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# TERRITORIAL MARKETING AND ITS IMPLEMENTATION IN MORAVIAN-SILESIAN TOWNS

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The article deals with the results of the research on territorial marketing and its implementation in Moravian-Silesian towns. As is shown, in spite of many current problems, territorial marketing represents an inseparable and indispensable part of the coming regional and municipal management. At the same time, the necessity of future common activities of private, public and civil sectors has become apparent. The research should therefore be directed towards the examination of networks, embeddedness, trust, innovations and ability to learn.

## INTRODUCTION OR A COUPLE OF WORDS ABOUT DEPARTMENT OF REGIONAL ECONOMICS

The Department of Regional Economics at the Faculty of Economics, VŠB-Technical University of Ostrava guarantees the mediation of the knowledge from spatial, regional, environmental, sociological and economic disciplines. Regional economics, environmental policy or human geography represent subjects typically provided by the Department. Regional economics is profiled by considerations about the location of economic subjects, about their mutual relations and interactions of localities in the framework of spatial economic structures. This domain is formed also by the problems of regional development or regional policy including co-ordinating tasks of municipalities and regions. Contemporary ecological trends, utilisation of natural resources and the ways of performance of environmental management are monitored in the framework of the analyses of environmental problems. The geographical niche of the Department concentrates primarily on the study of socio-economic structures as well as on specific features of world regions or particular Czech regions and

demographical processes. Regional sociology that examines the development of social structures as well as spatial behaviour of the population constitutes the fourth major specialisation of the Department.

The Department of Regional Economics provides a Master's programme in Regional Development. Research activities of the Department focus on economic and ecological aspects of the processes of transformation of industrial regions, further on trans-border co-operation with Polish borderland and on both methodological and practical creation of strategic documents for regions and municipalities.

### **CHANGING NATURE OF URBAN AND REGIONAL ENVIRONMENT**

Regional and urban environments are currently exposed to innumerable social, economic, cultural and other factors and phenomena<sup>1</sup>. These processes are very often of transnational or global character and influence the regions and localities both directly and indirectly. Not surprisingly, current circumstances are frequently characterised as hardly predictable, quickly changing and turbulent. However, there are still some 'certainties' that apply to Central Europe and essentially all developed countries. This concerns demographical factors, income changes as well as widely perceived global processes. The extent to which they take place is unprecedented, and therefore we are unable to utilise any foregoing experience.

Decreasing birth rate and growing proportion of people in post-productive age can be nowadays observed in many regions. These demographical trends are accompanied by intense changes in the distribution of incomes, which subsequently creates new challenges for services or the way of spending one's leisure time. At the same time, we can contemplate the increasing role of education and skills. Regional and local responses to the global technological and organisational changes are currently dependent primarily on the flexibility, reflexivity, adaptability and social capital of local/regional actors.

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<sup>1</sup> Maier, G. & Tödling, F.(1996): Regionálna a urbanistická ekonomika. 2. Regionálny rozvoj a regionálna politika. Bratislava, ELITA. Translated from: Regional- und Stadtökonomik. Regionalentwicklung und Regionalpolitik. Wien: Springer Verlag.

## REGIONAL AND URBAN MANAGERIAL AND MARKETING APPROACH

Sufficient financial resources, well-defined developmental priorities as well as an effective integration of activities of local/regional actors constitute fundamental premises of the development of regional and urban milieu. For example, the unfavourable trends in usage of public budgets were confirmed by the Fifth Periodic Report on the Social and Economic Situation and Development of the Regions in the Community. At the same time, public private partnership projects started to attract general attention; however, their utilisation is rather limited, mainly in transitional countries, just for the sake of distrust between the private sphere and the public sector. Nevertheless, the necessity of the involvement of the private sector into municipal or regional projects has become apparent.

While traditional industrial sectors suffer from the gradual loss of their importance, health care, education and leisure have turned out to be new and promising sectors with ample developmental potential<sup>2</sup>. Business concepts are increasingly applied in the public sector<sup>3</sup>. The principle of participation has become one of the key notions of contemporary reality. The development of a regional and urban milieu is thus influenced by three principal trends:

- Programming of the future development of particular territory,
- Communication of public, private and civil sectors,
- Increase in the application of methods and techniques commonly used by classic management and marketing.

