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Marketing's Evolution as an Economic Development Strategy: A Washington County, Utah Case Study

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*To Sara and Sofia,
May the world be too small of a place for you*

ABSTRACT

Authors:	Nikki Lindgren and Claes Lindgren
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Title:	Marketing's Evolution as an Economic Development Strategy: A Washington County, Utah Case Study
Background:	Economic development has been a priority of areas for some time. In the mid-1980s, economic policies and marketing practices joined forces. During this time, cities, regions, states and countries began a clear shift from narrow economic development views to a broader set of strategies to attract new and maintain old businesses, boost tourism, attract investors and expand overseas trade. Today, places have increased their use of highly sophisticated marketing strategies aimed at building competitive markets while targeting specific buyers and positioning the community's resources to respond to specialized buyer needs and desires.
Aim and Purpose:	The purpose of the study is twofold: first, to explore how place marketing fits into general marketing efforts and secondly, to provide insights into what factors influence the success of places. Three questions were developed to assist in the direction of the research and to assist in gaining practical and tactical insights obtainable through a case study analysis.
Methodology:	Theoretical and empirical data is provided and analyzed using the actor's approach. Primary data is collected via direct observations, email, phone interviews and open dialogues. Secondary data is collected via Internet, magazines and newspapers and meeting notes to provide further depth and to elaborate upon the theoretical findings.
Results:	We expect the study to highlight important phenomena that occur when viewing place marketing as a general marketing effort. We also expect to uncover practical "success factor" insights into place marketing from which civic and private entities can learn.

ACKNOWLEDGEMENT

Our research as it stands today is distinctly different than where it began. At first, our interests were in exploring success factors for planned housing communities. Such research raised questions about marketing's role in local and regional economic growth, which led us ultimately to our topic today: the marketing of places.

We investigated the place marketing phenomenon with much curiosity having had little prior experience in place marketing, city planning or economic development. The study's organizational structure is indicative of this learning process. Its focus is on understanding the place marketing phenomenon in relation to its traditional marketing roots. We read and studied many prominent place marketing theorists' findings and theories with interest. We built our understanding with each added source and study. We realized that the place marketing phenomenon is multi-faceted and its theory is ever evolving. At the study's inception we lived in Washington County's administrative county seat, the city of St. George. The empirical case selection was therefore easy; however, the birth of two children and relocating twice from western to eastern United States and then to Germany didn't simplify the research.

We learned many things the most pertinent of which are presented here. One of the most enduring personal lessons for us is that it is only through our own history and experiences that we interpret the world around us; therefore, the greater our experience and the greater our understanding the greater our possible contribution.

First, we would like to thank Stig Sörling and LT Eriksson for being good sparring partners in the process of writing the paper and for keeping us on track. Stig's patient direction kept us focused, encouraged and moving forward. His feedback and guiding ideas were decisively helpful and are woven throughout the paper.

Second, we would like to thank Dr. Seppo Rainisto for allowing us to utilize his success factors in place marketing findings, as presented in his 2003 doctoral dissertation "Success Factors of Place Marketing: A Study of Place Marketing Practices in Northern Europe and the United States." Rainisto's research provided a foundational framework upon which the empirical case is examined.

Lastly, we thank: Marc Mortensen, St. George's Assistant to the City Manager; Roxie Sherwin, Director at the St. George Tourism Office; Dave Williams at the State Office of Tourism; and Scott Hirschi, Director of the Washington County Development Council. We were positively surprised by the local leadership's support, cooperation and helpfulness in our endeavor. Moreover, we owe much gratitude to M. Rankin and R. Austin, who helped edit and focus the paper.

We hope that this study will provide greater understanding and lead to more sophisticated utilization of place marketing.

Dortmund, Germany, 24 May 2011
Nikki & Claes Lindgren

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1 INTRODUCTION

This chapter presents the background and motivation for the study. This information is presented to illustrate the point of departure in the study. In doing so, the purpose of the paper is stated as well as to whom the study is primarily aimed.

1.1 Background and Motivation for the Study

Marketing is a business tool that assists organizations in defining their offerings to specific customer target groups. Marketing objectives can be presumed to be relevant in all fields of marketing products and services. Over the past 30 years, a branch of theorists evolved who hypothesized that the theories and models used in marketing products or services might be similarly expanded and applied to the marketing of a place. After all, according to Ashworth & Voogd (1994), Ward (1998), and Kotler *et al* (1999), a place is in many ways a spatially-enlarged package of goods, services, customer experiences and all combinations of all of these consumed in different ways.

“Place” is used in this study to describe a city, county, state, nation, region or area. Places have significant economic, political and cultural offerings and regional or international connections and communications. “Region” and “area” are broad terms describing a geographical area linked in uniformity by certain factors such as trade or industrial activity. In the United States, the first four types of places move from the smallest to largest, and have a government or administrative core with geographic boundaries. Our study considers a place as a conglomerate of public and private organizations, and success is in many ways reliant upon the cooperation and coordination between its parties.

Place development is used interchangeably with urban economic development, which in earlier times focused primarily on land and transportation planning to improve the economic and social environments of communities. Today, there has been an apparent shift in urban governance. With marketing’s emphasis on the consumer, urban developers have available added tools to direct area growth. Philip Kotler, distinguished author and professor at Northwestern University’s Kellogg School of

Management, has been hailed by Management Center Europe as “the world’s foremost expert on the strategic practice of marketing. Kotler is a leading theorist in marketing, branding and also place marketing. Kotler defines place development as “a systematic and *long-term marketing strategy* directed towards nurturing and developing the natural and potential attributes of an area or region” (Kotler *et al.* 2002a: 57; italics added by authors). If Kotler *et al.*’s claim is true, then marketing is an integral part of urban development’s definition.

The interconnectivity of economies and technologies has assisted in the usage of marketing in urban development. Indeed, such events and activities have changed the way most products and services are marketed. The reconfiguration of “glocal” or “global and local” physical and virtual identities has altered the playing field for corporations in ways never thought possible. Similarly, such activities have changed the way we view places (Porter, 2001). The process of globalization might have been assumed to make a location and region less important; however, according to Porter (2001), it appears to be doing just the opposite.

According to Ashworth & Voogd (1994: 39), there is nothing new about places being promoted by those likely to profit from their development. Economic development has long been a priority of places. However, what is new is places increasing their use of highly sophisticated marketing strategies aimed at building competitive markets while targeting specific buyers and positioning the community’s resources to respond to specialized buyer needs and desires. It was first in the mid-1980s that places began a marked shift from a narrow economic development view to a broader set of strategies to attract new and maintain old businesses, boost tourism, attract investors and expand overseas trade (Paddison, 1993).

According to Fall & Lubbers, the tourism industry is one of the largest industries in America. In 2001, the U.S. travel, tourism and hospitality industry averaged \$1.5 billion a day, translating to \$1 million a minute, according to the American Hotel and Lodging Industry (2003). Tourism frequently acts as a catalyst for other development while it contributes significantly to the economies of many places. However, place marketing is geared not only for the tourism industry although some argue it began

there. Its activities are much broader and its interests lie much deeper than simple promotional activities for the image and brand of a place.

Today, branding gets an utmost focus and is a natural starting point for many places in their efforts to construct and implement a comprehensive place marketing strategy (Rainisto 2003; Hankinson 2007; Trueman, *et al* 2001; Kavaratzis & Ashworth 2005). Hubbard and Hall (1998: 8) claim “the manipulation of city images, cultures and experiences has become probably the most important part of the political armoury of urban governors and their coalition partners in the entrepreneurial era.” Ashworth & Voogd (1990) claim the perception of cities and the mental image held of them have become active components of economic success or failure. Therefore, to improve the place image, many place decision makers realize they must use the guidance of strategic marketing professionals to choose a suitable “package” for developing a place competitively.

However, in terms of branding it is clear that in practice not all commercial approaches can be effectively and responsibly applied to government, society and economic development. Promotional activities such as branding constitute only a fraction of the whole process, and should not be considered an alternative for a directed and purposeful, broad-based marketing effort.

In the United States, counties are administrative divisions of states and the middle tier of unified government between the state and smaller local government. Washington County, our case study, is located in the southwestern corner of the state of Utah, in the southwestern United States. Its principal city and county seat is the city of St. George. According to the U.S. Census Bureau (2007), most counties have a county seat, usually a city, where administrative functions are centered.

The U.S. Office of Management and Budget (OMB) defines a Metropolitan Statistical Area (MSA) as a geographic entity designated solely for federal statistical purposes. According to the OMB (2009), a Metropolitan Statistical Area currently consists of at least one urbanized core area with a population of 50,000 or more along with adjacent territory that has a high degree of social and economic integration, as measured by

commuting to work, with the urban core. Revisions to metropolitan areas occur once every ten years prior to each census.

In the last two decades, Washington County has been a top growth area in the United States. From 1990 to 2000, Washington County beat Las Vegas, Nevada as the OMB's fastest-growing Metropolitan Statistical Area in the United States. From 2000 to 2010, it was ranked the second-fastest growing metro area behind Palm Coast, Florida (OMB, 2011). According to the U.S. Census Bureau (2007), the county has nearly tripled its population every decade in the last 30 years.

Significant attention and recognition has inundated the area: “#1 Emerging Hotspot in the Country” (Trip Advisor 2009), “50 Best Places to Live and Play “ (National Geographic 2007), “Boomtown USA” (Inc. Magazine 2007), “Dream Town” (AARP Magazine, June 2006), second in the nation for “2006 Hottest Cities for Business” (Inc. Magazine, 2006) and “Home to the Most Organized Marathon” in the country (Runner's World Magazine 2010). Washington County was listed in the “Top 100 Places to Live” (Relocate America 2009) and the “Most Secure U.S. Place to Live” (Farmers Insurance, Dec 2006). Additionally, in October 2010, Forbes magazine named the state of Utah as #1 in their fifth annual “Best State for Business and Careers.”

Motivation for the study came from the authors' first-hand experience of the area's remarkable growth in the early 2000s. During this time the authors were studying International Marketing at the University of Gävle. These factors prompted interest in the topic as well as the natural choice of the case study.

The increasing incidence of global/local physical and virtual identities, the shifting philosophies of government, and the changing natures of cities and the behaviors and expectations of their citizens have altered the way places are planned and managed. Kotler *et al* (1993) assert that places must learn how to think more like businesses, developing products, markets and customers. Although there are limitations to applying such theory and practice to places, marketing certainly has its contribution to a strong strategic market planning perspective.

1.2 Purpose of the Study

The purpose of the study is twofold: to explore how place marketing fits into general marketing efforts and to provide insights to factors that positively or negatively impact place marketing efforts. The theory and an empirical case are used to explore and analyze these topics. To answer the overall research purpose, three non-hierarchical questions have been developed.

<p>1. What is place marketing and how did it evolve into what it is today?</p>

This question is answered in Chapter 6. It is first developed in the theoretical sections in Chapter 3 and 4, which provide historical perspectives and contemporary theories and findings into traditional marketing and place marketing. The empirical case in Chapter 5 provides real-world substance. In Chapter 6, the findings are combined and parallels are drawn which help further the understanding of the place marketing phenomenon.

<p>2. What are the similarities, differences and challenges in marketing a place versus a commercial product or service?</p>

This question is also answered in Chapter 6, the analytical section. Answering the second research question provides further contribution to the study by defining core concepts and formulating the theoretical framework in Chapter 3 and 4. The crux of this question lies in clearly identifying and understanding limitations of traditional theory in place marketing theory. The empirical case contributions in Chapter 5 also provide practical insights.

<p>3. What are key success factors in place marketing?</p>

This question is answered for our empirical case at the end of Chapter 5, and tied together with the theory in Chapter 6. To begin the exploration of the third question, marketing strategy and success factors are theoretically examined in Chapter 3 and 4.

The empirical case in Chapter 5 contributes to real-world phenomena and deepens the understanding of the complexities of place marketing management.

Table 1.1: Purpose of the Research and Research Questions

Purpose of the study	How does place marketing fit into general marketing efforts, and what are success factors in place marketing efforts?
Research question 1	According to the literature, what is place marketing and how did it evolve into what it is today?
Research question 2	What are the similarities, differences and challenges in marketing a place versus a product or service?
Research question 3	What are key success factors in place marketing?

(Source: Authors)

1.3 Focus of the Study

The scope of the present study is limited through the purpose of the study, with the research context being places. The study explores theoretical data and models to further understand places which are seen in the context of public-private organizations, and how traditional marketing theory, historically focused on private organizations, fits. Strategic and managerial issues also get attention and efforts are made to understand how corporate marketing theory must be adjusted to match the needs of the public sector. Success factors are also discussed in effort to provide utility to the findings. A case study approach is used investigating the current phenomenon within its own context to add insights to the theory.

The main target audiences for this study are government, place marketers and the leadership of place stakeholders. Most especially, this report is focused to provide

insight to the leadership of those groups most influencing the place message of Washington County.

Table 1.2: Research Focus

Research aspect	Selected Focus
Theoretical position:	Place marketing studied from the perspective of marketing public and private organizations
Case location:	Washington County, Utah
How the empirical study is carried out:	Historical and case study
Target group:	Government, place marketers, and all place stakeholder leadership; especially those of Washington County

(Source: Authors)

1.4 Structure of the Thesis

Chapter two on methodology describes the scientific tradition used. It also provides a description of the practical choices made by the authors regarding methodology and why they were made.

The third and fourth chapters present a history, literary review and theoretical framework to assist in the analysis. History has significance for academics, because it helps to define the baselines upon which change can be recognized and marketing theory can be evolved. The theory presented has helped guide the practical investigation of the topic and has been used to develop an understanding of the objects of study. Understanding the place marketing phenomenon involves understanding fundamental marketing principals, which is where the study begins.

Chapter 3 focuses on understanding the core foundations of marketing and its management in organizations including contemporary perspectives. The marketing mix, brands, marketing management and environment and strategy are the major areas of focus. Chapter 4 discusses place marketing theory, including its role in regional development, the importance of the place brand image and general strategy and success factors.

In chapter 5, the authors present the empirical case. A background of the area is first presented. Then a discussion of the place is provided in respect to Kotler *et al*'s (2002) "Levels of Place Marketing." The chapter ends with a summary analysis of Washington County's success factors using Rainisto's (2003) framework along with the authors' recommendations for county-specific change.

Chapter 6 contains an analysis and discussion of the major findings in the theoretical framework, combined with the empirical case. The empirical findings add practical insights.

In Chapter 7, conclusions are drawn upon the analysis with respect to previously formulated purpose and research questions. Limitations of the study and suggestions for further research and readings are provided.

2 RESEARCH METHODS

This chapter describes the scientific tradition used. It also provides a description of the practical choices made by the authors, including rationale.

2.1 Scientific Orientation

This section describes the scientific orientation of the study. It begins with a background in scientific methodology and three common approaches available today in creating business knowledge.

According to Cavell (2002), acquiring knowledge involves complex cognitive processes: perception, learning, communication, association and reasoning.

Knowledge is also said to be related to the capacity that humans have to acknowledge it. Research is a systematic search for knowledge using a scientific method. Research is used in business by management for making informed decisions and according to Arbnor & Bjerke (1997), can be a “definitive means of competition.” Research methods are important and should be scrutinized because knowledge comes with systemic and philosophical presumptions.

A research paradigm involves foundations that are ontological, epistemological and methodological (Denzin & Lincoln, 1994:13). Arbnor & Bjerke (1997) propose a way of viewing differences in ontology, epistemology, and methodology by using one of three different research paradigms. These approaches are used in business research today: namely the analytical, the systems and the actors approach.

According to Arbnor & Bjerke (1997), the analytical approach assumes that reality has a cumulative character, or the whole is the sum of its parts. Knowledge is independent from the observer, and parts are clearly explained by verifiable judgments. Using an example in Arbnor & Bjerke’s text, in its purest form, selecting the best soccer team using the analytical approach would involve selecting the best goalkeeper, the best defense, the best forwards, and so on. The assumption is that when you add up the parts, the sum equals the whole (the team) and the best individual parts will make up the best total.

The systems approach assumes reality as a whole is not a simple added sum of parts. Knowledge, according to the systems approach, depends on systems, and the whole is affected by relations. Parts are therefore explained by characteristics of the whole. Using the same example, selection of the best soccer team would involve a discussion of the environment of the system. That means the opposing team, the playing field, and the best combination of players in relation to the opponents.

The actors approach assumes that knowledge is a subjective reality, based upon “meaning structures.” Using the actor’s approach, Arbnor & Bjerke (1997:53-54) claim knowledge is “socially constructed.” Knowledge is dependent on the observer and the whole is understood only through the actor’s individual perceptions of reality. The actors approach is not interested in explanations, but rather in understanding social wholes, while reality is interpreted as a complex social construction created *intentionally* (Arbnor & Bjerke 1997: 53-54). If we again use the metaphor of a soccer team, the best team would be made of the best mix of actors based who best supplements each other in a social context considering, for example, their mix of physical, mental and social skills. And an important first clarification would be that the best team depends on the observer and his *intentionality*.

Intentionality is an essential element in the actor’s approach as it is key to generating and interpreting data. Intentionality is what connects us with the environment and makes us active and co-creative participants versus passive. An example from Arbnor & Bjerke (1997, p159) helps illustrate this point:

Consider how one and the same house can alter its look depending on the intentionally present. Suppose we work with the following alternative starting points for our intentionality:

- (a) We are to conclude a “quick deal,” that is, to buy and then sell the house for a good profit;
- (b) we have been invited to spend a weekend with friends in the house. We will certainly experience the house completely differently in the two cases. This means that the house as an object will be molded according to the intentionality we have as a starting point for our sense impressions.

Using the actors approach, motivation and intentionality are essential parts of the basic assumptions made (Arbnor & Bjerke 1997: 158). The core of knowledge

consists of understanding and interpreting meaning for the subjects. Ambiguity is expected and desired, as it is essential to the creation of knowledge (Arbnor & Bjerke, 1997: 158).

The study presented utilizes the actors approach. The individual theorists involved in the theoretical constructions are identified and seen from the perspective of intentional, active, reflective and creative individuals. The empirical case looks at place marketing actors and events in “real life” or natural settings. The present study assumes that the researchers can learn the most about place marketing by being immersed in it. As such, the researchers acknowledge their own ontological and epistemological assumptions as well as the other actors involved and their own individual, subjective realities.

Case study evidence can confirm or disconfirm a theory, as in experiments (Yin 1994, Eisenhardt 1989). Therefore, the research process is also closely linked with the data and involved stages of back and forward construction. The present study does not aim to create new theory, but presents an empirical case that might assist in the application and understanding of place marketing’s place in traditional marketing theory.

2.2 Theoretical Context and Concepts

The purpose of theory building was twofold: to create a theoretical framework that assists in answering the research questions and to create a guide to the case study analysis. The authors began with the premise that complex problems are best handled through simple solutions. The theoretical construction reflects an attempt by the authors to adopt a similar perspective while not oversimplifying.

In the study, Philip Kotler is recognized as a major contributor in traditional marketing and contemporary place marketing theory. Kotler is known widely as “the Father of Modern Marketing.” Kotler has authored or co-authored around 70 books, including Marketing Management, which is the world’s most widely used graduate level text book in marketing. Kotler changed the perception of marketing first in the 1960s by describing what marketing *is* rather than what marketers *do*. Kotler is a

distinguished economist and professor of International Marketing at the Kellogg School of Management at Northwestern University. Kotler *et al*'s works (1993, 1997, 1999, 2002) focus on the place marketing phenomenon, and are currently regarded as major holistic place marketing texts.

A practitioner-turned-academic, Dr. Seppo Rainisto (2003) is a leading authority in place marketing and branding, with over 30 years of private sector experience in Finland, Germany, USA and Brazil. Currently serving as CEO of Meritleader (Finland), Rainisto has in the recent past produced numerous publications and scientific papers and co-authored with Teemu Moilanen in 2009 the book "How to Brand Nations, Cities and Destinations: A Planning Book for Place Branding." According to Kotler, Rainisto's framework of success factors constitutes a definite advance in knowledge in the field of place marketing. Rainisto's framework is discussed theoretically in Section 4.7 and empirically analyzed using the case study in Section 5.5. An advisor and frequent lecturer, Rainisto is a founding member of the Editorial Board of the Journal of Place Branding and Public Diplomacy (London) and a member of the Advisory Board of the Association of Place Branding and Public Diplomacy (Berlin).

Anholt, also referred to as "the Father of Place Branding," Aaker & Joachimsthaler, Kavaratzis, Ashworth & Voogd, and Avraham & Ketter were identified by the authors as major contemporary contributors to marketing research, and their texts and papers of theoretical discussions and best practices were identified as some of the best available to utilize in constructing the theoretical sections of the research.

2.3 Empirical Case Study

Yin (1994:13) asserts that a case study collects knowledge by means of direct observation or experience and is used to investigate a current phenomenon within its own context, especially when the real-world complexities and ambiguities between phenomenon and context are not clearly evident. Case studies keep expressions like "theory is one thing, practice is another" alive.

The phenomenon of place marketing is a complex one and its research is still a relatively new subject matter. Because of these reasons, Rainisto (2003) claims place marketing is best understood when studied in its own context. The case study, Washington County was selected because of its manageable size (a county is an intermediary step between city and state government), and also because of its remarkable growth over the last 30 years. The informants were very helpful and cooperative. Moreover, the authors were residents of the subject city from 2002-2006, and experienced first-hand remarkable growth of the area. This encouraged their interest in exploring the place marketing phenomenon.

Claes Lindgren was employed as a logistics manager with the world's largest public corporation by revenue, and the second-largest non-government employer in the subject area. Nikki Lindgren was a finance officer in mortgage lending. She was involved in local marketing, finance and sales discussions, and an active member of the Southern Utah Mortgage Lender's Association. Due to this broad network, it was easy to identify key informants, find strong reference resources and to talk to local decision makers.

The Internet, interviews and dialogue were the main methods of collecting the empirical data. The goal was to first become familiar with the case as it presented itself via Internet. Later, interviews and dialogues with key informants were used. Interviews are seen as a more formal technique for collecting primary information in business while dialogue's interactive method can yield information not otherwise accessible (Arbnor & Bjerke, 1997: 224, 384). Informal talks can prevent researchers from taking certain starting points for granted, or prevent fixing attention in certain directions. Personal interviews (face-to-face), telephone interviews and email were used with little standardization, both with open-ended and closed-ended questions. Varying data collection times and methods during the research process were used to provide flexibility in this qualitative study.

Using the actors approach, according to Arbnor & Bjerke, (1997: 185), one must acknowledge that creating knowledge is to a large extent aimed at understanding oneself. Data is acknowledged as being taken in close proximity to the situation, while influences of the local context are important contextual considerations.

“Metapsychology,” as defined and explained in the Miriam-Webster Online Dictionary 2010 (accessed Nov. 15, 2010), functions under the premise that the structure and processes of the mind cannot be demonstrated objectively; that is, human beings are subjective interpreters of their reality. Therefore, knowledge developed is dependent on the actors involved, and wholes and parts can be ambiguous and must be continuously reinterpreted. Relations, dialogues and shared creation of knowledge are reflected upon by the researchers and essential patterns in the information identified.

2.4 Data Analysis and Interpretation

The data analysis and data collection were done primarily via Internet, phone and email. The internet served as a good source of meeting minutes for the relevant associations and organizations, and also for collecting historical data on the case study. Over the course of two years, numerous phone and email interviews were conducted between the authors and the leadership of the area’s major private and public place marketing entities identified.

The interviews and data collection formed an interactive and iterative process, cycling between data, literature and emerging theory. The data was gradually condensed into summarizing tables, and the empirical data brought fresh angles to the theoretical pattern elements. Phone interviews were structured and unstructured, but were not recorded. Each interviewee was consulted via phone more than once. Email served as a medium to further clarifying findings and each interviewee was emailed conversation notes for accuracy. Each informant responded with affirmations, further feedback and/or corrections and clarifications.

Literature was again consulted and systematic feedback was used from the informants to add credibility and to confirm and refine the findings. These angles and combinations helped in reaching the conclusions.

3 MARKETING THEORY

This chapter presents a literary review and a theoretical framework of traditional marketing theory to assist in the analysis of the subjects. This section provides depth and perspective into the subject matter, establishing a foundation upon which the analysis is built.

3.1 Introduction

There is little debate that marketing is the business function that most closely focuses on the customer (cf. Jobber & Fahy, 2003; Kotler *et al*, 2009a: 4). Marketing aims to identify and understand the customer, satisfy the customer, monitor how the customer's needs change over time, and to keep the customer. With the consumer as the focus of its activities, it can be concluded that marketing management is one of the major components of business management.

Jobber & Fahy (2003) see contemporary marketing as a holistic process, having a presence in every function of an organization. When business leaders get closer to the consumer, they can make important discoveries, uncovering unarticulated needs and anticipate intersections of their own industry with others (Jobber & Fahy, 2003). Additionally, Hunt & Morgan (1995) and Grant (2003) assert that marketing is presumptively “pro-competitive,” and a firm must not only supply what the customer wants to buy, it must survive competition. In order to do so, an organization must identify and maximize its core competencies. Tidd (2001) claims that business and academic communities pay much interest to the identification and development of competitive advantages, while strategic capabilities are also an important part of how organizations differentiate or brand themselves and their products.

One can say with some confidence that “the marketplace isn’t what it used to be.” According to Kotler *et al* (2009: 14), major forces such as technological change, globalization and deregulation have radically changed the world, creating new behaviors and challenges. Within changing environments, marketers apply the marketing mix. Market segmentation is a critical first step that allows an organization

to develop an offering that is positioned with the target customer in mind, rather than to try to satisfy everyone in the global marketplace (Kotler *et al* 2009: 19).

Such topics will be discussed in this chapter, and have been organized into: the marketing mix, branding, marketing management (including target market and positioning), the environment, and marketing strategy. But first we begin with a contemporary definition of marketing along with a historical perspective to provide an understanding of how marketing has evolved into what it is understood to be today.

3.2 *Evolution of Marketing*

One current definition of marketing provided by distinguished American Marketing Association (AMA) is: “marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.” It was last updated by the AMA’s Board of Directors in October 2007 as a part of the AMA’s ongoing “Common Language: Marketing Activities and Metrics Project.”

Throughout history, marketing has changed considerably in conjunction with changes in society and consumer tastes (c.f. Kotler & Keller 2009, Adcock *et al* 2001, Nijssen & Frambach, 2000). Kotler & Keller (2009) claim the current marketing approach evolved from earlier orientations. Therefore, it can be considered an on-going challenge to construct a good working definition of the marketing phenomenon. According to Kotler *et al* (2009a), the reason for this is because in today’s society, its definition must apply to a large variety of products and services in a growing variety of markets, and it must be applicable in different marketing contexts while being flexible enough to encompass future marketplace changes.

Marketing practice in the past was seen as a creative industry, including advertising, distribution and sales. Marketing literature is adept in re-inventing itself and its vocabulary according to the times and the culture. However, because the academic study of marketing makes extensive use of social sciences, psychology, sociology, mathematics, economics, anthropology and neuroscience, the profession is now

widely known as a science, and numerous universities offer marketing as a Master of Science (M.S.) program.

History has significance for academics, because it helps to define the baselines upon which change can be recognized and marketing theory can be evolved. Most marketing historians agree that the marketing discipline as we know it today branched out at the turn of the twentieth century, although earlier forms existed. One marketing standard chronology subdivides marketing into the production, product, sales, market and customer orientations (Keith 1960; Bartels 1974; Dawson 1969; Kotler & Keller 2006; Adcock *et al* 2001). These orientations represent a historical chronology but also define current orientations still in use at some organizations today.

