Dr. István Piskóti ¹ – Dr. Szabolcs Nagy²

Identity and Image in the City Marketing

Our paper shows a comprehensive view of theoretical and practical aspect of city marketing and its planning model. Based on the competence-based paradigm, the focus is placed on steps in marketing planning, the 2P-mix instead of 4Ps. The central elements of the model are decisions and actions concerning city identity and city image. Methodology of city-audit-structure, which was tested in practice, is an important tool for decision makers in public marketing.

Keywords: city marketing, city image, city identity, dual approach, 2P mix, city development

¹ PhD, Head of Insitute, Associate Professor, Department of Marketing Strategy and Communication, Institute of Marketing, University of Miskolc, Hungary
² PhD, Associate Professor, Department of Marketing Strategy and Communication, Institute of Marketing, University of Miskolc, Hungary
Introduction

The problem of identity is interpreted in several ways. The term identity in a psychological content means assimilation or identification. There are two ways of defining it. One says that identity is one of the stages of recognition in the process of remembrance, while psychoanalysts look at this issue in a broader meaning saying that in the process of development ‘I am’ encompasses characteristic features of other persons, considers them to be his own and identifies with them.

As for the collective impacts Aronson distinguishes three types of reactions: compliance, identification and internalisation. The most stable is internalisation which turns into an internal value, whereas compliance and identification motivate rewards and punishments. Identification is not an inner need, but a positive self-definition, which means that a person finds another person or a group attractive or interesting in some way and will be willing to undergo their influence and to take over their values and attitudes just to become similar to the person or the group (Aronson (1978), p.58.)

On the other hand, the problem of identity is closely related to external identity frames and categories that is to evaluative critics of the actual social reality and in this way –directly or indirectly – it concerns socio-theoretical and ideological suppositions. (Pataki (1982) p.192) Due to the great variety of identities and because of the above mentioned factors an adequate identity hierarchy can be developed for each person and it undergoes changes with both age and society.

In the past few years the demand for identity suppressed earlier has sharply increased (national identity, sexual behaviour, environment protection, ethnical identity and so on). Alongside ethnical identities (and often related to them) various forms of territorial identities have been developing.

The territorial consciousness has become stronger and is closely related to the process of economic globalisation of 1970-1980, rejection of Americanisation and conscious preservation of characteristic values. The strengthening of national identity results in changes in consumer behaviour when national and domestic brands are given preference in order to
improve businesses of local producers and entrepreneurs as well as create and keep job facilities in the area.

Identity creation is a tool of city development, representation and protection of interests, promotion of activities, utilisation of local resources and competencies, promotion of action abilities and competences as well as competitiveness and external image.

Conscious improvement and development of identity is a prerequisite and a basic tool in city marketing and operation. **Identity and the efforts made to shape the image reflecting its peculiarities encompass both internal common features and peculiarities and in this way they become different from the others.** Cooperation and competition are two essential axes the management and promotion of which can be achieved only by application of conscious marketing.

The thesis of our model: marketing aided city identity can be shaped by taking into consideration external and internal environment. It is an interpretable category which can play an essential role in city development and competition.

In the past few years marketing has become a special tool for city development and city policy targeting at meeting the needs and satisfying the demands of institutions, companies and individuals working and acting in the interest of inhabitants and regions. Marketing is a tool used for coordinating city development. It introduces places and communicates cities in the form of a single image. Thus, on the one hand, it provides a managerial and functional approach. On the other hand, it offers a clear planning and operational management tool system. The Marketing Institute, based in Miskolc, Hungary has completed more than 20 different scientific and research projects in the field of place marketing in the last ten years.

The **basic appearance** of the place-product is **its image**, on the basis of which the decision making target groups develop their relationship with it. City marketing is a **community type marketing**, which develops its activities in the interest of the community of the whole region follows the principle of being competitively neutral and provides targeted enterprises, organizations, institutions and persons assistance to achieve greater success. **City marketing is the promotion and communication of exploration and realization of competitive**
strength, comparative advantages and forces of attraction in order to achieve multisided economic and welfare objectives (Piskóti etc.2002.).

The place-product is a product having hierarchic structure, where the products of particular territorial levels (country, region, county, small region, settlement) include products of lower levels, but can not be considered their simple summing up. Our marketing model is one of the most characteristic representation of duality in competition and cooperation.