Territorial partnership and subsidiarity principle often constitute a common denominator or intersection of extremely complicated relations and interests in the framework of the region. Territorial (i.e. municipal and regional) management and marketing are undoubtedly useful instruments for the programming of the future of the particular area, but both of them have to be applied from the very beginning of the creation of urban and regional development documents (see also Figure 1).

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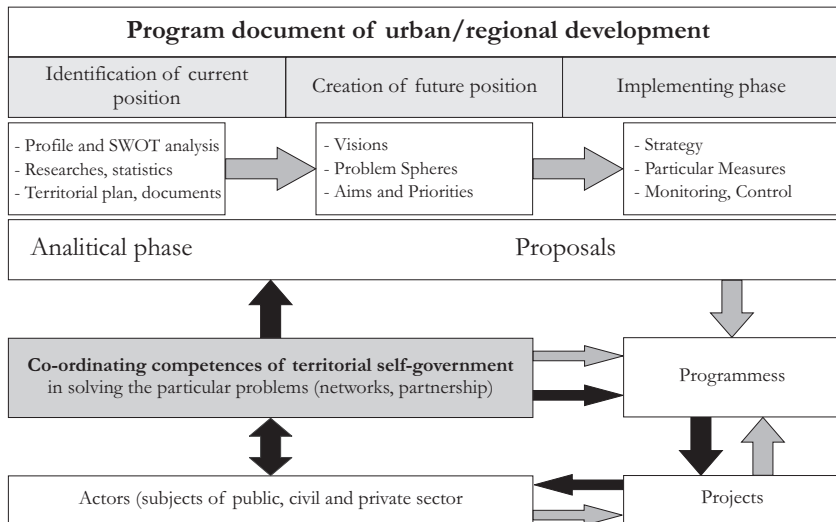
<sup>2</sup> Drucker, P. (2000): *Výzvy managementu pro 21. století*. Praha: Management press.

<sup>3</sup> Sucháček, J. (2003): *Tilburg Model: Towards the Modern Local Government*. In: *Econ '03 (selected research papers)*. Volume 10. Ostrava: Technical University of Ostrava, The Faculty of Economics.

**MARKETING IN MORAVIAN-SILESIA REGION**

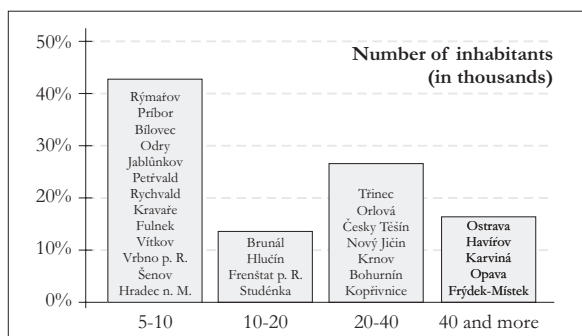
The Department of Regional Economics at the Faculty of Economics, VŠB-Technical University of Ostrava conducted the research on territorial marketing in the Moravian-Silesian region in the Czech Republic. The Moravian-Silesian (Moravskoslezský) industrial region lies in the north-east part of the Czech Republic, in the north it borders on Poland, in the east on Slovakia, in the south on the Zlínsko region and in the south-east on the region of Olomouc.

**Figure 1:** *Urban and regional development and its programming*



**Map 1:** *Location of Moravian-Silesian (Moravskoslezský) egion in the Framework of the Czech Republic.*



**Figure 2:** *Examined Towns in Moravian-Silesian Region*

The area of the region is 5,555 square kilometres or 7% of the Czech Republic's territory. The number of inhabitants is at about 1.3 million or 12.5% of the Czech Republic's population (see also Map 1). This NUTS II region where the examination was accomplished currently comprises 31 towns with more than 5,000 inhabitants (see also Figure 2).

### Basic Results of the Research

Our research concentrated mainly on the domains that are typical for European territorial marketing, but it also tackled the spheres characteristic for specific Czech conditions<sup>4</sup>. The overall number of questions was 23 and they were distinguishable as follows:

- Identification data,
- Territorial marketing,
- Strategy of urban development.

Mayors, their deputies and urban managers were the respondents of this research.

#### 1. Marketing Objectives of Moravian-Silesian Towns

The following spheres are considered to be important by our respondents:

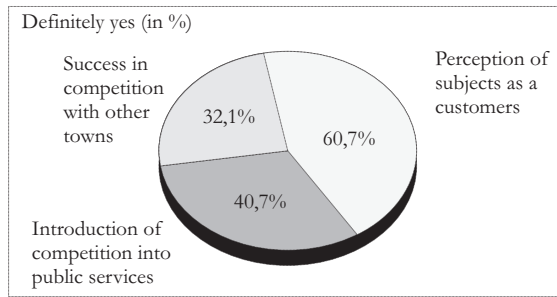
- Perception of inhabitants, entrepreneurs and other municipal subjects as customers,
- Introduction of competition into public services,

<sup>4</sup> Malinovský, J. (2004): Průzkum k zavádění marketingu do správy a řízení rozvoje měst Moravskoslezského kraje. Souhrn výsledků průzkumu. Ostrava: VŠB – Technická univerzita Ostrava, Ekonomická fakulta. (forthcoming).

- Success in competition with other towns.

An image of the municipality or urban facilities constitutes the next relevant items in the life of municipalities. Figure 3 shows the most important spheres of urban life according to the respondents.

**Figure 3:** *Marketing Objectives of Moravian-Silesian Towns*



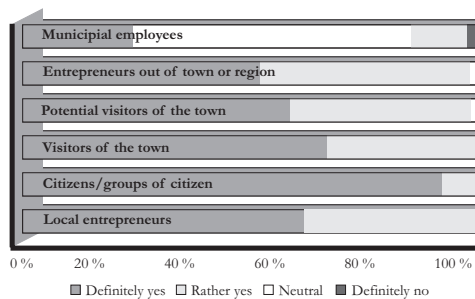
## 2. Target Groups of Marketing Activities of Moravian-Silesian Towns

The following target groups are perceived as the most important ones (see also Figure 4):

- Citizens (and their groups) and local entrepreneurs,
- Visitors and potential visitors of the town.

According to the respondents, the least important target group are the employees of the municipal office.

**Figure 4:** *Target Groups of Marketing Activities of Moravian-Silesian Towns*



3. *Successful Spheres of the Implementation of Territorial Marketing*

Where the territorial marketing was implemented, the following successes have been achieved (see also Figure 5):

- Accomplishment of concrete projects and co-operation with relevant actors,
- Improvement of the work of municipal office and improvement of public services,
- Better communication with target groups.

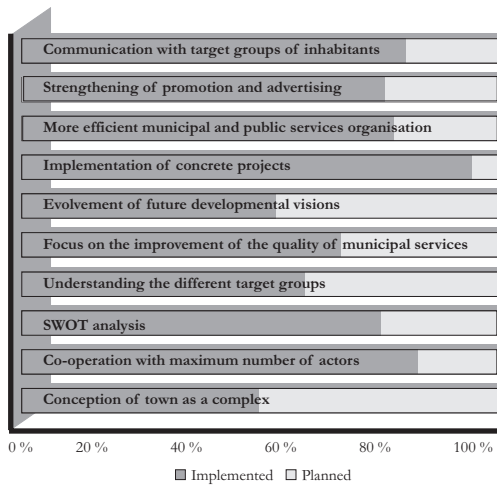
**Strategy of Urban Development**

1. *Existing Strategies or Plans of Urban Developments*

The research disclosed that strategic development documents:

- are elaborated in 21 towns (17 towns made these documents by themselves),
- are not elaborated in 8 towns; however, these towns are supposed to draw up the strategic development documents.

**Figure 5:** *Implemented/Planned Marketing Elements in Moravian—Silesian Towns*



2. *Actors Engaged in the Elaboration the Development Document*

The following actors have been identified as very important for the elaboration of the development strategy:

- Employees of the municipal office and the members of local governments,

- Representatives of big firms, smaller entrepreneurs,
- Representatives of civil associations.

The following groups are perceived as less important:

- Representatives of hotels, restaurants and chambers of commerce,
- Journalists and representatives of the church.

*3 Forms of the Involvement of Citizens in the Elaboration of the Development Strategies*

It is recommended to engage the citizens in the following phases of the development strategy:

- Formulation of the vision of the town,
- Definition of priorities of municipal development.

The least recommended stages are as follows:

- Preparation of particular policy measures,
- Control of the quality of municipal activities.

The most important ways of involving citizens in the proceeding of municipal strategy are:

- Task groups, mainly in relation with SWOT analysis, accomplishment of particular measures and projects as well as the determination of developmental priorities,
- Information provided by local media (mainly press) about the control of the implementation of the strategy.

The least recommended forms of the citizens' involvement are gatherings of citizens and questionnaires (see also Table 1):

**Table 1.:** *Forms of Citizens' Participation in the Elaboration of the Development Strategy*

Forms of involvement	Task groups	Meeting of citizens	Questionnaires, research	Information, local press	Scale
Phase					0
SWOT analysis	58.6 %	6.9 %	37.9 %	31.0 %	
Formulation of the vision	44.8 %	31.0 %	34.5 %	48.3 %	
Specification of developmental priorities	51.7 %	31.0 %	31.0 %	27.6 %	
Accomplishment of particular measures and projects	55.2 %	6.9 %	17.2 %	41.4 %	60



### MAIN CONCLUSIONS OF THE RESEARCH

On the basis of the accomplished research, we feel entitled to state that:

- Marketing activities are used and marketing instruments applied to the administration and management of Moravian-Silesian towns. However, up to now a low professional level is unfortunately typical for these activities and instruments.
- Introduction of effective marketing and management into the administration of municipalities is confined by the lack of financial resources as well as the low number of skilled professionals and specialised institutions.

### FUTURE PLANNED DIRECTIONS OF OUR RESEARCH

In the course of the research, it became apparent that current socio-economic discrepancies among towns and regions can be accounted for by new theoretical streams of regional development that stress the importance of networks and widely perceived innovations as well as the ability to learn.

The existence of the networks of contacts with different quality and different measure of trust creates the context, in which socio-economic transactions take place. Personal relations, mutual trust and contacts as a form of the social integration of the region become a new means of socio-economic analysis. They provide truly useful instrument for the illumination of the lowest rank of social and economic processes. Subsequently, one can find out the immediate causes of the differences in economic performance of towns and regions.

It is worth analysing not only the form of the arrangement of the relations among regional actors, but also the 'content' of those relations, since not all connections are valuable and beneficial at the same measure<sup>5</sup>. The quality of the networks of contacts differs both in terms of actors and regions, which forms the differentiated premises for their development and for the rise of innovations.

The networks of contacts can comprise the element of power and dominance and that is why the presumptions of the development of particular region or subject depend on the position of a particular region or subject in the framework

<sup>5</sup> Hudson, R. (1994): Institutional change, cultural transformation, and economic regeneration: myths and realities from Europe's old industrial areas. In: Amin, A. – Thrift, N. (eds.): *Globalization, Institutions and Regional Development in Europe*. London: Routledge, pp. 196-216.

of the networks. Regions that are connected with networks based on distrust and hierarchical relations are no exception<sup>6</sup>.

Although there are numerous and rather great differences among authors that examine the role of the networks of contacts and embeddedness in regional development, they strive for the clarification of the innovative capacity of some towns and regions as well as for the explanation of their ability to respond flexibly and swiftly to changing market, organisational and technological conditions.

In the course of the 1990s, the discussions about institutional characteristics of regions, the networks of contacts, embeddedness and their utilisation in regional policy crystallised into the new direction of regional development called 'learning regions'. The conception constitutes historically the youngest theoretical stream of regional science.

As is apparent from theoretical discussions from the 1990s, the source of the regional competitiveness consists in the knowledge, capacity to learn and to create the cultural setting that fosters the innovations. The problem of learning is not connected merely with advanced economic branches and the development of new technologies, but also with innovations that arise in the territory of the given municipality or region. The competitiveness is not comprehended as a price competition but as a competition based on unceasing innovations. Knowledge is perceived as the most strategic 'source' and learning as a decisive process from the perspective of competitiveness. The differences in the capacity to learn and to innovate are grasped as a key mechanism of regional differentiation and their role will most probably even augment with in the future.

Our future research will utilise precisely the fact that quality of regional programming and projects in towns and regions reflects the distinctions among aforementioned processes and categories.

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<sup>6</sup> Amin, A. & Thrift, N. (1995): Institutional issues for the European regions: from markets and plans to socioeconomics and powers of association. *Economy and Society*, Vol. 24, pp. 41-66.

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