The role of city marketing in contemporary urban governance

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Abstract

More and more cities undertake city marketing initiatives to increase or defend their competitive position as attractive places for business, citizens, events and visitors. In the wake of the hegemonic perception of neo-liberal economic globalisation and the idea of the city as an entrepreneurial endeavour – the branding and marketing of cities is on the agenda of contemporary urban governance in most European countries.

This contribution briefly puts city marketing into a broader context of the re-scaling of statehood, the rise of urban entrepreneurialism before it uncovers the fundamental logic behind city marketing and confronts this logic using the findings of a research conducted into the strategic application of city marketing to middle-sized cities. The discrepancies between theory and practice are uncovered to give a brief introduction to city marketing as an intriguing study object and an increasingly important component of contemporary urban governance.

The overall content of this article is concerned with both theory and practice; empirical research and observation of trends in the practice are included to produce a number of proposals for both the improvement of our theoretical approach to city marketing and some warnings the practitioners should be aware of when intending to implement city marketing as a tool to increase the competitiveness of a specific city or region.

The article concludes by presenting a functional approach to city marketing that identifies the phenomenon as a shift from a supply-side to a demand-side focus in urban governance and planning.

Biography

Martin Boisen was born in Copenhagen (Denmark), where he studied Geography & Geoinformatics at the University of Copenhagen. Subsequently he obtained the title of Research Master in Human Geography & Planning from Utrecht University (the Netherlands). Involved in projects in several European countries, he is a frequent participant in congresses and workshops relating to urban issues. Recently, he has conducted research on the theory and practice of strategic city marketing.

Introduction

City marketing is an interesting phenomenon that can be observed in contemporary urban governance everywhere in the world. It represents one of the more unconventional elements of the increasingly entrepreneurial attitude towards urban management and planning that has gained momentum over the last two decades. Along with the re-scaling of statehood and the post-Keynesian change of the welfare and regulation regimes, cities are experiencing growing responsibility in terms of securing their own socio-economic stability and growth (Brenner, 2004; Hubbard & Hall, 1998; Jessop, 1998). In most European countries, a clear tendency exists to focus national economic policy on the cities as dynamos for growth and welfare. Cities increasingly lobby to obtain more financial and administrative elbow-room to face the challenges of a more or less perceived state of inter-urban competition (Stewart, 1996). This focus on competitiveness is further strengthened by the dominating economic paradigm of opinion-shaping institutions such as the European Union (EU), the World Trade Organisation (WTO), the Organisation for Economic Cooperation and Development (OECD) and other powerful agents. In this general development, many cities are seeing the possibilities of introducing marketing-techniques to urban governance, in the hope to increase their competitiveness by increasing the general attraction of the city as a place to visit, live or do business. Many aspects are involved in such endeavours, contributing to a rather vague definition of city marketing. Common sense suggest city marketing to be defined as marketing-theory *transferred* to a city – such as Philip Kotler does (Kotler, 1999) - while more sophisticated approaches tries to *translate* specific methods and techniques, such as corporative branding (Kavaratzis, 2004) or organising capacity (van den Berg & Braun, 1999) and make them applicable to the context of the city. In the meantime city marketing is becoming a natural component of contemporary urban governance, and its implementation is no-longer limited to financial world cities and capitals. In fact, more and more middle-sized cities are introducing city marketing as a mean to secure their competitive position in their region (Seisdedos, 2006). Backed up by professional marketing consultants and the first generation of *city marketers*, the practice is running ahead of the scientific community which are having difficulties with both researching and conceptualising city marketing.