‘Coopetition’ (Meffert 2000.) should operate as a live practice of places, it means that counties should cooperate in the interest of regions, but remain competitors when it comes to utilization of resources and direct developments within the region. There is no efficient place-marketing without a proper combination of cooperation and competition. Unreasonable competition must not hinder cooperation. Representation of direct interests can not be loosened in cooperation and compromises. Consequently, the relationship between marketing of particular place levels is complex. Neither bottom-up nor top-down planning can be effective. Only a ‘specially-tuned’ and interactive method can lead to success.

The product-duality determines two content-weight points of marketing: on the one hand, conscious and customer-based development of object and service elements of supply, on the other hand, a single image and communication activity. It means that the 2Ps approach (product+promotion) is better than the 4Ps approach in place marketing.

The competitiveness of a region or a settlement basically lies in its qualities, how effectively it can utilize competencies in various fields ensuring steady development of supply. Our researches prove that the starting point of place development can be nothing else but development carried out on the basis of its own competencies and closely adjust itself to them even if it badly needs to rely on substantial external resources. Consequently, in order to formulate the concept of marketing and develop its strategy the application of a ‘resource/competence-based view’ is to be applied. The essence of the applied competence lies in the fact that the image-based customer side can be conquered on the basis of the supply of the region and settlement and their communicative abilities.

The term competence means abilities and professional skills embodied in the target region and settlement, which, on the one hand, are ‘inborn’ natural and human conditions, but on the
other hand, it means the results achieved by people representing the target region or community and their own efforts invested in the fields of economy, culture and science. The market supply of cities and settlements, its realization and analysis can be made on the basis of their environment, abilities and competencies and greatly depend on the facilities offered by the settlements.

The new approach of public development: a competence based*, integrated model

*Source: Piskóti etc.: Régió és településmarketing, KJK 2003

Figure 1. The new approach of public development: a competence based*, integrated model

While making any decision our customers take into consideration the image they have shaped about our city and region as well as the trust built on it. An image is nothing else but city identity, ‘brand’ reflection, acceptance of its reputation, and thus, it is a determining factor in the success of a city.

As a matter of fact, the customer of a place-product does not purchase a particular physical product, but rather the trust developed on the basis of competencies as well as belief in success and results. The customer is sure and has no doubts about the abilities and competencies of the actual community in the actual environment. The application of concepts of supply and communication competencies are justified in the case of environment as it does not mean only direct, community owned, managed or implemented communication and
performance, but the performance of other organisations and institutions operating in the region and in the city as well. (Both the city management and municipality are indirectly involved in an enterprise operating in the city and employing local workforce, a Safari park established by a company or an investment conference initiated by the chamber and providing indirect support in the form of tax incentives and communication services)

Thus, 'the product' is a competence-image embodied by analysed supply and communication, shaped and featured by various activities. It is a clear picture, knowledge and bias about a region and a community, the life in the area, its business facilities and is purchased on the basis of a consciously built and strengthened 'brand. Both the image and the marketing activity forming it have a considerable impact on purchasing and decision-making processes (starting from demand formation to after sales feedback) and naturally they reflect various activities at various stages. The competence image appears in a subjective form, however, the way it is related to objective facts, image factors and actual performance is of utmost importance. The actual implementation of city marketing is a strategic planning process the peculiarities of which are illustrated in the Figure 2.
The examination of direct market fields includes five important areas regarding their content: value-, image-, target group-, competitor- and activity audits.

The values, environment, supply competence and weakness of the region and settlement have to be taken into account first so that the position elements and factors can be determined (VALUE AUDIT). While conducting a value-audit survey a special attention has to be paid to natural values, peculiarities of the area, capital, standard of the infrastructure and supply and the quality of the workforce in the area as they are the factors that determine resources and make up the competence background. The assessment of economic performance of the area with its entrepreneurial map, production structure, input-output relationship system, inside consumer structure, profitability and efficiency evaluation also belongs to fundamental investigations.

