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CITY MARKETING: A SIGNIFICANT PLANNING TOOL FOR URBAN DEVELOPMENT IN A GLOBALISED ECONOMY

ABSTRACT

Today, it can be argued that what is projected as the 'image' of a city, can be more important than the reality of the city itself, in shaping the opinion held by visitors, investors, and even its own inhabitants with regard to the place. Marketing techniques are often used to help towards the transformation of a city into a post-industrial centre of tourism, culture and redevelopment.

In addition, urban tourism is playing an increasingly important role in decisions taken by local government authorities regarding economic development strategies. In the current framework of the globalised economy, competition to attract tourists is even greater. In this respect, the role of city marketing is crucial.

This paper examines the importance of city marketing in urban governance decisions. It also investigates the relationship between city marketing and urban tourism planning. Finally, the paper looks at the relationship between city marketing procedures and city time planning, participatory planning and urban regeneration, concluding with an acknowledgement of the significance of city marketing in urban planning in general.

KEYWORDS: *city marketing, urban planning, tourism planning, time planning, local governance*

1. INTRODUCTION

Today, the image of a city in some cases seems to play a more important role than its reality in shaping the opinion held by visitors, investors and its residents with regard to the place. Marketing techniques are often used to help towards the transformation of a city into a post–industrial centre of tourism, culture and development.

Urban tourism plays an increasingly central role in defining the strategies for economic development that the respective local authorities process. On the other hand, in today's conditions of the globalised economy, the competition for attracting tourists is even greater. City marketing plays a decisive role in this respect.

Cities, in order to create more opportunities, must have the ability to attract more investment, business, residents and visitors. Places, just like products, must be advertised with accuracy and attractiveness. City marketing is successful when workers, residents and businesses are satisfied with their living conditions, and when tourists, new businesses and new investors have their expectations met (Kotler *et al*. 1999).

In addition, the nature of cities as tourism destinations is extremely complicated. A complete study of urban tourism includes the examination of the reasons for visiting a city, the type of visitors, the impact of tourism on the urban environment, management and planning techniques, and an examination of planning and marketing a city as a tourism destination. Also, the consequences of the emergence of new tourism resources and places on urban environments should be considered, as well as the importance of time planning in urban and tourism planning.

2. CITY MARKETING

Places have always been in competition with each other for customers, investors, and populations. They exist within markets, so they compete for resources with other places whether they are aware of it or not. This is the case regardless of the prevailing philosophy of the political economy and regardless of whether the product or service is offered by private or public agencies. Intervention to influence these markets is thus not only possible and desirable; it is largely inevitable. It can be done deliberately, systematically and coherently or accidentally and randomly (Ashworth, 2004a).

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. Keener competition leads European cities to focus their development efforts on the sectors that offer them competitive advantages. But it is not enough for a city to be more competitive than its neighbouring ones as a place for business location. Indeed, European cities must become as attractive as possible with regard to a series of issues: residence (especially for high educated personnel), locations for business establishment, places for investments, and places where visitors (business or otherwise) would like to stay (Van den Berg and Braun, 1999). Cities are no longer products that provide labour force, land, buildings and infrastructure services to businesses, and home, services and a social environment to residents (Bennett and Koudelova, 2001).

City marketing is a relatively new scientific field. Many think of it just as a group of tools and methods in order to sell the "product" of a city. But city marketing is more than that. It involves the definition of a city's product (the city as a product) and its image, in such a way that its recipients will see it as to the marketing intended. So, city marketing plays an important role, forming a bridge between a city's potential and the use of this potential for the benefit of the local society. This is particularly the case for European cities, which are on the one hand cultural centres with strong local identities, and on the other hand, have a cosmopolitan character, not only thanks to their visitors, but also because they are in the mind of people who live far away from them or even people that may never get to visit them. There are cities with great heritage potential that are not successful. A rationally composed and responsibly carried out marketing strategy could reverse this reality (Karmowska, 2002).

The *main reasons for which a marketing strategy takes plac*e are as follows (Karmowska, 2002):

- To attract tourists
- To attract investment and develop industry and entrepreneurship
- To attract new residents
- To influence local society – 'internal marketing'.

