

SIZE AND REGIONAL VARIETIES OF COMMUNAL MARKETING IN THE CZECH REPUBLIC

Suchacek J., Seda P., Friedrich V.*

Abstract: Territorial marketing became one of the most useful devices of communal managements. Naturally, communities form complex and entirely specific entities and that is why numerous peculiar features are concomitant to territorial marketing. The purpose of this article is to show the state of municipal marketing and to monitor this type of marketing within contemporary communal practice in the Czech Republic. Larger communities turned out to be more fastidious and prefer to bait primarily people with university education while their smaller peers are thankful for any new inhabitants. Larger communities also prefer foreign investors and regard journalists in the framework of relationship marketing more. Apart from size peculiarities there appeared also numerous regional specifics of communal marketing in the country, which are in consonance with genuine features of these territories.

Key words: communal marketing, communal management, Czech Republic, conceptions, practice

DOI: 10.17512/pjms.2017.15.2.24

Article's history:

Received January 13, 2017; *Revised* April 23, 2017; *Accepted* May 6, 2017

Introduction

Last three decades witnessed growing interest in territorial marketing. Albeit territorial marketing became a buzz word, *sui generis*, its interception is substantially enfeebled by the absence of commonly accepted delimitations and definitions. This remains valid from both theoretical and practical viewpoints. Further on, differentiation of territorial marketing goes hand in hand with the growing body of literature on that topic (Kotler et al., 1993; Ashworth and Voogd, 1990; Jezek, 2011a; Kavaratzis and Ashworth, 2005; Stefko et al., 2010; Stefko and Krajnak, 2013; Suchacek and Seda, 2011).

Common denominators of territorial marketing can be subsequently found in utilised instruments, methods, approaches as well as stipulated objectives. Virtually all of these can be generally hidden under the umbrella of territorial management (Suchacek et al., 2016).

Municipal marketing embodies one of the consequences of pivotal social and economic transformations that took place between 1970-ies and 1980-ies in virtually all developed countries. These immense changes can be depicted as the move from fordist paradigm of socioeconomic development towards a post-fordist

* Assoc. Prof. **Jan Suchacek**, Dr **Petr Seda**, Dr **Vaclav Friedrich**, VŠB-Technical University of Ostrava, Faculty of Economics, Czech Republic

✉ Corresponding author: jan.suchacek@vsb.cz

✉ petr.seda@vsb.cz; vaclav.friedrich@vsb.cz

one (Harvey, 1989). This also brings higher pressure on municipal managements, which must take care of the development of respective territories.

Communal marketing is derived from traditional marketing, for which strong market bias is symptomatic. And since public and private sectors are getting increasingly intermingled, municipal managements started to apply approaches and instruments, which reckon with market orientation. This applies also to territorial marketing which strives for the consonance between specific spatial offer or supply and territorially orientated demand (Stefko et al., 2014; Suchacek et al., 2014; Gould and White, 1986; Hanulakova et al., 2004). Basically, socioeconomic harmony and prosperity of individual regions and towns backs up the application of territorial marketing.

There are ample attempts to apply various elements of territorial marketing in contemporary conditions. However, we are entitled to talk about spontaneous and sometimes almost haphazard utilisation of its individual elements or components rather than about programmatic municipal application (Suchacek and Seda, 2011; Jezek, 2011b).

On the Conceptualisation of Territorial Marketing

From chronological perspective, territorial marketing underwent several, mutually overlapping and subsequently only barely definable stages of its development (Kavaratzis and Ashworth, 2005). However, according to Jezek (2011a), there are three general streams that strive for the conceptualisation of territorial marketing. The first one perceives the whole concept as the specific application part of the traditional, common marketing. In that sense, marketing can be relatively easily applied within municipal management (Kotler et al., 1993; Metaxas, 2009).

The next group of authors tackles mainly managerial approaches within public administration. New public management, lean management, customer orientation, privatisation of public services or public private partnership can be ranked among typical topics here (May and Newman, 1999 or Cleeren et al., 2006; Pekdemir, 1996). Inspiration by business management is tangible.

The last group of authors consists of specialists in public policy and spatial planning. They underline mainly co-operative and communicative management of municipalities. Integration of societal interests that can be found for instance in Switzerland, Germany or Austria is accomplished among others via utilisation of marketing (Helbrecht, 1994; Birk et al., 2006).