This paper aims to uncover some of the features of contemporary city marketing and identify the gaps between theoretical knowledge and practical application. While city marketing definitely is not rocket science, it is still a complicated issue which holds both practical and theoretical concerns worth attention. The research upon which this paper is based aimed towards the scale of the middle-sized city, defined in a context-specific national urban hierarchy. The middle-sized city was chosen as the proper scale to test the linkage between the theoretical understanding and basic argumentation behind city marketing, and the way in which it is implemented and applied in practice. While most studies have concentrated on large cities and their role in a globalizing economy, the middle-sized cities have often been overlooked. Yet, the middle-sized cities are abundant in numbers and they often hold positions where they participate in regional, national and international capital flows which make them just as susceptible to changes in attractiveness as their dominant counterparts in the urban hierarchy. In fact, one can argue that these cities are competing on more scales than the large cities, which gain much of their growth and strength more or less automatically from their large and dependant hinterlands. (Boisen, 2007)

First, we will briefly explore the fundamental logic behind city marketing to get a grasp on why more and more cities enforce such strategies in their governance. Subsequently, some general observations will be presented, based upon an empirical study of three Dutch, middle-sized cities. Concluding the paper, the linkages between the fundamental logic and the observed application in practice will be briefly discussed – and the inconsistencies between them uncovered. City marketing is in many ways still in its infancy, so all attempts to conceptualize and investigate the phenomenon are explorative and a consistent methodology is still to be devised. However, it is an intriguing topic which is destined to play an increasing role in the new forms of urban governance – and the conceptual weaknesses should not prevent researchers and decision-makers to discuss the implications and consequences city marketing are posing to the way in which we govern, manage and plan our cities.

The fundamental logic behind city marketing

The very fact that cities perceive themselves to be in a state of inter-urban competition has become a self-fulfilling conception. As a direct result of such perception, cities have launched different strategies to increase their competitive position thereby creating de facto conditions of inter-urban competition. The strategies to increase a city's competitive position relate to the assets of the individual city, or in other words: what the city has to offer. Even though the economic performance of a city is not directly related to its attractiveness – it is attractiveness that most cities focus on when dealing with city marketing. This is most likely due to the fact that attractiveness can be influenced significantly by management and planning, unlike many of the 'hard' features of cities, being rather rigid agglomerations of capital and infrastructure. By increasing the attractiveness of the city as a location to visit (leisure or business tourism), live (citizens) or do business (investments or location), the hope is to attract more growth to the city, thereby strengthening its competitiveness further. Not surprisingly, all approaches to city marketing lay significant weight on promotion and branding as techniques to improve the perception, although a distinction should be made between city branding and strategic city marketing as such (Boisen, 2007). Kavaratzis rightfully argue that all action cities undertake influence their image, or as he formulates it: "…all encounters with the city takes place through perception" (Kavaratzis, 2004, p. 66) – still, there is no valid argumentation for cities to solely concentrate on communication, and city marketing is increasingly implemented in its broader meaning.

In short, city marketing can be said to serve four general purposes: 1) the improvement of the urban products, those being the city and everything it contains; 2) the improvement of the incentives for consumers to make use of the city's products; 3) the improvement of infrastructure and institutions that provide or improve access to the city's products and; 4) the communication of the city, making potential customers aware of the products the city has to offer (Arcarani & Valadi, 2000). Different distinctions can be made to define which elements are of importance to reach these purposes, and the scientific literature provides us with a limited number of frameworks of which four of the most interesting are presented in the figure below (Figure 1).

Figure 1: Overview of the components of theoretical frameworks

Ashworth & Voogd (1990)	Hubbard & Hall (1998)	Kotler et. al. (1999)	Kavaratzis (2004)
Promotional measures	Advertising & promotion	Design	Primary communication
Spatial-functional measures	Physical redevelopment	Infrastructure	Landscape strategies / Infrastructure projects / Organisational structure / Behaviour of the city
Organisational measures	Public art & civic statuary	Basic services	Secondary communication
Financial measures	Mega-events	Attractions	Advertising / Public relations / Graphic design / Logo and slogan
	Cultural regeneration		Tertiary communication
	Public-private partnerships		Word of mouth / Media representations

