# **Chapter One: Introduction**

City marketing has emerged since the late 1980s as an important policy for practitioners involved in place management and development, including both local government and non-governmental organisations. This development marks a substantial shift in the practice of local economic development (LED), but it also has wider implications in terms of how cities and regions are more broadly managed by institutions of local governance. The term city marketing, for instance, immediately brings up connotations of organisations being entrepreneurial, business-like and market driven. Indeed, Harvey (1989) links the growth of entrepreneurial and competitive approaches within the local state to a wider transition of capitalism characterised by the shift from Fordism to a regime of flexible accumulation.

Although city marketing is not necessarily a new activity (Ward, 1995), the context of rapid globalisation and fierce international competition for mobile investment does mark out this contemporary period of restructuring of the local state for special attention by geographers. With the success of image campaigns in big cities, such as Glasgow (e.g. Boyle, 1995; Paddison, 1993), many academics argue that the use of city marketing and promotion has quickly disseminated throughout the local state to address a range of LED issues (Ashworth and Voogd, 1990; Kearns and Philo, 1993; Kotler *et. al*, 1993; Smyth, 1994). Attracting investment in commercial property development, urban tourism, leisure, shopping, housing and culture industries, have all become objectives of city marketing in addition to the enticement of mobile manufacturing capital into urban environments (Lovering, 1993).

The projection of the "right" image can improve the city's marketability within the global economy. Marketing can also fulfil other functions, apart from image management, to support the rejuvenation of cities. Marketing can maintain business confidence and help

create the conditions for continued investment in the built environment. Marketing can raise awareness of place and in doing so it can stimulate consumer, shopper, and tourist expectations. Creating the "right" image involves increasingly sophisticated marketing strategies, advertising campaigns, market research and "product development" (Bianchini *et. al.*, 1992; Smyth, 1994). A tour of British cities today will reveal a vast number of construction sites and completed projects that are part of a new urban landscape. Where once stood cotton-mills, factories and warehouses, now stands festival shopping arcades, event arenas, conference and exhibition centres, sports facilities, concert halls, and cultural quarters. Even the polluted 19<sup>th</sup> century industrial canals are now termed "waterfront" sites, to be packaged and sold to developers.

As such approaches have become dominant in LED it is argued that the local state is abandoning its commitment to indigenous social welfare needs in favour of competitive growth strategies often termed the new urban entrepreneurialism (e.g. Harvey, 1989). Consequently the growth of city marketing is taken to be indicative of local restructuring processes, which are said to have transformed the local state from managerialism to entrepreneurialism.

Unfortunately the geographical research on city marketing has a rather unclear understanding of marketing within the context of LED. First, city marketing remains a somewhat broadly defined term, which is used rather loosely within the literature to describe a range of activities, from very basic advertising and promotion to substantial long-term strategies for urban renewal (Millington *et. al*, 1997b). Given that it is such a poorly understood term, can it be assumed, therefore, that city marketing is necessarily indicative of the wider restructuring of the local state? This critical point leads to a second key question, which is the extent to which the pursuit of city marketing can be seen as exclusively an

entrepreneurial growth strategy. From a limited number of case studies of big cities geographers have made some quite considerable claims about the nature of city marketing which have led them to surmise that the growth of the entrepreneurial state is an all encompassing process which is an essential element of wider structural change.

This argument is weak for two main reasons. First, supporters of the entrepreneurial thesis have blatantly ignored diverse policy outcomes from within the local state during this current phase of restructuring. Certainly global processes have had a fundamental impact on many localities, but LED strategies may have developed under variable national and local conditions to produce multiple forms of city marketing and urban entrepreneurialism. Second, that many assumptions about city marketing and the local state are based on a deep misunderstanding of marketing concepts and practice. Often there is conflation of urban entrepreneurialism and marketing, and marketing and promotion with little discussion in the literature on how these concepts need to be conceptualised as clear analytical categories. Drawing on empirical research gathered from a national survey of local authorities and casestudy interviews, this thesis challenges assumptions about city marketing as a tool of LED in the UK. On a broader note this thesis also questions the relationship between global, national and local restructuring and the role city marketing plays in this process. This leaves fundamental questions unanswered regarding the extent that contemporary approaches to LED are necessarily entrepreneurial and whether local government can really think and act like a business. The main aims of this thesis, therefore, are: to identify the extent and depth of city marketing practice in the UK; to show how policy makers make sense of and apply marketing concepts at the local level; and to evaluate the extent to which there has been a transformation to a new entrepreneurial culture within the local state (by using city marketing as an indicator of urban entrepreneurialism and implicitly to evaluate the extent city marketing indicates entrepreneurialism).

Chapter Two provides a review of the literature on city marketing. First, this includes a discussion of definitions of city marketing. Second, this chapter argues that the nature of city marketing remains a poorly understood concept by geographers. An important criticism of the geographical literature on city marketing is that is has ignored geographically diverse policy outcomes from within the local state and how local differences in the nature of city marketing can contribute to variable strategic objectives and targets. Of central importance to this thesis, therefore, is the need to identify factors that account for this diversity. The third major section of the chapter then discusses the relationship between city marketing and the restructuring of the local state. The development of successful city marketing strategies is often cited as evidence of local state restructuring from a managerial to an entrepreneurial mode of governance. This chapter, however, will argue that given the generalised nature of city marketing in the literature, we should also begin to question the nature of urban entrepreneurialism. Geographers, however, need a more powerful tool for interpreting the links between urban entrepreneurialism and the restructuring of the local state. implication for research is that by revealing the processes and concepts involved in the practical application of city marketing strategies, geographers could reveal a deeper insight into the new practices and values that are said to permeate contemporary local governance in Britain.

Chapter Three describes and evaluates the methodological approaches and research techniques used within this thesis. First, this chapter reviews the main issues and themes arising from the literature review and translates these broad themes into achievable and practical indicators to assist data collection. These include qualitative indicators such as speculation and risk taking, competition and external orientation, and a strong customer or market focus within the local state. This chapter justifies the need to incorporate qualitative field techniques to examine these issues. Through qualitative analysis of interview material,

the research will explore the extent to which there has been a shift to a new entrepreneurial culture within local government in the UK. The chapter then provides an overview of the range of data collection techniques available before evaluating the two main methodologies employed to undertake the study. The first stage of the research is based on a postal questionnaire survey of marketing practice within urban districts in the UK. The second stage incorporates a multiple case study approach and is based on findings from semi-structured interviews with key informants within selected localities. The second stage forms the core of the research by comparing and contrasting local experiences of marketing for LED. The chapter then discusses the main procedures adopted for the analysis of both the postal survey and interview data. The concluding section of the chapter evaluates data quality including the measures taken to protect the "reliability" and "validity" of data. This section also addresses a number of ethical issues concerning research into political elites, including positionality and representation.

The main purpose of Chapter Four is to examine the extent and depth of city marketing practice in the UK. This chapter addresses a key criticism of the geographical literature, namely that the analysis of promotional products of city marketing provides us with only superficial evidence of the restructuring of the local state. First, it identifies broad trends in city marketing policy formation and implementation. Second, by taking "marketing" to mean a much wider concept than advertising, selling and promotion, this chapter explores the marketing competencies of local authorities, including the nature of delivery mechanisms for city marketing, along with the development of marketing skills and resources within the local state. The findings presented here highlight some important directions in city marketing activity and raise a number of issues and concerns that are addressed in the subsequent chapters. In particular, the postal survey findings presented here indicate serious deficiencies in the quality of marketing practice within UK local authorities.

Chapter Five examines the origins of city marketing within each case study area and identifies factors that account for its implementation and development as a tool of LED. Importantly this chapter reveals the views of local practitioners themselves and so the findings represent themes and issues grounded in empirical observation. This chapter argues that the marketing mind-set of practitioners is varied and complex, which has led to the pursuit of a range of strategic objectives, which are not necessarily concomitant with the rise of new urban entrepreneurialism. This chapter, therefore, poses wider questions about what is meant by entrepreneurialism and how it is mediated by place specific and local organisational factors.

Chapter Six examines how practitioners understand city marketing. Describing and understanding the features of city marketing within local authorities has been a neglected area of study, even though a commitment to marketing should engage the local state, to a greater or lesser extent, in practices and values associated with the new urban entrepreneurialism. Taking guidance from the Marketing Science literature, therefore, this chapter analyses city marketing within a wider organisational context, which focuses on the management philosophy of practitioners, and how and why this may vary spatially. By revealing the processes and concepts involved in the application of city marketing at the level of the local state this chapter aims to evaluate the new practices and values that are said to permeate contemporary British urban governance. This chapter, therefore, focuses particularly upon issues related to organisational structure and change within each case study area. Finally this chapter considers the wider reform of local government in the UK and its impact on the character of the local state. In doing so, this chapter identifies geographical contingencies to explain the diversity of institutional responses to the pressures created by reform and restructuring.

Chapter Seven provides a summary of critical issues identified in the literature review of city marketing and then makes conclusions regarding the main aims of the project. Second, this chapter qualifies the main findings of the research by evaluating the strength of the conclusions. The third section identifies possible directions for future research on city marketing. The final section reiterates in summary form the key contribution to knowledge of the whole research project.

# **Chapter Two: Review of literature on city marketing**

This chapter will define city marketing and then it will describe and account for its growing importance in LED, both within the global and British contexts. Many geographers refer to a generalised notion of city marketing across the developed world, whilst simultaneously ignoring geographically diverse policy outcomes from within the local state. This chapter critiques the geographical literature for ignoring these local differences in the nature of city marketing strategies in terms of their objectives and targets. There is a tendency in the literature, for instance, to imply that city marketing is a strategy that is exclusively concerned with re-orientating localities within the global economy. This chapter, however, begins to question the relationship between global, national and local restructuring and the role city marketing plays in this process. The implication for research is that geographers need to understand more deeply how city marketing is understood and practised on the ground. There is a need to identify factors that account for diversity, given that within the local state city marketing remains a poorly defined concept and it is unlikely that any one definition can be applied everywhere.

Drawing on concern that geographers have over-generalised about the nature of city marketing and reduced their definition of marketing to a concept that can only be understood in terms of business, competition and private enterprise, this chapter argues that city marketing is actually a more complicated and diverse practise. For instance, although marketing is principally referred to in a business context, this does not mean it is exclusively concerned with meeting business or economic needs. There is a substantial literature, for example, on social marketing. This chapter, therefore, criticises the literature on city marketing for failing to draw on important concepts from Marketing Science. Geographers have borrowed selectively from this literature to produce limited understandings of

marketing (Kotler *et. al,* 1993) and consequently they have developed unsatisfactory understandings of what city marketing is. There is little research, for example, on how marketing is understood and applied as a wider strategic management framework within the local state. A criticism of the Marketing Science literature on city marketing, however, is that it tends to focus too narrowly on the organisational context in which marketing is practised, whilst ignoring wider place-based factors. The implication for research is that there is a need to develop more informed and in-depth studies of city marketing, which pay greater acknowledgement to concepts in Marketing Science, but are also sensitive to local geographical factors.

Finally this chapter examines the apparent transformation of the local state from managerial to entrepreneurial governance, because the growth of city marketing is frequently seen as a major component of this restructuring process. Briefly, whereas managerialism describes the regulatory function of the state to intervene in and mediate conflicts between capital and labour and promote social democracy and welfare, entrepreneurialism implies a specific role for the local state in producing a flexible regulatory environment conducive to speculative private sector investment and development (Harvey, 1989; Mayer, 1992). Urban entrepreneurialism, therefore, is associated with the re-orientation of the local state toward more outward looking policies and a shift from a concern for social welfare to the promotion of economic growth (Cochrane, 1996; Drucker, 1985, 1986; Harvey, 1989; Lloyd and Meegan, 1995; McGuirk, 1994; Parkinson, 1990). Harvey (1989), for example, identifies a long tradition of urban entrepreneurialism in the USA, where place marketing and civic boosterism are historically ingrained in local government activity.

On first impression the rapid uptake of city marketing within the local state is a concomitant development with the rise of the new urban entrepreneurialism (Harvey, 1989). This refers

to a condition where the local state has become characterised by new institutional practices and values, such as risk taking, a strong customer focus, and a business-like attitude to local economic policy (Hall and Hubbard, 1996). This chapter, however, will argue that given the generalised nature of city marketing in the literature, we should also begin to question the nature of urban entrepreneurialism. Often there is conflation of urban entrepreneurialism and marketing, and marketing and promotion with little discussion in the literature on how these concepts need to be conceptualised as clear analytical categories. This leaves fundamental questions unanswered regarding the extent that contemporary approaches to LED are necessarily entrepreneurial and whether local government can really think and act like a business.

The implication for research is that by revealing the processes and concepts involved in the practical application of city marketing strategies, geographers could reveal a deeper insight into the new practices and values that are said to permeate contemporary local governance in Britain. We need to evaluate the extent to which city marketing is an indicator of entrepreneurialism, as the literature tends to assume. In addition, there is a need to examine whether definitions of entrepreneurialism can be applied everywhere, given that the institutional arrangements that constitute the local state are also likely to vary in composition and outlook over space. Is it the case, for example, that where effective marketing strategies are identified, those local institutions are necessarily entrepreneurial? If not, then is city marketing an appropriate indicator and do we need to identify further measures or indicators of entrepreneurialism? Indeed, is it even useful to say one authority is any more entrepreneurial than another? Fundamentally, if a local authority is not entrepreneurial, then geographers currently lack a theoretical framework to explain why? Until these issues are addressed the transition from managerialism to entrepreneurialism may appear to be overstated and over-generalised.

### 2.1 What is city marketing?

The meanings and the activities involved in city marketing have developed over time and space. Geographers tend to refer to basic marketing activities, such as place advertising, as a local economic policy to attract inward investment or tourism (Barke, 1999; Barke and Harrop, 1994; Burgess, 1982; Dematteis, 1994; Dunn et. al, 1995; Gibson et. al, 2000; Gold, 1994; Goss, 1993; Mills and Young, 1986; Sforzi, 1993; Spooner et. al, 1995; Ward, 1995, 1996). Ashworth and Voogd (1988, 1990, and 1994), however, began to write extensively about the application of city marketing in the context of urban planning. Consequently several academics began to refer to city marketing as a more strategic approach to economic development that involves "product development" or "civic boosterism" (Adams, 1994; Bianchini, 1991; Borchert, 1994; Boyle, 1997; Loftman and Nevin, 1996; Short et. al, 1993; Short 1996; Smyth, 1994). This refers to more sophisticated long term strategies involving large-scale investment in environmental improvements, property development, flagship projects, attractions and "spectacle events", such as major cultural and sporting occasions, to position localities in markets for international business and tourism. City marketing, however, remains a somewhat broadly defined term, which is used rather loosely within the literature to describe a range of activities, from the very basic to substantial long-term strategies for urban renewal (Millington et. al, 1997b).

Within urban settings or environments "city" and "place" marketing are interchangeable phrases. In addition, place marketing is not an exclusively urban activity. Revill (1994), Herbert (1996), Squire (1993), and Wakeman (1996), for example, have each demonstrated how place marketing has been adapted to promote rural development.

The nature and meaning of city marketing also varies geographically. Ward (1995) argues that "place marketing has ... been an integral part of the history of urbanisation in North

America", where city marketing can be traced back to the 19th century with the "selling" of large real estate developments, suburban estates, and even some early industrial cities. In North America city marketing was principally undertaken by the private sector, which used place advertising to aggressively promote new speculative development. In the late 20th century, city marketing in North America largely became a product of LED policy. By the 1960s, for instance, city marketing and civic boosterism had become established and routine practices in US cities (Andreansen, 1972; Bianchini et. al, 1992; Gold and Ward, 1994; Molotch, 1976; Ward, 1995, 1996; Neill, 1995). Civic boosterism continues to be a significant mechanism in the development and allocation of resources to US cities, as cities use marketing to influence the decisions of government on allocation of funding, and private companies with regards to inward investment (Bailey, 1990).

In the UK, Ward (1995) demonstrates that place marketing was pioneered in the promotion of seaside resort towns in the Victorian period. The late 19<sup>th</sup> and early 20<sup>th</sup> centuries saw the development of place advertising within certain industrial towns and cities, such as Manchester (Ward, 1990, 1995). Whereas in North America the private sector has featured strongly in promoting local growth and local government has occupied a relatively small and executive role, in Britain city marketing has fallen mainly within the remit of the public sector (Digaetano and Klemanski, 1993; Harvey, 1985; Molotch, 1976; Pinch, 1994; Ward, 1995). Since the 1970s, however, city marketing has become particularly significant as a policy instrument within the growing number of LED strategies throughout the UK (Barke and Harrop, 1994; Burgess, 1978, 1982; Young and Lever, 1997; Millington, 1994, 1995), although frequently this means nothing more than place advertising and promotion in order to attract inward investment (Ashworth and Voogd, 1990). Wood (1996), however, argues that there has been convergence between Britain and the USA in terms of the context within

which local economic policy is formed and implemented, which implies a shift in city marketing practice from basic place promotion to strategic product development.

Whereas in the USA and UK city marketing is mainly the product of LED policy, in Europe it has been practised within a more holistic and consultative planning framework (Ashworth and Voogd, 1994; Brabander and Gijsbrecht, 1993; Braun et. al, 1994; Buursink, 1995; Camagni, 1993; Coles and Hermann, 1998; Dahles, 1998; Gaido, 1993; Van der Berg, et. al, 1990; Van Limburg, 1998). In the Netherlands, for example, city marketing has involved meeting local priorities and managing growth, such as maintaining services and facilities for existing customers, rather than attracting external resources. Unlike the UK, city marketing in the Netherlands is practised mainly within smaller towns and cities and not major cities such as Amsterdam, The Hague and Rotterdam (Ashworth, 1998, 1999). In Germany, city marketing, or "Stadtmarketing", has a slightly different meaning. In simple terms "Statdmarketing" refers to planning and consultation exercises in town centre management or development (Ludtke and Stratmann, 1996). "Stadt" is a geographical term that really means the city or town centre (Coles and Hermann, 1998). As in the Dutch case, city marketing in Germany is part of a holistic approach to planning, based on "mediation and a collective exchange of views between public and private actors" (Helbrecht, 1994). The aim is to achieve a local consensus for balanced LED. This approach, however, is relatively new in Germany and again is practised less in large cities and mainly in smaller towns facing problems of industrial restructuring. Outside of Germany and Holland, however, there are relatively few studies of city marketing in other European countries.

Unless one considers crude early attempts at place promotion to attract inward investment and the development of speculative or advance industrial premises, there is relatively little evidence of American style city marketing or civic boosterism within European urban governance until the mid 1980s. With successful examples of urban regeneration, such as the remodelling and marketing of Baltimore Harbour, however, city marketing has become more influential in Europe, especially in Britain (Bianchini, *et. al*, 1992; Jacobs, 1990; Judd and Parkinson, 1990). The regeneration and marketing of Baltimore, for instance, was characterised by public-private partnership, leverage planning, pump-priming, flagship projects, waterfront property development and urban spectacle. This model has been replicated in several British cities, for example, London Docklands (Brownill, 1994; Goodwin, 1993; Smyth, 1994).

By examining how city marketing is defined by the literature, this chapter has begun to problematise the term city marketing. For instance, this section demonstrated that city marketing has a wide range of meanings. It is a term used rather loosely in the literature to describe a variety of LED activities, which are undertaken by the local state. This activity also varies historically and spatially. One begins to question, therefore, the usefulness of taking city marketing as an indicator of a general shift in the nature of the local state towards one that is characterised by entrepreneurial governance. By going on to examine more deeply how city marketing has developed within both a contemporary global and specific national context, however, this chapter will elucidate the links between the growth of city marketing and urban entrepreneurialism.

# 2.2 The global context in which city marketing has developed

The internationalisation of trade and production in the late 20th century undoubtedly created radically new structural economic conditions distinguished by the scale and intensity of transnational economic activity (Bennett and Krebs, 1991; Dicken, 1992). Consequently a substantial literature has emerged within geography, whereby it is assumed that under the structural conditions created by globalisation an automatic response of the local state is to

adopt competitive LED strategies, such as city marketing (Harvey, 1989; Hay, 1994; Keating, 1993; Jessop, 1994; Peck and Tickell, 1994, 1995). This hypothesis is based on a particular set of assumptions regarding the linkages between the "local" and the "global", for example, global actors and institutions increasingly determine patterns of local industrial development and employment change (Dicken, 1992; Lovering, 1995; Peck and Tickell, 1995). This perspective also assumes that international capital has little loyalty to localities and that Transnational Corporations (TNCs) expand through the aggressive development of overseas production to penetrate new markets and exploit geographical differences in factor costs.

Under these conditions it is assumed that the state has adjusted to the problems created by global restructuring with economic and social policies designed to improve the competitive position of localities and to take advantage of new opportunities for post-industrial development (Fainstein, 1990; Judd and Parkinson, 1990; Lovering, 1997; Mayer 1991, 1992; McGuirk, 1994; Paddison, 1993; Parkinson, 1993; Strange, 1997; Tavsanoglu and Healey, 1992). A number of prevalent global or structural forces have provoked this response by the state. The impact of rapidly shifting global market conditions on local industry, for instance, has implied the need for the state to respond flexibly by encouraging the development of flexible production systems and labour relations. The impact of economic restructuring and unemployment on local material conditions has also implied the need to restructure welfare systems, for example, through the decentralisation of training provision, to promote greater enterprise or innovation (Bennet and Krebs, 1991).

Certainly city marketing appears to be a concomitant policy response within the local state to the restructuring of local economies and politics brought about by wider global and national change. It has emerged specifically within an environment of intense international competition as the principal tool used by local institutions to attract inward investment and influence corporate relocation (Ashworth and Voogd, 1990). The key factor that links globalisation and the growth of city marketing is the escalation of place competition (Burgess, 1982; Paddison, 1993; Ward, 1995). Place competition is the outcome of the increasingly rapid circulation of productive and investment capital, coupled with the increasing locational choices offered to TNCs through new technological developments in Information and Communications Technologies (ICTs) and transport (Charles, 1996; Harvey, 1989). For local and national government the attraction of mobile inward investment presents a tremendous opportunity in terms of providing a quick-fix solution to the problems of manufacturing decline and mass-unemployment by creating new opportunities for post-industrial development (Collis and Noon, 1994; Young and Hood, 1993). Some powerful local and regional coalitions have been able to exert a certain amount of leverage over supranational actors such as TNCs (e.g. Peck and Tickell, 1994). For many localities, however, place competition has produced destabilising effects resulting from the threat of losing both potential and existing investment. It is within these peripheral places where competition is most intense as they try and latch on to the more mobile elements of transnational production such as routine assembly and data processing.

The internationalisation of capital and trade poses not only potential threats, but can provide new development opportunities within local economies. Consequently, globalisation has stimulated great activity to promote LED (Giddens, 1998). Since the 1970s throughout Europe and North America, for example, an increasing number of LED initiatives have been organised and implemented at the sub-regional level by local institutions (Bennett and Krebs, 1991; Eisenschitz and Gough, 1993; Fretter, 1993; Keating, 1993; Leitner, 1996; Leontidou, 1996; Ludtke and Stratmann, 1996; Mayer, 1992; Paddison, 1993; Sjoholt, 1995; Syrett, 1997; Wood, 1996). Research in the UK shows that nearly all local authorities have come to employ economic development officers (Mills and Young, 1986). The freeing-up of capital from geographical constraints, therefore, has not only enabled transnational producers and investors to choose from an increasing range of locations in which to place investment in production and commercial activity, but it has consequently brought into question the function and role of government in a global economy.

#### 2.2.1 The role and function of the state in a global economy

The core debate regarding the state's role in the global economy concerns the issue of a transition from Keynesianism to Neoliberalism. The growth of city marketing is very much part of this debate, because it is argued that as the global economy restructures, the local state is becoming imbued with entrepreneurial skills or a business-like attitude (Hall and Hubbard, 1996). At a national level, for instance, the state's response to the problems created by globalisation has involved the dismantling of Keynesianist or managerialist welfare systems and the creation of post-welfare economies and societies through new institutional forms (sometimes referred to as the Neo-Schumpeterian Workfare state) (Hay, 1994; Jessop, 1991; Lloyd and Meegan, 1995; Painter, 1995). The Neoliberal national

regimes of Thatcherism, Reganism and Nakasoneism all exemplify the ideology that underpins national reform. Specifically this is meant to involve:

A rolling back of the state i.e. a state withdrawal from economic management to produce minimal state intervention;

- The diversification of the delivery of public services;
- The development of market principles in all sectors of the economy;
- An emphasis on individualism over collectivism (based on the principles of supporting individual self-help, innovation and enterprise);
- An emphasis on consumer rather than supplier-led provision of services;
- The abandonment of Keynesianism and the state's commitment to full employment and the welfare state together with the acceptance of social inequality as a necessary consequence of Neoliberalism.

On this basis Harvey (1989) claims that structures of local and regional governance have also entered a new phase of transition marked by both the growth of city marketing and competitive strategies for urban renewal, which Harvey (1989) refers to as the transition to urban entrepreneurialism. Hence city marketing is seen as an inevitable strategic response by local institutions to cope with the impacts of structural economic change, assuming that the local state is simply an extension of the capitalist state (Lovering, 1997; Peck and Tickell, 1995).

The continuing internationalisation of production and markets suggest that many more places will also need to adopt competitive strategies to promote economic development (Ashworth and Voogd, 1994; Bennett and Krebs, 1991; Collis and Noon, 1994; Eisenschitz and Gough, 1993; Harvey, 1989; Keating, 1992; 1993; Paddison, 1993; Shaw, 1994; Ward, 1995; Wilkinson, 1992). With counter-urbanisation and the loss of traditional economic activities, many more cities have begun to suffer from a fiscal crisis brought about by

declining budgets, the increasing burden of welfare expenditure and a declining fiscal base (Bennet and Krebs, 1991; Duffy, 1995; Leitner and Garner, 1993). In the 1980s and early 1990s leading edge services, such as banking, finance and insurance became open to new international competitive pressures with the development of a deregulated global financial credit system (Swyngedouw, 1996). Whereas manufacturing had borne the brunt of the previous recession in the 1980s, the 1990s witnessed the rationalisation of producer services (Duffy, 1995). Crucially this development has had implications for the growth of international and regional financial centres. It is projected that in the 21st century places with previously growing and successful commercial centres will also have to confront issues of restructuring and change (Kotler *et. al.*, 1993). Any locality that withdraws from this competition is liable to lose out in the inward investment game to their competitor cities. There are strong links, therefore, between the development of competitive LED strategies, such as city marketing, the restructuring of the local state, and structural economic change.

# 2.3 The UK context in which city marketing has developed

This section outlines the national context in which city marketing has developed within the UK. First, it discusses the managerialist regulatory responses of local government to the problems created by economic restructuring since the 1970s. Second, it examines the reform of local governance in the 1980s, a period in which the literature argues that the British local state has become entrepreneurial.

#### 2.3.1 Local government responses to economic restructuring in Britain

In the early 1970s many places in Britain faced mounting economic and social problems as a result of global restructuring. Local authorities, particularly within urban areas, encountered mass dereliction, physical decay, and increasing costs of converting and modernising

business premises and infrastructure, and rising unemployment (Cochrane, 1990, 1996; Eisenschitz and Gough, 1993). As a response to these problems many authorities established economic development units and started to practise city marketing.

Another factor to consider is the availability of regional grants, which was, and remains to be, an important factor in location decisions made by inward investors. Local authorities within areas qualifying for Regional Selective Assistance (RSA) could take advantage of the grant system for the purposes of place promotion (DTI, 2000). RSA provided an impetus to get involved in place promotion in the first place, because local government could promote grant availability as a location advantage over non-qualifying areas. In turn RSA was an important facet of promotional strategies themselves. The system of regional policy, therefore, encouraged localities in Assisted Areas to go down the marketing route.

These early policy responses developed within a managerialist framework of local government (Harvey, 1989). During the 1950s and 1960s, under conditions of national growth and commitment to full employment, the role of the state in general expanded and the local state was invested with many powers to intervene directly and indirectly in the local economy. As the main planning authority, for example, local authorities were able to directly influence private sector development. They could also use their other planning responsibilities e.g. the maintenance and development of infrastructure to affect local development (Adams, 1994). The role of local government expanded into many other policy areas, such as housing, health and education provision (Pickvance, 1991), during what has been described as the golden era of local government. Local authorities became major providers of services and the source of employment themselves e.g. through waste disposal, social services, and leisure, as part of a wholesale expansion of service provision to achieve greater economies of scale (Leach and Percy-Smith, 2001). These areas of responsibility

provided a number of avenues through which local government could influence the local economy and the redistribution of welfare.

In large cities, housing was one area in particular in which local government had intervened on a large-scale as a response to war damage and the need to tackle the problem of slums. During the late 1960s and early part of the 1970s this intervention included land and slum clearance, housing renewal and mass redevelopment characterised, for example, by new modernist housing developments such as Hulme in Manchester (Cochrane, 1990; Eisenschitz and Gough, 1993). Such projects were mainly public sector led and financed (and often influenced by a left wing agenda) with minimal private sector involvement. An immediate response to economic problems of the early 1970s, therefore, was basically to continue this policy. It was still quite normal, however, for local authorities to be spending less than 1% of their budget on economic development initiatives.

Given local authorities' traditional role as the planning authority and the maintainer of infrastructure, for many their first experience of LED was characterised by the assemblage of land (through voluntary or compulsory purchase) to provide sites for industrial property development (Adams, 1994; Bennett and Krebs, 1991), which were then sold or promoted to prospective investors. The role of marketing and promotion within this context of growing LED activity, however, remained extremely limited. Local authorities would employ LED officers to promote specific "sites" to inward investors, but these early attempts were rather crude. In her evaluation of local authority place marketing initiatives Burgess (1982) concluded that despite the growth in the number of local authorities selling places, the marketing literature they produced was largely dull and unimaginative, of poor quality, used unoriginal imagery, and lacked research and guidance. During the early 1980s, therefore, city marketing had not yet become an ingrained element of local government activity, unlike

in the USA (Ward, 1995). Even by the late 1980s, geographers had identified the routine and sophisticated type of civic boosterism found in the USA in only a few British cities (McKay, 1996).

#### 2.3.2 Reform of local government

Local government came under attack in the late 1970s under a Labour government committed to controlling public spending in the wake of economic crisis stemming from the 1973 oil crisis and the conditions imposed on them by the IMF following the balance of payments problems in 1976 (Hardill *et. al,* 2001). The election of the Thatcher government in 1979, however, sent out a clear signal that British political ideology was undergoing a radical change. The next nineteen years of government was part of a widespread shift to a neo-liberal political hegemony. The main principles of this ideology included the systematic dismantling of the welfare state and the abandonment of Keynesianism (Bennett and Krebs, 1991). The Conservatives aimed to reduce state intervention and increase reliance on the market and individual initiative. Full employment was seen as an unrealistic target. Instead the labour market was to be deregulated to allow a greater freedom for employers and to restrict the power of organised labour.

The Conservatives aimed to redress the whole balance of local economic policy in favour of the Right (Eisenschitz and Gough, 1993). To achieve this objective central government introduced policies designed to propagate the ideology of the "new right". Spending on training the young and long term unemployed, for example, increased by over three times during the decade 1980-90. The Conservative ideology also led to the expansion of policies to shore up small firms and promote local enterprise. It was in the field of urban development, however, where the Conservatives introduced the most radical reforms. This involved the introduction of new competitive grant regimes, a general reduction in

regeneration funding available to localities and the greater use of spatially targeted policies, and the creation of new institutions with wide ranging powers as an attempt to transform the pattern of urban governance in the UK. Consequently local government came under pressure to reform from several developments: centralisation and control of local government spending; the creation of a new institutional framework of local governance, which included the privatisation of local services and the displacement of local government powers by new agencies; and the introduction of competitive bidding for regeneration funding.

#### 2.3.3 Centralisation and control of local government finance

Throughout the 1970s, however, there were successive moves to restrict local government spending which in turn affected the nature and scope of LED. The Local Government Act (1972) restricted resources for LED whilst paradoxically encouraging greater local activity (Champion and Townsend, 1990). This situation was reinforced during the latter part of the decade under the austerity programme introduced by the Labour government between 1975-79 (Eisenschitz and Gough, 1993). Ironically as more authorities became active promoters of the local economy, the resources available to them were actually declining.

This led to a scaling down of large-scale renewal programmes that characterised local intervention in the early part of the decade. Instead, local authorities began to accommodate business in planning with a shift in focus to supply side initiatives with continued provision of infrastructure; targeting of small firms (with grants and loans); provision of business and industrial premises and business advice centres. Many began to develop integrated strategies, for example, combining development with training and housing initiatives (Bovaird, 1994; Lloyd and Meegan, 1995). Labour introduced the Urban Programme (1978) as a means of providing funding for such initiatives.

Local government, however, was able to offset the loss of central government funding by increasing its other forms of revenue income e.g. through rates. In the 1980s, however, the Thatcher government accelerated the attack on local autonomy. The Local Government Planning and Land Act (1980) introduced the block grant, which set a predetermined limit for local government spending. Local councils that overspent the limit were penalised. This allowed central government to target individual councils who were penalised through rate-capping i.e. overspending councils were unable to offset reductions in block grant by increasing locally generated income (increasing rates). The metropolitan county councils were some of the worst-offenders (and, coincidentally, the most vocal critics of Thatcherism). Consequently they were abolished in 1986. The 1989 Local Government and Housing Act, despite providing a statutory base for local authorities to undertake LED, radically circumscribed their overall powers and rate-capping prevented them from raising more money from local services (Davies, 1994; Eisenschitz and Gough, 1993; Fretter, 1993; Hambleton, 1991).

As central government drastically reduced local authority finances across a range of policy areas; including housing, social welfare and education, their finances also became progressively controlled and centralised by Whitehall. Consequently this elevated the role of the Treasury and other government departments to a position of more influence over local decision-making. The Department of the Environment (DoE) and the Department of Trade and Industry (DTI), for instance, become significantly involved in LED. Central government also began to exercise greater control over local government's ability to raise finance for capital projects such as housing and infrastructure. Although several new grant regimes were set up to promote physical and economic regeneration, the basic aim of these policies was to lever in private investment into inner city areas.

Throughout the 1980s, therefore, local government powers and responsibilities were progressively centralised in London and local government autonomy undermined. Local democracy came under threat following the silencing of opposition forces to central Government (such as the abolition of the metropolitan county councils). Local authorities have turned to place advertising and promotion, therefore, to attract investment and revenue from other sources, such as the private sector and central government.

#### 2.3.4 New institutional framework: privatisation and displacement

Under the prevailing economic problems associated with recession and global industrial restructuring, the institutions responsible for the management of cities (and particularly local government) needed to improve their competitive position by behaving in a more entrepreneurial or business-like fashion. Local authorities were seen as weak organisations in terms of stimulating economic change (they overspent, were inefficient, bureaucratic, slow-to-act, and inflexible, unresponsive to needs) (Jones and Travers, 1996). Faced with pressing problems, such as record unemployment and inner cities that had become riot zones in the early 1980s, something clearly had to be done. The Conservatives aimed, therefore, to encourage greater private sector involvement in LED by attempting to shift the emphasis from public sector provision to market solutions (Moore, 1990). A new institutional framework was established to displace the traditional structure of local authorities and the Chambers of Commerce (which were also seen as ineffective by central government). The main mechanism for achieving this was through the creation of thousands of new quangos in virtually every aspect of local and regional governance and through the encouragement of public-private partnerships (Greer and Hoggert, 1996).

In 1993 the Guardian reported that there were 6328 quangos, controlling over £50 billion of taxpayer's money (about half of which had been diverted from local government coffers)

(Guardian, 1993). At the local level these included District Health Authorities, Family Health Services Authorities, NHS Hospital Trusts, Higher Education Corporations, Further Education Corporations, grant maintained schools, City Technology Colleges, and Housing Action Trusts. The Conservative government established two important types of quango to tackle LED issues, Urban Development Corporations (UDCs) and the Training and Enterprise Councils (TECs).

Several traditional channels for local intervention have also been closed to local authorities with the "privatisation" of services through the introduction of Compulsory Competitive Tendering (CCT), Best Value and the opportunity for other service providers to opt-out of local authority control (Martin, 1999; Williams, 1993). As the delivery of local services diversified, local government's ability to intervene was significantly weakened, particularly within the fields of social housing, health and education (Pinch and Patterson, 2000). The New Labour government elected in 1997 has continued with the principles established by CCT through the introduction of Best Value in the Local Government Act of 1999 (DETR, 1999; Martin, 1999, Boyne, 1999). After coming into affect in April 2000, Best Value imposes a legal duty on local authorities to achieve a certain level of performance in service provision to local people and businesses. Despite replacing CCT, however, New Labour's Best Value framework still requires local authorities to become involved in competitive tendering.

There are several other ways in which local government policy-making powers were "displaced", for example, through the privatisation of utility and infrastructure companies and now defunct organisations such as British Coal (Eisenschitz and Gough, 1993). The privatised utilities, for example, can directly access the capital market to fund new

infrastructure projects. This is significant in terms of LED given that the utility companies are major land and property owners.

As local government autonomy and responsibilities have declined, the role of business-led quangos and the private sector in LED has expanded. The involvement of non-elected officials, particularly from the business sector, in urban politics is clearly associated with changing priorities regarding the distribution of welfare spending and LED activity. Marketing in particular has become more significant within the local state given the exposure of public sector officials to business people and values. City marketing, for example, was a strong and arguably a very successful policy of quangos such as the UDCs (Ave, 1993; Foley, 1992). City marketing has arguably taken root, therefore, within a new institutional regulatory framework established by the Conservatives to bring about local economic regeneration (Bennett and Krebs, 1991; Bovaird, 1995; Cochrane, 1990; Eisenschitz and Gough, 1993; Loftman and Nevin, 1996).

#### 2.3.5 Competitive bidding

In the 1990s, the most radical policy change was the introduction of a competitive element to the distribution of regeneration funding to localities. Labour's Urban Programme was effectively ended and replaced by a new funding programme. The principle of "challenge" funding was initiated within the first two rounds of City Challenge, before being extended under the Single Regeneration Budget (SRB). Central government also began to distribute several other pools of money on a "challenge" basis e.g. Capital Challenge. This was not the only change. Both City Challenge and SRB funding, for example, included a requirement that local authorities work with external partners in the submission of bids.

The competitive distribution of regeneration funding to localities, together with the privatisation of some local government services, has had a tremendous impact on management style within local government, promoting a greater level of professionalism and proactive government (Jones and Travers, 1996). There have clearly been strong pressures, therefore, to coerce local government to behave in an entrepreneurial way, to embrace market values, and to adopt competitive policies such as city marketing.

# 2.4 Critical points about this literature

Historically city marketing in Britain is limited compared to the USA (Ward, 1995). Since the 1970s however, city marketing has become more widespread in Britain. There are several factors which may account for this: first is local government reform to accommodate private interests and market solutions in LED; second is the introduction new agencies of LED, such as UDCs, which placed great emphasis on marketing and promotion; and third towns and cities have attempted to develop investment and employment opportunities in new markets, such as industrial heritage tourism. Reform of local government, therefore, has arguably paved the way for more flexible and entrepreneurial approaches to LED in the UK (Pratchett and Wilson, 1996). Empirical research, for example, shows that most places now undertake some form of marketing activity (Mills and Young, 1986; Millington 1994, 1995). At first glance, these developments provide evidence that local conditions in Britain are changing in accordance with the demands of global restructuring. This section, however, outlines the main critical points about the literature on globalisation and local restructuring. The first point is that global restructuring has produced a more diverse range of local impacts than anticipated. The second key criticism is that the power of global institutions is often over-stated whilst the power of local agency is under-stated. This raises three further critical issues:

- The agglomeration and spatial proximity of production factors has been under-valued.
- The hyper-mobility of international capital is overstated, because the local dependence of capital is ignored.
- The capacity of the local state to intervene and embed capital in place has been underestimated.

Consequently the debate on the restructuring of localities has suffered from structural determinism with a tendency to generalise about the nature of restructuring and LED. The assumption that under the prevailing economic problems associated with global restructuring, local institutions responsible for the management of cities are somehow compelled by global institutions to become competitive, therefore, is questionable. Hence the national and international geographical outcomes of city marketing and LED remain contentious and city marketing remains an underdeveloped and frequently misunderstood concept. Stoker and Mossberger (1995, 210), for example, argue that the transition to urban entrepreneurialism may in fact be "messy, problematical and uneven". This section, therefore, questions whether globalisation threatens place and criticises the notion that transnational capital inevitably subordinates the local. In doing so this section begins to question the extent to which there is a link between global economic change and competitive strategies for LED, such as city marketing.

# 2.4.1 Diversity of local impacts of global restructuring

The first critical point here regards the relationship between global and local restructuring. The processes behind globalisation do not occur in the same way everywhere. The recession and oil crisis in the early 1970s may have galvanised the local state into action as many traditional industrial areas experienced a sustained period of deindustrialisation (i.e. the

absolute decline in manufacturing employment) (Martin and Rowthorn, 1986; Bennett and Krebs, 1991), but there is a marked spatial impact associated with this period of industrial change. Although restructuring is often discussed within a national context, within the local context there is considerable variation:

"The very fact that the national structural changes themselves involved a geographical restructuring meant that people in different parts of the country were experiencing highly contrasting shifts, and even the trajectories of change (for example, in class structure) could be quite different in one place from in another" (Massey, 1991, 268).

Clearly the collapse of heavy industry has had a varying impact in different parts of a country. In the USA and Western Europe traditional heavy industries, such as iron and steel, shipbuilding and textiles may have declined rapidly or even disappeared completely, but employment losses (and the associated social and environmental problems), have been largely confined to particular settlements within certain regions, for example, the industrial cities of the American Frost or Rust Belt and Northern Britain. In the UK, for example, manufacturing change has produced negative outcomes in places like Liverpool, London, Manchester, Birmingham and Glasgow, but positive ones for East Anglia, the South West and East Midlands (Goddard and Champion, 1983). Coupled with other destabilising processes, such as sectoral and occupational shift and the growth of flexibility in production, employment and consumption, global restructuring has produced intra and inter-regional variations in economic development, for example, between large and small towns or the inner cities and urban-rural fringe.

In terms of employment restructuring, for example, mass unemployment caused by deindustrialisation has led to long-term unemployment in big cities and industrial regions (Martin and Rowthorn, 1986). The decentralisation of population and industry outwards to the edge of cities and from core industrial regions to the periphery of the industrial heartlands has exacerbated employment decline in specific areas such as the inner cities

(Duffy, 1995). Employment growth in certain sectors, such as financial services, retailing, leisure and tourism industries, education and research has largely failed to off-set job losses in traditional industrial cities, but has benefited other types of settlement such as global cities or small towns. Allied to sectoral shift is occupational shift i.e. the transition of national economies dominated by blue-collar work to ones dominated by white-collar employment activities (Goddard and Champion, 1983). There is a spatial dimension to the growth of skilled managerial and professional groups. Regional specialisation has produced hierarchical spatial divisions of labour e.g. control and headquarters tend to located in major cities whereas routine work is dispersed to peripheral regions. In the UK, for example, the growth of professional services has transformed the economy of London and South East into an area of global significance, but elsewhere in the country this growth has been restricted (Spooner, 1995a, 1995b). Differentiation is also occurring within regions through spatial shifts in employment and patterns of local specialisation (Amin and Thrift, 1995; Eisenschitz and Gough, 1993). Key trends that have produced this pattern include the shift of manufacturing from inner cities to small towns or the urban-rural fringe and the shift of consumer services to the urban fringe.

#### 2.4.2 Local agency in a global world

The literature on city marketing which emerged in the late 1980s and early 1990s to describe and account for the growth and development of city marketing within a global context, has since come under mounting criticism, because it provided a perspective that was too generalised and insensitive to spatial variation and local difference. It presented a simplistic notion of the state and an assumption that local actors cannot make alternative choices or decisions. By placing emphasis on the structural domination of international capital, macroeconomic forces, and class relations, therefore, this literature failed to consider that capitalist development may be essentially culturally and socially embedded in much smaller, and often

geographically confined, networks and sub-systems of individual and group activity (Swyngedouw, 1992; Amin and Thrift, 1995; Amin, 1998). Geographical variations in the nature of industrial restructuring and the subsequent responses by local institutions to the rationalisation of manufacturing industry since the early 1970s suggest that global capitalism is developing in geographically diverse and heterogeneous forms. Stoker and Mossberger (1995), for example, have identified a typology of local responses to the problems created by global restructuring, which suggest that the degree to which the local state has adopted entrepreneurial approaches is variable and diverse. Indeed, a new and important direction has emerged within economic geography, which draws on sociological institutionalism to examine locally and culturally embedded economic practices (Amin and Thrift, 1995; Cox and Mair, 1991; Granovetter, 1985, Martin, 2000). This literature suggests that geographical contingencies are important in shaping the character and content of local economic policy. The study of city marketing as a policy of LED, therefore, requires more refinement and empirically based research to identify further national and local experience and geographical contingencies.

To explain diversity, however, first requires further discussion of the relationship between global capital and local development. Another process that has produced unevenness in the geography of the global economy is "glocalization" i.e. the simultaneous development of both globalisation and localisation (Swyngedouw, 1992, 1997; Lovering, 1997). Localisation concerns two key ideas. The first is concerned with the rediscovered benefits of spatial agglomeration and the value of geographical proximity of production factors (Amin and Thrift, 1995). The second concerns the relative mobility of capital and the strength of local agency (Cox and Mair, 1991). The next two sections deal with these ideas respectively.

#### 2.4.3 Agglomeration and the value of geographical proximity

In recent years there has been increasing recognition of the potential for localities to attract non-footloose forms of investment, through which transnational capital becomes embedded or spatially fixed within the local economy (Storper, 1997). Central to this process is the reorganisation of production and employment processes along the lines of flexibility. This is characterised by the introduction of vertically disintegrated small batch production, JIT stock control systems, and the growth of short-term contract working into certain industrial sectors serving specialised niche markets. Since the 1980s flexible specialisation has enabled certain regions to achieve rapid rates of industrial growth (Cooke and Morgan, 1992). Examples include locally-agglomerated production systems, or new industrial districts, such as: the high tech landscapes of Silicon Valley, Cambridgeshire and M4 Corridor; craft based production in the semi-rural environment of the Third Italy; and the dynamic inner city environment of Hollywood in Los Angeles (Amin and Thrift, 1994, 1995; Cooke, 1990, 1996; Holly, 1996; Murray, 1987; Piorie & Sabel, 1984; Sadler, 1992; Wenban-Smith, 1992, 1993). These areas represent some of the most competitive and dynamic regions during the current phase of global restructuring. Fundamentally this suggests that some localities can retain a large degree of autonomy through agglomeration and local specialisation. One caveat, however, is that flexible specialisation is subject to acute sectoral variations and has benefited industries in areas that face pronounced volatility and product innovation in niche markets, and where mass production is in crisis, for example, craft industries and electronics. Crucially, however, these examples show that some localities have been able to take an alternative path towards promoting LED, which has not entailed them in the type of aggressive and competitive strategies, such as city marketing, that are said to permeate local governance in other parts of the world.

#### 2.4.4 The hyper-mobility of international capital, local dependence, and spatial fix

Harvey (1982, 1984) suggests that over time that capital investment will become fixed in particular locations. This stock of accumulated and fixed capital, however, will eventually become a barrier to profits (through depreciation, out-of-date technology etc.) During times of international economic crisis, therefore, capital will quickly switch from one location to another to take advantage of lower factor costs in other places. A problem for the development of capitalism, however, is that with the spatial fix comes inertia. This is derived from the interests, which represent fixed capital, who seek to maintain investment in the local or regional economy (Sadler, 2000). There is concern, however, that geographers such as Harvey (1989), or Castells (1989, 1996), may have over-stated the hyper-mobility of capital, while simultaneously under-stating the role of local agents and the importance of locationally fixed capital (Cox, 1993; Imrie *et. al.*, 1994).

The role of locally dependent capital and the relative immobility of many segments of the labour market have until recently largely been over-looked in geographical research on city marketing. The significance of local dependence, the immobility that stems from the fixity of [capital] investments and the significance of non-substitutable exchange relations (i.e. spatially fixed local transactions) cannot be ignored in explaining approaches to LED (Cox, 1993; Cox and Mair, 1991; Hall and Hubbard, 1996; Millington *et. al*, 1997a; Molotch, 1976; Wood, 1998).

Aggressive city marketing strategies tend to develop, for example, where local business and political actors have combined to produce relatively strong growth partnerships or coalitions (Cox and Mair, 1989; Hall and Hubbard, 1996). Such groupings are often short term and unstable, but they can exert considerable influence on a locality's position within the global economy. Good examples of where such local coalitions have proved successful include the

redevelopment and marketing of Baltimore (Bianchini *et. al*, 1992) and Barcelona's successful city marketing campaign and Olympic games bid (Angelsimon and Conxa, 1995; Naylor, 1996; Parkinson, 1993). In this context city marketing strategies are likely to reflect the vested interests of local land and property-based business and political elites, plus many other functionaries of local and regional markets.

To a lesser extent relatively powerful public-private partnerships have emerged in Britain in cities such as Birmingham (Carley, 1991; Digaetano and Klemanski, 1993a, 1993b) and Manchester (Peck and Tickell, 1995; Millington, 1997a; Quilley, 1999). A good example is the regeneration of Birmingham city centre through the construction of major flagship projects such as the International Convention Centre (Loftman and Nevin, 1996). In Manchester, a public private partnership engineered the city's Olympic Bids. Although this failed, the city attracted considerable investment from central government and the private sector to construct sports and transport infrastructure, such as the City of Manchester stadium, Velodrome, and Aquatics Centre, which have became the basis of Manchester's successful Commonwealth Games Bid (Harris and O'Toole, 1994; Jessop, 2001; Law, 1992, 1994; Tye and Williams, 1994). Arguably this partnership has now formed an elite decisionmaking coalition or regime, which dominates the LED agenda within the city (Harding, 2001). Within the major cities we find the most developed forms of city marketing, the majority of major property-led flagship projects, the bulk of inward investment, and sites for urban spectacle events (Boyle 1995; Hubbard, 1996; Lawless, 1993; Madsen, 1992; Paddison, 1993; Parkinson, 1990; Raco, 1997; Strange, 1997; Wilkinson, 1992).

By examining the diversity of local impacts of global restructuring, through a review of the recent literature on local agency, industrial agglomeration and local dependence, this section has sought to criticise the notion that city marketing is somehow a structurally conditioned

response of the local state to the problems created by international structural economic crisis. Indeed the claim that local city marketing strategies are necessarily bound to meeting the needs of international capital is open to criticism and requires further investigation.

#### 2.4.5 Other forms of territorial resistance

We should not make the assumption that the local state is exclusively concerned with developing growth led policies, such as city marketing. Thatcherite responses may have developed in some areas, but forms of municipal socialism developed in others (as well as other issues such as equal opportunities and environmental concerns). The local state can make alternative decisions (Massey, 1991). In Britain, for example, Thatcherism was actively opposed through several forms of territorial resistance. Most famously the municipal socialism of the Greater London Council (GLC) and other left-wing metropolitan councils opposed the transition to a neoliberal political hegemony in the early 1980s (Goodwin, 1993; Lawless, 1990; Parkinson, 1990). A significant left-wing policy was the introduction of local enterprise boards, which were involved, in training, productive investment, workers' rights, the bargaining power of labour, and equal opportunities (Atkinson and Moon, 1994; Eisenschitz and Gough, 1993). Such policies, however, were undermined by Conservative legislative change regarding union organisation and by the abolition of the GLC and left wing metropolitan counties in 1986. This action was part of the move by central government to take the responsibility for LED out of the hands of local government, and for it to become the remit of a broader range of social actors and organisations (Massey, 1991).

