

Chapter 2.3

A Strategic Framework for City Marketing: The SSRM Approach

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ABSTRACT

City marketing in the broadest term can be defined as the strategic design of the city to satisfy the various stakeholders of the city who often have conflicting goals. This frequently requires an integrated approach that aligns and addresses the expectation of various stakeholders to create vibrant communities. The current trend in globalization, formation of regional trade blocks, and the shift in importance of location factors have increased the intensity of competition among regions and cities. More than ever, cities need to compete and cooperate with each other to attract companies, investments, talent, tourists, and create markets for their products and services. This entails that cities embrace strategic marketing management tools and practices, and utilize e-services such as electronic customer relationship management. The authors propose a broad approach, called

strategic stakeholder relationship management (SSRM), which is enabled by information and communication technologies, including Internet, to help the decision makers succeed in designing the 21st Century city marketing initiatives.

INTRODUCTION

City marketing in broadest term can be defined as the strategic design of the city to satisfy the various stakeholders of the city who often have conflicting needs and aspirations. This frequently requires an integrated approach of thought and action that aligns and addresses the expectation of various stakeholders to create vibrant communities.

The current trend in globalization, formation of regional trade blocks and the shift in importance of location factors have increased the intensity

of competition among regions and cities. More than ever cities need to compete and cooperate with each other to attract companies, institutions, investment, talent, and tourists and create markets for their products and services. Without investing in city marketing, cities will become defunct and may perish in the long run as the stakeholders will leave.

A city, in nutshell, is a microcosm of the modern political state in a socio economic sense. There are multiple stakeholders, and sometimes the boundaries between these stakeholders are blurry. Different stakeholders have different needs and aspirations while together they contribute to the overall well-being of the city. Thus, the cities must bring the various stakeholder views into a congruent strategy that benefits all its stakeholders, or at least, does not negatively affect certain stakeholders. Given the multiple stakeholders and their specific needs, it becomes imperative that any strategic approach to city marketing has to address the common as well as the competing needs in a coherent and logical manner.

The Internet, together with other technologies, has helped organizations re-orient their services as to take advantage of the available information and communications technology (ICT). Such services are often termed e-services, as they are based on ICTs (Rust & Lemon, 2001). Most industries have in the recent years seen a push towards more focus on customer relationship management (CRM)—an integral and important part of e-service. Clearly, the Internet and ICTs have helped many organizations interact better with their customers through electronic CRM (e-CRM). As a result, e-service has become a major area of study. However, it has been stated that government organizations have more trouble than the private sector in successfully applying new technology (Dawes et al., 2004). In this paper we therefore propose a framework to help city governments plan their e-service strategically: that is, align the goals of its stakeholders, as well as frame the perceived dimensions of quality in-

herent in their stakeholder-base. The framework, referred to as strategic stakeholder relationship management tool (SSRM) can aid cities in identifying, addressing, and managing issues that are important to their various stakeholders within the limited resources the city has.

BACKGROUND

A favorable business climate often perceived as a key factor for local economic development (Blume, 2006). Globalization has effects on regions/cities in that there have been observable shifts in intensity of competition, and shifts towards knowledge factors (Blume, 2006). Even though competitive ability of an organization depends primarily on business-related and knowledge factors (cost-efficiency, an ability to innovate, marketing and other internal factors) (Krugman, 1996), it is clear that local economic policies may enhance or inhibit such competitiveness. For example, unwanted side-effects are seen in areas such as the Inland Empire in Southern California region as well as in and China, where an overly focus on transportation and production respectively has had detrimental effects on air quality and congestion. The locational factors traditionally driving economic development in China has been the availability of cheap labor. For Inland Empire, the locational factor has been availability of cheaper land, located centrally to major distribution routes (air, ship, and road).

In the past decade, arguments have been voiced over concerns of economic growth and its potential negative impact on both local and global environments. An example of this is seen in air quality concerns over the 2008 Beijing Olympics (Der Spiegel, 2007). In addressing the air quality issues, noxious factories and power-plants have been relocated, and experiments are under way to limit car traffic (LA Times, 2007). The recent implementation of variable toll rates and congestion fees (as in Manhattan, NY), are a step in the

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