The focus in the early, Dutch contributions (Ashworth & Voogd, 1990; van den Berg, Klaassen, & van der Meer, 1990) are clear on defining different measures a city can undertake as part of city marketing. The framework presented by Hubbard & Hall (1998) is obviously related closely to the British context of cities challenged by de-industrialization, while Kotler (1999) focus on attractions and services and Kavaratzis on communication and branding (2004). Apart from the differences, which are interesting in themselves, all frameworks share the necessity to coordinate different activities to improve a general attractiveness of the city. In both theoretical frameworks, empirical studies, policy documents and advisory reports; a city is often seen as having one or more 'products', repeatedly consumed and produced by every visitor, inhabitant, company or any

other agent involved with the. This point of view forms the basic school of thought that becomes relevant to cities when city marketing is introduced. Such commoditisation of the city has lead practitioners of city marketing to focus on identifying products and while this might not be directly problematic; to this point it has not been a fruitful exercise in most cities. After all, a city is nothing more than a rather arbitrary spatial container and it can even be questioned whether cities can compete at all (Bristow, 2005; Cox, 1995; Cuadrado-Roura & Rubalcaba-Bermejo, 1998). Nevertheless, when urban entrepreneurialism results in cities acting more like companies, it is logic to employ marketing instruments to cities as well as to any organisation, and to expect that significant results can be achieved by implementing the right methods and techniques in communication, management and planning.

As hinted above, the introduction of marketing-thinking to the scene of the city is a peculiar one. The terminology of traditional marketing has been adapted to the city, resulting in some semantic confusion. Even traditional marketing is often confused with commercials and promotional campaigns, because people tend to overlook the other aspects, such as 'product-development'. Traditional marketing is about managing the relationship between consumer and producer, with the purpose of both promoting and improving the products to serve the demands of the consumers (AMA, 2007). In a city, most agents are consumers as well as producers of the city, reproducing its products – and therefore often named prosumers in marketing-terminology. Following this argumentation, city marketing becomes just as much about satisfying and supporting *existing* prosumers as well as attracting *potential* prosumers to the city. The way to achieve this includes almost all things that happen in a city. This promotes the necessity to conduct city marketing in cooperation with stakeholders that share the vision of improving the city's status as an attractive location. As well as traditional marketing, city marketing chiefly is an organisational effort, where organising capacity, financial resources and administrational leverage and flexibility are necessary preconditions for achieving successful implementation (Baarn, ; Daniels, 1995; van den Berg & Braun, 1999; van den Berg, Braun, & Otgar, 2003). Obviously, the responsibility for coordinating and controlling these efforts lays with the only institution that can be said to represent the city as such – the civic authorities.

The fundamental logic of city marketing thus implies planning and management of both 'real' aspects of the city as well as 'perceptions' of the city, pressing the issue of the way in which city marketing is organised and integrated into the systems of urban governance. A limited number of empirical studies investigate the application of strategic city marketing to cities – and those that do, tend to analyse isolated initiatives or search for best-practices. In the next section, we will elaborate on the way in which city marketing in fact was implemented in our case cities and briefly explore the linkage between the fundamental logic of the theory, and the observed practice.

Strategic city marketing: Implementation, organisation and benchmarking

The conducted research contained an explorative analysis of three middle-sized cities in the Netherlands; Almere, Amersfoort and Leiden. Without elaborating on the individual competitive position of these cities, it should be noted that these cities are located within one of the densest populated regions in Europe, containing numerous middle-sized cities as well as the larger cities of Amsterdam, Rotterdam, The Hague and Utrecht. The three cities had all gone through long processes of consideration, involving ordering and receiving a report from a consultancy bureau specialized in developing so-called city marketing plans. In their argumentation to employ city marketing they all use similar argumentations as the ones presented in the last section of this paper, thus recognizing the fundamental logic behind city marketing and using it as an argument to implement it in their own case.

The findings allowed some observations to be made on the way city marketing was introduced to direct strategic initiatives towards selected target-groups, however in this paper we shall focus on implementation and organisation rather than the specific initiatives made. In all three cases the municipal authorities were lifting the main burden, in cooperation with the functional partnerships with regional chambers of commerce, regional tourist organisations and private stakeholder organisations that already existed before city marketing arrived at the agenda.