The ideological polarisation between the centre and the local, however, continued. Throughout the 1980s and 1990s the Conservatives controlled few local councils in the North and in urban areas) and Labour controlled the most deprived areas i.e. the areas most

affected by deindustrialisation, mass unemployment, deprivation and social conflict (see Table 2-1 below). Consequently, the Labour Party controlled many types of local council, which had high spending priorities. Traditionally, throughout the history of local government in Britain, there has been a big difference between the institutional and legal foundations of local government (imposed from the centre) and the actual practice of local government (i.e. what it is possible for them to do). In terms of LED local authorities have been able to exploit legal loopholes to promote regeneration, for example: by establishing their own LED units and priorities (before they had statutory responsibility to do so), which were less susceptible to control from central government; by exploiting their role as planning authorities to develop industrial and commercial premises; by exploiting housing policy for land development; and by broadly defining what is meant by the inner-city to exploit government programmes. The 1989 Local Government and Housing Act was designed to close such loopholes by providing a statutory base for local government in LED, but at the same time restricting what they could actually use their new powers and finance for. That said, it is apparent that many local authorities have continued to subvert rules imposed on them by government legislation, for example, under both the frameworks for CCT and Best Value (Boyne, 1999; Martin, 1999).

Table 2-1: Number of Local Councillors in the UK (based on published election results for 1996 to 2001 – excluding the City of London and the Scilly Isles)

District	Con	Labour	Lib Dem	<u>Other</u>
County Councils	1019	708	408	79
Unitary authorities	730	1077	523	125
London Borough Councils	539	1039	299	39
Metropolitan Borough Councils	408	1506	503	61
District Councils	4067	3049	2387	1248
Scottish Unitary Authorities	112	541	156	204
				& 207 (SNP)
Welsh Unitary Authorities	76	559	101	204
				& 332 (Pl. Cym)
Total for England, Scotland and	6951	8479	4377	2499
Wales				

Source: <a href="http://www.gwydir.demon.co.uk/uklocalgov/makeup.htm">http://www.gwydir.demon.co.uk/uklocalgov/makeup.htm</a>

Although the new urban left had virtually disappeared by the late 1990s, many local councils in urban areas have remained committed to socialist policies (albeit of less ambitious design when compared to examples of municipal socialism). In this context, one would imagine that many of the tensions that existed between a Conservative centre and a leftist dominated local government, would have been eased following the election of the New Labour government in 1997 (Jessop, 2001). Certainly, the local authorities which had pariah status under the Conservatives, such as Liverpool, Manchester and Sheffield, are now trusted. Indeed, some of the leading figures of municipal socialism, such as Graham Stringer (former leader of Manchester City Council) have ascended to Parliament and into government positions. The Blair government, however, has continued to implement the type of local government policies instigated under the Conservatives, for example, the tight control of local government spending (Jessop, 2001). New Labour also remains committed to modernising local government through structural reform at the local level, for example, the implementation of the White Paper "Modern Local Government" through the Local Government Act 2000 (Armstrong, 1999; DETR, 1998; Sanderson, 2001).

New sites of resistance, however, emerged in the form of central government's relationship with the agencies it took out of local control, such as health and education providers. The complexity of local and regional governance has essentially become difficult for central government to manage, particularly following the introduction of Regional Development Agencies. In addition, Ken Livingstone as the elected mayor of London has emerged as a significant site of local political resistance to central government policy, most notably over plans to privatise the London Underground. With many local electorates voting to establish their own elected mayors, who will exercise considerable local powers, one wonders whether a new type of local political resistance will emerge under New Labour. Implicitly, therefore, despite reform under both Conservative and a Labour government, local

government has enough flexibility to develop alternative LED strategies, which are not necessarily concomitant with the shift to the new urban entrepreneurialism.

#### 2.4.6 The local and the global

In placing emphasis on the power of transnational institutions, geographers such as Harvey (1989) can also be accused of over-estimating the decline of state power to regulate and intervene in national and LED. Consequently there is emerging criticism over the assertion that what happens in localities is determined by structural processes such as global economic change. Instead there is growing support for the claim that local actors can significantly influence institutions such as TNCs (Cox and Mair, 1989, 1991; Wood, 1996a, 1996b; Wood et. al, 1998). Globalisation, therefore, is not a one-way process. Instead of annihilating space (Leyshon, 1996) globalisation may instead elevate the relative position of local institutions and heighten the salience of place i.e. the differences between places are becoming more notable as the basis for achieving competitive advantage, which consequently implies an enhanced role for local institutions in production systems. In addition, the state may not necessarily be a passive agent of international capitalism. Instead local institutions can act as a mediating mechanism between the "local" and "global" (Wood, 1998). Hubbard (1996, 26), for example, argues "...changes to Western cities can really be understood by examining the interplay between broad economic forces and the specific social, political and cultural character of cities, reminding us that the relationship between local and global processes is highly variable between different localities".

There is a need, however, to avoid local determinism by over-stating the role of the local state. The power of globalisation should not go under-estimated. Global actors and institutions remain significant and mass production organised on a global basis continues to dominate many industries. Further, despite new industrial districts demonstrating the

potential of localisation, such regions are becoming more integrated into global corporate networks through an extended division of labour, influxes of inward investment, and growing export trade. Fixed local capital interests may be becoming recognised as playing a more important role in the form and function of cities, but one cannot deny that powerful global corporations continue to leave a significant imprint on the urban landscape (Zukin, 1992). Localities instead need to be treated as part of the global while it must be recognised that places are formed by local, national and transnational influences. Assumptions about the relationship between global economic restructuring and city marketing, therefore, require further examination.

# 2.5 City marketing: implications for research

Three implications for research on city marketing emerge from the above discussion. The first concern regards geographical scale and the nature of institutional responses to global restructuring. Putting it bluntly, we really do not know what has happened outside of the big cities. Consequently the claim that city marketing has become a routine function of the local state in Britain is somewhat precarious. Second, given criticism over the hyper-mobility of capital and the failure to consider local dependence, there is concern that city marketing is assumed to be exclusively concerned with meeting the needs of international business and aggressively positioning localities in global markets. The literature has not really considered that city marketing may involve meeting other objectives. Third, if city marketing is a discursive practice then the question of why it develops differently in different places has not been addressed. These three concerns are outlined in more detail in this section.

#### 2.5.1 Geographical scale and institutional responses

The study of city marketing has focused too much on big city coalitions, and has led to a tendency to generalise about its nature and objectives. Table 2-2, for example, show the geographical focus of city marketing research in the UK.

Table 2-2: The geographical focus of city marketing research in the UK

Place	Study
Belfast	Neill, 1993, 2001; Neil and Fitzsimons, 1995
Birmingham	Bramwell and Rawding, 1994; Hubbard, 1995, 1996; Loftman and
	Nevin, 1994; Loftman and Nevin, 1996; Webster, 2001
Bradford	Bramwell and Rawding, 1994
Glasgow	Boyle, 1995; Boyle and Hughes, 1991; Paddison, 1993
Hull	Spooner et. al, 1995, 1999
Liverpool	Madsen, 1992
London	Brownill, 1994; Burgess and Wood, 1988; Lyons and Parsa, 1993
Manchester	Bramwell and Rawding, 1994; Harris and O'Toole, 1994; Hill,
	1994; Loftman and Nevin, 1996; Young and Lever, 1997
Newcastle	Clarke, 1993; Wilkinson, 1992
Sheffield	Bramwell and Rawding, 1994; Crocker, 1999; Foley, 1993;
	Goodwin, 1993; Lawless, 1993; Loftman and Nevin, 1996
Stoke-on-Trent	Bramwell and Rawding, 1994

In the British context, for example, cities such as Birmingham, Manchester and Sheffield were at the forefront of Tory policies to extend and reform urban governance to produce a flexible regulatory environment conducive to speculative private sector investment and development. It is within these cities, therefore, that we most associate the re-orientation of the local state toward more outward looking policies and a shift from a concern for social welfare to the promotion of economic development. These examples, however, are somewhat unique cases. Big cities tend to have, for example: well developed and historically strong mechanisms for business representation in local economic policy; established place images and promotable attributes; and are well-positioned to take advantage of the competitive distribution of regeneration funding given their long traditions in partnership formation (Wood *et. al.*, 1998). Big cities, therefore, possess specific and

unique problems, resources, and institutional frameworks compared to other forms of urban settlement. It is perhaps not surprising, therefore, that evidence of sophisticated city marketing activity within British urban governance can be found if the search is confined to these large urban centres. The understanding of urban entrepreneurialism and city marketing within the local state in other parts of the UK, however, is somewhat obscured by this narrow focus. In defining city marketing, therefore, there is a need to investigate further the nature of institutional responses to restructuring within a range of urban settlement types in Britain.

#### 2.5.2 City marketing and local dependence

The geography of city marketing is decidedly uneven. Ward (1995), for example, argues that marketing and civic boosterism have only become routine practices in those localities facing extreme restructuring pressures and place competition (namely certain holiday resorts and industrial towns). Despite city marketing becoming more important nationally, in many cases this activity amounts to little more than place advertising and promotion to attract inward investment and has not entailed widespread change within the machinery of the local state (Ashworth and Voogd, 1990).

There is concern that geographers such as Harvey (1989), or Castells (1989, 1996), may have over-stated the hyper-mobility of capital, while simultaneously under-stating the role of local agents and the importance of locationally fixed capital (Cox, 1993). TNCs, for instance, are not necessarily "placeless" organisations (Dicken *et. al*, 1994). They have local roots and make material decisions that ground or bind their operations to localities. In doing so they ultimately have to negotiate or interact with national and local agents of government. Amin and Thrift (1995, 18) suggest therefore, that "... *global processes can be 'pinned down' in some places to become the basis for self-sustaining growth at the local level*".

With many industries rediscovering the benefits of spatial agglomeration and recognising that qualitative differences between national and regional economies can drive competitive advantages, the local is becoming recognised as the key setting for social and economic existence (Amin and Thrift, 1995). Although this concept is criticised by some (Lovering, 1995; Peck and Tickell, 1995), who see localities as subordinated by central institutions with global reach or merely as extensions of the capitalist state, there is evidence to suggest that the cohesiveness of localities can be maintained through institutional networks. Eisenschitz and Gough (1993), for example, argue that local coherence is linked to the strength of the local institutional context. The strength of these arrangements can be actively encouraged through local intervention by the state, although the capacity of local institutions to exercise relative autonomy in a global economy is likely to vary over both space and time (Amin and Thrift, 1995; Shaw, 1994). The literature, however, assumes that city marketing is almost exclusively concerned with attracting mobile investment (and so locking localities into a position of dependence). The potential of city marketing to fix capital in place through establishing strong regional and local identity, economic integration, and institutional networks has not been addressed by research.

Central to the success of new industrial districts, for example, are networks of specialist small firms producing craft or quality consumer goods, which facilitate positive inter-firm relationships in terms of the exchange of information and goods between buyer/seller and information, thus reducing linkage costs. The creation and maintenance of such networks, however, is due to the presence of social and institutional factors, such as 'non-market' relationships of trust; local institutional support for business; and agencies and local tradition of encouraging innovation, skills, business formation and circulation of ideas (Amin and Thrift, 1995). The implication is a return to "place" i.e. a dependence on locational proximity of different agents involved in the production filière. Strong institutional presence and a

high level of interaction amongst networks and institutions in a local area can provide the basis for self-sustaining economic development becoming dependent on particular local or historical practices and social networks (Amin and Thrift, 1995; Storper, 1997). This suggests that local institutional responses to global restructuring can be more diverse than anticipated by many geographers and not necessarily confined to automatically reproducing aggressive competitive LED strategies such as city marketing and civic boosterism. Although it is undeniable that globalisation has in many instances led to a transfer of state power to international and supra-national governmental and non-governmental organisations, particularly TNCs (Budd, 1996), the success of locally-based strategies for LED would suggest that different levels of the state can exercise relative autonomy in relation to the dynamics of global capital accumulation. If this is the case, then city marketing may not necessarily be exclusively concerned with attracting inward investment or meeting the needs of international capital.

#### 2.5.3 Geographical contingencies

UK research has largely failed to isolate factors to explain geographically diverse policy outcomes from within the local state (Ward, 1995). It is not clear, for example, why local institutions in some cities are better equipped to develop a high level of competence in city marketing, whereas other places appear to be less successful. Again proponents of the entrepreneurial thesis, such as Harvey (1989), may be deterministic in their argument about the cause and nature of urban entrepreneurialism and its policy outcomes. Empirical research, therefore, needs to address further the question regarding the extent of Conservative reforms and their impact on the character of the local state. Tackling these issues may provide a more useful insight into the character and geography of urban entrepreneurialism in the UK. The next section, therefore, critically examines the links between the growth of city marketing and the development of the entrepreneurial local state.

## 2.6 The links between city marketing and urban entrepreneurialism

This section aims to demonstrate how city marketing can be used to assess the level and quality of entrepreneurial practice within the local state. City marketing is widely recognised by practitioners across a number of policy areas from contracted-out services to local development and planning, as not only part of the language of local government reform (Hall and Hubbard, 1996), but also as forming a crucial role in the restructuring of the local state (Harvey, 1989). This is because it is assumed that a commitment to city marketing should engage the local state, to a greater or lesser extent, with practices and values that are indicative of entrepreneurialism.

The existing geographical research, however, tells us little about the deeper processes, management philosophy or the experiences and aspirations of the people involved in city marketing strategy formation (Griffiths, 1998). This is a central issue because if the local state is becoming more entrepreneurial, then being market orientated is a fundamental requirement. Becoming market orientated means being aware of the competitive environment, looking outwards, being responsive to external change, and being responsive to the needs of the "customers" of the city. Fundamentally, marketing does not exclusively mean printing glossy brochures to advertise places to potential inward investors. From existing research, therefore, we cannot say for sure what impact marketing has had on the outlook and values of local government officers. We cannot say what the marketing competencies of local government are. In addition, we cannot say to what extent local government officers are thinking and behaving in an entrepreneurial way. If marketing is not the philosophy at the core of local authority functions, then city marketing is really only a superficial or "bolted-on" activity, which in turn provides shallow evidence of the transition to entrepreneurialism. As geographers have borrowed selectively from the marketing literature it is necessary to provide a more serious consideration of the contribution of Marketing Science to city marketing. This section, therefore, examines what marketing means from the perspective of Marketing Science and explores the significance of this for researching marketing practices within local government and transition to urban entrepreneurialism.

#### 2.6.1 Marketing from the perspective of Marketing Science

People often confuse marketing with selling. This section, however, argues that marketing is actually a more complicated and diverse practise. Although marketing is principally referred to in a business context, this does not mean it is exclusively concerned with meeting business or economic needs. A substantial literature exists, for example, on social marketing, which involves the marketing of ideas to influence people in ways other than their purchasing behaviours (Ashworth and Voogd, 1988). There is concern that geographers have borrowed selectively from the Marketing Science literature to produce limited understandings of marketing (Ashworth, 1993; Kotler *et. al*, 1993) and consequently have developed a limited understanding of what city marketing is. Studies of city marketing, for instance, tend to ignore how marketing is understood and applied as a wider strategic management framework within the local state.

Marketing can be understood on two levels. At a basic level, marketing involves a set of specific management activities, which may involve market research, advertising and promotion. The dominant and deeper meaning of marketing, however, is as a management philosophy that involves re-orientating institutions (both public and private) towards customers or the market. Geographers have largely ignored this latter idea and focused too narrowly on the products of the marketing i.e. place advertising and promotion, without really investigating what is going behind the scenes at an organisational level. That said, this has not prevented geographers from proclaiming that city marketing provides substantial

evidence of the restructuring of the local state. A central concern of this thesis, therefore, is that we need to examine city marketing further, but with reference to this deeper definition of what marketing is. If practitioners within the local state are working to this broader definition, then this will entail them having to deal with fundamentally new management values and practices. Through this approach we may be able to produce more substantial comment about the supposed transition to local entrepreneurialism.

Finally, the Marketing Science literature on city marketing tends to focus too narrowly on the organisational context in which marketing is practised, whilst ignoring wider place-based factors. Overall, both geographers and marketing scientists need to develop more informed and in-depth studies of city marketing, which pay greater acknowledgement to concepts in Marketing Science, but are also sensitive to local geographical factors.

#### 2.6.2 Marketing or selling?

To many people selling and marketing mean the same thing. People frequently see marketing as hard selling, advertising and promotional gimmicks or as persuasion and manipulation. Marketing is perceived as being a negative activity by academics and is depicted as a tool of persuasion or manipulation for economic or political gain (Boyle and Hughes, 1991; Paddison, 1993; Sadler, 1993). However, there is a fundamental difference between marketing and selling. As Levitt (1960, 50) argues:

"Selling focuses on the needs of the seller; marketing on the needs of the buyer. Selling is preoccupied with the seller's needs to convert his [sic] product into cash; marketing with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it'.

Drucker (1973) goes as far to argue that the objective of marketing is to make selling superfluous. The implication is that there is no need to sell a brilliant product or service. However, to create a brilliant product requires the producer to become customer-driven or

market-orientated. Whereas the sales orientated organisation will focus on the capabilities of its product and will attempt to sell it aggressively, the market orientated organisation will first focus on customer needs and attempt to create products or services to meet these needs (Doyle, 1994). As Levitt (1985, 17) argues, "... the organisation must learn to think of itself not as producing goods or services but as buying customers, as doing the things that will make people want to do business with it".

#### 2.6.3 Marketing in a non-business context: social marketing

Another popular misconception is that marketing is purely a business concept and is used to serve the interests of the private sector. This viewpoint, however, ignores social marketing, which is recognised within Marketing Science as a very significant aspect of the practice (Andreansen, 1994; Gaedeke, 1977; Kotler and Levy, 1985; Kotler and Andreansen, 1991; Lewis, 1978; Varady and Raffel, 2000; Webster, 1974). Broadly, social marketing is marketing in non-business and not-for-profit organisations, where "managerial decisionmaking should be based upon considerations of social (that is public) welfare in addition to profit and traditional concern for creating a satisfied individual consumer" (Kotler, 1983, 73). Rather than being a tool of manipulation and coercion, social marketing involves "... the analysis, planning, implementation and control of carefully formulated programmes designed to bring about voluntary exchanges of value with target markets for the purposes of achieving organisational objectives" (Kotler, 1983, 6). Wooley (1998), for example, discusses how place marketing can be used to serve specific local community needs. Social marketing, therefore, aims to take account of moral, social, and ethical dimensions of marketing decisions (Ashworth and Voogd, 1988, 1994; Webster, 1974). Consequently city marketing can be a tool for achieving benefits to society.

#### 2.6.4 Marketing as a management philosophy

Too many studies of city marketing are limited to the evaluation of the products of city marketing (i.e. place adverts and promotion). The study of city marketing in the UK has failed to examine to what extent institutions of local governance (and particularly local authorities) are becoming customer-orientated organisations. From a Marketing Science perspective, therefore, city marketing needs to be examined within a wider organisational context with the focus on the management philosophy or values of practitioners. This is important because at an organisational level the implementation of marketing management would entail institutions of local governance having to tackle fundamental questions about their core activities and functions.

To become market-orientated an institution must satisfy the marketer's definition of marketing, which can be understood at two levels (Day and Wensley, 1983; Clarke, 1986; Doyle, 1994; Kotler, 1994). The first and dominant meaning is as a philosophy that orientates an organisation towards maximising customer satisfaction:

"City marketing can be described as a process whereby urban activities are as closely as possible related to the demands of targeted customers, so as to maximise the efficient social and economic functioning of the area concerned in accordance with whatever goals have been established" (Ashworth and Voogd, 1988, 68).

This requires marketing to become the central function of each division of the organisation. The second level of meaning refers to a specific set of activities or market decisions. Briefly these decisions are the segmentation of the market, the selection of target markets, market positioning or the marketing mix i.e. "the set of marketing tools that the firm uses to pursue its marketing objects in the target market" (Kotler, 1994, 98), and market planning (Drucker, 1986; Kotler et al. 1993; Matson, 1994). Evans and Berman (1990, A67) describe the marketing mix as "the specific combination of marketing elements used to achieve an organisation's/individual's objectives and satisfy the target market. The mix depends on a

number of decisions with regard to four major variables: product, distribution, promotion, and price". Although there is debate in the Marketing Science literature, not only about the range and scope of the marketing mix, but whether this concept is at all relevant in real applications, the mix remains a significant organising framework in marketing management.

Many studies, for example, have focused on the advertising and media outputs of promotional activity (Barke and Harrop, 1994; Brownill, 1994; Dematteis, 1994; Holcomb, 1993, 1994; Kenny, 1995; Lawless, 1993; Madsen, 1992; Paddison, 1993; Selby and Morgan, 1996; Short *et. al.*, 1993; Sjoholt, 1995). Such studies often make assumptions about the organisational context in which this media is produced without ever getting into the organisation and speaking to the people who produce these marketing products. A significant problem with existing research, therefore, is that limiting the analysis of city marketing to just the study of advertising and promotion provides only a superficial account of what is going on at an institutional level.

From a Marketing Science perspective, promotion and advertising are regarded as just specific marketing tools within a much wider strategic approach to place management involving the adoption of multiple, holistic and complex objectives (Ashworth and Voogd, 1990). In terms of methodological approaches, therefore, city marketing needs to be examined from the perspective of strategic marketing management, rather than from a narrow definition that focuses only on place promotion. Taking this narrow focus will ignore the implication that local institutions could be very successful at marketing and entrepreneurial activity, without ever having to produce reams of glossy advertising brochures or by selling the locality aggressively to an external audience (Ave and Corsico, 1994). Moreover, just because some cities appear to be highly active in place advertising, does not mean that they are either successful at marketing or particularly entrepreneurial:

"Building an effective customer orientated company involves far more than promotional tricks; it involves profound matters of human organisation and leadership" (Levitt, 1985, 16).

Ave and Corsico (1994, 126) argue that "... to perform efficiently at an entrepreneurial level ... local governments must be prepared to drastically modify the workings of their administrative machinery". An important assumption of this thesis, therefore, is that city marketing is recognised as a broad management philosophy or concept and not just as advertising and promotion. The implementation of city marketing in this context, therefore, will entail the restructuring of local government at an institutional level to create environments conducive to entrepreneurial activity.

If practitioners within the local state are working to this broader definition, then this will entail them having to deal with fundamentally new management values and practices. We would expect the truly market-orientated institution, for instance, to be one that could demonstrate that it is dynamic, pro-active, innovative, responsive to the needs of its target audiences, and stakeholders, and certainly one that is geared to promotion (Doyle, 1994; Drucker, 1985, 1986; Kotler, 1994). These are all qualities associated with the entrepreneurial local state (Hall and Hubbard, 1996). Hence geographers could develop a more refined understanding of urban entrepreneurialism by examining the implementation of city marketing within the local state, in other words, using city marketing as an indicator of entrepreneurial practice.

# 2.6.5 Marketing Science and geography

We must be careful in not accepting Marketing Science concepts without criticism. This is because the Marketing Science literature tends to focus too narrowly on the organisational context in which marketing is practised and ignores the wider social or institutional context. Geographers may need to develop more informed and in-depth studies of city marketing, which give greater acknowledgement to concepts in Marketing Science, but marketing scientists perhaps also need to be more sensitive to local geographical factors and the wider context in which organisations operate.

Marketing scientists do recognise the importance of geography through the concept of the place-product i.e. "... the set of resources and facilities in the city: e.g. infrastructure, people, cultural and recreational facilities, the physical environment" (Spooner et. al, 1995). Kotler et. al, (1993) also discuss the importance of specific attributes of place-products, such as, the character of place, infrastructure, services and visitor attractions to city marketing. Few marketers, however, go beyond to consider the wider social, political and economic context in which local economic policy is formed (Matson, 1994; Warnaby et. al, 1994; Warnaby and Davies, 1998).

Local economic policy outcomes in many localities, however, are likely to be shaped by spatially diverse and complex combinations of local, regional and national institutions representing multiple interests. Many studies of LED in the UK and Europe, for example, focus on formal public-private partnerships (see Boyle, 1995; Mayer, 1991; Pinch, 1994; Shaw, 1994). Recent research has broadened the unit of analysis beyond elected and non-elected units of local government to include a broad range of institutions that constitute urban governance and are involved in local economic policy, for example, private sector partners and NGOs (Wood, 1998, 1999). This wider institutional context, therefore, is likely to have an impact on the nature and objectives of city marketing and requires further investigation (Lever *et. al.*, 1998; Millington, 1996).

#### 2.7 Urban entrepreneurialism: implications for research

This section examines the transformation of the local state from managerial to entrepreneurial governance, because the growth of city marketing is frequently seen as a major component of this restructuring process. Managerialism refers to the capacity of local decision-makers and bureaucrats to make decisions that influence local development and it is characterised by a high degree of public sector intervention (Pacione, 2001). Whereas managerialism describes the regulatory function of the state to intervene and mediate conflicts between capital and labour and promote social democracy and welfare, entrepreneurialism implies a specific role for the local state in producing a flexible regulatory environment conducive to speculative private sector investment and development with the advent of globalisation (Harvey, 1989; Mayer, 1992).

Drawing on evidence from the USA, for example, Eisinger (1990) discusses the evolution of entrepreneurial economic development policies of local and state government. He argues that in the context of declining central government, LED has become directed toward promoting new or existing companies to take advantage of emerging or expanding markets. Harvey (1985, 1989) argues that there is tremendous structural pressure for local government in other countries to respond in this way. There is evidence from large cities in the United Kingdom, for example, that supports this interpretation, most notably Glasgow, Birmingham and Bristol (Bassett, 1996; Boyle, 1995; Griffiths, 1998; Hubbard, 1996). Harvey (1989) points to factors such as: global shift; deindustrialisation; long term structural unemployment; the increasing predominance of transnational corporate power over the nation-state; and the shift to a neoliberal political agenda, that have broadly underpinned a movement to a hegemony characterised by market rationality and a reliance on the private sector for solutions to urban problems. This has led Harvey (1989) to the conclusion that entrepreneurial policies, such as city marketing, are an inevitable response to structural

economic change. These conditions have led to similar approaches being adopted at the local level, where the local state (to a greater or lesser extent) interacts directly with international capital interests (Lash and Urry, 1994). Crucially, the shift to urban entrepreneurialism is arguably reducing the role of the local state to one of servicing the needs of international capital at the expense of indigenous social needs (Hay, 1994; Jessop, 1994; Peck and Tickell, 1995). Simultaneously, by extending their links with transnational interests, entrepreneurial cities face the prospect of losing control or autonomy over shaping their economic destiny (Amin and Thrift, 1994; Bianchini and Schwengel, 1990; Eisenschitz and Gough, 1993).

Urban entrepreneurialism is associated, therefore, with the re-orientation of the local state toward more outward looking or international policies and a shift from a concern for social welfare to the promotion of economic growth (Cochrane, 1996; Drucker, 1985, 1986; Harvey, 1989; Lloyd and Meegan, 1995; McGuirk, 1994; Parkinson, 1990). Its key characteristics include the development of a local state that is: concerned with speculation and risk-taking in its approach to LED; competitive and externally orientated as opposed to being only concerned with parochial matters; and market-orientated. The following sections examine these ideas respectively.

#### 2.7.1 Speculation and risk-taking in the local state

The body of work on urban entrepreneurialism is primarily concerned with the institutional mechanisms or arrangements for delivery of entrepreneurial policies. In this context Harvey (1989) and Bailey (1994) argue that partnership is the core notion of urban entrepreneurialism. Their argument is that local government and local capital interests combine to form public-private partnerships with the specific aim of attracting new investment and employment sources. Harvey (1989) argues that such growth orientated

public-private partnerships become entrepreneurial because LED proceeds on a *speculative* or *risk-taking* basis as opposed to one that is rationally planned and co-ordinated.

It is argued that city marketing forms an essential part of this because it is a key stage of "entrepreneurial planning", such as property based flagship projects (Adams, 1994). Public-private partnerships, which have developed flagships, will be keen to market them aggressively in order to attract the level of investment and trade necessary to support the commercial elements of each development. This may be in the form of the marketing of specific sites, such as, office blocks, shopping centres or tourist attractions, although increasingly such speculative development is parcelled together under one generic city-wide marketing strategy (Adams, 1994; Financial Times, 1994; Kotler *et. al*, 1993).

The involvement of non-elected officials, particularly from the business sector, in urban politics is also associated with changing priorities regarding the distribution of welfare spending (Cochrane, 1990; Cox, 1993; Hall and Hubbard, 1996; Harvey, 1989; Wood, 1998). Consequently whereas in the 1970s local strategies for economic intervention were characterised by a concern for planning, social policy, housing, public transport, health and education, under an entrepreneurial mode of local governance LED has apparently given way to place-specific projects that promote identity and image, with no clear demonstration of the direct benefits to local people or the wider locality (Bennet and Krebs, 1991). Shaw (1994) and Hall and Hubbard (1996), for example, argue that where localities have become entrepreneurial, such as Newcastle and Birmingham, there has been a shift from a traditional concern with social welfare and indigenous development (that were catered for under a managerialist regime) to economic development and meeting the needs of private investment, a development that has been criticised widely by both academics and the media (Loftman and Nevin, 1996; Independent on Sunday, 1993a, 1993b). In the USA Drucker

(1986) argues that as a consequence of the entrepreneurial features inherent in the American system, local government has been able to respond proactively to long term structural problems. Drucker further argues that there has been a development of a "Fourth Sector" in the USA i.e. where local development has become characterised primarily by entrepreneurial management and public-private partnerships (see also Duckworth *et. al,* 1986 and Leitner, 1990).

That said, there remains concern over whether the private sector has come to dominate local economic policy making in the way it is assumed by the geographical literature (Hall and Hubbard, 1996; Millington, 1997b, 1997c; Wood et. al, 1998). The organisation and administration of LED projects, for example, mean that it is extremely debatable whether even outwardly entrepreneurial growth orientated partnerships can be sustained without a large element of co-ordination and planning by local government. The practicalities involved in any sort of development project imply a need for long term management, in terms of putting together bids for funding, co-ordinating project implementation and securing commitments with fund managers. Despite the growth in the number of quangos, few institutions, other than local government, can fulfil this facilitating and co-ordinating role (Shaw, 1994). The extent that the local state can operate on a purely entrepreneurial therefore, is somewhat questionable. Harvey's (1989) basis, definition of entrepreneurialism, therefore, appears to be somewhat reductionist and limited to organisational form rather than the characteristics and actual workings of those arrangements (Millington, 1997c).

#### 2.7.2 Competition and external orientation in the local state

City marketing is also seen as an essential feature of place competition. Bianchini (1991) and McGuirk *et. al,* (1996), for example, argue that urban entrepreneurialism is apparent in

the promotion of inter-urban competitiveness through material and symbolic reconstructions or images of place (i.e. place marketing). Paddison (1993) also relates urban entrepreneurialism to the growth of competitive strategies for economic development and specifically external promotion strategies to attract inward investment.

In 1990s Britain inter-urban competition was heightened by the introduction of a competitive element to the distribution of regeneration funding to localities. Labour's Urban Programme was effectively ended and replaced by the principle of "challenge" funding. This was initiated within the first two rounds of City Challenge, before being extended under the Single Regeneration Budget (SRB). Central government also began to distribute several other pools of money on a "challenge" basis e.g. Capital Challenge. Consequently local authorities found themselves having to directly compete against one another to attract additional regeneration funding. In addition, SRB has been opened to other institutions, which can also compete for funding with local authorities. The competitive distribution of regeneration funding to localities, together with the privatisation of some local government services, has arguably impacted on management style within local government, promoting a greater level of professionalism and proactive government (Blackman, 1995; Jones and Travers, 1996).

The intensity of competition, however, is a factor that may have been over-stated by the literature on the new urban entrepreneurialism. Referring back to arguments made earlier in this chapter, this literature is criticised for ignoring the importance of the spatial agglomeration of production factors in certain industries, and for over-stating the hypermobility of international capital. Competition at all levels, therefore, is an issue, which needs to be examined in more depth from the perspective of local decision-making.

The extent to which city marketing is necessarily confined to meeting the objective of repositioning localities within the global economy and meeting the needs of international capital is also a debatable issue. To explain the growth of city marketing, the geography literature tends to maintain that the local state has automatically responded to structural economic change with the development of entrepreneurial institutions and policies (Harvey, 1989; Peck and Tickell, 1994). Taking into account that the nature of city marketing varies geographically, the extent to which a general transition in the nature of the local state has occurred is debatable.

#### 2.7.3 Market orientation and the local state

Levitt (1985) famously criticised the top management of private sector companies for being too product-orientated rather than market-orientated. He argues that this weakness accounts for the collapse of many businesses, because of their failure to identify competitive threats and react positively to new threats. Business leaders suffer from myopia, argued Levitt "... there is no such thing as a growth industry. There are only companies organised and operated to create and capitalise on growth opportunities" (Levitt, 1985, 6).

A general criticism of local government is that it is intrinsically product-orientated (Ashworth and Voogd, 1990). It may have the marketing techniques, but not necessarily the philosophy or customer orientation (Fretter, 1986). In Britain, to encourage local government to become more responsive to market conditions, the Conservatives introduced the "privatisation" of local services through Compulsory Competitive Tendering (CCT) (Blackman, 1995). In terms of LED, local government has had work alongside private sector driven agencies such as UDCs and the TECs (Burton and O'Toole, 1993; Haughton *et. al*, 1997; Imrie and Thomas, 1993).

The implication for local government is that it needs to be more responsive to market change, and researching customer needs, anticipating change and having a marketing philosophy in place is one way of achieving this. Fretter (1993) and Paddison (1993) stress the relevance of marketing segmentation and targeting or finding out who your customers are. There is concern, however, over the extent to which local authorities can become market-orientated, because there are numerous potential barriers, such as a lack of funding and skills, inflexible management structures, and bureaucratic resistance to change (Ashworth and Voogd, 1990; Drucker, 1986; Osborne and Gaebler, 1993). Indeed a recent Audit Commission report on the uptake of Best Value within the UK suggests that local councils continue to under-perform on the provision of services (*The Guardian*, 2001). Again this calls for researchers to look more closely at local government to examine attitudes towards market-orientation and customer-focus.

#### 2.7.4 The link between city marketing and urban entrepreneurialism

On first impression the rapid uptake of city marketing within the local state is a concomitant development with the rise of new urban entrepreneurialism (Harvey, 1989). Having a marketing philosophy would require the local state to become more aware of their competitive environment, more sensitive to market dynamics, more image-conscious and more customer or market orientated (Goodwin, 1993; Wilkinson, 1992). With a marketing philosophy in place, therefore, we would expect the local state to display many of the characteristics of urban entrepreneurialism as suggested by Hall and Hubbard (1996). In Britain, for example, the reform of local government under Conservative rule between 1979 and 1996 also exerted strong pressures to compel local government to behave in an entrepreneurial way. Case study evidence from the UK and Europe suggests that entrepreneurial approaches have spread and are becoming fixed elements of LED strategies across the developed world (Boyle, 1997; Hall and Hubbard, 1996; Paddison, 1993). In

addition to LED, urban entrepreneurialism is said to be evident in city planning regimes (Adams, 1994; McGuirk, 1994), within the service delivery role of the local state (Mallet, 1994), and also within broader managerial practices of local government (Ashworth and Voogd, 1994). Consequently it is assumed that the local state has adopted new entrepreneurial practices and values, such as risk taking, a strong customer focus, and a competitive attitude to local economic policy (Hall and Hubbard, 1996). The implication for research is that by revealing the processes and concepts involved in the practical application of city marketing strategies in more depth, geographers could reveal a deeper insight into new practices and values that are said to permeate contemporary local governance in Britain.

Although city marketing may be better understood through a research approach that focuses on the strategic management implications of marketing within institutions of local governance, there remain concerns about the nature and meaning of urban entrepreneurialism. When the geographical literature refers to city marketing as only place advertising, then this is a deficient indicator of entrepreneurial activity, because it represents only a small part of marketing. When the literature refers to city marketing as civic boosterism, however, then this is arguably a more appropriate indicator or evidence of restructuring, because boosterism represents a more fundamental shift in the management practices of the local state (Boyle, 1997; Loftman and Nevin, 1996; Sadler, 1993), although even this literature under-states the significance of marketing as a wider strategic management framework.

Although city marketing is frequently cited as a key policy outcome of entrepreneurial activity within the local state, often there is conflation of urban entrepreneurialism and marketing, and marketing and promotion with little discussion in the literature of how these concepts can be broken down into clear analytical categories (Ashworth and Voogd, 1994;

Hall and Hubbard, 1996; Paddison, 1993). The body of work on entrepreneurialism needs to develop a clearer understanding of marketing philosophy and geographers need to make a demonstrable or more explicit connection between the level of marketing activity within the local state and the transition to urban entrepreneurialism (Millington, 1998b). This thesis, therefore, argues that given the generalised nature of city marketing in the literature, we should also begin to question the nature of urban entrepreneurialism. Methodologically this involves shifting the focus of research away from the analysis of marketing products, such as place adverts or promotional campaigns, to the institutional or organisational arrangements of city marketers, such as local government (Millington, 1998b; Millington *et. al*, 1999b). Undertaking in-depth research into the uptake of city marketing, therefore, would be a valuable exercise in understanding the restructuring of the local state.

#### 2.7.5 Is the entrepreneurial state anything new?

A further criticism of the claim that urban entrepreneurialism is a development specific to the period of global economic restructuring since the 1970s, is that city marketing and civic boosterism are not necessarily new processes of capitalist development (Ashworth and Voogd, 1994). Ward (1995), for example, demonstrates that place marketing and competition can be traced back to the 19th century. Paddison (1993) relates the variation in place marketing activity to fluctuations in the scale and intensity of place competition over time. There is evidence of entrepreneurial activity, therefore, under widely different structural economic conditions.

Shaw (1994), for example, argues that the transition of urban governance to entrepreneurialism needs to be placed within an historical context:

"... Such changes ... need to be considered within a context that stresses the longevity of alliances (traditionally based on tripartate representation) which have operated within non-elected agencies and which have long advocated embryonic versions of the strategies now associated with local growth coalitions and with what Harvey (1989) has referred to as urban entrepreneurialism".

#### Shaw goes on to argue that:

"... Place marketing strategies have been developed as part of the increasingly competitive battle for post-industrial economic activities, such approaches can also be seen as extensions of pre-existing policies rather than merely as a contemporary shift to entrepreneurialism" (52-53).

Not only is there evidence that entrepreneurial activity within the local state has been around for some time, there is also considerable evidence for the continuation of managerial practice. Wilkinson's (1992) case-study evidence, for example, suggests that local entrepreneurialism in Newcastle is actually a mixture of managerial and entrepreneurial approaches. Eisinger (1995) goes further to argue that the local state in the USA is losing interest in competitive economic development strategies, and that it is regressing from entrepreneurial strategies to more traditional industrial recruitment habits, or what he refers to as "third wave" policies.

This chapter has demonstrated that the local state in certain places has not embraced the transition to a Neoliberal political hegemony without resistance. For example, the GLC and other left-wing metropolitan councils famously challenged the Thatcher government in the early 1980s. The geographical diversity of city marketing in Britain, therefore, raises concerns about the extent that the local state has indeed transformed from managerialism to entrepreneurialism. If the local state can exercise relative autonomy in a global economy then we would expect to find a diversity of local policy responses to global restructuring, including both entrepreneurial and non-entrepreneurial strategies.

#### 2.8 Summary of critical issues, aims and objectives

#### 2.8.1 Summary of critical issues

The growth of city marketing is seen by many academics as indicative of change not only in the nature of LED, but also in the general character and role of the local state (Harvey, 1989). City marketing is intrinsically linked to the rise of urban entrepreneurialism and local government reform (for example, Paddison, 1993). This is a crucial issue, because the reorientation of the local state toward the aggressive promotion of LED has arguably occurred at the expense of traditional concerns for indigenous needs and social welfare, as well as feeding a pernicious spiral of place competition (Hall and Hubbard, 1996).

The existing literature on city marketing and urban entrepreneurialism, however, suffers from structural determinism and over-generalisation. Certainly global processes have had a fundamental impact on many localities, but as this chapter has shown, city marketing and urban entrepreneurialism have developed under variable national and local conditions to produce multiple forms of city marketing and urban entrepreneurialism (Millington *et. al*, 1999a, 1999b; Wood, 1998; Young *et. al*, 1999). This chapter has also argued that city marketing is not necessarily a response to global economic restructuring. There are many examples of city marketing, for instance, dating back to the 19<sup>th</sup> century in a period when urban development was occurring under very different structural economic conditions. This chapter has also examined the issue that city marketing is not necessarily concomitant with the development of urban entrepreneurialism, because city marketing can and is being used to meet non-business objectives.

Unfortunately, assumptions about the nature of urban entrepreneurialism and city marketing are based on a limited understanding of marketing as a concept. Overall geographers tend to

ignore the fact that from the perspective of Marketing Science marketing has a much broader definition as a complex strategic management function (Kotler *et. al,* 1993). Geographers have largely ignored how local practitioners within the field of economic development negotiate complex marketing concepts. This is surprising given that the practice of city marketing quite clearly draws on specific ideas and practices from marketing in the private sector and business literature. Existing survey work, for example, may have identified that most local authorities undertake city marketing, but there has been little research into local government's experience of marketing. Lewis (1978), Clarke (1986) and Fretter (1993) are amongst the few commentators to provide a practitioner account of city marketing from the perspective of local government, but overall there has been little qualitative and in-depth research of marketing as a management philosophy within local authorities (Ashworth and Voogd, 1988). This research, therefore, will identify how local policy makers understand and make use of marketing concepts, focusing on the values and attitudes of practitioners to marketing, competition and entrepreneurialism.

Finally, researchers have largely failed to look beyond the largest cities to consider how the reform of local government and urban governance has affected others types of urban settlement. It is questionable, therefore, that large cities (places that were at the forefront of central government reform and which exhibit relatively strong channels for business representation and institutional complexity) are particularly useful for understanding how urban entrepreneurialism has filtered out over varying institutional boundaries or scales of urban governance. There are relatively few comparative studies that have attempted to isolate local factors to explain geographically diverse policy outcomes within the local state. Consequently urban entrepreneurialism remains a vague concept. Many geographers refer to a broad, but undefined, rise in urban entrepreneurialism across the developed world.

#### 2.8.2 Aims and objectives

Overall, therefore, this thesis addresses three crucial research questions:

- First, what is the extent and depth of city marketing practice in the UK?
- Second, how do policy makers make sense of and apply marketing concepts at the local level?
- Third, to what extent has there been a transformation to a new entrepreneurial culture within the local state (by using city marketing as an indicator of urban entrepreneurialism and implicitly to evaluate the extent to which city marketing indicates entrepreneurialism).

To achieve these aims, this research involves:

- A national survey of economic development units, to identify the extent of marketing activities undertaken by local authorities.
- Semi-structured interviews with local government officers in the UK to identify the
  extent to which city marketing has been adopted as part of their LED activity and to
  identify how they apply marketing.

The following chapter discusses the methodology developed to achieve these objectives.

# **Chapter Three: Methodology**

#### 3.1 Introduction

This chapter describes and evaluates the methodological approaches and techniques adopted for this research. The first section reviews the main issues and themes arising from the literature review and translates these broad themes into achievable and practical indicators to assist data collection. Given that this thesis is examining the experiences of individuals working in city marketing and the processes and relationships between the various actors involved, this chapter argues that there is a need to incorporate qualitative field techniques into the study. The chapter then provides an overview of the range of data collection techniques available before evaluating the two main methodologies employed to undertake the study.

The first of these is a postal questionnaire survey undertaken primarily to identify or "map" the level and quality of marketing practice within urban districts in the UK. The second method involves in-depth, face-to-face, semi-structured interviews with key informants within selected localities to form a multiple case study approach. These were undertaken to identify the impact of place specific factors and institutional contexts upon city marketing strategy formation. To gain insight into the formation of marketing strategies and their implementation it was also necessary to find out information about the nature and composition of local partnership or networking arrangements for city marketing.

The chapter then discusses the main procedures adopted for the analysis of the postal survey and interview data. The concluding section of the chapter evaluates data quality including the measures taken to protect the "reliability" and "validity" of data. This section also addresses a number of ethical issues concerning research into political elites, including positionality and representation.

Through a cross-case analysis of the selected case studies, this research will compare and contrast local experiences of marketing for LED. This analysis will focus on key qualitative indicators such as speculation and risk taking, competition and external orientation, and a strong customer or market focus. Through qualitative analysis of interview material, the research will explore the extent to which there has been a shift to a new entrepreneurial culture within local government in the UK.

## 3.2 Issues arising from the Literature Review

Through an evaluation of city marketing strategies formulated by institutions of urban governance this research intends to assess the shift to an entrepreneurial culture within the local state in the UK. Chapter Two argued that the entrepreneurial local state should be characterised by new practices and values such as speculation and risk-taking, a strong customer focus, and an external orientation (Hall and Hubbard, 1996). On first impression, the rapid uptake of city marketing within local government is a development concomitant with the rise of urban entrepreneurialism (Harvey, 1989), but as Chapter Two demonstrates, much of the research on city marketing is limited to the analysis of advertising and promotional materials even though place promotion is just a specific policy tool within a much wider marketing management framework. Having a marketing strategy, therefore, is far removed from just advertising a place in a newspaper. This is a central issue because if the local state is becoming entrepreneurial then being market orientated is a fundamental characteristic. Becoming market-orientated means becoming aware of the competitive

environment, looking outwards beyond institutional and administrative boundaries, being responsive to external change, and being responsive to the needs of the "customers" of the city. Existing research on the production and consumption of place imagery, however, tells us little about the management philosophies, or the experiences and aspirations, of decision-makers operating within local government and other institutions of urban governance.

This study, therefore, intends to examine how city marketing policies are formed and implemented at the local level in the UK and to analyse how local policy makers understand and apply marketing concepts within the context of LED. By developing a better understanding of how marketing operates as a strategic function within institutions of urban governance this research intends to evaluate the extent to which there has been transformation to a new entrepreneurial culture within the local state in the UK. It is necessary, therefore, to not only assess the level of city marketing activity in the UK, but also to evaluate the extent to which the adoption of marketing methods has had a wider impact on the organisational philosophy of local authorities. As Chapter Two shows, there is a need to develop a better understanding of geographically diverse responses within the local state, and to develop comparative local case studies outside of the large cities that have come to dominate our understanding of city marketing and urban entrepreneurialism.

# 3.3 The need for a qualitative methodology

Rapid economic, social and political change resulting from the reorganisation of production processes, the break-down of mass consumption, and the development of pluralistic social forms are challenging geographers to find fresh approaches to research that will allow them to understand and represent complexity and diversity (Dear, 1988; Cloke, 1991). Acknowledging local discourses or situated knowledge and practice, therefore, is important

because positivistic or universalising discourses, which have previously dominated human geography, deny an ontology that accepts the world as a messy and complicated place. Given that this study of city marketing aimed to generate insight into processes, mechanisms, and the uniqueness of local experience, inferential statistical analysis was seen as an inappropriate alternative to the examination of interview data. Hence qualitative research is of crucial significance to this study of city marketing, because the concern for difference and diversity requires techniques that will reveal an insight into the complexity and nuances of interests within specific local or institutional contexts. This is especially important given that this research intends to reveal locally situated marketing meanings and practices.

The major assumption of qualitative research is that reality or knowledge is viewed as a social construction as opposed to quantifiable hard facts. Kvale (1996, 11) argues that "... the mode of understanding implied by qualitative research involves alternative conceptions of social knowledge, of meaning, reality and truth in social sciences". Hence data can be drawn from texts, phenomenology, narratives, social and historical contexts, and the analysis of these data involves the interpretation of meaning, lived experience, or language (Dey, 1993; Mason, 1996; Strauss and Corbin, 1998). Such intricacy and detail cannot be reduced to a set of quantifiable indicators and the complexity of human behaviour cannot be modelled statistically. Within the literature on evaluating city marketing, for example, there is already too much focus on the use of quantitative indicators of organisational performance (Bailey, 1990). Implicit, therefore, is an epistemological assumption that the world is "disorded" and non-quantifiable. Human beings are not always rational actors and will act according to their beliefs, meanings, perceptions, values and emotions. It follows then that human spatial behaviour should be interpreted through using intensive research techniques

that are sensitive to the subjective beliefs of the people studied to avoid simplifying complex issues. Equally, theory generation will be developed from empirical study and observations of local knowledge and practice, rather than deduced from abstract assumptions. Primarily, the study will gauge what city marketing means to practitioners within the local state, focusing on their individual motivations, perceptions, values, and attitudes to change, and to examine how the implementation of marketing has impacted on their organisational philosophy. Revealing the locally situated meanings and practices of city marketing within institutions of local governance in the context of LED will, therefore, require utilisation of qualitative research techniques.

The recognition that the world is characterised by disorder, difference and flexibility also involves a re-evaluation of the "local" by economic geographers. Localities can no longer be understood in simple terms, i.e. as bounded places or regions of sub-national spatial scale. Instead, locality should be recognised as a more complex concept (Massey, 1991). As discussed in Chapter 2, much of the debate concerning the transition to urban entrepreneurialism suffers from structural determinism, where local restructuring is seen and understood as the inevitable outcome of general processes, implying a passive role for local institutions. In re-evaluating the local, however, the locality is assumed to be a "proactive" entity rather than the outcome of larger structural forms or processes. This perspective assumes that localities can have a causal power when institutions endow the locality with the force of their collective will, for example, in the form of strong growth partnerships. The responses of the local state to the problems created by restructuring, however, are diverse and multifarious. Stoker and Mossberger (1995), for example, criticise the notion that general restructuring has produced some generic form of urban entrepreneurialism. Instead they argue that the nature of entrepreneurialism is messy and complicated, implying spatial

diversity in local responses. It is clear, then, that forms of restructuring need to be understood as a set of interactive socio-economic processes that operate over a range of spatial scales from the general to the specific or local (Massey, 1991). Further, by developing a qualitative understanding of local discourses and local powers geographers will be able to identify geographical factors which explain spatial diversity in local responses to restructuring.

Although this chapter refutes positivistic and universalising discourses in arguing that qualitative research techniques are of critical importance to the study of city marketing, it does not deny the practical value of quantitative methods. Certainly, to investigate city marketing policy formation and implementation at a national level will involve an element of quantitative data collection given the large number of local districts that need to be contacted. To complete this study, therefore, this research intends to first identify through a national semi-structured questionnaire survey the level and depth of city marketing within urban areas in the UK. The substantive part of the project, however, will involve a qualitative investigation into the experience of local policy makers as city marketers. The next sections, therefore, discuss the range of techniques available that enable researchers to collect qualitative data.

# 3.4 Evaluation of the Range of Techniques

This research aims to identify not only how many places are involved in city marketing, but also to examine qualitative definitions of city marketing at the local level. Given the aims of the study and the issues discussed earlier in this chapter, this study employs two research techniques, a postal questionnaire survey and semi-structured interviews with five selected localities to form a multiple case study approach. The reasoning behind this approach draws

on the experience of other researchers, such as Mason (1994) and Rose (1991), who identify the limitations of using solely quantitative methods. According to Rose (1991), the case study approach allows flexibility to be built into the research method, for example, it enables both the collation of "hard facts" based on quantitative techniques, and also qualitative approaches to enable the research to develop and expand on the "richness and subtlety" of qualitative data. Similar two-stage research designs have been used in geographical research on place promotion before, for example Pocock (1992). In this example, Pocock uses a postal questionnaire survey of visitors to a tourist attraction to identify influences on their sources of pre-visit expectation of the tourist attraction that is the focus of the research. For the second stage, however, Pocock uses an open-ended questionnaire to identify recurrent features in people's description of place.

