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## **PROMOTION AND ITS TOOLS IN TERRITORIAL MARKETING**

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### **Introduction**

Promotion is one of the elements of the marketing-mix that is often turned to by local self-governments, particularly under the conditions of market economy, where competitiveness is one of the key determinants. In competitive surroundings, it is not enough to prepare a production offer. It is also necessary to communicate the fact of its existence, so that the prospective users can show their interest in the product and their willingness to purchase it.

Communication with the external and internal environment, which is one of the basic tasks of promotion, should constitute an element of a wider marketing activity conducted within the framework of the accepted marketing strategy. The formation and implementation of such a marketing activity is related to the development of the tools to influence the market, which are referred to as marketing-mix. Following the above terminology, the set of promotion tools (instruments) is referred to as promotion-mix.

The goal of this article is to present the promotion instruments which the local self-government units (LSGUs) may use in developing and implementing their marketing strategy.

## A review of promotion instruments

Promotion activities are executed by means of specific tools. The prospective range of instruments that a local self-government unit may use is the same as in the case of other goods and just like in the case of other elements of the marketing-mix, it is used with varying intensity and with limitations that result from the specificity of such units.

The set of promotion tools is generally presented as five groups, though sometimes a 4-, 6-, or even 9-element sets can be encountered<sup>1</sup>. According to the classical theory of marketing, the fundamental promotion instruments are: advertising, public relations and publicity, sales promotion and personal selling. The group is often stretched to cover direct marketing, which, however, in the case of local self-governmental units and in the era of computer technology development, means nothing else but multimedia communication conducted via the Internet. Promotion-mix, that is the marketing composition of promotion instruments, is sometimes extended to cover sponsoring. An element that may be added to this group is packaging, which, being a component of the product, plays an informative function and attracts the attention of the prospective purchasers. However, in the case of self-government units, which offer mainly services, it does not have the same application as in the case of enterprises – products of the local self-governments are not wrapped in traditional packaging. Nevertheless, the landscape, the architecture or the natural environment may sometimes be regarded as the packaging of an offer of a self-governmental unit.

The choice of the combinations of the instruments is determined by the goal of the promotion, the estimated expenditures, that is the budget, the features and the character of the product that is to be promoted, the destination market where the campaign is to be launched, and the activities of the competition. The promotion targets different groups and refers to different activity areas. Most often it aims at increasing the attractiveness of the locality as the place of residence, place for spending free time, or place for running a business. On the other hand, even though the frequency with which particular instruments are used is decided individually by the authors of promotion campaign, the instrument designers usually follow the well-established and

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<sup>1</sup> A 9-element set is presented in P. Kotler, N. Lee, *Marketing in the public sector*, Wydawnictwa Akademickie i Profesjonalne, Warszawa 2008, pp. 154-167.

market-tested set of measures, characteristic for a given product or a given branch of business.

## **Advertising**

The first instrument, the most popular one, that is advertising, is to inform the audience about a product, an idea, or given matter, and, in a non-personal manner, by means of direct transmission, e.g. by the media, to affect their decisions. The American Marketing Association defines advertising as any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor.

In the promotion of an offer of a local self-governmental unit (LSGU), the instrument is used to encourage specific audiences to use the advantages of the location, and in this way to achieve the desired benefits for the local community. Moreover, through advertisement, the local authorities want to target the local residents and raise the level of their identification with the place they reside and convince them to support the activities undertaken by the self-government in the local area. The most often assumed objectives of the advertising are:

- attracting entrepreneurs from outside the local area,
- increasing the level and the range of entrepreneurship among the local residents,
- encouraging tourists to visit the place, making them interested in local attractions,
- convincing the local residents to support the activities undertaken by the authorities and explaining to them the steps taken.

Knowing the goal of the undertaken activities, the entities engaged in developing the concept of an advertising campaign should specify the methods of its implementation and determine the amount of financial means that are to be allocated for the execution of the particular tasks. The final comparison of the obtained and the anticipated results completes the process of advertising campaign management. The described method of managing advertising activities can be presented in six steps: defining the target group of the advertising, defining the goals of the advertisement, assessing the budget, preparing the strategy, choosing the advertising vehicle, and evaluating the

results of the advertisement<sup>2</sup>. The steps constitute a framework for practically each advertising campaign, including that conducted by a local self-government unit.