Secondly, on the basis of objective, factual data, after gathering information about the settlement it is essential to find out what subjective picture and image have been developed about it by its own inhabitants and outside target groups (IMAGE AUDIT). The analysis of these results and findings of primary research, opinions that might differ from factual data and lack of information reflect the current shortcomings and weaknesses of communication work. Within the economic image there are investment or site images, cooperation and market demand images. (Nemes 2000.).

The expectations closely related to image assessments include the ones raised by particular target groups, ‘customers’ to regions, counties, settlements and cities. The circle of customers is many-sided and its evaluation encompasses current and potential customers, determining features of their ‘shopping behaviour’ and decision making processes (TARGET GROUP/CUSTOMER AUDIT). The major target groups are local inhabitants, potential immigrants, tourists and visitors, local entrepreneurs and institutions, potential investors and cooperating partners, local governments and their offices and institutions, government, authorities and public offices, political and social organisations, other professional organisations and associations.

While conducting self-assessment and assessment done by others the factual data obtained have to be analysed and compared with those of potential competitors, thus, secondary and primary researches are to be combined with competitor analysis providing basis for application of benchmarking techniques (COMPETITOR AUDIT).
Last but not least, the content, tools and methodology of marketing activity have to be evaluated and compiled so that by using marketing audit tools contextual, organisational, personnel conditions and directions of marketing development activity can be defined (ACTIVITY AUDIT).

**Image audit**

Image is the sum total of direct perceptions of sense organs filtered through the observing person’s scale of values (Pocock-Hudson 1978. p.19.in: Ashworth-Voogd (1997) p.136), thus, on the basis of the information collected in an active or passive way, an idea, experience, opinion, judgement processed and comprehended by a person’s learnt, represented, and embodied values provides basis for attitudes and orientations to a specific object, person, region or city.

As a result, image analysis has a direct impact on purchasing decisions. These decisions and the experience gained from them tend to strengthen a specific image and attitude or to modify them. An image often plays a more important role in positive decision making process than physical resources or current conditions. This factor is of utmost importance in the case of an investment decision making process, when municipalities with constricted intellectual horizon concentrating on direct factors and competing for attracting investors fail to identify it. Consequently, they invest neither any attention nor any money in these aspects.

It often happens that the first question asked by the potential investor during negotiations is related to the number of minor and major foreign and international companies operating in the area or city. The collected information provides a more profound basis for facilities and risks a businessman can experience than any details about state of infrastructure or cost related factors.

Image is of determining character as far as city-product development is concerned because factors providing basis for opinion formation and evaluation play an essential role in initiating any modification and development of products and services.

Taking into consideration the ideas mentioned above it is obvious that an image plays a key role in ‘selling’ a region and a city. It is beyond any doubts that manipulation tactics in the
process of obtaining information, learning and education as well as compiling scales of values are developed during actual utilisation, effective appropriation and personal meetings.

With the help of conscious marketing activity built on the above mentioned principles the development of conventional and stereotypical images can be avoided.

The phenomenon of torsions which may result in increasing the gap between objective, actual reality and image also has to be mentioned. One of the major tasks of image analysis is to define the reasons, operational mechanisms and consequences of torsions and to create rapid and effective harmony as.

Image analysis takes into account attitudes related to the region, opinions developed on the basis of simple information or user-gained experience. Marketing built on the image can have an impact on it as follows:

![Image structure in city marketing](image.png)

**Figure 3. Image structure in city marketing**

An economic image consists of favourable and unfavourable opinions about area factors of the current providing basis for entrepreneurial decisions.

Taking into account the results of our researches and experience we have come to the conclusion that there are three major decision making areas which are to be paid attention to and compared as well. They are as follows:
• Will there be a production in the region if there are favourable conditions (better than the current ones)? The possibility of choosing it as a production site
• Will there be a fruitful cooperation between partners in the region, which would contribute to the increase in production and management efficiency? The possibility of selecting suppliers, partners of cooperation and collaboration
• Will there be a market in the region for products manufactured in other places? The possibility of choosing the region as a favourable market place

\[ I_R = f \{ I_1, I_C, I_M \} \]

\[ \text{business image} \]

\[ \text{the place where it is worth producing} \]

\[ \text{the place where it is worth having the products produced} \]

\[ \text{the place where it is worth selling} \]

*Figure 4. Components of business image*

\[ \text{I}_R = f \{ \text{I}_1, \text{I}_C, \text{I}_M \}, \] means that the rate of economic and business image depends on the rate of investition, cooperation and attractiveness of the market.