Table 3.1: Earlier Marketing Approaches

Orientation	Profit driver	Western European timeframe	Description
Production	Production methods	until the 1950s	A firm focuses on producing as much as possible of a given product or service. Thus, a firm focuses on turnover and exploits economies of scale. A production orientation is used when demand is high and consumer tastes are expected to change slowly, if at all.
Product	Product Quality	until the 1960s	A firm focuses on the quality of the product. The assumption is that as long as product standards are high, consumers will purchase
Selling	Methods of Selling	1950s and 1960s	A firm focuses on the selling/promotion of a product, and not determining new consumer desires. This entails simply selling an already existing product using promotion techniques to attain the highest sales possible.
Marketing	Consumer Wants and Needs	1970 to present day	Perhaps the most common orientation used in contemporary marketing, it involves a firm that formulates marketing plans around the marketing concept, and thus supplying products to suit new consumer tastes.

(Source: Adcock *et al*, 2001; Kotler & Keller, 2009;)

Historically, the beginning of the 20th Century was dominated by product and manufacturing oriented thinking (the two first orientations). Say's Law, or the law of the market, is an economic principal of "supply creates its own demand," and it summarizes this viewpoint. Henry Ford once said that his customers could order his mass-produced Model T in any color they wanted, as long as it was black. With this type of orientation, a firm focuses on producing as much of a product as possible to exploit economies of scale. Production and manufacturing orientation led to product

orientation, where the focus is on product quality rather than the needs and wants of customers. According to Adcock *et al* (2001: 18), production-oriented companies are less able to respond when customers stop buying their products. Therefore, most product-oriented companies react by implementing vigorous sales and advertising campaigns, thus adopting a sales orientation.

After World War II, a consumption-oriented society emerged with sales (and marketing) becoming a company's primary focal point (Nijssen & Frambach, 2000). At this time, a company's main objective was to maximize turnover, and sales effectiveness was evaluated by this measurement. In the 1950s, things changed when markets began to show the first signs of maturity and saturation. At this time, new technologies and market trends were emerging. Planning was mainly limited to long term; that is, budget allocation and projecting past trends into the future.

Innovation in information technology has given marketers new channels of communication as well as enhanced means of aggregating and analyzing marketing data. Organizations as a consequence started pioneering the *marketing concept*, focused on satisfying target customer needs. The focus shifted dramatically from "making the sale" to a discussion on customer relationships, especially how to build and maintain them.

During the 1960s and 70s, marketing theory developed with oil crises, economic recession, saturated markets and increased globalization. Managers realized that careful monitoring of markets and their environments was essential for survival.

The 80s and 90s further clarified the importance of relationships. In the 1980s, the cold war ended. Strategic planning changed into strategic management. After its success in consumer markets, service marketing and business to business marketing followed slowly, proving that marketing was disseminating. Strategic marketing took off in the 1980s when marketers recognized that monitoring the environment is as important to success as well as the traditional marketing mix activities (Nijssen & Frambach, 2000).

According to Adcock *et al* (2001), recent approaches in marketing include a focus on the customer (relationship marketing), the organization (business or industrial marketing), or the benefits to society (social marketing). Another approach, by Kotler *et al* (2009, ED: 7), distinguishes between managerial marketing and social marketing, where managerial marketing defines marketing as “the art and science of choosing target markets and getting, keeping and increasing customers through creating, managing, communicating and delivering superior customer value (Kotler *et al*, 2009, ED: 7).” Social marketing defines marketing as “a societal process by which individuals and groups obtain what they need and want through creating, offering and exchanging products and services of value freely with others.” The social definition works well with non-profit organizations and calls upon marketers to build social and ethical considerations into marketing practices for mutual benefit, versus simply satisfying consumer wants regardless of society’s expense.

It appears many marketing definitions have been customized, catering to the modern organization to whom its message is intended. Therefore, one might conclude the definition of marketing today is a shape-shifting one. Perhaps it must be, because of marketing’s enduring pledge to satisfy the ever-changing needs of the consumer. When its theorists, practitioners and their customers are satisfied, then perhaps its definition can take a rest as well.

3.3 Marketing Mix

Kotler *et al* (2009: ED: 4) assert that all other business functions will not really matter if companies do not understand consumer needs and identify sufficient demand for their products and services for them to make a profit. And marketing’s ultimate task, according to Kotler *et al* (2009a: 7) is to discover accurately what target customers want and to then develop appropriate market offerings by effective application of the marketing mix.

The marketing mix remains the central framework for tackling marketing problems for marketers (e.g. Jobber & Fahy, 2003; Anholt, 2010; Ashworth & Voogd, 2009; Avraham & Ketter 2008; Baker, 2007; Chekitan and Schultz, 2005; Grant, 2002; Kotler & Keller, 2009; Porter, 2001; Ward, 1998). According to the Journal of

Advertising Research (June 1964 pp 2-7), marketing methodology in practice has become universally recognized as the marketing mix's four basic decision making activity sets: product, price, place and promotion. Lauterborn (1990) suggests that the seller's four Ps correspond to a customer's four Cs: customer solution (product), customer cost (price), convenience (place) and communication (promotion).

Typically, the *Product* or *Customer solution* (Lauterborn, 1990) is the actual good and/or service and its specifications. It is the core element of the marketing mix, providing the functional requirements sought by customers. According to (Jobber & Fahy 2003: 129), a *product* as defined broadly by the marketing mix can be anything that has the ability to satisfy customer needs. Kotler *et al* (2009) has identified 10 types of product entities: goods, services, experiences, events, persons, places, properties, organizations, information and ideas.

Jobber & Fahy (2003: 130) claim that most products contain some level of tangible and intangible attributes. Jobber & Fahy (2003) have analyzed the product concept in terms of levels. At its most basic level is the core benefit provided by the product. Understanding the core benefit is important, while it assists in identifying potential sources of competition. Around the basic benefit is the "actual product" the consumer purchases, which comprises of features, styling, packaging and quality. The third level of product is the augmented product, and includes such benefits as guarantees, delivery, brand values and additional services.

Jobber & Fahy (2003: 130) go on to assert that services are unlike physical products because of the characteristic of simultaneous production and consumption of services; therefore, personal services can make or break an experience. Because pure services can not be experienced before purchase, the service provider is therefore an integral part of the customer experience and level of satisfaction or dissatisfaction. Service quality can be subject to considerable variability and service standardization can be difficult. People buy from people they like, and so skills, attitudes and appearances matter. In hair salons, for example, the hairdresser is an integral part of the service provided. With services, there is also a critical need to match supply and demand (Jobber & Fahy, 2003). A product can be stored for sale later. An unoccupied airline

seat or empty hotel room equates an income forever lost, unable to be regained tomorrow.

Jobber & Fahy (2003: 187) define Price or Customer cost, the only element of the marketing mix that yields a revenue flow, as the process of setting a price for a product, including discounts. It is what the company gets back in return for all the effort that is put into manufacturing and marketing the product. Jobber & Fahy assert that pricing objectives are extremely important, while price has a direct effect on demand, which is a function of sales and income. We spoke earlier about how service consumption can not be “stored.” Providing incentives can certainly help, and are a reflection of the price offering. Weekend discounts, or linking hotel use with leisure activities such as golf are some examples of how to provide price incentives.

Place or Convenience refers to the channel by which a product or service is sold, such as online versus retail. It also refers to which geographic region or industry or to which segment, such as young adults, families, or business people (Jobber & Fahy, 2003).

According to Jobber & Fahy (2003: 129), Promotion or Communication involves advertising, personal selling, direct marketing, internet and online promotion, sales promotion and publicity (Jobber & Fahy, 2003). It is the various methods of promoting the product, brand, or company. Promotion is sometimes called placement or distribution, referring how the product gets to the customer.

The strength of the traditional marketing mix is that it represents a framework that has proved useful in the classroom and in practice for many years. It represents a memorable and practical framework for marketing decision-making. The four Ps framework consists of controllable activity sets that work together to achieve corporate objectives. The traditional marketing mix components are seen from the marketer's perspective while Lauterborn's four Cs consider the marketing message in terms of the customer. With marketing's focusing on the customer, additional insights can be provided when seeing the marketing offering from the perspective of the target group. A marketer often uses these variables to strategically formulate a marketing plan, which will be discussed in section 3.7.

3.4 Brands

A core consideration in marketing is the brand. Kotler (2010) claims the art of marketing is partly the art of branding. Literature shows that branding pervades most marketing contexts (Keller, 2003; Shimp, 2002). Therefore, branding is not simply symbolic, but rather integral to and inseparable from the business strategy.

Often, the more tangible elements of marketing communications such as advertising, logos and slogans are used to support the brand definition. This is in attempt to make a brand easier to understand. However, according to Kotler & Pfoertsch (2010: 5), a brand is much more:

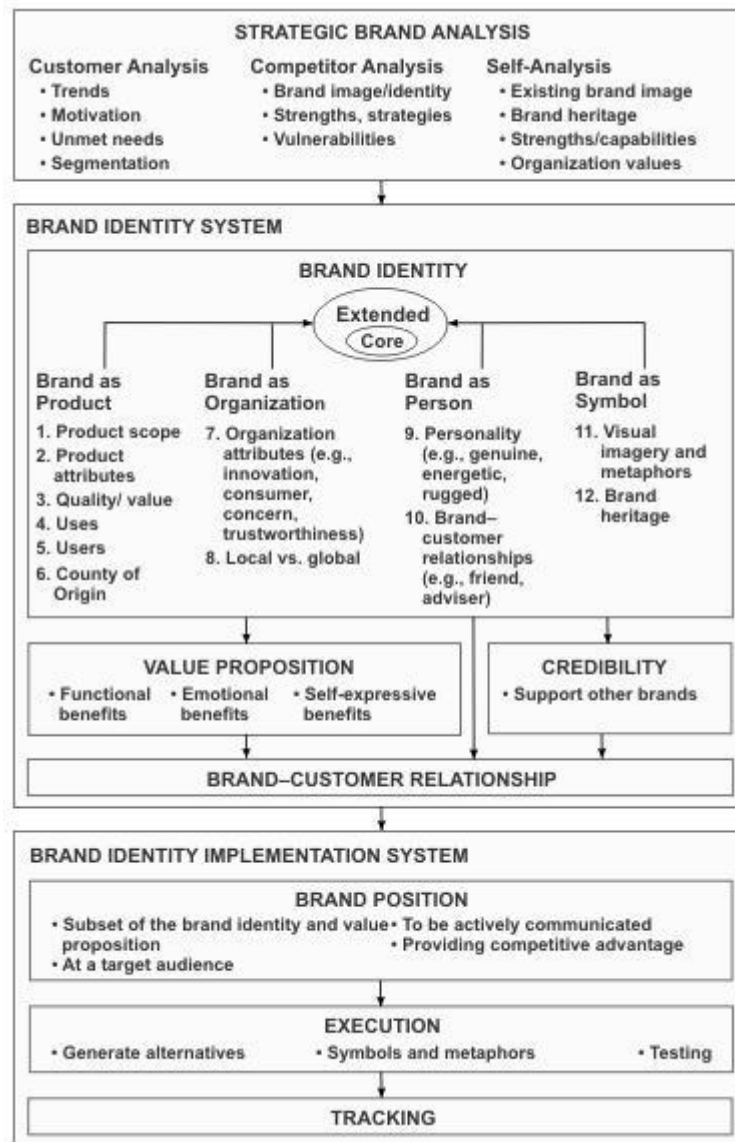
- A brand is a promise.
- A brand is the totality of available senses known to man: everything heard, seen, felt, read, known, thought etc about a product, service, or organization.
- A brand holds a unique position in the customer's psyche based upon experiences and associations that occurred in the past, as well as future expectations.
- A brand is a short-cut of characteristics, advantages, viewpoints and values that differentiate and simplify the decision-making process.

The most powerful commercial brands are strongly associated with advertising, logos and slogans. However, the brand must also tie into the business strategy and therefore influence product decisions. Brands are powerful only when the realities behind the brand deliver and earn consumer trust, which can only come as a consequence of sales and direct customer experience . Advertising campaigns only build the brand indirectly by generating the sales. This leads to direct customer experiences and the product then has the opportunity to fulfill or exceed its promise. Therefore, reputation can not be constructed; it must be earned. As Socrates said, “the way to achieve a better reputation is to endeavor to *be* what you desire to appear.”

Kotler *et al* (2000: 167) claims that when working to strategically improve a place image, it should be noted that a place's image should be (1) valid, i.e. not too far from reality; (2) believable, i.e., not overselling; (3) simple; (4) appealing; and (5) distinctive. David Aaker, marketing professor at the University of California at Berkeley and author of "Building Strong Brands" (2002) has also developed a model for branding, a particularly comprehensive brand identity planning model. The central tenant of this model is a four-fold perspective on the concept of a brand. To ensure the texture and depth of a firm's brand identity, Aaker advises brand strategists to consider the brand from four distinct perspectives: 1) a product; 2) an organization; 3) a person; and 4) a symbol (see Figure 3.1). These four perspectives were later modified into: 1) a good; 2) a company; 3) a personality; and 4) a symbol (see Figure 3.2).

The purpose of Aaker's system is to help brand strategists consider elements and patterns in the brand that can help clarify, enrich and differentiate an identity. Aaker (2002) claims a detailed identity helps to guide implementation decisions.

Figure 3.1: Aaker's Brand Identity Planning Model

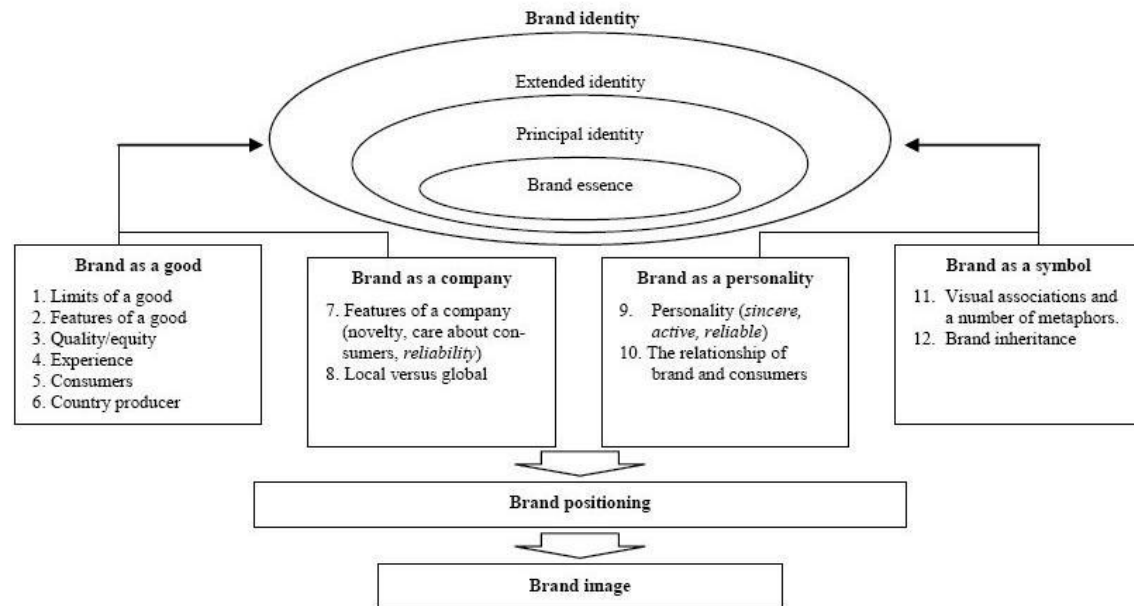


(Source: Aaker, 2002)

Aaker's brand identity is comprised of a core identity and an extended identity. The core identity represents the timeless essence of the brand. It is central to the meaning and success of the brand and contains associations that are most likely to remain constant as the brand encompasses new products and travels to new markets. On the other hand, the extended identity contains elements that provide texture and completeness. It fills in the picture and adds details that help portray what the brand stands for. Aaker (2002) states that within a product classification, a larger extended

identity means a stronger brand – one that is more interesting, memorable and connected to customer’s lives.

Figure 3.2: Modified Process of Brand Image Development



(Source: Aaker and Joachimsthaler, 2003: 54)

What is common to all strong brands is the capacity to confer competitive advantage (Grant, 2002). According to Grant (2002), social, emotional, psychological and aesthetic considerations are present in choices for all products and services, and the desires for status, exclusivity, individuality and security are extremely powerful motivational forces in choices relating to most consumer goods.

In research, it is found that image differentiation is especially important in “experience goods,” which are products and services whose qualities and performances are difficult to ascertain at the time of purchase (Grant, 2002). Grant (2002) claims that reputation or signaling is more important with these types of products and services. For example, a perfume can be sampled prior to purchase, but its ability to augment the identity of the wearer and attract attention remains uncertain. Therefore, branding, packaging, advertising and promotion play key roles. In financial

services, it is difficult if not impossible for a customer to assess the honesty, financial security or competence of a broker, fund manager or insurance company. Therefore, there is an emphasis with these companies to focus on such things as well-located offices, well-groomed employees and tasteful office décor to emphasize stability, security and competence.

Extensive theoretical analysis has been made on strategies for reputation building (Weigelt & Camerer, 1988) and a few propositions that arise from this research include:

- Quality signaling is especially important for experience goods, whose quality can only be ascertained after purchase.
- Advertising expenditures are effective means of signaling superior quality, since suppliers of low-quality products would not find it cost-effective to do so.
- A combination of premium pricing and advertising is more likely to be superior in signaling quality than using either price or advertising alone.
- The greater the total investment of the firm, and the higher the sunk costs required for entry into a market, the greater the incentive is for a firm not to cheat customers with low quality at a high price.

From this, it is clear that branding requires initial investment and further reinvestment. This is important, according to Kotler & Pfoertsch (2010: 5-6), because brands are the basis for competitive advantage and long-term profitability. The book *Brands and Branding* (2009), written by nineteen experts in the field, implores organizations to make their brands the central organizing principle, guiding every decision and every action. Kotler & Pfoertsch (2010) are also emphatic about the importance of organizations' use of a holistic branding approach: "building, championing, supporting and protecting strong brands is everyone's job, starting with the CEO."

Anholt (2010) asserts that the importance of branding has only increased with time. As societies become larger, more scattered and complex, reputation importance increases. This is because most human interactions depend on trust, Anholt (2010)

claims. Additionally, the speed of technological change is shortening the useful lifespan of most resources. Despite this, a reputation can show remarkable resilience over time (Grant 2002). That is, for better or for worse.

What is certain is that brand building is a long-term activity. There are many demands on people's attention; therefore, generating awareness, communicating brand values and building customer loyalty usually takes many years. Although it can be tempting to draw away from it in the short-term, according to Jobber & Fahy (2003: 132), management must be prepared to provide a consistently high level of brand investment to establish and maintain the positioning of a brand in the marketplace.

3.5 Marketing Management

According to Kotler *et al* (2009, ED), marketing management is the development, design, and implementation of marketing programs, processes and activities that recognize the breadth and interdependencies of the business environment. To address all the various shifts in marketing, Kotler & Keller (2009) claim that all good marketing managers practice "holistic marketing." Four key dimensions and operating attitudes are:

- Internal marketing – ensuring everyone in the organization embraces appropriate marketing principles consistently, especially senior management.
- Integrated marketing – ensuring that the best possible way of utilizing the marketing mix is employed and combined.
- Relationship marketing – developing sound and lasting relationships with the entire value chain membership, customers and marketing partners.
- Performance marketing – understanding costs and returns to the business from marketing activities and programs, as well as addressing broader concerns and their legal, ethical, social, and environmental effects.

According to Kotler, the breadth and interdependencies of today's marketing environment should be recognized in the development, design and implementation of marketing activities, processes and programs using these four key dimensions.

Marketing managers spend a lot of time building or maintaining a “customer focus,” or the “marketing concept.” Kotler & Keller (2006) claim that marketing management requires building consensus at the senior management level, trickling down into the organization. In larger organizations with multiple business units, top marketing managers often need to coordinate with several departments and successfully pool resources from finance, research and development, engineering, operations, manufacturing, and other functional areas. Political issues and inter-departmental negotiations may require much time on the part of the marketing leadership. The effectiveness of a marketing manager may therefore depend on his or her ability to make the internal “sale” equally as much as the external customer’s reaction (Kotler & Keller, 2006).

In general marketing theory, the target market is the selected customers or segments to which a firm sends marketing messages (Jobber & Fahy, 2003). Selection of the primary target market and the positioning of an organization within the chosen target market is an important choice.

An important first step is considering the profile of the members of the segment selected, such as demographic, psychographic, etc., as well as how well the chosen segment meets the criteria for segmenting markets. Kotler & Keller (2006) define customer value as “customers’ perceptions about the benefits received from using a product relative to the costs and risks associated with acquiring it.” Jobber & Fahy (2003) assert that an organization must then position itself to meet the choice criteria of the buyers in an industry. According to Day (1999), an organization might seek to be better, be faster or be closer; that is, the focus might be superior quality, quicker response times, or building better relationships with customers.

According to Jobber & Fahy (2003), positioning is the choice of *where* an organization wishes to compete within its target market and *how* it wishes to compete to differentiate advantage. The objective is to create and maintain a niche or distinctive place in the market for a company or place and/or its products. These authors assert that when a target market is selected, half of the work is already done. The steps thereafter involve giving the target customer something better than the

competition are offering. Jobber & Fahy (2003) assert that the keys to successful positioning are not easily accomplished: concept clarity, message consistency, consonance credibility between image and reality and competitiveness or competitive advantage.

Peters and Watermann (1982) conclude that “virtually every academic study has concluded that unchanneled diversification is a losing proposition,” and assert the importance of what they call a “golden rule of excellence” - *Stick to the Knitting*:

Our principal finding is clear and simple. Organizations that do branch out but stick very close to their knitting outperform the others. The most successful are those diversified around a single skill, the coating and bonding technology at 3M for example. The second group, in descending order, comprise those companies that branch out in related fields, the leap from electric power generation turbines to jet engines from GE for example. Least successful, as a general rule are those companies that diversify into a wide variety of fields. Acquisitions among this group tend to wither on the vine (Peters and Watermann, 1982, p294).

Because of the importance of economies of scope in shared resources, Grant (2002) claims that diversification into related industries should be more profitable than diversification into unrelated industries. However there exists some research (Christensen & Montgomery, 1981 and Bettis, 1981, Michel & Shaked, 1984 and Luffman & Reed, 1984) that has disproved this finding. Such studies found unrelated diversification to often be more profitable than related. However, Grant (2002 465-466) identified two factors to help explain confusing performance differences between related and unrelated diversification. First, related diversification may offer greater potential benefits, but may also pose more difficult managerial problems which may exceed such benefits. Secondly, the distinction between related and unrelated diversification is not entirely clear.

In short, according to Grant (2002: 470-471), the transaction costs of markets must be compared against the management costs of the diversified corporation. Such management costs depend on the capabilities and systems of top management, and this analysis has caused many companies to realize that economies of scope often can be exploited more efficiently and with less risk through collaborative relationships with other companies rather than through diversification.

3.6 *Marketing Environment*

Capturing marketing insights is a key task of the marketing manager, according to Kotler & Keller (2009) and involves gathering information, scanning the environment, conducting marketing research and forecasting demand. Companies can adopt one of five philosophies or orientations toward the marketing environment and marketplace, which you can see, surprisingly somewhat mirrors the historical timeline provided in Table 3.1.

- Production concept – one of the oldest in business, which assumes customers prefer widely available and affordable products.
- Product concept – consumers favor products that offer the most quality, performance or innovative features.
- Selling concept – customers and businesses will not buy enough products without an aggressive selling and promotion effort.
- Marketing concept – this concept challenges the three concepts above; it holds that a firm must be better than competition in creating, delivering and communicating customer value to its chosen markets.
- Social marketing – the firm looks long-term at societal issues as focuses on satisfying customers more effectively and efficiently than competitors while still preserving consumers' and society's well being.

According to Jobber & Fahy (2006: 4-6), companies with production orientation focus on production capabilities, and their purpose is to manufacture products and sell them aggressively to customers, while companies with a marketing-oriented focus look to the customer's needs, and change is recognized as endemic and adaptation critical for survival. Social forces include changes in demographic profiles of the population, cultural differences within and between nations, social responsibility and marketing ethics, and the influence of consumer movement. Such considerations include: population growth, changes in age distribution and income as well as values, beliefs and attitudes.

According to Jobber & Fahy (2003: 26), the marketing environment is made up of the actors and forces that affect a company's ability to operate effectively in providing their products and services to customers. Kotler & Keller (2006) provide a typical scenario overview of the factors involved, and what might happen, when a firm assesses its marketing environment. With the motivation to develop innovative products and services, successful strategies, and action programs, marketers need up-to-date information about the environment, competition and selected market segments. Analysis of "internal environmental data" is often the starting point, supplemented by marketing intelligence and research investigating the overall market, customers, competition, cost and revenue implications, channel matters and company strategic issues. Marketers must then continue to monitor developments in their markets during plan implementation to identify areas for improvements. Marketing research helps marketers learn more about customer requirements, expectations, perceptions, satisfaction and loyalty. This deeper understanding provides a foundation for building competitive advantage while well-informed segmenting, targeting, and positioning decisions. To assist in these efforts, most companies create yearly marketing plans, although some cover a longer period. Then, for effective implementation and control, the marketing plan should define measurements for progress using a budget, schedules and marketing metrics for monitoring and evaluating results (Kotler & Keller, 2006: 846-848).

Another insightful way to view the environment, according to Jobber & Fahy (2003) is to divide it into the micro- and macro-environment. The micro-environment consists of suppliers, distributors, customers, competitors and competition; while the macro-environment consists of broader forces such as includes economic, social, legal, physical and technological forces that affect other actors in the microenvironment as well as the company.

A SWOT analysis a useful tool to help identify favorable and unfavorable internal (Strengths and Weaknesses) and external factors (Opportunities and Threats) in a firm's environment. A PEST (Political, Economic, Social and Technological) analysis is often used to describe macro-environmental analyses. With the growing importance of environmental or ecological factors in the first decade of the 21st century, green business and encouraged widespread use of an updated version of the

PEST framework with a STEER analysis which systematically considers Socio-cultural, Technological, Economic, Ecological, and Regulatory factors.

Jobber & Fahy (2003) point out that people's lives and companies' fortunes can be significantly affected by those environmental factors described in the analyses above. Factors such as politics, economical changes and technology affect supply and demand and can have a crucial effect on the success of companies. One major example is the Single European Act in 1986 which brought about a single EU market. This act has created an internal zone of 320 million consumers (compared with 220 million in the United States and 120 million in Japan) and has had and will continue to have emerging implications for this single market. Such major implications include: reorganization, strategic alliances, economies of scale and pan-European marketing (Stone, 1989).

Modern technological developments in the environment present opportunities and challenges. Technology provides marketing managers with an assortment of tools that have revolutionized communication practice, market research, product and service development and supply through use of Information Communication Technology (ICT) and other digital devices (Kotler *et al*, 2009a). The Internet, for example, has a profound effect on how business is conducted. Today, firms sell goods and services through a wide variety of direct and indirect channels. According to Kotler *et al* (2009; preface xxviii), because of technological advances, communication between companies and their customers and clients has in fact become two-way.

Customers can more easily report more and more to companies and to other customers what they think of specific marketing offerings using blogs, podcasts and other digital media. In response to this, more companies are flocking into relationship marketing from managing product or service portfolios (Kotler *et al*, 2009). Of course, for cost effectiveness' sake, Kotler *et al* (2009) claim that it must be pursued in a disciplined fashion, because monitoring payback on specific marketing decisions can be difficult due to the nature of variables that influence customer buying behavior and the contextual dynamics and complexities of individual markets.

3.7 Marketing Strategy

Strategy implies competition, and competition is a critical factor. According to Grant (2003), in order to survive and thrive in an industry, a firm must both supply what the customer wants to buy and survive competition. The purpose of a strategic marketing plan is to establish, build, defend and maintain competitive advantage (McDonald, 1999, Barcleys, 2002).

In the marketing environment, marketers face brand, industry, form and generic competition. Kotler *et al* (2009) includes all the actual and potential rival offerings and substitutes a buyer might consider into the competition category.

