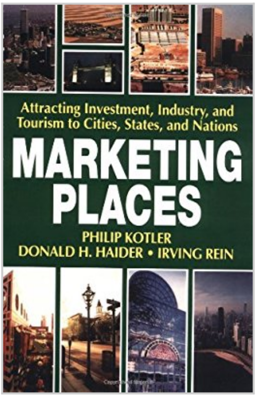

Marketing Places

By Philip Kotler, Donald Haider, Irving Rein

Marketing Places By Philip Kotler, Donald Haider, Irving Rein

This straightforward guide for effectively marketing places has been the framework for economic development in the 1990s and beyond.

Marketing Places

By Philip Kotler, Donald Haider, Irving Rein

Marketing Places By Philip Kotler, Donald Haider, Irving Rein

This straightforward guide for effectively marketing places has been the framework for economic development in the 1990s and beyond.

Marketing Places By Philip Kotler, Donald Haider, Irving Rein Bibliography

- Sales Rank: #1804410 in Books
- Brand: Brand: Free Press
- Published on: 2002-01-15
- Released on: 2002-01-15
- Original language: English
- Number of items: 1
- Dimensions: 9.00" h x .90" w x 6.00" l, 1.38 pounds
- Binding: Paperback
- 400 pages

Editorial Review

Review
Ashoka Mody Senior Economist, World Bank Full of interesting ideas and case-studies. Calls into question the futility of incentive wars and the need to focus on more fundamental locational features (infrastructures, education) for attracting business.

Raymond D. Horton Columbia University ...Excellent book...fills an important void in the literature on economic development and the application of marketing to cities.

Robert M. Ady President, PHH Fantus Provides hundreds of new ideas for effectively marketing our cities, states, and nations. It is must reading for every private and public official involved in economic development.

Stan Rapp Coauthor, "Great Marketing Turnaround" Every forward-looking Mayor, Governor and civic leader in America must read this book.

George S. Day Director, Huntsman Center for Global Competition and Innovation, The Wharton School of the University of Pennsylvania Each of us has a stake in the effective application of the ideas in this innovative book. The authors give valuable guidance in how to advantageously position places in increasingly demanding and competitive markets.

Richard P. Nathan Director, The Nelson A. Rockefeller Institute of Government This book takes exactly the right point of view -- from the ground up -- in exploring the ways local leaders can make a big difference in creating jobs and stimulating economic growth.

Al Ries Chairman, Trout & Ries Marketing Strategists This book not only forecasts the future, but also serves as a blueprint for those places that want to have a profitable future. It's well-written, well-documented and a must read for the place marketing manager.

About the Author
Philip Kotler is the S.C. Johnson & Son Distinguished Professor of International Marketing at the Northwestern University Kellogg Graduate School of Management in Chicago. He is hailed by Management Centre Europe as "the world's foremost expert on the strategic practice of marketing." Dr. Kotler is currently one of Kotler Marketing Group's several consultants.

He is known to many as the author of what is widely recognized as the most authoritative textbook on marketing: *Marketing Management*, now in its 13th edition. He has also authored or co-authored dozens of leading books on marketing: *Principles of Marketing; Marketing Models; Strategic Marketing for Non-Profit Organizations; The New Competition; High Visibility; Social Marketing; Marketing Places; Marketing for Congregations; Marketing for Hospitality and Tourism;* and *The Marketing of Nations.*

Dr. Kotler presents continuing seminars on leading marketing concepts and developments to companies and organizations in the U.S., Europe and Asia. He participates in KMG client projects and has consulted to many major U.S. and foreign companies--including IBM, Michelin, Bank of America, Merck, General Electric, Honeywell, and Motorola--in the areas of marketing strategy and planning, marketing organization, and international marketing.

Chapter 1

Places in Trouble

At any moment, a large and growing number of places -- cities, regions, and entire nations -- are on the sick list. According to Standard & Poor's, the investment credit rating agency, "almost two-thirds of the 50 states and nearly three-quarters of America's more than 5,000 cities are confronted by a financing gap." In its 1991 annual financial survey of U.S. cities, the National League of Cities found most places to be suffering from an imbalance between revenues and expenditures, which has resulted in layoffs and service reductions.

Bankruptcy may be the ultimate test of a place's sickness. In mid1975 New York flirted dangerously with bankruptcy only to experience enormous recovery following federal assistance and adoption of tough fiscal medicine. Its turnaround from huge deficits to budget surpluses ended in the late 1980s. Then, once again, it experienced a collapse of its core financial service and real estate industries, an out-migration of major employers, rising crime levels, and service reductions.