Within the framework of image analysis we are to

• define the potential target groups’ needs and expectations having the greatest impact on the investors’, customers’, co operators’ and sellers’ decision–making processes
• compare the strengths and weaknesses of the region in order to determine its comparative advantages with the ones of other regions

By shaping the right economic image investors’ intentions can be manipulated very successfully, which will lead to improvement of the economic system, desirable increase in the economic efficiency and income and considerable growth in the rate of employment. Suppliers’ and partnerships’ agreements are usually based on direct entrepreneurial competition, but as far as the investment is concerned the major determining factor of decision making is not only the geographical position and the economic environment of the region, but the estimation of its production capacity and K+F culture as well.

Apart from the size of the consumer market which can be manipulated by regional and city marketing there are several other forces of attraction which are as follow:

• quality elements of market demands
• sales culture
• licence policies connected with opening a shop or a shopping centre in the region
• local trade protective and supportive policy
• promotion of economic intermediator’s roles
• system of incentives

The common management of the these aspects is of utmost importance, however, it is not a very customary approach in regional and community economic policy.

As for the economic policy making and development activities emphasis is laid on stimulation of investment and construction activities, providing support to updating and upgrading of local businesses and encouraging increases in capacity in supply and distribution. Regional and city marketing is less conscious in this respect. The main reason for its passive attitude lies in the fact that according to ‘public opinion’ this is the field that needs the least intervention and the organisational effects of the market are more rapid and clear.

Due to the expansion of different chains of shops and the appearance of new forms of trade the standard of services is increasing, contributes to the development of positive ‘place feeling’ of the population and improves the level of satisfaction. Changes in sales forms result from the changes experienced in the purchasing habits of the population and the tendencies going on the global and international markets. These tendencies cause conflicts and marketing has to react on them. An example of this phenomenon is the increase in unemployment rate,
growth in social tension, decrease in the amount of fiscal revenues owing to the bankruptcy of local entrepreneurs. All these factors lead to increase in dissatisfaction of citizens and local entrepreneurs.

By raising these issues we would like to highlight that

- not only the economic decisions related to production play an important role in community marketing
- besides the stimulation of intentions of opening business sites the city management should consciously apply determinant elements in choosing and developing business premises
- there is a conflict of multiplayers’ interests and advantages as well as disadvantages can be experienced, a favourable impact on the economic image can be achieved by application of a complex approach and methods

The common analysis of the three image factors show that in the case of a particular external manufacturer and a partner where all the three factors – distribution, supply and production – should equally be given serious consideration, there is a specific chronological change and a subsequent order of the factors. Taking into consideration the correlations known in international marketing, forms and movements of entering the international market as well as practices used in strategies it can be stated that there are four major factors determining business decisions:

- degree of risk
- capital demand
- time needed for implementation
- desirable and ensurable degree of cooperation willingness in the management and supervision of the direct external market

The findings of the survey conducted in over 100 major companies having turnover of one billion and over and owned by foreign entrepreneurs clearly show that there are four large factors groups:

1. Factors related to direct costs of investment implementation
2. Factors affecting operational conditions and efficiency of a working plant
3. Soft factors connected with geographical environment of an area, a region, a city’s natural, cultural and service facilities

On the basis of international experience and domestic investment readiness it gets obvious that the weight of soft factors is steadily growing compared to cost-related ones. It is due to the fact that the conditions of both factors are getting equalised and more and more branches pay special attention to cost-reduction policies in order to remain competitive on the market.

**Three stages in image building**

Firstly, assess the actual status of the image, survey the opinion, future plans and expectations of potential customers and conduct comparative analysis of their performance in similar regions which might become potential competitors.

Secondly, on the basis of the first stage improve and develop the supply and the city performance so that they could meet the customers’ expectations and demand and highlight the peculiar nature and values of the city which distinguish it from other settlements. By changing the objective parameters the position of the city can be improved. According to the basic rules of marketing positioning has to follow dual practices and take into account both the buyer and the competitor.

