

Territorial marketing: A tool for developing the attractiveness of territories

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Abstract

In the context of economic globalization, cities and urban territories are at the heart of the challenges of strategies to position themselves in the economic competition and enhance their attractiveness. The territory is perceived as a factor of administrative and territorial innovation. Territorial development policies were strongly convinced that a strong attractiveness of a territory is considered as proof of success, thus it was necessary to attract sources of wealth and job offers, to make people want to come and to stay. How to be attractive?

Cities had to put in place real strategies to differentiate themselves and continue to attract visitors. Among these strategies is territorial marketing. Its implementation transforms the ways in which the territories implement their attractiveness policies with a number of actions in the short and medium term to convince the actors and targets of the attractiveness of this territory to invest or reinvest in it. The ability to bring in and / or retain men and business appears now to be a key issue in local development strategies.

The main purpose of this paper is to show that territorial marketing is a tool for developing strategies for the attractiveness of territories and cities.

Keywords

Attractiveness, Development, Territorial marketing, Strategy.



1. Introduction

According to Joël Gayet (2015): “the power of a territory is today measured by its ability to regroup, innovate and raise its offer to a level of excellence, but especially to create lasting links with the offers and talents of its territory and with all its customers”.

The question of the future of cities and territories refers to the capacity of public action to implement strategies adapted to new social changes. Thus, the territories are changing, strongly influenced by the fact that a territory must be attractive, the conquest or reconquest of attractiveness forces them to reposition themselves.

The ability to bring in and/or retain men and companies now appears as a key issue in development strategies and building attractiveness and among these strategies lies territorial marketing.

For a better apprehension, we will make an overview on these two concepts, territorial attractiveness and territorial marketing.

2. Attractiveness and territorial marketing: What are we talking about?

2.1. Territorial attractiveness

First, attractiveness is a complex, relative and multidimensional notion, Hatem (2007).

According to a study carried out in 2001 by the interministerial delegation of territorial planning and competitiveness in France (DIACT): “attractiveness is understood as the ability to attract and retain activities, businesses and the public”, B. Coeuré et I. Rabaud. (2003).

Coeuré and Rabaud in their article in *Economie et statistiques* (2003) define attractiveness as “the capacity of a territory to attract and retain businesses”.

For Fabrice Hatem (2004), the attractiveness is linked to two parameters, the first takes into consideration what a territory can offer, and the second refers to the preferences of investors and their options for a territory whose offer is considered interesting in relation to another territory, “attractiveness is the ability of a territory to offer investors sufficiently attractive conditions to encourage them to locate

their projects here rather than in another territory”.

It is also the reflection of the performance of a territory during a given period and the characteristics of the attractiveness of the territory are to be sought among the factors of its competitiveness. This is a notion that refers to a problem based on a principle of movement, dynamics, composition and/or recombination of the endogenous development factors of territories.

Patricia Ignalina (2005) sees attractiveness from a much broader angle, describing and equating the urban project as a kind of attractiveness not focused on specific targets as defined by economists, but to all users of the urban environment (inhabitants, consumers, tourists, businesses ... etc.).

Friboulet (2009) defined attractiveness as the ability of a country to attract business activities and therefore primarily productive capital. This notion also indicates the ability of a territory to attract foreign investment. And finally, the attractiveness of a territory is the ability of a country to attract and retain businesses.

As for F. Cusin (2010), he defines attractiveness according to two dimensions, one subjective and the other objective. The first is the attraction that refers to “seduction”, the second that is objective in nature is the attraction, a force that attracts but retains on the spot and that allows all kinds of resources to converge: populations, revenues, capital, labor, jobs, goods, services, professional events, information, etc. Thus “the capacity of attraction of a city is identified with its ability to capture, human or not, material or immaterial”.

We can therefore say by way of summary that the attractiveness of a territory or territorial attractiveness can be defined as its ability over a long period of time to attract and retain various economic activities and mobile production factors (companies, professional events, entrepreneurs, capital, etc...). In this sense, it is the reflection of the performance of a territory during a given period. Thus, the notion of territorial attractiveness appears more and more often in the positions taken by local elected representatives

and their development departments in order to explain and justify choices of investments and the reception of new activities which aim to accentuate the development of a city or agglomeration. As a result, any attractiveness policy consists of attracting both exogenous and endogenous investors to a given territory, with the aim of increasing the level of economic activity.