In 1978 Cleveland defaulted on its debt obligations. Philadelphia had to be refinanced in the early 1990s, while Connecticut's largest city, Bridgeport, sought the refuge of federal bankruptcy laws in 1991. In 1992 California, the nation's largest and most prosperous state, encountered a massive $10 billion budgetary shortfall whose resolution required that public employees be paid with scrip and vendors with IOUs until a vastly reduced state budget was enacted. Place sickness is by no means restricted to the United States. In 1988 the Mayor of Rio de Janeiro declared his city bankrupt. Dating from the late 1950s and the construction of Brazil's new federal capitol, Brasilia, and the shift of financial services and businesses to Sao Paulo, Rio experienced a loss of jobs and tax revenues. Betting recovery on increased U.S. and European tourism, its revival faltered when disillusioned tourists encountered Rio's reputation as a hotbed of pickpockets and assailants.

Sickness includes not only a place's fiscal health but also its economic condition. Nations experience both cyclical and even prolonged periods of poor health -- trade imbalances, rising debt, high inflation and unemployment, and unstable currencies. Entire regions can be chronically depressed -- northern England, western France, southern Italy, and Appalachia here in the United States. Economic weaknesses, commonly measured by loss of population, high unemployment, and falling income and investment, are associated with the fate of a place's particular industries or industry clusters, resources, and products -- oil in the Southwest, autos and machinery in the Midwest, and agriculture in the Farm Belt. In some cases, the fate of regions and places rises and falls with specific industries, while in others industry declines may be more permanently wedded to changes in technology and competition. The East and West coasts experienced the latter in computer, semiconductor, and aerospace-defense industries.

However, a place's relative sickness or health transcends fiscal and economic measurement. Places are more than budgets and businesses. They are people, cultures, historical heritage, physical assets, and opportunities. Places are ranked, rated, and evaluated today on every conceivable dimension: where to start or locate a business or plan a retirement, where to raise a family or look for a spouse, where to plan a vacation, hold a convention, or have a meal. From quality of life considerations to charm, culture, and ambience, the quest for livable, investible, and visitable places is a perpetual search for the new and vibrant, an effort to stay clear of the sullen and depressed.

In this book, we deal with the problems that places face in seeking a better future. Like nations, places can reverse their decline, can experience a rebirth and revitalization through a process of strategic market planning. The Five Tigers of East Asia -- South Korea, Taiwan, Hong Kong, Singapore, and Thailand -- are examples of resurgence where the component parts of strategy, marketing, and planning are concentrated in specific nations. So, too, certain places have reversed their fortunes through concerted planning and skillful execution: St. Paul, Glasgow, Indianapolis, and Baltimore, to name a few cities. Take, for instance the case of St. Louis, which suffered severe decline through the mid-1970s that some thought to be fatal. Fifteen years later, St. Louis bills itself as an urban miracle, a renaissance city in which old commercial buildings have been rehabilitated, vacant houses restored, the downtown rebuilt and revitalized. Its ethnic vitality, historical culture, and architectural splendor have been preserved, and a spirit of rebirth permeates the city and county.

In this book, we draw examples of rebirth and recovery from places throughout the United States, Canada, Europe, and Asia. These include world-class cities and smaller communities, older manufacturing centers and rural backwaters. Places in trouble are not just those whose primary businesses or industries are declining, but all places that may think tomorrow will be much the same as today. The resources, assets, and advantages that certain places enjoy today may not be those that provide the same opportunities a decade from now. This is a book about change and response. It tells how strategic market planning can help prepare places for dealing with an uncertain future.

In this chapter, we set the stage by addressing the following four questions: (1) What is happening to places? (2) Why do places fall into trouble? (3) What are places doing to solve their problems? (4) What should places do to solve their problems?

WHAT IS HAPPENING TO PLACES?

Almost all places are in trouble, but some are in more trouble than others. Their situations fall along a continuum. At the most desperate extreme are places that are *dying or chronically depressed.*They lack the resources on which to launch a recovery. Some are small towns and cities that have lost their major industry or company and are plagued with unemployment, shuttered stores, and abandoned property. People and businesses out-migrate leaving a weakened tax base on which to fund schools, hospitals, and other public services. Crime and drugs take over the life of these places, and further accelerate the decline. East St. Louis, Illinois, and Newark, New Jersey, vividly illustrate these ravaged places. Ultimately, these cities persist only on grants from outside or eventually devolve into partial ghost towns.

There are also *acutely depressed* places that have some potential for revival. Places such as Detroit, Philadelphia, and New York have entered a period of hard times. The bad news is that their debt and problems keep worsening. The good news is that these places possess historical, cultural, and political assets that could support a turnaround if the right leadership and vision emerges.