To begin this study of city marketing a postal survey was undertaken to identify the extent of city marketing activity at a national level. This follows on from other research on place promotion and local authorities, which have also used national postal questionnaire surveys of local authorities (Barke and Harrop, 1994; Burgess, 1982). The second and more substantive stage of the research, however, comprises of in-depth, face-to-face interviews with key policy makers employed by institutions of urban governance. A major assumption of the post-positivist research paradigm is that knowledge is viewed as a social construction and hence "data" can be drawn from a wide range of textual sources. The type of data, therefore, will inform the methods that are adopted for data collection. Research interviews, however, are not the only means of collecting qualitative data. A number of other sophisticated methods could be appropriate in the context of this research, for example, focus groups or participant observation (Cook, 1997; Flick, 1998; Morgan, 1997; Seale, 1998). Participant observation, for example, is a form of ethnography, which is a generic

term for a set of methods wherein the researcher becomes part of, or involves them directly with, what is being studied (Hammersley and Atkinson, 1995). Practically this would involve working within local government over a sustained period of time (either covertly or overtly) to observe and experience first hand daily activities.

Focus groups are a means of accessing public opinion by attempting to recreate everyday forms of communication, or, the nature of inter-subjective social life:

"First, focus groups generate discussion, and so reveal both the meanings that people read into the discussion topic and how they negotiate those meanings. Second, focus groups generate diversity and difference, either within or between groups ... " (Lunt and Livingstone, 1996, 96).

The value of focus groups is that they enable the researcher to monitor interactions between people within a group dynamic that can lead to spontaneous and emotional statements about the topic of discussion, which are not easily generated in other forms of qualitative data collection. Although focus group research has many advantages, as with all research methods there are limitations. Careful planning and moderating can overcome some of these limitations, but others are unavoidable and peculiar to this approach. The researcher, or moderator, for example, has less control over the data produced (Morgan, 1997) than in either quantitative studies or one-to-one interviewing.

By their very nature focus group research and participant observation are open-ended and cannot be entirely predetermined, but what is beyond the remit of the focus group might be of interest. Systematic analysis, therefore, may be difficult to achieve. On a practical level it was envisaged that simply recruiting sufficient numbers of relevant representatives and negotiating access would be extremely difficult exercises. The merits of these approaches,

therefore, are recognised, for example, see Morgan (1997), however they are rejected given the practical difficulties involved in negotiating access to informants.

There are several recent examples of specific applications of the interview method in geographical research covering a wide range of themes. Cormode (1996) and Ostrander (1993) both argue that interviews are a useful technique to employ where researchers seek to gain access to, and establish rapport with, political and business elites. Burgess and Wood (1988) and Young and Lever (1997), for example, used semi-structured interviews to evaluate the impact of place marketing on local business people in East London and central Manchester respectively. Interviews have also proved a useful method for gaining access to governmental elites. Jones and Travers (1996), for example, held interviews with central government representatives in the UK about the structure, finance and functions of local government. Given that this study of city marketing aims to reveal the roles of business and government within complex structures of urban governance, the relationships between various actors, and local meanings and practices of marketing, interviews are appropriate. Within an interview situation, for example, the researcher has the flexibility to take advantage of subtle points and nuances to develop depth and understanding of complex issues. On a practical level, interviews are a useful method in terms of gaining access to elites with limited time or availability to participate in research. The reasoning behind a two stage approach, therefore, is that surveys can identify a range of attributes about a large population in situations where it is not feasible to conduct other methods (Andranovich and Riposa, 1993), whereas qualitative interview techniques can be used to extend and deepen research themes and issues.

# 3.5 Analysing city marketing

In qualitative research, what the informants say is the product of a dialogue between the researcher and informant. Although the analytical codes described later in this chapter were ultimately revealed through analysis of what was said by the informants themselves during interview, it is perhaps not useful to think of them as being solely produced by the informant. The researcher did not begin each interview with a blank piece of paper, but instead was armed with an interview schedule, which in turn was derived from a comprehensive survey of issues referred to in the literature on city marketing. This section, therefore, explains how the interviewer knew what to say and consequently how they were able to assign meaningful categories to the interview data.

The first set of issues draws on issues in the Marketing Science literature. There are accepted methods, for example, for evaluating the marketing performance of organisations outlined in the Marketing Science literature. Strength, Weaknesses, Opportunities and Threats (SWOT) analysis is perhaps an overused acronym, but remains an important, if simplistic, technique in Marketing Science for measuring organisational performance. This approach requires organisations to analyse their competitive environment and assess their current competencies in meeting external and internal demands (Doyle, 1994). Kotler (1977; 1994) suggests a number of more sophisticated rating instruments to measure the marketing effectiveness of an organisation. Another measure developed by Kotler (1994) is the marketing audit, which is:

"A comprehensive, systematic, independent, and periodic examination of a company's - or business unit's - marketing environment, objectives, strategies, and activities with a view to determining problem areas and opportunities and recommending a plan of action to improve the company's marketing performance" (Kotler, 1994, 758).

The audit is used to assess a company's macro-environment, task environment, marketing strategy and organisation, marketing systems and control, marketing productivity and marketing functions. Kotler also suggests a performance matrix or guide to assess good marketing practice (see Kotler, 1994, 763).

The assessment of marketing in this institutional context raises a number of management and organisational issues related to development of marketing as a non-profit activity. There are three major problems, however, with Marketing Science approaches. First, they are primarily designed to assist the evaluation of marketing competencies within private sector institutions, whereas city marketing is a non-profit activity conducted mainly in the public sector by institutions such as local government (Kotler et. al, 1993; Wilkinson, 1992). A second key problem is that Marketing Science approaches also reduce the evaluation process to a series of quantifiable performance indicators. Local authorities in the UK have tended to use such crude indicators despite the need to develop more qualitative assessment criteria (Bailey, 1990; Hall and Hubbard, 1996). There are major question marks, therefore, over the applicability of the various marketing assessment procedures mentioned above within a nonprofit or non-business organisational context. The key question, therefore, regards the extent to which new methods and procedures can be developed to assess the marketing culture of non-business organisations. These issues are outlined in more detail in the following section. Third, although city marketing is mainly practised within local government, in many instances the implementation of strategies has drawn them into networking or partnership arrangements with other institutions of local governance, such as the private sector and quangos. To understand city marketing, therefore, will require an approach that recognises this wider organisational context and accounts for the many different types of stakeholders and strategic objectives. Overall, therefore, measures from the Marketing

Science literature clearly need adapting for understanding marketing performance within local government.

There are core concepts within the Marketing Science literature, which are necessary for understanding marketing within a business or non-business context. Chapter Two established that examining an organisation's customer philosophy; the level of integration of marketing activity within the organisation; the level of customer focus and communication; and strategic orientation, were essential to understanding marketing at an organisational level. These themes, therefore, have been incorporated in the case study interviews and analysis. Table 3-1 below outlines specific issues under each of these broader themes:

Table 3-1: Themes and issues derived from the Marketing Science literature

Broad theme (etic)	Specific issues derived from interview data (emic)
Strategic position of marketing	Level of cross-corporate integration of marketing functions
Level of customer focus	Clearly identified customers/target markets Monitoring level of customer satisfaction Communication with customer base
Strategic Orientation	Nature of partnership/networking arrangements Scope or range of external links Nature of target markets/groups

Source: Interview Data

To adapt techniques in the Marketing Science literature for understanding city marketing within local government it is necessary to acknowledge some of the peculiarities or unique features of non-business organisations. Doyle (1994), for example, draws a distinction between two main types of non-business organisation. First, there are organisations whose main objective are non-business, but where achieving these objectives do not necessarily

preclude them from profit-making activity (e.g. Oxfam). The second type is a public sector organisation, i.e. "one that is controlled by and responsible to a government body rather than shareholders or members" (Doyle, 1994, 362). Institutions such as local authorities fall within the latter of these categories, because the degree to which a public sector organisation can be involved in profit-making activity is limited by legislation. That said there has traditionally been a big difference in the UK between the institutional and legal foundations of local government and the actual practice of local government. In terms of LED local authorities have been able to exploit legal loopholes to promote regeneration, for example: by establishing their own LED units and priorities; by exploiting their role as planning authorities; by exploiting housing policy for land development; and by broadly defining what is meant by the inner-city to exploit government programmes. The 1989 Local Government and Housing Act designed to close such loopholes by providing a statutory base for local government in LED, but at the same time restricting what they could actually use their new powers and finance on.

The marketing objectives of a private firm are derived from a range of financial targets such as sales volume, market share, profit level, and return on investment (Doyle, 1994). Such monetary yardsticks are not applicable in the public sector. Local authorities could monitor customer numbers, sales turnover in certain cases, or use cost-benefit ratios, but profit is the ultimate indicator of a private organisation's efficiency and effectiveness (Doyle, 1994; Kotler, 1994). Although local authorities may have financial penalties imposed on them by central government, they do not go "out-of-business" even if they are inefficient or permanently failing organisations (Bovaird, 1994). In general the implication is that public-sector organisations are under less pressure to restructure or rationalise their activities,

although the main thrust of Thatcherite policies was to make local government more accountable and efficient e.g. through CCT and rate-capping.

Devising clearly measurable alternatives to measures of efficiency, however, is a difficult exercise. Bovaird (1994), for example, identifies output indicators of organisational performance, such as goal attainment and the satisfaction of stakeholders, but these are clearly more qualitative and difficult to assess. Often the desired impact of place marketing, for example, is to change perceptions and images of places. A change in attitude towards image is especially difficult to monitor and evaluate given that the potential targets are likely to be exposed to a range of primary and secondary experiences or sources of information about a particular place (Burgess, 1982).

Existing research suggests that many local authorities simply avoid the issue of defining specific output indicators for their marketing strategies. A survey of local government officials in the USA, for example, established that most city marketing programmes "have no specific output or results" (Bailey, 1990, 9). In the UK, Paddison (1993) identifies that local authorities use multiple and general objectives such as to raise the competitive position of the city, to attract inward investment, to improve image, and to improve the well being of the local population. Generalised objectives like this are clearly less tangible than the financial yardsticks used in the private sector. Local authorities are, therefore, more likely to define success in non-monetary terms.

To assist non-business decision-makers define strategic objectives, marketers have developed the concept of social marketing. Briefly social marketing refers to strategies that aim to influence people in ways other than purchasing behaviours. The objective is to

produce societal benefits by influencing or changing people's behaviour or attitudes. Ashworth and Voogd (1988) and Paddison (1993) argue, therefore, that city marketing is related to this specific area of Marketing Science. In this context city marketing is a tool for manipulating the behaviour of, for example, business decision-makers and other stakeholders to achieve benefits for the city, including investment and employment creation in the short term, which will ultimately provide social benefits for local people in the long term. Ashworth and Voogd (1994) argue that to resolve conceptual difficulties there is a need to develop new marketing concepts related to existing marketing frameworks such as social marketing. There are a number of factors, however, that obfuscate the definition of clear target markets and the evaluation of city marketing in a social marketing context (Clarke, 1986; Hall and Hubbard, 1996; Ludtke and Stratmann, 1996).

Any marketing strategy that aims to promote a whole city or area generically is likely to involve and impact upon multiple stakeholders. Empirical research shows that marketing objectives are often wide ranging and contradictory as promoters attempt to satisfy the needs of multiple users and stakeholders simultaneously (Barke and Harrop, 1994; Clarke, 1986; Paddison, 1993). Ashworth and Voogd (1994) recognise that the application of marketing techniques in a place management context creates conceptual difficulties in terms of defining a place as a product. "Place" clearly has multiple meanings. The "city", for example, can be a generic term, or it could refer to an assemblage of specific locations, characteristics, products, services and organisations within or related to the city. Barke and Harrop (1994) argue that place could also refer to an abstract "sense of place" or hierarchies of place perceptions (such as individual, local or mass perception of place). Hence the city cannot be treated as a homogenous product, but needs to be seen as a complex of "composite" products (Barke and Harrop, 1994; Goodall, 1990). Places, therefore, have to be multi-sold i.e. the

same place is promoted under a number of guises, for example, as the historic city or as the shopping city.

Not only are cities multi-sold, but the way they are consumed is also complex and multifarious (Foley, 1992). The "consumers" of a city will assemble services or experiences to match their own needs. This implies places are marketed without the promoters really knowing what exactly is being consumed. Consequently it can be difficult for organisations responsible for place promotion to segment and target multiple users (especially when operating with limited resources). It is often easier, therefore, to set general but unclear strategic targets. Table 3-2 below outlines how the issues discussed above were translated into the interview schedule and the subsequent analysis of qualitative data.

Table 3-2: themes and issues related to examining marketing in a non-business context

Broad theme (etic)	Specific issues derived from the interviews (emic)
Constraints on marketing within a local authority	Funding and resources Competing demands Political objectives (social and economic) Non-profit issues Flexibility to make decisions Geographical factors such as marketing spillover
Driving factors	External competition Government regulation Internal restructuring
Partnership and networking	Local and non-local arrangements Business and non-business arrangements

Source: Interview data

# 3.6 The Postal Ouestionnaire Survey of Local Authorities

This section outlines the use of postal questionnaire surveys in geographical research on place promotion, outlining the main reasons for undertaking this type of survey. This section, therefore, goes on to describe and evaluate the national postal survey of local authority economic development units in the UK, including a description of the sampling framework and response rates for the postal survey. Finally, this section evaluates the quality of data collected from the survey.

Although the institutional arrangements that make up systems of local governance in Britain are multifarious and dynamic, the postal survey targets local authorities, specifically LED units or the equivalent department. As outlined in Chapter Two there are clearly many practical difficulties in identifying which organisations are representative of the local state in any one specific locality. Local authorities, however, remain the one fixed and relatively stable element of the local state. Given that local authorities are often the only "umbrella" organisation involved in economic development (Shaw, 1994), targeting them during the first stage of the research seemed an appropriate step to gain an initial entry-point in each locality. It was assumed that local authorities would be able to provide further information regarding other actors and institutions involved in city marketing for each locality. These could be contacted in the second stage as potential informants.

It is important to note that the review of existing literature revealed there has been no systematic study of local authorities in the UK to identify city marketing strategies. Although previous surveys suggest that most local authorities in the UK perform some form of marketing activity, this research has focused too broadly on LED and not specifically on city marketing (Mills and Young, 1986; Barke and Harrop, 1994), whereas Burgess' (1982)

research focused too narrowly on communications, image promotion and the representation of place through the assessment of promotional material. Overall that research did not examine strategic marketing issues or the processes of marketing strategy formation at the local level. Generally, the existing research tends to conflate the concepts of marketing and advertising. As outlined in Chapter Two, a marketing strategy implies that an organisation has a specific management philosophy, whereas advertising and promotion are just elements of the wider concept of strategic marketing (Doyle, 1994; Kotler, 1994). This issue has not been developed or expanded upon in previous survey work with local authorities. The postal survey, therefore, aimed to identify and discriminate between local authorities implementing marketing strategies rather than those undertaking *ad hoc* advertising.

Following recommendations in the literature on auditing the marketing capabilities of an organisation, the first section of the questionnaire aimed to identify and compare several key components of marketing strategies (Bovaird, 1994, 1995; Doyle, 1994; Kotler, 1994; Smyth, 1994). These included: strategic objectives; funding; internal organisational arrangements (to determine the level of cross-corporate marketing) and monitoring and evaluation procedures, including the identification of performance indicators used by the local authorities. The second section aimed to identify communications plans, the sectoral and geographical definitions of target markets, and other actors involved in the marketing and promotion of the local authority area (see Appendix 1 for a copy of the full questionnaire).

On this final point, the questionnaire in particular attempted to illustrate the nature and composition of local partnerships or networking arrangements for city marketing. This included questions related to the level of business representation in policy formation and

implementation. The questionnaire also sought to address other potential external working arrangements, for example, the use of independent marketing and public relations agencies. Overall through an assessment of partners, networking and target audiences, the questionnaire identified internal and external "stakeholders" including business and non-business interests involved in city marketing. The geographical range and location of these stakeholders was seen as an important point to document, given the problems city marketing strategies face in terms of "spill-over" and "shadow" effects.

#### 3.6.1 Piloting the postal questionnaire

Piloting is a necessary and crucial stage of questionnaire surveys in general. There are a number of specific issues, however, related to the piloting of self-completion postal questionnaires. With a relatively small sample group of just 100, between a half-dozen to a dozen pilots is acceptable. Piloting questionnaires to small groups by post, however, is not recommended given that this technique can sometimes produce poor response rates (Bryman, 1988). Instead, peer-group piloting is seen as a more appropriate technique for solving problems with the design and wording of a postal questionnaire. For this study, the pilot exercise involved asking other researchers, colleagues and selected policy-makers within local government typical of the wider sample group to complete the questionnaire under face-to-face interview conditions, whilst the observer noted comments and feedback. Specifically, the pilot addressed issues such as the length of completion time; the wording of questions and use of language; structure and presentation; and the written instructions to the respondent. Overall the exercise aimed to identify inappropriate or unnecessary questions, important areas or themes that had been omitted, and the general clarity and structure of the questionnaire. The main problem concerned presentation. The layout was altered so that in the final version of the questionnaire each question was in a separate box with clearly

defined spaces for the respondent to fill in their answers. This enabled each individual response to be marked or coded on a final spreadsheet, which contained every single response. Transferring the information to a spreadsheet enabled rapid aggregation, comparison, sorting and analysis of data.

# 3.6.2 Administering the final postal survey

Each local authority identified was sent one copy of the questionnaire, a cover letter and a reply-paid envelope. Each local authority was given two weeks to respond. On this deadline non-respondents were sent a second letter as a reminder. This practice follows guidelines for mail surveys suggested in other research (see Andranovich and Riposa, 1993). The intention was to maximise the response rate by simplifying the questionnaire and minimising the time taken for respondents to complete it. For most questions respondents were only required to select their response from those already given by circling the appropriate code number. The questionnaire contained thirty-one questions split between the two main sections. The first question acted as a filter. Those with marketing strategies answered both sections, and those without just answered section two. All respondents were required to complete section two based on the assumption that even those local authorities without strategies could be undertaking some form of marketing activity, either by themselves or with other local actors, or even on their behalf by contracted private companies. For the purposes of analysis, each questionnaire and question was coded. Line spaces were allocated for open questions, with these responses to be coded after the completion of the survey. The postal survey was then undertaken in the first quarter of 1995.

# 3.6.3 Sampling framework

In the UK, targeting "cities" is not a useful criterion for selecting places undertaking city marketing given the difficulty in defining what type of settlement is classified as urban (Atkinson and Moon, 1994). In the UK, the term "city" is not a scientific measure of a settlement's size or function. Instead, the term "city" refers to a historical classification where a city is created by a Royal Charter and has a cathedral. Under this classification, for example, Birmingham (population of over 910,000) and Wells (population of below 10,000) are both designated as cities. Identifying those local authorities that represent urban areas, therefore, is problematical.

An obvious target group would be the metropolitan authorities, but this clearly excludes several important urban centres of relevance to this research. A second approach that identifies urban areas by their function using a system developed by the Centre for Urban and Regional Development Studies (CURDS) at Newcastle University was also rejected. Unfortunately at the time of the survey, the CURDS' functional regions classification was being updated. CURDS suggested that there had been considerable changes since their 1981 classification and this older classification would not be a useful guide. A third approach was considered, which was to target all local authorities and to classify them later. This approach was rejected given the time and resources available.

Finally, a classification of local authorities developed by the Office of Population and Censuses and Surveys (OPCS) (now the Office for National Statistics) was adopted as the most appropriate system available for identifying the survey target group. The OPCS classification is a recognised standard and its use in this research represents a continuation in methods used in other research (Mills and Young, 1986). Six target groups were selected

from the OPCS classification: Inner London Boroughs, Outer London Boroughs, Principal Metropolitan Cities, Other Metropolitan Districts, and Non-Metropolitan Cities. Scottish authorities are also classified by the OPCS using similar criteria. This gave a total target group of one hundred local authorities (see Table 3-3 below). An unavoidable issue is the exclusion of Northern Ireland. Local authority districts are classified in Northern Ireland by the OPCS using criteria from England, Scotland and Wales. The implication of the exclusion of this region is that the survey cannot extend its findings to the UK level and can only refer to events in England, Scotland and Wales. The initial contact addresses were identified from the Municipal Yearbook. A brief telephone survey identified specific names and departmental addresses for the 100 local authorities targeted in the survey. This information was stored in a WordPerfect 5.1 file and enabled personalised correspondence to be sent to each local authority.

Table 3-3: Postal Questionnaire Survey respondents ranked according to population size

Local Authority	Region	<u>Population</u>	OPCS Group
Birmingham	West Midlands	911000	Metropolitan
Sheffield	Yorkshire	499700	Metropolitan
Edinburgh	Scotland	434520	City
Wirral	North West	322100	Metropolitan
Wakefield	Yorkshire	306300	Metropolitan
Croydon	London	299600	London Borough
Sefton	North West	282000	Metropolitan
Stockport	North West	276800	Metropolitan
Cardiff	Wales	272600	City
Leicester	East Midlands	270600	City
Newcastle	North East	263000	Metropolitan
Nottingham	East Midlands	261500	City
Walsall	West Midlands	255600	Metropolitan
Enfield	London	248900	London Borough
Hull	Yorkshire	242200	City
Salford	North West	217900	Metropolitan
Barnsley	Yorkshire	217300	Metropolitan
Lewisham	London	215300	London Borough
Derby	East Midlands	214000	City
Oldham	North West	211400	Metropolitan
Greenwich	London	200800	London Borough
Southwark	London	196500	London Borough
Haringey	London	187300	London Borough
Calderdale	Yorkshire	187300	Metropolitan
Swansea	Wales	182100	City
Portsmouth	South East	174700	City
Dundee	Scotland	172860	City
Camden	London	170500	London Borough
Sutton	London	164300	London Borough
Hackney	London	164200	London Borough
Merton	London	161800	London Borough
Tower Hamlets	London	153500	London Borough
S.Tyneside	North East	151900	Metropolitan
Middlesborough	North East	141100	Metropolitan
Hamm & Fulham	London	136500	London Borough
Brighton	South East	133400	City
Ken & Chelsea	London	127600	London Borough
Preston	North West	126200	City
Norwich	East Anglia	120700	City
Oxford	South East	109000	City
Cambridge	South East	101000	City
York	Yorkshire	100600	City
Worcester	West Midlands	81000	City
Bath	South West	79900	City

Source: Postal Questionnaire Survey

# 3.6.4 Evaluating the postal questionnaire survey

A key concern regarding postal questionnaires is to what extent the survey reflects a "true" picture of what is happening within the local state in the UK. Several criticisms can be levelled at the survey: the exclusion of rural areas and small towns; the non-response of three principle metropolitan cities; and despite the postal survey identifying senior managers (mainly Heads of Department), often the questionnaire was completed by less senior staff. Three key metropolitan cities did not respond (Leeds, Liverpool and Manchester), although their absence is compensated by the presence of other cities undertaking external or high profile marketing such as Birmingham, Newcastle upon Tyne and Sheffield. Putting these criticisms aside, the postal questionnaire design worked well, and the response rate of 44% represents a good return for a postal survey (Andranovich and Riposa, 1993). The survey, therefore, is rigorous enough to support conclusions regarding the state of city marketing in the UK. Table 3-4 below outlines the response rates for the survey by local authority classification. The total number of local authorities identified approached was 100.

Table 3-4: Response Rates by Local Authority Classification

Authority Type	No. of returns	Response rate (%)
London Boroughs	13 (33)	39
Metropolitan Boroughs	14 (38)	36
Cities (including Scotland and Wales)	17 (29)	62
Total	44 (100)	44

Source: Postal Questionnaire Survey

In addition, a main criticism of the existing literature on city marketing has been the bias towards research in the largest urban cities. Consequently particular types of urban

settlement were deliberately chosen as the basis for case studies (see Section 3.3 for details). These included urban settlements other than the big cities, which are frequently used as case studies for city marketing. This research, therefore, has broadened the range of localities subject to academic research on city marketing beyond large cities, although there remains further scope to examine small towns and rural settlements

The postal survey enabled the identification of who was doing what and where, providing a national snapshot of what was happening in 44 urban areas. From the survey it was possible to identify general trends, which also provided a descriptive overview and context for the subsequent intensive qualitative case study research. It was possible, for example, to get an indication of the mean marketing spend per local authority. In addition, the postal survey also identified a large number of contacts and potential interviewees, plus a large number of partnership organisations or collaborative institutions. The postal survey generated a lot of interest within local authorities and some were very keen to see the results. This provided a base for developing a dialogue with local authorities, providing two key advantages. First, it enabled the identification of new issues via observation and follow-up work by telephone, which fed into the development of the draft interview schedule. Second, the results summary provided a tool for negotiating access into organisations for the second stage interviews. Enough information was collected to enable each response to be ranked to identify preliminary examples of best practice. This provided a practical grounding for selecting localities as case studies for the second stage of research. Although the first stage enabled some "claims" to be made, it is recognised that this large-scale approach provides data that is limited in scope (Mason, 1994). Deciding categories of analysis beforehand and choosing a highly structured format, for example, could have predisposed respondents to bend their interpretations or understanding of the questions to fit the categories. The

understanding of what constitutes a strategy, for instance, may vary widely between respondents. This is the type of issue that can only be followed up via qualitative research. Another key weakness of postal surveys is that it is not known how much time or care each respondent has put into the completion of the questionnaire. There are no checks or guarantees that the respondents have even ticked the "right" boxes. Once posted there is a loss of control over the destination of the questionnaire after it has reached the target organisation. Again this produces the need to validate findings through more intensive qualitative research at the local level.

# 3.7 Case Study Research Interviews

This section draws on the experience of researchers who have incorporated qualitative interviews into their research methodology to describe the interview research techniques used in this study of city marketing. First, this section discusses broader issues related to the use of qualitative research interviews. Second, the section goes on to describe the design and administration of the interview schedule, including the sampling framework used to select case study areas and negotiate access to informants, and the steps taken to protect the rights of informants. The social relations between the informants and researcher also warrant further discussion. Finally the section discusses the analysis of interview material including practical issues, for example, the equipment used and procedures taken in transcribing the interviews. Finally, the section evaluates the interview method.

#### 3.7.1 Qualitative interviews in social sciences and geography

The second stage of this study of city marketing strategies examines phenomenon that are not directly observable, for example "feelings, thoughts and intentions" (Patton, 1990, 278).

This stage is looking to identify what perspectives the practitioners of city marketing hold. The main aim of the research technique, therefore, was "to generate data which give an authentic insight into people's experiences" (Silverman, 1994, 91), or to abstract information through observation and experience. According to Andranovich and Riposa (1993, 79) "interviews are a way to gain and maintain access to the activities and beliefs of the research subjects". However, the use of interviews in research is not new. Silverman (1994), for example, describes the positivist tradition where interviews give us facts that are reliable and valid. In those cases interviewees are selected by the use of random sampling and are asked standardised questionnaires. One must draw a distinction, therefore, between quantitative and qualitative interviews.

The ultimate value of qualitative interviews is that they provide an opportunity for "interactionism" i.e. where "interviewees are used as experiencing subjects who actively construct their social worlds" (Silverman, 1994). Interview data, therefore, provides insight into the interviewee's experience. The implications for methods adopted, therefore, include the use of open-ended, less structured and more in-depth questioning.

# 3.7.2 selection of case study areas

Chapter Two established that there is a need to develop new case studies in urban areas other than the major cities to examine how the impacts of entrepreneurialism had filtered down through local state. A logical sampling framework as opposed to statistical sampling, therefore, was needed to guide the selection of both case study areas and informants. This framework pays attention to the size and type of urban settlement, the broader regional context, issues of industrial restructuring, and the quality of existing marketing practice within each locality.

In smaller localities, for example, institutional arrangements, the scale of socio-economic problems and the objectives of local economic policy are likely to vary considerably. Marketing may possibly be understood in multifarious ways throughout a range of places or institutions. The research, therefore, purposively excluded major cities, especially those that have been exhaustively researched by academics (see Table 2-2). Consequently the following cities were not selected: Belfast, Birmingham, Bradford, Glasgow, Hull, Liverpool, London (central), Manchester, Newcastle, Sheffield, and Stoke-on-Trent.

Another important factor to consider was the broad regional context in which localities were located. Even before regional devolution Northern Ireland, Scotland and Wales had their own institutions operating within the field of both LED and city marketing, for example, Local Enterprise Councils (LECs) and the Scottish and Welsh Development Agencies. The geographical focus of this study, therefore, studies was switched from the UK to include only English local authority districts. This was done purposively in order to generate a relatively homogenous and comparable set of case study areas. Consequently Scottish, Irish and Welsh cities were excluded from the selection of case studies.

Issues of industrial restructuring were also taken into account in order to generate a relatively homogenous and comparable data set. The focus of this thesis, for example, is on localities which have used city marketing to address issues of contemporary industrial restructuring within the manufacturing and commercial sectors. Certain industrial sectors are perhaps more indicative of these broader process of restructuring than others. Particular types of settlement, therefore, were excluded. Areas with a high level of agricultural or extraction industries, for example, face a particular set of problems or issues, which perhaps need to be addressed by more focused research. Tourism is another sector, which despite becoming

much more significant in global terms, is again an issue that requires more focused examination. Resort areas such as Brighton and Sefton (which includes Southport) were consequently excluded, mainly because of their heavy bias within their existing marketing strategies, both in terms of objectives and funding towards traditional tourist target markets (see Table 3-5 below). This issue is also relevant in some non-resort cities where tourism still forms very significant aspect of the local economy, for example, Bath, Oxford, Worcester and York.

Finally, the quality of existing marketing practice within each locality responding to the postal survey was assessed according to criteria, which albeit superficially, identified best practice. Table 3-5 below identifies the criteria used, which draws on the application of marketing effectiveness rating systems in organisations (Kotler, 1994). Table 3-6 shows the results of this procedure.

#### Table 3-5: criteria for selecting best marketing practice within local districts

- Does the local authority have a current strategy?
- Has the local authority had a previous marketing strategy?
- Are there stated marketing objectives?
- Is there a designated marketing budget?
- Is responsibility for the budget within a marketing department?
- Does marketing transcend more than one department?
- Have they established regular monitoring/reviews of strategy?
- Do they evaluate against performance indicators?
- Do they evaluate against changed perceptions of place?
- Do they undertake marketing activity?
- Do they have a logo or symbol?
- Do they advertise?
- Do they have stated geographic/economic advertising target markets?
- Have they recently initiated flagship project/events/environmental improvements?

Source: adapted from Kotler, 1994.

Table 3.6: Ranked list potential case studies

1. Portsmouth	16. Hackney
2. Wirral	17. Lewisham
3. Leicester	18. Croydon
4. Nottingham	19. Preston
5. Oldham	20. Greenwich
6. Haringey	21. Salford
7. Wakefield	22. Middlesbrough
8. Walsall	23. Stockport
9. Norwich	24. Barnsley
10. S.Tyneside	25. Hammersmith & Fulham
11. Southwark	26. Camden
12. Cambridge	27. Derby
13. Enfield	28. Tower Hamlets
14. Sutton	29. Merton
15. Calderdale	30. Kensington & Chelsea

Source: postal survey data

The results of this procedure are outlined below in Table 3-7, with the top ranked locality under each category appearing in italics.

Table 3-7: local authority districts ranked according to best marketing practice and categorised by OPCS urban classifications

Greater London	Haringey, Southwark, Enfield, Sutton, Hackney, Lewisham, Croydon,
	Greenwich, Hammersmith & Fulham, Camden, Tower Hamlets, Merton, Kensington & Chelsea
Cities	Portsmouth, Leicester, Nottingham, Norwich, Cambridge, Preston, Middlesborough, Derby
Metropolitan	Wirral, Oldham, Wakefield, Walsall, South Tyneside, Calderdale, Salford, Barnsley, Stockport

Source: Postal Questionnaire Survey

Although this procedure was adopted to select examples of best practice from the postal survey respondents, problems were encountered in trying to negotiate access to key informants within local authorities. Haringey, amongst others, simply refused outright to

participate in the research and so they had to be excluded. Negotiations with other potential key informants sometimes started well, but then broke down ending with refusal to be interviewed. Southwark, for example, was excluded for this reason. Several authorities, at first refused access, but changed their attitude at a stage too late to be included in the research. Norwich, at first refused access, but later allowed access after the research had been concluded. Ethics also led to the exclusion of other areas. Wirral, for example, agreed to participate, but the key informant was subsequently involved in a serious accident, which made the situation somewhat difficult to exploit for research purposes. In another area, which shall remain nameless, the key informant had to suddenly leave the local authorities pending an enquiry into financial improprieties within their department. These issues illustrate general difficulties involved in the process of negotiating access in a qualitative research project.

In addition, during the long process of negotiating access with local authorities, which involved many telephone and face-to-face discussions with potential informants, it became evident that several non-respondents to the original postal survey were significant sites of marketing practice. Knowsley is a good example of a locality, which both accords to the selection criteria set out above, and where despite a non-response to the postal survey, included developments within that particular district that would make it an appropriate and important case study.

The contingency procedure, therefore, was to work systematically through the list under each OPCS classification to the next best example. The outcome of this process led to successful negotiation for access to key informants within Salford, Oldham, Knowsley, Croydon and Portsmouth. As the case study areas are not selected according to statistical

criteria, this method is open to criticism that the data are not representative, and that generalisations about wider processes and change cannot be made. Rose's (1991) response to this criticism is that sampling (or the selection of informants or case studies) is theoretically, and not statistically, directed. To re-iterate, the sampling framework is influenced by a qualitative logic rather than the quantitative logic of statistical sampling. Finally the pilot interview took place in the interviews took place in June 1995 and the rest of interviews were completed by the end of 1996.

#### 3.7.3 Selecting and negotiating access to individual informants

To assist with the selection of informants within each locality a contacts database was created with the information identified from the postal questionnaire survey. This database was used as a starting point to identify key individuals involved in city marketing at the local level. Potential informants were identified for each area using a "snowball" sampling technique, which is a non-random sampling technique used in qualitative research (May, 1993; Seale and Filmer, 1998). Essentially this involves asking the first contact person to identify other relevant and willing people within local and regional organisations involved in the marketing of the locality. Then each new informant was in turn asked to identify further informants. This produced a comprehensive list of potential informants for each locality. This was a helpful technique, because it enabled gaining access to informants without personal contact with people who might have otherwise refused to be interviewed (see Appendix 2 for a complete list of informants). One drawback, however, relates to whether the list of informants is representative of the issues that you wish to discuss. It is possible, for instance, that some potential informants are not recommended by your existing informants either because they have no personal contact or, possibly, they are deliberately not recommended to you for personal or political reasons.

The postal survey shows that the local authority in each locality performs an important marketing function, particularly as a facilitator of marketing action. In each case, therefore, the initial informant approached was the Head of the Department within the local authority responsible for marketing activity. In some cases this would be a marketing officer, but in most cases this person would reside within the Economic Development functions of the local authority. Less senior staff members, with responsibility for routine marketing activity, were also selected via the snowballing method. In addition, the postal survey identified a range of organisations and institutions outside of local authorities that were also involved in place marketing. Where relevant, therefore, informants also included external actors working with the local authority on place marketing issues, such as representatives from the Chambers of Commerce, Town Centre Management, private sector businesses, and business development agencies (such as TECs, Enterprise Agencies and Business Link). In terms of the number of interviews that needed to be completed, it is accepted that within qualitative research the interviewer proceeds until they feel they have enough information to address the research questions. In this context there are no minimum or maximum number of interviews, although standard practice suggests that at least five interviews to be completed for each project (Kvale, 1998; Flick, 1998).

Interviews were set up over the telephone rather than by sending out formal letters by post. Talking to people on the telephone enabled interviews to be arranged much more quickly than by letter, and it was possible to let the potential informant know instantly what was required of them during the interview, and to clarify any queries in advance. It is important to recognise, however, that negotiating access is not just about physical access to the person, but whether the person to be interviewed is the holder of the information required (May, 1993). Where requested a letter was sent out in addition to the telephone call, plus any other

requests for information about the research (background, outputs, themes of questions). It was quickly established that the informant knew what was expected of them in terms of the level of information required and how much of their time would be taken up. It was also important to explain the background of the research, and most notably, establishing that the research was bona fide. This was essential in certain cases in terms of establishing the legitimacy of the project in order to negotiate access.

#### 3.7.4 Interview schedule design

Kane (1985) and Kidder (1981) identify three main types of interview: the standardised interview schedule; the standardised interview with no schedule; and the unstructured interview. In a standardised interview schedule there is a formal structure where the same questions are asked to different people in the same order. This is used, for example; when interviewing a large number of people; where there are clear categories for analysis; when there is a homogenous group of informants; and when the researcher has substantial existing knowledge. The standardised interview has no schedule and allows the researcher to vary the order of questions and kind of questions for different people on the same issue. The unstructured interview has no set order to the questions and no schedule. Here categories are generated from open-ended enquiry. May (1993) discusses all of the above in addition to group interviews, i.e. interviews with more than one person at a time.

These approaches vary in terms of the degree of interviewer participation, and flexibility in terms of the wording and sequence of questions. Patton (1990) identifies strengths and limitations in all approaches, but suggests that there is no reason why an interview could not incorporate more than one technique, that is to include structured and unstructured questions. Patton (1990) reminds us that although the approach selected obviously relates closely to the

aims of the research, that it is also important to consider practical constraints. Access to interviewees in terms of time, for example, may make certain approaches impractical. Andranovich and Riposa (1993), Whyte (1982) and Dixon (1980) provide useful practical guidance for researchers undertaking interviews in geographical research, especially within urban settings.

This study of city marketing aimed to interview a range of actors with a variety of experiences. It was necessary, therefore, to build an element of flexibility into the interview schedule to allow the researcher to elaborate or clarify certain responses, rather than to rely solely on standardised questioning. It is recognised that standardised approaches are not suitable for handling interviewees with unique experience. Given that the research aims to identify examples of best practice, this line of questioning would be best pursued using a flexible approach, which allows informants to elaborate on their own experiences. A standardised interview schedule as suggested by Dixon (1980), therefore, would be inappropriate.

This decision, however, leads to the question of how much flexibility should be built in. The approach offering the most flexibility is an unstructured or open-ended interview (Kane, 1985). This allows for the rewording of questions during the interview according to different people's experiences. It also allows the interviewer to vary the order of questions, and to rephrase questions according to the interviewee's experience (Jones, 1991). The weaknesses of the unstructured approach, however, make this method somewhat impractical for this research, for example, the problem of comparability between large numbers of non-standard responses. Given that the interviews would take place on a one-off basis in very

formal settings, with people who had considerable constraints on their time, informal approaches again would be extremely difficult to undertake and schedule.

Patton (1990), in this kind of setting, recommends the interview guide approach where the researcher develops a list of issues or topics in advance to be discussed during the interview but maintains an element of flexibility to probe and explore certain issues raised by the informants. A conversational style can be maintained rather than just straight questions and The same list of topics can be used again to encourage the generation of answers. comparable data from each interview, making the data easier to analyse than more openended approaches. Patton, however, reminds us that the interviewer is not expected to raise issues that are not referred to in the guide, although the interviewer is given the flexibility to respond to new issues raised by the informant. The procedure adopted in this situation is, when asking the informant to elaborate, to use a standard set of probing questions. That said, there are elements of the standardised open-ended interviewing approach that are desirable when access to interviews is limited to short periods of time and/or when only one person can be interviewed at a time. This approach generates standardised data as each interviewee is asked the same questions (which are written out in advance and are read out exactly how they are written). Probing questions and prompts can be included on the interview schedule to assist the interviewer to manage clarification and/or elaboration. This encourages a more systematic approach, reduces interviewee influence, and it is easier to analyse and aggregate the data. However, this approach does not allow for expansion on any unique experiences held by interviewees and reduces the flexibility of the interviewer to pursue new issues.

The adoption of the guided interview approach using an interview schedule with a built-in standard set of probing questions and notes was seen as the most appropriate form of interview schedule for this research. This approach allows for variation in the sequence and wording of questions, but encourages an element of rigour or consistency to generate comparable data by using the same list of issues for each interview. This decision was undertaken given the experience of the pilot stage of interviews. During the pilot an attempt was made to maintain the same sequence and wording of questions, but this proved difficult, as certain questions would provoke responses where the interviewee would refer to issues covered later in the interview guide. Alternatively, the informant would refer to completely new issues of relevance outside of the guide. It was more valuable in this situation to allow informants to continue and generate the issues themselves (in the spirit of the grounded approach), because this would reveal more about their own experience (without imposing categories on them). Curtailing their answers and coming back to the issues later interrupted the flow of conversation.

To enable more flexibility the schedule was divided into "topic areas" (Jones, 1991). Rather than asking several questions under each topic, one key question was asked followed by prompts and probes (Jones, 1991; McCrossan, 1984). Sub-topics were built into the design as a checklist for the interviewer with space for marginal notes. Prompt notes during the pilot stage were copied onto a separate piece of paper. It became difficult to organise the research materials (schedule, prompt notes, dictaphone) during the interview. As a result the schedule was redesigned so that the prompt notes were built in as footnotes on every page of the interview schedule. It also proved useful to use a different font for questions and instructions (questions in bold, instructions in italics – see Appendix 3 for an example of the interview schedule).

#### 3.7.5 Piloting the interview

The interview needed to be piloted in order to test the language, wording and structure of questions. Dixon (1980) suggests undertaking a limited number of trial interviewees with potential informants and peer group members. The interview schedule, therefore, was tested within the research project supervisory team and with a representative from the Public Relations Department of Edinburgh City Council to form the pilot stage. This enabled much refinement of the schedule, including the shortening of the questionnaire length, the omission of questions deemed irrelevant, and the inclusion of new and reworded questions.

Following the pilot stage, it was clear that the schedule needed to be shortened. It was initially envisaged that interviews would last about one hour, but when negotiating access to extremely busy people, just fitting interviews into their timetable proved difficult. This meant some interviews could be allocated just thirty minutes, whilst others were allocated well over an hour. For the sake of comparability, therefore, a hierarchy of questions was identified, from the essential "must ask" issues to the less important questions regarding routine activity that could be left out if lack of time became a problem during the interview. This ensured that all informants were asked the same essential questions, but where time allowed other issues could be explored in greater depth. A useful way of shortening the length, for example, was to reduce the section on biographical information, which during the pilot stage had generated a large amount of somewhat irrelevant information. Other examples include of the omission of the question regarding what marketing meant to them as an individual, given that this was revealed anyway during the natural course of the interview.

Following the pilot stage, question numbers were left off the redesigned schedule. This was to avoid imposing a false order of questioning. It was necessary to follow the conversation,

and often this meant that informants would jump the order or talk about different issues together. That said the schedule brought in an element of control. There were obviously questions that would start and bring the interview to a conclusion. A typical interview schedule, therefore, would first identify the crucial question of why marketing was adopted, and then explore who was involved and how marketing was implemented, then to identify evaluation and review procedures, and then to enquire about future developments.

It was also necessary to adapt the interview schedule for different organisations and people holding different positions. For example, it proved early on to be pointless to ask, say the Head of the Department, about routine marketing activity, because they were more concerned with the strategic issues. It proved more valuable to instead concentrate on the wider issues when interviewing senior staff, and leave questions relating to everyday routine to other, less senior informants.

A key dilemma when an informant does not seem to answer the question is that the interviewer may resort to prompts that in fact lead the interviewee as opposed to probing and exploring. Kidder (1991) suggests the use of prompts that encourage the informant to say more or explain in more detail, or "neutral probing" (May, 1993). The list of prompts draws on the suggestions of several researchers, most notably those developed by McCrossan (1984) for use during social surveys (see Table 3-8 below):

Table 3-8: Neutral probing notes used during interview schedule

Can you give me an example?

Tell me about...?

Can you explain that a little more fully?

How do you mean?

In what way?

Is there anything else?

Are there any other (reasons)?

Source: Interview Schedule

May (1993) suggests that prompt notes must be worded in a similar way for each interview to maintain a degree of comparability. She goes on to suggest the use of notes that clarify, elaborate and probe. Going off at tangents would produce unusual data or unique data for

each interview that would be very difficult to code or compare.

It was also recognised early on that the informant needs time to think about questions. It was important, therefore, not to force or hurry them and not to treat silences as failure (Jones, 1991). Sometimes, however, it becomes necessary to motivate the informant by encouraging participation to maintain their interest and to avoid the interview dragging on by curtailing some questions or responses. In these instances the interviewer could resort to prompt instructions and/or probing notes built into the interview schedule, or to polite interruptions such as "perhaps we could come back to that issue later but now I'd like to discuss... ". Sanctioning is a strategy employed during research interviews to "enable the individual to feel that their experiences are shared by others and thereby encourage them to talk more openly" (Jones, 1991, 206). For example "I have found that in other local authorities they are shifting the emphasis away from targeting inward investment to a more internal approach, developing and retaining existing companies. Is this local authority doing the same?"

#### 3.7.6 Conducting the interviews

During the introduction it was important to make a clear statement of the aims of the interview, its expected length, the sponsoring agency, to stress confidentiality and to let the informant know what level of information was required. A further point was to ask if they objected to the use of a tape recorder (Jones, 1991). Like Jones (1991), the experience was that interviewees quickly forgot the tape was there, but there were instances where interviewees took a more guarded approach and became self conscious and aware of the dictaphone. They would say things, for example, such as "I don't know whether I should say this...". The strategy employed was to re-emphasise confidential nature of the interview, but nothing else was said to encourage them. There were instances where informants would talk more openly "off-the-record" i.e. once the tape recorder was switched off. Again the contingency employed here was to resort to field notes.

Within qualitative research of this type, a respect for the rights of the informants is essential (Dixon, 1980). On initial contact, for example, informants were told that the information they provided would be treated in a strictly confidential manner. It was explained to them that if any parts of the transcripts were presented to a wider audience in the future then measures would be taken to conceal the identify of the interviewees. In addition, interviewees were informed about whom would have access to the data and where the data would stored. Informants were also told that results summaries based on the interview would be made available to them on request.

The social relations between the researcher and the informants are a very important aspect of qualitative investigation. At a basic level, Kidder (1981) stresses the importance of creating a friendly atmosphere and suggests a brief, casual introduction and putting the informant at ease with an informal question. It is recognised, however, that sometimes it is not easy to establish a rapport with the interviewee, although in this scenario Jones (1991) warns researchers to avoid a forced rapport by being over-friendly. There are more complex issues, related to the relationship between the researcher and the researched.

An important consideration, for example, is image management (Jones, 1991). During the course of this study it became clear from first contact with informants, particularly within local authorities, that they appreciated being dealt with by the researcher in a professional or business-like way. In terms of conducting interviews, therefore, it was important to wear appropriate clothing (though being careful not to appear contrived). Given that most informants included professional managers, the approach to image management called for smart suit, shirt and tie to give the image of a professional researcher. In most cases there was also a need to establish professional credentials, especially in local authorities where there exists a professional or managerial culture. It was acknowledged, for example, that presenting one's self as research student implied a lack of status. This level of status is not necessarily a disadvantage because in some cases it can be manipulated. On the basis of previous personal research experience, for example, it has been found that sometimes people view students as harmless and, therefore, less threatening, meaning they will talk to them more openly. But in this research, the status of researcher was found to affect the quality of information given by the interviewees, for example, when posing as a research student there was a tendency for some informants to adopt an almost patronising stance. This experience reflects the experience of other researchers. Andranovich and Riposa (1993), for example,

argue that educational credentials may not be enough to carry the researcher into different settings outside the educational environment. As a result, the presentation of the researcher as a research student was rejected early on in favour of a more professional approach, for example, leaving the word "student" out of letters and putting "researcher" instead. Other codes of conduct or behaviour included the swapping and exchange of business cards, the use of headed note paper, writing professionally worded letters, wearing a suit during interviews and appearing "smartly dressed". The overall conclusion is that there was a need to establish professional credentials, and when this was established interviewees would provide information and experience at the professional level, as they would do when talking to another marketing or management professional.

Many informants commented that they had learnt something new about the field of place marketing, they did not realise so much was going on, were not aware of the literature, or who was doing what where. Several different interviewees commented, for example, that their city or town was first to be doing this type of place marketing and were surprised that other places were doing the same. They did not know because they were not looking around for examples of good practice elsewhere. This is an issue in itself because if they are not looking around at what other places are doing then it suggests poor marketing practice. In terms of methodology, however, there is a concern that the informants could act on the information received during research interviews and alter their subsequent behaviour. Jones (1991), for example, identified that qualitative interviewing can have a therapeutic or counselling impact on the informants. In the context of this research, it is recognised that the interviews may have impacted on interviewees by providing them with something akin to "free consultancy" advice. In many cases it was impossible not to refer to other places because exchanging this information almost became a condition in negotiating access.

## 3.7.7 Transcription of interviews

On completion of interviews, in accordance with the experience of other researchers who have conducted qualitative research interviews, it was identified as good practice to first produce summary points for each interview before undertaking the task of transcription (Hudson, 1995; Kvale, 1996; Reimer, 1995). The next stage was to write the transcripts. The primary use of the transcriptions in this case is as an aid to memory, so in terms of presentation a full transcription with symbols was not thought to be relevant to the analysis of the research interviews. However, as a matter of course, most of what was said during interviews was transcribed, including the repetition of words and phrases (with any omissions marked in the text). Other elements of the interview marked out in the transcription include pauses, hesitation, significant gestures and reactions. Kvale (1996) outlines in detail the key issues related to the transcription of interview material. The first key decision is whether or not the researcher transcribes material by themselves. The key disadvantage of this is the time taken, given that it can take up to five hours to transcribe just one hour of taped material. Transcribing interview material, however, allows the researcher to be "sensitive" themselves to the quality and content of the transcribed material. The transcription process itself can be eased by the use of an electronic transcriber.

# 3.7.8 Organisation of case study data

This section outlines the analysis of the qualitative interview material, dealing specifically with analytical procedures such as searching, coding and categorising data; relationships and structures within the data; and theory development. There is no standard approach to analysing qualitative data or case study material (Yin, 1989). A key problem in this type of research, however, is the failure to consider how to analyse the data before collecting it.

There is a danger, therefore, that the researcher is left with a stack of interview transcripts and no clear ideas of what to do with them.

Given the lack of standard approaches, and the fact that with open ended interview data it is not always clear in advance which units of analysis will arise, it is difficult to develop a clear or specific analytical framework or method to ensure quality and comparability in advance of starting the data collection (May, 1993). Yin (1989), however, argues that it is useful to have a general analytical framework in place in advance of data collection. Yin (1989) refers to two general strategies. First, is having a theoretical proposition. The starting point of the research is often some general proposition or issue that leads to the original research aims and objectives. This in turn shapes the research questions and subsequent literature searches and reviews that assist the researcher in identifying which data to collect or avoid. The second approach is having a descriptive strategy. This refers simply to descriptions of what is happening within broad relevant topics. Yin (1989) prefers the former method, and advocates the latter only when theoretical propositions are missing.

In terms of organising data and information into case studies, Patton (1990) suggests a two-stage approach. For the first stage, Patton calls for the preparation of individual case reports, for example, by "organising the data by specific areas for in-depth study" (Patton, 1990, 384). This stage, however, is more concerned with description (what and how questions) rather than interpretation (answering the why questions). The second stage involves the preparation of an interpretative cross-case analysis that groups together common questions or issues to address the research project aims and issues arising from the literature. Organising data and information in this way is a useful start point for the analysis of qualitative data. The way the data are structured and organised falls in line with Patton's

suggestions. To form the first stage of the analysis, the research interviews were grouped together under the same location to produce area case studies, and a short descriptive report was prepared based on this interview data. For the second stage an interpretative cross-case analysis was developed drawing on findings from all the localities studied.