### **Public relations and publicity**

Another promotion instrument is public relations and publicity. Even though those two terms differ from one another, they are usually mentioned and described together. Nevertheless, it should be stressed that, in the opinion of some authors, publicity is just a part of public relations. By definition, the transmission by such means is non-paid and the main access channel is provided by mass media. In general, they are to create positive relations between the offeror of a product and recipients of the product, which, in the discussed case, result in forming a positive opinion about a spatial unit.

The notion of public relations, which is not uniform and thus hard to define, may be interpreted as<sup>3</sup>:

- creating the company's goodwill,
- establishing good relations with the surroundings,
- creating and maintaining the positive image, opinion about the honesty and the good intentions,
- undertaking planned, unceasing efforts to create and maintain mutual understanding and trust between an organisation and the public,
- managing communication between an organisation and its target groups,
- communicating with the people who are important to a given person so as to attract their attention or establish cooperation with them that is significant from the point of view of this person's interests or the interests he/she represents.

The task of public relations, PR in short, is to develop and maintain relations with the surroundings, most importantly with the media, and to create favourable atmosphere around a given institution. PR aims at developing the awareness of the existence and improving the reliability of the place, and to inform about its products. PR should reflect the needs and the interests of an organisation while at the same time being precise and specific. That is why this

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<sup>2</sup> R. Kłeczek et al., *Marketing*, Ossolineum, Wrocław-Warsaw-Kraków 1992, p. 243.

<sup>3</sup> Own research and Z. Knecht, *Public relations w administracji publicznej*, C.H. Beck, Warsaw 2006, pp. IX and 15 and A. Davis, *Public relations*, PWE, Warsaw 2007, pp. 19 and 21.

medium of promotion is considered more objective and more convincing than advertising<sup>4</sup>. The PR activities aim at reaching a point where the interests of the organisation and that of the surroundings strike a balance, which implies satisfactory functioning of a given institution and its surrounding in a reality that is optimal for the two.

While public relations means contacts with the surroundings and maintaining relations with the community and communicating with the environment, publicity is focused on inspiring positive renown. The local self-government units inspire and gain such renown indirectly, e.g. by making available the materials that are used for making reportages about the region, encouraging the making of interviews, organising press conferences, informing about upcoming events or decision to be taken by the authorities. The preference of such activities results from the possibility of obtaining satisfying results at a relatively low cost, and the fact that provided information is highly up-to-date. Nevertheless, it should be stressed that although publicity determines the image of a given institution, it is not totally controlled by that institution. In such a case, the role of the organisation is limited to exerting influence on the media, unions and associations by means of propagating certain opinions. The rest depends on the people who disseminate such opinions. The representatives of the media, editors, publicists, actors, celebrities, ecological unions, associations or cultural groupings constitute a very influential group, which can have a serious effect on improving or deteriorating the image of an local self-governmental unit (LSGU).

The point of using both such instruments in the undertaken activities is to shape the image of an LSGU, both the internal as well as the external. The whole of the features of a local community, together with its advantages and benefits available in a given area is of such a value as is assigned to it by the desired groups of the recipients. Hence, it is worth undertaking the initiatives that extend over a period of many years, which has a positive effect on the perception of the local area and thus increase the attractiveness and the reliability of such a place. The authorities can contribute little to the shaping of the public opinion. The main authors of the publicity that represent the local area are the residents, who propagate either good or bad opinions about that area.

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<sup>4</sup> W. Langer, *Strategiczny marketing w rozwoju jednostki terytorialnej*, AE, Katowice 2006, p. 86.

Self-government authorities enjoy greater influence – having a significance influence on the relations between the offerors and the recipients of the territorial product – when conducting activities that shape public relations (PR). Such activities target the local residents, investors and tourists, and involve presentation, gaining support for the initiatives of the authorities and for the authorities themselves as well as for other related entities, encouraging cooperation or increasing the degree of identification with the location.

The essence of the above-mentioned activities, as has already been mentioned, consists in shaping the image. The proper *image* of spatial-administrative units is not created on its own. It is formed through combination of subjective images of the reality created through individual perception, the effect of mass media coverage, and the informal transmission of information<sup>5</sup>.