Other places have *boom and bust characteristics.* These towns and cities are highly sensitive to business cycle movements as a result of their mix of industries and growth companies. In the post-World War II period, Boston lost its textile and shoe industries, both of which fled to the South in search of lower costs. Most of Boston's revival turned on regional service and financial centers surrounded by high-tech industries and growth companies. The Massachusetts Miracle turned into the Massachusetts Mirage as its computer industry collapsed, real estate faltered, and growing service industries experienced retrenchment and downsizing. Energy-exporting states and centers in the Southeast, Texas, and Oklahoma epitomize the boom and bust cycle.

On the brighter side are some places that have undergone *healthy transformations.* These places invested heavily to create new conditions to improve their attractiveness. Indianapolis billed itself as the amateur sports capital of the nation. Baltimore launched an ambitious waterfront development and cleanup program that greatly revived its prospects. Glasgow, Scotland, turned itself from a gritty manufacturing city into an exciting European art capital. And according to one observer of St. Paul, Minnesota, "Some fifty years ago a national magazine described St. Paul as having already 'grown up, prospered, and died.'" This report of St. Paul's death turned out to be greatly exaggerated.

Finally, some places deserve the title of the *favored few*. They enjoy strong financial health and continue to attract tourists, new residents and business people. Some places have done this for centuries: Venice, Florence, Paris, and Vienna. In the United States, such places as Santa Fe, New Mexico, and Santa Barbara, California, qualify, as well as San Francisco and San Diego. Still, even these favored few face problems: pollution, congestion, water shortages, and other modern scourges. Their problem is not to find new ways to grow but quite the opposite, to prevent unmanaged growth from destroying their assets.

WHY DO PLACES FALL INTO TROUBLE?

Whatever economic circumstances a place finds itself in, it inevitably evolves into new circumstances. Every place is subject to *internal growth and decline cycles* as well as to *external shocks and forces beyond its control.* We examine these two change forces next.

Internal Forces Leading Places into Trouble

Many places experience a period of growth followed by a period of decline, which might repeat itself several times. The growth period inevitably ends, because growth lays the seeds of its own destruction. The decline period may also end, but for a different set of reasons. The processes underlying growth and decline dynamics can occur independent of the state of the business cycle, although they may be accelerated by sudden changes in the economic climate.

Figure 1-1 illustrates a well-documented *city growth dynamic.* Imagine a city that is initially attractive. It might be blessed with expanding industries, have an exceptional climate or natural beauty, and might have a remarkable historical heritage. Assuming that job opportunities are strong and the quality of life is appealing, this city inevitably attracts new residents, visitors, business firms, and investment. The inward migration of people and resources raises housing and real estate prices and strains the existing infrastructure and social service budget. The city typically raises taxes on residents and businesses to pay for the needed expansion of transportation, communication, energy, and social resources. Some residents and businesses begin to move out of the city boundaries to lower their costs, thus reducing the tax base. Thus the very state of being an attractive place may unleash forces that ultimately unravel the place's attractiveness.

> Orlando was a peaceful, sleepy city before the arrival of Disney. Today, the fastest growing city in America finds itself expanding at rates it cannot control. The downtown has never really developed, natural beauty is seriously curtailed by malls and developments, and traffic is snarled. The need for schools forces children into large classes and trailers. Another attractive city, Seattle, is now facing traffic gridlocks and pollution concerns. The city recently instituted strict downtown building regulations to stem the onslaught of new companies and new residents moving up from Los Angeles in search of a more affordable life-style.

As a place begins to lose its attractiveness, forces are released that worsen the situation (see *city decay dynamics* in figure 1-2). A major company or industry in the town might falter or exit due to business mismanagement, an eroding community infrastructure, the onset of a general recession, or lower costs elsewhere. Business profits and jobs decline. Real estate prices fall. Infrastructure deteriorates. These developments accelerate the outward migration of residents and businesses and cause a sharp drop in tourism and convention business. Banks tighten credit, causing an increase in bankruptcies. Joblessness leads to more crime and drugs, and social needs increase. The city's image becomes further tarnished. The government raises taxes to maintain or improve infrastructure and meet social needs. But the higher taxes only accelerate the out-migration of resources.

> Philadelphia has passed through this decay dynamic. The city reached a high point in 1976 with the celebration of the Bicentennial of the Signing of the Declaration of Independence. The city freshened its historic district, its citizens had a positive attitude, and tourists flocked to Philadelphia. During the 1980s, a building boom further revitalized its downtown. At the same time, rising city taxes and inefficient city government led many middle-class residents to flee to the suburbs, leaving behind a lower tax base to support a growing disadvantaged population facing problems of crime, homelessness, drugs, and AIDS. Further tax increases only drove more residents and companies out of the city. The city's Moody credit rating fell, pushing the city into issuing lowerquality junk bonds and raising its borrowing costs. Meanwhile, Philadelphia spent energy trying to wrest more grant money from the state's treasury. Union contracts prevented the city administration from reducing the number of city workers. By 1990, Philadelphia faced a $229 million deficit and the prospect of bankruptcy, which simply meant that "the government may come to a standstill....Trash pickup, cops, fire -- all would stop.