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There is of course another argument, according to which there are six strategies that a city or region can follow in order to improve its place in the competition (Kotler *et al.*, 1993):

- Attract tourists and visitors to its businesses
- Attract business from elsewhere
- Maintain and extent existing business
- Promote small business and help create new ones
- Expansion of its exports and its investments of abroad
- Expansion of its population or change in its population's distribution.

It is obvious that these two opinions don't really differ; the second is simply more analytical in its description, without referring to 'internal marketing'. This notion of internal marketing is widely known, and it is argued that successful cultural projects could empower local societies, in this way becoming an internal marketing force that promotes local development (Russo, 2003). Internal marketing can also be a determining factor in the way in which the residents of a city perceive their quality of life in that city (Rogerson, 1998).

City marketing includes four main activities (Kotler *et al.*, 1993):

- Designing the provided services and defining the particular characteristics of the city
- Defining motives for the potential buyers of its goods and services
- Efficient distribution of its products
- Promotion of its image and values so that the potential buyers know its distinctive advantages.

A strategic city marketing plan has to include improvements in urban planning, infrastructures, basic services like health, safety and education, attractions and people. *Before the preparation of the plan, cities must have achieved the following* (Kotler *et al.*, 1993):

- Understanding of the changes in the wider environment
- Understanding the needs, wishes and choosing behaviours of the market target – groups
- Creating a realistic vision for the future of the city and its reconstruction
- Preparation of an action plan for fulfilling this vision
- Creating consent between the actors of the city – smooth urban governance

- Evaluation, in each stage of the plan, of the progress made

Finally, the image drawn for the city must be valid, believable, simple, attractive and special. The image of a city is the summary of the beliefs, ideas and impressions that people have for it (Kotler, cited in Deffner and Metaxas, 2005). Images are a simplification of a large number of pieces information about various things (Deffner and Metaxas, 2005).

The segmentation of the market is connected to focusing in particular on target markets and takes place at national, as well at international, level. The main target-markets for cities, as was mentioned before, totals four, according to Kotler *et al.* (cited in Metaxas, 2001): a) visitors, b) residents and workers, c) businesses, and, d) markets from abroad. According to Ashworth and Voogd (cited in Metaxas, 2001) there are three main *segmentation strategies*:

- Focus strategy, in which we focus only on one target-market
- Differentiation strategy, in which we choose various target-markets, but with a different approach strategy for each one, and
- The strategy of non differentiation, where all target-markets are confronted in the same way, offering the same approach for each one.

The most common marketing strategies are city branding, extraordinary building construction, mega-event hosting and also virtual reality techniques, especially when it comes to business establishment.

City branding is actually the application of trademarks on cities (Ashworth, 2004b). A direct, insisting and convincing objection to this is that cities are too complex to be treated as simple products, and thus logos for cities, as well as city marketing in general, are impossible, since cities are not products, governments are not producers and theirs users are not customers. However, according to Ashworth (2004b), the use of brand names for cities is not only possible, but it has been practiced (whether consciously or not) since cities have been competing with each other for trade, residents, wealth, prestige and power. Adopting a brand could provide a product with a certain and special identity, which is exactly the objective of city marketing for cities (Ashworth, 2004b).

The creation of a special identity for cities and regions is similar to the process followed for simple products, but much more complex and multilateral. Cities include so many different industries, businesses and areas of interest that it is almost impossible

to come up with a single one identity. To make it successful, only a few of the existing social and cultural symbols of the city must be chosen. A very complex identity would not make sense. Only a few points of interest must be promoted. If the process is successful, it will be a valuable qualification for the city, that will provide it with an image and a cultural importance, which will add symbolic and economical value. The brand will help in raising the status of the city as a tourism destination or a residential place or place for business establishment. Tourists will want to come or businesses will want to locate in the city, just because of its fame (Ejigu *et al.*, 2004). Successful examples are those of New York ('I love NY!', 'The City That Never Sleeps' etc.), Philadelphia ('The Place That Loves You Back'), Tacoma '(America's No. 1 Wired City'), London ('London First'), Singapore ('Uniquely Singapore') [Gardyn, 2002; Nayyar, 2002; Bastoni, 2004], and we could also mention the latter advertising campaign of the Greek Tourism Organisation concerning Greece ' ('Live Your Myth in Greece') in which Elena Paparizou (the singer who won the Eurovision 2005 contest in Kiev) also participated.