For the purposes of this paper, communities were selected as the lowest territorial administrative unit covering the self-governing functions within country's public administration. At the same time, communal scale facilitates the disclosure of territorial marketing practice more in detail. Put succinctly, communities act as natural arenas for the application of territorial marketing.

Objective and Applied Methods

The main objective of the paper consists in presenting the state of municipal marketing and monitoring this type of marketing within contemporary communal management in the Czech Republic. Data on municipal marketing and its application within the municipalities of the Czech Republic were gained on the basis of questionnaire survey. This questionnaire survey has been undertaken in more than 100 municipalities in South Moravian region, Moravian-Silesian region and Vysočina region. Employees occupying top and middle positions in the framework of communal administrative hierarchies create the respondents of this research.

Researched regions and their municipalities embody all substantial functional characteristics of territories within the whole country and subsequently can serve as a proper sample for such kind of research. Moravian-Silesian region represents the territory with high degree of urbanization and from the economic perspective it is region with structural problems which can be ranked among so-called old industrial regions with all unfavourable accompanying characteristics. Contrary to that, the settlement system of South Moravia is quite motley and differentiated one. In spite of some microregions beset some specific issues, the economic structure of the whole South Moravian region is relatively diversified. And last but not least, Vysočina region represents the territory with specific rural problems, which differs from its both previously depicted peers.

Investigated communities that were selected on the basis of expert estimations in above mentioned regions represent the object of our research. For our purposes, these municipalities create an appropriate base helping to identify the practice of territorial marketing at the communal level.

In the framework of the questionnaire, concrete questions were formulated and possible answers to these queries offered. Return rate from respondents reached about 60%. Altogether 68 communities answered the questionnaire. 44 of them were communities with less than 10 000 inhabitants, while 24 of them had over 10 000 inhabitants. Regional aspect represents another important criterion. We got answers from 22 respondents from South Moravian region, 26 from Moravian-Silesian region, and finally 20 from Vysočina region. Likert scale ranging from 1 to 5 turned out to be appropriate one for such type of investigation. While the value 5 denoted the highest intensity of the phenomenon concerned, its opposite value 1 marked the lowest intensity of examined phenomenon. This scale was used in the major part of questions. Some questions could be answered via 'yes' or 'no' schemes. Remaining part of questions was formulated as open that facilitated obtaining some specific information.

Mean values were utilised to describe the basic traits of the data in the study. Since assumptions of parametric tests were not fulfilled, non-parametric statistical tests were utilized. In particular, the Mann-Whitney U test (Hollander et al., 2013) and the Kruskal-Wallis test (Corder and Foreman, 2014) were used for comparing two or more independent samples of different sample sizes. Significant values of these

tests indicate that at least one sample stochastically dominates other sample. Last but not least, it is worth noticing that communal marketing in the Czech Republic strongly needs an empirical research and our research was one of few of its kind in this country. In that way, we addressed numerous informational as well as methodical gaps within this concept. At the same time, we are fully aware of spatio-temporal limitations of this study, which should be treated as the point of departure for further researchers in the domain.

Selected Aspects of Communal Marketing in the Czech Republic

This part of the article is devoted to the selected results of our research. Size differentiation of communities and geographical segmentation were taken as points of departure. In the first case, the border value between smaller and larger communities was 10 000 of inhabitants. The latter is based on regional differentiation of communal marketing categories at the level of investigated NUTS III territories embodying all relevant characteristics of regions within the country.

Table 1. Main marketing objectives of municipalities according to the size differentiation

	Mean		
	Size of municipality		Total
	under 10 000 inhabitants	more than 10 000 inhabitants	
5 a) success in municipal competition	3.40	3.17	3.32
5 b) citizens, tourists, businessmen and others as clients of the municipality	3.83	3.96	3.88
5 c) introduction of competitive milieu in the sphere of public services	3.12	2.86	3.03
5 d) change of municipal image from tourist point of view	4.19	4.04	4.14
5 e) attraction of new investors	4.38	4.17	4.31
5 f) enhancement of identification of individuals and public sector with their municipality	3.43	3.36	3.40

Albeit our research tackled numerous issues and was rather extensive, we are deliberately concentrating on results where the differences turned out to be statistically significant. The only exception is represented by the main marketing objectives of questioned communities, which is however indispensable from factual point of view (table 1). As it can be seen, there are no apparent differences and main marketing objectives of communities bear remarkably similar characteristics in both size categories.