The following types of images can be distinguished<sup>6</sup>: positive, weak, negative, contradictory, mixed, overly attractive. The most desired one is the positive image. It does not require any changes or modifications, only further consolidation. The weak image does not accentuate the features of a region sufficiently clearly. If all the opinions present a location in an unfavourable light, its image is negative. This is true, for example in the case of Wołomin, and, until recently, Nowa Huta, where the cities themselves do enjoy numerous advantages. When an opinion on a given place is ambiguous, that is when the recipients have both positive as well as negative feelings towards it, we refer to a contradictory image. Whereas when there are different, conflicting opinions on a place, we encounter a mixed image. The last type refers to highly popular regions. Although the term "attractive" has positive connotations, such image is not desired due to the problems resulting from the excessive number of tourists and visitors, pollution to the environment, traffic overload. The symptoms of such a phenomenon may be observed in the area of Zakopane.

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<sup>5</sup> A. Szromnik, *Marketing terytorialny. Miasto i region na rynku*, Wolters Kluwer, Kraków 2007, pp. 130, 134.

<sup>6</sup> P. Kotler et. al., *Marketing Asia Places*, John Wiley & Sons, Singapore 2002, p. 35-36; as cited in: M. Florek, *Podstawy marketingu terytorialnego*, Akademia Ekonomiczna, Poznań 2006, p. 102.

## Sales promotion and personal selling

Another instrument is sales promotion, used more often in the case of consumption products than in case of locations. Sometimes referred to as additional promotion or direct support to sale, it aims at increasing the benefits or offering new benefits (perks) that are obtained together with a product. Among the examples of sales promotion, the following can be distinguished: bonuses for the purchases of a certain number of products or services, contests, or a possibility to try-out the product. They constitute additional incentives that encourage clients to use the services, as they enhance the attractiveness and competitiveness of the product, and in this way trigger desired behaviours from the prospective clients. Additional promotion is of short-term character and should not be used over a long period of time as with time passing by the offered perks lose their value, becoming just a simple element of a product or a service<sup>7</sup>. In the promotion activities of the spatial-administrative units, such a tool is aimed at tourists. Entrepreneurs do not yield to such short-term influences due to, for example, the costs and the time horizon of the decisions made by them. Hence, such promotion is focused on the visitors, who want to make use of the greatest numbers of attractions possible. Therefore, it is worth providing holidaymakers not only with the permanent attractions in the form of historical buildings or recreation centres, but also with different forms of entertainment – like participation in contests, participation in outdoor games, ability to watch artistic performances.

Personal selling, the last instrument in the promotion-mix package, is characterised by the personal contact between the seller and the prospective client. During a meeting, a sales representative or a seller – depending on where the conversation takes place – tries to persuade the client to purchase a product or approve of an idea. Personal selling is an art of how to approach each client in an individual way by using different means of convincing. The application of this instrument in the promotion of a territorial unit takes the form of personal contacts with the prospective recipients of the offer. It is used with regard to external recipients, i.e. investors and tourists, as well as the internal ones, i.e. residents. Direct meetings between the authorities and the entrepreneurs and company representatives, who seek such initiatives, favour discussions on

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<sup>7</sup> *Marketing. Przewodnik*, ed. L. Garbarski, Wyższa Szkoła Przed. i Zarządzania, Warszawa 2004, p. 252.

investment intentions. When a vision of how the company is to operate in the future is discussed and developed during a face-to-face conversation, the client gets an impression that their enterprise matters to the authorities and that it is something more than just an economic activity. In the case of personal selling activities that target the group of holidaymakers, the efforts are concentrated on more sophisticated offers, which are generally more expensive. Good presentation during a meeting, that is nice and kind welcome, the atmosphere of professionalism, high competences and good organisation, and the fact of reaching common conclusions at the end, can lead to very fruitful sales contracts. On the other hand, the meetings between the representatives of local authorities of promotion leaders with the local residents usually take the form of polemics on the conducted promotion activities, strategic intentions or perspectives for further development. Both parties express their opinions, and one party tries to convince the other to its own opinion in such matters, while the other party evaluates such an opinion and presents their own opinion on the presented initiatives<sup>8</sup>.

The authors of a promotion campaign should try to ensure that all its elements are interlinked in a way entirely identifiable by the client. Nowadays promotion takes more and more varied forms. However, if it is to be successful it needs to create a cohesive image in the subconscious minds of its addressees. This will result in inducing the desired behaviours with regard to the context of the offered benefits and will mean that one of the specific tasks of the development has been achieved.