The identification of relevant themes to form the basis of the cross-case analysis, however, requires additional analytical techniques (Yin, 1989; Miles and Huberman, 1984). These include pattern matching, identifying patterns or trends in the data across the case studies to identify theories, categories, and boundaries emerging from the data. The aim of these analytical procedures is to identify the most adequate description or explanation of the emerging patterns or themes. Rawlings (1995) argues that this is an on-going process throughout the research project, and that it is important for the researcher to talk to people about the research, and to keep notes of any subsequent discussion of analysis.

## 3.7.9 Analysis and coding of interview data

This section discusses the strategy used to derive relevant data or information from the qualitative interviews and then how this information was coded, analysed and managed. The first sub-section discusses coding of interview data in broad terms. The second sub-section examines the specifics of how the interview data were analysed for this research. The final sub-section discusses issues related to data management and storage.

#### Coding interview data

Coding is a form of inductive analysis. Coding involves identifying "patterns, themes and categories of analysis from the data" (Patton, 1990, 390). Crang (1997) argues that this

technique borrows from sociology and grounded theory (Strauss and Corbin, 1998).

Bryman and Burgess (1994) describe grounded theory as the discovery of "theory" from data.

There are many techniques that involve breaking down qualitative textual data, such as interview transcripts, into manageable units of analysis. Content analysis, for example, involves "identifying, coding, and categorising the primary patterns in the data" (Patton, 1990, 381). In addition, this approach to analysis involves counting the frequency of words and phrases, recording the sequence of words, and the location of words and phrases in the text. Content analysis brings qualitative and quantitative research together, but it does not tackle the meaning of words in context. The question is what does someone mean when they say what they are saying? Coding data in a qualitative research context, therefore, implies a careful reading of the text and decisions about the meaning of the data.

Coding is an established convention in qualitative research to assist researchers to break down large amounts of textual information in manageable and meaningful units (Strauss and Corbin, 1988). Rawlings (1995), for example, discusses theories, categories, and boundaries emerging from qualitative data and suggests ways of identifying patterns and themes. She argues that the key aim is to identify the most adequate description or explanation. Mason (1994), Patton (1990) and Reimer (1995) argue that coding is about tagging or indexing the transcripts under themes or patterns. Bryman and Burgess (1994) describe coding as "...the process of categorising and sorting the data". They argue that coding provides the link between data and conceptualisation. Bryman and Burgess go on to identify two key types of coding. The first is open or initial coding, which is "the process of breaking down, examining, comparing and categorising the data". The second is axial coding, which refers

to "a set of procedures whereby data are put back together in new ways after open coding by connections between the categories". Referring to the ideas of Tesch (1990), Hudson (1995) argues that coding involves first the "decontextualisation" of the data by categorising the data into topics or issues. The second stage involves "recontextualisation", i.e. retrieving the data and sorting the data under each category. The third stage refers to theory building i.e. identifying linkages and relationships between the themes or categories.

# The coding procedures adopted in this study of city marketing

Drawing on the ideas discussed above the analysis and coding of the interview data was broken down into four main stages: breaking up the data into smaller text units; development of conceptual categories; fine-tuning of code categories; and identifying hierarchies of codes.

The initial stage involved breaking up the long pages of interview material into more manageable "text units" of varying length (from short paragraphs to several pages). This exercise produced over 1400 text units within the interview transcripts. These text units relate broadly to themes and responses to questions and provide a preparatory step towards further refinement and coding. Figure 3-1, for example, is an extract taken from the interview transcripts to illustrate the steps taken to make this material more manageable (this extract was chosen because it is relatively short). First, the text unit is attached to a specific locality and informant code. Second, a unique number code is given to the text unit, simply to enable easy referencing and retrieval.

Figure 3-1: Example of a text unit and coding of interview material

Why is a local authority doing marketing?"

R18 I think we do marketing, if you look at it from all the angles, because we are here to represent the city in all of its statutory areas. And particularly for us, in Economic Development and Marketing, because we are a discretionary area, so it is imperative that we are either telling our residents and telling other people, be they visitors, be they investors, be they government, be they the EEC about what is going on here. Be it positive, that is this is a good place to live or to work, or to come and see things, or negative, that is we have high unemployment, high social deprivation. And I think that is part of our role.

Locality Portsmouth

Informant code R18
Text unit code 1366

Description Marketing culture, image

Source: Interview transcripts

The second stage of the analysis identifies what Mason (1994) describes as conceptual categories or open coding. These link the data to themes and research questions. This involves attaching text (words and phrases) to codes that indicate what that text means, but taken to higher levels of abstraction. This involves developing etic and emic codes (Crang, 1997). Briefly, emic codes refer to issues or themes described by the informants themselves, whereas etic codes are those assigned by the researcher to describe and attribute meaning to the interview data.

To complete this stage of the analysis, the text unit is placed within one or more descriptive categories. From the example given in Figure 3-1 the text unit is placed within two categories, "marketing culture" and "image". Mason (1994) describes this process as creating descriptive categories i.e. specific codes that describe the content of what was said by informants during interviews. Figure 3-2 below illustrates the main codes produced during this stage of the analysis. This process also assists the researcher to index the interview material. It is important to note that these categories are not pre-defined, but are

grounded in the data. So this approach again draws on sociological qualitative research techniques, for example Glaser and Strauss (1967). An issue to consider here is that putting segments of the text into categories is a matter of interpretation by the researcher. For instance, people can use different words to describe the same things and interview questions and answers are open to misinterpretations or reinterpretations. Another issue is that the same segment of text can be indexed more than once, that it can relate to one or more codes.

Figure 3-2: Examples of codes generated during the first stage of the analysis

Communications	Negative views on marketing
Driving Factors	Objectives
Flagships	Partnerships
Funding	Politics
Internal marketing	Product development
Inward investment	Strengthening internal links
Marketing culture	Relationship
Marketing in a local authority	Targets
Mobility	What is marketing?
	_

Source: Interview transcripts

The third stage involves fine-tuning, for example, by subdividing and/or amalgamating the existing categories. For example, the code "funding" was later amalgamated into the category "marketing in a local authority" and appears now as a sub-code. Figure 3-3 below takes a broad descriptive category and shows the numerous categories that emerged during the subsequent stage of analysis (see Appendix 5 for a comprehensive list of codes):

Figure 3-3: sub-codes for "marketing in a local authority"

Sub-code	Number of corresponding text units
Competing demands	25
Constraints	26
Decentralisation	4
Decision-making flexibility	1
Diversification	2
Economic development and planning	2
Facilitator	1
Funding	18
Management status	1
Non-profit	5
Providing for the community	2
Relations with councillors	8
Relations with media	1
Relationship with chief executive	8
Size	1
Spillover	5
Strategy development	5
Zero-sum	2

Source: Interview transcripts

The next stage pulls together data from different interviews within each locality to form the basis of local case studies. Figure 3-4 below, illustrates how text units and codes are related to each locality. In this example, the main code is "marketing in a local authority" and the sub-code is "funding". This sub-code occurs sixteen times in all the transcripts, i.e. informants in sixteen different units discuss funding issues. Using this method, the researcher can quickly ascertain the frequency and spread of issues throughout all the interviews. The actual content of text units can be quickly retrieved to enable comparison between different areas.

Figure 3-4: example of how a sub-code is related to specific informants and localities

<u>Text unit</u>	Informant code	Case study area
22	R1	Edinburgh
80	R2	Salford
122	R2	Salford
125	R2	Salford
435	R3	Oldham
513	R5	Oldham
600	R5	Oldham
602	R5	Oldham
604	R5	Oldham
615	R5	Oldham
707	R7	Oldham
779	R4	Knowsley
829	R4	Knowsley
909	R9	Croydon
1213	R14	Portsmouth
1214	R14	Portsmouth

Source: Interview transcripts

It was then possible to identify the recurrence of key themes affecting all/some/one of the case studies, and to develop a hierarchy of issues. This could be represented as text or as a graphic to give a broad impression of the key issues. It must be categorically stated, however, that this approach does not deflect from the qualitative analysis of the interview transcripts. This is not an exercise in counting frequencies of words. Rather, it is concerned with establishing the status or importance of codes. This exercise, therefore, is concerned more with a search for repetitions of incidents of themes in context, and to identify irregularities, unusual occurrences, and how people say things (Bryman and Burgess, 1994). The frequency and repetition of themes, however, does provide a crude indicator of issues considered important by the informants. From the example given in Figure 3-3, clearly "constraints", "competing demands" and "funding" are identified as significant issues in each local case study. This approach, however, does not imply that a low recurrence of

themes indicates unimportant issues. Rather, they may reflect local issues of importance to a specific informant or city.

#### Data management, monitoring and storage

The analytical procedures described above raise a number of issues concerned with managing large amounts of qualitative data, and particularly making the data accessible and amenable to analysis (Mason, 1994). This section, therefore, describes the procedures adopted in this research to assist monitoring and storage of the data. Given the complexities of managing and keeping track of hundreds of pages of interview transcripts plus other secondary sources of information, the use of an efficient data management system became essential. The key tasks that such a system needs to perform include the rapid indexing and retrieval of data or text units. The system would also have to allow the researcher to place the data within analytical categories and be able to search for themes and code or index them accordingly.

Traditional techniques in social science rely on manual methods of data management, monitoring and storage. These traditional processes include, for instance, creating paper files, photocopying transcripts, physically cutting and pasting data into different files, highlighting chunks of text with coloured pens, and linking ideas via index cards. It was noted that since the early 1990s the amount of qualitative analysis computer software available to do these sorts of tasks has increased rapidly (Fielding and Lee, 1993; Miles and Weitzman, 1995; Richards and Richards, 1994; Tesch, 1990), and the whole field of using computers to assist qualitative analysis is receiving much more attention within human geography (Symposium on Computing and Qualitative Geography, 11-12 July, 1995):

"... now it's largely taken for granted that you need a good word processor to do qualitative research. Hand-written or dictated field notes, along with tape recordings, must be converted into analysable text, which then needs to be reduced, displayed and used to draw and verify conclusions. Ordinary typing and retyping is far too slow and costly..." (Miles and Huberman, 1994, 3).

The key types of software available include content analysis software; code and retrieve software; code based theory builders; and analysis and writing software. Miles and Weitzman (1995) comprehensively review this software (see also Painter and Crang, 1995). A text based management system entitled Folio Views was selected (see Appendix 6 for a fuller discussion).

Given the type of analysis to be undertaken the use of a computerised text based management system greatly decreased the time taken to undertake repetitive analysis tasks, for example, counting, copying, indexing, searching, and the burden of filing. Storing data on the computer reduced the amount of paper used, such as the need for photocopying and paper "shuffling". Adding, refining and revising were other tasks that were simplified through use of a computer based text management system. In addition, the time taken for finding and extracting small items of data was reduced. Overall the use of computers greatly reduced the time necessary for data management. Although the software proved to be a useful tool for managing data, the researcher and not the computer ultimately generated the way in which the data was categorised and coded. The researcher remained in close contact with the data. Small items of data, for example particular quotations and statements, could be viewed in context.

## 3.7.10 Evaluating the interview research technique

Interviews are used "to generate data which give an authentic insight into people's experiences" (Silverman, 1994, 91), but these data are difficult to analyse because textual analysis is open to interpretation and re-interpretation. Systematic contingency procedures, however, were built into the research design at all stages to protect the internal validity of this stage of the research process, and to ensure a degree of replicability. It must be recognised, however, that a qualitative research design needs a large degree of flexibility to allow the researcher to interact and respond to new issues and findings. This section, therefore, outlines some critical issues related to the interview techniques, and describes what contingencies were established to protect representation.

The key criticism of this approach is that the data may not be representative and that generalisation about wider processes and change is difficult, because case study areas and individual informants were not selected on their statistical merits. As discussed earlier in the chapter, however, the selection of case study areas and informants was guided by "logical sampling" as opposed to statistical sampling. The sampling strategy, therefore, sought to identify relevant informants with specialist and "inside" knowledge. In this situation the number and "representativeness" of interviews is not a major issue. In this research, for example, the approach taken was to identify examples of good practice within localities as the basis for selecting informants. Generalisation, therefore, is possible because the objective was to make logical inferences from the qualitative data collected. Even if the logic behind the sampling strategy had been different, for example to identify bad practice, then clearly a different data set would be produced, but nevertheless, a data set from which logical inference would be still possible and valid.

With regards to the selection of case studies, therefore, it must be stated that any comparative study will have to sacrifice an element of depth of analysis for range. This research may have gone for greater depth, by focusing on one or two study areas, and by incorporating a larger range of informants, in particular the political representatives within local authorities. Using a broad range of case studies, however, has allowed for comparison between different localities, an element that is sadly missing from the literature on city marketing and urban entrepreneurialism. Although some depth has been lost, the comparative study has facilitated the discovery of very significant findings.

One could also argue that those informants identified and approached for interview were a self-selecting target audience. The voluntary inclusion and exclusion of informants, however, is unavoidable. This reflects a general weakness in the interview method, because it relies on negotiating access to remote organisations that are under no obligation to provide information or data to researchers (other than their legal obligations). Under the circumstances, however, it is difficult to envisage that other qualitative research methodologies designed to generate first-hand primary data, such as participant observation and focus groups, could have been any more effective. Putting these criticisms to the side, the range and type of informants successfully interviewed in this study is comprehensive and includes representatives from the most relevant organisations responsible for city marketing in each case study area (see Tables 3-9 and 3-10 below).

Table 3-9: Case study areas and informants

Case study area	<u>Informants</u>
Edinburgh (pilot)	Public Relations Officer
Salford	Promotions, Tourism and Marketing Manager, City Council Assistant Director, Enterprise Agency Branch Manager, Business Link
Oldham	Marketing and Promotions Officer, Leisure Services Principal Economic Development Officer Vice-chairman of Town Centre Partnership Press and Publicity Officer, Chief Executive's Department
Knowsley	Head of Marketing and Corporate Research
Croydon	Head of Economic Programme Team Marketing Consultant Chief Executive of Chambers of Commerce Town Centre Manager Marketing Manager, TEC Deputy General Manager, Marks and Spencer
Portsmouth	Head of Marketing Tourism Development Manager Marketing Services Officer Publicity Manager European Advisor

Source: Interview data

Table 3-10: types of informant interviewed

Informant type	Number interviewed
Local authority representatives	12
Private sector/business representatives	8

Source: Interview data

Finally to underline the validity of this approach the research undertook multiple methods of data collection (quantitative, qualitative, primary and secondary sources). Given the

flexibility of the case study approach, several sources of data can be incorporated. These included: all interview data (face-to-face, telephone notes); observational data (for example, field notes); documentary data (i.e. any strategy documents, reports, marketing literature collected during the field work), and any impressions and statements of others about the case (for example, telephone notes, supervisory meeting notes, comments of colleagues).

## 3.8 Conclusions

The key strength of the research techniques used in this study of city marketing is that they allowed for the collection of both quantitative and qualitative data. The first stage comprised of a postal questionnaire survey of towns and cities in the UK, which enabled general claims to be made about city marketing at the national level. Completing this first stage was also essential in preparing the groundwork for the second stage, where broader issues were followed-up at the local level through qualitative investigation. The second stage, however, forms the core of the research and represents a serious attempt to describe and analyse the experience of local government officers and other key actors involved in city marketing. In doing so the approach has developed an understanding of deeper processes and meanings, which in turn reveals insights into the way in which entrepreneurialism has filtered through to the local state in the UK. Overall, the case study interviews provided an effective means of identifying phenomena that were not directly observable, such as thoughts, intentions and perspectives held by the practitioners of city marketing. This approach allowed for the development of new issues arising out of the data as well the exploration of predefined categories of analysis according to the research aims. Informants, therefore, could develop a "local" perspective on city marketing based on their unique experiences. The next three chapters present the analysis of this material.

# **Chapter Four: City Marketing Policy Formation and Implementation**

# 4.1 Introduction

In Chapter Two it was revealed that LED is widely practised by local authorities in the UK (Barke and Harrop, 1994; Mills and Young, 1986). Many academics suggest that the character of local economic intervention is also shifting from supply-side to demand-led economic initiatives, which encompass entrepreneurial activities such as city marketing (for example, Ashworth and Voogd, 1990; Harvey, 1989). It is widely assumed, therefore, in a context of spiralling place competition for inward investment and the attraction of post-industrial activities, that city marketing is becoming a significant tool of LED (Ashworth and Voogd, 1988, 1990; Bovaird, 1995; Paddison, 1993). Many geographers, however, make this assumption even though there has not been a national survey into the extent and depth of city marketing practice in the UK. Instead geographers refer to an abundance of marketing literature produced by local authorities to promote their localities to international audiences as being indicative of a fundamental shift in the nature of local economic policy and the character of the local state. A key argument of this thesis, however, is that the analysis of the promotional products of city marketing can only provide us with a superficial account of the restructuring of the local state.

Geographers need a more powerful tool for interpreting the links between urban entrepreneurialism and the restructuring of the local state. One step towards achieving this aim is to broaden the research agenda on city marketing. As Chapter Two shows, existing research has mainly ignored the strategic management function of city marketing and instead has focused too much on the creation and use of imagery to sell places. From the perspective

of Marketing Science, however, selling is considered to be only part of a much wider marketing management philosophy (Drucker, 1973; Kotler *et. al*, 1993). According to this perspective the attempt to advertise places is just one marketing tool within a much wider strategic approach to the marketing of cities. Instead marketing should be perceived as a management philosophy that operates as a strategic function within an organisation. The analysis of city marketing, therefore, needs to extend beyond the selling of places, to explore the local organisational and institutional context in which city marketing strategies are produced and practised.

The reasoning behind extending the research agenda on city marketing is based on the assumption that the adoption of marketing as a strategic function requires the internal reorganisation of local authority management structures to place the "consumer" at the centre of their activities. Doyle (1994, 86), for example, summarises the main organisational implications of adopting strategic marketing:

"...If the focus of the business is on marketing - meeting customer needs - implemented by clear segmentation and positioning strategies, a different type of organisation is called for. The most obvious way of structuring activities is around customers, markets and market segments".

The purpose of this chapter, therefore, is to examine the extent and depth of city marketing practice in the UK. This chapter first identifies a broad set of trends in city marketing policy formation and implementation. These findings highlight some important directions in city marketing activity and raise a number of important issues and concerns that are addressed in the subsequent chapter. This chapter examines the depth of marketing practice by taking "marketing" to mean a much wider concept than advertising, selling and promotion. If city marketing has become a fixed or stable feature of local economic intervention, then marketing should be a core or strategic function with clearly defined strategic objectives,

target markets, and evaluation procedures within many localities. Hence, market orientated local authorities ought to display a high level of customer or external orientation. This chapter, therefore, explores the marketing competencies of local authorities, including an examination of the nature of delivery mechanisms for city marketing, along with the development of marketing skills and resources within the local state. Crucially, the survey addresses the lack of empirical research by presenting findings of a national overview of local authority marketing activities in the UK. The survey also broadens the focus of empirical work to include a wide range of urban areas, which provide a more representative account of city marketing practice than has been previously explored in the literature.

# 4.2 Overview of city marketing activity in the UK

Previous research by Burgess (1982), Mills and Young (1986) and Barke and Harrop (1994) has established that many local authorities have taken up place promotion as a policy initiative for LED. According to the findings of this survey, a majority of respondents (64% N= 44) disclosed they had a formal marketing strategy. Nine respondents, however, divulged that they were running a strategy for the first time and four respondents stated that their local authority have did not have a strategy, either now or in the past. In addition, twelve local authorities said that they had given up marketing as part of their approach to LED. Most respondents (93%), however, disclosed that they were undertaking some form advertising or promotion whether they had a marketing strategy or not. This included the production of promotional literature and videos, posters, merchandising and exhibitions. These findings suggest, therefore, that whereas selling and promotion is prevalent, marketing as a strategic function has yet to become a fixed or stable element of local economic intervention throughout the UK. There are, however, geographical differences in the level of city marketing activity.

Table 4-1 below, for example, reveals that London Boroughs are less likely than other types of urban settlement to have a formal marketing strategy. This raises a new issue, because it is not clear from existing research why city marketing is more prevalent within towns and cities outside of London.

Table 4-1: Local authorities with formal marketing strategies

	With a formal marketing strategy	Without a strategy
London Boroughs	6 (14%)	7 (16%)
Metropolitan Boroughs	11 (25%)	3 (7%)
Cities	12 (27%)	4 (9%)

Source: Postal Survey Data (N =44)

Existing research suggests that it is those cities and towns that have suffered badly from deindustrialisation which have been at the forefront of marketing initiatives (Martin and Rowthorn, 1986; Bennett and Krebs, 1991). It is no surprise, therefore, that Birmingham, Glasgow, Newcastle and Sheffield were identified as having formal marketing strategies. The postal survey, however, reveals that marketing is no longer confined to places with a traditionally poor image and that places perceived as being economically successful also had a formal marketing strategies. Bath, Cambridge, Norwich, and Oxford, for example, were particularly concerned with place image and trying to change or promote positive perceptions of their localities through marketing activities. This raises a concern about our existing knowledge and understanding of city marketing, which is based mainly on the study of programmes and initiatives in Britain's major cities, such as Birmingham and Glasgow.

#### 4.2.1 The institutional context

To become market orientated it is assumed that the nature and composition of local institutions needs to change (Bennett and Krebs, 1991; Bovaird, 1995; Cochrane, 1990; Eisenschitz and Gough, 1993; Loftman and Nevan, 1996). For local government to embrace marketing effectively, for example, marketing must become a core function within the organisational structure. Marketing would also have to operate as a cross-corporate activity involving all elements or divisions of each local government unit (Ave and Corsico, 1994; Clarke, 1986). In addition, the institutional contexts within which city marketing strategies are formed and implemented are assumed to embrace public and private interests, often in the form of partnerships (Bramwell and Rawding, 1994; Hall and Hubbard, 1996). The presence of such arrangements, therefore, again would be indicative of change within the local state towards urban entrepreneurialism. The local institutional context in which city marketing strategies arise and are implemented, therefore, is an important consideration.

In terms of internal arrangements, the postal questionnaire survey shows that the responsibility for marketing is often fragmented between several departments within each local authority and that marketing is unlikely to operate as a cross-corporate function (see Table 4-1 below). Most respondents (82%), for example, stated that several local authority departments were involved in decisions regarding the marketing budget. Only 18% of responding local authorities contained a department or division whose primary function was marketing and promotion. Instead, marketing was mainly the responsibility of Economic Development and Planning (41% of respondents) or Leisure and Tourism (14%).

To add to this complexity, local authorities tend to deliver marketing functions through numerous internal departments and offices. Table 4-2 below summarises what these components are:

Table 4-2: Departments and offices responsible for local authority marketing

Department/Office	Percentage of local authorities
Tourist/visitor information Centre	85%
Business Information Centre	73%
Inward Investment Bureau/office	60%
Town Centre Manager	50%
Area advertising office/agency	20%
Overseas marketing office	18%
Other offices outside the local area	13%

Source: Local Authority Postal Survey Data (N=44)

Table 4-3 below shows the percentage of local authorities also employing external agencies or private companies, at the time of the survey, to assist them in the development and implementation of their marketing activities. However, such agencies tend to be used on an *ad hoc* rather than on a permanent basis.

Table 4-3: The employment of private companies by local authorities

Type of company	Percentage of local authorities
Marketing/advertising agency	69%
Public relations agency	44%
Urban design consultants	31%
Promotions Company	25%
Marketing company	22%

Source: Local Authority Postal Survey Data (N=44)

Local authorities tend to use either one or a combination of external organisations to assist in the implementation of marketing, although in a few cases the marketing function is transplanted entirely into an external organisation or agency, for example, Leicester Promotions Ltd, or the Birmingham Marketing Partnership. This fragmentation of responsibility, however, is likely to seriously jeopardise attempts to produce co-ordinated strategic approaches to city marketing at the level of the local authority. This evidence raises a major concern, therefore, about the level of customer and market orientation within the local state.

The postal survey also questioned local authorities about the participation of external partners or organisations in city marketing in order to reveal the wider institutional context in which city marketing strategies are formulated and implemented. Table 4-4 (below) summarises local authority responses.

The principal point to make about these findings is that they suggest that many local authorities are involved in both local and non-local partnership arrangements, ostensibly indicating a high level of external orientation with numerous examples of local authorities looking beyond their boundaries (Bovaird, 1995). In terms of local partnerships the survey shows, for example, that a large number of local authorities have developed collaborative arrangements business-orientated quangos, such as TECs (78%), private sector partners (73%) and Chambers of Commerce (85%). This is not surprising, especially within smaller urban authorities, where the traditional form of local business representation remains within the remit of the Chambers as opposed to other business organisations (Wood *et. al*, 1998). However, 76% of those authorities surveyed had developed non-local links with other districts for the purpose of joint marketing and promotional initiatives, although the nature and composition of such arrangements is both complex and diverse as is revealed in Chapters 5 and 6.

Table 4-4: External arrangements: composition of Local Partnership or Networking

English local authorities	% of local authorities involved with
	<u>organisations</u>
Business/Business Orientated Representatives	
Chambers of Commerce	85
Training and Enterprise Councils	78
Private sector partners/companies	73
Single Regeneration Budget Partnerships	71
Development Agency	42
Enterprise Trust/Agency	39
City Challenge Partnerships	29
Urban Development Corporations	20
Business Leadership Team	12
Business Action Team	10
Business in the Cities	10
Enterprise Investment Board	7
Local Trade Association	5
Public sector	
Other local authorities	76
Regional Tourist Board	63
Local Authority Association	43
Task Force	27
Overseas local authority	20
Integrated Development Operation	15
City Action Team	15
Passenger Transport Executive	15
Non-business organisations	
Arts organisations	56
Community/voluntary sector organisations	46
Education partnerships/Compacts	39
The state of the s	

Source: Local Authority Postal Survey Data (N=44)

Although private sector interests are widely represented, non-business groups are also important, for example arts, community and voluntary sector organisations. The postal survey identifies that these groups are involved with marketing activities in many areas, a finding supported by other recent research (Wolley, 1998). The representation of wider local interests in local policy initiatives, therefore, suggests that city marketing is not

entirely captive of business interests and that community interests have not been pushed off the agenda. It is not known, however, at what level these groups are involved and what powers they exercise within these arrangements.

# 4.3 Examining marketing at an institutional level

As few geographers have attempted to examine city marketing at an institutional level within the UK, the remainder of this chapter focuses specifically on addressing the marketing competencies of UK local authorities. The definition of clear and measurable strategic objectives is identified in the academic literature as being a difficult exercise for a non-business organisation to undertake. This section, therefore, will first present an analysis of strategic objectives. Given that the level of customer focus and market orientation is of great importance to the development of marketing strategies (Clarke, 1986; Kotler *et. al.*, 1993), this section will examine these issues in more detail including: customer focus; target markets identified by local authorities; promotion; differential advantage; monitoring and evaluation procedures identified by local authorities; and funding and resources. By piecing together these various components of marketing within local authorities, the postal survey will provide an insight into the depth and quality of marketing practice within the local state and a preliminary assessment regarding the shift to urban entrepreneurialism.

## 4.3.1 Assessment of city marketing strategic objectives

City marketing is said to be a particular policy outcome of new flexible modes of urban governance that embrace private interests and partnerships (Cochrane, 1996; Drucker, 1986; Harvey, 1989; Lloyd and Meegan, 1995; McGuirk, 1994; Parkinson, 1990). The examination of the objectives of city marketing strategies is important, therefore, because

from the literature we would expect them to prioritise business development, privatisation, and "Challenge" funding rather than social welfare issues. Objectives should also be outward looking and have a customer or market orientation (Kotler *et. al*, 1993). Equally, many geographers assume that city marketing is mainly concerned with post-industrial activity, or addressing problems created by restructuring. City marketing objectives, therefore, would be expected to focus on employment creation and growth, the attraction of services and consumption based activities (Fainstein, 1990; Hubbard 1996; Judd and Parkinson, 1990; Lovering, 1997; Mayer 1991, 1992; McGuirk, 1994; Paddison, 1993; Parkinson, 1993; Strange, 1997; Shaw, 1994; Tavsanoglu and Healey, 1992).

Fundamentally, the examination of city marketing objectives will also provide an insight into the quality of marketing practice within the local state. Clarity and measurability will reveal to what extent local authorities have developed their marketing strategies with reference to marketing concepts and theory. This section, therefore, explores the clarity of the strategic objectives listed by local authorities in their city marketing plans.

The postal survey confirms expectations that city marketing is mainly concerned with improving image, attracting inward investment and generating employment (Ashworth and Voogd, 1988, 1990). Paddison (1993), for example, argues that the new urban entrepreneurialism is related to the spatial impact of restructuring on manufacturing areas, where the focus is on inward investment and external promotion. Hall and Hubbard (1996) also suggest that the development of urban entrepreneurialism is associated with a shift away from a concern for social welfare to a prioritisation of business interests. Table 4-5 below shows that promoting the image of the locality and attracting inward investment, property-led regeneration and tourism are amongst the most frequently cited goals of city marketing,

which are mainly externally orientated objectives i.e. they involve marketing the locality to external audiences.

The high priority given to "internally" orientated objectives, such as promoting local business and community or social benefits, however, indicates that local authorities have not completely abandoned their commitment to a social welfare agenda. Indeed the promotion of local or internal needs is a high priority, contradicting the assumption that the local state has become fixated on meeting the requirements of external or non-local interests (Chang et. al, 1996), although this issue resurfaced through the course of the qualitative interviews (see Section 5.4). Internally orientated objectives include promoting the community and social benefits, promoting partnerships, improving internal practices, targeting specific areas of the locality, and improving the local environment. There are possibly several factors that account for this, for example, the need to maintain existing employment levels or to promote particular events or developments to local residents, referred to as "defensive strategies" by Ashworth and Voogd (1990). Alternatively Paddison (1993) argues that internal promotion is a necessary part of the wider promotional strategy i.e. internal promotion is essentially connected with external promotion and supporting the needs of international capital and a political elite. He argues that boosting local confidence or civic pride is a means of achieving political objectives by securing electoral support for strategies to revive the city. Clearly, these are issues that require more in-depth qualitative analysis.

Table 4-5: Classification of Local Authority Marketing Objectives in Rank Order (numbers in parenthesis refer to the number of respondents stating a strategic objective related to each category)

Category	<u>Examples</u>
Promoting image (15)	Improving identity and awareness
Attracting inward investment (15)	Generating new investment & business
	Attracting relocations
Generating employment and training	Generating new skills and jobs
opportunities (11)	Creating equal opportunities
Promoting the community and social benefits	Promoting existing businesses
(11)	Meeting local needs
Promoting tourism and/or consumption	Attracting tourists/visitors, conferences
related activities (8)	and shopping business
Promoting other economic development (7)	Diversifying local economy
	Attracting new growth sectors
Promoting partnerships (6)	With private and voluntary sectors
	Other local authorities within UK and
	Europe
Improving internal practices (2)	Improving selling techniques and
	lobbying skills
Promoting property-led regeneration (2)	Promoting sites/land availability
Targeting specific areas of the town/cities (2)	Dispersing inappropriate growth
	Developing the city centre
Improving the environment (2)	Improving quality of the environment

Source: Local Authority Postal Survey Data

According to Kotler (1994), strategic objectives should define the goals of the marketing plan in areas that can be clearly measured and evaluated. Broad organisational strategies, for instance, might include decisions to grow, to maintain the status quo, or to diversify business activities (Doyle, 1994). These broad strategies should then be translated into specific and detailed marketing targets over a given period. The main components of detailed marketing targets ought to include statements regarding resource allocation and a definition of customer targets. From the postal survey 24 local authorities listed their strategic objectives, but only four (Cambridge, Nottingham, Portsmouth and York) listed objectives that were both clear and measurable. In general, objectives were not expressed in a "marketing language" i.e. they did not refer to specific target markets or segments, or positioning in markets. Sheffield

provides a good example of a typical response (see Table 4-6 below for a selection of

objectives, and Appendix 4 for the full list).

Table 4-6: Sheffield City Council's strategic objectives for city marketing

To regenerate the economy

To create wealth and jobs

Sustainable economic development

Source: Local Authority Postal Survey Data

Vague objectives such as "to regenerate the economy" or "to create wealth and jobs" are

essentially nothing more than statements of good intent. They do not reveal anything about

which industrial sectors, forms of employment, or types of business are being promoted.

Several local authorities also demonstrated a failure to distinguish between output and

impact indicators. An output indicator refers to the early results of a project or programme,

whereas an impact or outcome measure refers to the wider net additional effects of a

programme or initiative (Moore and Spires, 2000). Instead of stating a strategic objective,

Walsall for example, listed an operational target output of "150 inward investment enquiries

increased to 300 p.a. by end of the financial year". Equally a statement such as "to improve

image" (Tower Hamlets) is a fundamental error in policy implementation and development

because it again fails to distinguish an output and impact indicator.

In many cases marketing objectives were simply restated from the broader aims contained in

their LED strategy documents rather than carefully defined statements of intent based on

136

market analysis. For example, Oxford City Council does not distinguish its "marketing objectives" from LED aims (see Table 4-7 below):

Table 4-7: Oxford City Council Marketing and LED Objectives

Diversifying the city's economic base

Seeking employment for Oxford people

Promoting environmental excellence in the local economy

Encouraging good quality employment conditions and enhanced skills

Encouraging equal opportunities in the labour market

Source: Local Authority Postal Survey Data

In general, the strategic objectives listed by the local authorities surveyed reflect the current 'rhetoric' of LED in the UK with the focus on attracting inward investment, generating

employment and training opportunities, and promoting partnership and the environment. It

appears that the objectives each local authority has stated for specific programmes are

simply being adopted on an ad hoc basis from existing central government guidelines on

policy evaluation, which were developed for City Challenge and the SRB.

There is cause for concern, therefore, regarding the marketing competencies of many of the

respondents to the survey. Fundamentally any form of management strategy, be it marketing

or any other policy area, which does not possess clear, measurable and focused objectives, is

prone to failure. There will be difficulties regarding monitoring and evaluation, which

brings into question how exactly local authorities can judge the overall effectiveness or

impact of their marketing activity. The failure to demonstrate an understanding of how

clearly to break down general aims into measurable objectives within a marketing

137

management framework is also identified in responses to other questions from the survey, in particular the definition of target markets and the procedures for monitoring and evaluation (see subsequent sections below).

This lack of clarity may reflect the difficulties faced by non-business organisations in defining measurable objectives within a social or non-profit environment. The monetary yardsticks used within the private sector are not applicable in this context and the markets served by local authorities (particularly within LED) are likely to be wide-ranging and conflicting. The marketing objectives of a private firm will be derived from a range of financial targets such as sales volume, market share, profit level, and return on investment (Doyle, 1994). Monetary measures are used within the public sector, for example cost-benefit ratios, but objectives are generally less tangible. It is more difficult to translate financial objectives into easily measurable marketing targets within the non-business sector. With careful consideration and understanding of marketing concepts, however, it is not impossible to overcome these difficulties.

## 4.4 The Level of Customer Focus and Clarity of Positioning Strategies

The positioning strategy defines the target market and the differential advantage the organisation is trying to achieve over its competitors. This section examines to what extent local authorities were able to demonstrate customer focus, which is an important characteristic of a market-led organisation. Customer focus can be understood by examining the clarity and orientation of strategic objectives and target markets, basically who is being targeted and where.

#### 4.4.1 Customer focus

The analysis of strategic objectives has already shown poorly defined and unclear organisational goals. This has implications for customer focus, i.e. how local authorities define their target audiences. The identification of customer needs and the shaping of organisational form to meet those needs are fundamental to the development of long term marketing strategies (Kotler and Levy, 1985). An analysis of target markets, therefore, can provide an insight into the decisions made by personnel within each local authority about the depth and quality of their market planning, implementation and control (Doyle, 1994; Kotler *et. al,* 1993).

Respondents were asked to first identify economic target markets i.e. industrial sectors that they were trying to promote or attract to their locality and second, to identify target markets for their advertising and communications plan. Most respondents (86%) specified economic target markets (see Table 4-8 below). There was tendency, however, to identify generic industrial sectors as target markets (corresponding to Standard Industrial Classifications) as opposed to clearly defined target market segments. The main criticism again is a lack of clarity and failure to express target markets in a clear marketing language. A target market should be defined by customers' needs and profiles, expectations, location and purchasing behaviour (Doyle, 1994). The general picture that emerges from the postal survey data, however, is that target markets are simply restated strategic objectives.

**Table 4-8: Economic target markets** 

Category	Number of respondents
Tourism and consumption	17
Inward investment	12
Manufacturing	11
Business services	9
Business (non-specific)	8
Media and communications	5
Property	4
Local community	3
Research and education	3
Hi-tech companies	2

Source: Local Authority Postal Survey Data (N=44)

The main point of interest is the frequent occurrence of manufacturing. The literature often describes city marketing as a post-industrial strategy, where cities aim to replace lost manufacturing with services or consumption based activities (Holcomb, 1994; Paddison, 1993; Shaw, 1994). The results of this survey, however, suggest that attracting investment in manufacturing industry remains a relatively important target for local authorities, although high technology companies are surprisingly not a high priority. Another observation is that several local authorities identified non-business target groups with the local community or consumer groups, such as ethnic communities and the elderly.

In additional to sectoral targets, local authorities were also asked to identify specific geographical areas where they advertised their locality, and the range of their advertising and promotion activities. 57% of respondents identified geographic target markets. Most regions in UK were identified as targets, but the South East and London was the most common. Wales, the East Midlands and Northern Ireland were not mentioned at all. Overseas targets reveal a bias toward the European Union (EU), particularly France and Germany, but Eastern and Southern Europe were not included. North America and the industrialised

countries of the Far East were also mentioned frequently, but South America and Africa were not mentioned. Not surprisingly, therefore, the overall trend suggests that local authorities are targeting developed wealthy regions and countries, particularly within the EU. France and Germany, for example, account for 25% of the overseas segment.

Table 4-9: The Geographical Range of Local Authority advertising

Range specified	Percentage of local authorities
Local, national, and international	29%
Local and national	26%
National only	17%
Local only	11%
International only	11%
National and international	6%

Source: Local Authority Postal Survey Data (multiple responses possible)

Table 4-9 above shows the geographical range of local authority target markets in terms of local, regional, national and international scale. City marketing is often thought to be an international or global strategy (Ashworth and Voogd, 1988; Paddison, 1993). The survey shows, however, that over half of the respondents said that they did not advertise outside the UK. Those that did advertise internationally were most likely to target NW European countries. Few authorities (13%) operated offices outside of their locality to promote their area. Only 18% had an overseas marketing office (see Table 4-2).

Some authorities did state a clear target market; for example, in Newcastle's tourism plan the target was defined as shoppers and short-stay visitors from Scandinavian countries. In

almost all cases, however, local authorities were unclear about whom they were targeting. Many respondents, for example, cited business decision-makers, but not what type of business or where they were located.

Another example is "business services". This target market is far too broad and could be segmented in several ways. First, segmentation could be achieved by type of activity; finance, accountancy, advertising, or computer services. Second by size: large firms, SMEs, or micro-enterprises. Also by type of firm; business start-ups, new firms, relocations, branch offices, or headquarters. Industrial sectors are generally not a useful basis of segmentation (Ashworth and Voogd, 1988). They tell you little about the "consumer". It is more appropriate to segment the market by consumer behaviour and profiles (Doyle, 1994). Local authorities need to know about customer needs, expectations, purchasing behaviour and how customers use or experience their locality or area. This analysis not only applies to individual consumers, but also to the purchasing units within companies that make decisions regarding investment. In many cases target markets were simply restated objectives or related to broad industrial sectors in varying degrees of clarity. In the main, local authorities were unable to demonstrate an understanding of market segmentation or market The other implication of this finding from the postal survey is that local dynamics. authorities have failed to carry out detailed market research. They do not know who their customers are beyond broad generalisations. Their strategies are characterised by a blanket approach that is likely to make their marketing less effective.

# 4.4.2 Promotion of flagship projects and major cultural events

56% of local authorities stated that they had recently been involved in the development of high profile and large-scale "flagship" construction projects. A further 16% were planning flagship projects. 79% said that the local authority had recently established arts, cultural and sports festivals or events. What is significant is whether or not such projects or events are designed to put the city on the map, and attract people from other places, particularly from overseas (Smyth, 1994). The assumption is that such projects or events are designed to improve a city's competitiveness in the global market. However, respondents were asked what the geographical scale of attraction was for their respective projects and events. Table 4-10 below shows that there is just as much emphasis on the local and regional scale than on promoting local flagship development to a national or international audience.

Table 4-10: Advertising Range of Flagship Projects and Urban Spectacle Events

Range	Number of local authorities
Local	25
Regional	24
National	24
International	21

Source: Local Authority Postal Survey Data

## 4.4.3 Differential Advantage

To achieve an advantage over competitors it is necessary to demonstrate why target customers will prefer one location to another (Doyle, 1994; Kotler *et. al*, 1983). Customers within each target segment must be able to distinguish something of value to them from the different offers made by each location. The basis of differentiation could include lower costs; the quality and range of services provided; and unique features or attractions.

Common themes identified in the marketing literature returned with the questionnaires include centrality, compliant labour force, cheap location costs, and clichéd images of urban culture and heritage. The survey shows that positioning and communication strategies have not radically changed, therefore, since the 1970s (Burgess, 1982). For example, see Table 4-11 below.

Table 4-11: Main Contents of Wirral's Marketing Brochure

Communications	Emphasis on road, rail, sea and air links, plus proximity to major cities (Liverpool, London and Manchester)
Employment	Emphasis is on existing major employers, plus availability of skills and good labour relations
Sites and premises	Emphasis on quality and accessible sites
Financial assistance	Promotes grant assistance
Investment partners	Promotes services provided by the local business support network

Source: Wirral Direct (no date)

The problem is that many places are offering the same benefits. The advertising literature returned with the postal questionnaire shows a recurrence of themes related to economic advantages and the quality of life. Croydon, for example, boasts that:

"For three decades Croydon has been making headlines, with its attractive lifestyle and excellent communication, as the perfect place for growing families to breathe and for growing businesses to expand" (Croydon Economic Programme, no date, no page number).

#### Portsmouth claims to offer similar advantages:

"If you're looking for somewhere to relocate or expand your business, there's no better choice than Portsmouth – The Flagship City. The UK's only island city is already home to some of the world's top businesses from IBM and Johnson & Johnson to Zurich Insurance and Matra Marconi Space. Ideally situated at the centre of the UK's South Coast, the City affords easy access to major suppliers and markets in the UK and overseas. But it's not just the excellent communication links or the low overheads, a highly-skilled workforce or an outstanding quality of life that attract leading businesses to Portsmouth. Above all they are here because this City offers a superb business environment. It is our commitment that we will work in partnership with you providing all the support you need to help your business succeed) (Portsmouth City Council, no date, 1).

### And York also offers "distinct advantages":

"One of Europe's finest cities: an international image and reputation; a premier business location; a rare asset recruiting and retaining staff; a prestigious City—perfect for headquarters location; quality at tremendous value — offering substantial cost savings" (York City Council, 1994, no page number).

The repetition of locational advantages is also demonstrated, for example, through the use of logos and slogans. 95% of all respondents had a logo or slogan. Logos and slogans are important signals that the local authority is concerned with image and promotion. Research into place marketing traces the use of slogans back to the early 1970s (Barke and Harrop, 1994; Burgess and Gold, 1985). It is possible to compare the use of logos to the process of branding goods or services. The aim is to distinguish one seller or provider of services from another. This can be extended to distinguishing one place from another, for example as locations for investment (see Table 4-12 below).

These examples display the main trends. Logos tend to play on local heritage, for example, Burnley's connection with the textiles industry. Slogans tend to invite the audience to discover or find out more about the town or place. York's strategy, for example, is about attracting new businesses to the city using the established selling point that already attracts tourists. The logo symbolises local history and heritage. The slogan builds the idea of a city

with a unique past where relocation can offer benefits that cannot be found elsewhere. Wirral's strategy is based on Europe, using the flag and colours adopted by the EU. The slogan reflects the aim of the strategy that is not only to promote the Wirral externally to Europe, but also to promote the benefits of being closer to Europe to the local community. Walsall reflects their Strategic Alliance with various organisations involved in the management or development of the area. The slogan suggests that Walsall can offer undiscovered benefits for business that need to be investigated.

Table 4-12: Selected Local Authority Logos and Slogans

Local Authority	Logo	Slogan
Burnley	Cotton reel	"Cotton On to Burnley"
Dundee	A thistle	"City of Discovery"
Norwich	Coat of arms	"Hi Tech Low Pressure"
Nottingham	Arrow pointing to the centre of a	"Our sights are set on your
	circle	success"
Plymouth	A compass point	"Spirit of Discovery"
York	A white rose	"The Distinct Advantage"
Wirral	European Union Flag	"Putting Ourselves on the Map"
Walsall	Own symbol, 3 colour coded interlocking shapes. The colours represent the local authority, Chambers of Commerce and TEC	"Walsall - Worth Knowing"

Source: Local Authority Postal Survey Data

The main weakness of these logos and slogans is that they are quite bland and fail to make any long-term impression. Usually it is not possible to identify the place from the symbol or slogan alone. Ideas about places are deeply embedded in culture and industrial heritage.

#### 4.4.4 Procedures for Monitoring, Evaluation and Policy Feedback

The failure to use systematic evaluation procedures and measurable performance indicators is a further criticism aimed at policy makers within local government (Bailey, 1990; Hall and Hubbard, 1996). Local authorities were familiar with CCT and, therefore, the consequences of poor performance. That said only 34% of local authorities were able to outline in detail their procedures for monitoring and evaluating marketing strategies. Five did not respond at all, and eight provided details that were far too vague for any meaningful interpretation (one respondent, for example, just wrote that they evaluated strategy "subjectively"). Three local authorities actually stated that they had not undertaken any evaluation of their marketing activity and one stated that current procedures were under review. Few authorities were prepared to send evaluation documents in addition to the completed questionnaire. For those local authorities that did respond positively to this question, their evaluation procedures were grouped into three broad categories:

Those undertaking regular monitoring and reviews i.e. annual reviews and market research, and, or;

- Undertaking regular opinion/attitude surveys, and/or;
- Measuring a set of impact measures or performance indicators.

A limited number of local authorities identified marketing performance indicators. These included measures of media coverage or publicity; a measure of new business generated; and measures of changed awareness or perception (see Table 4-13):

Table 4-13: List of Performance Indicators used by Local Authorities

Amount of editorial coverage in newspapers

Number of column inches in newspapers

Amount of coverage on TV

Number of press visits to the area

Number of information enquiries/requests

Number of inward investment enquiries

Number of visitors to the area

Amount of investment expenditure generated

Amount of tourism business generated

Change in attitudes/opinion about the area

Change in business confidence about the area

Source: Local Authority Postal Survey Data

A criticism of many of these indicators, especially for media coverage, is that they are quantitative and are not used in conjunction with qualitative measures. Again this shows confusion and misunderstanding toward strategy formation and implementation. A further criticism is that no information was provided by respondents to suggest they were undertaking market research activities, for example, people or car counts. Monitoring these factors on a regular basis would enable local authorities to assess, albeit in simplistic quantitative terms, the impact of their marketing and promotional strategies. Overall the procedures adopted for monitoring and evaluation are seen to be inadequate or non-existent in most of the responses to the survey. This finding, therefore, raises serious concerns regarding the quality and depth of marketing practice, especially since main thrust of New Labour's Best Value programme is to enhance the evaluation of local government performance through fundamental reviews of their activity (Boyne, 1999).

#### 4.4.5 Funding and resources

Table 4-14 below shows the average marketing spend per local authority over three financial years. In most cases the marketing budgets are funded through internal sources. Only 13

local authorities stated that their current marketing budget included contributions from external sources of funding. In these exceptions the marketing budget comprised a combination of funds including private sector sources, the European Union and Training and Enterprise Councils.

Table 4-14: average marketing spend per local authority

Financial Year	Average marketing spend per local authority  (to the nearest £1000)
1993/94	£207,000
1994/95	£195,000
1995/96	£280,000

Source: Local Authority Postal Survey Data (N=44)

The main point to make here is that these budgets are very low compared to other agencies of LED, and especially low when compared to the marketing expenditure of private companies. According to Doyle (1994), for example, it is not unusual for private companies to spend up to 25% of their turnover on marketing. The marketing budgets of Urban Development Corporations were much higher. In 1993, for example, Trafford Park Development Corporation spent £923,000 on marketing and Central Manchester Development Corporation spent £1,095,000 on promotion and publicity (Central Manchester Development Corporation, 1993; Trafford Park Development Corporation, 1994). Only one local authority responding to the survey spent more than this level of expenditure. Of course budgetary restraints severely limit the scope of local authority marketing activity. Table 4-15, for example, shows that the most common forms of media used are printed materials, which tend to be cheaper and accessible. Very few authorities were using more sophisticated and mass audience media forms, such as radio or television.

Table 4-15: Advertising Media used by Local Authorities

Type of media used	Percentage of local authorities using this media
Newspapers/magazines	94%
Brochures	86%
Leaflets	77%
Billboards/illuminated street-panels	34%
Radio	23%
Television	14%
Events/exhibitions	8%
Video	3%

Source: Local Authority Postal Survey Data (N=44)

There is no clear relationship between the size and location of the local authority and the size of their marketing budget (see Table 4-16 below which ranks marketing per capita of the local authority).

There is considerable variation in the amount spent on marketing by each local authority. The data range in Table 4-16 varies from £5000 per annum to almost £1.5 million, although Portsmouth, the highest spending local authority, does have a marketing budget over three times that of next highest spending authority. The per capita figures show no real relationship between spending levels and the size of locality in terms of population. In fact, the most populous authority listed, Sheffield, had the lowest budget for city marketing. Portsmouth, however, contains a holiday resort (Southsea) and is an established tourist destination with many attractions, which may account for its relatively high budget for marketing. Similarly, Sefton contains the resort of Southport and Swansea the Gower peninsular, whose promotion as holiday destinations account for their relatively large marketing budgets.

Table 4-16: ranked local authority marketing spends for 1994/1995

Local Authority	Population served (1991 Census)	Marketing Budget (£s)	£s per capita
Portsmouth	174700	1458450	8.35
Swansea	182100	400000	2.20
Haringey	187300	300000	1.60
Sefton	282000	450950	1.60
Hull	242000	380000	1.57
Walsall	255600	250000	0.98
Newcastle	263000	253600	0.96
Dundee	172860	125000	0.72
Bath	79900	55000	0.69
Hackney	164200	100000	0.61
Nottingham	261500	150000	0.57
South Tyneside	151900	65000	0.43
Oldham	211400	78000	0.37
Edinburgh	434250	150000	0.35
Leicester	270600	56000	0.21
Cambridge	101000	17000	0.17
Wirral	322100	50000	0.16
Calderdale	187300	28000	0.15
Norwich	120700	12400	0.10
Sutton	164300	14000	0.09
Brighton	133400	10000	0.07
Enfield	248900	7000	0.03
Sheffield	499700	5000	0.01
Average	222200	194700	0.86

Source: Local Authority Postal Survey Data

Indeed, on average cities outside of Metropolitan areas were targeting more resources on marketing (see Table 4-17 below):

Table 4-17: Average City Marketing Spend by Local Authority Type

Local authority type	Average spend on marketing (£s)	
Cities	255805	
London Boroughs	105250	
Other Metropolitan Boroughs	147569	
(All Metropolitan Boroughs)	133463	

Source: Local Authority Postal Survey Data

In Chapter Two it was revealed that our understanding of city marketing is almost entirely shaped by studies of a few large city case studies such as Birmingham and Glasgow. The postal survey, however, shows that some of the biggest spenders on city marketing are not necessarily the largest cities. This suggests we need to broaden the research city marketing to encompass cities such as Portsmouth and other smaller urban centres.