Kotler *et al* (2009: ED) claim a good marketing plan is essential to providing direction and focus for a company, product or brand. Non-profit organizations also use marketing plans to guide fundraising activity. Governmental agencies do the same for initiatives such as building public awareness of healthy eating and road safety (Kotler *et al*, 2009a).

A business plan is different from a marketing plan. A business plan, according to Kotler *et al* (2009) offers a broad overview of the entire organization's vision, mission, objectives, strategy and resource allocation. A marketing plan has a more limited scope, documenting how the organization's strategic objectives will be achieved through specific marketing strategies and tactics, with the consumer as the starting point. Such strategies are also linked to the plans of other organizational departments, such as production, finance, human resources and so on.

The identification and development of strategic competencies or core capabilities get much attention from business and academic communities. According to Tidd (2001), strategic advantages are the method of differentiation for organizations as well as for products. A core managerial question, according to Tidd (2001), is "what are our sources of success," or "what are the sources of sustainable competitive advantage?" The important characteristics of strategic competencies are:

- They are responsible for delivering a significant benefit to customers
- They are idiosyncratic to the firm
- They take time to acquire
- They are sustainable because they are difficult and time-consuming, if possible, to imitate.
- They comprise *configurations* of resources
- They have a strong tacit content and are socially complex – the product of experiential learning. (Tidd, 2000)

Companies must also think about retaining customers, not just attracting them. For companies, such stakeholders include: suppliers, intermediaries, customers, competitors, the public and others (Kotler *et al*, 2008). These stakeholders, or target market customers, make their purchasing decisions on the basis of judgments about the values being offered by suppliers (Jobber & Fahy, 2003). Kotler *et al* (2008:7) claim that building profitable, value-laden exchange relationships with customers is seen as critical to the success of these goals. This is because the core marketing concept is to understand customer needs and wants and to do it better than the competition.

According to Thompson and Strickland (1999: 95-96), key success factors for competitive success are those things that most affect the ability of the industry members to prosper in the marketplace – the strategy elements, product characteristics, resources, competencies, competitive advantages and business outcomes that influence profit and loss. They identified key success factors in the major corporate areas of technology, manufacturing, distributing, organizational capability, and “other types.” According to Thompson and Strickland (1999: 97), the major success factor areas for marketing were:

- Fast, accurate technical assistance
- Courteous customer service
- Accurate filling of buyer orders meaning few back orders or mistakes
- Breadth of product line and product selection
- Merchandising skills
- Attractive styling/packaging

- Customer guarantees and warranties
- Clever advertising

Driving forces in an industry are important, because they are the major underlying causes for changing industry and competitive conditions (Thompson & Strickland, 1999 p85). According to Porter (1998: 162), change in industry and competitive conditions alter the proverbial playing field, and create incentives or pressures for change. Many events affect an industry powerfully enough to qualify as a driving force. Some are one of a kind, while most fall into one of several basic categories:

- Changes in the long-term industry growth rate
- Changes in who buys the product and how they use it
- Product innovation
- Technological change
- Marketing innovation
- Entry or exit of major firms
- Diffusion of technical know-how
- Increasing globalization of the industry
- Changes in cost and efficiency
- Entering buyer preferences for a more standardized versus differentiated product
- Regulatory influences and government policy changes
- Changing societal concerns, attitudes and lifestyles,
- Reductions in uncertainty and business risk (Porter, 1998: 162)

These types of environmental events should be continuously monitored by marketing management and strategic planning efforts adjusted appropriately.

4 PLACE MARKETING THEORY

This chapter presents a literary review of place marketing. This section begins with a historical perspective and major theoretical models. Branding is discussed in depth, as are success factors in place marketing.

4.1 Introduction

Places are complex organizations of private and public groups who normally have varying economic, social and political agendas. However, many places today have found a common landing point for all vested parties in strategic place marketing. Like traditional marketing, place marketing brings the planning group's focus to the place consumer. It also assists the organization in designing a place and its products and services in a way to satisfy the needs of its target markets (Kotler *et al* 2002a: 183). Using highly sophisticated marketing strategies to build competitive markets and to position a community's resources to respond to specialized buyer needs and desires, all parties involved can benefit.

Place marketing is a tool used by places to approach to the challenges and opportunities available in the effort to develop the place's infrastructure for the future (e.g. Clark 2002, Kotler *et al* 1999, Ashworth & Voogd 1994). According to Rainisto (2003), places perform numerous functions at the same time, such as developing their internal services like transportation, education and health care and retaining the existing industrial base. Places must also work to attract new, quality domestic and foreign companies and to develop the tourist and business visitor industries. Places must define and develop attractions such as natural beauty, history and famous people, shopping areas, cultural events, recreation and entertainment facilities, festivals and occasions, museums and architecture. Places also focus on human skill, energy, values and organization (Kotler *et al* 2000: 27).

Additionally, places today have great challenges and place marketing is a tool to assist in approaching such place challenges. The search for solutions has stimulated the exploration of new roles for cities and new ways to manage their problems. In Figure 4.1, Kotler *et al* (1999) identifies the challenges of places.

Table 4.1: Key Challenges of Places

1	Places are increasingly at risk - as a result of the change in the global economic, political and technological environment.
2	Places are increasingly at risk - as a result of the inevitable process of urban evolution and decay.
3	Places are facing a growing number of competitors in their efforts to attract scarce resources.
4	Places have to rely increasingly on their own local resources to face growing competition.

(Source: Kotler et al. 1999)

To better coordinate these efforts and manage their problems, places today are increasingly implementing marketing programs to assist in focusing the diversity of their efforts, to bring the spotlight to their offerings and to rise to the challenges. Place marketing assists cities in coordinating a collective vision that assists in continually defining and developing such activities.

Brands are a vital component in traditional marketing (e.g., Kotler *et al* 1997, Keller 1998) and are likewise important in the place marketing effort, if not critical. Place marketing theorists today appear to consider the place brand a starting point for place marketing. This is because the place brand forces places to consider the most basic elements of marketing (Rainisto, 2003: 16-17) and represents the communicative aspect of a place. It can be used to guide strategic efforts and to provide a future vision for directing changes in the infrastructure of the place.

This chapter discusses major theoretical models in place marketing. It also discusses the challenges of place branding as well as strategies and success factors in place marketing. But first, we begin with a brief outline of current theoretical perspectives

which help provide a deeper understanding of how the place marketing phenomenon developed into its current day status.

4.2 Historical Perspectives

The idea of places transferring marketing knowledge to their own operational needs is not a new one. The idea of the deliberate projection of favorable place images to potential customers, investors, or residents has been actively pursued since before the time Leif Ericson sought new settlers in the 8th century for his newly discovered land. However, the formal marketing of places is a more recent phenomenon. Paddison (1993) states that place marketing became popular in European civic literature only during the 1980s and 1990s, and a little earlier in the United States.

When looking at the theory, differing historical perspectives emerge. A few major perspectives are included in this section. As Barke (1999: 486) asserts, differences in place marketing theorists' findings are a result of growing understanding in the industry as a whole combined with the theorists' individualized experience in the application of marketing.

Ward (1998) identifies four stages in the life cycles of urban and regional systems. Agricultural colonization, when empty land is settled, involves selling the land itself and promoting the towns. In fact, according to Ward (1998:7), one of the most important episodes of contemporary place selling ever was the settlement of the American West with the coordination of governmental agencies, railroads and land companies working together to draw inhabitants to the frontier. The next stage is urban functional diversity, with greater differentiation within increasingly mature urban systems. In this regard, selling of the tourist resort is the major focus, although another is the selling of residential suburbs. Selling the industrial city is the third major phase. The fourth phase is urban regeneration, or "post-industrial," which involves regions in search for redefinition, seeking new sources of wealth to replace those which have been used up or moved away.

According to one group of theorists (e.g. Short and Kimm 1999; Kavaratzis 2004), claim today's place marketing application has developed through discrete phases over

time, and these phases differ in the general approach to marketing as well as the level of refinement. One of the earliest and arguably the most insightful accounts published by Bailey (1989) suggests a three-stage evolution of city marketing. The first generation is “smokestack chasing” where cities attract manufacturing jobs from other cities with subsidies, the promise of low operating costs and higher profits. In many areas, this case is still far from over (Kotler *et al* 1999). The second generation is “target marketing” (Bailey 1989) where cities attract jobs in those industries enjoying profitable growth, or in attempt to improve the physical infrastructure, work force, quality of life, recreational opportunities, local business climate and public-private cooperation. The third generation is “product development” which contains the objectives of the two first stages but also emphasizes “jobs of the future,” including global competitiveness, niche-thinking, cluster building and even more intense public-private partnerships. Niche-thinking means focusing most efforts on specific, exploitable areas. A business cluster is a geographic concentration of interconnected businesses in a particular field that are considered to increase the productivity with which companies can compete nationally and globally (Porter, 2000).

Barke (1999) discusses a series of phases that city marketing has evolved through. The initial phase involves selling or promoting cities. The second phase includes a broader focus on the place consumer’s wants and needs. The techniques used by this phase leads to a focus on the image of the city, including attempts to alter negative images or to enhance favorable images through a focus on distinctiveness. The next phase involves cities transcending mere advertising and beginning to incorporate trademark events and prestigious developments to build the environment.

Other theorists, Ashworth & Voogd, (1994), assert that place marketing and its theoretical application has been the culmination of three new marketing concepts that have evolved over time: 1) marketing and non-profit (non-business) organizations 2) social marketing, or marketing aimed at enhancing the customer and society’s wellbeing (Kotler & Zaltman 1971; Lazer & Kelley 1973; Rados 1981), and 3) marketing images to “non-existent” products. These concepts, according to Ashworth and Voogd (1994), paved the way for integrated place marketing, demonstrating that marketing can provide utility as well as tactical tools to public organizations.

4.3 Foundations

One approach to place marketing is to look at the set of tools and instruments available to the marketer which can be used and combined into a marketing program and which “are useful in pursuing a certain market response” (Waterschoot 2000). The marketing mix is acknowledged as an essential step in the whole marketing effort. Kotler *et al* (1999) claims that place marketing involves the following four steps (*italics added by authors*), which is widely considered a useful adaptation of the traditional marketing mix:

- Designing the right mix of community features and services (*product*).
- Setting attractive incentives for the current and potential buyers and users of its goods and services (*price*).
- Delivering a place's products and services in an efficient, accessible way (*place*).
- Promoting the place's values and image so that potential users are fully aware of the place's distinctive advantages (*promotion*).

The importance of determining the marketing mix, meaning “the combination of marketing measures needed to achieve the desired strategy” (Ashworth and Voogd, 1990), has been highlighted in city marketing literature (e.g. Kotler *et al* 1999; Berg *et al* 1990) and acknowledged by most commentators as an essential step in the whole marketing effort.

In addition to the four steps above, Kotler *et al* (1999) suggests places adopt four distinct strategies for place improvement, which are the foundations for building a competitive advantage:

1. Design (place as a character),
2. Infrastructure (place as a fixed environment),
3. Basic services (place as a service provider) and
4. Attractions (places as entertainment and recreation).

For places, building a brand identity is synonymous with building a competitive advantage (to be discussed further in the section of place branding and strategic place marketing). Aaker's (2002) Brand Identity Planning Model (see Figure 3.2) in the previous chapter provides insights into building such competitive advantages.

Another major model used in place marketing today is Kotler *et al*'s (2002) "Levels of Place Marketing." This framework summarizes the various elements of place marketing in a framework comprised of the traditional areas of planning group, marketing factors and target markets.

Figure 4.1: Levels of Place Marketing



(Source: Kotler, et. al, 2002: 46)

4.3.1 Planning Group

In Kotler et al's (2002) "Levels of Place Marketing" (Figure 4.1 above), the planning group and the place marketing plan lie at the center level. This is where the citizens, the business community and/or the local or regional government collectively

diagnosis the situation, define a vision for the place and create an action plan for implementation in the form of a marketing plan. According to Kotler *et al* (2002), the planning group of places is a complex assemblage of corporate, civic and private citizens who are responsible for planning and controlling the process of place marketing (see Table 4.2).

Table 4.2: Major Actors in Place Marketing

LOCAL ACTORS

Public sector actors

1. Mayor and/or city manager
2. Urban planning department
3. Business development department
4. Tourist bureau
5. Convention bureau
6. Public information bureau
7. Infrastructure manager (transportation, education, sanitation)

Private Sector Actors

1. Real estate developers and agents
2. Financial institutions (commercial banks, mortgage banks, pension funds, etc.)
3. Electricity and gas utilities
4. Chamber of commerce and other local business organizations
5. Hospitality and retail industries (hotels, restaurants, department stores, other retailers)
6. Tour packagers and travel agencies
7. Unions
8. Taxi companies
9. Architects

REGIONAL ACTORS

1. Regional economic development agencies
2. Regional tourist boards
3. County and state government officials

NATIONAL ACTORS

1. Political head of government
2. Various ministries
3. National unions

INTERNATIONAL ACTORS

1. Embassies and consulates
2. International chambers of commerce

(Source: Kotler *et al*, 1993: 34)

According to Kotler (1999), the planning group's three primary objectives are:

- To define and diagnose the existing state of the community, including chief problems and their causes.
- To develop a vision of the long-term solution to the community's problems based on a realistic assessment of the community's values, resources and opportunities to improve the four major marketing areas (see beginning of section 4.3) that mirror the traditional marketing mix.
- To develop a long-term plan of action with intermediate stages of investment and transformation.

According to Kotler *et al* (2000: 51-66), the best strategies for the place marketing planning group involve image marketing, attraction marketing, infrastructure marketing and people marketing. With image marketing, the focus is on an overly positive portrayal of the place and its image. Attraction marketing focuses on natural attractions and sights. Infrastructure marketing focuses on infrastructural advantages, such as harbors in Rotterdam and Hamburg. People marketing involve focusing on famous residents and institutions.

4.3.2 Marketing Factors

Kotler *et al's* (2002) next place marketing level is marketing factors. They are identified as: infrastructure, people, image and quality of life and attractions.

According to Anholt (2006) such marketing factors differentiate a place and involve bigger issues such as identity, image and reputation. By creating a place identity from the substance of a place and then communicating it to the selected customers (e.g. Trueman *et al*, 2001; Asplund 1993; Hankinson 2001), place marketing works to adapt the place product to make it more desirable to place customers (also Holcomb 1994: 133-143).

Some places want to build a new image of the place to replace negative ones. Much research points to the fact that places, like simple products and services, must find

ways to differentiate and position themselves for their target markets (Krantz & Schätzl 1997; Nasar 1998; Kotler *et al.* 1999, Kotler & Gertner 2002).

4.3.3 Target Markets

Most places are interested in growth, but certainly not growth regardless of cost. Groups that might be drawn to a place include people and businesses worth attracting, people and businesses which are acceptable but don't need to specifically be targeted and people and businesses that should be avoided or even discouraged.

According to Kotler *et al* (1999), at a basic level, places distinguish between four groups worth attracting. These four place marketing target markets are showing below in Table 4.3.

Table 4.3: Place Marketing Target Markets

1. Visitors	<ul style="list-style-type: none"> • Business visitors (attending a business or convention, reconnoitering a site, coming to buy or sell something) • Non-business visitors (tourists and travellers)
2. Residents and employees	<ul style="list-style-type: none"> • Professionals (scientists, doctors, etc.) employees • Skilled employees • Teleworkers • Wealthy individuals • Investors • Entrepreneurs • Unskilled workers
3. Business and industry	<ul style="list-style-type: none"> • Heavy industry • "Clean" industry assembly, high-tech, service companies, etc. • Entrepreneurs
4. Export markets	<ul style="list-style-type: none"> • Other localities within the domestic markets • International markets

(Source: Kotler et al. 1999)

Most places attract visitors by setting up tourism and convention bureaus. For business and industry, most states have an economic development agency or nonprofit corporation whose job is to target and solicit outside companies to invest resources in their location (Kotler *et al* 1999: 24-30).

According to Kotler *et al* 1999, if a place wants to attract a buyer in any of these categories, the place must first carefully define each category for goal achievement. For example, the visitor market, as presented by Kotler *et al* above, consists of two broad groups: business and non-business. Every visitor spends money on food and lodging, local products and goods and services. The greater the number of visitors attracted, the less the cost imposed by each visitor and the greater the net income to the place. Similarly, the longer they stay the more money they spend. Therefore, places would prefer to target those visitors who spend the most per day and stay the longest. Places would then wish to carefully assess each target market and how to best satisfy and maximize that target market's needs.

4.4 Place Brand

The place brand is a complex subject and place branding is a complicated practice. In the past, brands and branding have generated much discussion among place marketing theorists and practitioners alike, and are expected to do so. There exists lengthy texts devoted solely to place branding, though their conclusions regarding its role in place marketing do not altogether form a common landing point. Therefore, providing a quality summary of such points in this section has proven challenging. However, this section highlights the authors' findings and includes the important philosophical and theoretical findings that assist in providing practical insights into the place branding phenomenon.

People hold mental images of the world. Holloway and Hubbard (2001: 48) describe such mental images, or "maps," as partial (covering some areas, not others), simplified (including some environmental information, not all) and distorted (based on the individual's subjective environment rather than the objective environment). Kegley (2008: 5) asserts that, although we may not attempt to explicitly define our

perceptions about the world in our subconscious, our images perform the same function of simplifying “reality” by exaggerating some features of the real world while ignoring others. Thus, we live in a world defined by our images (Kegley, 2008).

These mental pictures, or perceptions, can not fully capture the complexity and configurations of physical objects, such as the earth itself. Therefore, many of our images of the world’s realities may be wrong, or those that are accurate now can easily become outdated if we fail to recognize changes in the world. According to Kegley (2008), the world’s future will be determined not only by changes in the “objective” facts but also by the accurate or inaccurate interpretations and assumptions that people ascribe to those facts. Figure 4.2 illustrates popular images people may hold of European countries.

Figure 4.2: When Place Image Influences our Reality





(Source: Andersson and Ekman, 2010)

Such popular images can be positive, negative, or both positive and negative for the developing economies of places. In order to control these images, places are attempting to manage their perception in one way or another. However, it is found in practice that many European countries and states in the United States promote their products and services and steer their reputation as best as they can, but few do it in a coordinated way. Most of the time:

- the tourist board promotes to vacationers and business travelers
- investment agencies promote to foreign companies and investors
- cultural institute builds cultural relations with other areas and promotes the area's cultural and educational products and services
- the exporters promote their individual products and services abroad (Anholt, 2007).

There are also many other agencies usually working in isolation, official and unofficial, national and regional, political and commercial, all promoting their individual version of the place. No consistent picture of the place can emerge with

conflicting or contradictory messages. Coordinating efforts can achieve far more. The solution is place marketing: crafting an overall strategy with clear goals for the area's economy, society, political and cultural relations (Anholt, 2007).

According to Ashworth and Voogd (1990), the perception of cities and the mental image held of them have become active components of economic success or failure. Therefore, to improve the place image, many place decision makers realize they must use the guidance of strategic marketing professionals to choose a suitable "package" for developing a place competitively. Place branding is indeed a steadily growing industry, attracting significant amounts of investment. As it has evolved, the goal of place branding has been to explore ways to add value to the basic place features and thus create a preference and loyalty because the place brand must embody important physical and socio-psychological attributes and beliefs.

The reason why place image branding has become so important in recent years is because of globalization, competition and consumer behavior. Substitutability is becoming more common for places; for tourism, the most competitive market is the sun, sea and sand market (Pike, 2005) and these factors alone can be easily substituted. Most places have sufficient facilities and services and claim to have unique culture and heritage. The internet has assisted tourists and businesses in becoming increasingly sophisticated when choosing a place, and according to Morgan *et al* (2002), location must be a unique factor of identity expression in an increasingly homogeneous world.

Place marketing involves enhancing distinctive identity to distinguish one place from another. An important management distinction in the marketing of a place is the perception of the city as formed by each individual that encounters the city both through direct experience (visiting the city in person) and indirect experience (being influenced by marketing messages). Vermeulen (2002) also claims that the place image originates only in part from a physical reality and is based on well-worn prejudices, desires and memories that take shape in the collective memory. Simon Anholt (2007) argues that factors affecting the place image remain deeply rooted cultural phenomena that move very slowly, if they move at all. And when they do move, Anholt claims it is only in response to major events and changes in the places

themselves. For example, Anholt's (2010) research proves that national image is a remarkably stable phenomenon and he compares it to more of a fixed asset than a liquid currency.

In order to achieve a better reputation, place branding provides a basis for identifying and uniting a wide range of images intended for and meanings attributed to the place in one marketing message: the brand. Anholt (2006: 5) asserts an important distinction between *brands* and *branding* that can be applied to places:

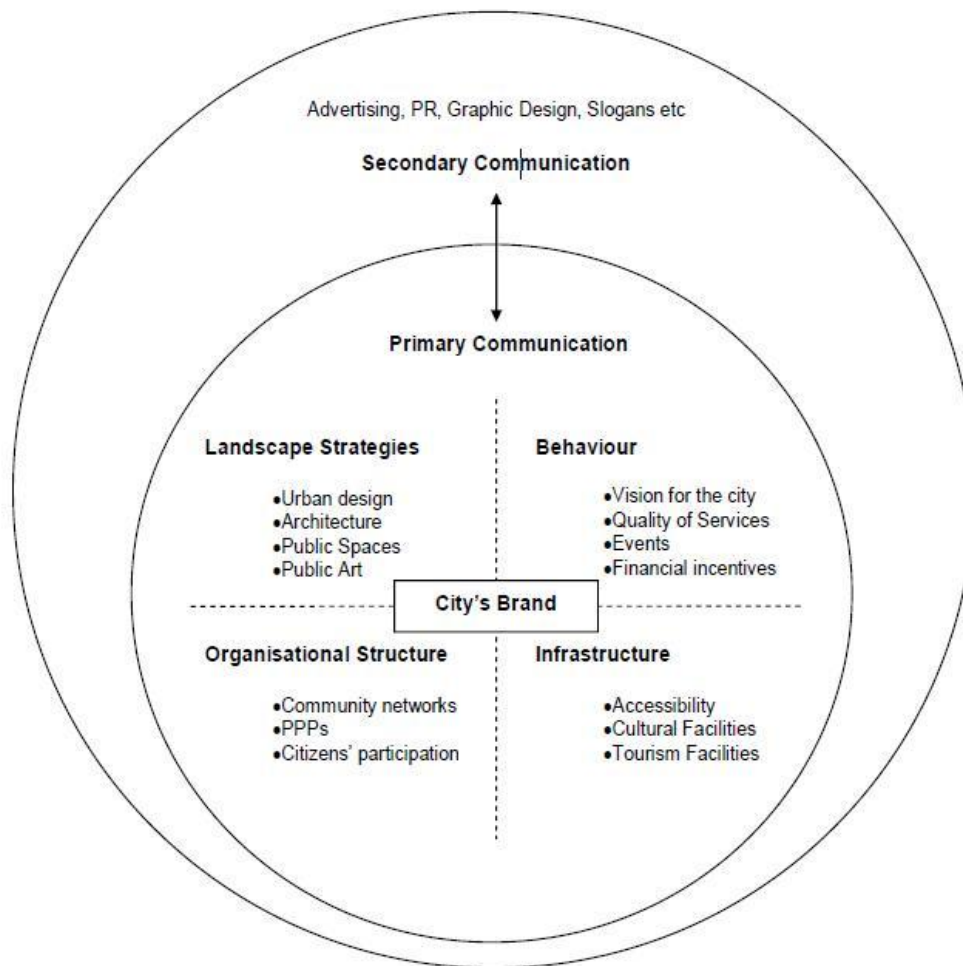
- “A brand is (the place itself), considered in combination with its name, its identity and its reputation,” and
- “Branding is the process of designing, planning and communicating the name and identity in order to build or manage the reputation.”

If the brand is the place “product” then it is clear why many theorists today are claiming place marketing begins with place branding (Kotler 1997, Keller 1998, Anholt 2002) because it represents a necessary synthesis of place product management and the management of its image. As Kapschulte (1999) states, “the image of the city is best described as the link between real, objective space and perception.”

Unlike traditional products and services, Anholt (2010) asserts places aren't “for sale.” Marketing campaigns for places aren't aiming at communicating “please try this product;” but rather “please change your mind about this place.”(Anholt, 2010).

Figure 5.3 shows Kavaratzis' (2008: 42) recently designed theoretical framework. This framework presents useful insights for place marketers which can further their understanding of the branding phenomenon. Kavaratzis' framework helps assist place marketers by identifying specific areas of focus and by identifying those areas that are outside of the realm of influencing the marketing message of a place.

Figure 4.3: Kavaratzis' Theoretical Framework



(Source: Kavaratzis 2008: 42)

According to Kavaratzis (2008: 42), for marketers, the beginning lies with realizing that all encounters with a place occur through perception and images. In Kavaratzis' model, the image is communicated through three types of communication: primary, secondary and tertiary (discussed later). Figure 4.3 is important for place marketers because it depicts the first two types of communication, which are the more controllable types of city brand communication.

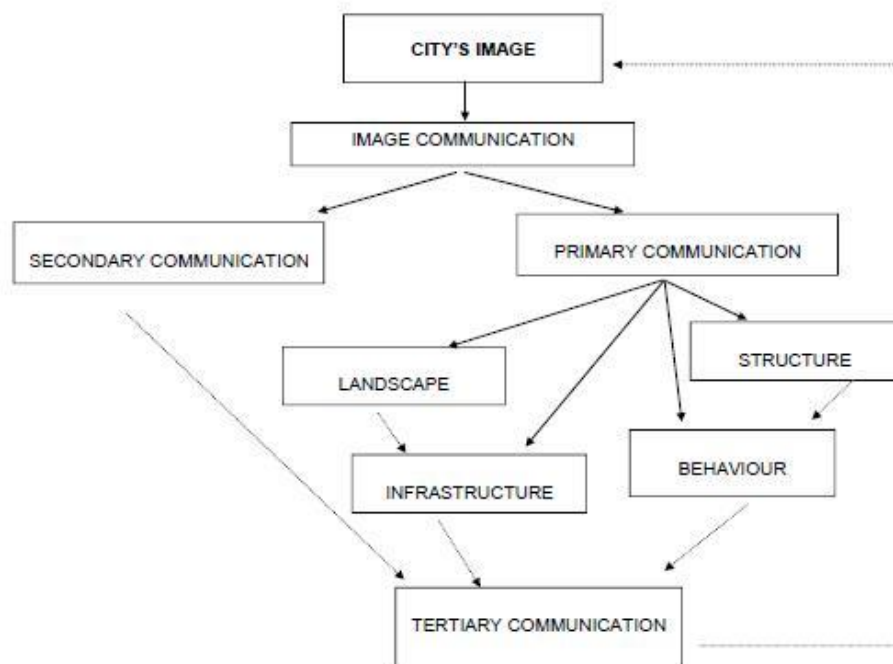
According to Kavaratzis (2008) primary communication relates to “the city’s actions when communication is not the main goal of these actions” and is comprised of “broad areas of intervention.” Landscape Strategies refer to urban design and public space. Infrastructure refers to projects developed to induce a needed and distinctive

character to the city, such as cultural centers, conference facilities, etc. Organizational Structure refers to the effectiveness and improvement of the city's governing structure. According to Kavaratzis (2008), the most important facet in this category involves cooperation and collaboration between the community, its citizens and business through active public-private partnerships (PPP). Finally, the city's Behaviour refers to the city leader's vision and strategies for the city including financial incentives provided by the city to its various stakeholders.

Secondary communication is the formal, intentional communication that takes place through marketing practices such as indoor and outdoor advertising, public relations, graphic design, a logo, etc, and is largely the same as what is meant by the "Promotional" component of the traditional marketing mix.. Secondary communication is what the practice of place marketing is often called, although Kavaratzis's model emphasizes that the secondary communication needs to be in harmony with the rest of the components. Kavaratzis claims the success or failure of this aspect "relies on the communicative competence of the city."