But there could also be disadvantages. A possible danger is the identity to be rationalised. It could be generalised so much that it would become a cliché. So, the city would then be recognised only for one of the things it has to offer. In these cases, the brand could indeed be successful, but may have lost its connectivity to the city. In such cases, it is difficult for the city to get rid of this identity and create another, which would entail another strategy or renewal. There is also the possibility that the brand would encourage spatial and socio-cultural inequalities and segregation. A very strictly defined identity could not reflect real life in the city. Top-down urban strategies may aim at adopting an identity most of the residents don't agree with. And later, when there may be attempts to make this identity work, there could be social segregation. In order to avoid that, the process of adopting a brand should be as more open to society as possible (Ejigu *et al.*, 2004). One example of unsuccessful branding is Ottawa in Canada (Ottawa: 'Technically Beautiful'). Even though it tried to describe in a single phrase both its natural beauty and technological development, residents did not like it, and it became subject to mockery, so much so that the Organisation of Economic Development of Ottawa was forced to take it back, after an attempt costing $200,000 (Mills, 2001)!

Flagship projects can play a functional role in creating an image and an identity for a city, as well as its marketing. Investing in prestigious constructions/ landmarks is a

promotional tool and a tool for image making, used both by public and private investors (Temelova, 2004). Clearly, the most well-known case of this kind within Europe is the Guggenheim Museum in Bilbao. In Spain there is also the church of Sagrada Familia by Gaudi in Barcelona, together with many constructions of Santiago Calatrava in various cities (Barcelona, Seville, etc.) Similar projects can be found in many European countries (e.g. Czech Republic, Finland, Germany, Netherlands, United Kingdom, and France). A special case of flagships are the multiplexes (Deffner and Liouris, 2005).

Flagship projects gather functions (communication, knowledge exchange, high-technology, advanced services, culture) which seem to be important for the mode in which the world operates nowadays. As to the architectural attributes, the visual distinctiveness in local setting seems to be one of the more pervasive characteristics of selected high profile structures (Temelova, 2004).

As far as *mega-event* hosting is concerned, there are two basic reasons for engaging in this process. The first is that local authorities deal with mega-events in strategic terms, pursuing opportunities for regional, national or even international promotion at low cost. For example, even just bidding for the Olympic Games can provide promotion by the media. Besides that, the strategic of mega-event hosting provides a definite time line for constructing the projects (Andranovich *et al.*, 2001). The second reason is that mega-event hosting can boost tourism development. For cities that seek to be competitive, this rationale supports the trend for consumer-based development, which presupposes funding of a tourist friendly landscape (Andranovich *et al.*, 2001).

Barcelona's marketing abilities are considered by other local authorities and services of local promotion to be a good example. The international profile of the city was shaped during the Olympics of 1992, as the city used this event to renew itself. After the games, Barcelona conserved and empowered its image by a marketing strategy that aimed to "sell" the city as a European centre of recreation and culture. This objective was supported by organising other international events, such as the Cultural Forum 2004, accompanied by new buildings constructed for this purpose. Nevertheless the cost of organising such events, as the Olympic Games, is an issue open to debate and subject to public conversation in cities that wish to bid for hosting them at some time in the future (Bastoni, 2004).

Virtual reality techniques are very useful in affecting enterprises who seek a place to locate. For example, if an enterprise has 5 possible locations in mind, the

possibilities for success for any of them are increased if the area is presented through a virtual reality model. Such a presentation could show the friendly urban environment, the nice urban aesthetics, the transport connections, the location of the enterprise with possible alternative scenarios etc. Demonstration using high quality pictures adds the component of animation and draws the attention of most people. Animations contain more information and provide a better presentation of buildings and places. In comparison to traditional presentations, computer-generated animations can provide unseen perspectives, manipulate light suitably and show pictures from impossible angles. Another characteristic of this method is the ability to add new buildings and show alternative building designs. This is very important when an effort is being made to tempt a potential investor. One city that has run such a process of virtual marketing is Rostock in Germany (Hellmich, 2004).

There are many cases in the literature of cities that have implemented marketing strategies. For example, the Adelaide festival in Australia, Coibra and Aveiro in Portugal, Key Festivals in Edinburgh, the promotional strategies of Paris and London, wine tourism in Apulia, Italy, Trieste, Singapore, Manchester, Pamplona in Spain, Glasgow and Scotland in general, Budapest, Bilbao, and many (**CultMark,** 2004). From these examples it's possible to conclude that, in most of the cases, to achieve their goals, *cities use particular actions as tools*. These actions are (Metaxas, 2004):

- Identification of strengths and weaknesses of the urban environment
- Identification and evaluation of the particularities and characteristics of the city
- Use and implementation of market research
- Development of promotional policies
- Development of cooperation between local actors

However, marketing strategies do not always have the desirable results. There are quite a lot of scientific approaches which assert that processes, like city marketing, are useless strategies that do not have any positive impact on local development, and only waste resources. Indeed, according to Metaxas (2002), there are some *prerequisites and criteria for the marketing strategy to be successful*. These criteria are:

- Adoption of city marketing by local society
- Definition of a vision for the city
- Cooperation between local authorities, residents and enterprises
- Existence of a promotional office of the city with specialists

- Existence of money for this purpose
- Economical support of the city's businesses in annual base
- Definition of the main objectives
- SWOT and PEST[1] analyses
- Identification of the city's particular characteristics
- Creation and management of an image for the city
- Ranking of the main objectives according to their importance
- Feasibility study for every separate action
- Market research in the outer environment of the city
- Market research in the inner environment of the city
- Segmentation of the internal target-markets
- Segmentation of the external target-markets
- Use of the appropriate methodologies for each action
- Creation of the promotional package of the city, according to its particular characteristics
- Strategic planning for each action – flexible action plans
- Feedback procedures, measurement and evaluation of marketing policies and their impact in urban development.

3. CITY MARKETING AND PLANNING

The failure of "traditional" planning in many cases to boost urban development led to a search for new approaches and methods that complete with or even substitute the traditional ones. These include the ideas of politicisation, communication (that is, planning as a two-way communication between those who plan and those who they plan for, which includes marketing in various forms), responsibility (re-determination of objectives and actors), as well as cooperation and negotiation (planning as a continuous process of balance between interest groups, objectives and alternatives) (Ashworth, 2004b).

City marketing process should be evaluated within the framework of urban management. The strategic plan process concerns the analysis of the city's internal and

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[1] SWOT Analysis: Strengths – Weaknesses – Opportunities – Threats, PEST analysis: Political, Economical, Social, Technological factors.

external environment (SWOT and PEST analyses), in everything that has to do with the examination of the relationships that have been developed inside the city. Through the SWOT analysis there arises two levels of research and further examination. These concern the relationships between Public Authorities and the ability of the Public Sector to implement development strategies in cooperation with the private sector in a city (**CultMark,** 2004).

The main objective of the SWOT analysis is the research and evaluation of the local distinctive characteristics of the city. This process is the basis for examining the following *factors of strategic planning* (**CultMark,** 2004):

- Defining the vision for the city
- Defining the objectives of development
- Market research and segmentation in order to evaluate possible target-markets and investigate global
- Plan the appropriate strategies, tactics and alternative scenarios per action
- Plan the feedback procedure – development of a model of efficient communication

Strategic planning is a very important step, as local authorities on one hand, and the private sector on the other, develop co-operations based on the representation of common interests and policies, in order to develop the objectives and the motives for development. The most important factor is that the vision for the city, the development of goals and strategies, and the strategic marketing plan must be based on the local distinctive characteristics, in order to be successful (Metaxas, 2004).

The importance of marketing in planning is even bigger when it comes to tourism planning. *Urban tourism* is based mainly on short breaks (overnight stays of one to three nights), rather than on long term vacations. As people have busy lifestyles and difficulty in leaving for long breaks, urban tourism increases. According to Jansen-Verbeke there are a number of primary tourism elements that have the ability to attract tourists and visitors (Ejigu *et al.*, 2004). These are:

Culture facilities:

- Museums and art galleries
- Theatres
- Concert halls
- Cinemas

- Conference centres

Sports facilities:

- Indoor and outdoor

Amusement facilities:

- Night clubs
- Casinos
- Organised events
- Festivals

Landscape particularities:

- Historical routes traces
- Interesting buildings
- Ancient monuments and statues
- Religious buildings
- Parks and green areas
- Water, canals, beaches
- Ports

Social and cultural characteristics:

- Place livelihood
- Language
- Local customs
- Cultural heritage
- Hospitality
- Safety

There are also secondary or additional elements, such as:

- Hotels
- Catering facilities
- Commercial centres or areas
- Markets
- Accessibility
- Internal transport network
- Parking facilities
- Tourism facilities, e.g. information offices, maps, leaflets, guides etc.