# 4.5 Conclusions: the depth and quality of city marketing practice within UK local authorities

Although the postal survey identified widespread marketing activity, the subsequent analysis of marketing competencies reveals a number of inadequacies. These include; vague marketing objectives and poorly defined positioning strategies and target groups; low resource base (limiting the extent and sophistication of marketing activity); little market research and inadequate procedures for monitoring and evaluation; and the fragmentation of marketing responsibility both internally and externally amongst a range of organisational components. In most cases there is no strategic approach. These inadequacies raise concern over the depth and quality of marketing practice within many local authorities.

City marketing as a strategic management approach is not a firmly established practice. The survey shows that local authorities tend not to have clear segmentation and positioning strategies and apart from the occasional SWOT analysis there is little to suggest that local authorities really understand their market situation or customers. This is reflected by the position marketing holds within local authority organisational structures. Marketing appears to be an activity that has been bolted-on to the existing organisational structure of most local authorities surveyed, rather than forming an integral part of their wider objectives or mission. In some cases, for example, marketing is seen as a completely separate function

and is hived-off entirely to some external agency. Only a handful of authorities have market centred divisions, for example, Knowsley and Portsmouth. Overall these findings show that in general the responsibility for marketing is fragmented both internally and externally.

Marketing seems to be a word that has been pasted on to the front sheet of LED strategies. The control of marketing resources lies largely within local authority economic development units. For example, many marketing objectives are extensions of economic development objectives. Usually when they say marketing they mean promotion or selling to attract inward investment. The survey also contradicts assumptions made by the literature about city marketing. For example, manufacturing remains a significant target sector; there appears to be greater collaboration than expected between different local authority areas; there is greater involvement of non-business groups than expected; and there is little evidence to suggest that city marketing has an exclusively international focus.

It is necessary to deepen this national assessment of activity in the UK, by examining how city marketing policies are formed and implemented at the local level in the UK. The next chapter, therefore, develops comparative local case studies focusing particularly on how local policy makers understand and apply marketing concepts within the context of LED. It is clear from the postal survey, for example, that within certain localities, such as Portsmouth, marketing has become a core or dominant function, whereas in many others marketing is either seen as a failing or marginal function. Indeed, almost a third of respondents stated that they were doing less marketing than previously, and a limited number had abandoned city marketing completely as a policy initiative. The next chapter, therefore, aims to address why some localities are moving closer towards a customer orientated philosophy, whereas others seem to be moving away from this position. The next

chapter, therefore, intends to develop this qualitative understanding of how marketing operates as a strategic function within institutions of local governance.

# **Chapter Five: Strategic Motivations**

# 5.1 **| =** roduction

The broad aim of this chapter is to examine the strategic motivations of local policy makers to develop city marketing as a tool of LED. In doing so, this chapter begins to explore how local policy makers have understood and applied marketing concepts within their localities. The issues presented in this chapter were initially developed from themes generated from the postal survey results presented in Chapter Four, for example, questions regarding the definition of marketing objectives, resources and funding allocated to marketing, and provisions for monitoring and evaluation. It is important to add, however, that additional analytical categories presented in this chapter, and in Chapter Six, were generated by the informants themselves in the field as a consequence of the interview technique and analytical strategy outlined in Chapter Three.

An important theme to emerge from the postal survey, however, was the level of fragmentation of marketing responsibility both internally and externally amongst a range of organisational components. This finding helped to shape the approach for identifying appropriate organisations and informants to be interviews. The lead body in most cases, for example, was the local authority, which became an obvious entry point into each case study area. The way marketing was organised within each local authority, however, subsequently provided a framework for the investigation in each district. In Oldham, for example, marketing responsibilities were very fragmented within both public and private sector. In Croydon, marketing had been initiated by the local authority, but was being delivered through public-private mechanism, which involved several actors from the both the public

and private sectors. Salford's marketing imitative was a function partly shared with local business development organisations. Portsmouth City Council was mainly responsible for both the development and implementation of their marketing strategy. This involved a very large marketing department, which was in turn divided into strategic areas such as tourism, or European funding, each headed by specific local government officer. Finally, marketing in Knowsley was delivered by a small in-house agency operating within the local authority.

Importantly the approach adopted in this chapter reveals the views of practitioners through the presentation of qualitative evidence from five local case studies. The findings, therefore, represent themes and issues that are grounded in empirical observations. The case studies also provide a useful method for understanding to what extent the pressures on the local state to become entrepreneurial have filtered down through varying levels of urban governance. This has revealed geographical diversity and complexity of local responses to structural conditions and change. The economic problems created by industrial restructuring since the 1970s may have provided broad motivation to instigate city marketing strategies, but whereas early initiatives tended to have an external focus, which emphasised the attraction of inward investment, it will be argued in this chapter that priorities have shifted to focus on retaining companies and meeting the needs of existing business and residents. Although city marketing is recognised as an important tool of LED, practice has changed to accommodate new issues, problems and opportunities. This chapter argues that the marketing mind-set of practitioners is varied and complex, which has led to the pursuit of a range of strategic objectives, which are not necessarily concomitant with the rise of the new urban entrepreneurialism. This chapter, therefore, poses wider questions about what is meant by entrepreneurialism and how it is mediated by place specific and local organisational factors.

The first section of this chapter provides some background information for each case study area examined. The second section discusses the origins of city marketing within each local case study, identifying factors that account for its implementation and development. There follows a number of sections that tackle issues that have motivated local policy makers to develop or alter the focus of their marketing strategies. These issues fall within three broad themes. The first relates to the relationship between city marketing strategies and both local and non-local private interests. The second is the importance of regeneration funding and its affect upon the nature of local marketing strategies. The final theme examines the linkages between the internal needs of local residents or "consumers" and the nature of city marketing strategies.

# 5.2 | kground information about the five local case study areas

This section provides some brief background information about each of the five case study areas examined during this research project. The section, therefore, deals with issues of location and population, local economic restructuring, the political and policy contexts, and finally the local institutional context. The aim of this information, therefore, is to establish a sense of what these were like before the research was undertaken in the late 1990s.

### 5.2.1 Location and population

Oldham and Salford are both metropolitan districts located in the North West of England within the Greater Manchester conurbation. Knowsley is a metropolitan borough council within Merseyside in the North West of England. Portsmouth is a city located in Hampshire on the south coast of England, which has had unitary status since April 1997. Finally Croydon is a metropolitan borough located on the southern fringe of Greater London. These

districts were created in 1974 following the 1972 Local Government Act, with the exception of Croydon, which was created in 1965 by the amalgamation of the County Borough of Croydon and the Coulsdon and Purley Urban District. Table 5-1 below summarises the main population trends in each district.

Table 5-1: main population trends

District	Population (1991)	Population trends 1981-1991
Salford	218,303	10% decline
Oldham	219,800	3% decline
Knowsley	149,443	14% decline
Portsmouth	177,142	1% decline
Croydon	301,904	5% decline

Source: 1991 Census

The redefinition of local government boundaries has had significant implications for each district examined. Salford's historic industrial core, for example, was amalgamated with several surrounding towns in Lancashire that subsequently lost their local councils, such as Eccles, Swinton, and the former steel towns of Irlam and Cadishead. Consequently Salford lacks a strong local centre or city-wide wide identity. The same criticism can be levelled at Knowsley, which incorporates several smaller settlements and suburban districts, including, Halewood, Huyton, Kirkby, and Prescott, but lacks a distinct borough-wide identity of its own. Salford's image problem is compounded, because the city borders the regional centre of Manchester, a position, which has influenced both the council's LED and marketing strategies. Whereas there have been opportunities, for example, to attract spill over development and to work with Manchester on joint initiatives with Manchester, Salford remains within the shadow of its more internationally recognised neighbour.

Although Oldham was enlarged as a result of the 1974 restructuring of local government, the district possesses a strong and vibrant town centre, which is located approximately six miles North East of Manchester. The town has been able to retain a relatively strong local identity. Oldham is easily accessible by motorway, which provides opportunities to attract new development and trade, although the town lacks significant development sites for inward investment. Croydon also possesses a strong town centre, one that supports over 130,000 jobs and can be accessed rapidly by train from central London. Over-development and congestion, however, are problems. Croydon suffers from poor access to the M25 London orbital motorway and has a relative shortage of sites for large-scale development. Portsmouth is a densely populated city, occupying a small peninsular. Again large scale land development is mainly limited to the north of the city in neighbouring local authority districts, as there are a few sites within the city itself that provide opportunity for inward investment or large scale regeneration. Portsmouth's, however, continues to possess a strong local identity related to the city's maritime heritage.

# 5.2.2 Restructuring of the local economy

Each case study area experienced a rapid decline in manufacturing employment during the 1980s (see Table 5-2 below). This was most severe in the three northern case study areas. Salford experienced structural problems related to restructuring of manufacturing and the closure of Manchester Docks in the early 1980s, whilst growth in services simply, despite efforts to regenerate the city, have not compensated for these job losses. Consequently, levels of unemployment and deprivation are high in the city, especially within isolated public sector housing estates. Oldham's key industries, such as textiles, declined rapidly, although manufacturing remains a significant sector. The town also relies on a relatively strong retail sector. Knowsley is recognised as one of poorest boroughs in the UK. Deprivation is very

severe on isolated public sector housing estates such as Cantrill Farm, which has national notoriety (and as a consequence has been recently renamed Stockbridge Village). Another key structural problem is the area's dependence on externally controlled branch plants. The most significant employer, for example, is Ford who operate a recently down-sized car plant at Halewood.

Table 5-2: main employment trends 1981-1991

<u>District</u>	<u>Manufacturing</u>	<u>Services</u>
Salford	14% decline	5% growth
Oldham	13% decline	3% growth
Knowsley	15% decline	3% growth
Portsmouth	5% decline	4% growth
Croydon	7% decline	5% growth

Source: Census, 1991

The two southern case study areas fared relatively well during the 1980s. In the 1990s, however, industrial restructuring caught up with these localities (see Tables 5-3 and 5-4 below). Portsmouth suffered from the unexpected restructuring of the armed forces and its defence related engineering sector at a time when both its port and traditional tourist industries were in long term decline. Unemployment grew rapidly, reaching a high of 12% of the working population. Within Portsmouth, particular districts of the city began to encounter severe problems in terms of social and environmental development. Croydon also began to lose jobs in its traditional engineering sector in the 1980s, whilst more recently many companies operating within the manufacturing, retailing and commercial sectors have downsized. Consequently unemployment reached a high of 10% in the 1990s, which on this scale was a new phenomenon in both Croydon and Portsmouth, which prompted both councils to establish economic development units in 1993.

Table 5-3: 1998 Deprivation Ranks (out of 354 English Districts)

<u>District</u>	District level Deprivation Score	Deprivation Score Rank
Croydon	13.12	88
Knowsley	33.69	9
Oldham	24.82	33
Portsmouth	15.86	75
Salford	26.64	23

Source: DETR, 2001

Table 5-4: 2000 Multiple Deprivation Ward Level Ranks (out of 8414 wards)

<u>District</u>	Most Deprived ward	Multiple Deprivation Score	<u>Least Deprived</u> <u>ward</u>	Multiple Deprivation Score
Croydon	Fieldway	578	Selsdon	8378
Knowsley	Princess	8	Halewood East	4305
Oldham	Coldhurst	75	Saddleworth East	7041
Portsmouth	Charles Dickens	601	Drayton & Farlington	7077
Salford	Broughton	126	Worsley & Boothstown	6108

Source: DETR, 2001

### 5.2.3 Political Context

Knowsley and Salford are both firmly dominated by the Labour Party. Oldham, however, is a traditional Labour area, but here the Liberal Democrats have established parity with the local Labour Group and consequently the council swung towards no overall control in 1994. Since then Oldham has experienced political instability, and most recently featured in national headlines regarding the involvement of the British National Party in its local elections. Labour has also lost its grip on Portsmouth where again the Liberal Democrats have made significant gains over the 1990s, and the council has slipped into no overall control. Croydon is traditionally a Conservative area, but switched to Labour in 1994, who

have controlled the local council since. Table 5-5 below summarises which political parties have controlled the local councils in each district since 1973.

**Table 5-5: local political control** 

Election	Salford	Oldham	Knowsley	Portsmouth	Croydon
1973	LAB	LAB	LAB	CON	CON
1975	LAB	LAB	LAB	CON	CON
1976	LAB	NOC	LAB	CON	CON
1978	LAB	CON	LAB	CON	CON
1979	LAB	CON	LAB	CON	CON
1980	LAB	LAB	LAB	CON	CON
1982	LAB	LAB	LAB	NOC	CON
1983	LAB	LAB	LAB	CON	CON
1984	LAB	LAB	LAB	CON	CON
1986	LAB	LAB	LAB	CON	CON
1987	LAB	LAB	LAB	CON	CON
1988	LAB	LAB	LAB	CON	CON
1990	LAB	LAB	LAB	NOC	CON
1991	LAB	LAB	LAB	NOC	CON
1992	LAB	LAB	LAB	NOC	CON
1994	LAB	NOC	LAB	NOC	LAB
1995	LAB	LAB	LAB	LAB	LAB
1996	LAB	LAB	LAB	LAB	LAB
1998	LAB	LAB	LAB	LAB	LAB
2000	LAB	LD	LAB	NOC	LAB
2002	LAB	NOC	LAB	NOC	LAB

Source: http://www.gwydir.demon.co.uk/uklocalgov/makeup.htm

# 5.2.4 Policy Context

Access to regeneration funding is another significant factor determined by the geographical position of each locality. Table 5-6 below summaries the policy status of each case study area when the interviews were undertaken.

Table 5-6: policy context

District	UK funding regimes	European funding regimes
Croydon	No special development status	No special development status
Knowsley	Assisted Area with Development Area status	Objective One
Oldham	Assisted Area with Intermediate status	Objective Two
Portsmouth	No special development status	No special development status
Salford	Assisted Area with Intermediate status	Objective Two

Source: Interview data

Objective One status means that Knowsley is recognised as being part of a sub-region with severe structural problems (measured in terms of below average GDP, a peripheral geographic position and declining population). Objective Two areas are those recognised by the European Union as declining industrial areas with above average unemployment. Assisted Area status allows local authorities to bid for additional central government resources. During the 1990s, Salford for example, bid twice for City Challenge funding but failed on both occasions. More recently, however, the city had bids for SRB Regeneration Budget and National Lottery Millennium funding accepted, the latter taking the form of a £64 million grant for the Lowry Centre. An Assisted Area with Development Area status, however, means that local economic problems are recognised by central government as being particular severe, and more problematical than authorities with Intermediate Status. Both Croydon and Portsmouth have no special development status at the European or national level. Portsmouth's 1993 bid for Assisted Area status and later its bid for Objective 2 status were both rejected. The city, however, has been successful in attracting other European funds related to defence restructuring, e.g. capital funding under the KONVER

programme to establish a Naval Heritage Area. Croydon has also become active in attracting specific sources of European funding.

#### 5.2.5 Institutional context

The various attempts of central government to revitalise the regeneration process in the 1980s and 1990s led to the creation of new institutions within the context of LED (see Chapter Two Section 2.4.3). This new institutional framework aimed to displace the traditional structure of local authorities and the Chambers of Commerce. The main mechanism for achieving this was through the creation of new quangos and through the encouragement of public-private partnerships (Greer and Hoggert, 1996). This section, therefore, briefly discusses the impact of this process in case study area.

#### The role of quangos

UDCs had little impact on the areas studied, apart from Salford. The city shared significant borders with both the Trafford Park Development Corporation (TPDC) and Central Manchester Development Corporation (CMDC). TPDC was responsible for a regeneration area within Salford, promoting a large industrial estate at Irlam and Cadishead. CMDC wound up in March 1996 and TPDC in March 1998. Although Merseyside Development Corporation (MDC) was one of the most significant UDCs, it undertook little direct action within Knowsley and was wound up in March 1998. Within the other case study areas UDCs were of little significance.

Far more important were the TECs and associated business development organisations, which operated in each of the case study areas. In Salford, for example, the City Council's

LED function overlapped with the role of business development agencies operating within the city. At the time of the interviews these included organisations such as the DTI, Business-Link and Manchester TEC, and Salford 100 Venture (a local private sector development agency). The first contact point for investment enquiries, for example, was a function shared, somewhat uneasily, between the City and the Business Link. In Croydon, Knowsley and Oldham, however, the local authority and business development organisations largely kept to their own remit without much crossover, apart from bids for funding (see below). In Oldham, for example, the business development agencies in the town had merged into a single unit known as Oldham Super Chambers. This was a combination of Oldham TEC, Oldham Chambers of Commerce and the local Business Link. There was little formal activity, however, between Oldham's LED unit and the Super Chambers. In Portsmouth Hampshire TEC led a partnership company called the Portsmouth and South Hants Partnership whose role was to act as a catalyst for regeneration and local needs and development.

#### **Partnership formation**

The level and type of partnership involvement in LED varied in each case study area. In Salford, for example, the City Council had been involved in a significant partnership with the private sector since the early 1980s to regenerate the former Manchester Docks. Oldham Council has had long established links with the private sector through the Oldham Town Centre Partnership (TCP), a relatively successful arrangement between the local authority, major retailers and shopping centre managers to actively promote the town centre as a shopping destination in the North of England. Both Croydon and Portsmouth, however, are almost novices in terms of partnership formation, having only established their economic development functions in 1993, although both local authorities had since been active in

partnership formation with significant corporations located within the districts. Portsmouth City Council, for example, had developed a strong partnership with major companies such as IBM Zurich, and Croydon had forged relationship with Boots and Nestle. Partnership formation between the public and private sectors in Knowsley, however, was limited, except for efforts to attract external funding and attempts to promote Huyton shopping centre.

There is a strong link between the shape of the local institutional context and bids each district has put together to attract external funding. For external funding, Salford City Council for example, developed pragmatic relations with the Business Link, TEC and private sector to draw down SRB and European funding. In Knowsley a key actor on the local scene was the Mersey Partnership, a body overseeing the spending of Objective One funds on Merseyside. Portsmouth City Council had developed formal links with other local authorities on the South Coast via an initiative known as the South Coast Metropole Region. This means that Portsmouth is working with Southampton, Bournemouth and Poole to sell the south coast region and to promote a new regional identity, and to establish links with local authorities in Normandy (France). The aim of this was to establish a cross-border English Channel region with a partnership dynamic to draw down European funds.

#### The role of local government

There is one common factor within each local institutional context, which has been somewhat neglected in the contemporary literature on urban governance (for example Harvey, 1989). This relates to the role of local government itself, which has largely withstood the various attacks on its power and responsibilities to remain a significant actor at the local level in terms of driving forward both city marketing and broader LED strategies. Despite the growth in the number of quangos, few institutions, other than local government,

can fulfil this facilitating and co-ordinating role (Shaw, 1994). The case study interviews revealed that in each area the leadership of the local authority was important in terms of developing a strategic marketing position and forming the necessary mechanisms to achieve their vision or objectives. In Knowsley, Oldham and Salford, for example, city marketing began in the 1970s through attempts by local government to promote their localities to external private investors. In Croydon and Portsmouth, however, there was no perceived need for city marketing until the 1990s, but even in these places the initiative rests with the local authority.

# 5.3 e origins and development of city marketing

The interview data revealed that the origin of city marketing varies and depends upon the leadership of the local authority in shaping a strategic response to the type and scale of local economic problems faced in each locality. Table 5-7 below summarises, in very broad terms, the strategic positions adopted by each locality in terms of their responses to external economic issues. This section, therefore, examines why each locality started to use marketing in the context of LED and charts policies have changed over time to accommodate new strategic positions.

Table 5-7: summary of city marketing strategic approaches

Case study area	Private sector	Regeneration funding	Local or internal marketing
Salford	Strong emphasis on external investment, but recognition of the need to meet indigenous business needs	Strong emphasis on funding for large scale regeneration flagship projects	Limited, but recognition of broader issues such as consumer choice
Oldham	Emphasis has shifted mainly toward indigenous business	Emphasis on small scale regeneration in manufacturing and retail sectors	Limited, although strong emphasis on local retail sector
Knowsley	Inward investment remains important, but an equally strong emphasis on retaining existing companies	Emphasis on small scale regeneration in manufacturing and distribution sectors	Strong emphasis on marketing a broad range of social and economic policies to existing residents
Croydon	Emphasis on retaining large corporations	Emphasis on small scale regeneration: corporate sector, retailing and culture industries	Recognition of the importance of promoting a positive image to existing residents
Portsmouth	Strong emphasis on inward investment, but increasing recognition of existing business needs	Strong emphasis on funding for large scale regeneration flagship projects	Increasing importance of more inclusive social marketing.

Source: Interview data

In terms of positioning places to different target groups the need to improve or change place image is also an essential part of the motivation behind city marketing. This section, therefore, also examines how practitioners themselves have responded to the nature of place image. Existing studies, however, have focused entirely on place image through the analysis of the products of place promotion in the form of promotional literature and other advertising media. How place image relates to broader marketing strategies, however, has largely been ignored (Ashworth and Voogd, 1990). This research confirms what previous research has shown, that the prerogative of city marketing strategy is to change or manipulate negative images to attract or retain inward investment, or to promote new industrial activities such as tourism, leisure and retailing. There are similarities in the approaches adopted by both

Salford and Portsmouth, which are both trying to develop their local economies through external injections of both private and public capital. Oldham and Knowsley, however, have produced less ambitious plans based on small-scale regeneration. In these areas, retaining existing local business has become an important priority. Croydon is a relatively prosperous area and home to several important decision-making centres of large international corporations. The town also possesses a large shopping centre with over 2.5 million square feet of retail space (Croydon Online, 2001). Retaining these corporations and the major retailers, therefore, is paramount to the borough's marketing strategy, given the increasing potential for these companies to move outside Croydon. In each case, however, the local authority finds itself hampered by negative place images, which have in turn influenced the nature and character of their marketing activity.

# 5.3.1 The origin of city marketing in Salford and Oldham

In both Oldham and Salford, city marketing began in the 1970s as a means of attracting inward investment. Salford City Council saw itself as having a major role to play in attracting private investment, because it is a major landowner and has tremendous economic resources at its disposal in terms of buildings and sites for development. Informant R2 (Salford City Council) argued that marketing enabled them to attract investment efficiently because, in a climate of declining budgets, they needed to be more targeted in the use of their limited resources. Oldham MBC sees itself as something of an innovator in terms of inward investment promotion as the local authority has been using marketing techniques since the early 1970s. Although initial policies were somewhat basic, during the 1980s Oldham MBC developed sophisticated forms of advertising and market research to attract new investment. The high costs of attracting inward investment and the limited employment gain generated by it have led to a change in policy. Consequently, in the 1990s Oldham MBC returned to

traditional means of attracting companies, such as through the management of local authority owned industrial properties, whereas Salford has continued to aggressively promote itself as a site for inward investment through projects such as Salford Quays and the Lowry Centre. Both these places are regarded as traditional manufacturing areas and their local authorities were motivated to use marketing to tackle problems created by deindustrialisation. Manufacturing employment of their residents, for example, declined in Oldham by 13% and by 14% in Salford (between 1981 and 1991) (Census, 1991). City marketing, therefore, was used initially as a policy to promote inward investment and to generate new sources of

The interviews in Oldham and Salford also revealed that an important motivating factor in both places was the perception that each locality suffered from a negative image, which drew on stereotypes associated with traditional Northern industrial cities:

"People say 'oh well, Salford is that Weatherfield, Weatherfield docks, you know at the Quays?". People think Salford is Weatherfield" (Informant R2, Salford City Council).

"People don't understand that there's more to [the] City of Salford than flat caps and ratting" (Informant R2, Salford City Council).

A similar view was expressed in Oldham:

employment.

"With outsiders, generally you're talking to an audience who might not know Oldham at all, but they make some perception from some sort of historical sense perhaps. There are the dark satanic mills, cotton, engineering, and terraced houses and women in shawls. Its that sort of image that perhaps some people still hold" (Informant R5, Oldham MBC).

Salford, however, also suffers from contemporary stereotypes:

"The news people mostly get from Salford; oh another crime, another mugging, another murder, which is not good press" (Informant R20, Business Link)

"We do have a lot of very positive points, but people are very negative. They always look to what the media is saying. If there's a shooting, it's always 'there was a shooting in Salford'. If somebody's won a major prize on Granada Action it says 'oh a small Manchester based company'" (Informant R2, Salford City Council)

The City Council, therefore, developed a composite of objectives to change perceptions of the city. First, it aims to raise awareness of Salford as a place in its own right, a problem stemming from its proximity to Manchester. Second, it aims to promote a more positive identity for the city. And finally, the Council aims to develop a corporate identity for itself with the image of a proactive and responsive organisation. In terms of inward investment the Council is targeting new technology industries, or more specifically the key staff working in those industries, which are seen as the drivers of new industrial development. The image Salford is trying to promote, therefore, focuses on quality of life factors such as housing, shopping facilities, schools and environment. Central to their communications strategy is the role of flagship projects, the key one being the Lowry Centre at Salford Quays, which is branded as being located in Salford. This strategy is compromised, however, by the stereotyping of Salford as a traditional northern industrial city.

Oldham also suffers from negative perceptions of place, but here the local authority is trying to promote a more positive image of the town to existing residents and business, as well as external target audiences:

"I think by trying to encourage a positive view about the borough, and investment in the borough, we are trying to deal with the image. It works both ways. Its not just for outsiders, its also for insiders" (Informant R5, Oldham, MBC).

The town, however, has no direct plans to mount an image campaign for an external audience apart from improvements to the physical environment of Oldham town centre. Instead, local practitioners related Oldham's image to internal issues, particularly attempts to promote a more positive image of the MBC to local residents and business:

"Now obviously people within the borough know what its like physically, but they might not be quite aware of the way things have developed and moved on in terms of the economy, the general improvements, and changes that are less visual" (Informant R5, Oldham MBC).

During the 1980s, both Oldham and Salford intensified their efforts to attract investment, most notably Salford, which used marketing to promote the sites of major new development projects such as Salford Quays. In the 1990s Oldham placed less priority on inward investment and instead has focused on retaining existing companies and developing its retail sector by marketing the town centre more vigorously to a regional audience. Salford, however, has continued in its attempts to regenerate the local economy through major property-led flagship developments, such as the Lowry Centre in Salford Quays even though this a project which has been funded mainly by major grants, especially the Millennium Fund of the National Lotteries Commission, as opposed to private investment. Another key difference is that Oldham has retained an emphasis on the manufacturing sector and has increased the priority of retailing, whereas Salford has shifted its efforts to promote the city as a location for commercial, cultural, and back-office activities.

#### 5.3.2 The origins of city marketing in Knowsley

The motivating factor behind the development of marketing in Knowsley is the area's major structural economic problems and mass unemployment. Manufacturing employment between 1981 and 1991, for example, declined by 15% in Knowsley (Census, 1991). Inward investment was a priority during the 1970s and 1980s, but since 1990 the local authority's marketing has expanded to cover a wide range of economic and social issues, such as education, policing and social welfare. The expansion of marketing activity stems from Knowsley's unenviable position with regards to negative perceptions of the borough. In the 1970s, the Ford plant at Halewood was known nationally for its industrial unrest and belligerent unions. In the 1980s Knowsley gained a reputation for social deprivation, particularly for its "notorious" housing estate Cantrill Farm. Most recently, Knowsley achieved national notoriety following the publication of educational league tables. This image has also had a significant impact on the decisions of existing business and residents:

"We have a declining population within the whole of Merseyside, so there's been redundant schools. A lot of people on the border, they're sending their children to schools outside the Borough. That was a problem that sat there for ages. We were actually at the bottom of the [national] league table" (Informant R4, Knowsley MBC).

Improving the image of Knowsley, therefore, is not only a priority in terms of attracting inward investment, but also to retain existing residents and business. The focus of marketing activities, therefore, has shifted to an internal target audience, with an emphasis on retaining companies and strengthening internal economic linkages. Other marketing initiatives to improve image include moves to strengthen the borough's identity by emphasising its boundaries with displays of public art. This project forms part of an attempt to establish a recognisable brand image for the area.

#### 5.3.3 The origins and development of city marketing in Portsmouth

Whereas Salford and Oldham suffered heavy job losses in the 1980s as a consequence of their local economies being dominated by traditional manufacturing sectors, such as steel and textiles, in Portsmouth the tourist, defence and electrical engineering sectors sustained employment in the city through the recession. Manufacturing employment in Portsmouth fell by just 5% between 1981-1991 (Census, 1991). City marketing began in Portsmouth as an extension of existing tourist initiatives rather than as an industrial development strategy. The city, for example, incorporates the traditional seaside resort of Southsea. Only in the 1990s, did city marketing become a policy tool to address broader economic development issues. This followed the establishment of the City Economy Unit and Economic Development Committee in 1993, which was in response to structural change within the city's two principal industrial sectors: tourism and in particular its defence-related industries. The latter stems from the "Peace Dividend" and the collapse of markets for defence products. Second, many businesses in Portsmouth provide support services to the large naval base within the city. The restructuring and downsizing of the armed forces, therefore, has created further problems for the city and its employers. These trends are said to account for the rapid increase in unemployment within Portsmouth during the 1990s.

Changing external perceptions of Portsmouth is an important part of the City Council's marketing strategy. Local practitioners argued that Portsmouth suffers from an image of the city as an industrial naval town:

"The original scope when marketing came in was to promote our tourism industry. Bearing in mind we are a traditional naval dock yard town, the profile of Portsmouth has been, and its still not changed that much, but it is changing, of as a rather scruffy working class town on the south coast which you wouldn't go into, because it's full of sailors and is rather scruffy and horrible" (Informant R16, Portsmouth City Council).

"Bournemouth has been a seaside [resort] for 150 years. That is what it is known as. Portsmouth isn't like that. It is only from the early 1980's that they have started getting into tourism, so you won't change it overnight. The signs are that we are being successful from the comments we are getting, but there will always be people who think it is a naval town, so you have to keep plugging away at it' (Informant R15, Portsmouth City Council)

Although external promotion, inward investment and tourism were Portsmouth's top priorities, in the mid-1990s their strategy started to shift to include other marketing objectives which aimed to promote stronger internal linkages within the local economy. New initiatives included retail promotion; promotion of individual tourist attractions, facilities and services; promotion and publicity for the Millennium project; and general city-wide internal promotion, including work with community groups to help them target funding (Portsmouth City Council, 1994; South East Hampshire and Portsmouth Partnership, no date).

### 5.3.4 The origins of city marketing in Croydon

Although Croydon's town centre may have undergone comprehensive redevelopment in the 1960s, the local authority did not actively establish an economic development unit until 1993. The main reason for this lack of intervention stems from the relative success of the local economy in the 1980s. Croydon was never a major manufacturing centre and consequently escaped the worst excesses of deindustrialisation, whilst at the same time the town benefited from major corporate relocation and spillover development from central London without having to put much effort into promoting the local economy. Between 1981-1991 manufacturing employment, for example, declined by just 7%, a loss largely compensated for by job gains in banking, finance and insurance (Census, 1991).

The local authority, however, became more active in 1993 in response to a sudden decline in the engineering sector, which led to problems of high unemployment in parts of the borough. Restructuring in the retail sector created further threats to the vitality of the town centre. Despite good public transport connections, congested road links to the M25 enabled business and retail destinations outside of Croydon to become more attractive, particularly those around the southern perimeter of Greater London. Croydon has found itself having to compete more vigorously with other destinations for service sector activity, most notably major office relocation from central London and with out-of-town retail destinations such as Blue Water Park. As a result maintaining existing business in the town has become an important issue.

An over-riding theme of the town's marketing strategy, however, is that despite being the most prosperous of the five case study areas and possessing a thriving corporate and retailing centre, Croydon is often ridiculed in local and national media as being a "concrete jungle", an image established following the redevelopment of the town in the 1960s, which involved the replacement of the historic centre with a number of "modernist" tower blocks (The Independent, 1996). Croydon is also perceived as being a particularly dull London suburb lacking in cultural vitality:

"It's all reflected in 1960's and 70s. They took the main road and put it right straight through the centre of town dividing it in half. And they obviously encouraged all these high rise office blocks, which were probably very modern and up to date at the time, but clearly in the 1990s a symbol not of the future, but of the past. We know from how urban design works that Croydon actually isn't people friendly. Regular shapes, people walk round them rather than go in them. Compare that with a medieval town, for example, or lanes in Brighton. By having that you actually draw people in. There's no square in Croydon. There's no kind of civic [place]. Go to again an Italian city, like in Venice, you have a big square with all the best shops and the cafes round the side and that's where people meet. There's nowhere in Croydon where you can ask people I am going to meet you somewhere. No obvious place where you would go to meet that you find in other towns and cities. That has led to a kind of coldness. And it's led to its image of a concrete jungle. That's in people's minds, particularly outside Croydon, that's what Croydon stands for. The reality of Croydon is not just what you see, but it's rather more than that' (Informant R8, Croydon Borough Council).

"When you actually talk to people throughout Croydon and say what's their image of Croydon before they came here, they'll give you 'it is a busy place, not particularly attractive' and maybe they'll come up with some musical hall jokes. We are still lumbered with a late eighties message that it was very busy, unattractive, dirty, and the shopping centre was open air. It was not what the customers expected there, customer service not good, brash, not caring attitude for the disabled, a whole load of things and these things, which in the late 1990s people coming to the town centre are expecting them to be there. And if they don't find them they'll vote with their feet' (R11, Croydon Town Centre Manager).

Hence the town's marketing initiative seeks to address this image problem by marketing Croydon as a lively place, specifically through the promotion of the arts and culture industries. The borough's marketing initiative does embrace issues of social inclusion through an attempt to tackle pockets of social deprivation with a mixture of EU and SRB funding. This initiative, however, appears to be relatively marginal compared to the town's efforts to develop commercial and retail activity in the town centre and in particular to maintain its record in corporate relocation (in both the public and private sectors). Retaining existing companies, building partnerships and strengthening local linkages are also important elements of this strategy.

#### 5.3.5 Comment on the origins of city marketing strategies

The evidence presented above shows that the practitioners in each case study area believe that their locality is suffering from various forms of negative place perception and image. The nature and content of each place image may vary, but in each case a negative place image is believed to be detrimental to LED, particularly in terms of positioning places to potential private sector investors. What is interesting, however, is not necessarily the meaning of place images and how representative they are of the localities in question, but how the practitioners' interpretation of place image shapes policy. Salford and Portsmouth, for example, have both attempted to redefine or re-image themselves to an external international audience. Although Croydon, Oldham and Knowsley are also sensitive to the importance of external perception, they adopted different strategies that focused on changing locally held perceptions of their localities. In each case study, however, there is strong emphasis on promoting a corporate identity, or brand image, as well as dealing with place image issues. Such activities are typically aimed at a local or internal audience such as existing business.

# 5.4 City marketing and the private sector

The promotion of places to external private investors is an important motivating factor in each case study area. This research reveals the way localities are marketed or positioned with respect to the private sector has shifted from overt place advertising to more subtle or qualitative marketing approaches based on building closer and longer-term relations with companies. In some cases priorities have shifted away from inward investment to focus almost exclusively on internal or existing business audiences. The use of existing marketing skills and resources to retain companies calls into the question the nature and meaning of

city marketing. Such approaches, for example, are not necessarily concerned with aggressive advertising and promotion, and instead rely on other marketing techniques and methods. This section, therefore, examines explanations for this transformation of city marketing by presenting empirical evidence, which begins to counter assumptions in the geographical literature that city marketing is exclusively concerned with meeting the needs of international business investors.

#### 5.4.1 Criticism of the sustainability of inward investment strategies

In each local authority local government officers were concerned about the effectiveness of competitive inward investment strategies. There was recognition that competing with neighbouring authorities was counter-productive, and acknowledgement of the fragile nature of much of the investment attracted into localities. These concerns have led to a shift in emphasis in how each local authority applies their marketing skills when dealing with private companies.

Salford City Council, for example, recognised that the benefits of inward investment tended to be short-term. Retaining and supporting economically sustainable firms, therefore, was seen as a way to improve the competitiveness of the local economy as a whole:

"We have to retain companies, because it's pointless opening one door to let people in when everyone is slipping out the backdoor. So there is a question about retention. It's about keeping the existing companies. There's awareness, keeping them aware of new European legislation that is emerging almost daily and making sure they understand the training opportunities and new government schemes that are available" (Informant R2, Salford City Council).

There was also an increasing focus within Oldham's marketing on retaining companies. Informant R5 (Oldham BC) argued that although inward investment would probably be at the top of the list of marketing objectives for most local authorities, it was no longer a priority in Oldham. Whereas in the 1970s Oldham attempted to attract as much inward investment as possible, in the 1990s targeting existing companies for assistance is seen as a more fruitful strategy. On the town's economic development objectives Informant R5 (Oldham MBC) explained that:

"There is a view you've got to be careful with some forms of inward investment, because it's footloose industry and footloose industry can go as easily as it can come in".

"There's definitely been a change in emphasis on the inward investment side of things. It's not something that we push as strongly as we once did, because we don't think the rewards are there" (Informant R5, Oldham MBC).

The Council, therefore, pulled resources out of external promotion and inward investment and their approach has become internally driven although declining resources was also a factor in this decision. Despite Oldham doing less external promotion they are becoming more targeted with their marketing activity.

#### 5.4.2 Why had inward investment strategies failed in these localities?

When competing for inward investment Informant R2 (Salford City Council) believed that it was very difficult for them to claim any unique advantage for the area. Factors such as proximity to motorways, quality of labour force, and low business rates are claims made by virtually everywhere in the country. He admitted that all they could really do was to make

people more aware of the city and be geared up to enabling companies to move in as smoothly as possible by placing emphasis on the quality of business support in the city.

This attitude was also apparent within Oldham MBC:

"There's a two-way process. I don't think the rewards are there and equally we haven't actually as an authority got a lot to offer in terms of land resources. So we've got to be rather careful about what we are saying. We can't promote ourselves for that large inward investment, because we haven't got the land. The North East can do it, but there are authorities around the country who have those opportunities, but we haven't. So we [have to] target our audience much more carefully, because of our limited resources. That's how things have changed. I think there was a great deal of [in] the eighties splattering the market place with 'Come to Oldham'" (Informant R5, Oldham MBC).

Opportunities for Portsmouth to establish large-scale private investment within the city's boundaries are also extremely limited given a lack of sizeable development sites. The City's best hope is to help neighbouring localities to attract inward moving companies where it is hoped that such investment will have positive economic benefits in other sectors (e.g. leisure, tourism and retailing) within Portsmouth.

# 5.4.3 From aggressive place advertising to qualitative city marketing: changing relations with inward movers

Dissatisfaction with inward investment strategies has led to a change in the way local authorities use their marketing skills and experience in dealing with potential investors and inward movers in the private sector. Salford City Council, for example, began to flesh out its marketing role in the early 1990s beyond basic inward investment promotion to work more closely with inward movers. The wider objective of this approach is to embed and retain companies in the local economy through what Informant R2 (Salford City Council) referred

to as "qualitative marketing" by using their marketing skills to identify medium and longterm business needs.

Similar sentiments were identified in the other case study areas. In Oldham, for instance, there was recognition of the need to work more closely with inward movers during the initial phase of recruitment, although this relationship is short-term:

"We are saying to them [potential investors] if you want to come into the borough, these are the opportunities, these are the existing companies that you might need a relationship with, and you need to be aware that they are here if you are not already aware of them. And we would maintain a relationship with them; possibly only in any depth if they were in a property that the council either owned or had an interest in. We don't have a set up where we try and keep in contact with newcomers. We haven't allocated any resources to that, but I can point to two or three where we do know exactly what they're up to and have, in a sense, regular contact. But that's only because we are either the landlord or they are on an estate" (Informant R5, Oldham MBC).

The focus of Oldham's business development activities, therefore, is concerned with the property side as opposed to general business support, which is seen as being part of the remit of the Chambers of Commerce and local TEC. Maintaining contact with inward movers is seen to be the role of the Regional Development Agency, although it was perceived that the MBC dealt with SMEs and micro-enterprises more closely than larger companies.

There is nothing surprising about how Knowsley promotes itself externally:

"Knowsley, the area, is the best place to relocate. And that is all about what a superb workforce we've got, how well trained they are, the skills that they've got, the incredible low level of industrial unrest, the financial help we can give them, and the communications. All the usual stuff" (Informant R4, Knowsley MBC).

The Marketing Unit, however, has also established a single enquiry point that deals with a range of services for potential investors. Advice on building regulations, planning and finance, for example, are dealt with from a single point within the local authority to save investors having to deal with a number contacts within the local authority. Knowsley firmly recognises the needs of investors:

"This morning I heard somebody say that a guy arrived from Turkey and turned up unexpectedly. Now this guy is from an organisation that may end up building a factory that will employ four hundred people and I heard somebody say well that they can't just walk in here. Yes they can. They can do whatever they want ... they are customers. They bring potential investment with them. They bring jobs with them. They bring economic prosperity with them. They can do whatever they like. If they've just got off the plane from Turkey and decided the first [thing] they're going to do is come to Knowsley, we should feel very honoured..." (Informant R4, Knowsley MBC).

Informant R4 observed that by responding in this way required the development of a customer-focused organisational culture within the local authority.

In Portsmouth there was concern that existing local companies were at risk of being poached by outside inward investment agencies. The need to retain existing companies, however, had not led to a neglect of its efforts to attract inward investment. This remains an important objective, although efforts to bring in new companies are co-ordinated more through a regional partnership rather than unilaterally.

#### 5.4.4 Using city marketing to retain existing and indigenous companies

Informant R5 (Oldham MBC) argued that there is better value in targeting indigenous companies over inward movers. This is demonstrated by a shift in the character of the town's economic development activities:

"You want to be concentrating much more on a more stable local economy. And you get more value out of assisting existing home-grown companies who want to stay and grow than you do from trying to encourage a new one in who might as easily just go again. That's been the main motive behind a lot of the change. Surely we should be concentrating much more on what we've got and making them bigger. It sometimes can be relatively easy for them [an existing company] to go from one hundred to two hundred jobs just by getting involved and building them an extension. But to get an inward investor who brings a hundred jobs in with them can be quite a trial and quite a difficult thing to do, especially if they then turn around five years later and go. Whereas the person whose invested, who's set his company up here and started with two or three people and ends up with two or three hundred, they have a great deal of emotional ties. They quite often have greater attachment to the staff and the personnel and are much more concerned about keeping the employment. They're much more involved in the community at large. In ten years we've actively encouraged [local businesses] and they've grown from starting out with two of them and ending up with seven hundred now. You think what sort of effort would we have had to put in to try and encourage that number of inward companies in" (Informant R5 Oldham MBC).

A similar pattern emerged in Portsmouth where long term resident companies such as Marconi, Plessey and IBM had in the past created many high-tech, highly skilled and well-paid jobs. The potential loss of these jobs could lead to deep and long-term structural problems for the local economy. A priority for the City Council, therefore, is to retain such employment rather than to attract new companies to the city, which will probably not bring in high status work:

"Other areas have found that inward investment is not the answer. We actually spend less on inward investment than we do on supporting existing business and on conference and tourism marketing" (Informant R14, Portsmouth City Council).

The City's work with Marconi, for example, illustrates their approach to marketing:

"I have to say that whilst we don't spend so much on inward investment, we do spend a lot of time, money, and effort on researching the needs of our existing companies and I want to re-emphasise that. For example, in Matra Marconi Space, we have a concentration of space scientists in Portsmouth, 250 space scientists. We are very close to the managers who manage Marconi. And we talk to them as very close colleagues to make sure that anything the City can do to enhance their position here, or to meet any needs they have or problems is done" (Informant R14, Portsmouth City Council).

The City also invests in infrastructure and environment for the benefit of indigenous business:

"We spend a lot of money on developing and regenerating our product, improving our product, working with local businesses to develop our product. And a lot of money on selling the city to the tourist markets and visitor markets, and to other pump-priming and regeneration markets, much more than we do on inward investment" (Informant R14, Portsmouth City Council).

The most dramatic example, however, comes from Knowsley where the local authority has had to work extremely hard to retain existing companies. The most significant response was the effort to retain Delco, an American electronics company that proposed to relocate to another part of Merseyside threatening 1000 local jobs. The local authority put together a successful package, including grant aid, to retain the company, which changed its decision at the last minute. This event was significant in that it repositioned the image of the local authority to local people:

"Now there's so much benefit that came out of that. We had all sorts of community leaders and unions and everything interviewed on the radio saying what the Council has done. You know 'they fought for us, they are part of our community, they belong here. They are not something that's just kind of overlaid, this bureaucratic thing that controls. It's part of the community" (Informant R4, Knowsley MBC).

# 5.4.5 Building partnerships

Another perceived benefit of this qualitative approach is that by building positive relationships or rapport with the private sector it becomes easier for local authorities to resolve conflicts with business:

"Unless we're, if you excuse the expression, climbing into bed with businesses at a very early stage and getting that rapport going we're going to be in deep trouble. Because occasionally when you do come into conflict with a company, for whatever reason, and however bad that conflict may be, if you've had a long working relationship, you know the personality involved, they know us, it becomes a far better problem to solve. It becomes far easier and I think that is critical" (Informant R2, Salford City Council).

Building a close relationship with local business also has benefits in other policy areas, for example, in assisting with the recruitment of partners for external funding submissions.

"Other good reasons why you should have a good working relationship is when we are doing major schemes and we need partnership. If we are putting a government programme together like the Single Regeneration Bid, for the budget we have to demonstrate that it is a partnership. That it comes not from the city, it comes from, 'the partnership'. It's essential that we have a good rapport with these private sector businesses, because we need to consult with them on the spending of public funds. And we have to demonstrate that clearly in text that we've actually been and approached these people. Now we're back to this family or partnership approach" (Informant R2, Salford City Council).

Oldham MBC has also recognised the long-term value of building a positive relationship with business:

"A lot of our marketing is telling the wider world how good we are at dealing with the private sector. The message we are getting is that we are not a loony left authority who doesn't believe in the private sector being able to make profit. We want to work with the private sector to make profit. It is aimed at the private sector to encourage them to come through the door" (Informant R5, Oldham MBC)

"It's more to establish a profile in the borough with existing companies and as a result of that It's more of a politically motivated exercise in the sense that this council wants to be seen as being able and competent in assisting companies in the borough to become stronger more profitable and thereby employ more people" (Informant R5, Oldham MBC).

A general point about the view from Oldham MBC is that marketing is perceived to have a political value in the sense that the town's successes are promoted to residents. This applies to success in attracting jobs to Oldham but also to promoting success in securing regeneration funding and improving the image of the MBC.

# 5.4.6 Marketing new industrial opportunities

In the 1990s the role of city marketing expanded to include economic sectors experiencing restructuring such as tourism, leisure and retailing (see Table 5-8). The way local authorities deal with these sectors, however, highlights fundamental differences in their approach to inward movers and existing companies within manufacturing and commercial sectors. Whereas Oldham, for example, has recognised the long-term weaknesses of competing for inward investment, its retailing strategy is based very much on competing aggressively with retail centres in neighbouring districts, an approach that contradicts its philosophy on inward investment.

Table 5-8: Summary of marketing objectives

<u>District</u>	Retail destination	Tourist destination	Cultural facilities	Leisure facilities
Salford	Not a target	Moderate emphasis on marketing Salford as a urban heritage centre	Strong emphasis on attracting international cultural events to Salford	Moderate emphasis on marketing Salford as a leisure destination
Oldham	Strong emphasis on marketing the town centre as a regional shopping centre	Weak emphasis on promoting Oldham as a regional tourist destination mixing an industrial heritage and gateway to the Pennine Hills theme.	Weak emphasis on attracting film and arts to Oldham	Moderate emphasis on marketing Oldham at a sub- regional level as a leisure destination
Knowsley	Moderate emphasis on maintaining the local retail sector	Not a target	Moderate emphasis on development of public art to enhance local identity	Moderate emphasis on marketing local facilities in Knowsley
Portsmouth	Strong emphasis on marketing the city as a regional retail centre development	Strong emphasis on marketing Portsmouth as an international tourist destination	Part of tourism strategy	Part of tourism strategy
Croydon	Strong emphasis on maintaining the vitality of the town centre as a regional centre	Weak emphasis on attracting spillover tourists from central London	Strong emphasis on promoting public arts and the cultural sector in Croydon	Part of cultural development strategy

Source: Interview data

The retail sector, for example, is of major importance to the vibrancy of Oldham town centre. Each year the local authority in combination with the private sector through the Oldham Town Centre Partnership (TCP) mounts a campaign to attract and retain shoppers within Oldham town centre. This campaign entails advertising in neighbouring towns, Christmas lights, and competitions including an Oldham lottery scratch card. Associated with the advertising and promotion campaign has been a series of property developments including the Spindles and Town Square shopping centres and improvements to the physical appearance of the town centre with pedestrianisation, signage, landscaping, street cleansing and car-parking. The partnership's objective is assured:

"The main aim of the group is to set Oldham as the premier shopping destination of the north eastern side of Greater Manchester" (Informant R6, Oldham TCP).

The motivation behind this strategy is that retailing is now seen as a highly competitive sector. In this context Oldham is competing against other small centres as well as new out-of-town retail facilities within the Greater Manchester area:

"We unashamedly advertise Oldham town centre as a shopping destination throughout our region be it in Rochdale, Ashton, Bury, Halifax, Huddersfield and indeed the North East Manchester area. We have no compunction about that, because it is every man for himself" (Informant R7, Oldham, MBC).

Their target audience is very specific. The TCP recognises that lower spending groups are tied to the town centre through public transport links, but they really want higher spending mobile consumers. Attracting and retaining this custom, however, is seen as a more problematical:

"We've got plenty of Cs and Ds. We want some As and Bs to come into Oldham. We've got an excellent Debenhams now which is different to other places".

"I think the people who are tied into the area and come and shop here in Oldham every weekend are unfortunately those people who don't have transport. And not decrying those people, they don't have a large spending power. So that they may come and shop at Gwhat Everybody Wants [sic] and maybe a bit in the Market Hall, but they won't be spending the money, they won't be keeping Debenhams' and the rest of them going" (Informant R6, Oldham TCP).

The battleground for these customers is clearly laid out:

"In the Greater Manchester conurbation nothing is very far away from anywhere. Oldham is right next door to Ashton and right next door to Rochdale, who are only down the road from Manchester itself. So you've got to look at tempting people in from all the other areas and we recognise that up the M66 corridor is probably one our target areas. Across the Pennines to Halifax and Huddersfield, fighting the development of the White Rose Centre. Trying to stop people going to Dumplington [the site of the Trafford Centre] and establish shopping trends before they actually migrate that way" (Informant R6, Oldham TCP).

City marketing has become more important to Portsmouth because of the competitive threat posed by out-of-town development. The compact nature of the city and its lack of large sites suitable for new development have meant that Portsmouth has been particularly vulnerable to new industrial, retail, leisure and housing development close-to, but beyond the city's boundaries, especially along the coastal motorway route linking Portsmouth to Southampton. This is accepted to an extent by the City Council who recognises that the city possesses limited space for major new development. However, this means that the city must doubly ensure it attracts and retains business in appropriate sectors. The city's marketing and economic development, therefore, has attempted to improve services to visitors (in terms of signage and information) and to consolidate the town's retail sector through physical improvement schemes and closer work with understanding the needs of local retailers.