Target groups of communal marketing represent the next important domain (figure 1 and table 2). Kruskal-Wallis test revealed, there is statistically significant difference in case of visitors of municipality (asyp. Sig.=0.005) and potential visitors of municipality (asyp. Sig.=0.001). The homogeneity was violated by the communities of Southern Moravian region.

South Moravia is one of the most attractive regions of the whole country from touristic point of view. Thus, South Moravia, for which vineyards and historical sites are concomitant, accentuates the visitors or potential visitors much less than industrial Moravian-Silesian region or rural and agricultural Vysočina.

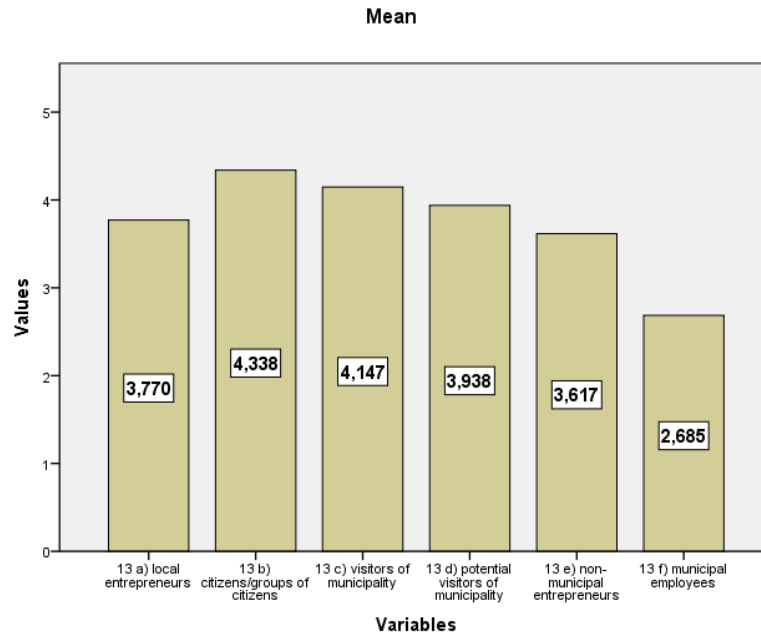


Figure 1. Target groups in municipal marketing

Table 2. Target groups in municipal marketing according to NUTS III regions

	Mean			
	South Moravian Region	Moravian-Silesian Region	Vysocina Region	Total
13 a) local entrepreneurs	3.76	3.83	3.71	3.77
13 b) citizens/groups of citizens	4.18	4.64	4.11	4.34
13 c) visitors of municipality	3.68	4.42	4.30	4.15

13 d) potential visitors of municipality	3.29	4.26	4.25	3.94
13 e) non-municipal entrepreneurs	3.29	4.00	3.53	3.62
13 f) municipal employees	2.84	2.90	2.14	2.69

Target groups the municipalities intend to attract is the next relevant part of our investigation (figure 2 and tables 3 and 4).

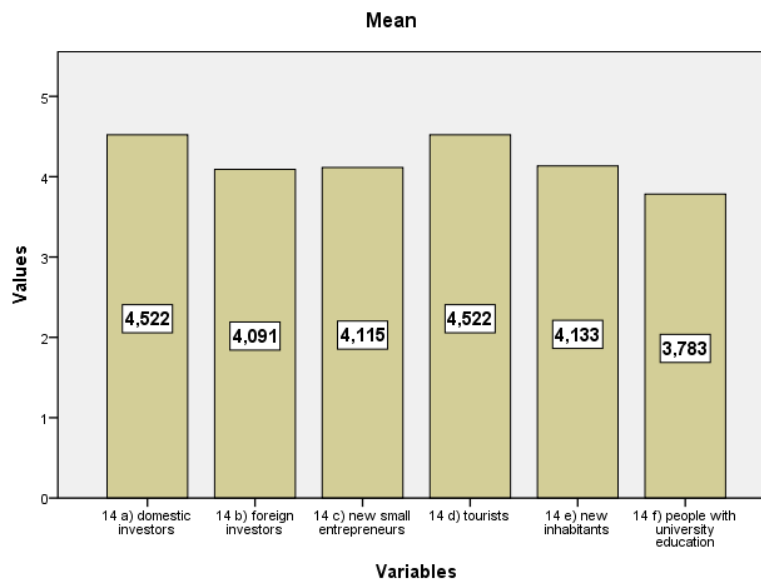


Figure 2. Target groups the municipalities would like to attract

Table 3. Target groups the municipalities would like to attract according to the size of community