Smaller cities and towns are also prone to decline. They often find themselves too dependent on one main source of revenue; when it dries up, so does the place. Young people move away after their high school graduation, and the place starts to resemble a retirement community.

> The small town of New York Mills, Minnesota, (pop. 750) is in gradual decline. As early as the mid-fifties, the town leaders, seeing the loss of vital trade activity to larger towns, formed a boat company around an aluminum designer. The Lund Boat Company was a hit and the town population stabilized and began to grow. A large trailer park prospered and new homes were built on the outskirts. In the next two decades, the town began to slip in population again as the creamery closed and all but one car dealer moved out of town. In addition, a new highway now circled the town and residents found it easier to shop at the new Pamida discount store thirteen miles out of town. The town leaders wanted to remake the main street into a Finnish theme town, but years of argument never convinced the citizens. The town sits in a precarious position. A good place to live, but not unlike the ghost town of Heinola, a few miles to the west, New York Mills faces possible extinction.

External Forces Leading Places into Trouble

Places are also shaken by major forces in the external environment over which they have no control. The major forces upsetting the economic equilibrium of communities are rapid technological change, global competition, and political power shifts.

RAPID TECHNOLOGICAL CHANGE. Technological advances unleash the most potent changes in the way people live, work, travel, and communicate. Nineteenth-century America was an agricultural economy, operating basically on rudimentary human and mechanical power. Twentieth-century America became a manufacturing economy, operating on sophisticated mechanical and electrical power. In moving into the twenty-first century, the United States will be a knowledge and service society, operating primarily on electronic and computer power.

Technological advances inevitably hurt some industries in a process that economist Joseph Schumpeter called "creative destruction." The invention of the automobile made horses and carriages obsolete; on the other hand, it also led to superhighways, gasoline stations, drive-in restaurants and movies, and the explosive growth of the oil industry. Advances in oil refinement in turn led to new synthetic products such as nylon and rayon, which in turn depressed the demand for cotton and wool, permanently injuring those states dependent on producing natural fibers. Technological advances in communication, transportation, and manufacturing, exemplified by microelectronic advances, have become a driving force in the world economy. A decade ago, the United States generated three-quarters of the world's scientific information; today this is down to 50 percent, and is likely to be halved again over the next decade. Most of the new jobs being created are in the "thoughtware sector" which includes computer software, finance, education, medicine, telecommunications, engineering services, data base development and dissemination, innovative forms of distribution, innovative insurance, new forms of hospital management and waste collection. Science and technology drive the marketplace, and their applications affect job growth. No wonder governments have assumed new responsibilities for promoting, encouraging, financing, and generating new technology and its applications.

Places are now beginning to feel the full impact of the revolution in technology and communication. Fax machines, hand-held computers, and teleconferencing allow companies to move to places with lower costs or more attractive working conditions. The old notion that Manhattan is finance, Los Angeles is film, and Detroit is automobiles is no longer valid. Financial services have recently moved to New Jersey and Kansas City, film production to Orlando and Czechoslovakia and automobile manufacturing to Tennessee and Mexico.

> The automobile industry in America had no foreign plants thirty years ago. The Japanese, to avoid quotas and to take advantage of local market factors, built a large number of factories in America. The Japanese plants -- some built in partnership with American manufacturers -- feature rural locations, nonunion workers, and state-of-the-art manufacturing processes. The American automobile industry is now being rebuilt by outside money and the outsiders are changing the face of the communities in which they build.

GLOBAL COMPETITION. In the nineteenth century, competition in America was mainly local and regional, given the underdeveloped state of transportation and communication. Competition became more global in twentieth-century America, especially in the 1970s. In this last decade of the twentieth century, a dominant factor in any community's life is the emergence of a global economy and its consequences for the local economy and the quality of life. Previously self-contained local, regional, and national economies are being transformed into interdependent parts of an integrated world economy. As a result, global economic competition is combining with vast improvements in global communication, transportation, and finance to accelerate the pace, the intensity, and the scope of economic and social change, even in the smallest and most remote places.

In our new world economy, every place must compete with other places for economic advantage. Various communities launch drives to attract business firms and industrial plants, corporate and divisional headquarters, investment capital, tourists and conventioneers, sports teams, and so on, all of which promise increased employment, income, trade, investment, and growth.