Out of the five case study areas tourism is most important to the economic development of Portsmouth. The promotion of Portsmouth as a tourist destination was initiated in the early 1980s with the establishment of a Marketing and Tourism Department by the City Council. This initiative was the City's first response to compensating for job losses affecting the local defence and manufacturing industries and the need to compensate for the loss of trade related to the collapse of "bucket and spade" tourism within the Southsea resort. Consequently the city has attempted to reposition itself within the tourist market place and to develop its tourist product with attractions and facilities to match the needs of emerging tourist markets. The strategic approach, therefore, has been to target the maritime heritage market. This has involved the promotion of the city's emerging collection of historic ships and the opportunities created by the release of historic naval properties and waterfront. The City has dropped its Southsea "beach image" in favour of the brand image "Portsmouth:

Flagship for Maritime England". Portsmouth has built up a strong tourist product identity through years of successive marketing:

"We generate something like £350 million pounds worth of tourism, which is bigger than places like Bournemouth. We have developed the product, we are internationally recognised as having one of the best maritime museums in the world. We bring in a lot of Americans and so on. Now that's been done by marketing. The marketing, the promotion of Portsmouth has provided the confidence to invest in Portsmouth" (Informant R16, Portsmouth City Council).

This "brand" image, however, has been compromised in recent years by the local authority's drive to establish a city-wide identity. The tourist product, therefore, has become embedded into the broader promotion of the city, rather than something that is marketed separately.

Tourism has featured strongly in the city's regeneration because the area possessed a relatively strong existing tourist infrastructure. This includes, for example, the existing resort of Southsea; established world-renown attractions related to the City's naval heritage (e.g. HMS Victory and the Mary Rose); and good existing communication serving tourists (road and rail access to London, and ferry terminal serving France and Northern Europe). Tourist promotion, however, has proved to be the catalyst that has driven the establishment of a wider LED strategy and the expanding role of the Marketing Unit in the 1990s. There is a clear link, therefore, between the tourist strategy and the wider economic regeneration of the city. The City Council believes that the development of tourist facilities such as the historic ships, marina and new Millennium Project, together with related physical improvement of the city will provide an attractive environment that will also attract and retain high-tech businesses and their employees:

"Tourism is one sector of the local economy and, therefore, it not only has a pay back in terms of jobs, but it also contributes to the performance of other sectors. For example, if we are able to attract investment in our tourism product, to regenerate the waterfront, to set up new promenades, boulevards, to restore our historic dockyard, and bring more investment back into the areas of the city centre, then we are going to create an area, which is going to provide jobs for construction. It's also going to have benefits by making existing companies feel the area is being upgraded" (Informant R14, Portsmouth City Council).

In recent years the strategy for tourism has been adapted to take advantage of new opportunities. Portsmouth, for example, has proved successful in attracting major spectacle events such as the D-Day commemoration and Tour de France. The City has also attempted to position itself more strongly in international markets to attract more American, Japanese, and North European travellers. It is hoped that the city will become an important stopping place for people on tours of southern England. This has involved external networking through organisations such as British Cities and the Consortium for Historic Towns. The City has also sought to develop literary tourism given that Portsmouth is the birthplace of Charles Dickens. Portsmouth has not really expanded business tourism. It is recognised that Brighton and Bournemouth, for example, are established conference destinations on the South Coast, so rather than competing directly with these places, Portsmouth has attempted to differentiate itself within the wider tourist market.

Portsmouth's high level approach to tourism development contrasts sharply with Oldham, which is not an obvious tourist destination and has no major attractions. As a consequence Oldham has relatively modest tourism objectives with the only significant initiative being an attempt to market the area as a gateway to the Peak District National Park in conjunction with the neighbouring authorities of Rochdale and Tameside. This is connected to the restoration of the Rochdale Canal, which runs from Calderdale to Manchester and through

Oldham. This is subject to a joint regeneration bid between several participating local authorities that are each restoring the segment of the canal that passes through their districts. Once complete, the canal offers the potential to attract a new tourist market to the town. Beyond the sub-regional level, however, connections with regional tourism promotion agencies, such as the Greater Manchester Visitor and Convention Bureau and the North West Tourist Board (NWTB) are limited. Although Leisure Services has well-defined internal target segments, there is no specific audience to which they market the town.

Tourism is not a significant objective in the remaining case study areas. Salford has recognised that their unique industrial past and canal system offers potential for developing an urban heritage tourist trade. Croydon has attempted to tap into central London's tourist market by promoting itself as a cheap and accessible place to stay during tourist visits. Knowsley has very limited opportunities to develop any significant tourist activity, although the borough is home to a safari park.

Developing the cultural sector is of major significance in Salford, which hopes to attract major touring productions and art exhibitions to the new Lowry Centre in Salford Quays. In Croydon developing a vibrant cultural scene is important to changing the image of the town from a dull location to a vibrant London suburb. In Oldham cultural development is limited to the advertising of the town's leisure and cultural facilities, such as art galleries and museums. There have been, however, attempts to market visual arts venues in the town through countywide initiatives, such as Arts About Manchester and the City of Drama events of 1994. Although centred on Manchester, events under the banner European City of Drama were organised by all ten local authority districts in Greater Manchester.

#### 5.4.7 Comment

Many geographers have argued that since the 1970s local authorities have attached greater important to the role of place image in influencing the decision making of business executives in major corporations (Brownill, 1994; Burgess, 1982; Loftman and Nevin, 1994). This literature argues that the "freeing-up" of capital from geographical constraints has enabled TNCs to choose from an increasing range of locations in which to invest in manufacturing and commercial activity. Competition between places for inward investment has intensified as the locational flexibility of international capital has increased (Hall and Hubbard, 1996; Harvey, 1989). From a local perspective establishing both an awareness of place and a positive place identity are seen as essential if they are to compete successfully for private investment (Kotler *et. al*, 1993). City marketing, therefore, emerged within this environment as an important local government policy to influence corporate relocation (Ashworth and Voogd, 1990), and according to Harvey (1989) it will continue to expand to produce a pernicious spiral of place competition.

The claim that localities are somehow pre-disposed to produce LED strategies based on the attraction of exogenous private investment is debatable. Certainly there is evidence that city marketing and promotion has increased in the UK throughout the 1970s and 1980s (Mills and Young, 1986; Barke and Harrop, 1994). In the 1990s, however, there was increasing criticism about the benefits of inward investment strategies to localities (Dicken *et. al*, 1994; Eisinger, 1995; Loftman and Nevin, 1994). This is reflected in the empirical evidence presented above, which shows a shift in priorities away from aggressive international competition for attracting external resources. Several factors account for this change:

- Local geographical factors e.g. a lack of land or promotable resources;
- Declining funding for local government and the weakness of inward investment strategies has consequently led to a more careful appreciation of how local authorities use existing resources (i.e. they are no longer prepared to waste money on ineffective promotional strategies to attract international inward investment);
- Perceived political and economic benefits to be drawn by developing a good relationship with the private sector, for example, in resolving conflicts and in creating partnership arrangements.
- Local authorities have developed a link between developing local business to meeting long term social priorities.

Although each local authority examined would without doubt gleefully accept any major private investment which could create a large number of jobs for local people, there is recognition that in the long term it would be better for them to assist existing companies who have local ties or who are already embedded in the local economy and community. Where these ties do not exist, it is recognised that marketing can be used to foster them. Overall, this has manifested itself in the shift from overt and aggressive place promotion to qualitative or relationship marketing policies.

The empirical evidence shows that the relationship between local government and the private sector is a more complex one than is assumed by city marketing literature. The motivation to support and nurture local business derives from a genuine desire to protect and serve local interests. The local government officers interviewed in each case study area emphasised quite strongly their concern for meeting social, as well as economic objectives, which suggests a continuation of the managerialist tradition within the local state.

On the other hand, this type of intervention to support local business may also be regarded as a more sophisticated response to the conditions of international competition for inward investment. One may argue that developing a stable business community will send positive images of a place to external investors. Providing added value in terms of economic development services offered to business by local government may be perceived as an additional locational advantage, which assists the locality to compete with other places, especially where they lack promotable pragmatic marketing resources. They are competing, therefore, not in terms of minimising factors costs, but in terms of providing quality, with the long-term aim of retaining investment. This shift to meeting indigenous business needs, therefore, is still essentially part of the spiral of inter-place competition and continues to fuel the zero-sum game, because retaining companies occurs at the expense of them shifting elsewhere. The research interviews reveal, however, that this is not a simple issue, because each locality seems to be pursuing city marketing strategies that combine a mixture of both economic and social objectives. Consequently, there is a blurring of the boundaries between managerial and entrepreneurial practice within the local state.

# 5.5 Marketing localities for external regeneration funding

Central government policies have clearly had a tremendous impact on local government in the UK. Informants in each case study area, for example, argued that the competitive distribution of regeneration funding had driven forward the development of their marketing skills and expertise. Attempts to draw down external funding illustrate how local authorities are using their marketing skills to manipulate place image in new and sophisticated ways in order to reposition places in the minds of decision-makers in central government and the European Union. Existing marketing skills and experience in each locality have been adapted to promote places through the submission of proposals to external fund managers.

Whereas Salford and Portsmouth have both targeted high-profile flagship projects, efforts in the other areas are of a smaller scale. In Salford, especially, the City's marketing skills have been applied specifically to assist the City Council to bid and compete for large-scale funding from central government, the National Lottery and European Union.

To a greater or lesser extent, the development of marketing skills in each local authority is related to their need for external funding to match specific local concerns. Importantly each area's approach is mitigated by the funding context in which they exist. When the interviews were conducted Knowsley, Salford and Oldham were eligible for relatively substantial funding under national and European programmes. Croydon and Portsmouth, however, were ineligible for mainstream funding and consequently these authorities had encountered difficulties in drawing down additional resources. Despite this, each authority looked upon marketing as an essential skill in the bidding process for external funding. First, for positioning their bids to fund managers i.e. using marketing skills to ensure that their bid would fall in line with government thinking, in terms of both presentation and content of bids. A second and related reason why marketing was seen as important in the bidding process is that it provided a tool for developing and presenting an image of a single and unified place or region, an issue which was seen as particularly important for obtaining European funds.

### 5.5.1 Positioning bids for external funding

The general feeling expressed by all of the local authority informants is that whether they liked it or not, competitive bidding for external funds is a reality and there is no advantage to be gained from not competing. Informants believed, therefore, that it was within their best interests to respond proactively to this new competitive environment and to act professionally in the preparation and submission of bids. Marketing, therefore, is seen as important in terms of positioning bids for external funding to the fund managers.

In Salford, for example, Informant R2 (Salford City Council) revealed that he saw previous funding regimes such as the Urban Programme as largely a "form-filling administrative exercise", but applying for funding under the new conditions has meant that local authorities in general have to "promote" themselves. He explained that they need to understand and "win the confidence" of the "fund manager", i.e. the decision-maker within the relevant government departments targeted for external funding. Informant R2 argued that the government expects not only quality information, but also submissions "in line with government thinking", with the implication that there is a minimum requirement for any bid for funding in terms of its quality and content. The respondent likened this exercise to fulfilling a "job spec" before applying for a job, and that the failure to meet the "spec" would result in the non-consideration of their bid. The pressure to behave in this way, therefore, is clearly seen as coming from central government.

Although not stated in their LED strategies, drawing down external funding from central government and Europe is also a significant objective of Portsmouth's Marketing Unit and Croydon's marketing initiative. Like Salford, the process of bidding for regeneration funding is treated as a marketing exercise:

"Part of our marketing role is to develop strategies for positioning the needs of the city in the minds of the people who influence regeneration funds and to get those people to recognise the needs of the city and to draw down funds that can help pump prime inward investment. So we've been particularly active in the last five years in positioning Portsmouth in the minds of the government, the UK government for urban regeneration investment" (Informant R14, Portsmouth City Council).

Enlisting business support is seen as essential for winning and drawing down government support, principally for the city's bid for Lottery Funding. This entailed bringing private sector partners on board with the submission of bids for regeneration funding and demonstrating they have delivery mechanisms in place. The principle partnership in Portsmouth is a combination of private, voluntary and educational bodies that came together in support of the city's bid for funding under the Lottery Commission's Millennium Project. The Millennium Project focused on regenerating the harbour. The key project is a new promenade forming a "Renaissance Trail" around the harbour with the objective to place Portsmouth Harbour alongside those in Sydney, Vancouver and Stockholm. The Portsmouth and South East Hampshire Partnership, a consortium of local councils and private sector companies working with heritage trusts and the Royal Navy, promoted the project.

"So the partnership has been a pragmatic means of achieving the marketing of Portsmouth in the minds of the government, funding opportunities, and Lottery to attract investment" (Informant R14, Portsmouth City Council).

Both Portsmouth and Croydon have attempted to be proactive in this area. Portsmouth, however, has consistently failed to achieve any special development status either from central government or the European Union. Despite its economic problems, therefore,

Portsmouth has never qualified for additional funding for urban regeneration which has made its task much more difficult.

Croydon Council has been motivated to attract external regeneration funding from the need to tackle local problems created by wider scale industrial restructuring. In the 1980s the rationalisation of the engineering sector led to high levels of unemployment concentrated in particular parts of the borough. Croydon, however, recognises that obtaining special development status is unlikely, and instead has tried to attach bids for external funding to wider initiatives.

Oldham MBC has been involved in bids for funding under the City Challenge scheme, SRB and the ERDF. Oldham MBC's perspective on competitive bidding, however, is slightly different when compared to the other authorities:

"You don't have to be flash to encourage assistance from either central government or Europe. I think that some authorities have thought that you have [to]. There is a view that you've got to put on a big show" (Informant R5, Oldham MBC).

Overall Oldham's attempts to secure external funding through government sources have not been based on major flagship projects such as Salford's Lowry Centre or Portsmouth's Millennium Project. The town's largest development projects include not-so glamorous or media-friendly business parks and industrial units. Their SRB and City Challenge bids, for example, have sought to develop small-scale regeneration schemes. Oldham's approach, therefore, can be described as a lot less high profile with the authority instead seeking to achieve smaller, but arguably more achievable objectives. That said, there is also a perceived pressure to fall in line with government thinking even to achieve modest

objectives based on the authority's failure to submit a successful bid under the first round of City Challenge in the early 1990s. Where marketing skills have been applied in Oldham to assist the local authority with bidding then it is in terms of trying to second-guess what central government is looking for in proposals:

"I think we fell into the trap of trying to promote what we wanted to do rather than interpret what government would like us to do. The reality is that if you want money and its competitive you have to fall in line a bit more" (Informant R5, Oldham MBC).

The situation in Knowsley is different. Knowsley's Marketing Unit assists local public sector agencies in bids for external funding. The perception of the authority's position within Merseyside, however, is that the county is relatively flush with external funding which has been made available through Merseyside's status as an Objective One region. Although proposals for this funding are subject to competitive bidding, the perception is that this European money has been distributed equitably throughout the Mersey area. Although important, it seems that using marketing to attract external regeneration funding does not have the same imperative for the locality as in other case studies, because this issue has been resolved at a countywide level.

#### 5.5.2 Positioning places in bids for external funding

Another mitigating factor is the need to build partnerships to enable local authorities to bid for external funding in the first place. A requirement of the SRB, for example, is that local authorities work with external partners in the submission of bids (Blackman, 1995; Robinson and Shaw, 1994). There is a need, therefore, to demonstrate that each locality possesses strong partnership arrangements. The European Union encourages bids from regional

entities, a proviso that means English local authorities cannot submit proposals independently, and instead have to work with either neighbouring authorities or regional bodies. From the case study evidence, it became apparent that the marketing of cities in some cases is driven by the need to promote a geographical entity or some form of place-based partnership simply as an exercise in positioning funding proposals to fund managers, which manifests itself in the form of exercises in place creation.

Croydon, for example, has relatively little experience in bidding for external funding, mainly because the town's strong economic position throughout the 1980s meant that it did not qualify for additional regeneration funding. In the 1990s, however, parts of the borough have suffered from the collapse in the area's engineering sector, which has led to isolated pockets of deprivation. The Council's efforts to address this problem have been curtailed by financial constraints and a lack of resources. Consequently the development of marketing within Croydon has extended to address the issue of attracting external money from central government and the European Union, particularly in support of its plans to develop public transport through a light rail system. Again, bidding for this external funding is treated as a marketing exercise by the local authority, which has involved presenting a negative place image to fund managers in order to distance Croydon from its image of prosperity or wealth. This has meant promoting parts of Croydon as part of an imaginary economic and social sub-region of Greater London:

"We're part of the area called the Wandle Valley. The Wandle Valley is a river that flows down a drain as far as Croydon is concerned, but it offers a geographical entity of an area of relative deprivation, that is actually through Wandsworth and Merton, Sutton and Croydon. And we have been working with that partnership and doing joint projects in that part of the borough and so clearly an element of joint marketing. I mean the main purpose behind it is to generate new European and Single Regeneration Budget Funding" (Informant R8, Croydon Borough Council).

In Portsmouth, bids for European Funding have drawn the City Council into a regional partnership structure - the South Coast Metropole. Under this initiative Portsmouth has developed formal links with other local authorities on the South Coast (see Church and Reid, 1998). The Metropole area was principally created in the desire to tap into European funds for trans-frontier development:

"The Metropole is with four bigger south coast authorities, here, Southampton Bournemouth, and Poole. That started out as a European thing where we were trying to create this new regional identity as an urban Metropole area. We had this continuum of authorities each facing similar issues similar urban geography, location etc. And then there was the French Metropole, the triangular Normandy Metropole, where we could see some comparisons. However, that has died away. We have done a little bit of European work together, but that has heavily gone down the inward investment route working jointly as a Metropole to gain inward investment" (Informant R16, Portsmouth City Council).

The Metropole is essentially a manufactured region, created in order to position the South Coast and Normandy in the minds of European decision-makers. This "region" does not have a statutory or legal basis. Although there are clearly economic ties between the authorities involved in the Metropole area, this partnership is essentially a very fragile one:

"Portsmouth's strategy is to sod the rest of 'em. We're here to survive. Mind you if I went to work for Southampton next week I'd say the same thing 'sod Portsmouth we're here'. But I mean that's what you'd expect. It's a hard world. There is an initiative, as you know, called South Coast Metropole to tie in Bournemouth, Poole, Southampton and us. And that's to say this is an attractive region to come into. I can see that this is a personal view, that if you get a company [to] start showing interest to coming in, you watch us scrabble with the rest of our partners to get them to come [to] Portsmouth, or stop them going to Southampton or Poole or Bournemouth" (Informant R16, Portsmouth City Council).

Attaching the whole or part of a locality to some wider geographical entity is just one marketing strategy developed by local authorities studied to assist in attempts to attract external funding. Another strategy is to enhance or promote a unique local identity, which involves distancing a locality from another place.

Each informant within Salford, for example, observed that the city was suffering from a major image problem stemming from a lack awareness of Salford as a place:

"I think our biggest problem is people see Salford as a suburb of Manchester and can't distinguish between the two" (Informant R2, Salford City Council).

"Its a separate city on its own. It's got a great history or an older history than Manchester. But at the end of the day people say 'Salford, well that's near Manchester isn't it, that must be the cheaper side of Manchester" (Informant R19, Salford Enterprise Agency).

Informant R2 argued that their target groups failed to distinguish between Manchester and Salford. He claimed that as the cities shared postcodes even some Salford businesses believed they were actually located in Manchester. The City's response has been to aggressively market Salford as a city in its own right, for example, regeneration of Manchester Docks has been promoted as Salford Quays since the mid-1980s. In the 1990s, the Lowry Centre project, located in Salford Quays, became instrumental in the city's attempts to draw down external funding and to market a unique Salfordian identity:

"People don't understand the difference. Often you'll get major corporate players who'll say, 'I'm sorry, our managing director, or our corporate people in the States, don't know where Salford is'. They know where Manchester is. Our customers know where Manchester is. They instantly recognise it as a North West city. What we've got to do is make sure that Salford is recognised as a North West city. A lot about what we're doing in the Lowry Centre will do just that' (Informant R2, Salford City Council).

The city was ultimately successful in its proposal to the Millennium Commission and received a National Lottery Grant worth £64m to contribute to the £127m project to establish

an arts complex in Salford Quays. In addition, the Lottery bid was also linked to a successful £17.5m SRB proposal to fund the extension of Manchester's Metrolink tram system into Salford.

"Because it's a product that's been developed here with the support of businesses in this city, and it's a regional product. It is something that will satisfy the needs of the region, will be recognised by government in its Millennium support, and will be truly a unique facility. We'll actually enable people to enjoy culture without a massive amount of travel. But we've also got to understand the mobility of people and it's not just getting the Lowry Centre, we've got to get the Metro as well. It's very much about making sure that we get both" (Informant R2, Salford City Council).

The Lowry bid, therefore, has performed a clear marketing role for Salford City Council in terms of positioning the city to fund managers in central government and the National Lotteries Commission. The long-term vision is that the Lowry Centre will continue to perform a marketing function by positioning the city in terms of inward investment and tourism.

"They [Salford City Council] are setting up this Lowry Centre and they've [Manchester City Council] only just spent god knows how many million on building a new facility in Manchester for concerts. I think for Salford to create its own identity it has to have things like Manchester has got. The G-Mex and it's got the Bridgewater Hall. Salford has got Salford Quays, which is not that much of Salford, which they are really proud of. It's a good redevelopment, getting more of a name for itself. It's creating an identity. Fair enough the Lottery are paying for it, but its all part of creating an identity which hopefully people in Salford will think 'oh yes we feel a bit proud of the city. We see Salford as something that stands on its own not just a cheap place next to Manchester" (Informant R19, Salford Enterprise Agency).

There is also potential political capital to be gained by Salford City Council in terms of demonstrating that the City is actually doing something about local economic problems:

<sup>&</sup>quot;[The Lowry will] put it on the map more and businesses will see it. It's putting out signs to businesses. That's something the Council can say to people, 'we are spending money, we are looking forward, we do have big plans'" (Informant R19, Salford Enterprise Agency).

"[Salford City Council] wants to be seen to be to securing funding for its people" (Informant R20, Salford Business Link).

There are concerns, however, over whether Salford can achieve these objectives. Creating a separate identity from Manchester is of primary importance to the City Council. Whether the aggressive marketing of the Lowry Centre as a Salford location is really going to benefit local business and residents is open to question. The view of Informants R19 (Enterprise Agency) and R20 (Business Link) is that being close to Manchester and the availability of business capital are seen by companies as more important locational advantages:

"If I was running a business I would probably say 'well what about me. I'm not based around the Salford Quays area. I'm in Little Hulton. What is that [Lowry Centre] going to do for me, I'm like 11-12 miles away. I'm in Salford, what is it going to do for me?" (Informant R20, Business Link).

To a lesser extent, informants within Oldham MBC also expressed a view that proximity to Manchester was not always beneficial to the promotion of the town:

"We work with Greater Manchester Visitor and Convention Bureau, which we're members of, we subscribe to it though we don't get much out of it. They're interested in promoting Manchester as an entity. They're not interested in promoting Oldham" (Informant R3, Oldham MBC).

Oldham's response has been somewhat limited compared to that of Salford. The town centre is promoted as an important retail destination, but one that is complimentary to Manchester. In terms of tourism, however, Oldham has attached itself to yet another imaginary area:

"From a tourism point of view we're looking at collaborating with other boroughs. Rochdale and Tameside are neighbours and we'd like to do something with them to produce a North of Manchester, between city and country, type image for ourselves. Industrial heritage, beautiful countryside" (Informant R3, Oldham MBC).

Marketing, therefore, is seen as important to the attraction of external funding, because local authorities perceive that they need to present an image of themselves and their locality, which encapsulates a unified partnership approach that is also attached to a strong place identity, either at the local or regional scale. Where this is lacking, the local authorities studied have actively used their marketing skills to manufacture place images with the purpose of positioning themselves to fund managers in either central government or the European Union. Hence the creation of the South Coast Metropole, the Wandle Valley, a new tourist destination "North of Manchester", and a reaffirmation of Salfordian identity. Whether this is an effective strategy is clearly open to question. Putting criticism of the long-term benefits of the Lowry Centre to one side, Salford has clearly been very successful in drawing down external regeneration funding when compared to other case study areas, especially Portsmouth which failed in its bid for its Millennium project. Evaluating the role and strength or fragility of place images in funding proposals, however, is a separate issue and beyond the remit of this research. The wider point to make here is that development of marketing skills within local authorities is clearly linked to the introduction of "challenge" funding. Marketing the city to decision-makers in central government and the European Union can be seen as a catalyst for partnership formation; it demonstrates how local authorities have become sensitised to the role of place image in submissions; and proactive in terms of positioning bids to fund managers. This suggests, therefore, that more businesslike and entrepreneurial approaches are filtering out to a range of urban authorities. That said, there is disillusionment with the system. Although the local authority informants

accept that their approach to securing external funding has become more professional there is also tremendous criticism of how money is distributed to localities.

Informant R2 (Salford City Council), for example, explained that having a quality submission is important because it is more likely to lead to a successful bid. Consequently, the reason why many local authorities are employing marketing professionals is to assist them with the bidding process. The criticism levelled at this process by the respondent was that the large authorities could afford better professionals and print and production and were able to submit the best bids. The "big players" therefore, such as Manchester and Birmingham were perceived to have benefited from competitive delivery of funds more so than smaller authorities. Informant R2 (Salford City Council) essentially stated that despite the process being a competitive one, the perception was that it was subject to "political interference". Informant R5 (Oldham MBC) expressed similar concerns about the bidding process:

"I think we felt by the results of [City Challenge] that there were probably more political decisions going on than the government were prepared to accept. They were saying it wasn't political, but the results clearly seem to point to a lot of political decisions made on the selection rather on the quality" (Informant R5, Oldham MBC).

"The problem is that there are not a lot of set rules anymore for this competitive bidding. You don't really know what game you're playing. I mean areas where there were marginal seats and where there were balances between parties on the local authorities. A lot of decisions were made in favour of trying to persuade perhaps the local people to support the Conservatives rather than Labour. Strong Labour areas didn't do as well. I mean we analysed it very fully. Were they perhaps after more partnership type approaches with the private sector and away from social housing?" (Informant R5, Oldham MBC).

The implication is that "irrational" decisions are made and that the best bids do not always win. This creates a problem for local authorities such as Salford, because no matter what

they spend in time and money on submitting quality bids, they are never sure of winning or losing. All they can do is maximise their effort and hope. For some local authorities, which do not have the resources, this may not be an option. They may not be able to play the game and have to withdraw from the bidding process altogether. To what extent the use of marketing in this way is sustainable outside of the larger city authorities is, therefore, clearly open to question.

#### 5.5.3 Comment

Chapter Two identified that the relative scarcity of local government resources and the introduction of "challenge funding" in the 1990s, where external funds are delivered on a competitive basis, have had major implications for local government management practice (Blackman, 1995; Harding and Garside, 1995; Robinson and Shaw, 1994). Jones and Travers (1996), for example, argue that the competitive distribution of funding has forced local authorities to become more proactive and professional in their approach to LED. From the case study evidence it is certain that the heightened competition for external regeneration funding has obliged local authorities to develop, extend or rethink the use of their marketing expertise. Informant R2 (Salford City Council), for example, pointed out that the Council now actively uses its marketing skills and resources to secure external government and European Union funding. There are, however, differences between each of the local authorities studied in terms of their style of approach and attitude towards competing for external funding.

# 5.6 Consumer pressure and competition

The third set of strategic motivations include consumer or market issues, which have encouraged local government to develop marketing strategies involving the promotion of local government itself to local target audiences comprised of both local businesses and residents. Practitioners in each case study area, for example, argued that legislation such as Compulsory Competitive Tendering (CCT) and Best Value have been important factors behind the need for local government to develop and apply their marketing expertise in new fields. In Oldham and Knowsley, for example, the use of marketing skills has increased in local services subject to CCT. CCT, however, forms only part of a greater pressure on local government to become customer orientated. Practitioners argued that this stemmed from a greater awareness and demand for quality in local government services by consumers or residents. Marketing, therefore, has formed an important part of local government's response to these concerns.

#### 5.6.1 The threat of privatisation

During the course of this research the interviews revealed that central government policy regarding the delivery of local government services has exerted tremendous pressure on the thinking and activities of LED officers, even if their departments had not been subjected to the threat of privatisation themselves. In Salford, for example, introduction of Compulsory Competitive Tendering (CCT) for local government services was cited as a significant driving force behind the decision to consider marketing more seriously as a policy initiative throughout the whole local authority. Although marketing remains firmly the responsibility of the LED unit, it had begun to liaise with other departments in terms of marketing and providing local services. Informant R2 (Salford City Council) explained that a number of

services within the authority were subject to Compulsory Competitive Tendering (CCT), bringing these departments into direct competition with external service providers:

"There are certain services within this authority that are subject to Compulsory Competitive Tendering. So they have to compete competitively with external providers. So basically from becoming a service delivery mechanism, become a business. It's as simple as that. And they've got to win business. If they don't win business they don't survive. If they go out of business then we don't have access to that service. So they have to understand the role of marketing. The customer has to be satisfied with his product' (Informant R2, Salford City Council).

He argued that these departments now had to engage with business and marketing concepts to define customer needs and win business.

Informants in the other local authorities also linked central government policies, such as restrictions on local government spending, the Citizens' Charter and new consumer pressure, to the development of customer driven approaches to service delivery in their local authority:

"I guess people are being consulted more now. I guess change is happening and I'm sure that Labour run local authorities would hate to say that that came from central government" (Informant R3, Oldham MBC).

"Yes there is no doubt there are outside pressures and to a large extent these days local government is governed by those outside pressures. They are principally coming from the government in terms of constraints being placed on the local authority in terms of money that it receives from central government. [This includes] money we are able to generate locally through the Council Tax revenues, because of the constraints of capping and so on which bind local authorities to certain levels of increase in council tax earning potential, and the Compulsory Competitive Tendering legislation whereby the government dictates that certain services, irrespective of the quite specific community requirements for the provision of those services, have to be tendered for whether we like it or not" (Informant R7, Oldham MBC).

"There is no question that in the last 5 or 10 years there has been an increasing move in the direction of ensuring greater awareness of the services we provide and being more open in the provision of those services. And that to a large extent has been influenced by lots of outside pressures and the need for local authorities perhaps to be more customer orientated' (Informant R7, Oldham MBC).

The interviews, therefore, revealed that the spectre of CCT and financial constraints have forced local authorities at an organisational level to consider customer-driven approaches, which has in turn elevated their general requirement for marketing skills. LED is often separated from issues regarding public service delivery in the analysis of local government (Andranovich and Riposa, 1993; Harding, 1995). The case studies, however, reveal that officers with marketing responsibilities in LED units are becoming involved in assisting other departments within their authority to improve service delivery. In Knowsley and Salford, for example:

"People that have been exposed to CCT, we get involved with them. So we're doing a lot of work with [local authority] architects, because they're about to be CCT'd. We helped them put together their market entry plan, how they bid, how they price accordingly, and literature to make them look professional" (Informant R4, Knowsley MBC).

"I'm dealing with Tourism as well. I'm obviously involved very much in the Arts and Leisure Department. So there are products, which you could describe as truly corporate like the Civic Guide. ... The Civic Guide obviously has a Mayoralty function and it has to involve all the other thirteen departments. So I would co-ordinate that function. Arts and Leisure, they are involved in the delivery of tourism products, like the Museum and Art Gallery, the Water Sports Centre at Salford Quays, Clifton Heyes Farm. And I'm involved in strengthening their marketing efforts and making sure they are on the right track" (Informant R2, Salford City Council).

In a climate of financial frugality LED units, therefore, offer an existing source of low-cost marketing expertise. This is an important development because it shows how marketing may be becoming a cross-corporate function, an indicator that local authorities are evolving into market-orientated organisations. The level of customer focus forms an important criterion to

evaluate this development, and forms the theme of a subsequent section in this chapter. It is sufficient to say at this point that although each case study is subject to the same pressure from central government to position market forces and competition at the heart of their organisations, in practice the level of customer focus varies considerably from one locality to another.

# 5.6.2 The need to change perceptions of local authorities as organisations

Informants in each case study area argued that the development of expertise in marketing and public relations was essential because they increasingly had to present their local authority as an efficient, accountable and effective organisation to local residents and business. It was suggested that this pressure came from broad consumer pressure, which had compelled them to become more customer-orientated.

As Salford City Council, for example, has become sensitised to its competitive environment, promoting a positive image of the city and the Council is an important force behind the development of marketing policy. Having developed an increased awareness of, and expertise in, marketing the local authority had become more aware of "customer" or "consumer" pressure. Consequently the City has changed its inward investment strategy to incorporate a more customer-orientated approach to attracting and maintaining private investment in Salford.

In terms of promoting the image of the borough, Oldham MBC is just as keen to promote a positive image of itself to existing residents and business than to an outside audience.

"I think its very important to have a good image or to have the right image. If people feel that their local authority is not doing them any good they will do what they can to change that local authority. It's very important in Leisure Services. We're not a statutory requirement. The Government does not require local government to provide recreation services. So if the mandate isn't there from the people then we cease to exist. If the people don't think that we're positive then they won't be saying 'yes I'm desperate to pay money so that we can have these services'. Yes I think image is essential to the very survival of local authorities' (Informant R3, Oldham MBC).

#### Similar sentiments were expressed in Portsmouth and Croydon:

"We have a strong commitment to market the city to our existing customers if you like, our existing business base. And also we have a strong commitment to find out whether the people of Portsmouth, the residents of Portsmouth believe that what we are doing is right. And their view is that we should be putting a lot of effort into jobs and regeneration. That's seen as the top priority of the people of Portsmouth through our MORI surveys. So we are getting strong messages back there" (Informant R14, Portsmouth City Council)

"I am very concerned about building up two-way communications with customers ...we've spent a couple of years consolidating that, now we need to be better at listening. And it's about tailoring services to the people who need them and actually find out what they want. We spend a lot of time in MORI and various other surveys, getting that sort of data back and using it to shape our services. So you'll hear people referring to our top five priorities, I can only ever remember four of them, because the fifth one is so nebulously worded. It's basically jobs, housing, environment, crime prevention, and the fifth one is about ...community empowerment, but you know in terms of immediate policies, it's the first four. And everything builds from that' (Informant R17, Portsmouth City Council)

"Well from a town centre point of view, the image that we've got to concentrate on is we've got to focus on the customers, because if we don't focus on the customers then the customer will go elsewhere. So what are the sorts of things that a customer wants? Well, a customer wants to be able to get in easily, they want to know where they are going when they get in, they want a good environment in here, when they are served by the businesses they want a quality service to make them want to come back. Then there may be some basic facilities; mothers with young children would like to find crèche facilities. Disabled people would like to find a Shop-Ability scheme. A stranger would like to find an information unit, and its those sort of things..." (Informant R11, Croydon Town Centre Manager).

This customer approach is most advanced in Knowsley, where since the arrival of a new Chief Executive in 1990, the local authority has undergone a major internal reorganisation to establish the local authority as a market-orientated organisation. This has taken the

Marketing Unit out of its traditional role as a function of planning and development and established it as a cross-corporate agency servicing a range of internal and external marketing needs. Consequently marketing has expanded to encompass a broad range of local government functions beyond LED. Promoting a positive image of the area to local residents, therefore, has also become a very important part of the borough's marketing initiative:

"... To people within Knowsley ... its very much, you're living in Knowsley and that's good. So there's all sorts of messages we send out about things like the fact that...we've got the lowest Council Tax on Merseyside, we make sure that the population of Knowsley know about it. We make sure that the population of Knowsley know that ... like their bins are emptied faster than anywhere else" (Informant R4 Knowsley MBC).

The Marketing Unit serves a range of public sector needs including education, internal and external funding, health, policing, transport, housing, and community development. Knowsley's Marketing Unit, however, is unusual because it has the freedom to work with a wide range of public sector bodies in the development of marketing plans. As a consequence the Unit has been able to work with a number of bodies to secure its objectives. One objective, for example, is to retain children within the local education system, which is a major issue for Knowsley. The Marketing Unit has worked with the Local Education Authority to develop a marketing strategy to promote local schools to existing residents with children approaching school age. Through market research they identified that local parents had a poor perception of Knowsley's school:

"We found through the research ... that the biggest way that parents decide ... is through visiting schools on open days. So we put all our concentration into there, reinforcing the schools with their open days, getting parents in, making sure they were giving them positive messages. Its still marketing even though we weren't producing leaflets through letterboxes. ...We were paying something like £4.8m to other boroughs to educate our children. That's now been reduced to £3.1m in two years simply by

looking at very simple things ... just simply by asking the people what they thought and when they made their mind up. It was fairly simple then just to target parents of children at a much younger age and get them involved with the senior school' (Informant R4, Knowsley MBC).

Knowsley's Marketing Unit has used its skills in social marketing in other policy areas, for example, in a campaign to encourage the payment of local property taxes; to assist the local health authority with its business plan; to provide market research for the public transport authority; to provide perceptual maps and image campaigns for the police authority; to facilitate public consultation in housing policy; to assist local bodies to attract external funding; and to promote the better use of local leisure facilities.

A major part of the Marketing Unit's remit is to facilitate two-way communication and feedback between public decision-makers and the local community. Most notably within this latter objective is an initiative known as Pathways, which initially aimed to give local people a voice on how EU funding under Objective One ought to be spent in their area. It is hoped that in the long term, this sort of consultation will lead to more community involvement and empowerment.

# 5.7 Conclusions

This chapter has examined the strategic motivations of local policy makers to develop city marketing as a tool of LED. This chapter has explored how local policy makers have understood and applied marketing concepts within their localities. Three broad motivating factors were identified from the case study interviews. First, industrial restructuring in both the manufacturing and service sectors had motivated local authorities to develop marketing expertise, not only to advertise their localities to potential investors, but also to improve their relations with inward investors and local companies. Second, the distribution of

regeneration funding on a competitive basis had provoked local authorities into a more careful appreciation of how they are perceived by fund managers. And thirdly, the threat of privatisation and increasing consumer choice had forced local authorities to consider how they communicate and market their services to their "customers". Although city marketing is recognised as an important tool of LED, practice has changed to accommodate new issues, problems and opportunities. The economic problems created by industrial restructuring since the 1970s may have provided the broad motivation to instigate city marketing strategies, but in the 1990s priorities have shifted to focus on retaining companies and meeting the needs of existing business and residents.

Crucially this chapter has revealed geographical diversity in, and complexity, of local responses to structural conditions and change. Both Oldham and Salford are relatively experienced in place promotion and have undertaken some form of marketing activity since the 1970s. In the other three case study areas, however, marketing in the context of LED is a relatively new function only introduced in the 1990s. Again differences are apparent in each of these area's approaches to marketing. Both Croydon and Portsmouth have embraced marketing to address the realities of regional and international place competition. This issue is just as relevant to Knowsley, but in this case the marketing function has spilled outside of LED to address other social and political issues within the authority. It is not clear, however, why Salford and Portsmouth have adopted aggressive marketing strategies based on the desire to attract substantial external funding for major property-led flagship development projects, whereas the other local authorities studied have adopted much more defensive strategies. Knowsley, Oldham and Croydon, for instance, have focused on small-scale projects and a concern for maintaining existing levels of economic activity.

It appears, therefore, that the marketing mind-set of practitioners is varied and complex, which has consequently led to the pursuit of a range of strategic objectives, which are not necessarily concomitant with the rise of new urban entrepreneurialism. A view expressed by several informants was that the aggressive marketing of localities to outside target audiences. particularly inward investors, was of limited success. Such strategies, which dominated LED in the 1980s, were seen as costly in terms of resources and time, provided limited employment benefits for local people, were short-term and often produced a zero-sum gain. The case studies revealed a shift from external to internal marketing approaches when dealing with the private sector. The shift in emphasis is characterised by a desire to retain companies and to encourage them to expand locally. This issue has been highlighted in some of the geographical literature on inward investment and competitive external promotion policies (Dicken and Tickell, 1992; Dicken et. al, 1994; Eisenschitz and Gough, 1993; Fretter, 1993; Paddison, 1993; Page, 1995; Tickell and Dicken, 1993). This type of city marketing, therefore, appears to be characterised by efforts to understand the current and long-term needs of local companies and to maintain a continuous dialogue with them, rather than by aggressive place promotion. One informant described this as making them "part of the family" (Informant R2, Salford City Council) by building relationships with firms and making them more locally dependent.

This evidence supports the views of the academic work on "embeddedness" (Amin and Thrift, 1994; Dicken *et. al*, 1994). The shift to internal marketing, for example, is characterised by the development of marketing policies that have an internal or local audience, which are designed to promote local identity, civic pride and cohesion, or strengthen internal linkages within the local economy, or to facilitate communication, feedback and consultation with the local business and non-business community. In terms of

non-business objectives, this research shows that some local authorities are using their marketing skills and channels of communication to promote a much wider economic and social agenda, for example Knowsley's Pathways initiative deserves a second mention. This may represent a shift to a social marketing agenda. That said, the marketing of place externally remains a significant activity. Attracting inward investment, tourism and external regeneration funding are often top priorities. Consequently the shift to a social agenda may well represent simply another way to be competitive in a zero-sum game, especially following the duties now imposed on local authorities through the introduction of Best Value to replace CCT.

The main conclusion of this chapter, however, is that we need to question further what is meant by urban entrepreneurialism and how it is mediated by place specific and local organisational factors. The growth of city marketing is seen by many geographers as indicative of a general reform of local government, which has placed the market, competition and the private sector at the heart of urban management or governance (Harvey, 1989; Paddison, 1993). A climate of intensifying international competition has forced the local state to become more flexible and entrepreneurial. This apparent reorientation towards entrepreneurialism, however, is said to have occurred at the expense of meeting indigenous needs and social welfare (Hall and Hubbard, 1996). These assumptions, however, are questionable given the lack of detailed knowledge and empirical observation of how marketing and entrepreneurial practice has become integrated into the local state. The next chapter, therefore, examines marketing competencies within the local state to answer a broader question concerning the extent to which local authorities are becoming customer-orientated and entrepreneurial organisations.

# Chapter Six: Assessment of Marketing and Entrepreneurial Qualities

# **6.1 Introduction**

This chapter aims to contribute to the understanding of marketing practices by analysing how practitioners understand city marketing. It will focus on issues related to organisational structure and change, which are occurring within local government, as it becomes market or customer-orientated. Finally this chapter considers the reform of local government in the UK and its impact on the character of the local state. In doing so, this section goes on to identify geographical contingencies which explain the diversity of institutional responses in place marketing to the pressures created by this reform that were highlighted in Chapter Five.

Chapter Two established that marketing within the public sector or in a non-profit context differs fundamentally from marketing in the private sector. Describing and understanding the features of city marketing within local authorities, however, is a neglected area of study, even though a commitment to marketing should engage the local state, to a greater or lesser extent, in practices and values associated with the new urban entrepreneurialism. Where geographers have attempted to analyse city marketing they have tended to focus narrowly on a limited range of promotional activities, whilst failing to consider city marketing within a wider strategic management framework (Kotler *et. al,* 1993). Consequently our understanding of how city marketing is practised is limited. Indeed, there is a great deal of uncertainty about what marketing actually means not only amongst academics, but also amongst the practitioners of city marketing (Lewis, 1978; Clarke, 1986; Fretter, 1993).

It is not clear from existing research whether geographers or local authority practitioners fully understand what the implications are for an organisation in the public sector of becoming market-orientated. The postal survey findings presented in Chapter Four, for example, indicate serious deficiencies in the quality of marketing practice within UK local authorities. From a Marketing Science perspective, therefore, city marketing needs to be examined within a wider organisational context with the focus on the management philosophy or values of practitioners (Clarke, 1986; Doyle, 1994; Kotler, 1994), and how and why these vary spatially.

This chapter, therefore, aims to contribute to the understanding of marketing practices in the local state by analysing how local practitioners understand city marketing. By revealing the processes and concepts involved in the application of city marketing at the level of the local state this chapter aims to evaluate the new practices and values that are said to permeate contemporary British urban governance.

Finally, the postal survey in Chapter Four suggests that local organisations and institutional arrangements may have arisen in certain times and places to develop relatively sophisticated understandings of entrepreneurialism and city marketing as a strategic function, whilst in other places entrepreneurial approaches remain crude or even non-existent. Even in cities where civic boosterism has been identified, the effectiveness and long term sustainability of the institutional arrangements for city marketing are questioned. UK research, however, has largely failed to isolate factors that may explain geographically diverse policy outcomes from within the local state. It is not clear, for example, why local institutions in some cities are better equipped to develop a high level of competence in marketing and entrepreneurial activity, whereas other places appear to be less successful. Again proponents of the

entrepreneurial thesis, such as Harvey (1989), are deterministic in their argument about the cause and nature of urban entrepreneurialism and its policy outcomes. Consequently, the final part of this chapter considers the reform of local government in the UK and its impact on the character of the local state. In doing so, this section goes on to identify geographical contingencies, which explain the diversity of institutional responses in the area of city marketing to the pressures created by this reform.

# 6.1.1 Restating what city marketing is

Chapter Two identified that the meanings and the activities involved in city or place marketing have developed over time and space. It is generally accepted within the academic community today that city marketing has advanced beyond the advertising or promotion of images of places (Barke and Harrop, 1994; Spooner, 1995; Ward, 1995, 1996). Today city marketing strategies may well include advertising, but one would also expect strategies to encompass more sophisticated activity involving large scale investment in environmental improvements, property development, flagship projects, attractions and "spectacle events" (Ashworth and Voogd, 1994; Boyle, 1997; Datt, 1988; Davies, 1994; Loftman and Nevin, 1996; Short *et. al.*, 1993; Short 1996; Spooner, 1995; Smyth, 1994).

Given that marketing is associated "with the idea of satisfying the needs of the customer by means of the product and the whole cluster of things associated with creating, delivering and finally consuming it" (Levitt, 1960, 50), this chapter will focus on issues related to organisational structure and change, which Marketing Science says are implicitly required within local government if it is to become market or customer-orientated (Doyle, 1994; Drucker, 1973). Whereas a sales orientated organisation (whether it exists in the private or public sector) will focus on the capabilities of its products or services and will attempt to sell

them aggressively, the market orientated organisation will first focus on customer needs and attempt to create products or services to meet these needs (Doyle, 1994). The level of customer focus, therefore, is an important factor to examine in deciding the extent to which an organisation is market-orientated. Generally this will mean examining the marketing philosophy of local government to gauge how orientated the organisation is towards maximising customer satisfaction. The market-orientated organisation, for example, is one where we would expect marketing to be a central function of each division of the organisation. Specifically this will involve analysing several aspects of the business of local government, including: the strategic position of marketing within the organisational structure of local government; the level of customer focus, feedback and evaluation; and the level of external orientation within local government. In doing so this chapter will reveal the marketing rationale or mind-set of local decision-makers for city marketing.

# 6.1.2 tating what urban entrepreneurialism is

Chapter Two examined how geographers defined urban entrepreneurialism. This literature is dominated by a structural Marxist perspective on urban governance (for example, Harvey, 1989), which links the rise of entrepreneurialism to the development of Neo-Schumpeterian Workfare State systems. Implicit is a specific role for local government in producing a flexible regulatory environment conducive to speculative private sector investment and development, for example, through the formation of public-private partnerships to nurture enterprise and competitiveness (Harvey, 1989; Mayer, 1992). Chapter Two proceeded to break down this broad definition into specific aspects of urban entrepreneurialism in order to develop more practical analytical categories, which could be applied to an examination of local government. These elements included: the level of involvement of the local state in speculation and risk-taking; the development of a competitive and externally orientated

approach to LED; and a shift to customer or market led approaches within the administration of local government. This chapter discusses these elements in relation to each case study area as a way of examining how entrepreneurial ideas and practices have filtered down through the local state. This definition, however, only provides an initial framework for analysing contemporary developments within the local state. The findings presented later in below, for example, begin to challenge dominant assumptions about the nature of urban entrepreneurialism.

# **6.2 Strategic position of marketing functions within local authorities**

The importance of marketing strategies within the whole organisational structure of a local authority is an essential factor to consider when assessing their level of orientation towards markets and customers. In Chapter Two it was established that the full and successful implementation of marketing has strategic implications for the whole organisation. The main assumption is that city marketing must be recognised as being part of a broader management philosophy or concept and not simply just as advertising and promotion. The implementation of city marketing in this context, therefore, will entail the restructuring of local government at an institutional level to create environments conducive to entrepreneurial activity. Ave and Corsico (1994, 126), for example, argue that "... to perform efficiently at an entrepreneurial level ... local governments must be prepared to drastically modify the workings of their administrative machinery".

If marketing is the philosophy that orientates an organisation to maximise customer satisfaction, then it is required to become a central function of each division of the organisation i.e. it must be a corporate activity. Conversely where one finds marketing practised in isolated units or divisions, then we can assume a lower level of strategic

orientation towards marketing and maximising customer-satisfaction. The study of city marketing in the UK in the past, however, has failed to examine the strategic position of marketing within local authorities. This section, therefore, examines this issue by focusing on the extent to which local authorities have adopted marketing as a broad management philosophy.

# 6.2.1 The level of corporate integration of marketing functions

Examining the extent to which marketing is a corporate function provides a useful way of understanding the extent to which an organisation has become market-orientated. On this issue, the main observation from the case studies was that there are relatively low levels of strategic integration of marketing within the organisational structures of Salford City Council and Oldham MBC, whereas strategic integration in Knowsley and Portsmouth is much higher. In Croydon, however, city marketing was to become the remit of a proposed external agency that would attempt to integrate various departments across the local authority structure (Croydon Partnership, 1999, 26). In Oldham a partnership lead marketing strategy was implemented in 2001 (Oldham Metropolitan Borough Council, 2000).

#### 6.2.2 Examples of where integration is low

A constraint on marketing effectiveness is the internal structure of the organisation. In Salford, for example, marketing functions are limited mainly to economic development. The local authority had a Marketing and Communications Plan devised by the Marketing, Promotions and Tourism Officer together with the Principal Economic Development Officer. This was entirely administered by the EDU within the Chief Executive's office. As a consequence this plan does not involve any other department within the local authority apart from Arts and Leisure. In this case, Economic Development assists Arts and Leisure with market planning on issues related to the promotion of tourism in Salford. The only evidence of organisation-wide marketing is again co-ordinated by the EDU, but this only involves the production of advertising products such as a civic guide, which features input In 1998, however, Economic Development's remit to from all thirteen departments. promote the city became subsumed into the Salford Partnership, a wider network of local agencies responsible for delivering economic development objectives within the city. The City Council occupies a lead role within the partnership to co-ordinate local action. In terms of marketing, the Partnership is currently devising a Salford Partnership Marketing Strategy and a Business Development Marketing Strategy (Salford City Council, 1999a, 1999b). In 1998, however, the City Council left INWARD, the North West's regional inward investment body, and joined the MIDAS initiative (Manchester Investment and Development Agency Service). MIDAS is a partnership between the local authorities of Manchester, Salford, Tameside and Trafford and Manchester TEC, and promotes inward investment in the Manchester area (Jonas and Ward, 2001; MIDAS, 2000).

The most important issue in Oldham is the lack of a corporate single voice approach to the external promotion of the town. Oldham, like many local authorities, has retained rigid

hierarchical divisions based on service delivery or functions. Rather than forming a core function of each department's activities, marketing instead is seen as something imposed on normal duties from above. When questioned about how marketing policy is decided and implemented within the organisational structure of the local authority, for example, Informant R3 observed that:

"I guess I get it from departmental management, to various principal officers, to people who have marketing tacked on to their job, and then to reception staff, the people who actually deal with customers" (Informant R3, Oldham MBC).