The tertiary communication refers to word-of-mouth, reinforced by the media and competition (positive or negative). According to Rainisto (2003: 83), the media are very important catalysts to public opinion. In Kavaratzis' model shown in Figure 4.4, tertiary communication is linked by an uninterrupted line, as it is not controllable by marketers. The whole branding process and the two "controllable types of image communication" have a goal to reinforce positive tertiary communication (Kavaratzis, 2008). This is especially true in the case of the city's own residents, who are also an important target audience of place branding.

Figure 4.4: Kavaratzis' Theoretical Framework of City Branding



(Source: Kavaratzis 2008: 41)

Anholt (2010) research supports Kavaratzis' findings that government should not attempt to simply manipulate the place image in the minds of millions of people in other cities, countries, and regions. To be successful, place branding must be approached broadly. Anholt (2010: 7) delineates three important things places can do about their reputation:

- First, understand and monitor their image in the countries or sector(s) where it matters most and attempt to understand how this information can be used to influence their interests in those sectors involved,
- Second, collaborate creatively, efficiently and honestly with business and civil society to agree on a strategy and “narrative” to the story of who the place is, where it wants to go, and how to get there. This strategy must honestly reflect the will, the skills and intellect of the people.

- Third, government should focus on a stream of innovative and attention-grabbing products, services, policies and initiatives in each sector, keeping it at the forefront of attention and admiration, demonstrating the truth of this narrative and proving the place's right to the reputation its people and government desire.

In his 2006 book "Competitive Identity," Anholt asserts that places must focus on earning a better and stronger reputation through the nine following ways:

- courageous and enlightened social, economic, environmental and foreign policies;
- the dynamic development of tourism, foreign investment and exports
- carefully chosen international cultural, sporting and political events;
- improved cultural and academic relations with other countries;
- a strategic commitment to international development and poverty reduction;
- productive engagement with multilateral institutions, with regional organizations and with non-governmental organizations at home and abroad;
- effective coordination between government, industry and civil society;
- enhanced public and private diplomacy overseas;
- a visionary long-term approach to innovation, investment and education.

Earning and building a stronger reputation for places, like products, is important. But equally important is informing the public, or communicating that message. In a blind test with a thirsty consumer, Coke or Pepsi may not be distinguishable. Similarly, a potential tourist may not be able to distinguish between the beaches of Maldives and Mallorca. Most large cities have tall towers, modern art museums, hire overseas architects, offer latte sidewalk cafes, and are all "creative." Without properly informed public, like products, places sometimes become like other places, which are just another need-fulfilling object.

Anholt (2009) considers how a mediocre resort in a hot tourist spot can gain glowing media coverage versus how an unspoiled and unique destination struggles in a city with a weak or poor reputation. In the arena of nation branding, Anholt asks why

consumers in America might pay more for an unknown ‘Japanese’ product than for an identical ‘Korean’ product. Anholt also considers how international media reports on government policy from a country reputed to be fair, rich and stable versus one that’s riddled with mismanagement and fraud. Places must realize the economic implications of failing to properly manage their place brand.

Place identity is now being imagined, produced and consumed through and ever-increasingly dynamic interactive processes and environments which are physical as well as virtual. In an interview with China’s City Marketing Development Report, Rainisto (2003) claimed that in the next decade, place branding will be the most rapidly growing area in marketing. According to the same source, Rainisto claims the existing “place-war” occurring on a global basis will soon expand to include a “people-war” for talent.

Kavaratzis (2008) asserts that the best framework to understand a city’s brand is provided by the recent development of corporate branding, a development of traditional product branding, enriched by the rise of other corporate level concepts, such as distinguishing between corporate image, corporate identity and corporate communications. Rainisto (2003: 50) states that “place brands resemble corporate umbrella brands and can benefit the value of a place’s image.” Copenhagen’s utilization of their “open Copenhagen” brand is a good example of this application, which will be discussed in more detail in the following section.

In Table 4.5, Olins (1999:24) describes a useful seven-step plan on how to brand a nation, which the authors call “Action Plan for Strategic Place Branding.” It describes how a place can plan strategically and successfully organize its branding efforts:

Table 4.4: Action Plan for Strategic Place Branding

- 1) Set up a working party with representatives of government, industry, arts, education and the media to start the program.
- 2) Find out how the nation is perceived both by its own people and by nations abroad through quantitative and qualitative research.
- 3) Develop a process of consultation with opinion leaders to look at national strengths and weaknesses, and compare them with the results of the internal and external studies.
- 4) Create the central idea on which the strategy is based with professional advisors. This needs to be a powerful simple idea, which captures the unique qualities of the nation and can be used as a base from which the entire program can be developed. The best way to do this is to prepare a page, and then a paragraph, then a phrase with may then become the dreaded strap line.
- 5) Develop ways of articulating the central idea visually. Designers should not just look at logos and tourist ad displays, but everything from the design of airports where visitors arrive to the embassies that represent the nation abroad.
- 6) Look at how the messages required for tourism, inward investment and export can be coordinated and modulated so that they are appropriate for each audience.
- 7) Create a liaison system through the working party to launch and sustain the program in government activities and to encourage supportive action from appropriate organizations in commerce, industry, the arts, and media and so on.

(Source: Olins, 1999: 24)

Olins provides places with a tactical, step-by-step plan to organizing their strategic efforts. Table 4.5 can be adapted to meet the needs of smaller areas or regions as well, but certainly can be a strategic tool to assist in the success of strategic place marketing planning.

In summary, place marketing and place branding techniques are believed to provide valuable tools for cities, regions and nations in today's competitive environment. According to Langer (2000: 17), place marketers, like corporate branding and public

relations experts, have found that globalization has increased the importance of brands. This is because in a highly saturated and competitive marketplace, brands and branding is used to increase market share and to ensure product success.

According to Anholt (2010), it is the task of every responsible government to recognize its most valuable assets which are its people and its reputation. That reputation is given to the government in trust for the duration of its time in office and, according to Anholt, “it is its duty to hand down that reputation to its successors in at least the same, if not better state for the benefit of future generations.” Anholt (2010) claims “the only remaining superpower is public opinion.” And it is public opinion that brands places.

4.5 Strategic Place Marketing

Earlier business strategy writers suggested an organization which operates in a competitive environment needs a competitive advantage to survive and prosper. According to Kotler *et al* (1999) and Porter (2001) and other theorists, the same thinking about competitiveness that is used in the rest of the economy should also be applied to regional economies.

Considering a place as a commodity to be consumed is not the objective of place marketing, however, it does provide another perspective to the strategic development of areas. In the last few decades, numerous scholars praise marketing as a basic factor for strategic planning policies towards economic development (Ashworth & Voogd 1990; Gold & Ward, 1994; Kotler *et al* 1999; Avraham & Ketter 2008, etc). Kotler *et al* (2002). Many in the academic community (Kresl & Singh 1995; Duffy 1995; Oatley 1998) consider competitiveness as a quality that comes from the internal characteristics of a city or region.

Each place has characteristics associated with the place’s historical background which creates something unique for the city’s profile. Every place has distinct characteristics that, under the umbrella of strategic planning, could create competitive advantages for the city. Such characteristics can include geographical position, size of city,

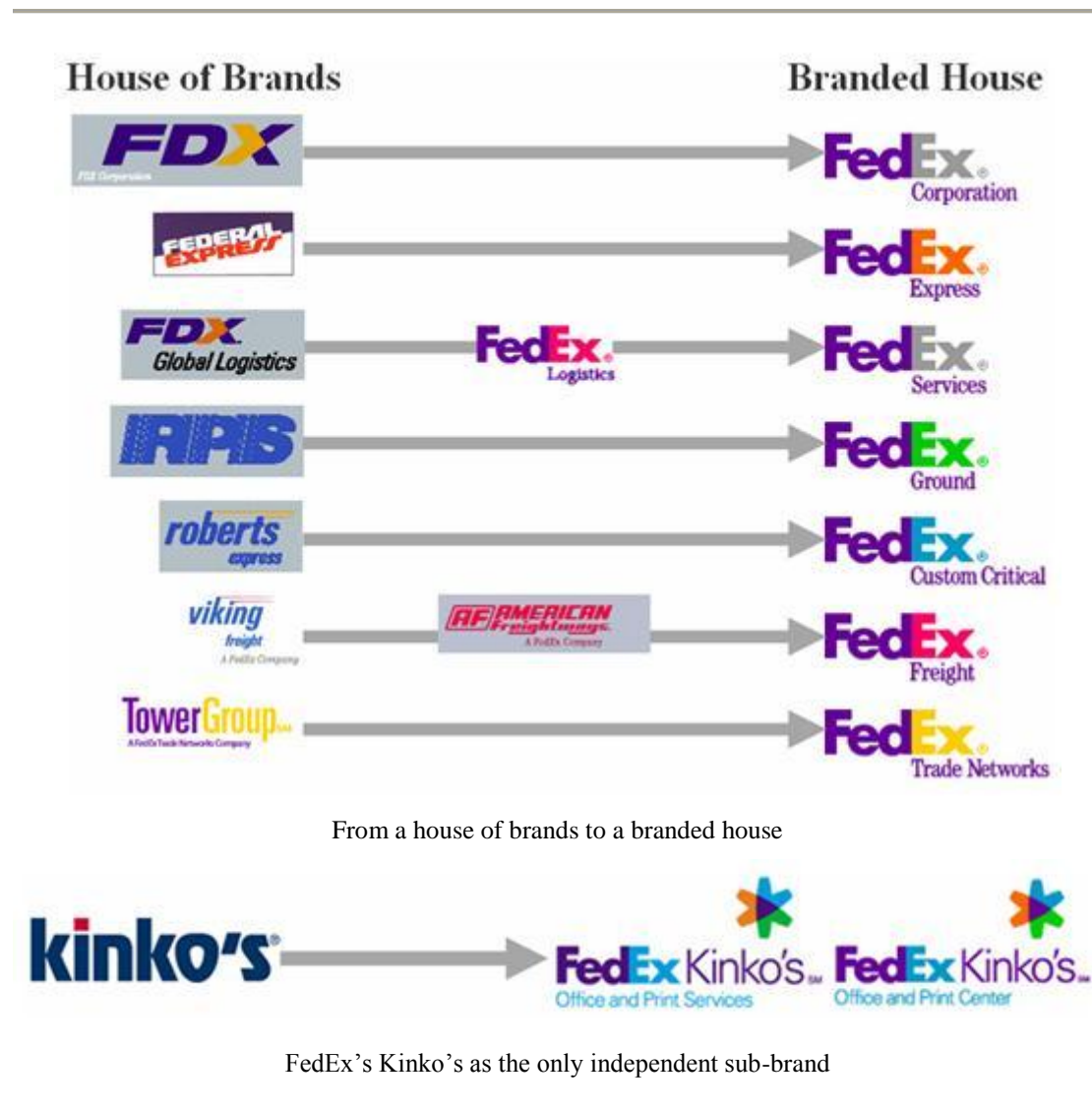
infrastructure (harbors, airports, and telecommunications), quality of life and environment, specialization (manufacturing, tourism or culture) and accessibility to certain markets, education and technology.

What is important is that each of the city's distinctive characteristics is a "distinctive good" in itself. According to Metaxas (2003), following this argument, each city's image is more or less a puzzle of distinctive goods. And place marketing's aim is to strategically promote and support these characteristics, because such characteristics contribute to the place's prosperity. That is, any simple attempt to improve the image of a place is not enough to ensure a place's success.

Some places are fortunate enough to have pre-conditions, such as natural attractions. Hawaii has year-round pleasant weather and Switzerland, the Alps. Places also benefit from a legacy of historical buildings such as St. Paul's cathedral in Rome, Paris' Eiffel Tower and New York's Empire State Building. Other attractions come in quieter forms, such as the outdoor restaurants along San Antonio's Riverwalk or beautiful parks, such as the English Gardens in Munich. Strategic marketing assists in communicating the place message to the appropriate audience. Kania (2001) argues also that branding is the most important element in any strategic marketing plan.

In January 2000, FedEx moved to integrate the company's portfolio of services and become a Branded House, where all subsidiaries were re-branded. Today's FedEx is directed by FedEx Corporation, which leads the various companies according to the business motto, "operate independently, compete collectively and manage collaboratively."

Figure 4.5: FedEx - from House of Brands to Branded House



(Source: Kotler & Pfoertsch, 2007)

In this way, the company ensures that all companies can benefit from the FedEx brand as it is one of the world's most recognized and trusted brands. In a seemingly similar method, Copenhagen, Denmark recognized it was time to gather strategic forces in a single, unified effort on behalf of the greater region because of the intensification of competition between Europe's major cities.

According to their website, in July 2009, a new, common brand was launched in Copenhagen in effort to gather the city's voices into a single, shared vision. It took form in a single logo and a few precise messages to express the area's most important

qualities and values as well as to increase the city's attractiveness to international tourists, ex-pats, and investors and local pride. "cOPENhagen – Open for You" was launched, with many open examples such as "open for..." business, visits, living, shopping, events, connections, sustainability, innovation, diversity and dialogue.

Figure 4.6 Recent Example of Place Brand



(Source: www.opencopenhagen.com; all rights reserved)

In this way, all facets of the new strategic Copenhagen "brand" could be easily adapted to fit, in hopes to enable all place consumers the ability to instantly associate between the logo and the place.

Competitive advantages for places is what makes a particular country, region or city attractive or unique (Kotler, *et al* 1999). And, according to Porter (2001), enduring competitive advantages essentially lie increasingly in local things such as knowledge, relationships and motivation that distant competitors cannot match.

Table 4.5: Place Marketing Attraction Factors

Hard Factors

- Economic stability
- Productivity
- Costs
- Property concept
- Local support services and networks
- Communication infrastructure

Soft Factors

- Niche development
- Quality of life
- Professional and worldwide competencies
- Culture
- Personnel

- | | |
|----------------------------------|--|
| - Strategic location | - Management |
| - Incentive schemes and programs | - Flexibility and dynamism |
| | - Professionalism in contact with the market |
| | - Entrepreneurship |
| | - Unexpected relevancies |
-

(Source: Kotler et al. 1999)

In Table 4.4 above, Kotler *et al* list several place marketing attraction factors, categorized into “hard” and “soft” factors. Kotler *et al* claim “soft” attraction factors are becoming increasingly important in the marketing of places. According to the same source, factors such as innovative climate, venture capital, advanced branding and intellectual properties are becoming more important than tradition “hard” attraction factors such as raw material, transport infrastructure, etc. That is because, according to Kotler *et al* (1999), hard attraction factors can be copied or borrowed, while the “spirit” of the place can not.

Kotler *et al* (1993) believe that before a place can embrace a marketing strategy, it must first organize a group of citizens, business people, and local and regional government officials - in essence, all stakeholders involved in shaping the place’s future must be included (and sometimes, a consultant). Then it must make an analysis of its own competitive advantages and disadvantages, identify target markets, improve the products and services it can offer to the defined target markets, and determine how to communicate its message to these target markets. According to Kotler *et al* (1993), the creation of value-added processes has four major marketing steps:

- 1) Basic services must be available and the infrastructure must be maintained to the satisfaction of citizens, businesses and visitors.
- 2) A place may need new attractions to sustain current business and public support and bring in new investment, businesses or people.
- 3) A place must communicate features and benefits through vigorous image and communication programs.
- 4) A place must generate support from citizens, leaders and institutions to attract new companies, investments and visitors.

In a study of economic place development strategies of some of the world's richest nations, six broader areas arose as important factors in developing economic and developmental strategies for building competitive advantage for a location:

- Creating regional leadership through a shared vision, co-ordination and funding
- Focusing regional resources through regional clusters (science parks, enterprise hubs)
- Supporting local entrepreneurs
- Bringing education and business together
- Creating community involvement
- Building national and international links to develop new markets and to exploit inward and outward investment opportunities (Barcleys 2002).

4.6 Success in Place Marketing

Success and prosperity means different things to different people. This section highlights major research findings and summarizes relevant success factors in the form of broad categories deserving a place marketing planner's focus. The success factors provide explanations to why place marketing practices are successful or not, but not aim to define the degree thereof.

Like traditional marketing, the foundation to success in place marketing begins with proper planning, that is: clear goal definition, strategic vision development, measurement, and follow-up, all of which assist an organization to focus and stay on target. Another tool is to consider approaches to combating major place marketing challenges. Kotler *et al* (1999) provides ways that places can approach and successfully respond to major marketing challenge in Table 4.6 below.

Table 4.6: Responses to Place Marketing Challenges

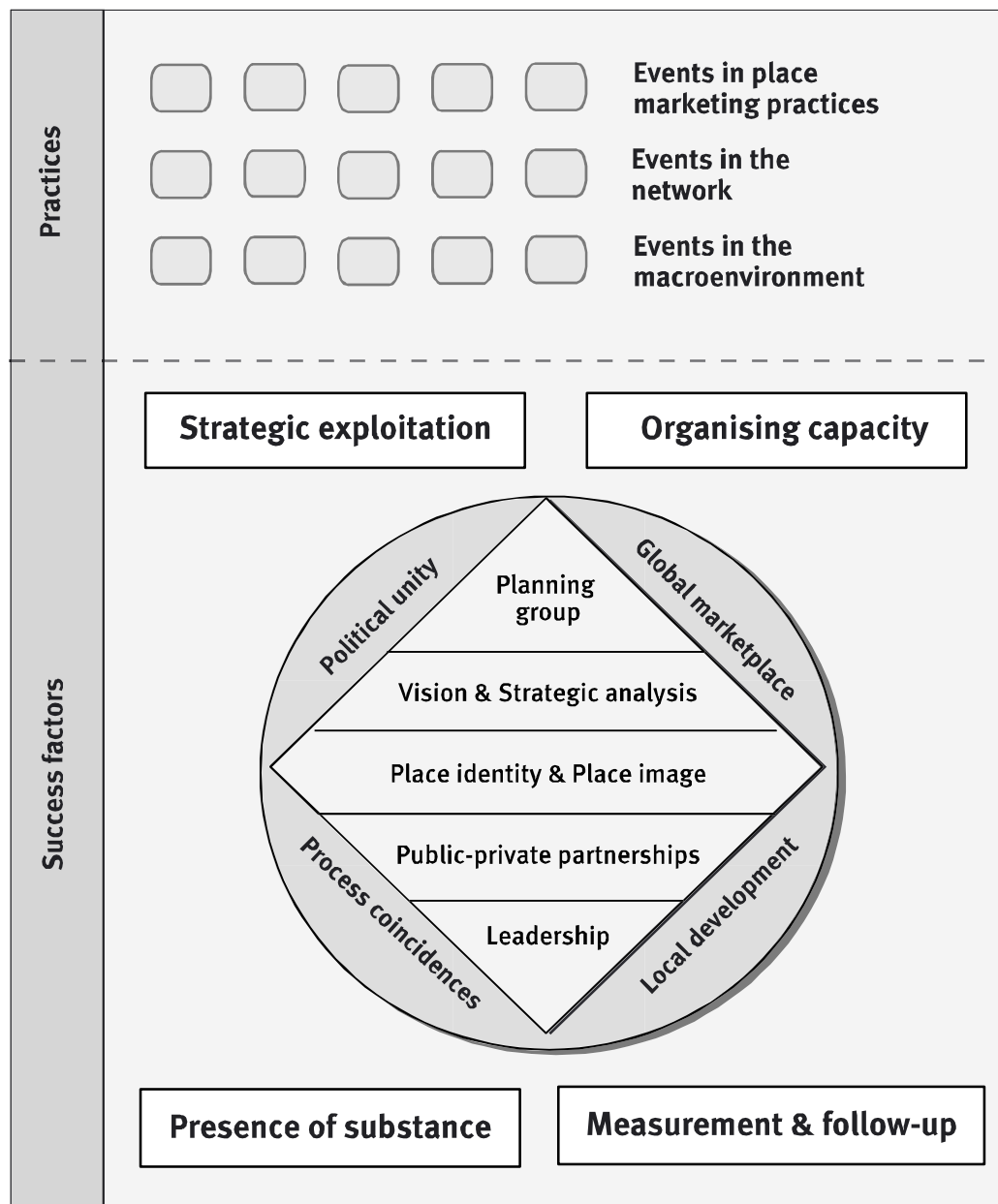
1. Places need to establish a strategic vision.	6. Places must develop mechanisms for adapting flexibly to changing conditions.
2. Places need to establish a market-oriented strategic planning process.	7. Places must develop mechanisms for adapting flexibly to changing characteristics.
3. Places must adopt a genuine marketing commitment toward their products and customers.	8. Places must rely more on the private sector to accomplish their tasks.
4. Places have to build quality into their programs and services to compete with other places.	9. Each place needs to develop its unique change processes that arise from differences in its culture, politics, and leadership processes.
5. Places need skill to communicate and promote their competitive advantages effectively.	10. Places must develop organizational and procedural mechanisms to sustain place development and maintain momentum once begun.

(Summarized from Kotler et al. 1999)

Additional insights have been provided by Kotler *et al* (1993), who claims places must do several things to ensure marketplace success. For vigorous economic development, Kotler *et al* (1993) asserts the hidden key to success is promoting seven advantages effectively: rebuilding infrastructure; enticing a skilled labor force; encouraging local business entrepreneurship and expansion; developing strong partnerships with public and private entities; identifying and attracting companies and industries that are a “good fit” for the place; creating and cultivating distinctive local attractions, and; building a service-friendly cultural environment.

Rainisto’s (2003) Success Factors in Place Marketing Framework is the foundation upon with the case study is examined. Figure 4.7 is Rainisto’s Success Factors Framework, a foundation for understanding how efforts in place marketing relate to goal achievement. The model was constructed based upon place marketing literature and pilot study findings, with feedback from international place marketing scholars and practitioners assisted in adjusting the model.

Figure 4.7: Rainisto's Success Factors in Place Marketing Framework



(Source: Rainisto 2003)

Rainisto first divides his framework into practices and success factors. Practices involve identifying actual, “measurable” place marketing planning group activity. Such finite activities control the variability or degree of success in place marketing (Rainisto, 2003). The lower part of the framework identifies success factors which are comprehensive areas for initiating strategic change.

Rainisto's research of places in Europe and the U.S. concluded 23 propositions, summarized into the nine key success areas indicated above in his framework:

- A planning group is seen as an essential coordinating organ that creates more successful place marketing programs and infuses motivation, focus and vision. Rainisto finds that place marketing programs are more successful when representatives from the business community are included.
- For the vision and strategic analysis of a place, a SWOT analysis is necessary; places failing to analyze internal and external factors will lose to competitors. To be successful, *multiple* combined visions (but no contradictory ones) must be created to assist in "reserve" plans.
- Developing a place brand identity and image will attract place customers more efficiently than those without; however if the substance of a lacks maturity, major communication efforts should be delayed until the infrastructure meets with the argument. For credibility, the place "umbrella brand" and sub-brands must not conflict. The brand must be supported by top management and involve as many levels and stakeholders of a place as possible.
- Places that efficiently use and manage public-private partnerships (PPP) will be in the long-term more credible, results-oriented and successful than those without contribution from the private sector.
- Political unity and agreement is imperative for a successful place marketing program.
- Global marketplace and local development findings indicate thinking globally allows places to thrive and survive better by meeting the needs of not only the domestic market. Foreign direct investments ignore geographical borders. However, local conditions of a place must first be satisfactory before expanding its international offering. If a right global market-niche is found, regardless of limited resources, a place can attract place customers.
- Process coincidences refer to the fact that places do not always act in a rational way, and favorable or negative coincidences can occur, which must be managed. Reserve plans must be contrived, and the question: "What happens after we have reached our targets?" must be answered.

- Professional, talented leadership allows a place to successfully make use of resources, capabilities and risk while maintaining its existing infrastructure and market position. Managed growth versus unmanaged growth is important and good leadership provides intelligent solutions for the always uncertain future (Rainisto, 2003: 216-225).

Ranistio's (2003) research was one of the first of its kind, concluding that there exist factors that can be generalized as "essential success factors" in practical city marketing, Rainisto's findings were compiled based on several place marketing theorists' conclusions in place marketing and place development success, represented in table 4.7 below.

Table 4.7: Factors that Contribute to the Success in Place Marketing and Place Development

-
- Availability of qualified staff.
 - Easy access to markets, customers or clients.
 - Transport links with other cities and internationally.
 - Quality of telecommunications.
 - Climate for business through tax; the availability of financial incentives.
 - Quality of life for employees.
 - Freedom from pollution.
 - Focused economic development.
 - Policies implemented over decades.
 - Creating competitive advantage.
 - Specialization for high value-added products.
 - Focusing regional resources through regional clusters.
 - Supporting local entrepreneurs.
 - Bringing education and business together.
 - Creating regional leadership through shared vision, coordination and funding
 - Local economic development (LED).
 - Existing business base supported.
 - Good governance to mobilize energy.
 - Knowledge-based production, decision reform. Stakeholders together.
 - Brand building and marketing planning.

- Degree of dominance of the central city.
- Control of externalities.
- Innovation and technological change.
- From short term to longer term in planning.
- Repositioning of economic urban policies.
- Branding as a cluster challenge.
- Brain circulation for new values.
- Population over one million.
- Qualified labor force.
- Presence of great universities.
- High-level research infrastructure.
- International activities; a place in economic networks.
- Scientific and cultural exchange.
- High volume air traffic.
- Advanced telecommunication.
- Cost of staff.
- Ambition to serve as a location for international headquarters.
- Facilities for congresses and trade shows.
- Cultural infrastructure.
- Resident communities of foreign business leaders.
- Leading the shift of production and employment from industry to services.
- Growth of high-valued sub-sectors inside the service sector.

(Summarized from Rainisto (2003:35), whose factors are drawn and modified from the following sources: Cushman et al. (2002) European Cities Monitor 2002 (www.cushmanwakefield.com) ; Clark (2002); Barcleys (2002) 8.8.2002, Empirica Delasse: Europas Städte im Vergleich; Jensen-Butler et al (1997); Gold & Ward (1994); Berg et al (1993); Sánchez (1997)).

Place marketing provides places with the tools to successfully influence the place message and which in turn can be used to guide the development and revitalization of places by designing a community to satisfy the needs of its key constituencies. Place marketing also provides places with the tools to managing their associated images and projecting them intelligently to their defined target markets. Lastly, place marketing identifies strategies and factors that influence the economic success of areas.

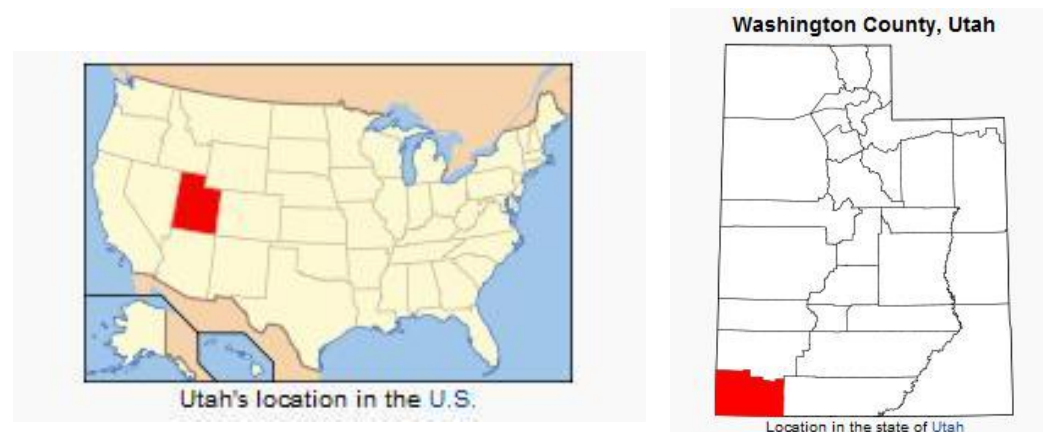
5 WASHINGTON COUNTY CASE

In this chapter, the authors present the empirical case: Washington County, Utah. A background of the area is presented as well as discussion on the region's place marketing efforts.