### **Specificity of promotion via the Internet**

In the times when the significance of knowledge and up-to-date information is increasing, transmission of messages via web pages becomes more and more important. The range of prospective recipients of such messages placed on www sites is growing systematically. The group of the most popular tools that enable website browsing and using the global network, such as computers, was joined by a telephone. That is why the spatial-administrative units that want to matter in both the local and regional markets, and even in the bigger ones – the national and even the global one, should use the promotion

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<sup>8</sup> M. Czornik, *Promocja miasta*, Akademia Ekonomiczna, Katowice 2005, p. 95.



potential offered by their presence in the Internet. For the authorities and all the entities with an interest in good and efficient operation of a given area, this constitutes the method for wide exposition of information – mainly that of promotion character, while for each Internet user the possibility to obtain the information on the location he/she is interested in. Nowadays, browsing the Internet constitutes the most convenient way of obtaining information, hence, a lack of a website or a badly prepared one results in lack of interest among numerous prospective clients. No organisation, including a self-government, should disregard the usage of the Internet in their promotion activities, as the Internet can be used to create additional benefits for the client. Among the ten value groups<sup>9</sup> the most important ones from the point of view of an LSGU are: the possibility of widespread dissemination of information, the interactivity which makes it possible to adjust the content of the available information to the expectations and the reported needs, practically immediate updating of the information on the website, the saving of the costs by the service provider and by the buyer of territorial products and services, and the integration of people of similar opinion, interests or hobbies by means of creation of the so-called mini-communities.

Internet has direct influence on the development of the information society, for which the primary, and often the only source of information has become the global network. Among its users there are both private individuals as well as persons representing organisations that are of importance to the interests of a local self-government. Usually they are divided into three groups: residents, investors and tourists. The particular groups of internet users who use the website and the main reasons for entering self-government portals are presented in table 1.

If a website is not constructed in accordance with certain rules, it will not be fully functional as a vehicle of promotion. The first of those basic rules states that the graphics should reflect the symbols, colours and shapes used in other promotion materials outside the Internet<sup>10</sup>. The homepage and each web page should feature the logo or the coat of arms. The layout should have certain features characteristic for the image it intends to create. A website should not be

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<sup>9</sup> B. Dobiegała-Korona, T. Doligalski, B. Korona, *Konkurowanie o klienta e-marketingiem*, Diffin, Warszawa 2004, pp. 21-30.

<sup>10</sup> T. Maciejowski, *Narzędzia skutecznej promocji w Internecie*, Oficyna Ekonomiczna, Kraków 2003, p. 87.

made similar to any others – each website should be unique. It is important to place links to the websites of the superior and inferior levels of territorial division (e.g. municipality, county, or province (voivodeship) level) or organisations active in that particular territory, especially those involved in the promotion of the local area. Such connections show common goals, hence, make an intended undertaking more credible. Even though the layout of the graphics, that is the visual elements, pictures, the layout of the contents or the colours, should be an individual matter of the creators of the portal, the contents itself should be to a high extent similar to those featured by other websites. Such elements as: principal information on the territorial unit, its authorities, strategic documents, current advertisements, public sphere information, tourist information (maps, attractions addresses of tourist accommodation centres), important contact data, info for the investors, and archive, should be included in each website of such a type. Such data, addressed especially to prospective tourists or investors, should be made available in a few language versions. In the times of globalisation and internationalisation of economic activity, it is hard to overestimate the significance of English, German, Russian, Czech or other (depending on the target group of clients) language versions of the website in the process of promotion.

Table 1. The groups of internet users and the reasons for entering LSU websites

Group	Features of the group	Sub-group	Reason for entering the website
Standard users	Browsing the Internet is the first step in seeking information, they use other sources as well	Prospective investors	Obtaining information on the products, real property, benefits, entrepreneurship support policy
		Prospective tourists	Obtaining information on tourist attractions, places of historical interest, entertainment events
		Residents	Access to current information on the activities of the authorities, the organised entertainment events
Aware users	Browsing the Internet resources has replaced other types of information seeking: in the library, on the phone, personal visits	School youths	Obtaining information for didactical purposes
		City council clients	<ul style="list-style-type: none"> <li>▪ obtaining a form,</li> <li>▪ filing an inquiry,</li> <li>▪ dealing with administrative businesses</li> </ul>
		Opinion makers	Expressing opinions on current matters
		Interested in the development	Obtaining information on the past, current and future decisions and resolutions
Accidental users	Browsing the Internet in their free time or with a different purpose, entered the website by accident	Other prospective clients	Using the information and the potential offered by the website, provided they get interested by it

Source: own research based on: M. Czornik, *op. cit.*, pp. 114-115.