But this notion of attractiveness cannot be grasped without an approach that also comes from *territorial marketing*.

2.2. Territorial marketing

The development of territorial marketing approaches has become a necessary underlying trend to develop the attractiveness of the territory. The latter is not only its engine today but also what will shape the future of this territory.

Originally, the marketing approach was initially reserved for areas of market activities; today it has expanded to public bodies.

In territorial economics, marketing is a recent technique, because it is a tool that opens the perspectives of developments, and brings new blood into the culture of public management. This is how we distinguish the marketing mix from territorial marketing.

2.2.1. The marketing mix

It should be noted that marketing was first applied in the sales of products; this is how this approach was given the name of marketing mix.

As a definition, let's say that in a business, we call a marketing mix or a marketing plan: a set of policies and actions relating to the product, the price, the distribution and the performance. This policy is generally understood as the "Four (04) P" policy (Product-Price-Place Performance), B.Bathelot, (2016).

2.2.2. Territorial marketing

In recent years, the city has faced many changes both economically and socially. "Faced with these changes, it was not only necessary to manage cities differently but to change the very purpose of local public management: to promote the development of a ter-

ritory and not just to consume its fiscal resources to improve the living environment of its inhabitants and local services" (Noisette and Vallerugo, 2010).

The territories are therefore faced with choices and to help them in their decision-making, new methods have emerged. It was at this point that marketing adapted to the constraints related to the territory. "Therefore, to define urban marketing is to elucidate the relationship between marketing and the transformation of the city, between marketing and the city project", Rosemberg-Lasorne, M. (1997). For some cities the territorial marketing will serve to develop the territory, to give it a new dimension, but in other cases, we will seek to establish the image of a territory, a destination. From a strictly commercial point of view, the territorial marketing will be a tool for the development of the attractiveness of the city, it "aims to encourage external actors to establish market relations with actors already present on the territory, in particular, but not only, by settling on it.", Hatem, F. (2007).

Hatem's definition of territorial marketing is based on an economic point of view. It is an "approach to improve the market share of a given territory in international trade, investment flows or skills". From a more general point of view, N. Valleguro defines it as, "the set of analyses, strategies, actions and controls designed and implemented by the urban management authority and by the organizations that depend on it in the goal, on the one hand to better meet the expectations of the people and activities of its territory, and on the other hand to improve the quality and competitiveness of the city in its competitive environment". Territorial marketing is in many cases perceived as a communication tool; it corresponds to "all the means implemented to promote the image of the city. It appears as a strategic approach and as the result of this approach, that is to say, the marketing product: advertising images, promotional texts, mediated events", Rosemberg-Lasorne, M. (1997).

"Territorial marketing, is the effort of valorizing territories to competitive markets to influence, in their favor, the

behavior of their publics through an offer whose perceived value is durably higher than that of the competitors, Vincent Gollain, (2010).

In conclusion, it can be said that territorial marketing is the art of positioning a village, city or region in the vast world market. It concerns on the one hand typically territorial factors, which can attract investors, industrial, skilled workers, as well as economic activities such as trade, specialized industries and others, and on the other hand, the traditional tools of known marketing (transport infrastructures, offers of available resources, tax rate, etc...). Thus speaking of territorial marketing as a management technique of the territorial attractiveness, is the same as saying that territorial marketing consists in managing the attractiveness of the image of its territory. Territorial marketing makes it possible to provide the territories with the analytical tools they need to define the appropriate territorial policies that must be implemented. It will therefore operate an internal diagnosis of the territory on positioning by bringing together all marketing techniques that aim to work and communicate on the attractiveness of a territory in order to promote economic development.

Its scope is extended. It can be applied to a specific project or service or to an overall approach aimed at enhancing the attractiveness of a territory. In an environment that has become extremely global and competitive, the practice of territorial marketing is now essential for territorial managers. It allows to bring methods, tools and practices that are particularly useful to help improve territorial attractiveness. Territorial marketing is most often used by departmental or local economic development agencies and is mainly intended for national or international economic decision-makers. In this case, the objective of territorial marketing is generally to favor the establishment of new businesses or production units that generate employment and tax revenues.

Territorial marketing can also be used by tourism committees or tourist destinations, but in this case we often talk about tourism marketing.