Within the local authority marketing responsibilities are fragmented between several local authority departments and an external public-private body called the Town Centre Partnership. There is no centralised communication or co-ordination of marketing activity within the organisation, apart from the Press and Publicity Function of the Chief Executive's Office. Whereas in Salford the tourism and economic development functions were merged together within one department, within Oldham it is the Leisure Services Department that co-ordinates the promotion of the town as a tourist destination. Oldham Leisure Services department, for example, has a formal written Leisure Strategy, which contains its own marketing strategy, which is separate to the one for Economic Development. There are a number of other divisions within the local authority which also have marketing plans written for them by Leisure Services, for example, Swimming Development, Parks and Countryside and Recreation. These areas are limited, however, in terms of their contribution to attracting tourism to the town.

Again the EDU is an important department, because it has long pursued external promotion to attract inward investment and external funding. Whereas in Salford the promotion of tourism was part of the role of Economic Development and the marketing officer

specifically, in Oldham the Leisure Services department promotes tourism in the town through a separate marketing plan. In addition, the local authority's Chief Executive's Department manages press and publicity. The promotion of the town centre as a shopping and leisure destination, however, is the responsibility of the Town Centre Partnership (TCP), a somewhat unwieldy public-private partnership incorporating several departments of the local authority, plus national and independent retailers in the town. Overall there has been little attempt to build a proactive coherent strategy, and instead city marketing is characterised by a series of contradictory and unrelated policy initiatives. As Informant R7 observes, life in the public sector in Oldham is just not the same as in the private sector:

"Increasingly these days you will have, perhaps at System Director level, someone who will have marketing responsibility. But it will be one of a number of other responsibilities that that person will have. It will not be an exclusive role at that high level, providing a marketing service and being an overall thinker and strategist for the organisation purely on marketing. Maybe it is because the resources don't allow for it, and to a large extent we are not in the same game as a lot of private sector organisations, which are pushing products and services, and perhaps are faced with greater competition. The argument might be made that in local government there is less of that competition, although going back to the question of compulsory competitive tendering there is obviously that issue concerning competition. But it is perhaps not as aggressive in the local government sphere than in the private sector sphere" (Informant R7, Oldham MBC).

This fragmentation also creates problems for the Town Centre Partnership (TCP). Informant R6 (Oldham TCP) observed that attempts to put together any sort of new marketing strategy or initiative requires the private representatives in the TCP to liase and enter into long term communication with a series of representatives of the local authority, people who do not otherwise communicate between themselves. As a consequence the TCP finds it difficult to be proactive and to respond quickly to new opportunities. Overall there is certainly no strategic approach. This fragmented structure and the lack of a cross-corporate approach raises serious concerns over the value of marketing within Oldham. The situation in Oldham mirrors what is happening in Salford. City marketing is a function that has been brought into

the remit of the Oldham Partnership (Oldham Metropolitan Borough Council, 2000). This partnership comprises of the local authority, Chambers of Commerce, TEC plus representatives from the police, health and education authorities, the voluntary sector, housing associations and the Groundwork Trust. The TCP forms one of three area based partnership within this broader framework in Oldham.

# 6.2.3 Examples of where integration is high

In Knowsley marketing has a much wider definition and is seen more as a management philosophy or culture to underpin the whole organisation. Informant R4 sums up this philosophy:

"You have to understand that marketing is not just about producing leaflets and brochures. If you see marketing in the whole then the local authority has a duty, as any private sector organisation, to be responsive to its customer base" (Informant R4, Knowsley MBC).

The Marketing Unit occupies an umbrella position above the traditional local authority departmentalised structure, acting as an internal agency to deliver marketing services in their broadest sense, across the board to a range of internal and external public sector clients. Within Knowsley, the local authority is the most significant actor in terms of LED, which has been the remit of the Planning and Development Department. Historically the Marketing Unit has sat within this department focusing on inward investment promotion. With the arrival of a new Chief Executive in 1990, however, the Marketing Unit became a corporate in-house agency that reports directly to the Chief Executive. It is funded internally through the provision of marketing services to other departments and services within the local authority. The Unit is made up of marketing professionals with the remit to provide a

wide range of marketing services in addition to inward investment. For example, the Head of the Marketing Unit explained:

"My role expanded and developed. I do a lot of talking to Directors and building the marketing concept into their business plans" (Informant R4 Knowsley MBC).

From the semi-structured interviews in Portsmouth it was clear that the development of marketing has also been part of a wider internal restructuring within the local authority. Marketing as a function of the local authority was first established in the early 1980s with a new department whose role was to promote tourism in Portsmouth. It was not until 1993 that the local authority established the City Economy Unit and a separate Economic Development Committee. This brought together officers responsible for strategic planning, business and employment; city marketing; tourism marketing; and enterprise development within a single unit. This factor perhaps sets Portsmouth apart from the other case studies, where marketing and economic development functions have been fused together. Consequently marketing had become what is known in the city council as a "Frontline Service" with the organisational structure. Without doubt, it is Marketing that has become the key player in terms of facilitating and co-ordinating LED within the city and beyond to include neighbouring authorities such as Havant, Fareham and Gosport. Overall the City Council seems to have a clear understanding of the strategic function of marketing:

"We have recognised that marketing is not only about selling your product, It's about developing and involving your product, and understanding the needs of customers in relation to your product development" (Informant R14, Portsmouth City Council)

"One thing that characterises Portsmouth is there is Glasnost here. It doesn't help from a PR and marketing point of view that people can do their own thing, that people can talk to the media if they want, and it is very difficult to keep a handle on that. And while I don't want to bring it back to the corporate centre, we are one organisation. Now we suffer like many local authorities from 'departmentalism' and we are doing lot of work on actually breaking that down. Again this goes back to the professionally driven ethos within the local authority" (Informant R17, Portsmouth City Council).

In Croydon, the local authority established the Policy, Economic Development and Employment Committee only in 1993. Marketing has mainly been the responsibility of Economic Development. The authority had undertaken discrete marketing projects, but there was no overall strategic plan or framework in place. However, the Economic Development department proposed to establish an external marketing agency, comprising both public and private representatives. Although too early to gauge its impact, this partnership would integrate the marketing functions of the local authority, town centre manager and other business interests in the area, to provide a co-ordinated marketing effort for Croydon. The local authority had already seconded a representative from a major private corporation in the town who was establishing a strategic marketing plan for this external agency (Croydon Partnership, 1999, 26).

# 6.2.4 Comment: varying levels of strategic integration of marketing

This section has examined the strategic position of city marketing within the organisational structure of local authorities and has identified spatial variations in the status of marketing as a corporate function. In Knowsley and Portsmouth marketing has a high priority and has become an important strategic function within the local authority. In these cases, marketing departments have expanded from economic development to integrate many departments and functions. Croydon also planned for marketing to have this sort of function, but here marketing was to be devolved to a public-private partnership with responsibilities that do not really stretch beyond promotion and economic development. In Oldham and Salford, marketing has remained mainly as a function of economic development, and the level of strategic integration of marketing functions is low.

# 6.3 The level of customer focus

An important objective of the analysis of case study material was to reveal to what extent local authorities were responsive to customer needs. The customer orientated organisation, for example, will be able to: identify its customers; exhibit a high level of communication with customers; and demonstrate that they are satisfying these customers, for example, through monitoring of levels of expectation and satisfaction (Ashworth and Voogd, 1990; Bovaird, 1994; Clarke, 1986; Foley, 1992; Levitt, 1985; Selby and Morgan, 1996; Warnaby et al, 1994; Whysall, 1998).

In general there was a perception amongst the practitioners interviewed that numerous changes to the organisation of local government and delivery of local services had stemmed from the pressure to achieve a widening of consumer choice. In Salford City Council, for example, the Informant explained that previously public sector managers had dictated to the consumers or users of public services and made decisions about products and services, their cost and quality. The consumer had little choice:

"Ten years ago, as a local authority providing public sector housing, we decided what housing quality, what stock, and what volume we will provide to the public, providing it was within certain standards and satisfied building 'regs' and planning. We [would] say 'all right, that's your house, that's it; it's yours, no debate. You're not having a blue door or a red door, or you're having a fitted kitchen or central heating, that's it that's your lot. If you don't like it, we'll make you three more offers and then find something somewhere else'. So there was no choice" (Informant R2, Salford City Council).

The contemporary situation, however, is one where the Council's perception is that the consumers are now dictating to the local authority about what their needs are. Informants in the other local authorities expressed similar sentiments. In Oldham, for example, change

was seen to be irreversible and that the local authority would continue to develop customer focus in the future:

"I think that local authorities will have to listen more to the public and more to their customers. They're going to have to be leaner, no matter who's in power. There's just going to be less and less money available for local government, especially for non-statutory facilities or services such as leisure. I think that for local government to survive it really is going to have to pay more and more attention to the public. I think that as the public gets better educated, better media educated, just generally more 'savvy' they're going to demand a more listening local government than in the past' (Informant R3, Oldham MBC).

#### Similar sentiments were expressed in Portsmouth:

"There is a recognition that we needed to change. There is recognition within the council structure, or there was recognition and still is, that you have to be competitive. We have to go out there and ask people. We have to. We can't wait for people and we've got to go out there and force it. I mean it's a pure marketing driven situation, but its been difficult because obviously you're taking a fairly cumbersome traditional bureaucratic organisation and trying to introduce a different culture" (Informant R16, Portsmouth City Council).

In practice, however, achieving customer focus has proved to be very difficult. In Oldham, for example, the local authority faces a paradoxical situation in that as they have become more targeted and aware of their customer base with experience, the resources and skills at their disposal to successfully market the borough are being withdrawn through budget cuts. There is concern that the Council's marketing effort is mainly rhetorical and that attitude within the organisation has not changed:

"They say we have a marketing orientation, but whether that's really true or not? To me a marketing orientation is putting the customer first, and not saying we will give the people of Oldham what we think is best for them. Its saying let's find out from the people of Oldham what they think is best for them and then to provide it. But if the people of Oldham want disco dancing in the sports centre on a Saturday night, it would be very unlikely that the Recreation Department would say 'yes let's put in disco dancing'. It would still want to put in badminton, because dancing is not a sport, and their job is sport. So you have on the one hand people saying we have a marketing orientation, but on the other hand you have a conflict between what they feel, 'we're officers, we're in charge'. We're working on it. We're trying to get some customer groups going to find what people think' (Informant R3, Oldham MBC).

#### 6.3.1 Clearly identified customers?

The results of the postal survey presented in Chapter Four raised concerns about how local authorities defined their target or customer groups. Customers were defined too broadly and local authorities were unable to demonstrate an understanding of market segmentation. This issue of defining customers was explored further during the research interviews as a way of understanding the level of customer focus within each local authority. This showed again that local authorities failed to identify appropriately segmented target groups. Salford's principal targets, for example, included "potential inward investors", "governmental fund managers" and "the public who use local authority products or facilities", which reveals little about demographics and purchasing behaviour.

An observation from business development organisations in Salford suggests that despite their best efforts, the city council does not really understand the needs of local business. They recognise that the local authority is trying to achieve long term strategic aims in terms of attracting investment, people and improving the image of the city, but both Informant R19 (Enterprise Agency) and R20 (Business Link) observed that it is difficult to communicate this message to local business:

"I believe that they do their upmost to ensure that everybody [gets] some sort of benefit out of it. Businesses will see obvious benefits from the promotion of the Business Expansion Scheme, because it's direct, its tangible, and its money. They don't see other things that perhaps the local authority can do for them by promoting the city overall and trying to encourage inward investment, [and] trying to encourage people to come into the area and to live in the area as well" (Informant R20, Salford Business Link).

Local authorities clearly face a number of problems in trying to define clear target groups. First, in trying to generically promote whole cities or large areas marketing strategies are likely to involve and impact upon multiple stakeholders. Hence marketing objectives are

often wide-ranging and contradictory as the promoters attempt to satisfy the needs of multiple users or target groups simultaneously (Barke and Harrop, 1994; Clarke, 1986; Paddison, 1993). Consequently different marketing messages about the same place are devised for a large number of different groups, despite the obvious conflicts this can produce. The following observation from Portsmouth illustrates the problem faced by the local authority in trying to market multiple messages about itself in a climate of multiple stakeholders and customers:

"The hardest thing is that we are run by two separate bosses of local government, members and officers. Members want some needs met about what they want pushed, and they are not necessarily going to coincide with officers' needs. Whether they coincide with customer needs is another matter. Whereas in the private sector you know exactly whom you are working for, you know what their motive is, you know what the product is, and it's very clear. We're the opposite in that we've got several bosses, not a very well defined customer group, and a very diverse range of products, so the marketing messages can conflict. Take SRB, to give you an example. Last week we were running two campaigns. One was the Millennium saying 'Portsmouth go ahead, vibrant terrific city, yeah let's put some more money in, you know this is the place that everyone wants to do business'. On the other hand, we have a SRB bid saying 'well actually this is one of the most deprived areas in the South'. Now the marketing message there had to be separate, and I'm thinking I hope I never have to run these two together, because they are saying this is a great place to do business, but we're also saying that we're poor and we need help. Both are true, but it makes it very difficult to separate the markets very clearly. I've never found the answer to it' (Informant R17, Portsmouth City Council).

Ultimately, as Informant R18 from Portsmouth City Council explained "You have to live with the fact that you cannot be all things to all people. That is impossible. The resources don't allow that".

In Oldham MBC Informant R3 referred especially to managing the contrasting policy objectives of the local authority, namely on meeting both social and economic targets:

"I don't mind whether we're marketing to under-8s or over-8s, but its nice to be able to give me a niche so that I could focus my attentions, because otherwise it would just become so scattered, you can't really do anything. We're focusing on teenagers, and we're focusing on young women, particularly Asian women, putting emphasis on people with responsibility for caring. So that gives me some target groups and obviously you can say that leaves out the elderly, that leaves out the general unemployed, white males, or whatever, but you have to I think. All marketers make these decisions, but in our case it's not so much a financial decision as it is a policy decision. The other targets are of course income, such as entertainments, the shows we put on. Those requirements have to be met and so I will focus there as well. What I am trying to do is maximise income while still maximising services to our target groups. So there's no reason why we can't get money out of parents of under-8s, there's no reason why the two things should be conflicting, but we do have to be sensitive to what people's ability to pay is' (Informant R3, Oldham MBC).

Ashworth and Voogd (1994) recognise that the application of marketing techniques in a place management context can create conceptual difficulties in terms of defining a place as a product. "Place" clearly has multiple meanings. The "city", for example, can be a generic term, or it could refer to an assemblage of specific locations, characteristics, products, services and organisations within or related to the city. Barke and Harrop (1994) argue that place could also refer to an abstract "sense of place" or hierarchies of place perceptions (such as individual, local or mass perception of place). The city, therefore, cannot be treated as a homogenous product, but needs to be seen as a complex of "composite" products (Barke and Harrop, 1994; Goodall, 1990). Places, therefore, have to be multi-sold i.e. the same place is promoted under a number of guises, for example, as the historic city or as the shopping city. Not only are cities multi-sold, but the way they are consumed is also complex and multifarious (Foley, 1992). The "consumers" of a city will assemble services or experiences to match their own needs. This implies places are marketed without the promoters really knowing what exactly is being consumed. Consequently it is difficult for organisations responsible for place promotion to segment and target multiple users (especially when

operating with limited resources). It is often easier, therefore, to set general, but unclear strategic targets.

#### 6.3.2 Market Research

If effective marketing is about identifying customer's needs and target groups, then organisations need good market intelligence or information (Chapman and Cowdell, 1998). Doyle (1994, 39) argues this will entail management having to "collect information on the current and potential needs of customers in the markets chosen, how they buy and what competitors are offering". Good market research will also involve a relatively high level of methodological rigour, systematic research, and multiple research techniques (Kotler, 1994). This section, therefore, examines the level of market research undertaken by the local authorities.

#### Rigorous and systematic market research?

In most cases the level of rigorous and systematic market research was limited. In Salford research took place on an ad-hoc project-by-project basis. The researchers they used tended to be placement students, and only in limited cases did they use professional market researchers. In Oldham the level of market research was actually declining:

"It's fallen by the wayside since the loss of the research officer. I think that's a tragedy. Two years ago there was a proposal to do a borough wide survey that would interview a cross-section, a thousand Oldham households selected by demographic profile, to find out by users and non-users. We're always asking our users what do you think of the service, always doing surveys and questionnaires endlessly, but who knows why people don't use us. That was cut repeatedly over two years. About half way through the year you find out that you don't have enough money. And that project was cut twice" (Informant R3, Oldham MBC).

Like Salford, market research has become an *ad hoc* irregular exercise, which was poorly funded:

"I'm probably due to do another section of market research, but the problem is the cost. Somebody's got to put their hand in their pocket and fund it, and unfortunately that is part of the problem. We do get studies. Spindles will give us their results and Town Square, because they do little studies and samples of where people are coming from and things like that. We get quite well involved with the Blue Coat School who have a business studies [department], and they do little surveys and they're not bad. The questions are quite good and it does help in determining where people are coming from and what things they are doing" (Informant R6, Oldham Town Centre Partnership).

In Croydon, the local authority's marketing strategy was at an early stage, although market research was identified as an important issue:

"The first thing I got involved with was market research into the town, because there wasn't any. If you don't know how the town centre works and what the public and the punters want, we'll get nowhere will we? So by finding out what the punters want, then we can also devise a strategy. Basically what we want is to provide the things in the town centre that the people who use the town centre want and expect. If you don't do that those punters will go somewhere else where this provision is made" (Informant R11, Croydon Borough Council).

Both Portsmouth and Knowsley, however, showed evidence of systematic research. Portsmouth, for example, initially employed the local university to survey hotels to gather information independently on occupancy figures and market range. This task was then taken over by the Southern Tourist Board, which would allow the Council to compare their region

with others. The Council also collates data from local tourist attractions and commissions opinion polls of local residents.

#### Multiple research techniques

There was reliance in each authority on a limited range of research techniques to gather market intelligence, mainly quantitative questionnaire surveys or feedback forms. The use of qualitative methods, such as focus groups was limited:

"Trying to find out what customers think about the service they get is fine. I'd like to see it more. For years we've done quantitative surveys, self-completion questionnaires, every time you turn around you know 'do you think this service is good value, indifferent, tick one'. What we really need to do is find out motivations" (Informant R3, Oldham MBC).

In Portsmouth, however, there was relatively strong commitment to exploring needs in greater depth:

"I think we recognise that investment in our product, improving the attractiveness of our product, is obviously important to our existing business community as it is to external businesses and investors. So we are constantly in touch with local business to find out their needs, to ensure they are aware of the changes in the city, and what they think of what we are doing to the city, and whether business, and indeed the residents, believe that Portsmouth City Council has got it right and where we can improve. Indeed we have a very serious and important programme of research and investigation into the needs of local companies. With the University of Portsmouth we carry out the survey, initially around two thousand local companies, and then we homed in on 250 companies, to find out in detail what their needs were. From that we are now visiting 30 companies who've identified issues associated with their expansion and retention in Portsmouth. We are visiting those companies and finding out what the real problems are" (Informant R14, Portsmouth City Council).

Knowsley also had a range of feedback and monitoring procedures in place. A customer relations unit, for example, had been established within the Chief Executive's Department to undertake monitoring and evaluation. This unit was also responsible for staff training, staff attitude to the public, and how the local authority responds in general to customers. The

customer relations and the marketing units worked together to undertake market research and provide general monitoring of marketing activity, for example, measuring customer satisfaction levels. They evaluated how people think the local authority is performing, and attitudes towards, and public access to, information and services. Within the marketing unit itself, monitoring and evaluation proceeded on a project-by-project basis, so the level of evaluation varied with each project. This meant that for certain projects they might not do any evaluation (mainly because of the limited budget). Where evaluation is undertaken they will do baseline studies and undertake awareness and perceptual tracking. They will also monitor positive and negative press coverage, plus customer and client feedback.

#### 6.3.3 One way communicators

Salford and Oldham, for example, provide good examples of one-way communicators. Here the City Council's communications plan was at an early stage. They had concentrated on improving the circulation and distribution of their marketing literature and had reviewed their publications, revising them with an in-house style and updated photographs. They had also evaluated the cost of alternative media channels such as exhibitions, radio, television, seminars, plus digital communications such as the Internet and Electronic Mail. The council had incorporated a CD-ROM within their exhibition stands, but their main communication tools included direct mail, exhibitions and seminars, video and local radio. These methods, however, can be criticised as being mainly one-way i.e. a situation of them putting information out to customer groups, with limited opportunities for feedback.

In general, procedures for monitoring customer expectations and satisfaction were very limited. Salford City Council, for example, had only recently begun to include customer

appraisal sheets in their publications and had only recently set up an enquiry system for monitoring telephone enquiries coming into the Economic Development Unit.

The view from the business development side of LED organisations in Salford is that the city council either does not have sufficient understanding of business and business practices to be successful at marketing or is acting outside of its role or expertise. Arguably the city does not communicate well with local businesses. Referring to the Lowry Centre in Salford Quays, for example, Informant R20 (Business Link) observed:

"I would hope [local business] would see it as a positive move and something that is going to help Salford overall. But they are not interested in the wider picture I don't think. They are too concerned with their own private concerns and the business, getting the creditors sorted out, and paying the wages for the staff at the end of the week or the month. That's the reality of what goes on" (Informant R20, Salford Business Link).

In Oldham MBC each department was responsible for its own monitoring and evaluation. Leisure Services relied on quantitative performance indicators, such as usage and sales figures, although this department was in the process of developing focus groups and qualitative feedback methods. The Economic Development department, however, only monitored enquiries about Council owned properties. The Council provided the majority of funding for monitoring and market research within the Oldham Town Centre Partnership with the rest coming from local traders. A lack of resources, however, has limited this activity.

# 6.3.4 Two-way communicators

Knowsley is at the other end of scale, because they seem to be matching the rhetoric about responding to customer needs with good practice. A number of channels of communication had been established with internal clients and local residents to facilitate feedback and the identification of needs. Informant R4 (Knowsley MBC) commented that she sees the Marketing Unit as being principally a "communication channel":

"The research elements of marketing allow us to listen to what customers want and feed up their ideas and their thoughts into the organisation and make sure that that's incorporated into the strategic planning of the organisation. Then the publicity side goes the other way and feeds communication out from the organisation to the population or to whichever targets that we identify. But it's keeping us close to our customers, whoever those customers are" (Informant R4, Knowsley MBC)

This process had enabled them to identify customer needs, market segments, and appropriate responses. The perception of marketing held by Informant R4 is more in keeping with the idea that marketing is a strategic management function that encompasses a particular set of values that need to be applied throughout the whole organisation.

This has been achievable given the Marketing Unit's freedom to cut across hierarchical departmental divisions within Knowsley MBC. This has been achieved through the lead established by senior management:

"The pressure for them [directors] is from the Chief Exec's. That makes my role that much easier. It's an accepted concept in this Borough that we don't just sit here and decide what the population wants, that we respond to their needs" (Informant R4, Knowsley MBC).

The situation in Portsmouth was similar to that of Knowsley's with a strong emphasis on ensuring communication channels enable feedback into policy making. Portsmouth, for example, included codes on all their advertising to monitor customer response to them and had established a reader enquiry service. In addition their main advertising campaign was distributed through a company called Telelink who monitored all the responses. The local university was also commissioned to undertake a survey that questioned people on which publications they had seen advertisements for the city's attractions in:

"I am very concerned about building up two-way communications with customers. We've spent a couple of years consolidating that, now we need to be better at listening. It's about tailoring services to the people who need them and actually find out what they want. Now we spend a lot of time in MORI and various other surveys, getting that sort of data back and using it to shape our services. So you'll hear people referring to our top five priorities It's basically jobs, housing, environment, crime prevention, and the fifth one is about community empowerment" (Informant R17, Portsmouth City Council)

"We have a strong commitment to find out whether the people of Portsmouth, the residents of Portsmouth believe that what we are doing is right. And their view is that we should be putting a lot of effort into jobs and regeneration. That's seen as the top priority of the people of Portsmouth through our MORI surveys. So you know we are getting strong messages back there" (Informant R14, Portsmouth City Council).

In addition to marketing, the local authority also operates a Customer Focus Panel and a Corporate Communications Group. The Customer Focus Panel comprises of high-level administrators and is charged with ensuring that each division complies with the local authority's customer philosophy. The Marketing Department's Publicity Manager chairs the Communications Group, which comprises of communications representatives from each department of the local authority. The group deals with both internal and external communications to set corporate-wide standards regarding public relations.

# 6.3.5 Comment: varying levels of customer focus

This section has examined a further component of the market orientated organisations, which concerns the analysis of customer focus and how organisations communicate with their customers. Good communications is essential for successful marketing, because:

"To be successful, any organisation needs an awareness of its customers', clients' or users' needs. Good communications are also essential for any organisation's relationship with its environment. These include the ways in which an organisation markets its products or services. Communications play a very important role in promotion" (Chapman and Cowdell, 1998, 230).

In Chapter Two it was established that the issues of monitoring, evaluation and policy feedback were important themes to pursue in more detail given that these points have been tackled insufficiently by the existing research. The postal survey results presented in Chapter Four revealed that procedures for the monitoring and evaluation of marketing were in general very limited. This section, therefore, has explored this issue further by examining procedures for monitoring customer feedback and satisfaction. It was found that each local authority interviewed had measures in place to facilitate communication with target groups, but there was considerable variation in quality of procedures established. The authorities either fell into a category of one-way communicators (i.e. putting information out with limited opportunities for feedback), or, two-way communicators (i.e. where authorities had established effective two-way communication with customers, the results of which fed back into decision-making).

# 6.4 External orientation

The level of external orientation is an important indicator of an organisation's marketing philosophy and entrepreneurial competencies. One key indicator of a place's entrepreneurial capacity, for instance, will be the ability to compete successfully with other places by using marketing and promotion to attract investment, skills and visitors from outside of the locality (Bianchini, 1991; McGuirk et. al, 1996). Paddison (1993) also relates urban entrepreneurialism to the growth of competitive strategies for economic development and specifically external promotion strategies to attract inward investment. To compete successfully, therefore, local institutions will need to be externally orientated i.e. they will need to become more aware of their competitive environment, more sensitive to market dynamics, more image-conscious and more customer-orientated (Goodwin, 1993; Wilkinson, 1992). From the Marketing Science literature, however, successful marketing does not have to be based on aggressive external promotion, although how an organisation defines and relates to its external environment is significant factor. During this research, therefore, external orientation was an important discussion point during the interviews with local authorities.

One dominant theme that emerged during these discussions was how local authorities tended to define the "external" as being any spatial entity or organisation that exists outside of their statutory boundaries. They also understood the external in terms of spatial scales ranging from neighbouring districts, the region, national government, the level of the European Union, and the international. In addition each local authority had developed different policies for each level.

#### 6.4.1 Relations with the European Union

The European Union is becoming an important focus of marketing activities in terms of positioning places in the minds of EU fund managers to draw down funding for economic and social development. In Salford, for example, the Informant argued that there was a greater need to understand what was happening in Brussels, as the EU had become their main source of funding for LED:

"The other external influences are obviously financial, because we have to be aware of changing legalisation, in Europe in particular, as Brussels becomes more of a fund distributor as opposed to Whitehall. Then we have to be more aware of a wider political attitude, an attitude that takes in the views of Greece and Turkey and Portugal. Whereas at one time we could say 'we've only really got to look at our internal culture for the distribution of funds', now what we're talking about is ministers who have perhaps no actual allegiance, who might be someone from a foreign country in Brussels, actually making the decision based on the kinds of documents that we discussed earlier, perhaps, who have never actually visited Salford' (Informant R2, Salford City Council).

This had created a problem for the authority, however, because they perceived that decision-making regarding funds was increasingly taking place on a remote basis, which meant they had to influence people with no direct allegiance to Salford. Marketing skills, therefore, had become important in terms of selling Salford to such decision-makers. A similar attitude existed in Portsmouth:

"We've been particularly active in the last five years in positioning Portsmouth in the minds of the government, the UK government for urban regeneration investment and also to position Portsmouth in the minds of the European Union in terms of drawing European funds into the area" (Informant R14, Portsmouth City Council).

The quest for European funding was an important factor in pulling marketing expertise into local partnership arrangements. In Salford, for example, the City Council established a pragmatic relationship with the Business Link, TEC and private sector specifically to draw down both SRB and European funding:

"We are drawn together by Europe's need to see a regional bid in terms of regional funding. We have to have a wider region, which is the North West region, because Europe's regions are quite big. Manchester is a sub-region, if very small. So we have a regional, sub-regional marketing organisation like Greater Manchester Visitor and Convention Bureau, Greater Manchester Economic Development Officers, Greater Manchester Tourism" (Informant R2, Salford City Council).

A similar situation exists in Croydon through the Wandle Valley initiative, through which the local authority is working with the neighbouring boroughs of Wandsworth, Merton and Sutton to procure SRB and EU funding. Portsmouth has also become enmeshed into a number of networking arrangements for similar reasons:

"Yes we try and work with our neighbouring local authorities and that makes sense in economic development terms, because our travel-to-work-area reaches far beyond the city boundaries and the potential for achieving inward investment actually really lies outside the city, in terms of development sites. At county level we do collaborate, particularly on European funding. The county example relates to one specific European funding programme, KONVER. Because Hampshire as a whole is an eligible region, we do work with other neighbouring authorities, the County Council, Hampshire TEC and that is obviously to maximise resources that can be made available to this area to support these kind of restructuring issues. The Metropole, another kind of collaboration, is with four bigger south coast authorities here, Southampton, Bournemouth and Poole. That started out as a European thing, where we were trying to create this new regional identity, an urban Metropole area instead of just county council, which was sort of a mixture. We had this continuum of authorities, each facing similar issues, similar urban geography, location etc and then, there was the French Metropole, the triangular Normandy Metropole, where we could see some comparisons, however, that has died away. We have done a little bit of European work together, but that has heavily gone down the inward investment route, working jointly as a Metropole to gain inward investment" (Informant R18, Portsmouth City Council).

The situation in Knowsley is different, because of Merseyside's Objective One status where European funding is seen as an issue that is dealt with at a county-level by the Mersey Partnership. Although Knowsley has to submit bids to access this funding, which is distributed competitively, Informant R4 (Knowsley MBC) observed that it had been divided fairly equitably between the local authorities on Merseyside.

Another issue is that as places become more reliant on European funding, they also become more open to a wider field of competing towns and cities. Informant R2 (Salford City Council) argued that their funding submissions had to reflect not only what was taking place in the UK, but also what was happening in other EU states, as more localities competed for European schemes. The implication is that marketing was becoming more important when dealing with Brussels and that funding decisions were more likely to rest on quality of information and proposals provided by local government to European decision-makers.

# 6.4.2 Relations with central government

Despite the growing importance of European funding, attracting regeneration funding from central government remains a significant target. Again the perception from local authorities was that their marketing skills had an important part to play in this process, because of the competitive nature of distributing central government funding and the financial penalties faced by local authorities that overspend:

"I think we've got external political pressure, in terms of politicians within this authority who can be surcharged if they overspend. So we've got to make sure that we don't do that" (Informant R3, Salford City Council)

"Quite clearly in order to influence decision makers and opinion formers in the future, be it at Whitehall governmental level or at the European Commission level, the marketing input to packaging some of the proposals or schemes we might have in mind and selling those to the various potential benefactors to the town, I think is going to play a very important role in the future" (Informant R7, Oldham MBC).

In terms of regeneration funding, Oldham MBC for example, had submitted bids to central government under the City Challenge and SRB schemes. Informant R3 (Oldham MBC) recognised that marketing had a role to play in bid submissions. He argued it was necessary to understand or second-guess the decisions of fund managers, although he did not necessarily believe that marketing gloss and "showiness" should accompany submissions.

Another issue that emerged from the interviews was a belief that the bidding process for government regeneration funding was open to political interference at a national level. Whereas Salford's response to this problem was to put in more effort, Oldham has continued mainly as they have always done. It could be argued that Salford's success in attracting a massive Lottery Grant has vindicated the city's approach, but there is no major difference between the two districts in terms of attracting funding under the other competitive regimes, such as SRB. Oldham simply has decided not to target funding for major flagship projects, whereas Salford has a long history of externally funded large-scale regeneration projects. Instead Oldham's approach is characterised by much smaller and modest projects.

# 6.4.3 Sub-regional relations

This section examines the nature of relations between the localities studied and other sub-regional organisations. Table 6-1 below summarises the main sub-regional institutional arrangements to develop and implement city marketing strategies in each case study area.

Table 6-1: Summary of sub-regional city marketing partnerships

	Lead body	Delivery mechanism	Type of mechanism
Oldham	LA Economic Development Department	Oldham Town Centre Partnership	Formal public-private partnership
Knowsley	LA Marketing Unit	LA Marketing Unit	Internal agency working on an <i>ad hoc</i> basis with external public partners
Salford	LA Economic Development Department	LA Economic Development Department Arm's length marketing organisation (MIDAS)	LA department working on basis with external partners from the public and private sectors
Portsmouth	LA Marketing Department	LA Marketing Department	LA department working on both formal and informal basis with external partners
Croydon	LA Economic Development Department	Croydon Marketing and Development Ltd	External marketing company

Source: Interview data

In Salford, the City Council is the lead agency for marketing the city, however, the Council's broad definition of marketing had led it to undertake functions that overlap with other economic development agencies in the city. The marketing officer in Salford City Council, for instance, had formed links with the local Business-Link, Manchester TEC, and a private development agency known as Salford 100 Venture. Although these external bodies did not have any marketing responsibility in terms of directly promoting the city to an external audience, they did play an important ancillary role in the council's marketing plan. The presence of this business support network was seen as a locational advantage that was promoted to external investors by the City Council. In addition, the first contact point for inward investment enquiries was a function shared between the Council and the Business Link. The research interviews show, however, that this is a somewhat uneasy situation

with potential for conflict, although conflict is mitigated by the need for both the public and private sectors to work together to draw down external funding.

In terms of tourism marketing and promotion, Salford City Council was part of an Integrated Development Operation (IDO) with the neighbouring local authorities of Manchester and Trafford, plus the Manchester Chambers of Commerce and Industry, Manchester TEC, Trafford Park Development Corporation and the NWTB. The Council also contributes to an agency known as Marketing Manchester, a public-private company based in central Manchester that promotes the regional centre and its environs. Oldham MBC has limited connections with the regional NWTB and the Greater Manchester Visitor Convention Bureau (GMCVB), an organisation that works on behalf of the Association of Greater Manchester Authorities (AGMA) to promote the county as a leisure and business tourism destination. In 1998, however, the Manchester Investment and Development Agency Service was established to promote the wider Manchester area as a site of investment (MIDAS, 2000). The City Council, however, remains the lead body within this network for promoting Salford as a site for inward investment (Salford City Council, 1999).

Portsmouth City Council has a relatively short history in forging external links given that the City Economy Unit was established only in 1993. The Marketing department, however, had become involved in numerous regeneration and development partnerships. These vary in the both their geography and composition, from the local to the regional level (and even one drawing in local authorities in Northern France). The City Council had developed, for example, formal links with the regional Chambers of Commerce, Portsmouth University, the Trades Council, Greater Portsmouth Hotels Association, the European Research and Information Service, the Chamber Small Business Club and the South East Hampshire Joint

Consultative Committee for Building. In addition the city council established a partnership company to co-ordinate the city's Millennium Project, which also included major companies such as IBM Zurich. The City Council, therefore, is part of a significant city-wide initiative to develop the tourism and conference sectors. In this initiative the Council liases with local hotels and individual tourist attractions to provide a forum for shared knowledge and skills.

Portsmouth City Council has also used its marketing skills and resources to attract regeneration funding. To achieve this objective, however, has meant that the local authority has had to form a number of pragmatic links with local business, educational institutions, training providers, and community groups. The role of the local authority and specifically its marketing department, in partnership formation, therefore, has been essential given the lack of other significant agencies of regeneration in the city, and the city's lack of any special funding or development status. The City Council, therefore, has very much adopted a leadership role within the city:

"I think our partners appreciate the Marketing [Department], because they see us as leading. Not just leading the marketing of the city, but the internal marketing of the different communities of interests of the city. I think one of the things Marketing does is it brings together the different elements of the product. I think that's appreciated as well" (Informant R14, Portsmouth City Council).

The local authority marketing functions in Oldham feed into a set of institutional actors or networks focused upon the Oldham Town Centre Partnership (OTCP). The OTCP is a long running and relatively successful arrangement between the local authority, major retailers and shopping centre managers to actively promote the town centre as a shopping destination in the North of England. Specifically this partnership comprised representatives from the local authority (Technical Services, Economic Development, Environmental Services and Leisure Services); and from the private sector including independent retailers, shopping centre managers, and anchor retail stores of Boots, Debenhams' and Littlewoods'. Unlike

Salford, however, there was little contact between Oldham MBC and the local business support network on marketing issues. The business development agencies in the town had been merged into a single unit known as Oldham Super Chambers, a combination of Oldham TEC, Oldham Chambers of Commerce and the local Business Link. This organisation focused on business development, whereas the local authority took responsibility for inward investment.

In Knowsley the nature of local partnership arrangements is different again. Here the local authority Marketing Unit had made links to several external public sector bodies through the provision of marketing services. In terms of LED issues, Knowsley's Marketing Unit is part of the Mersey Partnership Marketing Advisory Group, a body that has overseen the distribution of Objective One funds in Merseyside (Knowsley Metropolitan Borough Council, 2000). Direct links with the private sector, however, were limited, apart from efforts to attract small amounts of external funding and to promote Huyton shopping centre. Knowsley, however, saw themselves as only having to directly compete with other areas in terms of local government services that had been subject to CCT. For new investment developments Informant R4 (Knowsley MBC) commented that they undertake "competitor analysis" to identify usage and impact on customer levels of new projects.

Finally, Croydon LBC set up a public-private marketing company in 1997, known as Croydon Marketing and Development Ltd (CMD) to closely liase with the Croydon Economic Development Forum and the Town Centre Manager. The forum comprised of the Croydon & South London Chamber of Commerce and Industry; Croydon Business Venture; Croydon Trade Union Council; SOLOTEC; and Croydon Education and Business Partnership. There were also a number of significant corporate actors located in the borough,

for example Nestlé, who were also involved in the establishment of marketing company. In addition, other local actors included the Manufacturers' Group, Croydon Business Link and Local Area Regeneration.

The sub-regional level appears to be most appropriate spatial scale at which city marketing strategies are formed. Despite the involvement of the private sector, such arrangements have relied heavily on local authorities to initiate this action. An interesting development, however, is the establishment of arms-length marketing organisations such as MIDAS in Manchester and CMD in Croydon. The devolvement of marketing responsibility to external agencies like this could send out positive messages to private investors, for example, because they appear distant from the inflexibilities of local government bureaucracy. A concern, however, is that such moves may comprise marketing competencies, because it weakens the level of corporate integration of marketing. Marketing should be an integrated function across the whole structure of the local authority and not something that is farmed out to an external body.

#### 6.4.4 Regional Relations

In each case study area the local authority had made linkages to regional organisations to assist in the formation and implementation of city marketing strategies. Table 6-2 below summarises these linkages in each case study area.

Table 6-2: summary of regional marketing initiatives

Oldham	Regional Tourist Board County-wide Visitor Convention Bureau County Association of local authorities Sub-regional tourism development partnership	
Knowsley	Sub-regional development partnership (based on availability of EU Structural Funds)	
Salford	IDO focused on tourism City wide marketing agency involving two neighbouring authorities Sub-regional Visitor & Convention Bureau Sub-regional Association of local authorities	
Portsmouth	Sub-regional development initiative Non-local tourist networks (British Cities and Consortium of Historic Cities)	
Croydon	Sub-regional development partnership	

Source: Interview transcripts

Salford City Council was wary about working with other areas in the North West, which were outside of the immediate sub-regional boundaries of Great Manchester, although such places were not really seen as a competitive threat to funding and inward investment. Consequently collaboration at the regional level is much more limited and restricted mainly to tourism issues through the NWTB or strategic economic development projects of regional significance such as the role of Manchester Airport (which is owned and operated by the ten Greater Manchester local authorities including Salford City Council). In terms of tourism, Informant R2 (Salford City Council) explained that regional collaboration was limited, because they perceived that the North West tourism product promoted at the regional level varied significantly from the Greater Manchester tourism product. Manchester and Salford, for example, prefer to focus more on industrial heritage, whereas the NWTB promoted a more historical or rural image of the region. Salford in particular sees itself in a specific

segment of a much wider tourism market, which they believed should be promoted more appropriately at the local level:

"The wider tourism product is dealt with by the North West Tourist Board. But we tend to think that here in Manchester and Salford we have a different kind of product that is based on industrial heritage. And if you look at NWTB, they're in a different market in terms of Chester and the Romans, and Lancaster and Tatton Park. It's a completely different product. What we need to do is strengthen our product and make the most of our effort in delivering that product to our market. NWTB has such a wide market range that it can't be as segmented as we would like" (Informant R2, Salford City Council).

Salford's perception that its interests lie within a sub-regional focus rather than a regional one is also apparent in its attitudes towards inward investment. An interesting development is that following the creation of the North West Regional Development Agency in 1999 Salford chose to join MIDAS, a partnership of local authorities whose objective is to attract investment to the Manchester urban area (Jonas and Ward, 2001). There is no evidence from the research interviews in Salford of collaboration outside the North West (apart from a number of town-twinning arrangements of little significance).

Portsmouth's tourist promotion, however, has drawn them into non-local marketing networks with links to other local authorities mainly in the South of England. These include the Consortium of Historic Cities and another network known as British Cities.

The drive to work with these organisations, however, stems from internal budget cuts:

"By working with these partners we can spread the staffing cost of exhibitions. We have being doing that for the last three years and frankly, because of the budget cuts we would not have been able to afford to have a presence within some of these overseas markets" (Informant R15, Portsmouth City Council).

In terms of inward investment Portsmouth City Council had formal links with other local authorities along the South Coast via an initiative known as the South Coast Metropole

Region. Through this initiative Portsmouth worked with Southampton, Bournemouth and Poole, to sell the south coast region and to promote a regional identity. This partnership also had at one point links with local authorities in Normandy (France) to establish a cross-border English Channel region with a partnership dynamic to attract European funds:

"Inward investment, we believe is best achieved, if we are talking about international inward investment, on a regional scale. There is no doubt that the south coast of England has never been sold regionally. I mean the product of the south coast, with all its hi-tech companies, its access to Heathrow, and Europe, its got some skilled workforce, its got great advantages, but it hasn't actually been marketed as a destination for inward investment. That's where we work with the other authorities along the South Coast, Southampton, Bournemouth and Poole, particular in the Metropole area, to sell the south coast region. If we spend £70,000 on inward investment, and they spend, we soon get a quarter of a million budget to start positioning the South Coast. I'm opposed to trying to do it ourselves" (Informant R14, Portsmouth City Council).

Other regional initiatives included the Portsmouth and South Hants Partnership, whose role was to act as a catalyst for regeneration and local development. Hampshire TEC rather than the local authority led this initiative.

The transition of Portsmouth City Council to a unitary authority affected the authority's relationship with Hampshire County Council making the marketing context more complex. Two important considerations are the implications for European funding (it was Hampshire County that was eligible for KONVER); and also the implications for private sector partnerships given that business representation in the area is traditionally organised at the county level.

The main comment about these regional initiatives is that they tend to be formed on the basis of a single issue, for example to develop a specific tourist imitative or to attract inward investment, rather than forming part of some wider and sustained regional marketing strategy. Although Portsmouth's attempt to foster regional collaboration on inward

investment through the Metropole initiative appears to be an admirable development, their commitment to this aim is questioned in the Section 6.5.5 below.

## 6.4.5 Comment: varying levels of external orientation

Salford City Council demonstrated a high level of external orientation because they were clearly looking outside their own boundaries to consider the strategic position of other localities. On the one hand this may enable them to compete more effectively, but it also helped them to not infringe on developments or markets in neighbouring areas. A major concern for Salford, therefore, was the parochialism of other local authorities: "Unless it happens within their boundaries, they're not bothered'" (Informant R2, Salford City Council).

Hence the City Council was very wary of what was happening within other authorities, certainly at a sub-regional level within the sub-regional boundaries of Greater Manchester. Their perception was that the city needed to be moving along together with other local authorities in the county. A dilemma for them, therefore, was whether their marketing activity was either creating a new market in Salford, or simply attracting custom from neighbouring areas. The Council aimed, therefore, to ensure that the consequence of their success was "a price paid by somebody outside the region" (Informant R2, Salford City Council). Indeed, the Council displayed a rather hostile attitude about such localities:

"Quite frankly I don't give a damn. If we open a facility and somebody in Stoke has to close one I really don't care. My role is to make sure that this city is successful, the wealth of this city is paramount" (Informant R2, Salford City Council).

The research interviews in Portsmouth also demonstrate a clear outward-looking strategy within the local authority together with a good understanding of potential threats and

opportunities facing the locality. Portsmouth also referred to a high level of co-operation with neighbouring authorities within a sub-regional framework to promote economic development on the South Coast:

"We've been particularly active in the last five years in positioning Portsmouth in the minds of the UK government for urban regeneration investment, and also to position Portsmouth in the minds of the European Union in terms of drawing European funds into the area. So we have established within the marketing function of the city council, a number of people with specialist expertise who recognise the role, or understand the needs of the product, its strengths and weaknesses, the opportunities and threats facing us in a market place. [We] have sought to address those issues in positioning Portsmouth highly within tourist markets, conference markets, business markets, investment markets, regeneration funding markets" (Informant R14, Portsmouth City Council).

Portsmouth's attitude to localities outside of their respective regions, however, was more hostile. Securing the future of the city in front of its partners was also a high priority for Portsmouth City Council:

"If an American company comes over and says I'm going to invest £200 million pounds and bring 500 jobs into the Metropole region, and [(Informant R14] says 'well, you know, we got them in here, we got them situated the other side of Southampton, they arrived didn't they'. But the councillor [is] going to say, 'well, you know, but that doesn't help me, why aren't they in Portsmouth?" (Informant R16, Portsmouth City Council).

Within the field of inward investment, Portsmouth City Council is particularly sensitive to external competition at a regional level in the UK:

"I mean the Welsh Development Agency make no bones about it. They send literature to companies on the south coast of England, saying 'do you realise how high your costs are compared with locating in Wales, and by the way you can have grants as well to come and set up here'. So the idea of poaching firms is not new, and it's something, shall I say the Development Agencies, with their advertising budgets have been very strong at. I'm not sure they've been very successful in this part of the world, but I know they've been active in that area" (Informant R14, Portsmouth City Council).

"Everyone is at it. We are in a competitive market place, both on the positive side, with the tourist attractions and business inward investment stuff, as well as the negative side" (Informant R18, Portsmouth City Council). In this context, "the negative side" refers to the poaching of companies from Portsmouth by the WDA. Finally, Portsmouth's attitude on retailing and tourism issues is summarised as follows:

"We are charged with getting people in to spend money, to create wealth for our city. Bournemouth has got its own operation. Brighton leans more to the conference side. So yes within the UK we are competing against some. Overseas we don't seem to. If we didn't market it and someone else did, they would just go and spend their money there. I don't know what the answer is. But obviously our interests are first. So that is why we do it. I don't think any city would stop and let them go elsewhere" (Informant R15, Portsmouth City Council).

Oldham's perspective on sub-regional collaboration was somewhat different to both Salford and Portsmouth. In terms of attracting private investment, Oldham has little consideration for its neighbouring districts or other places within the North West region. Certainly for the town's larger developments "Oldham" is firmly put first:

"When you go to the larger side of what we do, the Oldham Broadway Business Park for instance, I mean if there were one in Tameside we wouldn't say 'well we are not doing one because its dealt with' absolutely not, no. Because the only way we're going to encourage greater employment in Oldham is to have a site in Oldham unfortunately" (Informant R5, Oldham MBC).

That said, Informant R5 (Oldham MBC) also observed that as the borough had a limited number of sites and premises, that sometimes they do tacitly collaborate with other local authorities, for example, by directing potential inward investors to the neighbouring authority of Rochdale. In terms of retailing, however, Oldham's attitude is aggressively competitive:

"I mean Ashton's got its problems at the moment, because it's opening the new arcades. It's a mess, so obviously we are targeting Ashton. When we went through the same problems as they are going through we know that the pedestrian footfall went down. So what we are trying to do now is maximise the fact and drag people from Ashton, because it's only a ten minute bus ride away, into Oldham and get the shoppers from Ashton and Tameside to come into Oldham" (Informant R6, Oldham Town Centre Partnership).

"There is absolutely no compunction on our part not to be aggressive in our approach to enticing new shoppers to opening up new markets in terms of selling the Oldham product even if it is at the expense of some of our neighbouring local authority areas. They would do the same to us" (Informant R7, Oldham, MBC).

Oldham feels particularly vulnerable to the mobility of shoppers within Greater Manchester and new out-of-town retail developments:

"We are all going to be chasing market share and it is the whole of the region. Unless economic growth comes from manufacturing then everybody's going to be chasing each other's back-side" (Informant R6, Oldham Town Centre Partnership).

Overall, the outlook and values of Oldham are relatively parochial. Considering the range and definition of their target markets for inward investment, tourism and retailing there is a clear sub-regional and local orientation. Oldham is certainly not being marketed as an international or even national destination. This parochialism is also reflected in the nature of the town's external links and relative isolation within regional and countywide policy community.

Interestingly both Salford and Oldham are tied into a similar set of institutional networks in Greater Manchester and the North West. Salford's positive attitude towards sub-regional collaboration is reinforced, because of their participation within a number of networking arrangements within Greater Manchester. There is strong sub-regional collaboration, for instance, on issues related to economic development and tourism through organisations such as AGMA and GMVCB. In the case of AGMA, for example, economic development officers and politicians from the ten districts of Greater Manchester meet on a regular basis to discuss economic development issues, to submit joint bids for funding, or to rally private sector support. Oldham, however, appears to be relatively isolated in this sub-regional policy

"establishment". Whereas Salford is much keener to collaborate with other districts within the Greater Manchester area, Oldham's links with sub-regional representative bodies such as AGMA and GMVCB are relatively weaker. In fact some informants in Oldham displayed a level of hostility about these organisations:

"We work with North West Tourist Board on promotion, we work with Greater Manchester Visitor and Convention Bureau, which we're members of, though we don't get much out of it. They're interested in promoting Manchester as an entity. They're not interested in promoting Oldham' (Informant R3, Oldham MBC).

"Oldham and the other nine local authorities have an interest in that [the Greater Manchester Visitor and Convention Bureau] and from a county perspective the whole issue of tourism is being addressed. Some might argue that it is very much slanted towards Manchester, perhaps for good reason, because they have the best attractions" (Informant R7 Oldham MBC).

Knowsley is obviously aware of the external competitive environment in which they exist. This is clearly demonstrated in the professional way they deal with potential inward investors and is seen as a competitive area in which they have to "fight" for new investment. As a consequence they have structured internal procedures to be as responsive as possible to potential investors.

# **6.5 Concluding points: geographical contingencies**

In Chapter Two it was established that the existing literature on city marketing has suffered from structural determinism and over-generalisation. This follows the failure by many geographers to consider how national, regional and local conditions in combination with global processes can produce multiple forms of city marketing and urban entrepreneurialism. The postal survey findings presented in Chapter Four shows that local marketing initiatives vary geographically in terms of their strategic objectives, institutional composition, and range of activities. Although most of the local authorities surveyed had engaged with

marketing policy initiatives, marketing operates as a strategic function within only a handful of areas. This would suggest that marketing is yet to become a fixed or stable element of LED in the UK. This chapter, however, has analysed in greater depth how policy makers understand and apply marketing concepts. This section, therefore, first summarises the main findings of the case studies and then identifies factors to explain spatial diversity in responses by the local state to city marketing issues.

