

MEASUREMENT OF PLACE MARKETING ORIENTATION

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Abstract: *Place marketing is seen as one of the approaches to enhance and strengthen the place development and its management. However, separate and single marketing activities do not reflect the full adaptation of marketing concept. It is therefore useful and necessary to define the symptoms of marketing orientation and measurement tools that enable to diagnose the level of its implementation in particular place. It can be done by using a normative approach to evaluate market orientation in organizations proposed by Narver and Slater (1990), based on five components: customer orientation, competing for orientation, interfunctional coordination, long-term focus and profitability. It is suggested to adapt this approach and adjust for place marketing purposes by defining relevant list of attributes.*

Key words: *place marketing, marketing orientation*

INTRODUCTION

To ensure the welfare of local communities, local governments have to face external and internal competition for investment, tourism, public funds and organising hallmark events among others. To meet the challenges the need for an adequate management method appeared to support places in building and sustaining competitive positions on the regional, national or international stage. In search of theoretical concepts that respond to that need, transfer and adaptation of marketing approach on territorial ground became very common in last decades. Place marketing, and recently more often, place branding, are seen as possible approaches (e.g. Kotler et al., 1993; Matson, 1994; Olins, 2003; Kavartzis, 2004; Anholt, 2005) but also as a panacea and not quite understood process for attracting desired segments and places' growth (Papadopoulos and Heslop, 2002; Anholt, 2005; Parkerson and Saunders, 2005; Kavartzis, 2004). Consequently, these concepts are often utilized without holistic approach focusing on single activities. As separated and independent, they cannot be seen as indication of place marketing orientation. Natural need exists therefore to define the symptoms, being reflected in adequate measurements, of place marketing approach. This allows to diagnose the level and pace of adaptation of marketing rules and its tools to particular places.

LOCAL DEVELOPMENT CHALLENGES

The development of territories of different scale, because of its goals set, is an issue of social importance. It could be even assumed, there is a social demand for closer recognition of methods that enable to manage countries, regions, cities, towns and communes effectively. The reasons of distinguishing marketing as an approach to local development

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might be seen therefore in pragmatic necessity. In particular, of important meaning were and still are:

- growing competition between places, understood not only as competing of particular companies in different places but as competition between complex territories;
- globalisation process that enables the transfer of capital, people, goods, services or technology. In the same time it requires a counterbalance through activities undertaken at the local level (Hetzel 1997, p. 32). Place marketing utilises this way the diverse potential of its territory to galvanise it into a recognisable and differentiated entity in the market place (Florek, Insch and Gnoth, 2006, p. 277);
- changes in a role and decision range of local governments;
- immediate promotion activities applied by local governments and gradual interest in marketing as a pragmatic way to manage the place;
- the increase of society awareness of belonging to local, regional, national or ethnic communities (Szromnik, 2002);
- growing demand for public support of decision and activities implemented.

The application of marketing concept in management on local levels results also from the fact that each organization, either profit or non profit oriented, has to search for new methods that enable to increase the effectiveness of its operation. The easiest possibility is to reduce the dissonance that exists between expectations and needs of particular community and the way these needs are satisfied through proposed offer (Domański, 1997, p.20).

Therefore, when applying marketing approach to the local or regional economy, an assumption is made that city or region operates similarly to private company. It “produces” goods and services to satisfy needs of consumers located on internal and external markets. It exists in competitive environment striving to attract investors, capital and new outlets for local goods. If we look at the commune, city, region or country as a complex product that consists of a number of material and immaterial products mutually connected, and also as an economic category (a subject of demand and supply) it can be exposed to market game (Berg et al, 1990).

At the same time, political instruments of exercising power (actually keeping the power), techniques of getting votes and orientation on short-term results, are factors that determine the actual, not recommended, ability of territorial authorities to undertake unpopular in the short term decisions (Markowski, 1999). Thus, the strategic decisions are often postponed for short term ones, frequently incoherently with superior goals or not indispensable but bringing visible and immediate effects. In the case of local government, the effects of incorrect orientation are moved away because local community cannot choose new administrative authorities until next election (Domański, 1997) (every four years in Poland for example). Because of the election cycle it is quite common in practice that goals to achieve and strategies to implement are being changed that results in their continuous beginning instead of finalizing. These tendencies obviously caused a big barrier in effective marketing implementation in places.

MARKETING ORIENTATION AND ITS MEASUREMENT IN THE CONTEXT OF PLACES

Marketing concept can be viewed as a set of attributes (principles) of management. Kohli and Jaworski (1990, p.1) use the term 'market orientation' to mean "the implementation of the marketing concept". It is assumed that market orientation is a formula that enables operationalisation of marketing concept and its extensive analysis, also in the context of implementation aspects (Fonfara, 2002). The key problem is the measurement of such understood marketing orientation.

Since marketing has an interdisciplinary character, the final result depends not only on the input of particular disciplines but also on its ability of transformation. Marketing orientation ranks among the phenomena of the highest level of complexity. This is why it cannot be measured directly and its operationalisation is necessary. To achieve this, the main features need to be converted into symptoms that can be the subject of research and can reflect the measure of marketing orientation advancement (Misiąg, 2001).