Although this is its best-known component, territorial communication is only one of the components of territorial marketing because it also includes the definition of the offer in terms of services and infrastructures and the various studies required. Territorial marketing uses the notion of territory brand.

3. Territorial marketing: A strategy for the attractiveness of territories and cities

Strategies or policies of attractiveness are multiple, overlapping and complementary. They are more complex to set up and must take into account multiple aspects such as history, culture, morphological characteristics of the site, and all that constitutes the originality and the specificity of a place as well as its power of attraction to people and activities. This brings out urban package policies that are moving towards strategic actions to position the city in a national or international market and to emphasize its distinctive character, which can be a factor of attractiveness in the current competitive dynamics, Bouinot Jean. (2000).

Increasing competition between territories is pushing the various institutional players to find innovative strategies for urban demarcation, Guinand Sandra (2012). Among these strategies is territorial marketing. The latter is not advertising, Ewa Beresowaska- Azzag, (2012), it is often equated with the art of selling, but in reality the sale is not the main aspect of the action of marketing, its fundamental purpose is to know and understand the targeted customer.

Starting from its definition which is: "the set of analyzes, strategies, actions and controls conceived and implemented by the urban management authority and by the organizations which depend on it with the aim, on the one hand, of better meet the expectations of the people and activities of its territory, and on the other hand, to improve the quality and competitiveness of the city in its competitive environment", Noisette P., Vallerugo E., (2010), one can add the following: "It is part of a territorial strategy, of which it is a tool for implementation". Also "it is the set of techniques that make it possible to

build and develop the attractiveness of a territory". We can say that the purpose of urban marketing is to increase the attractiveness and increase the competitiveness of cities by creating elements of identification and differentiation in order to make themselves visible and readable in a globalized market.

A real approach of urban marketing must not distinguish the factors of attractiveness of businesses and those seeking to reach individuals, households, and tourists. Indeed, we must see that at present, we sell more and more a global image of the city that addresses both producers and consumers. This is the era of "total, global marketing", Serger Wachter, (2009).

4. Marketing and the territorial offer (City Branding): Promotion of the city by branding

For territories, territorial marketing is an approach that makes it possible to adapt a constrained territorial offer, based on the knowledge of its environment, to meet objectives of attractiveness and hospitality, Chamard et al., (2014).

The territorial offer; fashionable word, a notion that has emerged with the development of territorial attractiveness policies and which seems to be used more and more frequently by land use planning and development practitioners, Philippe Thiard, (2005). Defined by Thiard as: "a set of attributes of the territory, more or less given and inherited depending on the case, likely to influence the company in the choice or the conservation of a location for one or more of its establishments". The image of the city has become a strategic tool, Caroline Lenoir-Anselme, (2008). It remains an ambiguous concept even if its interpretation in a marketing frame makes it possible to specify the relativity of its contents.

City branding consists of promoting the image of cities through the creation of a brand the same way as for merchant products. The rise of branding, since the early 1990s, highlights the determining role of the symbolic dimension of attractiveness. But it also reveals the diffusion of the commercial conceptions of the city. "Asia's World

City", for Hong Kong, "MADrid", "IAMsterdam", "I love NY", "Only-Lyon" are all advertising slogans accompanying the creation of brands of cities to which correspond visual identities.

The brand must help make the city identifiable and desirable. The arguments used are those of subjective attractiveness. It is about establishing the reputation of the territory on the construction of an identity based on the personality of the latter, its modernity and dynamism, its aesthetic qualities, its welcoming character, its atmosphere, its heritage and its history. The registers mobilized are above all emotional, the objective being to differentiate the city from its competitors and to display its regional, national or international leadership. It must appear just as believable for its inhabitants as for its visitors. In other words, "the brand must strengthen the pride of residents and that of economic actors, and be attractive to citizens, businesses and tourists located in outside. The city branding is therefore a labeling process highlighting material attributes while asserting its status (capital, technopole, city-heritage, etc.), and a symbolic marking that is based on the highlighting of specific local values, a singular history, cultural traits. Thanks to this identity marketing, cities such as Barcelona, Bilbao, Dublin and Manchester have built a new "image capital" which has largely contributed to enhancing their attractiveness.