5.1 Introduction

Washington County, Utah is located in what is considered the southwestern part of the United States, in southwestern Utah. The county lies at the very northeastern edge of the Mojave Desert, where Utah meets its two bordering states to the southwest - Arizona and Nevada. It is located 119 miles (192 km) northeast of the city of Las Vegas, Nevada. Washington County and its county seat of St. George have received a substantial amount of national attention in recent years as a top growth market in the United States.

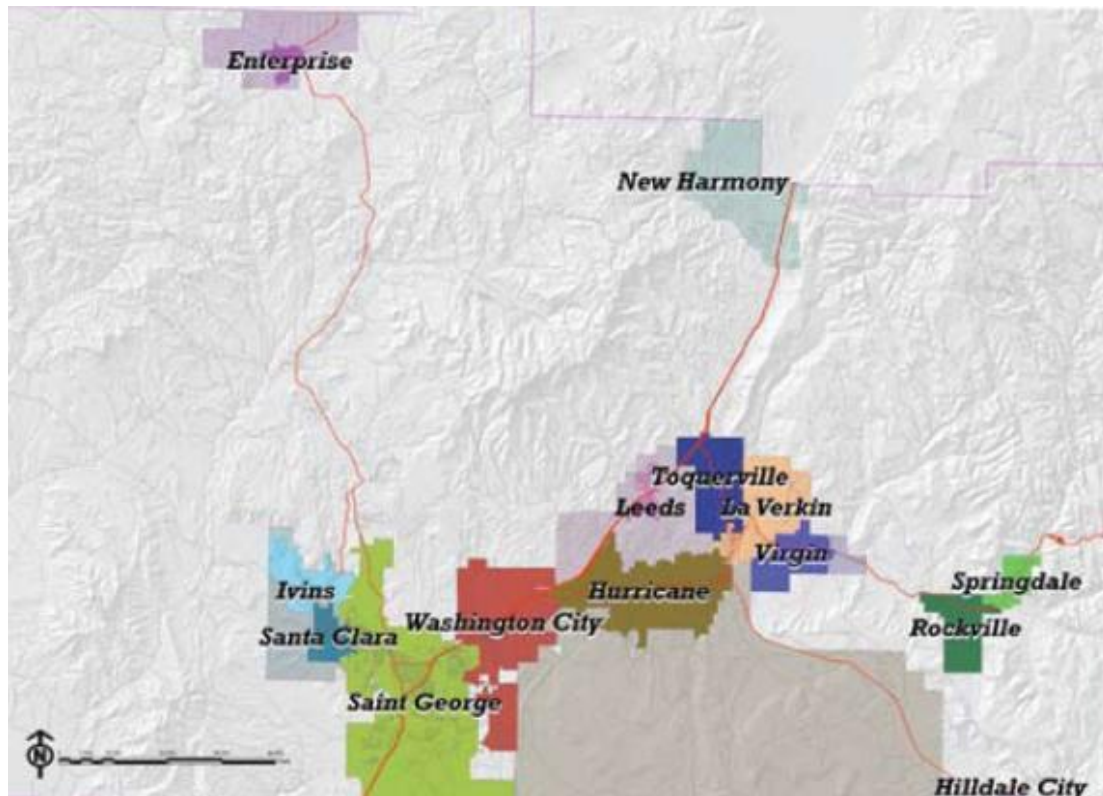
Figure 5.1: Geographical Location of Washington County



(Source: www.wikipedia.org; open source)

Washington County is comprised of 15 cities, including: Apple Valley, Enterprise, Hildale, Hurricane, Ivins, LaVerkin, Leeds, New Harmony, Rockville, Santa Clara, Springdale, St. George, Toquerville, Virgin and Washington. Its county seat and principal city is St. George.

Figure 5.2: Washington County's Major Cities



(Source: Vision Dixie <http://visiondixie.org/pdf/VisionDixie-Book-SM.pdf>)

Washington County was not always a top growth market. According to Adler & Brooks' 1999 book from the Utah State Historical Society "A History of Washington County," Utah was settled by religious LDS (Mormon) pioneer settlers in the early 1860s. These pioneers were sent to the desert climate of southwestern Utah to grow cotton. The oppressive heat and lack of water then were greater challenges to the area than they are now, although such challenges still exist today.

Adler & Brooks (1999) quote from the first settlers expressing a dire response as they first entered the landscape:

"It looks like the good Lord took everything left over from the creation, dumped it here, then set it on fire." – Juanita Brooks

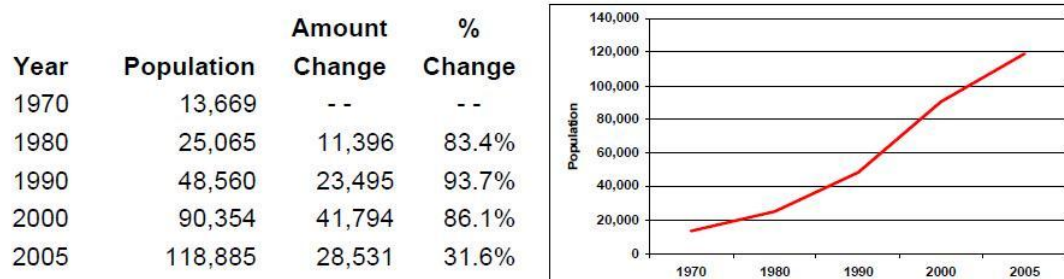
"Show me one thing of beauty in the whole area and I'll stay." – Wilhemina Cannon

As fate would have it, such sentiments were destined to change. Over the next 150 years, the county experienced a movement from “isolation to destination” (Adler & Brooks, 1999). The first real changes began during the economic depression of the 1930s, when President Roosevelt’s New Deal programs brought large amounts of federal investment into the area. This helped develop Zion, a major national park near the area. Federal investment and the invention of air conditioning made a monumental impact on the area, encouraging the recreation and tourism industry. The recreation and tourism industry remains the chief economic driver of the area today (BEBR, 2008).

Rapid development of the area continued into the 1960s when local entrepreneurs envisioned the area as a destination, building a small airport and a local airline (Adler & Brooks, 1999). Roads, golf courses, planned housing communities, a college campus and industrial parks were built and important water-reclamation projects. In 1963, less than 125 miles south of St. George, McCarran airport in Las Vegas, Nevada was also constructed, which also helped with access to and development of the area. In the 1970s, a new interstate freeway I-15 was built.

Current population statistics put Washington County’s population at 137,473 (USCB 2009). In fact, the 1970-2007 average annual growth rate for Washington County was 6.5%, compared with 2.6% statewide (US Census Bureau Decennial Censuses). The Utah Governor’s Office of Planning and Budget (GOPB, 2000) projected in 2000 that Washington County adds an average of 6,000 new residents and converts 4,500 acres (or just over 18 square kilometers) to development each year.

Figure 5.3 Washington County Population Trends



(Source: U.S. Census, 1970-2005, and SPG, Inc. 2006)

From 1990 to 2000, Washington County beat Las Vegas, Nevada as the fastest growing Metropolitan Area in the United States. From April 1, 2000 to July 1, 2005, the area continued this trend and experienced a growth rate of 31.6%, which came in second place in the nation (US Census Bureau 2006). Recently, Washington County was ranked again in second place behind Palm Coast, Florida as the second-fastest growing metro area from 2000 to 2010 (OMB, 2011).

Like other counties in Southwestern Utah and the Nevada region, Washington County tends to be more tourism-dependent than northern Utah. In 2006, travelers and tourists spent an estimated \$826.5 million in the southwest region of Utah, supporting 16,285 jobs, or about 17 percent of total employment (BEBR 2008). Also according to the BEBR, the main drivers for this growth have been the trade and service sectors, with construction also making a significant contribution.

Using the North American Industrial Classification System (NAICS), the BEBR found that Washington County is relatively specialized in the construction and trade industry compared to the state as a whole since the 1970s (BEBR 2008: vi). In 2001, the BEBR found that additional specializations appeared in education and hotel services and in leisure and hospitality services. This persisted so that in 2006, the county had a strong specialization in construction (more than twice the statewide employment share), moderate specializations in leisure and hospitality services,

education and health services and in trade, transportation and utilities (BEBR, 2008: 75).

Job growth has been spectacular to the area, accounting for 73% of all new jobs in the southwest region in 2006 (BEBR, 2008). The economy is largely driven by public education, health care, the local college, local and county government and tourism.

Table 5.1: Washington County's Top 10 Employers 2010

Company	Industry	Employment
Washington County School District	Public Education	2,000-2,999
Intermountain Health Care	Health Care	2,000-2,999
Wal-Mart Stores, Inc.	Discount Department Store	1,000-1,999
St. George City	Local Government	500-999
Dixie College	Higher Education	500-999
SkyWest Airlines	Air Transportation	500-999
Federal Government	Federal Government	500-999
Cross Creek Manor	Residential Care	500-999
Washington County	Local Government	250-499
Sunroc Corp	Building Materials	250-499

(Source: Utah Department of Workforce Services, Workforce Information)

The era of extraordinary growth in Washington County is expected to continue well into the future. According to the Bureau of Economic and Business Research (2008), The BEC projects Washington County's population is expected to triple again, growing to 279,864 by 2020, and long-term growth prospects remain "very favorable." The County's proximity to more expensive communities in southwestern U.S. is also a significant advantage. Despite high housing costs when compared to other counties in the region, Washington County is a low-cost alternative to "sunbelt" living in Phoenix, Las Vegas and Palm Springs, California.

5.2 Levels of Place Marketing

Section 4.2 identifies Kotler *et al*'s (2002) "Levels of Place Marketing" which consists of three levels: planning group, marketing factors and target markets. In this section, these three areas will be discussed in terms of our empirical case. In this analysis, it was found that the local place marketing planning group and target market levels are two major opportunistic areas that could be better exploited for the future development of the area.

5.2.1 Planning Group

The planning group, the first and central level, is normally comprised of local and regional government, citizens and the business community. According to Marc Mortensen, City of St. George's Assistant to the City Manager, no central planning group to date has been conceptualized to coordinate the area's place marketing message. Mortensen also mentions that the county's primary marketing groups are the St. George Tourism Office and Dixie Convention Center. According to Roxie Sherwin, Director of the St. George Tourism Office, these two organizations do coordinate some in marketing efforts.

5.2.2 Marketing Factors

Marketing factors involve four key areas that help define and shape a city's offering, or what makes it special. Kotler *et al* (2002) define a place's marketing factors as: infrastructure, people, attractions and image and quality of life.

The first marketing factor, county infrastructure, is managed by county and city governments. Washington County has local jurisdiction on a central level, between the state and local city governments. According to its homepage, Washington County manages over 30 departments, including: the Dixie Convention Center, Tourism Office, Assessor's Office, County Attorney, Building Department, Emergency Services, Human Services, IT Services, Justice Court, Library, Planning Department, Public Works, Recorder's Office, Regional Park, Roads, Sheriff, Senior Citizens Centers, Solid Waste and Treasury Department.

Infrastructure also refers to logistical transportation. The new regional airport opened in January 2011 and provides service to Salt Lake City, Utah and Los Angeles, California. I-15 is the major commuter highway. SunTran is the public transit system in St. George. The area currently has no rail service. There were no major information technology developments identified in the area since 2009, when the St. George-based company Infowest provided the city with access to its fiber-based network, enabling high bandwidth capability and more importantly, Internet redundancy. Utah Interlinx brought the fiber-based network to St. George in 2003. Infowest is a local ISP and the largest in the area. Infowest borrows the Interlinx and Quest systems as well as their own wireless systems. In 2009, the city partnered with InfoWest and SkyWire Communications to create hotspots that allow people the ease of connecting free of charge by using one of eight WiFi Hotspots throughout the community via laptop or other mobile device.

The second marketing factor, people, is an important part of the place offering. Population growth, changes in age distribution and income as well as values, beliefs and attitudes can be factors used to describe a people. With an influx of immigration to an area come changes in the population demographics. According to the St. George website, most new residents of the area are either exchanging the colder Northern Utah climate with the mild winters of St. George, or moving from California, Arizona and Nevada because Washington County has a similar climate but with considerably lower cost of living. The county's ethnic population is predominantly white, with a growing Hispanic/Latino population. According to the St. George Chamber of Commerce's website, recent estimates place median yearly family income relatively low, at \$48,892.

Attractions are the third marketing factor, and an important part of what makes a place unique. The Washington County area is known for its temperate climate and beautiful location, and known to some as "an oasis in the desert." St. George is snow-free and sees over 300 sunny days each year. The southwestern region of Utah is home to a plethora of recreational amenities that include three national parks (Zion, Bryce Canyon, and part of Capitol Reef), two national monuments (Cedar Breaks and Grand Staircase-Escalante), and a national recreation area (Glen Canyon/Lake Powell). There are also several national forests and wilderness areas, more than half a

dozen state parks and numerous state wildlife reserves in this region. Other outdoor attractions include: dinosaur remains, petrified forests, Anasazi ruins and petroglyphs, art tours and galleries, walking and biking trails, golf, spelunking, skydiving, climbing, diving, an aquatic center, world-class spas, and a Tuacahn Outdoor Amphitheatre. The greater area includes shopping and gambling to the south in Las Vegas and snow skiing in Brian Head to the north.

The third marketing factor is the place image and quality of life. According to Roxie Sherwin, Director of the St. George Tourism Office, Washington County's image is a "clean, health-conscious fitness destination." One typically describes the area as free from heavy traffic, crime and crowded conditions. Overall costs of living are low, other than affordable housing. According to their website, in October 2009, Utah was recognized as a "best place in the nation to lose your wallet." Gallup has studied human nature and behavior for more than 75 years, and provides research on public opinion. According to their survey, 85% of Utahans trust their neighbors to return a lost wallet that holds \$200. Analysis of the relationship between neighbor trust and Gallup-Healthways Well-Being Index reveal evidence of a link between social trust and well being, linking the trust question and economic implications. States with high levels of trust, such as Utah, also tend to have higher levels of overall well-being.

5.2.3 Target Markets

Finally, target markets of places are the last level of Kotler *et al's* (2002) model. The Washington County area promotes itself primarily through the St. George Tourism Office and Dixie Convention Center, who defines major target markets as visitors, generally. According to Roxie Sherwin, Director of the St. George Tourism Office, her organization gives emphasis to visitors from California and the Western United States primarily.

5.3 Place Marketing Practices

Rainisto's "Success Factors in Place Marketing Framework" is divided into place marketing practices, discussed in this section, and success factors, to be discussed in

the section that follows. Place marketing practices are controllable, definable, strategic marketing events that assist in promoting the special attributes of an area or region. For Washington County, such special attributes or possible areas for developing competitive advantages for the area were highlighted in Section 5.2.2, “marketing factors.”

Rainisto composed his framework and utilized it in analyzing major U.S. and European metropolitan cities and was one of the first of its kind. Washington County is comprised of 15 cities but its composite size is significantly smaller than the populations described in Rainisto’s study. This clarification is not meant to minimize the findings, but to point out a difference and to explain why Rainisto’s model was slightly modified to fit our case study.

In Washington County there exists no singular organizational group that coordinates and communicates the major marketing message of the area. Therefore, the most active marketing groups were identified; the main two for the location being the St. George Tourism Office and Dixie Convention Center. Because there exists no central coordination group, data had to be done by collecting and organizing data from each major planning group identified. Painting a picture of these group’s individual efforts and forming a meaningful, cohesive “broader” picture proved challenging. However, feedback received from local and regional government and planning groups helped considerably, and the authors are confident that the timeline below captures some of the major events that have affected or will affect the place marketing message the most in Washington County.

Table 5.2 below identifies major place marketing practices that have occurred in the last decade in Washington County. These findings are presented along with events that had an influence in the area’s environment, both local and nationally/internationally.

Table 5.2: Washington County Place Marketing Practices: 2000-2011

Year	Events in place marketing practices	Events in Network	Events in macro-environment
2001			- U.S. economic recession (officially beginning March 2000)
2002	- TEAMS participation began - Meeting and Convention Marketer added to Tourism Office		
2003			
2004	- redrockgolftrail.com created		
2005	- Sports Marketer added to Tourism Office	- Utah's residential construction peaks	- US experiences a peak in housing prices nationwide
2006	- "Vision Dixie" project launch	- "Utah: Life Elevated" motto launched by Utah Office of Tourism	- US economic bubble burst and housing prices drop nearly 10%
2007			- In December, US enters a second nationwide recession
2008	- atozion.com created - "Vision Dixie" Report Card	- Utah's residential construction contraction most severe on record	- Fall 2008, financial crisis intensifies - A nation-wide population shift to the South and West occurs, due to retirees and a preference for rural areas.
2009	- St. George joins social networks Twitter, Facebook and YouTube	- SG interactive mapping tool presented	- US unemployment rate hits a high of 10.1% in Oct
2010	- St. George signs 5-year contract with for Ford Ironman® - Web Internet Marketing brought in-house at Tourism Office		
2011	- Official opening of the new regional airport (SGU) - In March, SGU to LAX air express service begins - International Trade Berlin (ITB)	- Las Vegas unemployment rate 13.7%	- US unemployment rate improved, 8.9%

(Source: Authors' adaptation of Rainisto's 2003 framework)

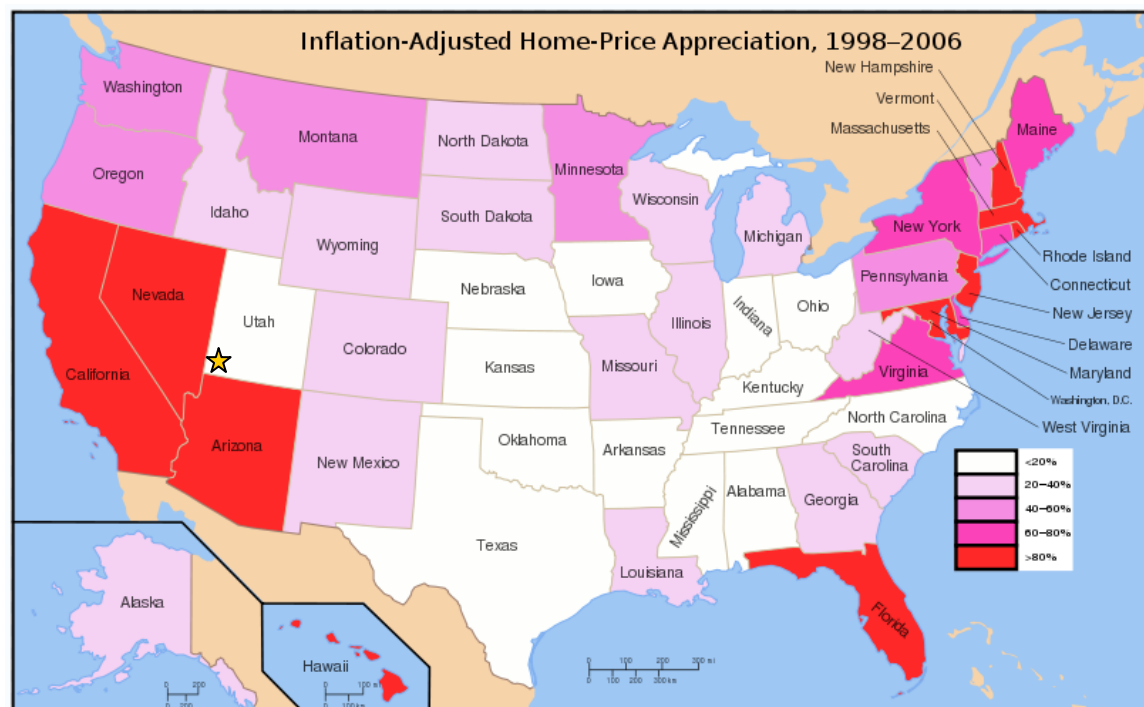
First we begin with an analysis of Washington County's recent macro-environmental factors and discuss their impacts on the local community and the nation at large in Section 5.3.1. In Section 5.3.2, events in the network and local place marketing practices are presented. These two perspectives are provided to understand specifically what the area has done to market itself and its offerings in conjunction with broader issues that can affect those specific marketing activities.

5.3.1 Macro-environmental Events

Events in the macro-environment include happenings in the broader political, legal, social, economic and technological environment. They provide perspective to the overall climate in which the place marketing practices occur.

Like the rest of country as a whole, Washington County enjoyed a boom in economic activity in the 1990s and the first years of the 21st century. The epicenter of the financial crisis was the housing sector (Cushman & Wakefield, 2009). Sub-prime home mortgages and easy credit caused home sales to skyrocket, affecting many parts of the United States housing market, specifically the areas of California, Nevada, Florida, Arizona and the Northeastern United States markets. Property market values were the most severely impacted by this recession.

Figure 5.4: Inflation-Adjusted Home-Price Appreciation, 1998–2006



(Source: Federal Housing Finance Agency, 2006; star added by authors)

The star added by the authors in Figure 5.4 indicates the location of Washington County and provides insight into the fact that geography played a part in the local

area's housing and construction boom. Indeed, Washington County was Utah's first county to slide into recession. According to WCES, this recession was a direct result of the County being Utah's big performer in an exuberant housing market. According to the Utah Foundation, the state of Utah has always had high levels of home ownership compared to national average. In fact, it is the only state in the country to never have had home ownership rates fall below 60% (US Census, 2004).

The state of Utah's residential construction peaked in 2005 and its subsequent contraction in 2008 was the most severe on record, according to the BEBR. When following housing as an economic indicator and signaler of future employment performance, Washington County has been described as Utah's most sensitive county (WCES). During its recent booming years, Washington County exhibited some of the fastest job growth in the nation. However, in 2008, the county's employment base decreased by almost four percent (2,100 jobs). It was the previously robust construction industry that overshadowed all other employment declines. The biggest losses in employment for 2009 came again by far from the heavily hit construction industry, followed by professional services, manufacturing, and retail trade (UDWS, Dec 2009).

Jan Elise Crispin is the Senior BEBR Research Economist in Utah. In Crispin's 2008 presentation "Demographic and Economic Trends in Southwestern Utah," she reported a current U.S. trend of populations shifting from the Midwest and Northeast to the South and West. Crispin attributes the Baby Boomers with increased affluence to the flow, as well as migration preferences favoring non-metropolitan/rural areas. This shift had a positive impact on the local area.

5.3.2 Network and Place Marketing Practice Events

This section describes major activities in the Washington County area at large that were made in attempt to market the area, or which assists indirectly in impacting the message of the area. Events and general activities which will influence the marketing message of the area in years to come are also discussed.

We begin with a discussion of state-wide activities. In 2005, Utah's government recognized that other regional governments were giving much focus to place marketing and branding. In 2006, this recognition led to an over-tenfold increase in the Utah Office of Tourism's advertising budget, from \$900,000 to \$10 million. According to Dave Williams, Deputy Director, this increase represented a significant improvement in his office's ability to promote the area and its offerings out-of-state. Details regarding the Utah Office of Tourism's role in place marketing for Washington County will be provided in the sections that follow.

As mentioned earlier, Washington County has no singular organization that manages the overall place marketing message. However, there are numerous activities and events that promote the place message regionally and/or internationally.

Washington County is home to the Ford Ironman St. George triathlon. This huge international event provides tremendous media coverage for the area. According to Kevin Lewis, St. George Tourism Sports and Events Director, Ironman is "one of the most talked about endurance events in the world." According to Ironman's website, athletes from 50 states and 36 countries meet annually in Washington County to compete. In a live interview, the "Voice of Ironman" since 1989, Mike Reilly, once said St. George Ironman was one of the most special Ironmans of his experience. In the past, 98% of the participants gave St. George the highest possible rating when asked how they felt about the area and people. In 2010, the area signed an important five-year commitment with the World Triathlon Corporation for Ford Ironman St. George.

Since 1976, St. George city has been home to the annual St. George Marathon. A popular running magazine, "Runner's World" calls St. George one of four "Marathons to Build a Vacation Around" in the world. "Runner's World" has also called the marathon one of "10 Most Scenic and Fastest Marathons" and ranks it among the "Top Marathons in the USA." Held in the early fall of each year, the event is hosted through the coordination of the marathon staff, government and non-profit agencies/departments and volunteers.

St. George is also home to the Huntsman World Senior Games, an international senior sports competition founded in 1987. There are a multitude of other sporting events that are held in St. George, from youth soccer tournaments to 24 hour mountain bike races to marathons. The area is currently adding softball as another major sport focus, with over 50 events held annually.

The Dixie Convention Center hosts on an annual basis conventions and trade shows. According to Jo Ann Gordon, Marketing Director, most events come from the Northern Utah area, businesses wishing to swap the colder northern climate for the warmer temperatures of the area without traveling out of state. In Gordon's opinion, these events also provide the area with great opportunities to showcase local offerings.

In May 2009, St. George city announced its launch into the virtual world of social networking on Twitter, Facebook and YouTube. Mayor Dan McArthur stated that such an effort was made to "keep citizens and visitors informed ... and up-to-date in particular areas of interest in real time" and include topic areas such as: general city news and information, information about the mayor, golf, the St. George Marathon, recreation, arts and leisure, public safety, water and energy conservation and more. Additionally, in April 2009, St. George launched an interactive mapping application designed to assist users in quickly finding and learning more about features located within the city. Boundaries of cities, streets, rivers, parcels and aerial photos are included. Tools for finding recreational features and public services are also included.

Over the last six years, the St. George Tourism Office has added two websites to its reportage: redrockgolftrail.com and atozion.com. The first provides golf/hotel packages without booking fees; the second is a main website offering links to local attractions and events for visitors.

According to their website, the new St. George Municipal Airport, which opened the beginning of 2011, has a 9,300 foot (2,834 meter) runway and five times the land mass of the old airport. The new airport facilitates commercial jet airlines and business jets. City leaders see the airport as an important to economic and business

growth in the region with better access to Utah's five national parks and 45 state parks.

Vision Dixie was a local public engagement process that occurred in 2006-2007 and was designed to be a grass-roots citizen-initiative for implementing a vision for the future in the area. It is mentioned here as a place marketing event because it represented a major step in collaborative efforts for the development of the area between public and private entities. Lessons learned from this process provided insights to the government, businesses and people of the area and assisted in broader planning and collaborative efforts. Vision Dixie sponsored 13 public workshops and over 1,200 citizens participated and made a few recognitions that included: economic conditions have changed the focus of communities; that success hinges on city commitment and support; and that implementation of Vision Dixie Principles lies with city decision-makers. The Wasatch Front "Envision Utah" program was a different state-wide endeavor with somewhat similar goals, but completely different leadership and formats. Further details will be provided below as to how these programs affected the development and message of the area.

5.4 Success Factors

Rainisto's success factors identify eight major areas that impact the success of place marketing efforts. This section presents an analysis of Washington County in terms of Rainisto's place marketing success factor categories of (1) Planning Group, (2) Vision and Strategic Analysis, (3) Place Identity, (4) Public-Private Partnerships, (5) Political Unity, (6) Global Marketplace and Local Development, (7) Process Coincidences and (8) Leadership. By identifying Washington County's efforts in these areas, we provide further empirical depth to the third research question identified in the introduction.

5.4.1 Planning Groups

While there is no formal place marketing group that coordinates marketing efforts of the area, we highlight here those main groups influencing the content and direction of

the overall message of the place. With feedback from state and local government and other local planning groups themselves, the following eight organizations have been identified as major place marketing planning groups for the area.

1. Washington County & local government: umbrella motto: “Utah’s Dixie”

Organization: public

Planning group: publicly-elected officials and hired staff

Mission/Vision/Goals: the goal is public administration and governance including sanitation, utilities, land usage, housing and transportation

According to Marc Mortensen, City of St. George’s Assistant to the City Manager, Washington County markets itself most actively through a tourism and convention bureau. Other mediums used by the county and local governments to market themselves other than the tourism and convention bureaus are the individual city and county websites and various print materials. Summary data from county and city websites are shown in a following section, in Figure 5.5.