Thirdly, by applying effective communication tactics **make the favourably modified performance known to target groups, make the audience realise the city’s strengths, advantages and opportunities and strive to establish a single identity which after being perceived and recognised will result in a positive subjective image.**

If the objective facts considerably prevail over the subjective image it is due to the **poor performance of the communication**, as it fails to communicate the real strengths and performance.

*The condition when the subjective judgment is better than the objective performance* is extremely dangerous as sooner or later the community product will reveal its shortcomings while in use, will lead to dissatisfaction, disillusionment and disappointment of customers and will result in developing long-lasting negative image which will be very difficult to change.
If the objective actual condition is worth than the facilities offered by the environment, the performance capacity of the city is to be changed.

The image developed in the current and potential ‘customers’ and public opinion depends on customers’ skills and competencies as well as expectations developed and derived from them. These elements and values behave as ‘weight factors’ of image shaping and capacity.

On the other hand, the customer competence-side is not a rigid condition, but expectations mouldable by marketing. By information transfer, training and support its properties and abilities can be developed, and in this way the customer becomes a buyer of our product.

The objectives of community marketing can be met by a very time consuming work which involves placing the ‘personality’, image and identity –‘the new brand’- of the region and community on a completely new foundation and then strengthen it or if necessary even reshape it.

The central concept used in corporate communication is the concept of Corporate Identity (CI), which can be applied in the case of communities and regions. Onto the analogy of CI the following new concepts such as a Country Identity related to a country, County Identity in connection with a county, City Identity in the case of a city and Region Identity speaking about a region can be created.
(coordination, motivation, performance, trust, credibility, acceptability, sympathy, synergy)

\[\text{Development of supply capacity} \quad \text{Communications on activity} \quad \text{City Image}\]

\[\text{Internal identity-} \quad \text{Uniqueness - external similarities} \quad \text{City Image}\]

\[\text{Determinants}\]
Values, unique conditions, the state of the local society, readiness to cooperate, activity of the local elite, prosperity of the area, nursing of values, information state of supply

\[\text{Figure 5 The relationship between an identity and an image} -\]
Identity building is based on performance and communication activities as it is defined in the basic concept.

**Figure 6. Group elements of supply-mix**

This big amount of tasks can be divided into areas determined in:

- strategy and programme of economic development
- cultural and scientific performance, development of institutions
- environmental protection and management
- development of social relationships
- operating public utility services, provision of magisterial functions and activities
Both the above mentioned activities and the appearance of ‘area product’ are related to marketing in several ways. Not all of them necessarily need specifically tailored strategic area, but some of its elements such as infrastructure or development of human resources are closely related to other strategic development areas. There is a strong interdependence and link between certain areas. There is also a supposition between them (moreover between some of their parts as well) as an economic programme does not exist without development of human conditions, training and professional development. Tourism cannot be imagined without protection and development of values. This list can be enlarged with further examples. The success or failure of the above mentioned areas have a direct impact on the judgment of the community and the region. A marketing approach must be applied to the development of these areas.

![Communicative type activity](image)

**Figure 7. Elements of communication mix**

The communicative elements of City Identity are City Design, City Behaviour and City Communication.

The building of CI has two directions. On the one hand, the ‘we consciousness’ has to be developed in the city’s population and in the circle of economic players living in the city, which will strengthen the feeling of attachment to the region, identity consciousness and the intention of active action happening in the area's interest. This activity often appears in the form of citizens’ and entrepreneurs’ arrangements of daily cases and routines alongside with the forms of the determination, self-confidence, inititative, community building programs and initiations.
Our findings have clearly proved that in the crisis gravely effected regions the population has developed a strong migration intention. They have no opportunities or withholding force which would keep them in the area and strengthen their feeling of affection and bond to the place that would compensate them a little for the economic collapse and impoverishment.

No wonder that the role and importance of the internal communication and PR should be given a lot of attention. The success of the whole strategy depends on the well-prepared and efficient internal activity. **There is no external image improvement without successful internal communication and PR efficiency!**

The strengthening of the ‘we consciousness ’ can only be achieved by implementation of action series ensuring acknowledgment of performance as well as a well coordinated and highly motivated system.

As it has already been highlighted earlier certain elements generate a very strong synergy effect. It would be very desirable to develop and restore traditions, habits in the form of programme of events and movements in the field of sports, arts and local history alongside supported impulses.