The importance of marketing in tourism planning rises, as tourism destinations are dealt with as products. Until recently, cities were discriminated against because of their resources, but with the recognition of the importance of the tourism sector the trend has changed. The existing resources are becoming a unified package for selling the city. An essential part of tourism planning is the evaluation of the attraction towards the tourist and the decision of measures to empower it (Ejigu *et al.*, 2004).

Tourism planning, according to marketing principles, is a complex process that includes marketing research, segmentation of the tourism market, tourism product policy, pricing of the tourism product, communication and sales procedures, the distribution system definition, advertising, informative leaflets, sales promotion of travels and tourism, direct marketing, public relations and marketing process control (Holloway and Robinson, 1995). Finally, each city can be sold in many different ways to different tourists. The produced sales packages are not stable, but they evolve as the city changes. The city has the chance to choose the kind of tourists it wishes to attract, but this means that first of all it has to have all the necessary prerequisites. *Visitors can be classified* into the following groups, according to the reason of visit (Ejigu *et al.*, 2004):

- Visitors for business
- Delegates for conferences and fairs
- Short stay visitors
- Daily travellers
- Visitors to friends and relatives
- Long term travellers, just making a stop at the city
- Shopping stop for cruise participants
- Long term travellers, using the city to visit areas around it

By developing poles of attractions for tourists, cities empower their role in their regions. The tourism impact has increased due to the multiplication of opportunities for the visitor. One of the characteristics of the successful city is that the visitor leaves with the feeling that there were so many things to do and see, but did not have that much time, and wants to come back (Ejigu *et al.*, 2004).

Tourism can be promoted also by flagship projects. Dubai is a representative case of using the built environment as a catalyst for investments. The city used the model adopted by Singapore years ago, investing in promoting the city and in marketing.

Impressive buildings were constructed, and they became internationally acknowledged images of the city, thus turning it into a global tourism destination. In 2004, there were 272 hotels with approximately 30,000 rooms, 30 shopping malls and about 5 million visitors. This strategy is better implemented in relatively new cities, where a "sense of place" must be created from scratch. In these cases, infrastructure development can help create an identity for the city and subsequently create a "product" capable of attracting capital and people. The disadvantage of this strategy is that it needs constant effort and updating (Bastoni, 2004).

Even though it is easier to show the role of the built environment in creating "new cities", as in the case of Dubai, image development has a remarkable effect in more "mature" cities also. For example, it can help renew parts of cities in decline. Such a case is the former industrial area 22@ in Barcelona, that it is programmed to host a complex of innovative activities, focusing on high-value services related to the area's industrial past. In New York, the reconstruction of the World Trade Centre symbolises the city's rebirth (Bastoni, 2004).

Besides, as was mentioned before, one of the most primary elements in tourism is a city's livelihood. This, together with other aspects of tourism, is connected with time, to such an extent that urban time planning has been developed, and now plays an important role within the framework of city marketing.

Time is one of the most important issues of modern everyday life in the cities, and there is a necessity of time planning, especially in relation to time planning (Deffner, 2005). Whether leisure time is actually increasing or decreasing, citizens have a constant feeling of having less and less free time. It seems that the "grey men" stealing time in Michael Ende's *Momo* have become reality. So, there is a need for *changes in urban time policies, a need created by*:

  • changes in working hours

  • development of the economy of services

  • spreading of new information technologies

  • urban congestion

  • changes in the relationship between sexes (increased activity of females)

  • changes in public services, and

  • personalisation of lifestyles (EFILWC, 1999).

The issues touched are related to time, as well as place, and *have to do with* (EFILWC, 1999):

• public services' working hours

• schools and child protection facilities during working hours

• working hours policy

• solving traffic congestion, and

• revitalisation of city centres.