No longer are places merely the settings for business activity. Instead, every community has to transform itself into a seller of goods and services, a proactive marketer of its products and its place value. Places are, indeed, products, whose identities and values must be designed and marketed. Places that fail to market themselves successfully face the risk of economic stagnation and decline.

Thus, the old realities of business cycles are now joined by the new realities of global competitive pressures.

Nor are state-run economies spared the pressures of competition. Indeed, at the close of the twentieth century, communist economies, having labored for decades under socialist ideology, closed markets, and centralized planning, are desperately trying to stave off national bankruptcy, seeking to move toward a market or mixed welfare state/market type of economy. Nations, as well as cities, states, and regions, need to map out place investment strategies to carry them successfully into the twenty-first century.

The United States and other nations have entered into a new economic era. Older economic theories, models, and measurements designed for the industrial, smokestack era have lost their utility in explaining this new era. The policymaker's faith in various monetary and fiscal prescriptions has been shaken by the simultaneous rise of inflation and unemployment. The Keynesian consensus that served decision makers during much of the twentieth century has weakened in an era of independent economies. In the new era, few of the old road maps and compasses are of help in correcting an economic disorder. Table 1-1 contrasts the key differences between the old and the new economic eras. Places whose industries and firms operate according to the old economic era concepts are headed for hard times.

All places are intimately affected by the new global forces. Consider the following:

* Between 1983 and 1988, the U.S. Bureau of Labor Statistics estimated 10 million workers lost their jobs due to plant closings and layoffs, mostly related to foreign competition. On average, any given place is likely to lose one-half of its jobs over a ten-year period as jobs come and go, are redefined or reclassified. This means that simply to stay even in employment figures, places must replace one-half of their current jobs every decade. Such change increases the pressures on communities to retain current businesses and attract new ones.
* More than 80 percent of U.S.-produced goods compete with foreign products, double the amount from 1970, while goods purchased by Americans from abroad more than doubled since 1970. Gone is the narrow, isolated market for products; this means that firms, large or small, must think in export terms and about foreign competition. Communities must urge their companies to undertake exporting to earn foreign exchange to pay for the growing amount of foreign imports.
* There has been a notable shift in the source of new jobs, according to the economist David Hale. The last decade saw a downsizing of large businesses, an explosive growth of new companies, and a spiraling growth of self-employed. Since 1980, America's 500 largest companies have lost more than four million jobs, while small businesses have created 20 million new ones. Promoting small business would call for reversing an earlier emphasis on large business retention and attraction. If small business constitutes the engine of the job generation process, then places should promote those things that facilitate small business growth: entrepreneurs, commercialization of new technologies, research parks and business incubator centers, incentives for small business, and attracting venture capital. In the 1990-92 recession, small business formation slowed because of new restrictions and higher costs, which hampered new job growth.
* Businesses increasingly think of the advantages of international locations rather than domestic locations alone, giving rise to joint ventures, sourcing abroad within a production chain, and worldwide integration of research, development, purchasing, production, and marketing activities. Nearly one-half of the world's exports of nonagriculture products originate in companies that are units in a multinational network, and nearly one-quarter of these exports consist of exchanges among units of individual multinational firms. Businesses are footloose, more capable than ever of adjusting to changes in their environment, far more than are places.
* The increased mobility of businesses has contributed to much ac-celerated job turnover and employment mobility. Gone are job security, the notion of several decades with a single employer, and a gold watch at age 65 retirement. Today, an estimated one in five people leaves his or her job each year -- more than 20 million job turnovers -- due to retirement, to layoffs, to job reclassification. Competitive forces have transformed the world of work and business investment in worker training. Training costs are being driven by a shrinking product life cycle, technical job requirements, and middle management downsizing.

Accordingly, PHH Fantus projects that by the year 2000 it will cost $20,000 to train a new hire for manufacturing firms opening a new U.S. plant.

INTERGOVERNMENTAL POWER SHIFTS. Technological advances and global competition have given rise to extensive debates at all government levels -- city, state, and nation -- about the appropriate role of government intervention into troubled places and industries. Marketplace shifts and changes have occurred at a rate far faster than government's capacity to respond. The unceasing globalization of markets has produced at least three different camps on the role of government. One group -- the *protectionists* -- favor high tariffs and quotas to protect America's established industries and places -- usually the declining industries-from losing jobs to foreign competitors. A second group -- the *government activists* -- want the government to engage in active industrial policy to define and assist those growth industries deemed to constitute America's best future. A third group -- the *free traders* -- want the government to steer clear of both protectionism and industrial policy, leaving the sorting out to the market.

U.S. policymakers in the 1970s debated whether there should be greater federal government interventions into the marketplace to aid ailing places and industries and to abet new industries. By the late 1980s, however, such discussions not only diminished as a result of federal resource constraints and large federal deficits but more practically were also overtaken by realization of the great difficulties of identifying future growth industries in such a rapidly changing world economy. In the wake of the 1990-1992 recession, industrial policy had returned again under the rubric of "growth policies for the 1990s" with the prospect that it again would be widely debated.

Greater openness of the U.S. economy, a high degree of capital mobility, and flexible exchange rates, have altered the effectiveness of macroeconomic policies on the domestic economy. U.S. policymakers readily acknowledged that policies could no longer be set independently of our major trading partners and creditors. Harvard's Robert Reich, a prominent industrial policy advocate in the 1970s, belatedly acknowledged this change, noting that the nation-state has become obsolete in its capacity to micro-manage state and localities' economic adjustments and is too large to do so effectively.

A new view about the federal government's responsibilities for helping local economies grew during the Reagan administration. In the 1960s the federal government assumed greater fiscal and programmatic responsibility for states and localities. Beginning in the late 1970s direct federal fiscal assistance for these governments has been reduced, making these governments more responsible for generating funds for schools, health, and various social services. Gradually, many communities found themselves with insufficient financial resources to support many of their public services -- a condition worsened by the 1990-92 national recession.

The main point is that places have been heavily affected by external forces related to rapidly changing technologies, global competition, and intergovernmental power shifts. Not only must communities respond effectively to these threats but they must also do a better job of anticipating their occurrence.

WHAT ARE PLACES DOING TO SOLVE THEIR PROBLEMS?

Troubled places are responding to these developments and changes in a variety of ways. A few do nothing because they lack leadership or are resigned to their fate. Most of them scramble for more resources, thinking that money is the solution to their problems rather then diagnosing their problems from a systematic perspective. These towns and cities lobby their state governments for bailout money. Some issue more bonds and raise taxes. Eventually, they try to cut local government costs: they slow down payment of their bills, they dismiss city workers, and in some more recent cases, they start privatizing public services to save money.

Beyond the effort to husband their financial resources, many communities roll out aggressive programs to attract industry and tourists. Their local chambers of commerce and economic development agencies hunt down leads of possible businesses they might attract with handsome inducements. Today the states of New Jersey and Connecticut keep raiding New York City for corporate headquarters, factories, investments, visitors, and tourists. The states of Wisconsin, Indiana, and Michigan compete vigorously to attract Chicago-area residents as summer vacationers. South Dakota successfully competed with Minnesota to attract meat processing plants and service facilities to its area. Kentucky competed successfully with several other American states, using tax abatements and other business incentives, to convince a Japanese auto manufacturer to build its new auto plant there. Less successfully, a number of California municipalities failed in their bid to attract a major new technology research center; instead, a consortium of corporations in the semiconductor field decided to locate their major new research and development facility in Austin, Texas. The escalating competition between states for business attraction has the marks of a zero-sum game or worse, a negative-sum game, in that even the winner ultimately becomes the loser.

Communities are also working hard to prevent their current businesses from exiting in search of lower-cost labor or taxes or higher inducements. Witness New York City's efforts to retain its businesses:

> Dateline, New York City, November 1988: In the wake of losing corporate headquarters -- Union Carbide, 1980 (4,000 jobs); J. C. Penney, 1987 (4,000 jobs); Mobil (1,600 jobs)and more than 10,000 back office jobs of such major financial institutions as Merrill Lynch; Bankers' Trust; PaineWebber; and Donaldson, Lufkin and Jenrette -- New York City offers Chase Bank a record $235 million in financial rewards over 25 years to move 5,000 workers to Brooklyn rather than to Jersey City. To match the lower costs and other advantages offered by competing areas, NYC has developed the art of high-stakes deal making for the purpose of business retention; $50 million for Shearson Lehman (1984); $100 million for NBC, (1987); $85 million for Drexel Burnham (1988); and a yet to be disclosed amount for Citicorp (1988). Henceforth, any company, large or small, currently located in New York City, that moves above 96th street in Manhattan or to the city's four other boroughs, according to city policy, will have a standing offer to negotiate a retention package.

Communities also compete by financing some expensive attractions to the area that might make it a stronger tourist or business destination.