In the development of ‘we consciousness’ the relationship between the local government and the population of communities, the strengthening of the civil sphere and its organisations is of utmost importance.

All these factors are built on PR elements. It is extremely essential that **the relationships between communities in the area based on organisational and personal, social and institutional should only be nursed** in the interest of the economic advantage, but in order to improve the economic elements on the basis of which the living standards of the inhabitants will increase as well.

The task of the external communication is to develop a **distinguished uniqueness**, a conscious community- and regional identity with the help of which the characteristic information, messages and **comparative advantages** can **be formulated.**
The messages targeting the external public should be carefully compiled, as the change of current attitudes can be done only gradually and special attention is to be paid to observing the rules required to the establishment of credibility, acceptance, creation of sympathy, building up confidence.

As a result of a two-way communication the city’s judgement, namely the City Image can be easily influenced. There might develop a huge difference between objective factors and the subjective picture reflected in certain players, generally in a negative direction and only some cases the judgement is more favourable than the real situation.

**The task of the communication strategy is to create a harmony between objective facts and a subjective image.**

In order to achieve a more rapid development of the area and considering this move to be a basic objective a cost-efficient communication is to be applied to create a strategic harmony on the basis of which the county’s uniqueness, identification and recognizability can be ensured.

The three communicative type elements of CI shaping can be characterised as follows

**The City Design is nothing else, but a system of symbols and formal image elements being built one upon the other and resulting in a single, attractive and harmonising visual representation.**

The appearing devices are as follows:

- the coats of arm (flag) of settlements and the counties' historical coats of arm are important visualizing tools of identity. The usage of official symbols and badges has to be regulated and used primarily on special festive occasions and places. Their wide commercial usage is not desirable.

- the logo which is widely used on publications, programmes and other PR places efficiently displays belonging to the area and representation.

- its usage (even in a modified form) has to represent specific qualitative guarantees, because for example in the case of financed publications it is to be allowed if it meets professional and standard requirements
• it can be used as a geographical trademark placed on products produced in the county in order to increase the economic performance, to strengthen the prestige of the product’s place of origin and to certify its origin.

• the peculiar nature of building architecture, characteristic buildings, statues and signposts, etc. also belong to CD elements.

**City Behaviour** means people representing and reproducing a specific community, behaviours and manners of the population in its own circle and outside the region targeting the general public. It also means hospitality, knowledge of foreign languages, openness, business intelligence of the county entrepreneurs and their behaviour, manners and behaviours of major politicians and social personalities.

City Behaviour can be developed not only by applying PR instruments (making the examples to be followed, awards and acknowledgements known, etc.), but by improving training, education and communication skills as well.

**City Communication** is a systematic application of communication instruments which jointly produces information and influencing effect.

Impact of tools of non-communication origin such as products, persons, buildings, services and etc. is to be mentioned as well as they also convey important messages about us. The rule ‘everything communicates’ is also applied in this case.

City Identity can be shaped by joined efforts and will of organisations and institutions operating in the city and by setting up a management ensuring their implementation and integration.

The main objective of the communication strategy is to create a professional co-operational system and to elaborate and develop regulations, to set up organisations and management ensuring the implementation of the strategy. Partners co-operating and operating in the area have to develop a common and mutual wish and agreement regarding the conditions for success, ways how to achieve it and to define the elements for repositioning.
The main elements of the objectives are necessary management organisations, qualified persons and efficient operational mechanisms. Even if the identity elements are most clearly defined, the tool system implementing them cannot guarantee the implementation of the ideas, if institutional guarantees needed to update the communication activity in the short run are not offered when the strategy is accepted.

The theoretical concepts and strategic management processes of place marketing introduced in this work do not only mean the adaptation of one of the theoretical schools of marketing practices, but provides proper basis for people involved in the implementation of practical marketing activity. The practice-based concept is justified by the practical implementation of several project works alongside with the place and city marketing programs carried out under the supervision of the author in various parts of the country. The practical experience prove not only the fact that it can be applied, but calls the attentions of its inventors to the need of its further elaboration, introduction of new aspects and the fact that besides the dominant concept the practical implementation builds on the combination of marketing approaches as well, as it is generally shown in the first part of this study.
References: