7 hypotheses on place marketing

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Abstract

Place marketing approaches are increasingly employed by authorities competing to attract capital. While a rapidly growing number of case studies have provided valuable insights to the field, relatively little scholarly attention has been paid to the advancement of theoretical understanding. In this article we depart from central place theory and discuss its potential for providing a structure for place marketing research. We argue that place marketing is essentially used as a means to improve competitiveness in a hierarchical spatial system and we produce a range of hypotheses for future research to build upon.

Introduction

The use of place marketing approaches to attract capital is not a new phenomenon (e.g. Bailey, 1989; Barke, 1999; Kavaratzis, 2004; Ward, 1998). Numerous authorities around the world, from the very local to regional, national and even international are engaged, backed up by a range of consultancy firms, and there exists a quite voluminous literature. Yet, there is arguably something virgin about place marketing research and the field seems far from being well-established and respected within academia.

Three factors arguably illustrate this point. First, there is an almost complete absence of evidence-based research seeking to establish the effects of place marketing. In fact, it is often difficult to distinguish place marketing research from consultancy, and when success prescriptions are advocated without any supportive evidence it resembles quackery, more than research. Second, the literature is, however, replete with descriptive case-studies. Such studies presumably testify of a rapidly evolving field where case-studies are essential to obtain a basic understanding and are of course justified. However, it seems to be in the nature of place marketing to rapidly evolve so that places can distinguish themselves from their competitors and perhaps gain an advantage, making it difficult for scholars to keep

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up. Without a general theory or framework of place marketing that case studies may inform, the values of case studies are diminished. Third, there appears to be reluctance on behalf of many place marketing researchers to advance generalisations from their (empirical) work. Usually, theories or models are borrowed from marketing research. The latter may be a problem since marketing researchers “... too easily assume that places are just spatially extended products that require little special attention as a consequence of their spatiality” (Kavaratzis and Ashworth, 2005:507).

Regardless of whether one agrees to the above partial description of the field, there is a risk that place marketing research may become mired without reaching a more mature level of understanding. This is arguably true for any fast-moving field of scholarly inquiry. However, considering the amount of tax-payers money spent each year on place marketing projects, with unknown revenue, providing answers to the most rudimentary questions appears as an urgent need. For example, why are ‘places’ using place marketing, how widespread is it, how involved are they, are they successful etc.? Simple as these questions may seem, they still remain largely unanswered.

This paper does not seek to any direct answers to such questions. Rather, the purpose is to examine the potential of central place theory (Christaller, 1980) in providing a starting point for understanding place marketing. We argue that competition between places is the very reason for existence of – and thus a key component for understanding – place marketing. Yet, spatial competition seems to be taken for granted in much place marketing research. Central place theory is, in brief, a well-known “theoretical account of the size and distribution of settlements within an urban system in which marketing is the predominant urban function” (Johnston et al., 1994 [authors’ emphasis]). In this paper, we will examine how it can be used to inspire and provide a partial and tentative framework to illustrative the spatial interdependence of places. From that framework we deduce a number of hypotheses on spatial competition and place marketing for future research to test empirically, hoping that the answers will improve our understanding of place marketing.

In the text we have deliberately avoided giving excessive examples from the place marketing literature, since the power of examples might be misleading and we prefer, at the present stage of research, to keep the framework as simple and straightforward as possible.

We define place marketing as measures undertaken, by actors appointed to govern a place, to improve the competitive image of that place with the explicit aim of attracting
capital from other places. This definition is similar to the one proposed by Gold and Ward (1994) some time ago, and, importantly it does not contain any explicit normative statements about how something should be done. Rather, it is a lay-definition based on the notion that place marketing is what place marketers do.

The remainder of this paper is structured as follows. In the next section we discuss central place theory and its potential to illustrate competition between places. From this discussion, we then present a simple framework in which a variety of places may be situated and discuss the implications for place marketing and present a number of hypotheses for future research to test empirically. The paper ends with a summary and discussion.

**On spatial competition among places**

Walter Christaller’s (1980) theory on central place theory is an important contribution of spatial science. Essentially, he tried to explain the patterns that exist between cities or central places of different size and produced a theory based on size, distance and function that became very influential in managing and planning places. In brief, Christaller studied a map of a larger area and discovered that the cities are usually located throughout a geographical space of less urbanized and rural areas, usually with a fairly even spatial distribution. Christaller linked the key points, or cities, who shared a size relative to each other on the map, so that the lines came to form an angular shaped pattern. The result was a pattern that showed that there was an opportunity to create viable theoretical models of landscape urbanization (Holt-Jensen & Fullerton, 1999).

![Image 1. Illustration of relations between places with central place theory.](image)

The central place theory is also a way of illustrating place relations, and a means to demonstrate how an urbanized area will affect its periphery. The urbanized area is a central...
point in an administrative, political, economic, historical, natural geographical and cultural system of scattered centres at distances that reflect their level of development in a particular urban centre. Christaller argued that each place was a point in a region and, at the same time in a hierarchical level. The theory was based on economic theory and is primarily focused on the central towns’ economic functions, but the theory came to be used for administrative planning at various levels.

The central place theory at first appeared promising in explaining why a pattern of localization appears, and in the same logic explain why a region has to have a geographically uneven distribution of resources and influence. The central place theory shares this view with a vast number of theories, where multi-polar centres of a region interplaying with different scales and with open economic, symbolic and social relations that stretch wider than imaginary and administrative boundaries producing competition and uneven distribution of resources as well as development (van Houtum & Lagendijk, 2001; Amin, Thrift, 2002; Paasi, 2005). Their common ground of these theories is that of a reinforcement and reproduction the uneven distribution of resources and influence.

Although Christallers formal spatial modelling based on geometrics is is almost invisible in contemporary research, presumably because it largely failed in producing economic predictions about space, it still holds some interesting thoughts about power relations and place hierarchies that seem worthy of attention. For instance, not even globalization and modern communication technology seems change the important dimension of hierarchies in the idea of central place theory. Firstly, physical as well as social and mental places are ordered in a hierarchal manner, although representations of them are distributed independent of scales. Secondly, globalization and modern information technology adds the component of representing places with the help of place marketing, however, this does not always mean that hierarchical positions are being changed. Thirdly, image production is not understood as a process entirely controlled by place managers and planners alone. The process of image-building is more complex than so, it is produced at all levels of interaction between groups, consultants and institutions, down to individuals who co-produce images by ways of innovation and imitation and through reputation marketing in social medias (Marconi, 2001). Still, accounting for all these levels of image production, it seems very difficult to alter positions within an existing hierarchical system. Thus, it still exist a strong belief in the ordering principle of distance/proximity and size, and spatial
competition is materialized in the representation of a pattern of agglomerations with different distances to larger or smaller ditto.

**A multi-layered three-dimensional and three-axle system for spatial positioning**
Let us assume, as in figure 1 below, that any type of place can be identified and positioned within a hierarchy of ‘power’ (y-axis) and that all places of the same type can be positioned along the x-axis. For sake of simplicity, only the place types at the ends of the axis and one in the middle are mentioned, ranging from ‘world metropolises’, via ‘medium-sized cities’ to ‘small towns’. Within each country or continent there is of course a more appropriate and detailed hierarchy. The term ‘power’ merits a brief discussion. If it can be agreed upon that place marketing is employed in a competition to attract capital from other places, and that capital is unevenly located, it seems appropriate to think of this competition as a power struggle. Places with an abundance of capital have more power than those with little capital. While four types of capital are usually discussed in the place marketing literature (businesses, tourists, residents and investments (Kotler, et al., 2002), and not all places necessarily seek to attract all four types at the same time, it should be noted that not all types of places may be easily located within the hierarchy. It makes little sense to locate a tourist resort, for example, that seeks to attract a specific segment of tourists, within the same hierarchy. However, it should be possible to construct a similar hierarchy for those places that only focus on a specific type of capital (some places have vast resources while others do not).

The z-axle represents the involvement that planners or managers invest in different types of activities that is aimed at marketing or branding a place. This involvement can either be intense or low, and it is assumed to render some consequences, however, not yet investigated thoroughly.
Assume that all ‘places’ use place marketing in order to move up, or at least maintain, their position within the hierarchy of power. It might then seem reasonable to expect that the main competitor of any given place is the one next above in the hierarchy. However, because places in the same position of the hierarchy are more similar in their preconditions compared to other types of places, and are therefore more likely to compare their development with places more like them, we suggest that it is more probable that their main competitors are of the same type.

Image 2. A multi-layered three-dimensional and three-axel system for spatial positioning
Hypothesis 1: The main competitors of a place are those occupying the same position in the hierarchy of power and competition will be greater when there is a short distance between two places of the same position and lesser when distance between them increases.

This does not mean that places do not compete upwards in the hierarchy; after all, place marketing is used to improve the current position and competing with those at a higher level would seem like the fastest way of moving upwards. Spatial competition through image production may for instance use inverted arguments in place marketing, in order to attract humans, resources of tourists. (Zubrycki) by using place promotion forming identities that are opposites of big cities, for instance as escaping problems intimately connected with city life, such as the dangers, crime and busy lifestyles associated with them (see Hopkins, 1998, 78; Roberts and Hall, 2004, 254). However, we suggest that competing with places of a higher position is more complex. This is presumably partly because places at different levels in the hierarchy have different preconditions, but also because places at a lower rung are in the ‘power shadow’ of those above. If there is a small distance between two different types of places, a certain degree of dependence is present, particularly as regards places at the lower rung. Since policymakers in nearby cities are bound to collaborate in certain spheres to achieve efficient government, places with less power may hesitate regarding outspoken competition. From the position of places at a higher level, the perspective is different.

Hypothesis 2: Places are more ambivalent in competing with those of a higher position, but places occupying a higher position in the hierarchy of power will generally ignore those at lower levels.

While the two hypotheses above seek a better understanding of competition between places, so far, little has been said about the explicit role of place marketing. Yet, as we have argued earlier, since competition between places is the very reason for existence of place marketing, hence understanding competition is a prerequisite for understanding place marketing. Following our definition that place marketing is the “measures undertaken ... to improve the competitive image”, the question arises as to what these measures really are. The literature implies that a range of activities constitute place marketing measures such as marketing research, sales and distribution, communicating, advertising and promotion,
planning and coordination of place marketing activities, and assessing measures taken (Reidenbach & Robin, 1988). A problem is that actors appointed to govern a place undertake a range of measures without necessarily thinking of them as something that will improve the image of the city or is explicitly aimed at attracting capital. This makes it difficult to distinguish between place marketing and management of situated business or ordinary place management, but nonetheless we propose that some traits may be identified depending on what position the city holds. This is simply because similar types of cities (i.e. at the same position) generally aim at the same segment of capital.

**Hypothesis 3:** The position in the hierarchy of power influences the range of place marketing approaches judged suitable by a ‘place’.

Moreover, if hypotheses one and two can be proven right, they may also help explain why places seem to be copying each other’s place marketing approaches (the greater the competition, the more observant will competitors be). Since image production is co-produced at many levels at the same time and at high speed through “word of mouth” and social media, it is becomes easier to survey and map the attempts to marketing techniques and methods made by others.

**Hypothesis 4:** Imitation of place marketing approaches will be faster among places at the same position in the hierarchy of power.

Image production is a competitive factor for altering a position within a hierarchical system, and therefore place marketing is seen as an essential tool for producing attractive images. The production of cases and examples that are being spread through the marketing of places tend to be produced by a small number of consultants who operates on a geographically defined market. Two consequences can be made, firstly, the tendency to imitate other places on similar hierarchical level and at a convenient distance is high, as well as the tendency to clone place marketing projects at similar hierarchical level and at convenient distance. If places are too close in distance it will be too obvious that strategies are being copied and that means a risk of being considered as non-innovative. Secondly, place marketing must always be in constant move and react to trends, such as innovations in communication in social media.
Hypothesis 5. Imitation and cloning of place marketing approaches will be produced due to multi-level interaction and a limited number of consultants. Imitation and cloning of place marketing approaches will fit places with similar levels in hierarchies and at convenient distances between them.

All places differ in terms of composition of natural, social, cultural, economic and political resources and traditions. The content and strategies of place marketing must, for that reason, be geographically designed, which means that the strategies are dependent on the type of capital needed, e.g. tourism, migration or investments.

Hypothesis 6. Place marketing strategies must be designed to fit a geographical context.

In spite of all, sometimes very costly attempts to change positions in a spatial hierarchical system, it must be concluded that it is difficult to actually alter a position. Instead, the primary role of place marketing is perhaps just to confirm that the choices people have made when choosing a place to live and work are the right ones. The positive image produced by people living in a place might, or might not work as a magnet attracting people to move there by the place reputation. This also means that no place can take the risk of not involving and engaging by using place marketing as a management tool, because someone else, in a similar hierarchical position and at a convenient distance might attract the people that do not feel that they are being able to confirm their choices.

Hypothesis 7. It is difficult to change positions within a place hierarchy, but if no marketing efforts are being made it also means a risk of loose a position in a hierarchy.

Concluding discussion
The aim of this paper has been the outlining of a set of hypotheses within a general framework consisting of central place theory, and work is proceeding toward more case-oriented studies regarding place marketing. The rather general and open characters of the hypothesis are hopefully making them ready to be tested with data from different studies.
In all, seven hypotheses are set as a frame for further studies of the relation between places and place marketing. These hypotheses are open in the sense that they are presented without interference from cases and examples. The purpose for doing this is dual. Firstly, the strive for theoretical explanation of place marketing, and not identifying actual relevance, must not be seen as a pretentious quest for the making of theory itself. Instead, what has been identified as a problem in place marketing studies is in fact the abundance of case studies and examples substituting the absence of theory.
World metropolis

High level of place marketing involvement

Physical distance

Social-, cultural-, economical distance and natural differences

Low level of place marketing involvement

Small town
Literature


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