In the case of places the problem seems to be even more complex. It results mainly from the lack of former interest in evaluation of level of marketing orientation in places and consequently lack of development of relevant methodology (see methodology and surveying device used in Polish towns presented by Szromnik, 2003).

Therefore, in the evaluation of marketing orientation of places, the former achievements within companies area should be analysed and utilized. These, to a large extent base on technical (normative) approach. This approach consists of formulation of technical standards (norms) related to 1) the ways of thinking or subscribed values, 2) the ways of acting within particular attributes of marketing concept and 3) examining the level of their application (Kłeczek, 2003, p.29).

Starting point in defining of explanation variables to examine the market orientation in places can be the classification of variables proposed by Narver and Slater (1990, p. 22). They see market orientation as a one-dimension (because of close relationships between criteria) construct that consists of three behavioral and two decision components: consumer orientation, competitor orientation, interfunctional coordination, a long-term focus, and a profit objective.

Taking into consideration the peculiarity of entities such as territorial units, the above criteria can be developed into following attributes:

- analyzing, defining and understanding of target markets needs and behaviours as well as adjusting the place offer to defined target market(s),
- analyzing and understanding of competitors behavior,
- coordination of all functions (and organizational units) around satisfying diagnosed needs and preferences of target markets,
- profitability control,
- long-term prospect of marketing activities planning.

The five attributes that reflect the foundation of marketing concept should be next developed into relevant variables (see table 1).

Tab. 1: *Attributes and variables of marketing orientation of a place*

Attributes of marketing concept	Variables
1. analyzing, defining and understanding of target markets needs and behaviours and adjusting place offer to defined target market(s)	<ul style="list-style-type: none"> • ability to define target market(s) • level of knowledge about target market(s) • researching of needs, expectations and preferences of target market(s) as well as trends • relationships between local authorities and inhabitants • analysis of place product using different methods • modification of place product • image measurement and monitoring • place communication activities
2. analyzing and understanding of competitors behavior	<ul style="list-style-type: none"> • ability to define competitors within target market(s) – direct and indirect • monitoring of competitors' activities
3. coordination of all functions (and organizational units) around satisfying the diagnosed needs and preferences of target markets	<ul style="list-style-type: none"> • existence of marketing/promotion unit within the place organizational structure and its role • quality of marketing service in this unit • cooperation and coordination between organizations within a place around common marketing goals
4. profitability control	<ul style="list-style-type: none"> • level and structure of marketing budget • measurement of effectiveness of marketing activities • existence of monitoring system
5. long-term prospect of marketing activities planning	<ul style="list-style-type: none"> • definition of long-term marketing goals • formulation of marketing plans • coordination of place marketing strategy and goals with place development strategies/plans • formulation of place brand strategy

Source: author

The above attributes and variables should, at next stage, be developed into adequate questions (for example in questionnaire that can served as a research tool) with relevant scales. They can be adopted and adjusted depends on the type and scale of subject (place) being surveyed. The research tool needs to ensure all the postulated attributes are taken into consideration and enable their measurement. The consistent and comparative scale will allow to track the changes in the level of marketing orientation of particular place as well as benchmark pla.

CONCLUSION

Marketing has an interdisciplinary and complex character thus the final result of its application depends not only on single and accidentally activities such as promotion or visual identity, but on the whole set of actions in many areas. It is therefore purposeful to define the symptoms that reflect place marketing orientation and that measurement tool that enable to diagnose the level of this orientation of particular place. Such analysis should be conducted and the orientation should be evaluated foremost to discover weak points and areas to improve.

Because full adaptation of market orientation requires adaptation of the whole range of attributes of marketing concept, the above suggested measurement method enables to identify the level and track the pace of its adoption.

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POMIAR ORIENTACJI MARKETINGOWEJ JEDNOSTEK TERYTORYALNYCH

Streszczenie

Jedną z determinant skuteczności marketingu w zarządzaniu jednostkami terytorialnymi jest konieczność zaakceptowania i wdrożenia pełnej orientacji marketingowej przez samorządy terytorialne. Zastosowanie pojedynczych działań czy instrumentów marketingowych nie odzwierciedla bowiem przyjęcia koncepcji marketingowej w terytoriach.

W związku z tym konieczne jest zdefiniowanie symptomów orientacji marketingowej i metod pomiaru, które umożliwią diagnozę poziomu implementacji marketingu w konkretnej jednostce terytorialnej. Można tego dokonać w oparciu o podejście techniczne (normatywne), stosowane to oceny orientacji marketingowej przedsiębiorstw zaproponowane przez Narvera i Slatra (1990). Obejmuje ono pięć komponentów: zorientowanie na nabywcę, zorientowanie na konkurentów, koordynację funkcji przedsiębiorstwa, długoterminowy horyzont oraz rentowność. W artykule zaproponowano adaptację podejścia normatywnego dla potrzeb marketingu terytorialnego modyfikując i definiując odpowiedni zestaw atrybutów, za pomocą którego możliwa jest ocena stopnia aplikacji koncepcji marketingu w jednostkach terytorialnych i śledzenie zmian w tym zakresie.

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