St. George City’s “inSide” magazine is one example of the government’s print materials. “inSide” is published quarterly in cooperation with Southwest Publishing. Marc Mortensen is also the editor and contributors include the mayor, city manager and city council. It is used to showcase local events and to educate residents and visitors. Government contact information and a community calendar of events are included. There are numerous other print materials available, either in local establishments or which can be mailed directly to the consumer from civic offices.

2. Utah Office of Tourism: “Utah: Life Elevated®”

Organization: public

Planning Group: 20 staff members

Mission is: "to improve the quality of life of Utah citizens through revenue and tax relief, by increasing the quality and quantity of tourism visits and spending."

The Utah Office of Tourism is an office within the Governor's Office of Economic Development. It promotes tourism in the state through advertising and media contacts.

The Office operates several programs to assist Utah's tourism industry, including: marketing and advertising, research and planning, publications, information services, media relations and cooperative programs. Its mission statement's inclusion of "improving the quality of life in Utah" is a good representation of the shift that has occurred among many place marketing groups from their narrow target markets (visitors) to understanding their crucial role in the development of an area at large.

Dave Williams, Deputy Director in charge of marketing and research, has worked at the Utah Office of Tourism since 2003. In the not so distant past, Williams claims the state of Utah had a public image problem. The area didn't have a negative image per se, but according to Dave Williams, "most people just didn't know much, 'period,' about Utah... some may have been reminded we had skiing or Mormons, but didn't have much of an image to back it." According to Williams, during a major marketing research campaign when people were shown a picture of Delicate Arch (a famous Utah desert landmark that is used on many automobile license plates) many people surveyed thought the attraction was located in Arizona. When shown pictures of local ski attractions, many thought of Colorado instead of Utah.

Budgetary increases in 2006 enhanced the organization's ability to boost marketing efforts for the region at large, to work on developing the message of Utah's offering and to better clarify its position in, and to, the world. After a seven and a half month effort by W Communications in Salt Lake City in partnership with Utah native Gordon Bowen of "mcgarrybowen," an independent advertising agency in New York City, a new brand of "Utah: Life Elevated®" was launched in late spring 2006. In the development of the new brand, a branding tour took the Office of Tourism to 14 cities across Utah in the fall of 2005, according to an article by Jamie Gifford in "The Main Street Business Journal" (May 2009; Volume 9, Issue 7). Residents submitted their slogan ideas online and focus groups were held in target U.S. markets and London during the World Travel Market. At the brand launch and celebration event, Utah Governor Jon M. Huntsman Jr., was pleased with the efforts because he believed "the new slogan captures the essence of Utah because it embodies the heart and soul of our state."

The Utah Office of Tourism runs two ad campaigns: Winter and Spring/Summer. The winter campaign represents 35% of the organization's ad budget and targets skiers and snowboarders aged 35-54 with household incomes greater than \$75,000. According to Williams, only 5% of the U.S. population skis, so it is a small but a critical market. The Utah Office of Tourism works closely with the Ski Utah Organization in this niche-building effort, a non-profit trade organization whose membership represents resorts, lodging, transportation, retail, restaurants and other ski or snowboard related services. According to Williams, the two organizations coordinate efforts in print and online to look the same. In 2010, the office did promote a national ad campaign.

The spring and summer visitors represent the larger of the two segments and 65% of the ad budget is spent on this campaign. Williams stated that the Office finds it difficult to promote all the recreational activities available state-wide because of their diversity of the activities and the number, which includes all state and national parks, golf, fine dining, Shakespearean Festival and Tuacahn, for starters. To date there is no one organization quite like Ski Utah to coordinate such efforts with for summertime visitors. For the 2011 Spring/Summer campaign, the office has identified five key target markets, all U.S. based: Los Angeles, Denver, Phoenix, Las Vegas and Portland. The key determinants to the areas selected were that they were within a day's drive. According to Williams, the local economy and gas prices played a role in this decision.

According to Williams, 20% of the annual budget goes solely to a cooperative marketing program aimed at non-profit entities. This marketing program is designed to push new economic development for the state by promoting itself outside of its geographically-defined borders. Two important considerations for approval are that the requested funds (1) must be equally matched by the organization, and (2) are only allowed to be used to promote *out-of-state* tourism. According to Williams, from June 2006 to March 2011, the office approved 263 applications equaling \$11.6 million, or \$23.2 million in matched funds. The applications came from 88 different entities in 27 different counties in the state of Utah. There are 29 counties in Utah, and two counties have never applied. In an interview with Roxie Sherwin, Director of the St. George

Tourism Office, she said her group applies for and receives funds from this program every year, which they have used for various marketing projects.

3. St. George Tourism Office: “St. George: Everything from A to Zion”

Organization: public

Planning group: six staff members plus a shared receptionist

Mission is: “to promote Washington County as a premier convention and tourism destination; to stimulate tourism’s economic impact; to unify partners to maximize the visitor’s experience.”

Roxie Sherwin has been with the St. George Tourism Office since 1999 and has been the Director since 2008. According to Sherwin, prior to 2000, the St. George Tourism Office utilized blanket marketing methods to spread the message of the area due to constraints in financial and human resources. However, due to increased tourism, the organization who obtains revenue primarily from hotel room tax and a small portion from restaurant tax can today better niche-market.

The staff has grown from 2 people in 1999 to 6 in 2011. A meeting and convention marketer who also works on budgets was added in 2002, a sports marketer in 2005 and web marketing was brought in-house in 2010 with a web and internet marketing person. Budgets are divided in thirds equally between TV, print and Internet. These three areas represent the organization’s main thrusts. According to Sherwin, media and marketing communication instruments that have been used include Internet, television, print, billboard and trade and consumer shows.

Regional marketing began in the early 1990s, and is the primary focus. Visitation data from local organizations is collected to understand where most visitors come from. The organization surveys hotels, golf courses, Zion National Park, Tuacahn Amphitheater and other major venues for input of best markets for their individual businesses. For international marketing, the organization cooperates with the state of Utah Office of Tourism. The Tourism Office participates in approximately 12 trade and consumer shows each year.

The office maintains four websites: www.atozion.com, www.redrockgolf.com, www.zioncountryactiontours.com and www.experiencezion.com, but also participates actively with other cooperative websites. “Everything from A to Zion” was a marketing campaign that began in 2004. An ad agency was used, and the Tourism Office, according to Sherwin, saw it as “an inclusive and exclusive” umbrella motto that could be used to showcase the attractions of the area. www.redrockgolftrail.com provides golf/hotel packages without booking fees. Membership fees are collected from those local organizations wishing to participate. Revenues help further fund the area’s golf marketing message via the St. George Tourism Office. The website www.fiveutahparks.com provides information on five national parks including a vacation planner and sample 12-day itinerary, and is available in Spanish, French, Italian and German. www.utahzionandbryce.com has information on two local, major national parks located less than two hours apart. www.zioncountryactiontours.com provides assistance in trip planning for outdoor enthusiasts and thrill-seekers, including a 10-day trip planner to see all the area’s highlights.

In Sherwin’s opinion, the key influencers of the place marketing message are hotels, golf courses, meeting facilities, adventure outfitters and the Zion National Park area. These parties represent the area’s “real” message as it is communicated to the consumer through direct experience.

4. Dixie Convention Center

Organization: public

Planning Group: 21 full-time staff: including management, marketing, coordinators, set-up staff, and custodians

Mission is: to positively impact the economy of the Washington County area to provide outstanding value, superior service and a high-quality experience for our customers while maintaining integrity of purpose and budget.

Jo Ann Gordon has been involved with the Dixie Convention Center for the last 21 years and has held her current position as Marketing Director since 2008. The Convention center is owned by the county and hosts regional and national events.

As its name indicates, the Dixie Convention Center is a large center for conventions, sporting events, trade shows, meetings and concerts. Its seating capacity is 6,200 and it has full production and staging capability as well as full-service in-house catering. The Dixie Convention Center has a 47,500 sq ft convention hall, 21 meeting rooms encompassing an additional 32,000 sq ft, 4 small meeting rooms, 9 luxury suites with views, 3 functional indoor-outdoor areas and a state-of-the-art Theater/Auditorium. According to Gordon, most Dixie Center customers come from northern Utah to enjoy the warmer temperatures of the south.

According to Gordon, most marketing for the Convention Center is done in conjunction with the Visitor's Center. Ads in magazines are purchased to showcase events and tradeshow, while government, the media and other local calendars often draw attention to their events as well.

5. Washington County Economic Development Council

Organization: public and private

Planning group: local government and the business community

Scott Hirschi is the Director of the Washington County Economic Development Council (WCEDC). According to the WCEDC website, the organization focuses on value-added businesses and employment as well as entrepreneurial development. When a company is interested in Washington County, the Council helps introduce them to the area and assists in coordinating a site visit.

WCEDC meeting minutes from April 2011 included an annual review of the area's development by Todd Brightwell, Director of Business Development for the Economic Development Corporation of Utah (EDCUtah). Among other assessments, Brightwell indicated a projected positive improvement in the economic performance of the area moving into the end of 2011. He indicated among other findings where the international activity is going on in the area and what factors are most important to companies moving into the area, which includes: incentives, clusters, energy and transportation costs, rail service, crime rate, etc. According to same source, Brightwell praised Hirschi for well articulating "what Washington County is and is not" and by focusing on key opportunities, while "many communities try to be everything to

everyone and that doesn't play well for companies." An interesting comment by Brightwell stressed the importance of the area communicating clearly the mild climate Washington County has to offer, while "many companies (erroneously) believe Utah (offers only) a cold climate," which he believes can be a contributing factor for companies eliminating an area from consideration.

For the last 14 years, the WCEDC has organized the Washington County Economic Summit, also referred to as "What's Up Down South?" A self-prescribed "premier business planning event of southern Utah," the Summit brings together keynote speakers and breakout presentations. According to the WCEDC Executive Committee Meeting Minutes for February 2011, the Economic Summit's most recent session had just under 850 people in attendance. The WCEDC's strategic plan is called "A Vision for Tomorrow," which defines an economic vision, values and major strategic goals for the area, including "SEED Dixie" with an entrepreneurial focus.

6. Utah Department of Community Culture: "Strong Communities... Life Elevated"

Organization: public

Planning group: a multitude of diverse public organizations

Mission: to enrich the quality of life for the people of Utah by creating, preserving and promoting communities and culture.

The Utah Department of Community Culture is a public organization mandated by the State Governor's office. It is a coordinating organization of over 18 different boards and programs in six categories of: Arts and Museums, State Library, State History, Office of Ethnic Affairs, Indian Affairs and Housing and Community Development. Its resources are channeled into six service areas, which are: individuals, organizations, government agencies, communities, educators and students and non-profits.

7. Chambers of Commerce: St. George, Washington and Hurricane Valley

Organization: private

Planning group: conglomerates of businesses

Within Washington County limits there exists three Chambers of Commerce: St. George, Washington and Hurricane Valley. The Chambers of Commerce are private, non-profit organizations that represent local businesses. They are formed to give business people a vehicle in which they can network, jointly influence government and legislative efforts and improve their community and the activity of their market. It is supported by member investors.

8. Dixie State College

Organization: public

Goals and values involve five categories: academic rigor in a challenging, supportive learning environment; access and opportunity; diversity; workforce and economic development; sound management and responsible stewardship.

Dixie State College of Utah (DSC), founded in 1911, is a publicly supported institution offering associate degrees and certificate programs aimed to meet the needs of students, the community and the state. DSC has increasingly taken on a vital role in the economic development of Southern Utah with ties to the Dixie Business Alliance, the Economic Summit and the St. George Chamber of Commerce.

According to their website, under the direction of Robert Huddleston, the first paid professional position was established for economic development in Washington County. Additionally, DSC organized the Leadership Dixie Committee, whose purpose is “to develop a corps of informed, qualified individuals capable of providing dynamic leadership for Washington County.” Dixie State College serves as home to the Southwest Symphony Orchestra, the Celebrity Concert Series, and the Southwest Guild, as well as national sports championships.

There are numerous organizations that participate in the planning of place marketing and development in Washington County; however, with the help from government and private organizations, eight main organizations were identified and discussed above. All have sprung from governmental programs, public and private efforts. Table 5.3 indicate the eight planning groups identified in the study and their respective

target markets, using Kotler *et al* 's (1999) four broad place target markets (as shown in Table 4.3).

Table 5.3: Washington County (WC) “Top Eight” Planning Groups and their Target Markets

Planning Group	Target Market
WC and local government:	Residents and employees Business and industry Visitors (business and non-business) Export markets
Utah Office of Tourism	Visitors (business and non-business)
St. George Tourism Office:	Visitors (business and non-business)
Dixie Convention Center:	Business and industry Visitors (business) Residents and employees
WC Economic Development Council:	Business and industry Export markets
Utah Dept. of Community Culture:	Residents and employees Visitors (business and non-business)
Local Chambers of Commerce:	Business and industry Export Markets
Dixie State College	Residents and employees

(Source: Authors)

Two interesting points emerged from the organization of the above table. First, of the planning group organizations identified, Washington County and local governments are the only place planning groups that have vested interest in every place target market category. Government at its best is motivated by altruistic interests devoted to the welfare of its community. With vested interest in every place target market, it seems a natural assumption that governments must take a central role in organizing and coordinating the place marketing planning group.

Secondly, the only planning groups identified other than government that focuses on export markets is the WCEDC and Local Chambers of Commerce. However, of the place marketing organizations identified, it was the Utah Office of Tourism and the St. George Tourism Office (both chartered by government) that most actively participate in influencing the international message of the area; however their main focus are visitors.

It is the opinion of the authors that this indicates the importance of active coordination between these entities, despite their very different target markets. The place brand and its message portrayed by the Utah Office of Tourism and the St. George Tourism Office certainly affect the regional and international business community perceptions of the area. It is believed that all parties would benefit from closer coordination.

5.4.2 Vision and Strategic Analysis

Like most cities without a central marketing planning group, there is quite a bit of variance in goals, visions and strategies between the interested parties in Washington County. However, the best overall representation of a conjoined effort to create a common vision for the area was identified by the authors as “Vision Dixie.” Vision Dixie is a public-private cooperation between the citizens, businesses and governments of the area. This public engagement process first began in 2006-2007 and was designed to be a grass-roots citizen-initiative for implementing vision for the future economic development of the area.

Vision Dixie sponsored 13 public workshops and over 1,200 citizens participated. The motto is “Vision Dixie: Making a Better Washington County.” Table 5.4 enumerates ten guiding principles derived from these workshops, to assist in guiding future growth pressures.

Table 5.4 The Vision Dixie Principles

Principle 1:	Plan regionally, implement locally
Principle 2:	Maintain air and water quality and conserve water

Principle 3:	Guard our ‘signature’ scenic landscapes
Principle 4:	Provide rich, connected natural recreation and open space
Principle 5:	Build balanced transportation that includes a system of public transportation, connected roads, and meaningful opportunities to bike and walk.
Principle 6:	Get ‘centered’ by focusing growth on walkable, mixed-use centers.
Principle 7:	Direct growth inward.
Principle 8:	Provide a broad range of housing types to meet the needs of all income levels, family types, and stages of life.
Principle 9:	Reserve key areas for industry to grow the economic pie.
Principle 10:	Focused public land conversion should sustain community goals and preserve critical lands.

(Source: <http://www.visiondixie.org>)

In 2008, Vision Dixie submitted a “scorecard” detailing progress in each area, again indicating the importance of city decision makers to embrace such principles for future growth management.

A state-initiative, “Envision Utah,” under the motto “How we grow matters” was also used to develop and implement a larger, regional vision. Initially also launched as a public effort, it now includes elected officials, developers, conservationists, business leaders, residents and a business consultant. According to their website, Envision Utah’s vision is “empowering people to create the community they want.” Its mission is “to guide the development of a broadly and publicly supported long-term ‘Quality Growth Strategy,’ relying on local coordination in public values research to assist in growth management.” According to Utah’s local paper “The Salt Lake Tribune,” in March 30, 2011, Envision Utah among with 36 other organizations, received Harvard University’s “Bright Ideas” award, an honor that recognizes creative government initiatives and partnerships around the country.

Washington County requested assistance from the economic, planning and development consultant Strategic Planning Group, Inc. (SPG) in 2007. SPG’s assessment was that the major components driving the local economy included tourism and recreation, retirement living and migration primarily from the northern part of the state and from the state of California. Family incomes were relative low

compared to state and national averages, in part due to the number of retirees and low female labor force participation rate (SPG 2007)

5.4.3 Place Identity and Place Image

The place brand gets utmost attention in today's place marketing theory, and there is little doubt that place identity and image factors are certainly important facets of place marketing success.

The place identity and image of Washington County can not be defined specifically without a cooperative planning group. Therefore, in this section we focus on government (which has vested interest in all target groups of the area) and summarize other broad areas that contribute to the place identity and image.

Figure 5.5: Logos and Mottos for Washington County and its Cities





La Verkin: ““The Beautiful Valley:
A Proud Past, a Promising Future”



Leeds



Rockville: “Utah’s Last Treasure”



Santa Clara: “A Beautiful Place
to Live”



Springdale: “The Gateway to
Zion National Park”



Toquerville “It’s the People”



Virgin: “Gateway to the Kolobs”



Washington: Where Dixie Begins”

New Harmony (not available)

Hilldale (not available)

(Source: Authors, summarized from data collected on individual city websites and/or correspondence with city governments; all images are trademark protected)

Washington County is referred to commonly as “Utah Dixie,” which could be considered the umbrella brand of the area. “Utah’s Dixie” has deep cultural ties to the historical identity of the area. “Dixie” is more commonly known in reference to a

region of the southern and eastern United States comprising the states that joined the Confederacy during the Civil War.

However, the history of this name according to Washington City Historical Society came from the settlement of the area. More than 135 years ago, a prominent leader of the Mormon Church organized a “Cotton Mission,” a group of over 300 families, all from the southern states of Mississippi, Alabama, Virginia, Texas, Tennessee and the Carolinas. These families moved to Southern Utah to colonize the land and grow cotton. These southerners, homesick for the lives they had left behind, spread to the surrounding areas of what is now known as Washington County, and the area became known as “Utah’s Dixie” today (Cahoon, 1999).

The city logos and mottos illustrated in Figure 5.5 showcase the beauty of the natural landscape as well as signify the importance placed in preserving the history and values of the area as well as a hopeful view for the future. As the principal city of Washington County and location of the County’s governmental hub, St. George also casually refers to itself as “Utah’s Dixie,” although no clear reference was made to this regard on its website.

Marc Mortensen, St. George’s Assistant to the City Manager, mentioned the city markets itself as a “recreational Mecca” and will continue to do so even more heavily in the future. Roxie Sherwin, Director of the St. George Tourism Office, agrees, and says that Washington County and its cities form a collaborative identity and image which revolve around providing “a clean, health-conscious, fitness (location).” The area offers a year-round warm climate, low humidity and a plethora of scenic and natural landmarks. Because of the climate and scenery, outdoor recreation is a big part of the identity of the area, which offers year-round golf, walking, hiking and biking paths and trails. Washington County also offers a similarly desirable climate, but with minimal traffic, congestion and crime compared to its southwest neighbors.

Among the city logos and marketing mottos identified, the authors believed those utilized by the cities to be complimentary to the overall umbrella motto of “Utah’s Dixie.” One question that might be asked is if this motto in the past has proven to help the image of the area, if it presently adequately and clearly represents the desired

message of the area and its vision for the future. Additional coordination (see Copenhagen's branding in section 4.5) could prove to be helpful to assist in the place planning group's effort to "operate independently, compete collectively and manage collaboratively."

5.4.4 Public-Private Partnerships

Most cities participate in networks or develop networks to make use of one another's experiences, to learn from their environment, to meet the challenges of the common market and the technological changes, and to become capital and human attraction spots. In this study, places are regarded not only as a public organization, but as a public-private conglomerate. Therefore, Rainisto's public-private partnership category for this study is naturally assumed to be an important key success factor of places.

Utah is ripe with public-private partnerships (or PPP). "Greatest Snow on Earth©" is among the most well-known phrases representative of the state. This motto was launched by the Utah Ski and Snowboard Association, who as mentioned earlier is in a strong PPP with the Utah Office of Tourism. Governed by a 21-member board of directors elected from its membership, it is a non-profit trade organization whose membership represents resorts, lodging, transportation, retail, restaurants and other ski or snowboard related services. For Washington County, this well-known phrase for the state represents a challenge for the local area. This is because the climate of southern Utah is much different than northern Utah. Therefore, this message is in direct conflict to the place's actual offering for someone with little knowledge of the area.

According to Scott Hirschi, with the exception of the public infrastructure, all development in Washington County is done by the private business sector. This again reinforces the importance of public-private partnerships for the economic developmental success of the area. As mentioned earlier, the Washington County Economic Development Council (WCEDC) is a leading public-private partnerships in this area.

Rapid growth has many impacts to a community both economically and socially, which can be positive and negative. Recognizing this, the Washington County Commission sponsored the aforementioned “Vision Dixie” a PPP conversational forum for the public to make informed recommendations for the future of the county. Vision Dixie partners include a long list of public and private organizations that help as partners and assist financially. Residents assist in outlining the broad vision to how the county might accommodate population growth, protect the environment and natural resources, enhance the economic strength and maintain the quality of life the residents of the area currently enjoy. This PPP encourages the community’s involvement in the future growth of the area. The vision and principles are constructed to assist elected officials and residents as they make decisions. Local government is allowed to retain control over the official planning processes regarding zoning and development proposals, and each community was allowed the opportunity to select its own strategies to work toward the vision.

Other important PPP to the area are international sporting events, including the Fort Ironman St. George triathlon, the St. George Marathon and the Huntsman World Senior games. The Huntsman World Senior Games, for example, is governed by a board of trustees and includes thousands of adult, youth and children as volunteers. The event attracts over 10,000 senior citizen athletes from all over the globe who compete for two weeks every October. Founded in 1987, and with headquarters in St. George, it has become a renowned event among serious athletes from Japan to Russia and from Alaska to Australia. In addition to athletic events, the Games promote health and physical fitness as a way of life, not just a hobby. The organization also provides life-saving health screenings for breast and prostate cancer as well as glaucoma, diabetes, high blood pressure, elevated cholesterol, and decreased bone density screenings. In this, one can see how such important events tie local businesses with the community with the international arena at large.

5.4.5 Political Unity

According to Hirschi, the level of political unity in the management of Washington County’s place marketing has been “very strong and effective.” Like the rest of the

state of Utah, Washington County is a region where local control is revered. According to Envision Utah's website (accessed March 17, 2011), "in some political circles in Utah, terms such as 'planning' or 'growth management' are considered four letter words."



The Standard Examiner, a local Utah paper, portrays the public's early skepticism about Envision Utah's plan to promote local control.

According to some, these skepticisms were overcome with Vision Dixie and Envision Utah's PPP organizational forms. These groups coordinated on a cooperative basis through the decision-making power of local government and its citizens, which reinforced that their motivations were powered by good, sound information and with a sincere desire to work for the common good of the residents.

5.4.6 Global Marketplace and Local Development

It is important for areas to continue "thinking globally, acting locally" (cf. Borja & Castells 1997). Rainisto (2003) explained these two success factors together, indicating that the two perspectives of place development are closely linked, and that the two collectively form a strong foundation for place development.

Being economically reliant on tourism, the area's international marketing is orchestrated primarily in cooperation with the Utah Office of Tourism, which

cooperation started in 1988. Washington County began its own international efforts just recently in the early 1990s. The St. George Tourism Office participates in 12 tradeshows per year, including 3 golf shows, 3-4 consumer adventure shows, the National Tour Association (which are domestic tour operators), the American Bus Association, the International Pow-Wow, Addison Travel Shows (which host 3-4 trade shows per year in Canada) and TEAMS (sports promoters). The Office also advertises in strategic outdoor adventure guides in London, Germany and Japan.

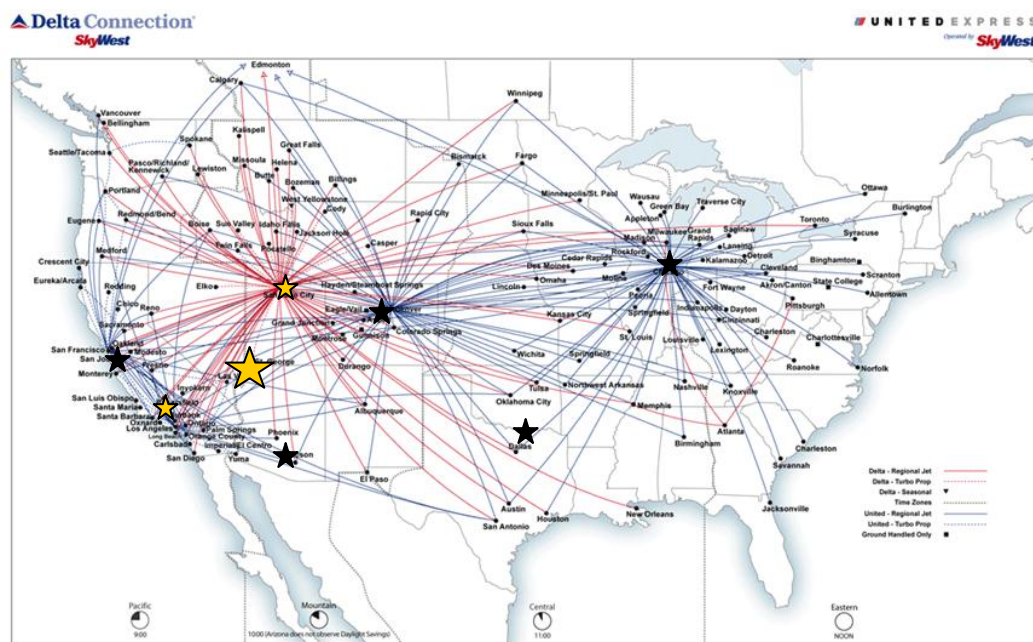
According to Hirschi and Sherwin, the global marketplace has been noted in the place marketing programs, “as needed.” Hirschi claims global competition has had an impact on tourism, and mostly positive. Saint George has a “sister city” of Ibigawa, Japan – which is mostly a recreational and cultural exchange. The area has certainly experienced local impacts from worldwide events. For example, Sherwin said hotels in Washington County are reporting cancellations after Japan’s devastating earthquake and tsunami that killed thousands the beginning of March 2011. Tourism office data shows about 40,000 Japanese travelers visit the state annually, spending between \$15 and \$18 million. According to Sherwin, international travelers make up about 30 percent of Zion National Park visitors.

According to their official website, the Ford Ironman competition in St. George attracts 2,500 athletes, 10,000 visitors, 30,000 spectators and has an environmental impact of over \$10 million dollars each year. The St. George Marathon is also a major fitness event that attracts athletes, visitors and spectators and contributes to the local economy.

In terms of global marketplace and local development, the new airport assuredly deserves mention. When St. George’s municipal airport was believed to be too small for the rapidly growing city, construction on a larger airport was began. The new airport was completed in January 2011, and is located five miles southeast from downtown St. George. There are five daily Salt Lake City round trips providing travelers access to more than 100 domestic and international destinations out of Salt Lake City, with more than 300 daily departures. Daily trips are also available to Los Angeles, California. In Figure 5.6, the enlarged yellow star represents the location of

the new Washington County airport, and the two smaller yellow stars represent the Salt Lake City and Los Angeles connections.

Figure 5.6: Delta, United and SkyWest Connections



Source: Delta Airlines (enlarged star added, and colors adjusted by authors for emphasis)

St. George officials claim several companies have already moved to the area once the new airport became a certainty. According to Marc Mortensen, City of St. George's Assistant to the City Manager, with the new airport, St. George has the potential not only to be more attractive to normal leisure travelers, but it will also aid in attracting new business partners.