The assumption is that if something works in place A, it is likely to work in place B. Designing downtown pedestrian shopping malls or riverfront festival markets, sports stadiums, museums, research parks, and convention centers are a few examples of what often has come to be regarded as panaceas for troubled places. This approach is generally characterized by piecemeal, ad hoc actions, that seek a single solution for multifaceted problems. Unfortunately, many of these ad hoc investments produce more expense than income. Memphis, Tennessee, started building a Great American Pyramid to house its sports arena but today is left with a cavernous thirty-two-story pyramid that stands vacant except for a basketball arena. Consider Flint, Michigan's abortive effort at revitalization:

> Flint, Michigan, found itself in a deteriorating condition in the 1980s. General Motors (GM) chose to close plant production as their sales declined. While still the city with the most GM employees, the city officials needed to rethink Flint's future. One plan called for remaking Flint as a short-trip destination for midwesterners looking for a weekend of entertainment. The city financed a giant theme park called Autoworld. In addition a new Hyatt Hotel was constructed and some renovations to the downtown shopping area were undertaken. It all sounded good,

> but quickly failed. Autoworld was a pale imitation of Disney. The hotel and shopping improvements were too thin to present an image of a real transformation. And the surrounding deteriorated areas turned off visitors. The hotel ultimately closed down. Downtown Flint today consists of mostly shuttered stores, and a few bars and X-rated movie theaters. Flint's troubles were dramatized in Michael Moore's *Roger & Me,* a pseudo-documentary film that basically trashed GM's treatment of Flint and Flint's inept response to its crisis.

Along with these moves, places intensify their communication expenditure and image making. The communities try to float positive stories and ads, and prevent negative news stories describing their plight. These communities think they are carrying out marketing programs, when in fact they are only undertaking promotion programs. Marketing provides a more comprehensive problem-solving framework, of which promotion is only a small part.

A few communities respond to their crisis by undertaking serious *market-oriented strategic planning.* They appoint a top-level commission of public and private citizens who evaluate the community's troubles and their underlying causes, examine the place's current and potential opportunities, and establish a long-term vision of what the community can be and achieve in the long run. They recognize that a community is an *export-import center* and that the community's survival, if not prosperity, depends on figuring out what it can produce and export to earn enough revenue to buy the products and services that it must import from elsewhere.

Few cities had more problems than Cleveland in the 1970s. The lasting image was of a city besieged by incompetent leadership, fiey are carrying out marketing programs, when in fact they are only undertaking promotion programs. Marketing provides a more comprehensive problem-solving framework, of which promotion is only a small part.

A few communities respond to their crisis by undertaking serious *market-oriented strategic planning.* They appoint a top-level commission of public and private citizens who evaluate the community's troubles and their underlying causes, examine the place's current and potential opportunities, and establish a long-term vision of what the community can be and achieve in the long run. They recognize that a community is an *export-import center* and that the community's survival, if not prosperity, depends on figuring out what it can produce and export to earn enough revenue to buy the products and services that it must import from elsewhere.

Few cities had more problems than Cleveland in the 1970s. The lasting image was of a city besieged by incompetent leadership, financial failure, civil worker strikes, and a hopeless school system. The citizens, finding themselves unable to attract new companies or tourists, launched the New Cleveland campaign. "The campaign had three objectives:

* To identify and document Cleveland's strengths and continuing development
* To communicate these matters in a credible, creative, and effective manner commensurate with the quality of the city itself
* To restore and enhance local, regional, national and international confidence in Cleveland."

The city's business and public leaders supported new construction in the deteriorating downtown area. They invested in infrastructure improvements in transportation and access. Cleveland broadcasted its revitalization story using direct mail, booklets, and newsletters, all targeted to specific opinion leaders and buyers. As a consequence of these and other initiatives, Cleveland's marketing program won All-American city honors in both 1982 and 1984. Even more significantly, public opinion began to turn in favor of Cleveland as new business moved in and citizens gained confidence and exuded a positive attitude about their city's future prospects.

WHAT SHOULD PLACES BE DOING TO SOLVE THEIR PROBLEMS?

A central proposition of this book is that marketplace shifts and changes occur far faster than a community's capacity to react and respond. Buyers of the goods and services that a place can offer (i.e., business firms, tourists, investors, among others) have a decided advantage over place sellers (i.e., local communities, regions, and other places that seek economic growth). The challenge of place marketing is to strengthen the capacity of communities and regions to adapt to the changing marketplace, seize opportunities, and sustain their vitality.

This book presents a flesh approach -- called *strategic place marketing* -- for the revitalization of towns, cities, regions, and nations. Strategic marketing calls for designing a community to satisfy the needs of its key constituencies. Place marketing succeeds when stakeholders such as citizens, workers, and business firms derive satisfaction from their community, and when visitors, new businesses, and investors find their expectations met. Place marketing, at its core, embraces four activities:

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

The major elements in strategic place marketing are shown in figure 1-3. The initial task is to organize a planning group made up of citizens, business people, and local and regional government officials. This planning group validates the importance of collaboration between the public and private sector and the need to involve all stakeholders in shaping a place's future. The planning group's charge is threefold: First, it must define and diagnose the community's condition, its major problems, and their causes. Second, it must 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. Third, it must develop a long-term plan of action involving several intermediate stages of investment and transformation.