Likewise, many initiatives already existed and were consequently adapted as elements of a general approach to city marketing. All cities distinguished between the traditional target-groups; visitors, citizens and companies, and to some extent also between the internal/external (or existing/potential) of these three general groups. Further segmentation did occur but not consistently, and the correspondence between traditional marketing-related segmentation techniques and what could be observed was nearly non-existing. Many of the introduced initiatives seemed to be based on coincidences rather than to represent well-considered strategic decisions. A distinction in initiatives focusing on gaining or attracting external target-groups and in initiatives focusing on maintaining or satisfying internal target-groups is fruitful to categorize the efforts made, as well as a distinction between offensive strategies and defensive strategies. By employing these distinctions a researcher can gain a much needed overlook of the purposes behind the broad spectrum of initiatives to be encountered in any city. (Boisen, 2007)

The way and magnitude to which city marketing was institutionalised in the three cities varied as much as one should expect. Almere has chosen an organisation where specific competencies are transferred to a semi-independent organisation, called Almere Citymarketing. Amersfoort is still considering the organisational set-up and is currently coordinating efforts on city marketing from a cross-departmental working group within the context of the municipal authorities. Leiden has placed city marketing under an organisation which chief concern is to improve the prosperity and function of the centre of the city. Combined with observations outside this study, it can be concluded that a tendency exists to organize city marketing in semi-independent organisation that act more or less as a marketing-department would act in a private enterprise. This is seen as the logic consequence of four necessities: 1) the strategies should not be susceptible to the four-year cycles of the political system; 2) city marketing spans all departments and it would not be feasible to implement it solely in for example the department for economic affairs; 3) an external organisation is easier to benchmark in terms of financial subsidy of both the municipal authorities and private sponsors and; 4) a semi-independent organisation has more weight towards stakeholders than a municipal department. The notions of organising capacity posed by van den Berg and Braun (1999) seem to gain in weight, and the integration of city marketing into a governance-structure does pose a serious challenge in balancing out interests, creating a smooth and well-functioning organisation and dividing responsibilities, risks and competencies.

Another aspect of city marketing is the need to be able to measure the effects of the invested resources. Few studies have been able to produce consistent proof of the impact of regional branding campaigns (Meester & Pellenbarg, 2001), while civil servants and politicians hunger to know what the impact is of the launched initiatives. Analogue to traditional marketing, this can only be measured in terms of gained or lost shares of a market, but confronted with the complex composition of city marketing it is difficult to measure the exact impact of any initiative. Company location and residential location are often complex decisions, and the measurement of what exactly causes such decisions are both very complicated and to some extent inconclusive. It is certain that initiatives can have an impact, but exactly which impact and to what extent is likely to remain an impossible equation to solve. Internal benchmarking, cost-benefit analysis etc. are likely to pose a threat to a sustainable approach to city marketing, because they will increase the incentives to focus on initiatives which can be measured easily – such as events (number of visitors, extra turn-over etc.). Moreover, external benchmarks do not pose a threat but are often limited to comparing cities' performance, by produce some kind of ranking system based on ambiguous parameters (Luque-Martínez & Muñoz-Leiva, 2005; McCann, 2004).

Some of the structural problems of city marketing, both as a scientific topic and as a practice for cities can be explained by looking briefly at the epistemological confusion involved with the dualistic scientific theory it entails: When a city undertakes a strategy to position itself, using branding or other city marketing techniques, words such as image, perception and discourse becomes inherent in the scientific context. Elements such as socio-economic composition of the city, its administration and the companies and organisations present in a city are logic elements to consider as well. As a result, dealing with city marketing, one promptly encounters the duality of the scientific theory involved. It seems that city marketing, both in theory and practice, spans between an objective paradigm, where 'hard' factors can be measured and benchmarked, and a more hermeneutic paradigm concerned with more 'soft' factors. In both literature and practice, examples are plenty on how this duality has rendered city marketing problematic for both

researchers and practitioners (Boisen, 2007). Also, it shows that when city marketing contains elements of both paradigms, it is just as naïve to asset the success of specific initiatives solely in terms of economic cost-benefit, as it is to focus solely on image-building and brand-improvement.