According to Mortensen, a few times, companies have opted not to locate in St. George due to "no rail and no jet access." The railway access will not be solved anytime soon, but the latter was solved with the new airport.

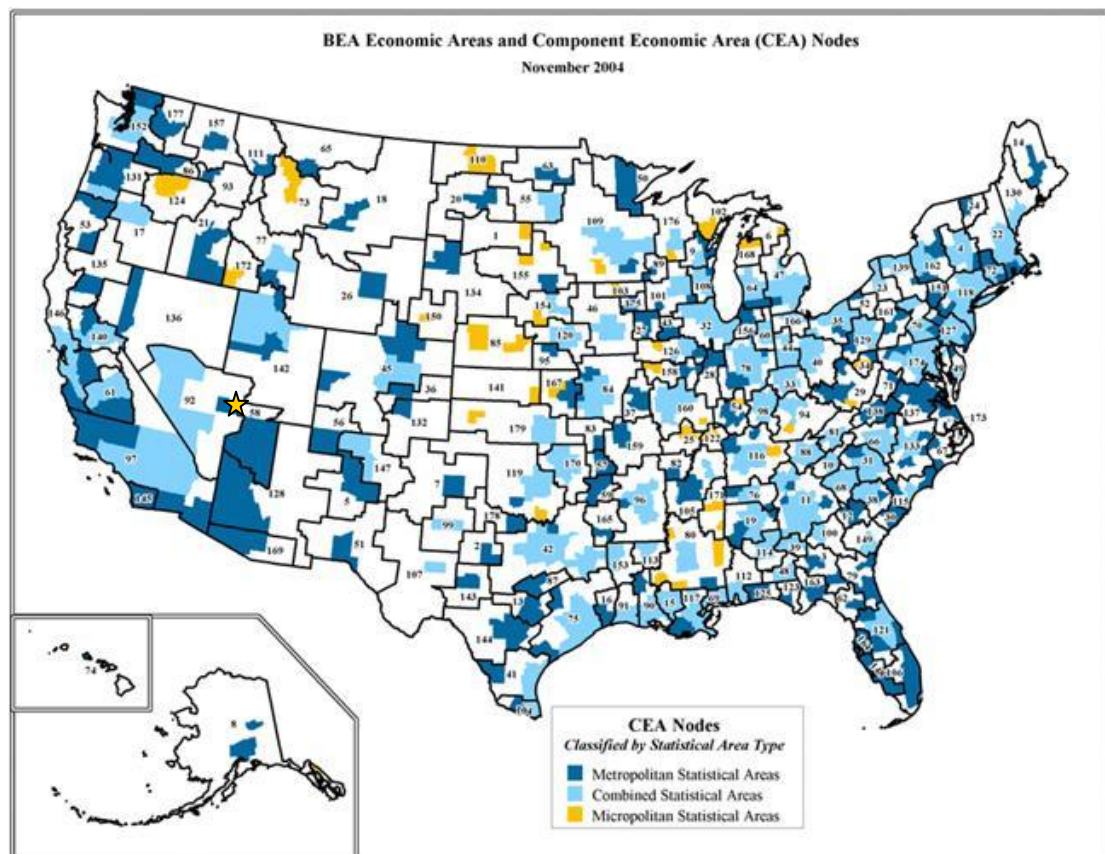
5.4.7 Process Coincidences

Rainisto (2003: 82) explains process coincidences as factors over which places have no direct influence. Process coincidences are things that happen by chance, and which bring to the development of the place favorable or negative consequences.

When reviewing the last 20 years, a major “process coincidence” for the area was its geographical proximity to other states heavily impacted by the early 1990s U.S. housing boom. This process coincidence had wide-ranging economic implications, both positive and negative to the area. Understanding this process coincidence takes us back to the early 1970s, when Washington County was first identified to be tied economically more to its neighbor state’s capital city of Las Vegas.

The Bureau of Economic Analysis (BEA) is the lead federal agency responsible for economic analysis in general and for regional analysis in particular. The BEA divides the country into 179 “economic areas,” versus administrative area designated by state, county and city boundaries. The 1969 delineation of BEA economic areas showed that Washington County was in fact part of the Las Vegas economic area (area #92 below) and that fact is still true today (Kenneth and Kort, 2004).

Figure 5.7: BEA Economic Areas – November 2004



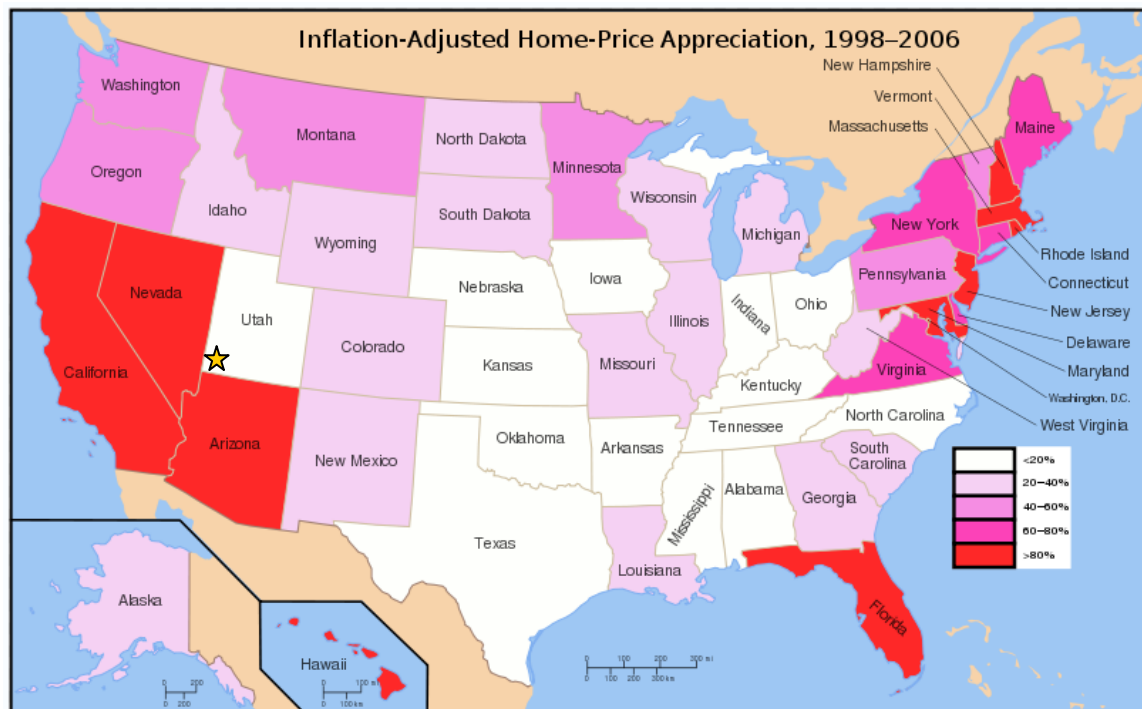
(Source: U.S. Bureau of Economic Analysis, 2004; star added by authors)

In 1973, the BEA assigned Washington County's economic area to the "other" industrial group, meaning "areas that provided unusually large amounts of services to nonresident consumers" – in this case, recreation. Thirty years later, according to the BEBR, recreation is and will likely continue to be important to the region. Although Washington County remains closely tied to Las Vegas economically, according to BEBR (2008), there has been an important shift in focus over the past few years that include a wider perspective. According to the same source, Washington County's economy's focus economically is not only westwards towards Las Vegas, but south and north towards the Salt Lake City area as well.

In their June 2008 report, "An Analysis of Long-Term Economic Growth in Southwestern Utah: Past and Future Conditions," the Bureau of Economic and Business Research found that Washington County has been the economic engine of southwestern Utah since 1970 "by all measures." The county's unprecedented growth makes it the "epicenter of activity" as it continues "to garner an ever-increasing share of the region's population, employment and retail sales" (BEBR, 2008: xxix). According to the same source, the spectacular growth experienced in Washington County is the culmination of moderate climate, rich natural resources, national migration patterns, aging Baby Boomers and access to road and air transportation.

Another process coincidence is a national economic boom. Like the rest of country as a whole, Washington County rode the upward tide in economic activity from the early 1990s into the first years of the 21st century. According to Cushman & Wakefield (2009), the epicenter of the financial crisis was the housing sector. According to the same source, sub-prime home mortgages and easy credit caused home sales to skyrocket, affecting many parts of the United States housing market, specifically the areas of California, Nevada, Arizona, Florida and the Northeastern United States markets. In many instances, speculative investors in real estate saw the Washington County area as the next exploitable area to invest in ahead of the next wave of home appreciation.

Figure 5.8: Inflation-Adjusted Home-Price Appreciation, 1998-2006



(Source: Federal Housing Finance Agency, 2006; star added by authors)

The star in Figure 5.8 indicates the location of Washington County and provides little speculation that geography played its part in the economic boom of the area. To provide some perspective, statistics from the Utah Association of Realtors reported that during the boom period from 2004 to 2006, the average home price in Washington County increased by approximately \$130,000. This economic boom brought much focus and notoriety to the area and its attractions.

According to the Bureau of Economic Research (BEBR 2008), the state of Utah's residential construction peaked in 2005, and contraction in 2008 was the most severe on record. Property market values were the most severely impacted by this recession. Indeed, Washington County was Utah's first county to slide into recession, which was, according to WCES, a direct result of being Utah's big performer due to the exuberant housing market. The state of Utah has always had high levels of home ownership compared to national averages. In fact, it is the only state in the country to never have had home ownership rates fall below 60% (US Census, 2000).

I-15 could also be considered another process coincidence for the area. It is the fourth longest north-south transcontinental Interstate Highway in the United States. Since its initial construction, California, Nevada, and Utah have consistently ranked in the fastest growing areas of the United States (Utah Travel Industry, 2008). Interestingly enough, 75 percent of Utah's population, more than 70 percent of Nevada's population and more than 19 percent of California's population lives in counties where Interstate 15 is the primary transportation corridor (UTI, 2008 and Nevada Small Business Development Center, 2008). Since its construction in the 1970s, Washington County has nearly tripled its population every decade in the following 30 years, according to U.S. Census Bureau (2007).

Figure 5.9: Location of Interstate 15 (I-15)



(Source: Wikipedia, open-source; star added by authors)

The importance of natural resource conservation might be considered another major process coincidence in Washington County. According to the St. George Municipal Airport's website, the need for a larger airport was initially conceived in the 1980s, but numerous environmental impact issues substantially delayed its construction. These studies originally began in 1995, and involved numerous parties, studies, drafts, redrafts. A law suit was even filed by the Grand Canyon Trust in 2001. All this occurred before ground was broken.

Tied to this topic, water and its conservation has been a necessary focus for the area's survival since the first inhabitants entered the valley; however, its substantial growth over the last three decades has exacerbated the problem. According to the Utah Board of Water Resources, the area recognized its need to find a long-term solution to the water problem and in the late 1990s and early 2000s formulated an idea to construct a Lake Powell pipeline to supply water to the communities in Southwest Utah. Water conservation measures appear to be the most economical option, but citizen and business cooperation is necessary. This problem is common to several states in the region. In regard to the foreboding crisis in water supply, according to Peter Gleick, president of the Pacific Institute for Studies in Development and Security in Oakland: "we're in a car heading for a brick wall, and there is little indication that we've even taken our foot off the gas, let alone applied the brakes." It's also local government challenge to overcome a local apathetic attitude towards water conservation in Washington County.

Another process coincidence in natural resource conservation involves the Red Cliffs National Conservation Area. According to their website, the area is comprised of about 62,000 acres of property that extends northwest and northeast from the city limits of St. George, wrapping around three sides of Snow Canyon National Park and eastward along the southern edge of Dixie National Forest. Established in 1996, it is a mix of public, city, state, and private lands dedicated to the protection and recovery of rare species of wildlife, including the Mojave Desert tortoise. Due in part to growing urban encroachment from the St. George metropolitan area, 350,000 acres of private land would have come under the edicts of the Endangered Species Act in the Washington County area. Luckily, in 1996, a blanket permit was granted by the U.S. Fish and Wildlife Service to allow their development as long as certain rules contained in the agreements were followed. However, this issue is not altogether over, and could have further future implications.

Jan Elise Crispin is the Senior Research Economist for the Bureau of Economic and Business Research (BEBR) in Utah. In Crispin's 2008 presentation "Demographic and Economic Trends in Southwestern Utah," she reported a current U.S. trend of populations shifting from the Midwest and Northeast to the South and West. Crispin attributes the Baby Boomers with increased affluence to the flow, as well as migration

preferences favoring non-metropolitan/rural areas. This could also prove to be a process coincidence to affect the area in the years to come.

5.4.8 Leadership

Kotler (*et al* 2002) considers leadership as the most critical challenge in place development and place marketing. In Rainisto's (2003) study, he argues that good leadership can decisively help a place with poor or moderate physical resources to prosper as much as poor leadership can ruin a place with robust physical offerings. Additionally, as Rainisto (2003) reminds us the difference between managed and unmanaged growth. Even if government is able to manage the place infrastructure in a way to keep up with rapid growth, government leaders also must manage the growth itself as possible to assure it aligns with the long-term visions and values of the area.

In 2008, Utah was ranked the best-managed state in the country, based on a report card of state governments (Struglinski, Deseret News "Utah's No. 1 for governing," March 4, 2008). Local leadership in Washington County, according to Scott Hirschi, is provided by the government and elected leaders, although according to Hirschi, Dixie State College also has an influence in local decisions. Business and civic groups also provide leadership but to a lesser degree. According to Hirschi, there have been no significant problems regarding conflict and crisis management, which he reports has been handled well.

The civic leadership of the Washington County is comprised of county and its 15 local city governments. According to the State of Utah Division of Archives and Records Service, the Washington County Commission, which governs the county, was created by a legislative act after Utah became a state in 1896. The Commission functions as the executive and legislative body for the county. According to the same source, the Commission controls the finances including tax assessment; authorizes bids; settles claims for goods and services; administers elections; oversees the welfare of the county's inhabitants by coordinating public health, sanitation, safety, recreation, programs for the poor; licenses businesses; controls zoning and development including transportation systems; manages public property and

buildings; and coordinates programs for natural resources, livestock and crops in the county.

The Washington County Commission consists of three members elected from the county, and the commissioners elect one of their members to be chairman. Current members are: Chairman Dennis Drake, Commissioners James Eardley and Alan Gardner. All serve four-year terms. Dean Cox serves as administrator, which is an appointed position with no predefined limit to term in office.

Dan McArthur represents a strong and stable force in the leadership of the area. McArthur was elected Mayor of St. George in 1993 and has served in that position since then. Born and raised in the area, McArthur descended from one of the original pioneers called by Mormon president Brigham Young to settle St. George. McArthur graduated from St. George Elementary schools, Dixie High School, Dixie College and Utah's Brigham Young University. McArthur owns McArthur Welding and is Vice President of Interstate Steel and Supply, Inc.

Before his election as mayor, McArthur served ten years on the St. George City Council. According to the city's website, McArthur believes in "an open door policy," and puts value to informing the residents of the area. A "Mayor's Forum" on the Community Education channel on TV is McArthur's medium for addressing important issues about St. George directly to the citizens. He also participates regularly with five local radio stations with call shows and interviews. He is assisted by Gary Esplin, City Manager, and Marc Mortensen, City of St. George's Assistant to the City Manager as well as a City Council.

Most of the time, management can be considered a critical factor in places because, at least in the case of most governments, people can "come and go." Many individuals participating in the governance of a place have no specific long-term commitments. However, in the case of Washington County and St. George, it appears that the leadership "comes and stays."

5.5 Washington County Success Factors

This section presents a summary analysis of the framework's success factors. Here, the study diverges from Rainisto's (2003) success factors framework. Rainisto continued an analysis of each success factor based on goal, process and outcome. Because Washington County has no singular marketing planning group, identifying meaningful goal-process-outcomes was not feasible; therefore, a slightly broader utilization of Rainisto's framework was necessary. Table 5.5 below provides a summary in each success factor category and a recommendation area for success factor improvement.

Table 5.5: Analysis of Washington County Marketing Success Factors

Success Factor	Washington County	General Recommendations
Planning Group	No one official planning group exists for managing the area's regional and international marketing message. State and local tourism offices are primary contributors to place marketing efforts, but their focus is solely business and non-business visitors. There is limited cooperative place marketing effort between place stakeholder groups.	A place marketing planning group involving all stakeholders including the business community is a major unexploited area to improve the economic development of the area. This planning group would be particularly vital during early phases of the project, but would later transition to instructive.
Vision & Strategic Analysis	No strategic cooperation exists in managing an overall marketing vision and strategy for the area. Current visions and strategies vary significantly depending on the goals and interests of the organizations. The local tourism board and convention center focuses on northern Utah, California and Nevada visitors. The state tourism office focuses currently on Los Angeles, Denver, Phoenix, Las Vegas and Portland markets; ad campaigns separates skiers from summer tourists.	"The secret to getting there is to know where you're going;" visionary and strategic work should be carried out according to the books. A good start is a SWOT analysis supported by regional data, and formulation of a strategic marketing plan, focusing on cluster activity. To be successful, multiple combined visions are useful to provide perspective and to assist in reserve plans, but for credibility, the place umbrella brand and sub-brands must not conflict.
Place Identity & Place Image	"Utah's Dixie" has been an umbrella brand for the County and its cities sometime after the city's founding around the latter part of the 20 th century. According to the Director of the St. George Tourism Office, the overall image the area aims for is a "clean, health-conscious fitness destination." "The Greatest Snow on Earth" is another famous phrase for the state; however this phrase conflicts with the area's local message. "Utah: Life Elevated" is the new state brand,	Does the "Utah's Dixie" brand fit with "a clean, health-conscious fitness destination?" This is a question that must be answered by the area's leadership. Washington County's umbrella brand should represent the message of the area and should help support sub-brand clusters. Does the current umbrella brand represent all place stakeholders? The umbrella brand should carry the brand of Washington County and assists the area in "operating independently, competing collectively and managing

	<p>which is considered an excellent umbrella brand for the state's assortment of offerings.</p>	<p>collaboratively.” The brand should be supported by top management and its development ideally involve as many levels and stakeholders of a place as possible. It is possible that state-wide marketing efforts don't adequately reflect the marketing message of the smaller local area. There is significant variance in climate from northern and southern UT. Additionally, Washington County belongs to the Las Vegas, NV economic area. International marketing and local marketing might benefit from greater cooperation with Las Vegas. A further point: developing a place brand identity and image attracts place customers more efficiently than those without; however if the substance of the message lacks maturity, major communication efforts should be delayed until the infrastructure meets with the argument.</p>
Public-Private Partnerships (PPP)	<p>Washington County is ripe with PPP having seemingly altruistic motivations, undoubtedly a strength of the area as with the state at large. The social environment is trustful, which we have proved has positive economic implications.</p>	<p>PPP cooperation and coordination will continue to play a big part in the success of the area. Further strategic collaborative partnering with other areas, such as Las Vegas, should help advance the regional economic cluster of the area.</p>
Political Unity	<p>No major problems related to political unity in place marketing efforts. Coordination between local and county government seems sufficient.</p>	<p>It has been suggested that strong, effective leadership from top-level government and PPP are core to a sound political environment. Political unity becomes a challenge for regions when they do not see the place and its stakeholders as a similar goal. Regular changes in government leaders should reflect a common re-commitment to area developmental efforts, including regional marketing, because a place reputation takes a significantly long time to build.</p>
Global Marketing & Local Development	<p>Past international marketing efforts for the area were supported state-wide by the Utah Board of Tourism. However, because of the economic downturn, state efforts focus currently on domestic markets, that is, cities within a day's drive by car, which is expected to yield the best ROI. Local efforts in global marketing are becoming more actively coordinated through the St. George Tourism Board in part because more local funds are available. County infrastructure has been strained significantly because of the rapid rate of growth but local government leaders appear to be handling such challenges well. The new airport will assist in bringing visitors who will partake in the marketing message of the area by direct experience.</p>	<p>The indirect marketing message conveyed through branding and promotional activities needs to be managed, and it is recommended that local leadership consider such holistic activities which can help to drive local visionary developmental efforts as well. It is argued that thinking globally allows places to thrive and survive better by meeting the needs of not only the domestic market. Local conditions of a place must first be satisfactory before expanding its international offering. If a right global market-niche is found, regardless of limited resources, a place can attract place customers. It is important to note that foreign direct investments typically ignore geographical borders.</p>

Process Coincidences	The impacts of geographical, logistical, natural resource and demographic process coincidences were significant (see section 5.4.7). The area's management of these factors to date has proven to be positive overall but consideration of such factors will certainly continue to impact the area's future.	Process coincidences have a substantial impact on place development. Local leadership's continual monitoring is imperative for avoiding major challenges before they occur as well as to identify future opportunities.
Leadership	Washington County is the area's regional administration. The county administrative seat's governance in St. George is stable and visionary. Focused, managed growth seems a leadership priority.	Local leadership hasn't yet recognized a need for a coordinated marketing effort. Tourism is the main focus, and so the local visitor and convention centers appear a logical choice for focusing marketing efforts; however, this ignores all other place stakeholders. Place marketing is an untapped resource that can provide Washington County's local leadership with the tools necessary to coordinate a clear message of the place, assist with infrastructure design and better serve the needs of the place stakeholders.

(Source: Authors)

6 REFLECTIONS

In the following sections, major findings in the empirical case are combined with the theoretical framework.

6.1 Introduction

The purpose of the paper is to explore how place marketing fits into general marketing efforts and to provide insights to factors that positively or negatively impact place marketing efforts. The target markets of the discourse are leadership of the areas, including place marketers and place stakeholders, including those of our case study. This chapter joins the theoretical and empirical findings; it answers the research questions posed by the study; and it is structured in a way to promote target market usability. We begin with theoretical reflections, summarizing the findings into tables, and then empirical insights are included.

6.2 Theoretical Reflections

According to the American Marketing Association (2007), “marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners, and society at large.” In place marketing, this definition fits because it is broad enough to encompass regional developmental issues as well. However, place marketing has a unique connection with urban planning that goes beyond a typical marketing relationship of communication and exchange. Considering each separately, marketing efforts assist in crafting systematic and long-term promotional activities while urban planning strategies aim to nurture and develop natural and potential attributes of a place. Place marketing is then a culmination of branding, resource development and urban planning. We begin by exploring the main areas of: planning group, branding, marketing mix, marketing environment and strategy.

6.2.1 Planning Group

Like traditional marketing management, a holistic approach is necessary and the planning group plays an integral role. As with traditional marketing, the success of the planning group is equally dependent upon its ability to make the internal “sale” as the external customer’s reaction. A holistic approach to its application is therefore important. For places, regional development affects the people and organizations that reside there as well as the natural environment. Place marketing then must involve representation from each stakeholder category, including government, industry, arts, education, the media and even conservation groups.

This complex assemblage (see Table 4.2) of corporate, civic and private citizens has three objectives. They must collectively: 1) define and diagnose the existing state of the community, including chief problems and their causes, 2) develop a vision of the long-term solution to the community’s problems based on a realistic assessment of the community’s values, resources and opportunities to improve the four major marketing areas that mirror the traditional marketing mix, and 3) develop a long-term plan of action with intermediate stages of investment and transformation (Kotler *et al*, 1999). In short, their purpose is to define a future vision for the place and create an action plan for implementation in the form of a marketing plan.

Another crucial step is to adopt strategies to manage the challenges of the places. At the forefront of strategies utilized by places today is image management, or branding.

6.2.2 Branding

With the theoretical findings presented, the branding of places has been proven to be as important, if not more important, than the traditional branding of corporations and their products. Branding is the first and most logical marketing strategy place strategists can adopt to assist in reaching their goals for regional development. Kotler *et al* (2000: 51-66) assert that the best strategies for the place marketing planning group involve image marketing, attraction marketing, infrastructure marketing and people marketing (see Section 5.3.1). It is the opinion of the authors that the Kotler’s

other strategic categories for the planning group fall easily under image marketing management.

The place brand strategy must accomplish two goals. First, it must simplify the multiple place offerings and options into a concise statement and starting point upon which to form future opinions. Secondly, it must guide strategic efforts to provide a “future vision” for directing regional development. The image of a city represents an important link between objective space (the city as it exists) and its perception.

Branding pervades most marketing contexts and is not symbolic, but integral to and inseparable from the business strategy. In traditional marketing, branding is a highly-developed marketing effort and place strategists must not look too far to be provided with a plethora of resources in the arena of building and managing a place brand. Traditional branding models, such as Aakers’ brand identity planning model (Figure 3.1 and 3.2) in addition to Kotler *et al*’s (1999) contribution in section 4.3 provide great starting points for place brand strategists. Aaker’s model brings attention to the major elements and patterns place marketers must consider in clearly branding a place, to enrich and differentiate an identity and to guide implementation decisions. Kotler *et al* (2000: 167) claim a place’s image should be (1) valid, i.e. not too far from reality; (2) believable, i.e., not overselling; (3) simple; (4) appealing; and (5) distinctive. Anholt (2010) and Kavaratzis (2008) provide additional insights in Section 4.4 as to what places can do about their reputation, including ways to earn a stronger reputation.

Weigelt & Camerer (1988) claim that the amount of money companies spend on advertising is indicative of their commitment to maintain the image they reflect. That is, the greater the advertising expenditures, the greater the signal of quality will be to the consumer. Further, the greater the total investment is, the greater the incentive for a place to deliver on the promises it makes via its brand. For example, there exists a clear positive correlation between the promotional budgets of places and tourist expenditures (Fall & Lubbers, 2004). This leads one to conclude that places who have not paid much attention or financial resources on planning, managing and implementing their brand identity in the past are not maximizing strategic opportunity.

In short, what is clear is that branding must be approached holistically and that it is a long-term activity. Place brands can not change public opinion overnight, and they must be intrinsically tied to those characteristics that make a place unique. Place brands remains deeply rooted in cultural phenomena that move very slowly, if at all. And when they do move, Anholt (2007) claims, it is only in response to major events and changes in the places themselves. Therefore, there are no shortcuts. Management is a key consideration in the success of a place brand, because it requires proper investment and reinvestment.

6.2.3 Marketing Mix

Marketing begins with the marketing mix because it provides a marketer with practical tools to approach fundamental marketing problems. Kotler *et al's* (1999) adaptation of the traditional marketing model for places in Section 4.3 is considered to be one starting point for place marketers.

Broadly considered, Kotler *et al's* (1999) marketing mix for places is insightful. First, it reinforces that place marketing can not be successful without being approached cooperatively, with regional urban leadership at its helm. For example, Kotler *et al's* (1999) first traditional marketing mix step of “designing the right mix of community features” can be interpreted to mean guiding the brand message as well as the physical infrastructure of the place. This necessitates the cooperative efforts from the leadership of each and every major group of place stakeholders.

Kotler *et al's* second step, “setting attractive incentives” also emphasizes that the planning group must be comprised of government and business leaders with a similar vision who can assert influence over local price and non-price incentives for the existing and prospective place consumers (such as tax breaks, discounts and so on). “Delivering a place’s products and services in an efficient way” and “promoting the values and images so that potential users are fully aware of the place’s distinct advantages” must also be approached cooperatively to be successfully implemented.

A traditional marketing mix analysis can provide additional insights into the place marketing, in addition to the mix adaptation from Kotler *et al* (1999) presented above. With place *products* in traditional marketing, or what Lauterborn (1990) calls the *customer solution*, refers to different levels of benefit provided by a product, which is also helpful in place marketing.

The core product represents the individuality of the place, and around the basic benefit is the “features, styling, packaging and quality” (Jobber & Fahy, 2003). The third level, or augmented product, includes guarantees, delivery, brand values. These levels of benefit can assist in formulating strategies in the tangible and intangible product that is places. But places are not pure products. They consist of services and contain necessary elements of the “here and now” while production and consumption with services occur simultaneously. Therefore, service providers of a place are integral parts of the customer experience and level of satisfaction or dissatisfaction. Skills, attitudes and appearances do matter and contribute to the place brand, image and identity.