According to F. Cusin, the brand must also convey a realistic image of the city and should be based on a representation and a strategy shared by local actors. It must appear just as believable for its inhabitants as for its visitors. In other words, "the brand must reinforce the pride of residents and economic actors, and be attractive to citizens, businesses and tourists outside".

Territorial marketing is a new fact for many territories. It is currently in full development. The contours of this strategy are still unclear and for many territories the concept is not yet part of the strategy of the city. Cities and companies are increasingly integrating conquest strategies that aim to attract new investors, residents and tourists. In a context of competitiveness, mar-

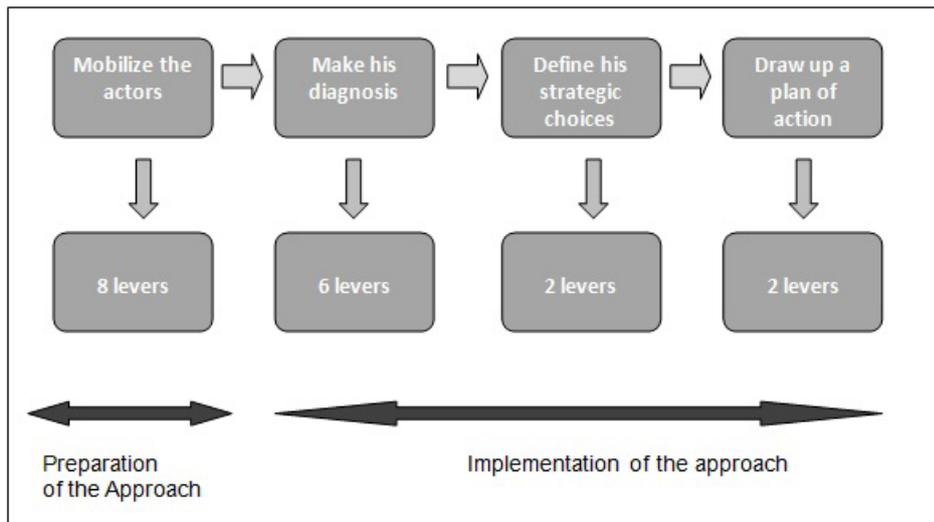


Figure 1. Overview of a territorial marketing strategy, the four sequences to enchain.

keting is omnipresent; today's cities have an interest in developing marketing strategies around their projects.

The identity, image and reputation of a territory are recursive elements of a marketing approach. In a context of competitiveness, marketing is omnipresent, today's cities have an interest in developing marketing strategies around their projects, in fact the development of urban attractiveness therefore passes first through communication, which is one of the urban marketing strategies and in turn is one of the territorial marketing practices.

5. Territorial marketing strategies

According to Vincent Gollain, (2014), territorial marketing is established in four stages:

1. mobilize the actors: the first function of a brand is to be able to gather the actors concerned under the same banner,
2. establish a diagnosis: the diagnosis must be detailed in the relevant territory,
3. define your strategic choices: give yourself an ambition to position yourself,
4. draw up an action plan: plan to optimize.

For this approach to succeed, it must be shared, that is to say the collective decision-making of the concerned actors. It must make sure to work in parallel on 3 elements:

1. The involvement of local actors and ambassadors. The attractiveness of

a territory is facilitated if marketers have mobilized the vital forces of the territory both to relay marketing messages and to get directly involved,

2. The marketing of a territory also requires a good knowledge of the key characteristics of its territory, especially against competitors,
3. Finally, it is essential to know the expectations and decision criteria of the "customers" who are targeted by the marketing actions.

6. Examples of successful territorial marketing

Many advertising campaigns have been and continue to be launched to convey or change the image of cities.

Some examples of brands created to promote the image of cities, on tourist or economic plans:

- "I Love New York" created to promote the state of New York but very commonly associated with New York City;
- "I amsterdam" to promote the city of Amsterdam;
- "Visit London" and "Think London" to promote the city of London;
- "Onlylyon" to promote the city of Lyon;

Two examples attracted our attention, that of the cities of Hamburg (2004) and Lyon (2007).

