

# URBAN MARKETING AND ITS IMPACT OVER THE COMPETITION BETWEEN CITIES

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## *Abstract:*

*In the globalization era, characterized by profound political and economical reforms of which main objective is the increased competitiveness, whether we talk about goods, companies, cities or countries, the proactive attitude and the marketing strategy is a must in order to survive and develop. Now more than ever the cities have become brands of their own, because they are in an endless competition for attention, investments, inhabitants and tourists and the main competitor is no longer the city located a couple of kilometers away, but any city across the globe. Cities and regions need competitive strategies in order to attract more tourists, investors and inhabitants and for this they have to make a change in the decision makers' attitude. The new city is no longer a plain urban conglomerate; it becomes a Company, a Product, and a Market depending on the target group it applies to.*

*Key words: urban marketing, destination marketing, city branding, competitiveness*

## **Destination marketing**

In the marketing literature, there are two theoretical approaches regarding the destination marketing: one concentrates over the successful strategies applied by different entities, while the other one underlines the connection between destination branding and the aspects regarding the impact of the economical and political factors and the effect of the business stakeholder's involvement over the communities' development (Bradley, 2002).

Although the destination marketing concept is not a new notion, it became more popular in the literature in the 80s, once the cities became more aware of the importance of marketing and promotion impact over their development. Thus, destination marketing has many definitions. For example, according to Gold and Ward, destination marketing is defined as the conscientious use of marketing and publicity in order to communicate selective images of various areas and

cities among different target groups. (Gold, Ward, 1994)

The definition focuses on the idea of selecting certain images to be promoted, images and aspects which are meant to increase destinations' attractiveness; that led to criticism in the marketing literature, most authors questioning whether not this definition refers to the possibility of ignoring or hiding the negative aspects of the destination.

The concept of "destination branding" has been extensively explored. After summarizing the evolution of destination branding definitions, Blain, Levy and Ritchie (2005) developed a revised definition that incorporated earlier efforts: destination branding is the set of marketing activities that (1) support the creation of a name, symbol, logo, word mark or other graphic that readily identifies and differentiates a destination; that (2) consistently convey the expectation of a memorable travel experience that is uniquely associated

with the destination; that (3) serve to consolidate and reinforce the emotional connection between the visitor and the destination; and that (4) reduce consumer search costs and perceived risk. Collectively, these activities serve to create a destination image that positively influences consumer's destination choice (Blain, Levy and Ritchie, 2005). This definition implicitly addresses the three important components of branding – economic, experiential and emotional (including spiritual) value. If a destination cannot provide value to tourists, businesses and investors, it is unlikely to become a brand that generates revenue or tourists.

Branding is therefore considered mutually beneficial from both the supply and demand perspectives. The brand's ability to differentiate effectively can generate advantages for products and services, such as increased purchase intent (Cobb-Walgren, Beal et al 1995), lower costs (Keller, 1993), increased sales, price premiums and customer loyalty (Aaker, 1991, 1996).

Among the advantages for destination marketing organizations include increased potential to differentiate against places offering similar benefits, increased destination loyalty and increased yield for stakeholders such as local tourism businesses and travel intermediaries. Benefits for the travelers include ease of decision making through reduced search costs, reduced risk, and possibly enhanced brag value (Pike, 2008).

In destinations' case, differentiation is extremely important, giving the fact that the tourism market is the fastest growing economic market. World Tourism Organization estimates that by the end of 2020, the volume of the tourist activity will be up by 27.6% compared to 2000, reaching 1.56 billion tourists worldwide, which leads to an increased, more aggressive competition, especially since most destinations offer similar benefits which makes them

easily interchangeable. For example, 70% of international tourists visit only 10 countries, which means that the rest of the tourist destinations compete for 30% of the international arrivals (Morgan, Pritchard et al, 2004).

### **Urban marketing**

The extensive urbanization led to the endorsement of the urban marketing concept; after 1990 the term begun to be widely used because of the increased competition between cities eager to attract more tourists, inhabitants, potential investors, all these things leading to a better living standard.

The globalization had a direct impact over the public sector which is now required to reinvent itself and to apply strategies and methods which were until now, distinctive for the private sector. More experienced in this area, the United States and several Western European Countries applied urban marketing in their regional and local strategies and published their experiences as "best practice" models in order that other organizations use it too. The cities begun to be treated as marketing products that have to be sold in order to survive and to develop.

According to Harris, the cities have become the most dynamic centers of economic change in the international-global economies (Harris, 1997), whilst Friedrichs and Dangschat, referring to large cities in Germany, showed that the reconstruction of international economy led to an increased competition between those cities, while for small cities, entering the competition became a survival ordered necessity (Friedrichs J., Dangschat, 1994).

Thus, in Corsico's opinion, urban marketing is the alignment of the urban politics to the requirements of the local economic stakeholders and to the hopes and expectations of those operating outside of it, in order to better promote the local economy (Corsico, 1994).

Another marketing specialist, Jan van der Meer considers that urban marketing can be described as a set of activities directed to enhance the correlation between the urban functionalities offer and the demand from its inhabitants, local companies, tourists and other visitors (Jan van der Meer, 1992).

The marketing literature focuses on underlining the importance of city development and constant promotion of its elements, the increased competitiveness being an indirect effect of the applied strategies. Urban marketing must be designed as a general principle focused on city development, thus, on problems regarding housing, jobs, communications, facilities, environment. It is also characterized by a planning process including all stages of task allocation, current situation, strengths and weaknesses analysis, definition of its' own level of competitiveness and implementing, monitoring and evaluating the activities. All these must lead to a concurring vision over the city and tasks for all the stakeholders involved in the process. The development based on local potential, significant projects, joint activities and the enhanced image as a whole must represent the goal achieved through the urban marketing process.

The leaders of different countries, regions, cities begun to realize that a positive image combined with a successful marketing mix is a powerful instrument in the competition for resources and other economic activities. The cities' management system suffered a change for the better by introducing some elements regarding commercials, public relations, direct marketing and sales promotions (Avraham, Eli et al, 2009).

A key element in urban marketing refers to the difficulty of defining the city's identity and values in a way that can be widely accepted and easily marketed for all target groups. The

challenge is given by the need to create a common identity from values that are not always intangible and which represent the interests of different social and economic groups. City branding must determine how culture, history, economic growth, social development, infrastructure, architecture, landscape and environment, among other components, can be combined in an identity later to be "sold" (Zhang, Li et al, 2009). In this process, the decision maker's role is crucial, and in order for urban marketing to succeed, a long term vision, both from the marketing and management point of view, is needed.

Economic development has always been a priority for cities, regions and states, but only in the last decade they decided to change the perspective, from a rather narrow point of view over economic progress, to a more widespread strategy aimed to attract new companies and to maintain the existing ones, to develop international trade and tourism and to bring new external investors (Kotler et al, 2001).

The states, regions and cities have transformed their circumstantial economic campaigns in complex marketing strategies aiming to create competitive markets, to guide potential buyers and to distribute community's resources, thus it will respond to the needs and expectations of the expert consumers.

## **Conclusions**

To sum up, urban marketing is considered to be a local response to the global economic and technological changes and the best practice models published in the marketing literature confirm certain trends which will begin to be replied more often by different cities.

In the future, urban development will be also sustained by decision maker's interest to apply strategies which used to be the exclusive practice of the private sector.

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