## 6.5.1 Summary

First this chapter identified varying levels of strategic integration of marketing functions within local government. Overall we see a low level of integration where marketing responsibilities are fragmented and where there is limited co-ordination of marketing functions within the local authority. Where a high level of integration exists there is a centralised body or agency performing a broad range of marketing and communication functions. Such bodies occupy a position above (and beyond) the local authority departmental structure to facilitate horizontal links between different divisions, which can foster a strategic approach to marketing. The response varies quite markedly, for example, Portsmouth City Council:

"I think that the marketing function is seen as valuable to local authorities. I mean there aren't many, having said that, there aren't many city councils that have a marketing department. There are a lot of city councils that have economic development units, urban regeneration units, strategic planning, public relations, communications, but actually to see them as all part of the marketing mix is unusual. And so I think the integration of the marketing function is very important" (Informant R14, Portsmouth City Council).

Second, the case study interviews identified a perception of change within local authorities i.e. recognition of the pressure on local government created by increasing consumer choice and demands. In practice, however, customer focus remains limited. New communication

channels with customers, for example, tend to be one-way and non-interactive, and in general, monitoring and customer feedback is limited. There are still many organisational barriers within local authorities to achieving a high level of customer focus, for example, a lack of resources and a continuing managerialist or bureaucratic way of delivering services. There is a clear difference, however, between those authorities which had successfully integrated marketing as a strategic function, and those which had not. We perhaps, however, need to look at the wider organisational context and consider sectoral differences within local government.

Arguably, however, the shift to a greater customer focus has only occurred in areas of service provision where central government legislation has forced this change. In general, customer driven marketing appears to be limited in local authorities where marketing is not a cross-corporate function, or where it is fragmented and exists within isolated units on a minimal budget. In certain localities, however, there is also strong political pressure for the marketers to establish a good basis of communication, especially with the local electorate:

"There is a strong will amongst the members, the politicians, to respond to the needs of the customer. And if the customers through MORI surveys are telling us that the top priority should be more jobs, more prosperity to the city, then we develop strategies to achieve that and we consult widely on public opinion, on what we are doing and how effective we are. We monitor very carefully our targets. And we report back carefully on our targets, on what we have achieved. And so, the members are, really let's be quite honest, any member, any politician, foremost he wants to achieve re-election".

"I think the members here are quite pragmatic. They know that we can be successful by marketing the city externally and internally, and marketing the council. If we have good communications. Good relationship with our media. If we have good research into the needs of our community. If we understand their needs and we allow them to communicate with us, I think we have a council, which is potentially very successful. A lot of councils that have not enjoyed good responses to their surveys of what the residents think of their services are partly because they aren't communicating well, and they aren't ensuring the customer can communicate with them" (Informant R14, Portsmouth City Council).

Third, the level and type of external orientation varies between localities. Table 6-3 below summarises the broad strategic positions identified for each case study area:

Table 6-3: external orientation

	<u>Collaborative</u>	<u>Competitive</u>
Internally orientated	Croydon and Knowsley	Oldham
Externally orientated	Salford	Portsmouth

Source: interview data

The level and type of external orientation, however, also varies within each locality to reflect different marketing objectives. For example, a local authority could easily display an outward looking and collaborative approach on inward investment, whilst at the same time exhibiting a competitive approach in terms of attracting tourism or retailing. In summary, therefore, external orientation can have multiple and different meanings within a locality, which includes mixed messages and conflicting objectives.

Finally, local authorities are certainly aware of the potential negative consequences of local competition such as zero-sum gain. Where it can be avoided, local authorities are at least trying not to compete directly with other places within the same county or region. Sub-regional or county level co-operation is seen as the most appropriate spatial level for collaboration with other organisations. In general, however, there has been a shift in marketing practice from external audiences to showing a greater sensitivity towards internal target groups, such as indigenous business and local people. There is evidence of a strong differentiation between the needs of internal and external customers: "We have a strong

commitment to market the city to our existing customers if you like, our existing business base" (Informant R14, Portsmouth City Council).

### 6.5.2 Explaining spatial diversity

The first aim of this chapter was to analyse how policy makers have made sense of and applied marketing concepts at the local level. By examining the organisational context in which city marketing functions these empirical findings suggest that the strategic responses of local government to the problems created by restructuring and the pressure to become entrepreneurial are both variable and diverse. Several factors were identified from the case studies to explain the varying depth and quality of marketing practice within local government. The main factors are the level of resources dedicated to marketing; perceptions of marketing as a concept within local government; the degree of strategic integration of marketing functions; and finally the capacity to form external networks or synergies. Evidence on each of these is considered below.

second aim of this chapter was to start to examine the extent to which there has been a transformation to a new entrepreneurial culture within the local state (by using city marketing as an indicator of urban entrepreneurialism and implicitly to evaluate the extent city marketing indicates entrepreneurialism). This research, for example, has revealed a gap between "winning" local authorities, or those that are relatively entrepreneurial, and "losing" local authorities i.e. those that are withdrawing from entrepreneurial approaches. The winners include those local authorities that have developed expertise in marketing and where marketing is seen as a success. In the losing authorities, marketing has been seen to "fail" and is therefore dispensable, which may explain why so many have given up marketing strategies. This may have serious implications today, especially for losing authorities, as

local government adapts to the climate of service provision created by Best Value. This supports the view of Stoker and Mossberger (1995, 210) that the transition to urban entrepreneurialism is "messy, problematical and uneven".

# ources

This section shows how access to marketing resources is a further significant factor that explains the spatial variation in the quality of city marketing responses in each case study area. Traditionally the city marketing literature focuses upon the distribution of pragmatic resources, which can be promoted to an external audience, for example, land availability, site quality, and tourist attractions, whilst ignoring the capacity of local governance to effectively market these assets. One must question the assumption that just because an area has a wealth of promotable assets it can and must be proficient in city marketing. The focus of this thesis throughout is on the organisational aspect of city marketing. Consequently the focus of this section is on organisational resources in terms finances, institutional competencies devoted to city marketing, and the importance of leadership within each case study.

The broad issue of funding within local government has been a contentious issue following the 1989 Local Government and Housing Act, the introduction of competitive bidding for regeneration funding; and the privatisation of some local authority functions (Adams, 1994; Ashworth and Voogd, 1994, Bennett and Krebs, 1991; Eisenschitz and Gough, 1993; Goodwin, 1993; Paddison, 1993). The postal survey results presented in Chapter 4 identified that very few local authorities provide marketing with the resources it needs to be effective. Generally marketing budgets tend to be very low, around £200,000 per annum. Considering that this is within organisations that turnover £100 millions then marketing has

a very low priority when compared to the private sector where marketing costs can be up to 20 to 30% of turnover (Doyle, 1994). Additionally the national survey identified that almost a third of local authorities were winding down their marketing activity through budget reductions.

A general finding is that local authorities who have developed developing expertise in marketing and have demonstrated the long-term value of marketing by, for example, drawing-down extra resources is an advantage, because it gives marketing professionals something that they can use to justify their existence within local government. Their developing marketing experience gives them a competitive advantage when bidding for resources in the future. They have become generally more successful in working with the private sector and attracting new investment. They are becoming proactive, anticipating change, and adapting to it. This success also translates into political benefits for local councillors, who are in turn supportive or at least tolerant of marketing activity. In Portsmouth, for example, the Marketing Unit has worked extensively with a broad range of organisations within and outside the city to establish a brand image, or marketable entity for Portsmouth. Certainly Portsmouth has been successful in attracting international urban spectacle events in recent years such as the D-Day Commemoration events, and the part of the Tour de France cycle race.

Where marketing is seen to have "failed", however, it is seen as a dispensable function. Rather than employ new concepts, such authorities are ridding themselves of marketing staff, and are returning to more traditional and less "risky" economic development practice. From the case studies it became apparent that certain authorities were finding it difficult to iustify expenditure on marketing, especially where there were more pressing social and

economic concerns to be addressed. Although Salford has very ambitious marketing objectives it has an extremely limited annual marketing budget (of approximately £30,000). The scope of marketing activity is, therefore, severely restricted. The Oldham case study demonstrates how marketing has come under pressure within a local authority where spending on marketing was actually declining. Here marketing had never become a widely accepted idea within the local authority. As a tool of LED, for example, marketing was rejected in favour of more traditional economic policy measures, such as industrial site and property development. Economic Development, for example, allocated £86,000 for marketing, which then declined to £78,000 in the following year. The Council had also terminated the contracts of trained marketing staff in both Economic Development and Leisure Services, which had led these departments to curtail essential market research. This decline had left staff in Oldham with serious concerns about new marketing initiatives:

"The resources in terms of man-hour and money that we put into marketing was much greater in the eighties. It comes more from the view at the top, the policy makers and the Director here. The political view is that the value we were getting back from a lot of the marketing didn't seem to match the resources and finance that were being put in"

"I feel conscious that I've not got enough of the right skills to make a really good job of it" (Informant R5, Oldham MBC).

Clearly, as funding and skills diminish, this will undermine future marketing efforts. It seems that the local politicians had singled out marketing for special attention. Where marketing is seen as an activity forced upon local authorities by the government, as if it is something that they would not normally be doing, professional marketing managers find themselves having to continuously justify what they do. It is often difficult, however, to demonstrate any direct or tangible benefits from marketing. Marketing, therefore, is the first activity to come under discussion when there are budget cuts. It is simply not given the same priority as social issues:

"I think the problem really is about realisation of the importance of marketing and PR as an integral part of the management process, but that criticism can be made in my view of most local authority organisations up and down the country. Its a nicety at the end of the day, the icing on the cake, as much as if we have the wherewithal we will have PR and marketing, but by no means is it a necessity. There seem to be other higher priorities. That is my experience and I think it will be shared by a lot of my colleagues in the local government sphere, whereas to a large extent in the private sector, it is possibly the other way round, where marketing is very high up in the management process in terms of delivering a company's aims and objectives. In local government it seems to be more a nicety. It is evolutionary in the way it is taking place, it is not a prescribed function in its own right, as a rule' (Informant R7, Oldham MBC).

Oldham has in fact begun to abandon marketing and turn back to the tried and trusted tools of LED. This has followed the failure to develop a coherent management strategy, because they were either too busy dealing with short-term issues, or through simply lacking the resources to develop a sustained professional marketing response. The Economic Development unit, for instance, had pursued external promotion to attract inward investment in manufacturing with a particular focus on industrial sites and premises since the early 1970s. This role changed in the 1980s to encompass more sophisticated forms of advertising, but recently they shifted the focus of their marketing back to traditional property development and management, blaming costs and lack of success in terms of attracting substantial investment.

There is no easy explanation for this policy U-turn. In one respect marketing suffers from the "short-termism" of councillors on the political side of the local authority. This does not affect marketing exclusively. Any form of strategy that does not deliver the goods in the short term is increasingly seen as a failure (Bovaird, 1994). Marketing, however, is especially open to this criticism, because often there are no direct benefits, or the benefits are difficult to evaluate. It then becomes hard for marketers to justify themselves or their

budgets. In a climate where there is a "traditional" hostility to the reform of local government introduced by the Conservative governments in the 1980s and 1990s, marketing, therefore, will become a prime target for cutbacks. Apart from Portsmouth (which has a marketing budget of over £1.5 million and rising), the funding of marketing is also a sensitive issue in places where it is apparently accepted within the organisational culture. In Knowsley marketing had to be introduced as a self-financing internal agency in order to minimise internal opposition. Salford and Croydon, for example, are essentially side-stepping this issue by devolving responsibilities to external marketing bodies, such as CMD and MIDAS.

Another important factor, however, relates to the administration of local government and the importance of leadership in the creation of customer-orientated organisations. The transformation to a marketing culture, particularly within local government, requires a radical restructuring of internal administration to create environments conducive to entrepreneurial activity (Ave & Corsico, 1994; Levitt, 1995). The role performed by top level of management in the local authority is crucial for the wider acceptance of marketing throughout the bureaucracy and overcoming negative perceptions of marketing.

"When David Henshaw came [Chief Executive], he just believes that is how a public sector organisation ought to behave. He recruits people that are like-minded."

The Chief Executive wants us to be free. I think whereas the Director of Planning and Development will see the Head of Planning or the Head of Estates, on a day-to-day basis, he leaves us to get on with it. Again he just has a check and he asks how we're doing on things, but we do tend to act as a free agent within the department."

There was a lot of hostility when it was first set up, because [marketing] was seen as a glamour area, it didn't really add anything, and was a bit of a waste of money... It started here without any funding, because of that, because David Henshaw anticipated that that would be a reaction" (Informant R4, Knowsley MBC).

A similar situation was apparent in Portsmouth, where the Head of Marketing hold a high status position whilst operating under a progressive Chief Executive Office:

"I am a Chief Officer as the Head of Marketing, alongside other Chief Officers. I have the same status, the same relationship with the Chief Executive, perhaps in many ways a close relationship with the Chief Executive, because I am concerned with his customers" (Informant R14, Portsmouth City Council).

Pragmatism is an important characteristic of leadership style. Where pragmatism exists amongst politicians and higher management it is far easier for marketing to become accepted. In Knowsley, Portsmouth and Croydon, for example, a general feeling was expressed by informants that whether the authority liked it or not, place competition and bidding for funds were a reality, there was no advantage to be gained from not "playing the game", and that it was in the best interests of the locality that the local authority responds proactively to the competitive environment by undertaking marketing in a professional manner.

Overall, when we begin to consider how this affects the geography of city marketing, we can see that the development of entrepreneurial and competitive strategies for LED can follow different trajectories in different parts of the country. There seems to be a polarisation between "winning" and "losing" local authorities, where the winners have been able to sustain and develop their marketing expertise on the back of successful strategies. The losers, however, have found it difficult to justify a heavy commitment to marketing and consequently have shed skills and resources in this area.

#### Perceptions of marketing within the public sector

Another key factor in the spatial diversity of local authority marketing practice is concern over the extent to which marketing has been accepted within the organisational cultures of different local authorities. Generally all the informants within local authorities felt that they needed to become market-orientated organisations, focusing on customer needs and attempting to create products, facilities or services to meet these needs. They recognised that they needed to understand the dynamics of market change, to anticipate change, to become proactive rather than reactive if they were to cope successfully with the impacts of economic restructuring and the new competitive environment. That said, the case study interviews revealed that the managerialist tradition within local government is by no means dead and buried. Most informants referred to internal political conflict with regards to the introduction of marketing functions between the old-style managers and politicians and the newer marketing managers or progressive officers.

Despite attempts to restructure local government from within, there still appears to be a negative perception of marketing as a concept within certain parts of each local authority. Informant R2 (Salford City Council) observed that in general marketing has a negative image within the Council: "Marketing and public relations for many is still seen as showbiz, often undermined by people who don't understand and who fear that marketing is razzle dazzle showbiz" (Informant R2, Salford City Council).

Specifically it seems that marketing is not valued within the Council, which is dominated by long standing traditional Labour supporters. It is treated with mistrust, perhaps because it reflects wider political change that the city has had to deal with:

"A lot of our councillors are quite old. A lot of them have been made redundant and they understand an industrial culture that is far-gone. They were brought up by a different set of moral values than you or I".

"Certain people within departments reject marketing. Yes they see no reason for it. They think its just flash advertising and its making people buy stuff they don't want, and its just money orientated and has absolutely nothing to with us, the local authority because, we in local authorities are involved in providing services for the people and we're not selling anything. So yes people have that attitude. I don't know how that's changed. I guess they grow old and leave and new people come in, but it's probably not as pervasive as it was. It's not so bad. I think a lot of people, even if they don't actually believe in marketing, they know they ought to" (Informant R2, Salford City Council).

Similar sentiments were observed in the more progressive authorities. In Portsmouth, for example:

"People tend to confuse marketing with advertising and promotion. And its quite difficult sometimes, because there's some very senior people in this building who think that's what marketing is. Now we do spend a lot of time doing that, but we've got to know what we want to promote to whom before we can actually put that together" (Informant R16, Portsmouth City Council).

The introduction of cross-corporate marketing in Knowsley also encountered conflict. An important obstacle to overcome was an inherent paternalistic attitude within the authority:

"This was a big step for an organisation to move to actually respecting their customers enough to tell them what they were going to do and tell them about ourselves, and communicating. Because the history of the local authority is that the local authority decided ... There was a lot of hostility when marketing was first set up. I think because it was seen as a sort of glamour area. It didn't really add anything. A bit of a waste of money. And it has gone through cycles. You can actually map it. We set up here without any funding, because the [Chief Executive] anticipated that that would be a reaction. So there was no public money spent on marketing here, we have to actually earn it. And we do a lot of work on the agency side for external bodies as well. So we earn our keep. You had to earn that respect by performing well at the right price and being cheaper, like any other external supplier, so we're almost subject to CCT before it was introduced" (Informant R4 Knowsley MBC).

Arguably marketing is perceived as a symbol of modernising political and social values. Within Salford and Oldham, for instance, marketing appears to be constrained by the traditional political culture of the local authority. The Left-wing politics of each locality imposes a constraint, for example, in determining target markets, which then restricts the scope and content of marketing and communication plans. Marketing is seen as a part of a general reform of local government, which is trying to pull the local authority away from traditional Leftist policies. Marketing, therefore, is encountering conflict or resistance. That said, in places like Portsmouth, Croydon and Knowsley interviewees referred to a shift in the style of management from one where the local authority dictated consumer choice to one where local government has a less paternalistic attitude. In these places, marketing has become part of the language of internal restructuring of local government:

"The attitude of the City Council for the last fifteen years has been to respond to these changes positively by marketing the products of the city to attract new industry, new investment, new visitors, and new business to the area. And to position Portsmouth as a product within those markets; to maintain our profile within those markets; and to maintain our presence within those markets; and respond to the challenges we face by a total commitment to marketing, to the full principles of marketing" (Informant R14, Portsmouth City Council).

In Croydon, Informant R9 referred to flexibility within the local authority:

"What I've also come across is an enormous willingness to listen, ask advice and try new things. Now I don't whether that's unique to Croydon. It's always been quite a dynamic council. They are prepared to learn new tricks" (Informant R9, Croydon Borough Council).

Marketing has become more accepted in these places as a strategic management function, because it has been a process driven down from senior management. In addition, these councils are comprised of pragmatic and progressive councillors who seem to recognise and appreciate the value of marketing.

"I cannot think of anyone who has said no, we do not agree with this competitive allocation of resources so, therefore, we will not do this. I think people are pretty pragmatic in saying well we could do with a few more pennies, we will go for it, even though it is against our principles" (Informant R18, Portsmouth City Council).

"It's a very pragmatic Labour administration here that wants to work with business and recognises the importance of responding to customers' needs. And that's what they are doing" (Informant R14, Portsmouth City Council).

#### Fragmentation of marketing responsibilities

It is almost a self-fulfilling prophecy that where marketing has relatively reliable funding, and where it has the support of politicians and senior management, it has become easier for marketing to establish itself as a strategic management function within local government. Marketing needs to operate at this corporate or organisation wide level to be effective. But where marketing is restricted by traditional divisional structures and bureaucracy, where marketing is an isolated or separate division within local authorities which are large and fragmented organisations, and where internal communications are a problem it is perhaps not so surprising that marketing is less accepted as a management concept. In Oldham, for instance, there were several marketing managers within the authority, each in a different department with relatively little communication between them. Under these conditions one can see the difficulty in developing a strategic marketing approach. This fragmentation also hampers communication with other local actors involved in city marketing. illustrated from the example of the private sector led town-centre organisation in Oldham, which stated that it was very difficult to develop a coherent strategy for the town centre involving the local authority, because they had to contact three different marketing managers within separate departments with regards to retail, tourism and economic development issues. Local political histories, culture and "traditional" politics, therefore, are important

factors affecting the way marketing is understood and practised within specific local contexts.

#### 6.5.3 Final comment

By using marketing as an indicator of entrepreneurial activity this research has revealed new and significant findings regarding the restructuring of the local state. In Chapter Two it was suggested urban entrepreneurialism is associated with the re-orientation of the local state toward more outward looking or international policies and a shift from a concern for social welfare to the promotion of economic growth (Cochrane, 1996; Drucker, 1985, 1986; Harvey, 1989; Lloyd and Meegan, 1995; McGuirk, 1994; Parkinson, 1990). Its key characteristics include the development of a local state that is: concerned with speculation and risk-taking in its approach to LED; competitive and externally orientated as opposed to being only concerned with parochial matters; and market-orientated.

The existing geographical research, however, has told us little about the deeper processes, management philosophy or the experiences and aspirations of the people involved in city marketing strategy formation (Griffiths, 1998). This is a central issue because if the local state is becoming more entrepreneurial, then being market orientated is a fundamental requirement. Becoming market orientated means being aware of the competitive environment, looking outwards, being responsive to external change, and being responsive to the needs of the "customers" of the city. Fundamentally, marketing does not exclusively mean printing glossy brochures to advertise places to potential inward investors. Implicitly, if marketing is not the philosophy at the core of local authority functions, then city marketing is really only a superficial or "bolted-on" activity, which in turn provides shallow evidence of the transition to entrepreneurialism.

What this chapter has revealed is that the restructuring of the local state cannot be examined without sensitivity to local complexities, diversity and differences. The case study evidence, for example, would suggest that a local authority like Portsmouth clearly exhibits many of the characteristics of urban entrepreneurialism. It is customer-orientated, competitive, and internationally orientated. That said, it would be unfair to label Portsmouth as an authority that has forsaken its commitment to social welfare and providing for local people. The authority may be strong and aggressive when it comes to competing for external investment, but by having a marketing philosophy in place the local authority has also become more communicative with the local population.

Knowsley is also a strongly market orientated local authority. The authority does compete strongly for inward investment and uses its marketing skills to position the authority in the minds of international business decision-makers. Fundamentally, however, the authority has turned its marketing expertise strongly towards meeting local public sector and social welfare priorities, such as policing, health and education. A public sector organisation, therefore, may have a strong marketing philosophy, but by no means is this mutually exclusive with meeting local social needs. Again, this supports the criticism made in Chapter Two, that geographers' understanding of city marketing is limited and fails to acknowledge important marketing concepts such as social marketing.

chapter begins to raise concern over the appropriateness of city marketing as an indicator of urban entrepreneurialism. Clearly city marketing is understood and applied differently in different local authorities. But also, this chapter raises concern about what is meant by local entrepreneurialism within the local state. These findings suggest that the development of entrepreneurial activity at the local level is disjointed in both space and time.

The analytical framework used to assess this, however, was based on an established, but limited understanding of urban entrepreneurialism, which drew heavily from a structural Marxist perspective on urban governance (for example, Harvey, 1989). In Chapter Two, however, it was argued that this literature suffers from structural determinism and overgeneralisation. The role of the local state, for example, is diminished or reduced to one of passivity. This is perhaps a simplification of the relationship between local politics and global restructuring, one that relies on notions of bounded localities and areal concepts of urban politics, but does not acknowledge the significance multi-level governance and policy networks. A further criticism is that urban entrepreneurialism is often understood in terms of the institutional forms that it takes, namely public-private partnerships or growth coalitions. The research findings presented in this thesis challenges each of this perspective on urban governance, arguing that we need to move beyond simply mapping out institutional forms towards a much deeper understanding of the values, attitudes and emotions which are also characterise entrepreneurialism and permeate the local state. The next and concluding chapter, therefore, examines these issues regarding the transition to an entrepreneurial local state in more detail.

# **Chapter Seven: Conclusions**

# 7.1 Introduction

First this chapter provides a summary of critical issues identified in the literature review of city marketing and then makes conclusions regarding the three main aims of the project.

These were:

- To identify the extent and depth of city marketing practice in the UK;
- To show how policy makers make sense of and apply marketing concepts at the local level;
- To evaluate the extent to which there has been a transformation to a new entrepreneurial
  culture within the local state (by using city marketing as an indicator of urban
  entrepreneurialism and to evaluate the extent city marketing indicates
  entrepreneurialism).

Second, this chapter evaluates the research and its conclusions. The third section identifies possible directions for future research on city marketing. The final section reiterates in summary form the key contribution to knowledge of the whole research project.

## 7.2 Summary of critical issues and main conclusions

# 7.2.1 The extent and depth of city marketing practice in the UK

Chapter Two identified that there had not been any systematic survey on city marketing in the UK. By completing a national survey of local authorities in the UK this research, therefore, answers this criticism. This is important because many assumptions about the nature of city marketing have been developed from limited empirical evidence usually consisting single case studies of large cities. Despite a lack of data, many geographers made broad claims about the nature and objectives of city marketing practice in the UK. In addition, this lack of evidence has not prevented widespread acceptance of the argument that the apparent growth of city marketing is indicative of a change in the role of the local state (e.g. Harvey, 1989), a development which many have linked to the rise of urban entrepreneurialism (e.g. Paddison, 1993). The purpose of the national postal survey, therefore, was to provide new empirical data on city marketing throughout the UK from a wide range of settlement types including large and small towns and cities. By considering how the reform of local government and urban governance has affected a broad range of urban areas in the UK, this thesis has provided deeper insight into how city marketing strategies have filtered out over varying institutional boundaries or scales of urban governance.

The results of this survey presented in Chapter Four identified marketing activity in many localities in the UK, but the subsequent analysis of this activity revealed a number of inadequacies in terms of marketing competencies within local government. These included; vaguely defined marketing objectives, positioning strategies and target groups; a low resource base for marketing; little market research and inadequate procedures for monitoring

and evaluation; and the fragmentation of marketing responsibility both internally and externally amongst a range of organisational components.

Broadly the results show that city marketing, as a strategic management approach, is not a firmly established practice within local government. Instead, marketing appears to be an activity that has been bolted-on to the existing organisational structure of most local authorities surveyed, rather than forming an integral part of their wider objectives or mission. Only a handful of authorities that responded to the survey had a market centred division where marketing had become a core or dominant function. Indeed, almost a third of respondents stated that they were doing less marketing than previously, and a limited number had abandoned city marketing completely as a policy initiative due to resource constraints.

Given that many geographers claim that city marketing is typically a post industrial strategy to attract international investment, it was surprising that the survey identified that, not only does manufacturing remain a significant target sector for inward investment, but also that there was little evidence to suggest that city marketing has much of an international focus either. Indeed, the survey identified much greater collaboration between different local authority areas than expected. In addition, local authorities had identified social objectives as well economic ones within their plans for city marketing.

This chapter ended, therefore, by raising concern about the depth and quality of marketing practice within many local authorities, for example, the low level of marketing resources and skills raises doubt that city marketing is mainly about high-profile international promotional advertising. It became necessary, therefore, to deepen this national assessment of city

marketing and examine how city marketing policies were being formed and implemented at the local level in the UK. Consequently the next stage of the research developed comparative local case studies that focused on a qualitative understanding of how marketing as a philosophical approach to place management had distilled into the workings of the local state.

# 7.2.2 How do policy makers make sense of and apply marketing concepts at the local level?

Another important contribution of this research is that it develops an understanding of city marketing, which is theoretically informed by the Marketing Science literature. Previously, assumptions about the nature of urban entrepreneurialism and city marketing have been based on a limited understanding of marketing as a concept. Overall, geographers have ignored that the Marketing Science literature defines marketing as a complex strategic management function (Kotler et. al, 1993). Rather than trying to understand how local practitioners within the field of LED negotiate complex marketing concepts, geographers have largely limited their analysis to the products of marketing, such as advertising and promotion. This is surprising given that the practice of city marketing quite clearly draws on specific ideas and practices from marketing in the private sector and business literature. There has been little research, however, into local government's experience of marketing. Lewis (1978), Clarke (1986) and Fretter (1993) are amongst the few commentators to provide an account of city marketing from the perspective of local government practitioners. Overall there has been little qualitative and in-depth research of marketing as a management philosophy within local authorities (Ashworth and Voogd, 1988).

Chapters Five and Six, therefore, addressed the second aim of the project by presenting and comparing qualitative data collected from in-depth interviews with local practitioners in five local authority areas, which included Croydon, Knowsley, Oldham, Portsmouth and Salford. Chapter Five discussed the origins, development and motivations of city marketing in each case study area, whereas Chapter Six focused more on how local policy makers understood and applied marketing concepts within the context of LED.

Chapter Five identified three broad strategic motivating factors from the case study interviews that explain why local authorities have been drawn into the development of city marketing strategies. First, restructuring in both the manufacturing and service sectors had motivated them to develop marketing expertise, not only to advertise their localities to potential investors, but also to improve their relations with existing companies within their localities. Second, the distribution of regeneration funding on a competitive basis had provoked local authorities into a more careful appreciation of how they were perceived by fund managers in both central government and the European Union. And third, the threat of privatisation and a broader recognition of increasing consumer choice had motivated local authorities to consider how they communicated and marketed their services to their "customers". As local authorities develop a broader role for marketing new opportunities for research will emerge, as long as geographers also change the way they think about and define city marketing. In Knowsley and Portsmouth, for example, this had led to an expanding role for marketing beyond LED to include many aspects of local government business, including the use of marketing to meet social objectives and not just economic targets.

Crucially this chapter revealed geographical diversity and complexity in local responses to structural conditions and change. Both Oldham and Salford are relatively experienced in marketing having initiated promotional strategies in the 1970s. In the other three case study areas, however, marketing is a relatively new function only introduced in the 1990s. Again differences are apparent in each of these area's approaches to marketing. Both Croydon and Portsmouth have embraced marketing to address the realities of regional and international place competition. This issue is just as relevant to Knowsley, but in this case the marketing function has spilled outside of LED to address other social and political issues within the authority. Salford and Portsmouth have adopted relatively more aggressive marketing strategies based on the desire to attract substantial external funding for major property-led flagship development projects, whereas the other local authorities studied have adopted strategies characterised more by small-scale projects and a concern for maintaining existing levels of economic activity.

Chapter Six examined marketing competencies within the local state to answer the broader question regarding the extent to which local authorities have become customer-orientated and entrepreneurial organisations, given that some localities appear to be moving closer towards a customer orientated philosophy than others. Several factors were identified from the case studies to explain the varying depth and quality of marketing practice within local government. These included the level of resources dedicated to marketing, perceptions of marketing as a concept within local government, and finally the degree of strategic integration of marketing functions.

Overall, this research is the first attempt within geography to examine city marketing through in-depth qualitative research, with the aim to examine how policy makers make sense of and apply marketing concepts at the local level. This approach has revealed that although local authorities have developed city marketing as a solution to economic problems, they have since recognised that marketing can also be used to meet a number of non-economic policy objectives. Finally, when one considers the geography of city marketing one finds heterogeneous strategies, full of variety. One also find approaches where priorities are as much geared to meeting indigenous needs compared to meeting international ones. This means that city marketing is a much more complex and multifaceted function that is often assumed within the geographical literature.

# 7.2.3 To what extent has there been a transformation to a new entrepreneurial culture within the local state?

Before answering this question it would be useful to identify again the main characteristics of an entrepreneurial mode of urban governance. An important attribute of this is the expansion of speculation and risk-taking within local governance. Marketing and promotion will play a significant role here in terms of selling places as sites of investment or tourism. One would expect, therefore, that the presence of competitive, aggressive and externally orientated marketing strategies would provide a solid indicator of entrepreneurialism at the local level (Cochrane, 1996; Drucker, 1985, 1986; Harvey, 1989; Lloyd and Meegan, 1995; McGuirk, 1994; Parkinson, 1990). This would also mark a significant transition from traditional and more parochial approaches to LED, which were concerned with meeting directly indigenous social needs and welfare priorities, such as health, housing and education. Furthermore, where the local state is adopting a market or customer-orientated approach one would expect to find further evidence of transition from a managerial mode of local governance, because the development of a marketing management strategy should place the market, competition and the private sector at the heart of urban management or

governance. By undertaking an in-depth study of city marketing in the UK, this research, therefore, has been able to reveal subtle new insights into local restructuring processes.

The main conclusion to draw from the research findings presented in this thesis, based on marketing as an indicator, is that evidence for a broad transition to urban entrepreneurialism in the UK is fragile. As reviewed in Chapter Two the most significant evidence for entrepreneurialism comes from a number of case studies of urban marketing in large cities such as Birmingham, Manchester and Glasgow. These localities are considered to be exemplars of entrepreneurial urban governance. A general conclusion of research on these localities is that the unique nature of public-private partnership and channels for business representation in local politics that one finds in these cities has contributed to the "entrepreneuriality" of each place (e.g. Shaw, 1994; Wood *et. al*, 1998). Beyond this reason, however, this research actually reveals very little about what other local factors may be significant. Chapter Two, for instance, identified that there have been few comparative studies of entrepreneurial towns or cities, which have attempted to isolate factors to explain geographically diverse policy outcomes within the local state during this contemporary period of urban restructuring. Consequently, urban entrepreneurialism remains both a poorly understood and defined practice, and a development that has a decidedly uneven geography.

Detailed empirical observation of how marketing and entrepreneurial practice has become integrated into the local state presented throughout this thesis supports this view and begins to question assumptions about the nature of the entrepreneurial local state. Chapter Five, for example, raises concern about how city marketing and entrepreneurial practice is mediated by place specific and organisational factors. The case studies show that the marketing mind-set of practitioners is varied and complex, which has consequently led to the pursuit of a

range of strategic objectives, which are not necessarily concomitant with the rise of new urban entrepreneurialism. By examining the organisational context in which city marketing is undertaken, this research has found that strategic responses of local government to the problems created by economic restructuring are both variable and diverse.

The research has revealed a gap between local authorities that are relatively entrepreneurial and those that are actually withdrawing from entrepreneurial approaches. Entrepreneurial authorities include those that have developed expertise in marketing, which has proved beneficial in terms of working with the private sector and attracting extra resources, particularly from central government and the EU. In turn, this has given them a competitive advantage over other localities in terms of future bids for resources. With this success marketing has been able to ingrain itself into the local authority, overcoming the type of bureaucratic obstacles which limit marketing practice elsewhere. Attracting high profile grants, for example, will also translate into political benefits for local councillors, who are in turn becoming more supportive or at least tolerant of marketing activity. They have become more proactive, anticipating change, and adapting to it. Elsewhere, marketing has been seen to "fail" and has become a dispensable function, which may explain why the postal survey identified so many authorities giving up marketing strategies. The case study of Oldham suggests that rather than employ new concepts, such authorities instead rid themselves of marketing staff, and return to more traditional and less "risky" economic development practice of old.

The implication that urban entrepreneurialism is becoming polarised between places that have experienced either marketing success or failure, however, overlooks many complexities. A view expressed by informants in each case study area, for example, was that

the aggressive marketing of localities to outside target audiences, particularly inward investors, had been of limited success. Such strategies, which dominated LED in the 1980s, were seen as costly in terms of resources and time, providing limited employment benefits for local people, were short-term and often producing a zero-sum gain. Instead, the case studies revealed a shift in emphasis away from aggressive place promotion to "internal marketing", characterised by the development of marketing policies that have an internal or local audience and are designed to promote local identity, civic pride and cohesion, or strengthen internal linkages within the local economy, or to facilitate communication, feedback and consultation with the local business and non-business community.

In terms of business objectives, attracting inward investment, tourism and external regeneration funding often remain important goals, but there has been a definite shift in emphasis which has led to priorities moving away from competitive inward investment policies to retaining companies and encouraging them to expand locally. Such approaches are characterised by efforts to understand the current and long-term needs of local companies and to maintain a continuous dialogue with them. This issue has been highlighted in some of the geographical literature on inward investment and competitive external promotion policies (Dicken and Tickell, 1992; Dicken, et. al, 1994; Eisenschitz and Gough, 1993; Fretter, 1993; Paddison, 1993; Page, 1995; Tickell and Dicken, 1993). One informant described this as making them "part of the family" (Informant R2, Salford City Council) by building relationships with firms and making them more locally dependent. In terms of non-business objectives, this research shows that some local authorities are using their marketing skills and channels of communication to promote a much wider social agenda, especially in places such as Knowsley.

Overall this research has revealed that the restructuring of the local state cannot be understood without sensitivity to local complexities, diversity and differences. The case study evidence, for example, would suggest that a local authority like Portsmouth clearly exhibits many of the characteristics of urban entrepreneurialism. It is customer-orientated, competitive, and internationally orientated, but it would be unfair to say that Portsmouth has also forsaken a commitment to social welfare and providing for local people. The authority may be strong and aggressive when it comes to competing for external investment, but by having a marketing philosophy in place the local authority has also become more communicative with the local population. Knowsley is also a strongly market orientated local authority. The authority does compete strongly for inward investment and uses its marketing skills to position the authority in the minds of international business decisionmakers. Fundamentally, however, the authority has also turned its marketing expertise strongly towards meeting local public sector and social welfare priorities, such as policing, health and education. A public sector organisation, therefore, may have a strong marketing philosophy, but by no means is this mutually exclusive with meeting local social needs. Again this re-iterates the criticism made in Chapter Two, that geographers' understanding of city marketing is limited and fails to acknowledge important marketing concepts such as social marketing.

Another important issue that this research has highlighted is the danger in attempting to take the entrepreneurial city concept, an idea used primarily to describe North American forms of urbanisation, and to apply it within a European context. British (and in general European) local government differs considerably from the US, in terms of its size and structure and in the nature of centre-local relations. Arguably local economic policy in Europe has continued to be formulated and implemented largely within a managerialist framework of urban

governance i.e. one dominated by large public sector bureaucratic organisations which emphasise the distribution of social welfare. Despite long standing channels for business representation in local policy making in the UK, for example through the Chambers of Commerce, the policies of social democracy have continued to dominate local economic policy—making in British towns and cities since the 1980s and 1990s (Eisenschitz and Gough, 1993). There are question marks raised, therefore, over the extent to which public-private partnerships and private interests within the local state under conditions of interurban competition have necessarily captured local decision-making so that it operates solely in the interests of big capital. Evidence presented in this thesis, for example, shows a continued commitment within the local state to meeting indigenous local needs.

The extent to which competitive strategies for LED and urban entrepreneurialism has become a fixed and stable element of the local state is also questionable. Although many localities have as their main objective the goals of attracting investment and employment, these are often part of a more holistic agenda with multiple and complex goals. There is concern over the long term sustainability of LED strategies where urban entrepreneurialism dominates and has generated policies to promote image over substance or to develop flagship projects that do not necessarily directly benefit local people. One wonders at what point in the future will such localities, that continue to promote economic objectives over social welfare and local needs, start to address the inevitable conflict that is arising from the deterioration of socio-economic conditions for many of their local citizens. There has been criticism of entrepreneurial strategies for LED that questions whether such strategies actually do achieve economic growth at all, for example, Loftman and Nevin (1996) and *Independent on Sunday* (1993a, 1993b) are highly critical of Birmingham's city marketing strategy. The recent failure of high profile flagship projects such as the Millennium Dome, Leeds'

Armouries and the National Centre for Popular Music in Sheffield and events such as the World Student Games (also in Sheffield) has raised a number of questions about the nature of urban regeneration.

#### 7.3 An evaluation of the validity of this research

A strongpoint of this study of city marketing is that it comprises findings from both a broad survey and in-depth comparative case studies. The first stage comprised a postal questionnaire survey of towns and cities in the UK, which enabled the collation of hard facts and derivation of general claims to be made about city marketing at the national level. Completing this first stage was also essential in preparing the groundwork for the second stage, where broader issues were followed-up at the local level through qualitative investigation. The second stage, however, forms the core of the research and represents a serious attempt to describe and analyse the experience of local government officers and other key actors involved in city marketing. In so doing the approach has developed an understanding of deeper processes and meanings, which in turn reveal insights into the way in which entrepreneurialism has filtered through to the local state in the UK. Overall, the case study interviews provided an effective means of identifying phenomenon that were not directly observable, such as thoughts, intentions and perspectives held by the practitioners of city marketing. This approach allowed for the development of new issues arising out of the data as well the exploration of predefined categories of analysis according to the research aims. Informants, therefore, could develop a "local" perspective on city marketing based on their unique experiences.

In addition this research uniquely contributed to the literature by adopting a multiple-case study approach, whereas much of the work city marketing has been based on single case 292

studies. This comparative approach has facilitated the discovery of significant findings which otherwise would not have been possible. The choice of case studies represent local authorities that are not necessarily untypical of English districts and, therefore, represent an important step forward in broadening the research on city marketing, which has so far focused mainly on events in large cities. The approach to the selection of case study areas and informants was also guided by the need to identify relevant informants with specialist and "inside" knowledge of city marketing. The range and type of informants successfully interviewed in this study is comprehensive and includes representatives from the most relevant organisations responsible for city marketing in each locality. There are opportunities, however, to go beyond what has been discussed here and to include an even broader range of settlement types, for example, resort or market towns. In addition, there is scope to extend this study to include in depth case studies in Northern Ireland, Scotland and Wales and wider geographical contexts.

The final point to make here regards the suitability of city marketing as an indicator of urban entrepreneurialism. The initial premise of this thesis was that the rapid uptake of city marketing within the local state is a concomitant development with the rise of urban entrepreneurialism. If, for example, a local authority has a marketing philosophy then by default it would be required to become more aware of its competitive environment, more sensitive to market dynamics, more image-conscious and more customer or market orientated (Goodwin, 1993; Wilkinson, 1992). With a marketing philosophy in place, therefore, we would expect the local state to display many of the characteristics of urban entrepreneurialism as suggested by Hall and Hubbard (1996). Methodologically this involved shifting the focus of research away from the analysis of marketing products, such as place adverts or promotional campaigns, to the institutional or organisational

arrangements of city marketers, such as local government (Millington, 1998b; Millington *et. al*, 1999b).

Before adopting this research approach, however, one has to accept that the normative ideas and concepts advocated in Marketing Science theory should not be accepted without It is accepted within Marketing Science, for example, that many private companies fail to become market-orientated organisations, because in reality there are many practical difficulties, which prevent them from implementing marketing concepts in an ideal way (Millington, 1998b). What hope, therefore, is there for local government to implement such ideas? In broad terms this thesis has argued that given the generalised nature of city marketing in the geographical literature, we should also begin to question the nature of urban entrepreneurialism. By adopting this framework that borrows liberally from Marketing Science, however, this thesis developed a clearer understanding of the marketing philosophy of local government, and has made a demonstrable or more explicit connection between the level of marketing activity within the local state and the transition to urban entrepreneurialism. Undertaking in-depth research into the uptake of city marketing, therefore, has proved to be valuable approach towards understanding the restructuring of the local state.

# 7.4 Pointers for future research: re <u>≡</u> ctions on analysis and future research

This research started with a specific understanding of city marketing as a competitive LED strategy, which entails place promotion, spectacular flagship development projects and fantastic spectacle events. Drawing on the conclusions of this research, however, one comes to a more complex understanding of how marketing is practiced within LED. The postal

survey presented in Chapter Four, for example, highlighted that in many places local government simply does not do marketing very well within a context of a very low resource base. The case study interviews revealed that some local authorities are building marketing into socially progressive strategies which links economic and social development into the same agenda. The values and attitudes of practitioners are both varied and complex. The outcomes produced by city marketing are mitigated by various local and institutional factors. The institutional forms developed to implement city marketing are also varied and by no means have acted as a channel for the private sector to dominate local policy making. This leaves doubt, therefore, over the pervasiveness of the initial definition of city marketing as a framework for understanding contemporary change within the local state. We need, therefore, to build on these concerns and generate new research questions, not only about the nature of city marketing, but also about the nature of urban entrepreneurialism and local-global restructuring. Consequently this outlines some potential research directions in these areas.

### 7.4.1 search agenda for redefining city marketing

Should geographers turn to the Marketing Science literature then they may find many new and interesting avenues for further research into city or place marketing, particularly in aspects of social marketing. In particular, the Knowsley case study has shown how marketing within the local government context is not exclusively concerned with attracting inward investment and meeting economic or business priorities. Here city marketing has been applied widely to enable the local authority to deliver a range of social objectives, be it improving the image of the local police force, promoting the education system to retain local children, or promoting positive health messages to the local population. In other authorities, the involvement of non-business groups and the use of marketing skills to meet local or

indigenous needs are growing in importance, whether this is in terms of enhancing communication and feedback with the local population, or to improve relations with local businesses. Indeed, in each case study area there is dissatisfaction and disappointment regarding the long-term success of competitive externally orientated city marketing strategies. They simply do not produce many positive impacts for the local economy. Sadly, when one considers recent additions to the city marketing literature, there remains a dogmatic preoccupation with international spectacle events and flagship projects (Essex and Chalkley, 1998; Griffiths, 1998; Jessop and Sum, 2000; Waitt, 1999; Ward, 2000; Wigmans, 2001). The city marketing research agenda, therefore, has to be broadened to encompass these issues by regarding city marketing as much more than tool of planning and development and recognising that strong marketing skills may actually enhance the delivery of social welfare in localities.

### 7.4.2 search agenda for understanding of new institutional forms involved in city marketing

Whereas the focus of this thesis is on local authorities, a recent development that warrants further investigation is the extension of city marketing networks through the establishment of "arms-length" organisations, such as MIDAS in Greater Manchester, or CMD in Croydon. Essentially this is another piece of the city marketing institutional jigsaw that will need examining. Organisations like CMD and MIDAS send out a very clear message to the private sector that they are no longer dealing with a bureaucratic local authority, but some new dynamic organisation that is sensitive to the needs of the private sector (Jonas and Ward, 2001). This raises several new research issues. First, although the impetus to create such organisations has mainly come from local authorities themselves, such partnerships draw a wider range of actors, including the private sector, into local policy networks, which

once again raises concern about the political accountability of public-private partnerships in the context of LED. Second, the motivation to establish arms length marketing organisations is to bypass some of the legal constraints, which prevent local authorities from acting as flexibly as they would like to. When viewed at a distance, therefore, an organisation such as CMD or MIDAS appears to represents some new institutional development that is concomitant with the transition to new urban entrepreneurialism. Using the research framework developed in this thesis, however, a different perspective emerges which questions whether the pooling of marketing resources within specialist organisations is necessary. As central government draws its attention to local government performance, for example through Best Value, local authorities will need to integrate marketing functions at a corporate level rather than to abdicate their marketing responsibilities in a diluted form to some external organisation.

### 7.4.3 search agenda for redefining urban entrepreneurialism

This thesis has raised a broader issue in that we need to be critical of any new initiative that claims to incorporate the values of the private sector into the local state. This is a current issue regarding public service delivery, following the passing of CCT and the introduction of New Labour's Best Value programme. Without further academic research that poses questions about the nature of entrepreneurialism within the local state, then we should be sceptical about any claims that we are entering a radically new phase of urban governance. This thesis has made several critical points regarding the nature of urban entrepreneurialism.

In summary, these critical points are:

- The dominant understanding of urban entrepreneurialism suffers from structural determinism and over-generalisation;
- The role of the local state is reduced to one of passivity;
- That urban entrepreneurialism is often understood rather narrowly in terms of the institutional forms that it takes

Given the conclusions presented above, we need to move beyond simply mapping out institutional forms towards of the local states towards a much deeper understanding of the values, attitudes and emotions that are said to characterise entrepreneurialism and permeate the local state. Future research into urban entrepreneurialism, therefore, will need to develop new analytical frameworks for understanding how local government manages risk and innovation. This section, therefore, outlines briefly potential literatures from which new research could be developed.

First, there is need for a re-evaluation of Schumpeterian understandings of entrepreneurialism and innovation. Broadly this refers to the capacity of organisations to create new products or services through innovation, which focuses on human capital and how it used to enhance creativity and entrepreneurship (Toye, 1993). Geographers have examined the role of knowledge and the networks used to channel and share knowledge, but mainly in the context of small firms, flexible specialisation and private sector led regional economic development (Malecki, 1997; Storper, 1997). A way forward, therefore, could to

examine how both codified and tacit knowledge is generated, shared and transferred within local government, as the basis for understanding innovation within local government. Particular attention could be drawn to the geographical contingencies, which help to produce innovative administration.

Second, there is need to draw more heavily from the literature on risk in society, or what has been termed "reflexive capitalism" (Beck, 1992; Giddens, 1998; Storper, 1997). Risk in this context is taken as a broad term, which encapsulates, not only financial risk, but also individual, social and environmental risks. When we go back to our initial framework for understanding entrepreneurialism, then we can see that it is simply no longer adequate to evaluate the outcomes of transition in the local state in purely economic terms. We need to appreciate that economic success or failure can be understood in a multitude of ways and this will require us to move away from a narrow structuralist or macro-economic approach, such as Regulation Theory, and move towards a research approach that will reveal "the microsocial regulations that coordinate economic actors' collective identities and their modes of economic participation" (MacLeod, 2000, 220). Urban entrepreneurialism in practice, therefore, will reflect certain codes of behaviour, shared values, networks of shared knowledge, or individual interactions, which are generated within specific geographical contexts to manage risk and uncertainty, or what Storper (1997) refers to as "frameworks of action".

### 7.4.4 Search agenda for understanding entrepreneurialism within the context of local restructuring

Another important direction to consider builds up the work of Wood (1998) and Wood et. al, (1998; 1999). The key thrust of his criticism of the literature on the entrepreneurial city is its concern with "areal" concepts of urban politics. This reflects traditional academic convention in the study of politics, and a preoccupation with delineating the local and the global. Wood (1998), utilising Low's concept of globalisation, argues that a theoretically and empirically strong notion of urban entrepreneurialism could be arrived at by rethinking urban politics as being (re)produced within non-areal and networked processes. Wood does not discount the local, but argues instead that we need to resolve the conceptual problems that exist between fluidity, flows and notions of coherent bounded spaces to understand the processes that shape the entrepreneurial city. In short, this means arriving at a reconfigured understanding of globalisation, the role of bounded local spaces, and the connections that link political action at different scales (without forgetting that the local remains important). Entrepreneurial politics, therefore, need to be seen as part of global restructuring processes rather than an outcome of it. In terms of city marketing, therefore, future researchers need to acknowledge that marketing policy formation and implementation is (re)produced within a network of (local and non-local, embedded and disembedded) economic and regulatory agents.

## 7.5 What is the key contribution to knowledge of the whole research project?

The existing literature on city marketing and urban entrepreneurialism has suffered from structural determinism and over-generalisation. Certainly global processes have had a fundamental impact on many localities, but LED strategies have developed under variable

national and local conditions to produce multiple forms of city marketing and urban entrepreneurialism (Millington *et. al*, 1999a, 1999b; Wood, 1998; Young *et. al*, 1999).

Overall this is not an outright rejection of the entrepreneurial thesis. The postal survey identified nation-wide recognition of the importance of marketing as a tool of LED, but at the same time revealed a significant movement away from external promotion and that the scale of marketing activity is often less than assumed by the literature. The case studies, however, reveal that the marketing and entrepreneurial mind-set of practitioners is varied and complex. There is considerable variation, for example, in marketing and entrepreneurial competencies, which raises wider questions about what is meant by entrepreneurialism and how LED practice is mediated by place specific and organisational factors.

The existing geographical research, however, tells us little about the deeper processes, management philosophy or the experiences and aspirations of the people involved in city marketing strategy formation (Griffiths, 1998). This is a central issue because if the local state is becoming more entrepreneurial, then being market orientated is a fundamental requirement. Becoming market orientated means being aware of the competitive environment, looking outwards, being responsive to external change, and being responsive to the needs of the "customers" of the city. Fundamentally, marketing does not exclusively mean printing glossy brochures to advertise places to potential inward investors. Implicitly, if marketing is not the philosophy at the core of local authority functions, then city marketing is really only a superficial or "bolted-on" activity, which in turn provides shallow evidence of the transition to entrepreneurialism. This thesis, then, adds substantially to the geographical understanding of the nature of city marketing and the extent to which local governance in the UK is undergoing an "entrepreneurial" shift.

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