From the point of view of the stakeholders, the Internet provides fast and easy access to information. The contents and the quality of such information affect the popularity of the website. The effective use of this medium of promotion brings notable benefits. Owing to a well-prepared and well-managed information service, it is possible to save both money and time, which would otherwise have to be spent in the process of obtaining information. Moreover, an LSGU is already more favourably perceived when a given person can easily find the sought data on the web page. Nevertheless, it should be stated that a website is not the only example of the implementation of direct marketing methods by local self-government units. Electronic mail and the so-called e-bulletin (which in the business environment is referred to as newsletter) are also used, though to a lesser extent.

### **Instruments and means of promotion most often used by local self-government units**

The usage by LSGUs of promotion-mix instruments is a resultant of numerous factors, such as: effectiveness of each tool, the existing conditions, the assumed goals, and the expected costs. In view of the specificity of such units, the most often used promotion instruments are public relations and publicity and also advertising, though with some exceptions. The reasons behind the limited use of advertising are the barriers related to the unfavourable public attitude towards spending of financial means on such undertakings. Thus, the forms of advertising that are actually used are those which do not imply high costs. These are mainly stationery and brochure-type materials such folders, guides, catalogues. On the one hand, they help in identifying and distinguishing the unit, while on the other hand, they constitute a valuable source of information about tourist attractions, spatial development plans, free investment locations, profile of economic entities. Only later does external advertisement in the form of billboards, which are placed even outside the country borders, come. Such was a case with Wrocław – the city placed billboards in London encouraging Polish emigrants to come back and settle in that city, and in Berlin it placed billboards with a slogan “Enjoy Wrocław”, which encouraged young Berliners to spend their free time in this Polish city. The latter of the two examples proves the thesis about the unfavourable attitude towards costly advertising, as while this advertising was being conducted, it was emphasized that the cost of it was low as the capital of Germany had rented the advertising space free of charge.

The press advertisements and TV commercials, quite popular among big companies, are used relatively rare and mostly by large cities. For example, it was used by Gdańk, which in a TV commercial promoted not only its assets but also the name of the city that provided the highest standard of living – according to the ranking of the ten biggest cities in Poland with regard to the standards of living there, published in 2007 by *Diagnoza Społeczna*.

An indispensable part of advertising are the advertising slogans. Among those worth mentioning are three examples from the northern part of Poland:

Gdańsk (Gdańsk – morze możliwości), Gdynia (Gdy inwestujesz... Gdynia), Gniew (opanuj Gniew)<sup>11</sup>.

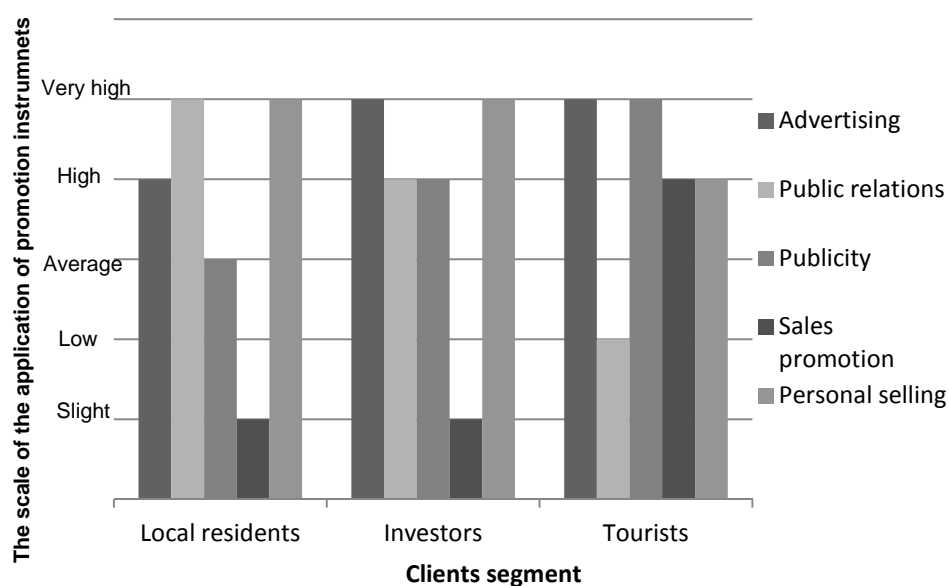


Fig. 1. Application of promotion instruments in promotion activities

Source: own research based on: M. Czornik, *op. cit.*, p. 96.