	Mean		
	Size of municipality		Total
	under 10 000 inhabitants	more than 10 000 inhabitants	
14 a) domestic investors	4.49	4.58	4.52
14 b) foreign investors	3.83	4.54	4.09
14 c) new small entrepreneurs	3.98	4.38	4.11
14 d) tourists	4.60	4.38	4.52
14 e) new inhabitants	4.37	3.63	4.13
14 f) people with university education	3.51	4.22	3.78

Table 4. Target groups the municipalities would like to attract according to NUTS III regions

	Mean			
	South Moravian Region	Moravian-Silesian Region	Vysocina Region	Total
14 a) domestic investors	4.48	4.62	4.45	4.52
14 b) foreign investors	4.00	4.24	4.00	4.09
14 c) new small entrepreneurs	4.24	4.04	4.06	4.11
14 d) tourists	4.38	4.58	4.60	4.52
14 e) new inhabitants	4.10	4.09	4.22	4.13
14 f) people with university education	3.65	4.38	3.06	3.78

Mann-Whitney test confirmed statistically significant differences in case of foreign investors (asyp. Sig.=0.019), new inhabitants (asyp. Sig.=0.016) as well as people with university education (asyp. Sig.=0.035). Generally speaking, communities with more than 10 000 of inhabitants can afford to be more fastidious. This is valid in case of foreign investors, which prefer larger communities and even more in case of new inhabitants. While smaller communities are thankful for any new inhabitant, their larger counterparts prefer mainly people with university education, which is generally more beneficial for their socioeconomic milieu.

Table 5. Groups belonging to relationship marketing according to the size of community

	Mean		
	Size of municipality		Total
	under 10 000 inhabitants	more than 10 000 inhabitants	
15 a) suppliers	3.58	3.40	3.52
15 b) potential employees	2.71	2.65	2.69
15 c) politicians	3.43	3.52	3.46
15 d) important entrepreneurs	3.77	3.71	3.75
15 e) journalists	2.98	3.82	3.28
15 f) municipal employees	3.54	3.15	3.41
15 g) tourists	3.58	3.67	3.61
15 h) investors	3.90	4.10	3.97
15 i) municipal population	4.16	3.86	4.06

Kruskal-Wallis test uncovered the statistically significant difference in case of people with university education (asyp. Sig.=0.007). Homogeneity was

impaired by Moravian-Silesian region. This result is far from surprising as Moravian-Silesian region is still plagued by industrial past that attracted numerous rude and low-educated people. Subsequently, Moravian-Silesian communities tend to be more selective when attracting new potential inhabitants.

Table 6. Importance of Marketing Elements according to Regions

	Mean			
	South Moravian Region	Moravian-Silesian Region	Vysocina Region	Total
16 a) image of municipality including advertising	3.95	4.65	3.95	4.23
16 b) retail and services (municipality as the seat of retail and services)	3.30	3.59	3.56	3.48
16 c) municipal housing construction	3.71	3.78	3.84	3.78
16 d) transport	3.76	4.04	4.28	4.02
16 e) tourism	4.10	4.33	4.40	4.28
16 g) culture and social events	4.14	4.38	3.90	4.15
16 h) catering and accommodation services	3.15	3.96	3.41	3.53
16 i) housing (improvement, modernization of technical infrastructure)	4.10	4.22	3.85	4.06
16 j) leisure (sports, entertainment)	3.95	4.44	3.79	4.09
16 k) public administration	4.10	4.24	4.00	4.12
16 l) nature / environment	4.30	4.30	3.95	4.19
16 m) education	3.90	3.92	3.33	3.75

As for groups belonging to relationship marketing (table 5), larger communities realize the importance of good relationship with journalists as confirmed by Mann-Whitney test (asyp. Sig.=0.012). These communities more often appear in media. Even more interestingly, as to the importance of elements belonging to the marketing, there is palpable regional differentiation in case of municipal image including advertising. This item proved to bear statistically significant differences as confirmed by Kruskal-Wallis test (asyp. Sig.=0.016). Again, homogeneity was disrupted by Moravian-Silesian region.