Inconsistencies between theory and practice

When applying marketing-theory to a city, following the fundamental argumentation of a proactive response to increasing inter-urban competition, one should expect cities to employ marketing-thinking consistently. Instead, the tendency amongst cities is to focus inwards – on own strengths. Obviously, the city is considering its role in an urban hierarchy and the advantages or disadvantages in a specific geographical location, yet the exercise of identifying with who and for what a state of competition exists seems to be very rare. In the conducted research, interviewees were asked whether a specific, neighbouring city was competing against them – and in almost all instances this was not the case. To be able to plan or deduct a strategically sound approach to city marketing, based on inter-urban competition, it is inherent to asset the competitive position that make up the vantage point. Furthermore, in choosing strategies, the identification of competitive advantages is a crucial aspect to successful marketing – and the notion of 'advantage' implies a comparative element. In other words, whereas cities should be expected to analyse their competitors both to asset their own position and to identify their specific competitive advantages; a lack of competitor identification can be observed. Awareness of a competitive context is only present in situations where competition traditionally is an issue, for example in terms of the function of city centres as areas of retail shopping versus suburban shopping malls or nearby cities with a broader variety of shops etc.

There are reasons to suspect that this lack of competitor identification is not a phenomenon restricted to the Dutch context. Cities have not been thinking in terms of inter-urban competition for very long and the concept in itself is somewhat arbitrary (Cox, 1995; Jensen-Butler, 1999; Justman, Thisse, & van Ypersele, 2005). Furthermore, the tendency to plan and manage cities in a national context where growth often happened as a result of decisions taken at a higher level of government – lives on in the sense that many cities consider visitors, citizens and companies as a more or less infinite resource which can be attracted by improvements of attractiveness. With notions of competition comes the idea that every positive choice is an infinite number of negative choices as well. Although tourists, citizens and companies are renewable resources the market is not infinite, and with more and more cities actively enforcing strategies to increase their shares of this market – it would be naïve not to include neighbouring and comparable cities into an analysis of competitive position and competitive advantage. It is incoherent to justify the implementation of city marketing strategies with increased competition, without subsequently letting the rationality of such competition influence the way in which specific strategies are tailored into existence.

Furthermore, the basic argumentation of inter-urban competition implies a neo-liberal economic paradigm, where resources should be invested in the most competitive sectors, resulting in an economic spin-off that eventually is believed to benefit everybody in the city. Through city marketing, companies and other stakeholders are likely to gain more influence on the management and planning of our cities, and the democratic accountability becomes difficult to asset in a situation where strategies are formed and shaped outside the public sphere. Furthermore, the target-groups of city marketing from city to city are rather homogenous (knowledge-workers, expats, creative sector), meaning that specialization between cities are not likely to increase. In other words, in the worst case city marketing could result in increased efforts to please specific target-groups without gaining much in return, thus constituting a positive discrimination of specific segments at the cost of the weaker ones. The complex and often unclear governance-processes even blur the possibility of tracing democratic accountability for such developments and the power of the future development of the city is moving away from the citizens.

After having painting this rather grave picture of the worst aspects of city marketing, it should be noted that city marketing still holds many possibilities and positive aspects. The key to achieve

this is strong leadership, both in terms of politicians and civil servants who clearly communicate their visions and ambitions for the city – thereby activating the public sphere. In other words, the true potential of city marketing might not be as a tool to select specific strategies, but more as a tool to help specific ambitions come true. A functional approach to city marketing includes success criteria based on measurable manifestations of the believed spin-offs, as well as a true wish to improve the general satisfaction with the city amongst its users.

Conclusion

Although the competition between cities without doubt is an old phenomenon – even predating the concept of nations in some aspects (Ward, 1998) – it does form a new phenomenon in its newest appearance, combining the current dominating discourse on economic policy with the increasing role cities have to play as a result of the re-scaling of statehood (Brenner, 1999, 2004; Hall & Soskice, 2001). In this paper, we have briefly shown that empirical observations of the application of city marketing to some extent conflicts with the fundamental logic behind the conceptual theory. Also, the dualities in both scientific theory-building and between the 'hard' and 'soft' factors involved in both research and practice of city marketing has been briefly considered.

Both the scientific community and the practitioners of city marketing are becoming more sophisticated in their approach to the concept and the intrinsic meanings it brings with its fundamental reasoning. Our knowledge on city marketing as a part of contemporary urban governance is likely to increase given time and careful investigations, and at a time where even small cities think about implementing city marketing it is the responsibility of the scientific community to approach this phenomenon and dissect the potential opportunities and threats involved with it gaining momentum as a chief element in the processes determining the management and planning of our cities.

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