Hence advertising is the means of promotion that is used quite often, yet selectively. In the case of residents of a given spatial unit, more efficient seem to be direct meetings and speeches in local media, especially in the case when what is at stake is the support of the residents.

The use, and thus the significance, of the presented instruments of promotion is represented by figure 1. As can be seen, good effects are achieved in the case of advertising and personal selling, worse in the case of sale promotion. The effectiveness of the PR and publicity in winning clients depends on targeted segment. It needs to be remembered that the effectiveness of those instruments is also dependent on their adaptation to the existing conditions, that is who they address, what is their purpose, what budget has been allocated, what form they are to take, and, finally, how we will now whether the promotion process brings the desired effects, and so what its effectiveness is - this being the basis for review of the applied set of promotion-mix.

Promotion process applies those marketing communication media that are the most effective. They should be adapted to the requirements of the promotion

<sup>11</sup> *Gospodarka regionalna i lokalna*, ed. Z. Strzelecki, PWN, Warszawa 2008, p. 291.

of a given offer, taking into account the specific features of the territorial product, the character of the destination market, as well as the set goals, which usually comprise economic growth, better use of the resources, emphasising the unique features that result in positive changes in the perception of the attractiveness of a given location. The type and the amount of media transmission are also determined by the amount of the budget allocated for that purpose. The costs may be the synthesis of the spending of the authorities and that of the local entrepreneurs, in the cases when the undertaken promotion goals are favourable for both parties. Taking an aggregated look at the means of promotion often used by local self-government units, it is possible to list the following:

- press conferences, broadcasts of the meetings and discussions of the representatives of the authorities, announcements for the media,
- guides (economic, investment, tourist), folders, posters, leaflets, brochures,
- means of identification: logo, LED display boards, ID badges, company cars, marking of the streets and squares, office supplies: file folders, business cards, pens, ring binders, calendars, letterhead,
- fête, performances, cultural, sport and occasional events
- the Internet and websites,
- billboards, press advertisements and TV commercials – yet in a less popular form than in the market of industrial and consumer goods.

Usually the principal decision makers with regard to the choice of a specific set of promotion media in a given campaign are the authorities. However, they are often accompanied by other entities that take active part in the creation and implementation of the campaign. This is due to the consciousness of the entrepreneurs, who, acting within a specific territory, that is surrounded by other institutions, organisations and the local residents, must and want to identify with them. The better an organisation is perceived, the greater the effect it has on the image of the location in which it operates, and the other way round. Since the enterprises, especially those big ones, intend to operate for a longer period of time, coherent promotion policy allows both parties to achieve benefits – which are the outcome of efficient cooperation of numerous entities that use various promotion media while pursuing the set goals<sup>12</sup>.

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<sup>12</sup> M. Czornik, *Promocja miasta*, op. cit., pp. 111-112.

However, it needs to be remembered that promotion is just one of the instruments of marketing-mix, therefore, it should not be implemented independently of other activities. It is one of the elements of a marketing mix; only the proper combination of such elements can lead to fulfilling the goals of territorial marketing<sup>13</sup>, whose final effect should be higher quality of life of the residents and the faster development of the local area. In its territorial aspect, marketing accentuates the significance of the promotion of locations and the resulting benefits.

## NARZĘDZIA PROMOCJI TERYTORIALNEJ

### Streszczenie

Celem artykułu jest przedstawienie instrumentów promocji, które jednostki samorządu terytorialnego mogą wykorzystywać w kształtowaniu i przy realizacji strategii marketingowej. W artykule przeanalizowano zestaw pięciu podstawowych narzędzi promocji, do których zalicza się reklamę, public relations i publicity, promocję sprzedaży oraz sprzedaż osobistą. Wymienioną grupę rozszerzono o marketing bezpośredni, który przedstawiono z punktu widzenia komunikacji za pomocą Internetu.

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<sup>13</sup> A. Sekuła, *Marketing terytorialny*, in: *Marketing. Ujęcie systemowe*, ed. M. Daszkowska, Politechnika Gdańska, Gdańsk 2005, p. 235.