Discussion and Conclusions

Our research brought ample evidence that communal marketing differs markedly even in relatively small country and is dependent on the size hierarchy of communities as well as their location. For instance, journalists as one of target groups of relationship marketing are more regarded by larger communities. The same applies to foreign investors and people with university education as the representatives of target groups municipal managements intend to attract.

Various characteristics of individual regions lies behind statistically significant differences in case of visitors of municipality and potential visitors of municipality embodying target groups in territorial marketing. Touristically attractive South Moravian communities do not feel so strong necessity to address these target groups, which is salient in comparison with old industrial Moravian-Silesian region and rural Vysočina. And vice versa, people with university education as the representative of the target group the municipalities intend to lure and the image of the municipality are of utmost importance for communities of Moravian-Silesian region that is befallen by the unfavourable position on mental maps.

If we compare the results of our study with similar studies conducted abroad, we find out that communal marketing in the Czech Republic is not mature yet. This is the reflection of the fact that Czech Republic is relatively small country in the post-transformation stage of socioeconomic development. This naturally affects the character of communal marketing, which differs from the application of this concept in advanced economies, such as the Netherlands or Austria, where more integrated approaches are widely utilised (Kavaratzis, 2008 or Jezek, 2011b).

On the contrary, empirical evidence from post-transformation countries, such as Poland and Slovakia, suggests that communal marketing is developing dynamically but also rather spontaneously and frequently suffers from unripe environment and institutions (Wojewódzka-Wiewiórska, 2015; Jezek, 2011b). Problems of communal marketing in these economies bear a great resemblance with the Czech Republic.

As for managerial implications, one should consider competition among municipalities has an increasing tendency and bears some features of competition among enterprises. Albeit communal managements can be certainly inspired by some elements of business management, they should not omit that communities represent more complex entities than enterprises. Still, positioning, which complies with genuine character of the community, is the basic marketing activity communal managements should apply.

As for future research, it is desirable to monitor the development of territorial marketing at various spatial scales. This should enhance the integration of currently quite fragmented marketing activities as integrated approaches in territorial marketing undoubtedly lead to its higher efficacy.

References

- Ashworth G.J., Voogd H., 1990, *Selling the City: Marketing Approaches in Public Sector Urban Planning*, London, Belhaven Press.
- Birk F., Grabow B., Hollbach-Grömig B., 2006, *Stadtmarketing – Status quo und Perspektiven*, Berlin, Deutsches Institut für Urbanistik.
- Cleeren K., Dekimpe M., Verboven F., 2006, *Competition in Local-Service Sectors*. “International Journal of Research in Marketing”, 23(4).
- Corder G. W., Foreman D. I., 2014, *Nonparametric Statistics: A Step-by-Step Approach*, Hoboken, John Wiley & Sons.
- Gould P., White R., 1986, *Mental maps*, London, Routledge.
- Hanulakova E. et al., 2004, *Marketing územia. Oblasti, možnosti a perspektívy*, Bratislava, Vydavateľstvo Ekonóm.
- Harvey D., 1989, *The Condition of Postmodernity. An Enquiry into the Origins of Cultural Change*, Cambridge, Blackwell Publishing.
- Helbrecht I., 1994, *Stadtmarketing. Konturen einer kommunikativen Stadtentwicklungspolitik*, Basel, Birkhäuser.
- Hollander M., Wolfe D. A., Chicken E., 2013, *Nonparametric Statistical Methods*, New York, John Wiley & Sons.
- Jezek J., 2011a, *Městský marketing – koncepty, aplikace, kritická analýza*. Ekonomický časopis, 59(3).
- Jezek J., 2011b, *Městský marketing - očekávání a realita*, Sládkovičovo, Vysoká škola Visegrádu.
- Kavaratzis M., 2008, *From City Marketing to City Branding. An Interdisciplinary Analysis with Reference to Amsterdam, Budapest and Athens*, Groningen, Rijksuniversiteit.
- Kavaratzis M., Ashworth G. J., 2005, *City Branding: An Effective Assertion of Identity or a Transitory Marketing Trick?*, “Tijdschrift Voor Economische en Sociale Geographie”, 96(5).
- Kotler P., Haider D. H., Rein I., 1993, *Marketing Places: Attracting Investment, Industry and Tourism to Cities, States and Nations*, New York, Free Press.
- May J., Newman K., 1999, *Marketing: A New Organising Principle for Local Government?*, “Local Government Studies”, 25(3).
- Metaxas T., 2009, *Place Marketing, Strategic Planning and Competitiveness. The Case of Malta*, “European Planning Studies”, 17(9).
- Pekdemir U., 1996, *Tilburg. Modern Industrial City*, NL, The City of Tilburg.
- Stefko R., Habanik J., Butorancova I., 2010, *Marketingové inštrumentárium v procese akceptácie projektov pri akcelerácii rozvoja zaostávajúcich regiónov*, “Ekonomický časopis”, 58(5).
- Stefko R., Kiralova A., Mudrik M., Matusikova D., 2014, *Preconditions for using marketing communication on social networks in religious and pilgrimage tourism in the Prešov region*, [In] Proceedings of the 24th International Business Information Management Association Conference - Crafting Global Competitive Economies: 2020 Vision Strategic Planning and Smart Implementation, Milan.
- Stefko R., Krajnak J., 2013, *An Analytical View on Fine Arts Marketing*, Katowice, Publishing House of Jerzy Kukuczka Academy of Physical Education in Katowice.
- Suchacek J., Seda P., 2011, *Territorial Marketing in the Czech Republic: Between Path-Dependency and Learning*, Liberec Economic Forum 2011.