The originality of the Hamburg strategy lies in the creation in 2004 of an agency specializing in the marketing of the city: Hamburg Marketing

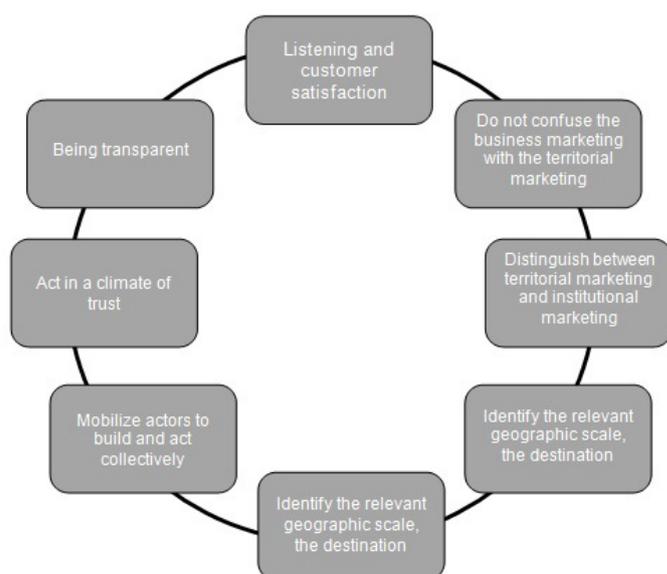


Figure 2. The 8 levers of good territorial marketing.

GmbH (HMG). The mission of HMG is to develop, pilot and promote the Hamburg brand for both the city (1.8 million inhabitants) and the agglomeration (3.5 million). The aim is to capture national and international attention and promote the attractiveness of the agglomeration. To do this, HMG has identified the comparative advantages of the territory, Vincent Gollain (2009).

In terms of territorial marketing, the same reasoning holds as in product marketing: there must be no gap between the marketing of a product and its actual quality.

In concrete terms, communication and branding exercises and today City Branding (that is to say, the constitution of a brand image of the city) are only tools and certainly not an end.

Following “I Love New York” and “I Amsterdam”, Greater Lyon launched the initiative in 2007 to promote the agglomeration of Lyon abroad. The stated objective was, and still is, to “develop the reputation and attractiveness of Lyon and its region throughout the world”. This mission is summed up in a triptych: “to make known, to make like, to make come”.

According to Alain Bourdin, “In France, Lyon is certainly the first city to have manufactured and declined a brand in such a systematic way.”

The territorial marketing program would like to go further by highlighting more “Lyon” than “Only”.

7. The contributions of territorial marketing to the attractiveness of territories

In the globalized world, with the increasing importance of the phenomenon of metropolisation, the challenge for cities is to attract men and capital to consolidate their growth. In this context, competition between cities is growing and the techniques used in the economic world, including marketing, tend to permeate the sphere of urban decision-makers.

The latter has brought several positive effects on the attractiveness. It allows to get the territories out of the supply culture and to focus on addressing the demand and acting on the attractiveness.

Added to this, a multiplication of initiatives more and more targeted, “Partnership, shared vision and involvement of major players in the territory are an ESSENTIAL condition to the success of a territorial marketing approach”.

Territorial marketing is essential for any territorial approach of competitiveness, since it makes it possible *to manage and build new perceptions forming the identity*, the image and the reputation of an urbanized territory from old perceptions relative to the identity, image and reputation acquired or given.

It also makes it possible to legitimize and give meaning to the strategic action of an urbanized area and also guarantee the passage from local to international by presenting an image and an identity relayed by a whole range of practices.

8. Conclusion

Cities have had to put in place real strategies to differentiate themselves and continue to attract visitors. Territorial marketing allows territories to differentiate rather than compete. Differentiation allows promotion in an effective way. It has a positive effect on attractiveness, which has become essential in the context of global competition, as a territory cannot be attractive without being competitive and vice versa.

Territorial marketing makes it possible to build an effective action plan to achieve a set of objectives. Marketing methods and techniques help build

customer-centric diagnostics. The latter “is a tool to manage attractiveness, but is not enough for itself: it must be embedded in the heart of territorial strategies”. Maëva Chanoux, (2015).

In order to set up a real policy of attractiveness in a territory, before guiding the territorial marketing strategy, it is necessary to first carry out a real strategic survey of the territory (consisting in observing and analyzing what goes on in the territory environment) to provide decision makers with valuable information about their environment. This requires observing and understanding this external environment, in order to define a marketing policy that helps build the attractiveness of the territory.

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