusing on applying the concepts of city marketing and aspects that have to do with city competitiveness. For the conduction of the case studies, the first part was to analyze the statistical data and the directions and objectives present in the urban development strategy.

The goal of the research was to create a detailed description and analysis of the city marketing practices that were applied consciously or unconsciously in the city management of the three cities that were the subject of the case study.

In order to successfully apply this approach, a series of strategic documents have been analyzed:

#### **In the case of Bacău City:**

1. The Integrated Plan of the City Development of Bacău City (2010)
2. The Development Strategy of Sustainable Development for Bacău City (2011)

#### **In the case of Iași City:**

1. Agenda 21 – The Local Plan for the Sustainable Development of Iași City (2002)
2. The Economic-Social Sustainable Development Strategy for Iași City HORIZON 2020 (2007)
3. The Integrated Plan of Development for the Growth Pole in Iași 2009 – 2015 (2009)

### **In the case of Piatra Neamț City:**

1. Agenda 21 – The Development Strategy for the Culture and Sports Domain of Piatra Neamț City (2007)
2. Agenda 21 - The Local Plan of the Sustainable Development for Tourism in the Area of Piatra Neamț City between 2007 – 2015 (2007)
3. The Local Development Strategy of Piatra Neamț City (2008)
4. The Integrated Plan of the City Development for Piatra Neamț City (2008)

The purpose of the analysis in this stage was to identify the strategic vision of the city on a long term, the way in which marketing is integrated in the planning and city management, as well as the main focus groups of the strategy. The analysis aimed towards explicit content, following the express references to marketing and promotion, the positive/negative/neutral report and the present/future report.

In the second stage, the content analysis targeted all the relevant documents.

In the case of Bacău City the following documents have been included:

1. The Integrated Plan for the City Development of Bacău City (2010)
2. The Sustainable Development Strategy of Bacău City (2011)
3. The Investment Strategy for Bacău City between 2007 – 2013
4. Tourism and Leisure Case Study of Bacău City and the Recreational Area of Bacău
5. The Economic State of Bacău County (2010)
6. The Economic Sustainable Development Strategy of Bacău County 2010-2030

In the case of Iași City:

1. Agenda 21 – The Local Plan For the Sustainable Development of Iași City, 2002
2. The Economic-Social Sustainable Development Strategy of Iași City HORIZON 2020 (2007)
3. The Integrated Plan for the Development of the Growth Pole Iași 2009 – 2015
4. The Economic and Social Development Strategy of Iași County for 2009-2014
5. The Trans-Border Development Strategy Iași – Republic of Moldova
6. The Reports of the Metropolitan Development Authority Iasi, between 2009-2012
7. The Activity Reports of the Mayor of Iași City, between 2007-2012

In the case of Piatra Neamț City:

1. Agenda21 – The Development Strategy for Culture and Sport in Piatra Neamț City (2007)
2. Agenda 21 – The Local Plan for the Sustainable Development of Tourism in the Piatra Neamț City region, between 2007 – 2015 (2007)

3. The Local Plan for the Sustainable Development of Tourism in the Piatra Neamț City region, between 2007 – 2015 (2007)
4. The Local Development Strategy of Piatra Neamț City 2008-2015 (2008)
5. The Integrated Plan of City Development for Piatra Neamț City (Royal Court) 2009 – 2013 (2008)
6. Project Portfolio for 2008 – 2015 (2008)
7. The Marketing Strategy of Piatra Neamț City as a destination (2010)
8. The Tourism Marketing Plan of Piatra Neamț City (2010)

The thesis aimed to analyze both the explicit content, as well as the implicit one (latent), by way of using the analysis dedicated application of qualitative data, QDA Miner and having a code frequency of 4 main themes and 14 subthemes. Its target was to determine the tendencies and models (Stemler, 2001) and to establish the existing connections between codes depending on the application of the cluster analysis (the Jaccard coefficient). In this case as well, the analysis aimed to determine the negative/positive and the present/future report for all the codifications. Subsequently, the analysis conducted on the latent content aimed to determine the types of existing connections between codes, by applying cluster analysis (the Jaccard coefficient).

The third stage of the analysis focused on interviews that were obtained in the three cities. The last stage targeted the correlation of the obtained results by means of previous analysis with data collected when doing research in the field.

Another part of the case study focused on the general approach on city marketing in the researched cities: the strategic vision and analysis, the organizations implicated in the marketing activity of the city, identity and image of the city, as well as the application of the city marketing mix.

Interpreting the obtained data and reaching the conclusions were made by means of the specialized literature, in three main directions: Strategic planning of marketing (Ashworth and Voogd, 1990; Kotler, 2001, Metaxas, 2002, Deffner and Metaxas, 2006, Anholt, 2009), the 5 P Model in City Marketing (Metaxas, 2002) and Analyzing the Success Factors of City Marketing (Rainisto, 2003).

## **CONCLUSIONS AND RECOMMENDATIONS**

The section of Conclusions and Recommendations includes a summary of the main results of the research, the conclusions of the comparative analysis, the correlation of the objectives and hypotheses with the obtained results, personal contributions, managerial implications, the limitations of the research, as well as future research directions.

One key aspect that should be remembered is the fact that this research approach followed the directions of the specialized literature that deals with qualitative research in general, the case study

method in particular (Stenbacka, 2001; Yin, 2003; Riege, 2003; Flyvbjerg, 2006, Schröder, 2012), namely, the generalization is not statistical in this case, but rather analytic. Having this in mind, it refers to the theory previously studied, theory that constitutes the general framework in which the obtained data from the research is projected, systematized and analyzed, thus providing a more general feel to the empirical works

The present case study presents certain particularities, both from the approached subject viewpoint, as well as the applied methodology during the research.