- Suchacek J., Seda P., Friedrich V., Koutsky J., 2014, *Media Portrayals of Regions in the Czech Republic: Selected Issues*, "E & M - Ekonomie a management", 17(4).
- Suchacek J., Seda P., Friedrich V., Wachowiak-Smolikova R., Wachowiak M.P., 2016, *From Regional to National Clouds: TV Coverage in the Czech Republic*, "PLoS ONE", 11(11).
- Wojewódzka-Wiewiórska A., 2015, *Barriers to Marketing Activities Conducted by the Communes in Poland*, "Stowaryzowanie Ekonomistów Rolnictwa i Agrobiznesu", 17(5).

WIELKOŚĆ I REGIONALNE RÓŻNICE MARKETINGU KOMUNALNEGO W REPUBLICE CZESKIEJ

Streszczenie: Marketing terytorialny stał się jednym z najbardziej użytecznych narzędzi zarządów komunalnych. Naturalnie, społeczności tworzą złożone i całkowicie specyficzne podmioty, dlatego też marketingowi terytorialnemu towarzyszą liczne, szczególne cechy. Celem niniejszego artykułu jest pokazanie stanu marketingu komunalnego i zmonitorowanie tego typu marketingu we współczesnej praktyce komunalnej w Republice Czeskiej. Większe społeczności okazały się być bardziej wymagające i stanowią przynętę głównie dla osób z wykształceniem wyższym, podczas gdy w mniejszych społecznościach liczy się każdy nowy mieszkaniec. Większe społeczności preferują również zagranicznych inwestorów i uwzględniają dziennikarzy w ramach marketingu relacji. Oprócz specyfiki związanej z wielkością społeczności pojawiają się również liczne regionalne specyfikacje marketingu komunalnego w kraju, które harmonizują z rodzimymi cechami tych terytoriów.

Słowa kluczowe: marketing komunalny, zarządzanie komunalne, Republika Czeska, koncepcje, praktyka

在捷克共和國的通貨膨脹的大小和區域變化

摘要：地域營銷成為公共管理最有用之手段之一。自然地，社區形成複雜而完全具體的實體，這就是為什麼許多獨特的特徵伴隨著領土營銷。本文的目的是展示市政營銷的狀況，並在捷克共和國當代社區實踐中監督這種營銷類型。更大的社區變得更加挑剔，更喜歡誘餌大學教育的人，而他們的小同行則感激任何新的居民。更大的社區也更喜歡外國投資者，更多地關注記者在關係營銷的框架內。除了規模特色外，該國還出現了許多區域性的公共營銷細節，這些區域細節符合這些領土的真正特徵。

關鍵詞：社區營銷，社區管理，捷克共和國，觀念，實踐