The *price* or *customer cost* involves tangible and intangible elements for places as for traditional products and services. However, place pricing has additional layers of complexity that come from its organizational form. The *price* or *customer cost* must focus on the consumer’s costs as well as the place’s costs. For example, a place’s goal is to maximize the potential of the area and its people. It wishes to profit by growing the infrastructure and attracting customers, but certainly not at any cost. A new place customer also functions as a part of the place product and can have a positive or negative net affect. Also, an overriding motivation for the “common good” must pervade places; societal considerations are important and places are not driven solely by capitalistic sentiments.

However, it certainly matters to a place economically when the place customer reaches for his pocket. Places therefore must strategize ways to discount their direct costs to the right customer. Business tax incentives are one example. Other price incentives must be strategically identified by a place planning group.

The *place* or *convenience* of a products refer to the channel by which a product or service is sold, such as online. Places however are sold and consumed in many different ways. And there are numerous controllable and uncontrollable aspects to the sales channel. *Promotion* or *communication* involves the direct selling of the place. It is place advertising, personal selling (such as tradeshow, expert advice or word of mouth), internet and online promotion and publicity.

Lauterborn's use of *communication* as a substitute for the traditional marketing mix's *promotion* is especially revealing for place marketing. As discussed in the place branding section, Kavaratzis' (2008) place marketing models (Figure 4.3 and 4.4) provide insights into how to manage the controllable communicational aspects of the place image as does Aakers' (2003) brand identity planning model (Figure 3.1 and 3.2).

6.2.4 Marketing Environment

Globalization, deregulation and technological advances have changed the proverbial playing field for organizations of all types. The speed of change and improved access and communication has brought new opportunities and challenges.

Similarly to traditional products and services, place customers expect higher quality and service and perceive fewer differences. According to Kotler *et al* (2009: 15), place customers are more intelligent and demanding, being able to obtain more product information about places from the Internet and other sources, and are showing more price sensitivity in search for value. Places and their industries are facing domestic and foreign competition, resulting in rising promotional costs and shrinking profit margins. Powerful place brands are being put in competition with smaller national brands. Small retailers, also stakeholders in places, are facing growing competition from big retailers, direct-mail firms, home shopping TV and the Internet. Shrinking profit margins are encouraging some entrepreneurial retailers to build entertainment into stores, marketing an "experience" rather than a simple product assortment.

Capturing market insights are key tasks of a marketing manager, while the market is made up of actors and forces that affect a company's ability to operate effectively in providing their products and services to customers. As with traditional organizations, macro- and micro-environmental are helpful through traditional SWOT and PEST analyses, and such tools appear to work well in place marketing as well. A STEER analysis also provides special insights to place marketers, with: Socio-cultural, Technological, Economic, Ecological, and Regulatory factors.

6.2.5 Strategy

Competition, according to the theory, causes commercial firms to better allocate resources and to develop new products, services and technology, giving consumers better products and greater selections. Greater selection normally translates to lower prices for products than it without competition or with little competition.

Perhaps a surprise to traditional marketers, cities and regions normally do not define their competitive rivals. Rather, places focus on identifying and nurturing sources of *competitive advantage* as well as identifying threats and opportunities in the external environment. This is due partly to the fact that it is difficult for places to be directly in competition with one another, while the place product will always be unique.

Competition in traditional marketing includes actual and potential rival offerings as well as substitutes a buyer might consider. The idea of rival offerings and substitutions certainly can provide interesting insights into place marketing. For example, it has been found that often in times of economic hardship, tourists will drive versus fly, which might necessitate the need for a short-term shift in marketing strategy to regional versus international customers.

Strategic advantages differentiate places and are used to position a place for a given target market, rather than for beating the competition or achieving parity. Target markets of a place represent selectivity and show that places have "done their homework" by distinguishing which groups are most worth attracting. Surprisingly enough, it is found in practice that some places fail to identify target markets,

although applying such basic marketing strategies certainly assists in focusing developmental efforts and in managing and clarifying the desired message of the area.

The main sources of competitive advantage for cities come from areas involving the place's infrastructure, people, image, quality of life and attractions (see Section 4.3, Kotler *et al.*'s 2002 "Levels of Place Marketing"). Metaxas (2003) argues that place marketing's primary aim is to strategically promote and support distinctive characteristics. Identification and development of *enduring* core capabilities are important to the branding of the area. Strategic place planners should ask "what are our sources of success" or "what are the sources of sustainable competitive advantage?" (Tidd, 2001). Important characteristics of strategic competencies for companies are also meaningful to places. According to Tidd (2001), a place must identify those factors that:

- are responsible for delivering a significant benefit to customers
- are idiosyncratic to the (organization)
- take time to acquire
- are sustainable because they are difficult, if possible, and time-consuming to imitate
- comprise configurations of resources
- have a strong tacit content and are socially complex – the product of experiential learning

Another reason why *enduring* competitive advantages are so important for places is because the place reputation and image take a long time to build. Kotler *et al.* (1999) categorizes the major attraction factors into "soft" and "hard" factors in Table 4.4, and provides place marketers with a few areas to consider in defining key enduring competitive advantages. According to the same source, it is important to remember that hard attraction factors (such as climate, architecture, outdoor activities, etc.) can be copied or borrowed while "the spirit" of the place can not.

Identifying target markets and niche thinking is important for most organizations. However, as Jobber & Fahy (2003) assert, the keys to successful positioning are not

easily accomplished for places as they are for corporations. Peters and Watermann (1982) recommend in their “golden rule of excellence” that organizations that branch out but “stay very close to their knitting” outperform those that do not. Grant (2002: 470-471) asserts that one way this type of diversification can be accomplished is through collaborative relationships, which are also important sources of strategic advantage.

Another source of strategic advantage for places and companies is the use of umbrella brands. This allows smaller sub-brands to, as FedEx asserts, “operate independently, compete collectively and manage collaboratively.” In this way, all place stakeholders can benefit from a singular, unified effort on behalf of a greater region.

Applying Kotler’s (2008) same thinking with companies, places must also reflect upon retaining customers, not just attracting them. This shifts the focus to building profitable, value-laden exchange relationships with place customers.

In the end, place marketing strategy involves the creation of a marketing plan to provide direction and focus. Like all strategic plans, it is important for places to identify and link their marketing plan with those of other organizations whose activities can help further the objectives and goals of the place marketing plan. Cooperative efforts in the form of partnerships therefore again prove to be important considerations in holistic place marketing.

6.2.6 Success Factors

Like traditional marketing, successful place marketing begins with proper planning. Defining goals, strategic vision development, measurement and follow up assist in focusing the planning group’s efforts and in staying on target. Attention to Kotler *et al*’s (1999) “Responses to Place Marketing Challenges” (Table 4.6) is helpful.

Kotler *et al* (1993) add an additional perspective to promoting a place’s advantages effectively. The infrastructure of a place must be rebuilt to reflect changes in the environment. A skilled labor force must be enticed. The local attitudes should encourage entrepreneurship and expansion. According to the same source, developing

strong partnerships, attracting “good fit” companies, creating and cultivating distinctive local attractions and building a service-friendly cultural environment are also key factors to the success of an area.

Rainisto’s (2003) research of places in Europe and the U.S. concluded 23 propositions, which were condensed into eight success factor areas for initiating strategic change. The eight areas for analysis are: planning group, vision and strategic analysis, identifying a place brand identity and image, public-private partnerships, political unity, global marketplace and local development, process coincidences and leadership. Rainisto’s “Success Factors in Place Marketing Framework” provided what the authors believe to be an excellent foundation for places to use in assessing their own performance in terms of goal-process-outcome. Rainisto’s framework was critical to crafting a thorough analysis of the Washington County case study.

6.3 Theoretical Similarities, Differences and Challenges

In order to understand concisely how place marketing fits into general marketing efforts, Table 6.1, 6.2 and 6.3 were constructed from the theoretical findings. With a focus on place marketing, the tables specify similarities, differences and challenges.

We begin with theoretical similarities. The intent of organizing common marketing fundamentals into Table 6.1 is to clarify where the place marketing and traditional marketing efforts overlap.

Table 6.1: Similarities in Place Marketing and Traditional Marketing

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- | |
|---|
| <ul style="list-style-type: none"> • Marketing for all organizational forms is not easy. • There are distinct advantages to designing a place with the consumer in mind. • Globalization has changed the way places view themselves, their products, services and experiences. |
|---|

- Place marketing has a foundation in the marketing mix.
- The planning group's interests and activities critically impact place marketing's vision and direction.
- Many consider the place image a fundamental starting point in place marketing.
- Many traditional branding models apply well to place branding.
- Picking the right features can be a source of competitive advantage.
- To be efficient, and arguably to survive, places must learn to actively define and communicate special features.
- Key sources of competitive advantage can be similar for places: reputation, culture, personal networks and employee know-how.
- Globalization has changed the way places view competition.
- Globalization has changed the environment and therefore the methods with which places compete.
- The place product can become out of date due to technology and taste changes.
- Place pricing is monetary and non-monetary.
- Globalization has presented new marketing opportunities and vulnerabilities for places.

(Source: Authors)

Table 6.2 summarizes the differences in place marketing. Its purpose is to summarize the main areas previously discussed and to summarize concisely where place marketing diverges from traditional marketing theory.

Table 6.2: Differences in Place Marketing and Traditional Marketing

- A place is significantly more complex than a traditional company, product, service or experience.
- Place stakeholders don't always agree on common goals, and are less coordinated in function.
- There is much less control of the place product, its channels of distribution and the customer experience.
- The importance of long-term branding is much greater because places and their reputations shift slowly, if at all.
- Place brands are dramatically different from product brands which have a single owner with legal rights.
- A place brand can only create emotional benefits due to intangibility.
- Places do not usually define competition, but rather competitive advantages.
- The place both contains products and are the product.
- A place product will always be unique.
- Target markets for places are diverse and often difficult to identify.
- Places multi-sell simultaneously to different groups, while companies often target specific, exclusive consumer groups
- Many places fall short by failing to define their target markets.
- There are extreme differences in levels of place customer participation.
- A place customer's purchase decision involves much deeper personal and/or financial commitment.
- Altering, re-launching, replacing or withdrawing the place product from the market isn't possible, as it is with corporations.
- Places aren't "for sale."

(Source: Authors)

The last table of the series, Table 6.3 below, reviews the study's place marketing challenges, as revealed in theoretical discourse. Its purpose is to assist in deepening one's understanding in the subject matter as well as to further enumerate its differences to traditional marketing.

Table 6.3: A Summary of Place Marketing Challenges

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| <ul style="list-style-type: none"> • Place marketing is a broad activity with goals in resource development and urban planning. • There exists an “inner conflict” of promoting a public product and a social benefit while being influenced by the free-market principle. • Producers and consumers are public, semi-public and private organizations who have varying perspectives on their cooperative role in place marketing. • Place marketing planning groups have differing goals and target markets so clear and explicit goal definition can be difficult. • In place branding, there is no clear promise of: “buy x and get y.” • Places are multi-sold for different purposes to broad heterogeneous markets that have varying levels of involvement, each requiring a different marketing mix. • There sometimes exist gaps between the realities of a place and its marketing message. • Image-related problems are common with places due to differing objectives and interests of the various stakeholder groups. • Places are consumed in very different ways (consider a resident versus a visitor). • Customers become a functioning part of the product offering, for better or worse. • “Product improvement” takes time and requires an intense amount of work with a long-term focus. • There is low frequency of purchase. |
|--|

- There exists a lack of clear behavioural purchase decision re-enforcers.

(Source: Authors)

6.4 Empirical Reflections

Washington County, Utah was identified as a major U.S. growth market. One main reason it was chosen for the empirical case study is because it is assumed that the area must be doing something right in terms of attractions, promotional activities and /or urban development for the region to be enjoying such noteworthy growth over the last three decades. This section reviews our empirical case and provides the major practical highlights the case study brings to the application of marketing and place marketing theory.

6.4.1 Planning Group

The planning group is a first critical consideration in the marketing of places. However, from our case, we can argue that at times places can perform relatively well without the assistance of a place marketing planning group comprised of the community stakeholders at large. When tourism and recreation are the main economical drivers of a place, the main marketing function appears to be carried out fairly successfully by a tourism office.

Our case example may be an exception to the rule due to its unique qualities. The Washington County population is growing at an exuberant pace, but is still relatively small compared to other major metropolitan areas. As discussed earlier, since 1973, Washington County has been assigned to the “other” industrial group by the BEA, meaning “areas that provided unusually large amounts of services to nonresident consumers” – in this case, recreation. Washington County has a strong specialization in construction (more than twice the statewide employment share) and trade since the 1970s, and recent findings show moderate specializations in leisure and hospitality

services, education and health services and in trade, transportation and utilities (BEBR, 2008: 75). The primary place marketing groups in Washington County are the St. George Tourism Office and Dixie Convention Center.

However, it is important to note the St. George Tourism Office and Dixie Convention Center focus solely on business and non-business visitors. The remaining place stakeholders are marketed to as well by other groups, but less formally. This division of labor can lead to repetitive efforts and/or confusion in the broader marketing message for the area if various messages conflict.

One example of this conflict lies with the findings from the construction of Table 5.3. This table shows that the only planning group other than Washington County government that focuses on export market is the Washington County Economic Development Council and local chambers of commerce. However, the Utah Office of Tourism and the St. George Tourism Office most actively participate in influencing the international message of the area, but only to visitors. It is the opinion of the authors that this further emphasizes the importance of a coordinated place marketing effort.

6.4.2 Marketing Factors

According to a study conducted by SPG (2007), the top major components driving the Washington County economy is tourism and recreation, retirement living and migration from the northern part of the state and from the state of California. According to the BEBR's (2008: xxix) research findings, the spectacular growth experienced in Washington County is the culmination of moderate climate, rich natural resources, national migration patterns, aging Baby Boomers and access to road and air transportation. (BEBR, 2008: xxix). These factors are the "attraction factors" of the area that do not change or take a long time to change, and are those factors around which a successful place marketing message might be built.

The case also indicates that focusing on the addition of place product compliments is important to the success of places. Washington County's county seat of St. George is

also known as the state's unofficial retirement capital. Washington County has almost double the percentage of persons over the age of 65 compared to the rest of the state (US Census Bureau, 2008). For the aging population, Washington County offers: golfing, world-class spas, outdoor recreational activities and adequate health care, including open heart surgery and cancer treatment. The Huntsman World Senior Games in St. George is also another place compliment. Such areas over time can become mini-clusters of economic activity. Therefore, our case can indicate that if an area wishes to manage this image, even including moving away from a given image, it must manage such place product complements that occur, both those that are purposefully integrated as well as those that occur spontaneously.

Our study indicates that partnering and hosting international events and organizations assist in spotlighting the place attraction factors referenced above to the highest degree. The Ford Ironman St. George triathlon, the St. George Marathon and the Huntsman World Senior Games are major sporting events the area hosts which assist in building the national and international message of "health" to the area.

The case also shows that there exists regional opportunities for marketing as well as local and internationally. For example, the difference in elevation and climate differs significantly from Salt Lake City, Utah to Saint George, Utah. The Dixie Convention Center hosts numerous annual conventions and tradeshow, and focuses marketing efforts on Northern Utah businesses who may wish to swap the colder northern climate for the warmer temperatures of the area without going out of state.

Product improvement for places involves changes in urban design, infrastructure, basic services (education, police, and fire), attractions and people. One example of place product improvement is developing logistical capabilities, which is an important aspect in the marketing of places (Bergqvist, 2009). Our study indicates that logistical connectivity has long-ranging economic implications in the development of places. It was first in the 1970s, since the construction of I-15, that the area has experienced consistent, unparalleled growth. The new airline is also expected to provide long-range economical benefits to the area.

6.4.3 Marketing Environment

There is a saying in the business environment: “the three most important rules in real estate are: location, location, location.” It means loosely that a business needs to be in the right place geographically to be successful. Our case supports this claim. Located in the southwestern corner of Utah, the largest nearby metropolitan city is Las Vegas, Nevada, only 120 miles away (190 km). Nevada, Arizona and California were a few of the states most affected by the recent U.S. housing market boom. Because of its proximity and similar climate, Washington County offers comparable outdoor activities, which contributes to their ties in the economic industry of recreation.

Therefore, our case illustrates how specialization clusters ignore geographic boundaries. It is a proven economic principal that collaboration among economic clusters increases productivity and act as sources of sustainable advantages to local economies by the pooling of financial and intellectual resources, expertise. Because of their linked economies, collaborative efforts with Las Vegas, especially in spreading the international message of the greater arena, could prove beneficial.

Our case also shows that people tend to simplify their environments. A golfer thinks more in terms of what he wants and what is available than if the golf course is located in Washington County, Utah or Mesquite or Las Vegas, Nevada. Mesquite is located approximately 30 minutes by car from Washington County borders. Las Vegas, Nevada is just under two hours away.

According to Dave Williams at the Utah State Office of Tourism, Las Vegas once tried to entice tourists to Nevada with a “come see our Grand Canyon” to market the regional area and the attractions available to visitors and tourists. The Grand Canyon, however, is located in Arizona, just east over the boarder from Las Vegas, Nevada. This claim raised debate, and the campaign was later withdrawn. From this example, we can see that places must be careful not to think *too much* like a consumer. Further, the case also presented interesting insights into ownership rights of attractions. It is clear that natural attractions (public property) don’t “belong” only to the city or state in which they reside, although political pressures can certainly attempt to keep them that way.

As Rainisto's (2003) findings indicate, and as our study supports, process coincidences are major success factors of places (see Section 5.4.7). These factors happen by chance, are uncontrollable for places and bring favorable or unfavorable affects to the development of a place.

For Washington County, a few major process coincidences identified were: regional economic ties due to geographical proximity, natural resource conservation (plant life, wildlife and water) and population demographical shifts. Natural resources in Washington County are important considerations affecting the place product, but our case shows, such factors can also hinder the development of a place. For example, the need for a larger airport was initially conceived in the 1980s, but numerous environmental impact concerns significantly delayed its construction. Environmental impact studies originally began in 1995 and involved numerous parties, studies, drafts, redrafts. Concerns were raised about disturbances in natural habitat, air and noise pollution. A law suit was even filed by the Grand Canyon Trust in 2001. All of this occurred before ground was broken. This shows how the value of place environment conservation and preservation, one place product feature, can radically affect the place's ability to develop new, improved place offerings.

6.4.4 Strategy

Washington County and the state of Utah as a whole are ripe in public-private partnerships (PPP). Rainisto's (2003) findings emphasized the importance of PPP in the overall success of an area. Our case confirms that PPP indeed foster a sense of community and ownership in an area, adding to an environment of trust and helping to boost the overall quality of life. A few of the public-private collaborations include: Washington County Economic Development Council, Vision Dixie, Leadership Dixie, the state-sponsored cooperative marketing program, Ford Ironman® St. George triathlon, the St. George Marathon and the Huntsman World Senior Games.

Our case also shows that local and regional-sponsored marketing programs can often conflict with local strategy and may confuse place customers. Table 5.5 under the

section titled “Place Identity and Place Image” provides additional insights into how local messages can conflict with broader regional messages. That is, the Utah Office of Tourism's broad target market is all visitors to the state. Therefore, the promotional messages being used nationally and internationally by the Utah Office of Tourism undoubtedly affects the brand perception of Washington County, although indirectly. The Utah Office of Tourism has greater financial and human resources than the St. George Tourism Office in Washington County. However, it is the local tourism office's efforts differentiate the macro- from the micro-area and the area's local offerings from that of the general state.

One of Utah’s best known phrases is “Greatest Snow on Earth.” However, the state’s tourism office is currently increasing marketing efforts to Spring/Summer visitors, who currently represent larger part of their ad budget than Winter visitors. This is good for Washington County, while its warm winter climate is dramatically different than that of northern Utah. Todd Brightwell, Director of Business Development for the Economic Development Corporation of Utah (EDCUtah, 2011) recently commented that “many companies (erroneously) believe Utah (offers only) a cold climate,” which he believes can be a contributing factor for new companies eliminating the area from consideration for setting up business.

Our case also finds that leading enterprises and institutions also play an integral part in attracting new customers. Wal-Mart has a large logistical complex located in Washington County, and is one of the area’s major employers. Wal-Mart’s values, policies and corporate attitudes affect its employees and the quality of life for the citizens of St. George and Washington County.

Our case indicates a positive relationship in creating international “sister cities.” St. George has a “sister city” of Ibigawa Japan, mostly a recreational and cultural exchange. Japanese travelers visit the state annually, spending between \$15 and \$18 million. According to Sherwin, international travelers make up about 30 percent of Zion National Park visitors.

6.5 Empirical Summary

The Washington County area has much to offer its stakeholders in terms of climate, recreation and overall quality of life. The local government and business leadership (a success factor identified by Rainisto, (2003)) appears to be doing an adequate job of managing one of the top growth markets in the nation. Managing growth appears to have been a major priority of the area for some time. Place branding efforts are focused primarily on the tourism market.

It is suggested that a comprehensive place marketing effort using the highly-developed marketing tools available today would assist Washington County further in solving problems, managing its images, developing its infrastructure and planning for the future. The summary findings in Table 5.5 present an important summary analysis of Rainisto's (2003) framework of place success factors, and recommendations for success factor improvement. The empirical case also provided important insights into the place marketing phenomenon on a theoretical level, as summarized in Table 6.4 below.

Table 6.4: The Washington County case indicates...

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|---|
| <ul style="list-style-type: none">• If other supportive factors exist such as reliance on tourism, a good tourism board, excellent local leadership and extensive use of public-private partnerships, a place like Washington County who is economically dependent upon tourism and recreation can market itself rather successfully without a place marketing planning group.• Leadership must be committed to the control and management of the place's growth.• Public-private partnerships are imperative to the success of places.• Place product compliments are important.• If an area wishes to move away from a given image, it must manage such place product complements that occur both spontaneously and purposefully. |
|---|

- Larger place customers (such as new enterprises and institutions) will become integral parts of the new place product, and bring with it changing regional attitudes and values.
- Place customers tend to simplify their environments; therefore, places must put great consideration into their image and place brand.
- To a place consumer, geographical boundaries often matter only when they hinder or complicate a purchase decision.
- Natural attractions are public property and can be “borrowed” if done so properly.
- International organizations and events can be a great tool in spotlighting place attraction factors.
- Local and regional-sponsored marketing programs can often conflict and confuse a place customer, therefore local branding must be strong.
- Good logistic connectivity such as roads, airline, and rail has profound long-range economic implications for places.
- The importance of the three rules of real estate also applies to places: “location, location, location.”
- Natural resources both help and hinder the development of an area.
- Specialization clusters tend to ignore geographic boundaries
- There exists a positive relationship in building international sister cities.
- Local and regional marketing opportunities exist in a place’s “own back yard,” meaning securing local and regional customer markets.

(Source: Authors)

7 CONCLUSION

In this section conclusions are drawn upon the analysis with respect to previously formulated problem. In addition, suggestions for further research and readings are provided.

Globalization, technology and deregulation of markets have radically changed the world, creating new behaviors and challenges. In the mid-1980s, places rose to such challenges created by these movements by applying a broader set of strategies in response to make use of international opportunities, to attract investment, to boost tourism and to entice new and maintain existing residents. Resource management, city planning and economic development joined with marketing philosophies bring together communities in a way like never before, in what is today commonly referred to as place marketing.

However, applying traditional marketing methods to places does not occur seamlessly and is not easy, the main reason being because places are not companies. Places are very different organisms; places are significantly more complex than corporations and it is apparent that different organizations require different marketing techniques. Further, corporations and places have fundamentally different goals. Place marketing represents an inner conflict of promoting a public product and social benefit while being influenced by a free-market principle.

One of the most surprising differences is that in practice, places often fail to define competitors and often target markets, too, which are typically starting points for corporations. Another fundamental difference involves the place product and “consumption” patterns. Places are not normal products. Places try to attract customers, but must also consider that customers become residents who in turn become a functioning part of the product offering for better or for worse. Therefore, places must be selective in enticing, retaining and even discouraging certain customer groups. Other major differences are summarized by the authors in Table 6.2.

Despite these differences, place marketing theory shares many similarities with traditional marketing. For example, place marketing has its roots in the traditional marketing mix. The place marketing planning group has a critical role in the reputation and image of the area. The place brand is often a starting point in marketing management, and traditional branding techniques seem to translate particularly well to place marketing. Sources of competitive advantage must also be developed, managed and communicated to be efficient and perhaps, to survive. There is a proven, distinct advantage to designing the place product (community features and services) with the consumer in mind. Other similarities have been summarized by the authors in Table 6.1.

Organizing fundamental similarities and differences assist in understanding where place marketing and traditional marketing efforts overlap and where they deviate. It appears that the differences exceed the similarities when marketing is added to economic developmental planning and procedures. However, as the findings suggest, if places intelligently and responsibly apply such theories and techniques, they can be competitive tools for change.

Branding is a major discussion in the research, while it appears to be the first and most logical marketing philosophy strategists can adopt to assist in reaching their goals for regional development. The image of a city represents that important link between objective space that is the city as it exists and its perception. A place's image also represents an important competitive advantage. This is because all places with powerful and positive reputations have easier times in undertaking almost anything on the national/international stage while places with poor reputations find almost everything is difficult or virtually impossible (Anholt, 2007). What is important to note is that the branding of places is much more than the development of logos, slogans and promotional activities. The place brand strategy must accomplish two things. First, it must simplify the multiple place offerings and options into a concise statement and starting point upon which to form future opinions. Secondly, it must guide strategic efforts to provide a "future vision" for directing regional development.

Another important focus of the study is place marketing success factors. The authors found Rainisto's (2003) research particularly revealing, and his "Success Factors in

Place Marketing Framework” provided the structure upon which the empirical case was built. Rainisto’s (2003) place marketing success factor categories clearly provide a planning group with fundamental considerations for place marketing success. For the purpose of the research, these categories were discussed on a broader level using Washington County, and the research includes a summary analysis for the case study in Table 5.5.

The Washington County case study provides useful insights which ameliorate the theoretical. Table 6.4 summarizes the empirical findings, and the case confirms leadership and public-private partnerships are a key to growth management and the success of places. The case also indicates that place product compliments are important to the success of places. Additionally, it might be argued that the very use of marketing techniques in place development be more broadly expanded to claim that Rainisto’s place marketing success factors be similarly considered place economic development success factors.

The study utilizes the actor’s approach. In doing so, the emphasis is on the actor as a creator of knowledge. Using this approach clarified in the minds of the authors that even seasoned theorists bring their own subjective realities. Their intentions, reflections and creative input are what make their own theoretical conclusions unique. Further recommended readings include: economic geography, city planning, community development, social marketing, cluster-building and governing metropolitan areas. Rainisto and Moilanen’s (2009) book “How to Brand Nations, Cities and Destinations: A Planning Book for Place Branding” is recommended to those marketing people, committees, or organizations involved in the marketing of places. In its preface, Philip Kotler asserts that “no nation, city or place should undertake the challenging task of marketing itself without first reading this book.”

In summary, the study asserts that place marketing, with its roots in traditional marketing theory, is a culmination of branding, resource development and urban planning. From the study, it is clear that that focused economic development policies must be implemented over decades rather than years, and should be approached holistically and implemented entirely, meaning not just certain aspects. Promotional activities should be used in conjunction with and not to substitute strategic marketing

efforts as a whole, because such activities only serve as a fraction of the whole process.

Places certainly have their challenges (as indicated in the author's findings summarized in Table 6.3) as do corporations, which are often regarded specialists in marketing practices (Sergeant 1999). It is therefore no wonder that places suffer worse from the same dilemma.

According to Kotler *et al* (1993), places will always have the challenge of strengthening community and regional capacity to adapt to the changing marketplace and of seizing opportunities and sustaining their vitality. However, a central belief of place marketing is that despite the powerful internal and external forces that work against them, places have the resolve and resources to improve their positions for the better.

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