The long-term solution involves improving four major marketing factors found in every community: First, it must assure that basic services are being provided and infrastructure maintained to the satisfaction of its citizens, businesses, and visitors. Second, the place may need new attractions to improve the quality of life to sustain current business and public support and to attract new investment, businesses, or people. Third, the community needs to communicate its improved features and life quality through a vigorous image and communication program. Finally, the place must generate support from its citizens, leaders, and current institutions for making the place hospitable and enthusiastic about attracting new companies, investment, and visitors to its community.

These four marketing factors, in the final analysis, affect the place's success in attracting and satisfying its five potential target markets: goods and service producers, corporate headquarters and regional offices, outside investment and export markets, tourism and hospitality business, and new residents.

The fortunes of places depends in the final analysis on the collaboration of the public and private sectors -- teamwork among governmental units, business firms, voluntary and civic associations, and marketing organizations. Unlike purely business or commercial product marketing, place marketing requires the active support of public and private agencies, interest groups, and citizens.

A place's potential depends not so much on a place's location, climate, and natural resources as it does on its human will, skill, energy, values, and organization. For a place to succeed, it must be able to carry out the following fundamental tasks:

1. Interpreting what is happening in the broad environment.
2. Understanding the needs, wants, and behavior choices of specific internal and external constituencies.
3. Building a realistic vision of what the place can be.
4. Creating an actionable plan to complement the vision.
5. Building internal consensus and effective organization.
6. Evaluating at each stage the progress being achieved with the action plan.

CONCLUSION

No two places are likely to sort out their strategies, use their resources, define their products, or implement their plans in the same way. Places differ in their histories, cultures, politics, leadership, and particular ways of managing public-private relationships Accordingly, places have to acknowledge that there are no simple panaceas, doctrinaire prescriptions, or magical elixirs. Instead, place marketers are guided by an amalgam of economic theories, demographic and industrial trend forecasts, and political understanding, case examples, and practical experience. We believe that *strategic place marketing* is the most adaptative and productive approach to the problems of places.

Users Review

From reader reviews:

Jose Anderson:

The e-book untitled Marketing Places is the guide that recommended to you to learn. You can see the quality of the book content that will be shown to an individual. The language that author use to explained their ideas are easily to understand. The copy writer was did a lot of analysis when write the book, and so the information that they share to you personally is absolutely accurate. You also can get the e-book of Marketing Places from the publisher to make you far more enjoy free time.

Donna Casey:

The publication with title Marketing Places includes a lot of information that you can discover it. You can get a lot of gain after read this book. This kind of book exist new information the information that exist in this guide represented the condition of the world today. That is important to yo7u to find out how the improvement of the world. This book will bring you within new era of the internationalization. You can read the e-book on your smart phone, so you can read the idea anywhere you want.

Rubye Carter:

Beside this particular Marketing Places in your phone, it can give you a way to get nearer to the new knowledge or information. The information and the knowledge you might got here is fresh in the oven so don't possibly be worry if you feel like an aged people live in narrow small town. It is good thing to have Marketing Places because this book offers to you readable information. Do you often have book but you don't get what it's facts concerning. Oh come on, that would not happen if you have this with your hand. The Enjoyable arrangement here cannot be questionable, like treasuring beautiful island. Use you still want to miss the idea? Find this book in addition to read it from now!

June Weiss:

A lot of book has printed but it takes a different approach. You can get it by web on social media. You can choose the very best book for you, science, witty, novel, or whatever simply by searching from it. It is identified as of book Marketing Places. You'll be able to your knowledge by it. Without leaving behind the printed book, it could possibly add your knowledge and make an individual happier to read. It is most crucial that, you must aware about publication. It can bring you from one spot to other place.

Download and Read Online Marketing Places By Philip Kotler, Donald Haider, Irving Rein #U2HRCPJDO05

Read Marketing Places By Philip Kotler, Donald Haider, Irving Rein for online ebook

Marketing Places By Philip Kotler, Donald Haider, Irving Rein Free PDF d0wnl0ad, audio books, books to read, good books to read, cheap books, good books, online books, books online, book reviews epub, read books online, books to read online, online library, greatbooks to read, PDF best books to read, top books to read Marketing Places By Philip Kotler, Donald Haider, Irving Rein books to read online.

Online Marketing Places By Philip Kotler, Donald Haider, Irving Rein ebook PDF download

Marketing Places By Philip Kotler, Donald Haider, Irving Rein Doc

Marketing Places By Philip Kotler, Donald Haider, Irving Rein Mobipocket

Marketing Places By Philip Kotler, Donald Haider, Irving Rein EPub

U2HRCPJDO05: Marketing Places By Philip Kotler, Donald Haider, Irving Rein