The indicators of innovation are as follows:

- The fact that the research targets relatively new concepts such as: “*place marketing*” and “*city marketing*”, starting from the premise that the integration of these concepts in city management has, on a medium and long term, a significant impact on the competitiveness of cities.
- The fact that dealing with the concept of city marketing was made in the context of city competitiveness, being the first attempt to connect city marketing with aspects pertaining to city competitiveness, such as the capacity to attract tourists and investments.
- The research methodology used – the qualitative research by means of case studies;
- The fact that, in general, empirical research regarding city marketing consists of individual case studies and the analysis of a sole element, such as the way in which a city implements activities of city marketing for a single specific event, whereas the present case study accomplishes a comparative analysis between several cities;
- The fact that the majority of the case studies target aspects that pertain to city marketing especially found in big cities, whereas the present case studies focus on applying city marketing in small and medium size cities.

### ***Managerial implications***

Place marketing in general and city marketing in particular has seen an important development in the last period and can now be seen as a fundamental part of city development and marketing. Putting it into practice has caused significant mutations, from the moment when only scarce and uncoordinated promotional actions were carried out, to coordinated efforts and complex marketing campaigns forged by both the public and private sector together. Nowadays, given the evolution that it has registered both in the theoretical field that deals with city marketing, as well as in the practical field, by applying an approach that has at its core the market, the consumer and the fact that it can answer the question: who are the clients, what do the clients want and how can we answer their needs? The “City” product must be recreated and developed so that it can meet these expectations as best as it can.

In practice, there is a short and medium term approach which, on the one hand, limits the effects of its application and, on the other hand, creates a negative impression of the concept, which is associated with the “commercial” and “the sale of an unrealistic image”. Even so, there are examples

of good practice even in Romania, which comes to demonstrate that if correctly implemented, city marketing based on a vision that has the consumer at its core, can have a significant impact on a long term basis on city competitiveness and on the manner in which this concept is perceived.

Starting from the obtained results of the case studies and from their application to specialized literature, a series of recommendations that can be practically applied has been formed:

- The entire process of city marketing must have at its core a long term direction, and all the already set directions must be kept regardless of any changes that happen in the political area;
- It is essential that, at the base of the city marketing project, an extensive market analysis and a detailed SWOT analysis that presents the strong and weak points of the city and the opportunities and threats when compared to its competitors is present;
- The long term vision set for a city must be communicated and debated by all the actors that are involved in the process, given the fact that their support is crucial during the implementation process;
- Before implementing any type of activity from the city marketing field, cities must define their clients and determine how they can improve the product and how they can add value to it to meet the expectancies of the people and to fit their needs as well;
- Once the long term vision and the development objectives are set, a certainty that organizational capacity exists so that the implementation of the city marketing process can begin is needed: there is a planning group that undertakes this role and brings together the players involved in the process, that there are marketing and city marketing specialists that understand the stages through which the process must undergo, that there is a budget for the implementation of activities and instruments that monitor and evaluate the obtained results;
- Taking into consideration the 4 year political cycle and the fact that applying marketing in city development needs a long term vision, an idea arises that city marketing should not be controlled by the local public administration authorities, but rather create an independent organization that can undertake the attributions.
- The public-private partnership must be exploited for the stimulation of city development, considering the fact that it is an important instrument when bringing in the know-how and the field expertise, a field in which the local public administration are facing problems. Moreover, the public-private partnership must be included in all the stages of the city marketing process, not only in the implementation phase, where there is a risk that the latter will be integrated simply as a performer, which diminishes their implication.

### *The limitations of the research*

The limitations imposed by the research, by means of case studies, are debated in specialized literature (Eisenhardt, 1989; Larsson, 1993; Miles și Huberman, 1994; Yin 2003) and are applied partially to the present research.

The first limitation refers to the possibility, in a classical sense of generalization, of the results of a research conducted by means of case studies. Through their inherent nature, qualitative case studies (a small number of analyzed entities, inductive approach) are not prone to generalization (Stenbacka, 2001), at least not a statistic generalization, specific to quantitative research.

At the same time, even with the lack of generalization, the results of this research can become of great interest to the understanding of the general context, and the ranking level the three cities are analyzed from an understanding of city marketing importance viewpoint, as well as applying it to the process of city planning.

Moreover, the conducted research presents an important geographical limitation, given the fact that the three cities present in the case study are a part of the North-East region of Romania which, in turn, can lead to inconsistencies between the obtained results and the practices of city marketing adopted in other cities of other regions of the country.

Another limitation specific to studies created by means of case studies refers to the objectivity of the researcher (Lincoln and Guba, 1985; Patton 1990; Larsson, 1993), who is assimilated with the research instruments. For the limitation of subjectivity, during the research an extended analysis of literary works has been created, on the one hand, the one referring to city marketing and, on the other hand, the one that deals with methodological problems particular to this type of research.

Another limitation comes from the lack of data regarding aspects related to city competitiveness at a city level, considering that most of them are created for counties or regions.

The analysis of the three cities presented in the case studies of this thesis compile a consistent approach, despite the fact that its depth was strongly limited by the fact that in the content analysis, more emphasis was placed on strategic documents and reports issued by the local public administrations of the three cities.