The successful *implementation* of initiatives that have to be undertaken *relies on* (EFILWC, 1999):

• the participation of citizens and organisations, such as local authorities, in a dual bottom-up/top-down process

• new regulations based on social dialogue at a local level

• agreement and commitment to incorporate various actors in trans-sectoral cooperation

• the establishment of specific negotiation structures, and

• the use of specific data collection instruments.

The *result* will be:

• the modernisation of public administration service provision

• an expansion of services working hours

• the creation of "common" times

• the coordination of working hours for various public/private services, and

• the development of local democracy (EFILWC, 1999).

4. CITY MARKETING AND CHANGES IN LOCAL GOVERNANCE

The role and contribution of local authorities in the process of local development is very important, especially regarding what concerns the designing of city's promotional strategies and the promotion of the city's image on a global scale. The main priority of these strategies focuses on the area's sustainable development, since the existence of local authorities with entrepreneurial orientation became an important necessity, especially during the 90s'. International literature has to present very characteristic examples with reference to the contribution of local authorities to promotional procedures and urban planning related to urban regeneration, cultural activities, economic development, promotion and planning (***CultMark,*** 2004).

We have to focus especially on the participation between Local Authorities and the existing enterprises in the environment of a city that are associated with several fields of

planning implementation (economy, entrepreneurialism, cultural planning etc.). Considering the fact that the economic development is a 'key factor' for the development of a city and that place/city marketing procedure is based on the partnerships between local authorities and enterprises (mainly), it could be argued that a place marketing procedure concerns a multidimensional combination of activities, negotiations, strategic decisions and efforts that take place under the philosophy of the Urban Management process (**CultMark**, 2004).

In simple terms, *urban governance* can be defined as a process of decision-making and a process through which the decisions are implemented – or not. Over the past 30 years we have witnessed, to varying degree, the redistribution of power from central governments to local authorities in many countries around the world. City-regions have been granted increased autonomy in their capacity to raise revenue and implement their own policies with a clear focus on improving their economic position. Pressures on national finances have forced central governments, especially in Europe, to rationalise expenditure and work in partnership with the private sector to deliver the service that an increasingly demanding urban population requires (Bastoni, 2004).

These financial pressures have often caused a reduction of central government subsidies and financial transfers to the local level. As a consequence, cities have found themselves increasingly in competition to find new resources to compensate for the reduction of top-down government transfers. But city competition does not only take place on a financial level. For example, in a world of more mobile resources, cities have found themselves competing with each other in order to retain and attract the best people required to drive growth in the so-called "knowledge economy". Globalisation has had other impacts on local economies, forcing some cities into a path of de-industrialisation that has not yet been completed and the consequences of which have not yet been completely resolved in social and physical terms. Local authorities in many parts of the world have had to face social problems linked to high unemployment as well as finding viable ways of regenerating vast areas of brown field land abandoned by industry. Moreover the increased pace of economic change has made competitive advantage less sustainable. (Bastoni, 2004).

In such a competitive environment, the city's authorities and the other local actors must empower the competitiveness of the city/region. The idea of governance constitutes in a way a solution to those pressures that make the cities compete with other neighbouring or distant cities. Central to the notion of urban governance is the great

number of actors participating in it. With the increasing economic constraints and the distribution of responsibilities, only a collective effort could improve the competitiveness of a city. In this framework, the way in which a city should be administrated is a networked system of governance, rather than government, in which all sectors (public, private and voluntary) and all geographical levels (city, region, state) are cooperating in order to "produce" an efficient and efficiently managed city, as well as to promote the city on an international level (Bastoni, 2004).

Urban management stops being the result of hierarchical government and it is being reoriented towards cooperation, management and coordination of all local powers, energies and actors. *Participants in urban governance take on different roles*:

- Local governments have the most significant coordinating role in the city. They play a fundamental role in urban competitiveness by determining the quality of the microeconomic environment and contributing to the creation of a favourable location to attract mobile capital, talent and investment.

- The other levels of government (state/regional, central and supranational) have a less significant direct role on city economies, concentrating mostly on creating a strategic policy framework and facilitating the "creation of place" through financial incentives.

- The private business sector will contribute through its financing capacity and business expertise by working independently or in partnership with the public sector. Private capital will be attracted by a favourable business and regulatory environment but also by transparent markets characterised by "controllable-risk".

- Individuals will contribute to the complex urban competitiveness through their action as residents and employees. Their participation in local governance is largely influenced by the maturity of the democratic process in place in the city itself (Bastoni, 2004).

The organising capacity is totally necessary for appropriate urban management and it is equally important for city marketing. By organisational capacity, we mean the possibility of recruitment of all the concerned actors and, then, with their help, the production of ideas and the development and implementation of a policy, designed to create the conditions for sustainable development. *Factors that contribute towards organising capacity* are (Van den Berg and Braun, 1999):

- Organisation of administration

- Strategic networking

- Appropriate leadership

- Vision and strategy

- Appropriate spatial and economical conditions

- Political support

- Societal support

All previous factors call for skilled, entrepreneurial managers that can combine these elements. The major implication is that cities need to invest more in their human resources than most of them have done so far. In the so-called information era, knowledge and information become very important determining factors of success or failure for the management of cities, as is the case for companies. It is vital that cities keep up with the knowledge about the dynamics of urban systems and its managerial implications (Van den Berg and Braun, 1999).

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. Moreover, marketing activities are subject to the primacy of politics, the rules of administrative law and the democratic order, and to the principles of good governance. The political governing of marketing could provoke some objections, such as the capriciousness of the political policy process, a slim support base for some political objectives and a limited governing period, which interferes with long-term strategic marketing (Buurma, 2001). A condition for success is that the administration should commit itself to marketing as an instrument, while keeping political governing independent of market preferences. From a democratic point of view, it is better to back up a politically accepted policy which is hard to sell with powerful marketing tools, rather than to adjust it for reasons of expediency to market preferences (Buurma, 2001).

All *generic marketing tools* are essentially useful when divested of their commercial characteristics arising from the supplier's self-interest, and when adjusted to the administrative and political requirements of government action in society. The *most important* tools are (Buurma, 2001):

- A clear differentiation between stakeholders involved in the marketing process, and their interests
- Market segmentation as a way of anticipating different need patterns
- A marketing information system, including market surveys to determine the characteristics of different market segments
- Relations marketing and de-marketing methods
- Marketing organisation and strategic marketing planning.

5. CONCLUSIONS – THE IMPORTANCE OF CITY MARKETING IN URBAN DEVELOPMENT

In the contemporary conditions of globalised economy, cities are in even greater competition, than they were in the recent past, in trying to attract investments, business, residents and tourism. To deal with this competition, urban management must be made with entrepreneurial rationale. It must be strategic and market-oriented. Thus, it was inevitable that marketing strategies would be introduced into all levels of planning, but mainly into urban planning and tourism planning. The main targets of a marketing strategy are the success in attracting tourists, investors, businesses, residents and the influence on local society.

The four main activities of marketing include the design of the provided services and the particular characteristics of the city, the definition of motives for its potential buyers, the efficient distribution of its products and the efficient promotion of its image. The segmentation of the market plays an important role in the correct choice of target-markets. The most common city marketing strategies are city branding, flagship project construction and mega-event hosting. In order to achieve their goals, cities use actions as tools; factors like the recognition of their strengths and weaknesses, market surveys, promotional policies and cooperation between local actors.

Marketing process must be evaluated within the framework of urban management. City marketing plays an even greater role when it comes to tourism planning, as tourism destinations are now dealt with as products. In the framework of marketing processes, time planning also has an important impact.

As far as it concerns urban governance, the role and contribution of local authorities is particularly important in designing promotional strategies for cities and

promoting their image at an international level. Cooperation between local stakeholders is of great significance. The way in which a modern city must be administrated is a networked system of urban governance, in which all sectors and geographical levels participate, each with their own specific role.

In order to be successful, a marketing strategy must fulfil certain requirements, which means that cities must understand the changes in the wider environment, the needs, desires and choice behaviours of their target-markets, to create a realistic vision for their future and regeneration, to come up with an action plan in order to achieve this vision, to achieve consensus of the involved actors and to evaluate at each stage the progress made.

City marketing is an integral part of urban planning for cities that wish to be really competitive in today's conditions. A properly designed and implemented marketing plan can help every city to promote its competitive advantages, in order to succeed in the sector that is indeed more powerful than its global competitors. It seems that, if the previous years were those of human specialisation, now we live in the era of city specialisation.

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