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THE ROLE OF MARKETING IN THE IMPROVEMENT OF UNITS OF TERRITORIAL SELF-GOVERNMENT MANAGEMENT

***Abstract:** Territorial marketing is a business philosophy orientated to the best possible satisfaction of “clients–partners” needs. Only the conception in question is a guaranty of the efficient management of units of territorial self-government. Units of self-government are able to do their tasks in an optimal way implementing properly marketing instruments. Therefore marketing communication is of crucial importance as far as management of these subjects is concerned. The question is to employ people who will be able to use all the channels and forms of communication enabling reaching the addresser.*

***Key words:** territorial marketing, marketing management, marketing communication*

ULOGA MARKETINGA U POBOLJŠANJU UPRAVLJANJA SAMOUPRAVNIH TERITORIJALNIH JEDINICA

***Sažetak:** Teritorijalni marketing je poslovna filozofija orijentisana ka najboljem mogućem zadovoljavanju potreba „klijenata–partnera”. Osnovna zamisao je jemstvo efikasnog upravljanja teritorijalnim samoupravama. Jedinice samouprave su u stanju da urade svoje zadatke na optimalan način pravilnim sprovođenjem marketing instrumenata. Zbog toga je marketing komunikacija od ključnog značaja kada je u pitanju upravljanje samoupravnim jedinicama. Cilj je da se zaposle ljudi koji će biti u mogućnosti da koriste sve kanale i oblike komunikacije koji omogućavaju prenošenje informacije do željene osobe.*

***Ključne reči:** teritorijalni marketing, marketing menadžment, marketing komunikacija*

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1. THE BUSINESS CHARACTERISTIC OF SELF-GOVERNMENT UNITS

In our opinion, philosophy of marketing thinking and doing has a magnificent impact on management of public administration. Those problems are widely analyzed in European Union countries and in the United States of America. There is a need for knowledge about such topics in Poland. It should be emphasized that there are few publications about organization and management of public administration in our publishing market.

We put thesis that self government unit is specific production and service organization existing in realities of free market. Adaptation of market orientation by self government unit is a key factor in case of effective unit's functioning. The habitants' interests should be put as more important in confrontation with interests of another stakeholders' group.

Public administration needs managers' business competences and effectiveness in running. Moreover, public administration is a typical branch of the business. That fact was found by Americans in last century and they employed successfully professional managers in public administration. Policy of "open door", which means employers' swaps between public and private sector of economy, is fruitful for both of partners. In our opinion, adaptation of this policy is crucial for improvement in quality and effectiveness of management in self government units in Poland.

There is no clearly fully-developed management style in the sphere of public services, what is undoubtedly reason of low effectiveness. The contemporary management style is incoherent and "no-enterprising". This style has come from past political system and is more administration than management.

We have to consider specific characteristics of public services' market, such as:

- budget constraints and compulsory character of the clients,
- different aims and sources of capital,
- government organization purchasing is on national or regional level,
- purchases are made by particular departments, agencies, councils, commissions and other units,
- purchases are made by units in civilian or military sector.

The meaning of assessment in public services and method of fulfill their commitments result from the fact that public institutions are verified on inexplicit criterion (for companies such criterion is a profit). Basic task for non-profit organization is often achieving intangible aims such as education and public security. Public units have to use their resources' effectively and efficiently.

The assessment of efficiency is influenced by two factors: decisions' accuracy and activity's efficiency. Decisions taken by self-government units authorities are able to verify during preface debate and in action. In the second situation, key factor is the assessment of people, who are responsible to put those decision into action. The efficiency of self-government unit' authorities is threatened by incompetence, which is really hard to recognize in nonprofit organization.

Management culture is mainly determined by attitude of managers, system and management processes. Competences of managers are basic source and strategic capital of organization. Professional manager has abilities, knowledge and competences to effective functioning in organization.

The reinforcement in potential of administration involves need for investment in personnel employed in public administration. The staff needs to have competences to realise public administration aims and what has great impact on the quality of provided services.

The quality and effects of implemented solutions depends on those competences. In this aspect, it is needed to develop competences' standards for self-government units' employees, which should indicate not only indispensable skills and knowledge but also desirable ethical attitudes.

To increase managers skills' we can use the following activities :

- preparation of creative inspiration intelligence's codes,
- elaboration of "organizational learning" model in self-government units,
- promotion and implementation of rules, mechanisms and procedures, which should strengthen the explicitness of administration's working and increase level of cultural ethic among authorities in self-government units.
- training for self-government units' employees.

Units of territorial self-government as subjects of the market take on the economic activity in different spheres and they build particular economic subjects in different dimension, they create and co-create partnerships. Often their main task is to obtain such aims as education, social service, public safety and recreation. They are therefore active participants in different segments of the market. They take on the typical management problems, they are the branch of business as anyone else and they need the improvement of management through the use of marketing conception.

Though the units of territorial self-government are the nonprofit organizations, they take on – before the local society – the responsibility for effective and efficient use of the means they were charged with. These subjects are being financed by tax payers' money,

which is why the members of self-government and politicians, as well as citizens are especially aware of their effectiveness and efficiency.

We can display the following characteristics of field of business in question:

- running activities in the scope of realization the public activities,
- satisfying collective needs of local society,
- profit understood as a building up the financial surplus is not the most important indicator of the activities of the particular unit of territorial self-government, however it is the mean for the realization of its goals and tasks,
- the results of activities of units of territorial self-government are being evaluated as far as degree of satisfaction of the local society needs is concerned; they are shown up after a long time,
- benefiting from the state aid,
- taking on activities aiming at gathering additional financial means (for example from the European Union funds),
- cooperation of local society in the decisive process and in the control process of the unit of territorial self-government.¹

Because of the fact that activities taken on by units of territorial self-government are inseparably connected with satisfaction of needs of habitants of settling – special units and other groups of reference, usually they lead to creating of transaction and the process of an exchange. Their activity enabling exchange of products, services or ideas, leading to satisfaction of needs of properly précised target groups, creates practical dimension of territorial marketing. It places territorial self-government on market, as a participant of the competition – constant fight for rare resources and struggle for increasing its market position.

In the scope of the territorial self-government we can see the existence of market conception of functioning, which is displayed when considering that government as a specific organization, providing services of the following kind:

- services of existence and consumption products, sold on the local market,
- public services (administrative),
- services of nonprofit subjects financed from the territorial government budget in the matter of education, culture, health safety, sport and recreation,

¹ Gajdzik B. (2002:13)

- creation of life conditions of habitants living in the territory of the commune (district, vojvodship, region) constantly or temporarily,
- creating of activity conditions of economic subjects.²

From the marketing point of view the unit of territorial self-government can be treated as a local socio-economic system, providing particular products and services. Competitive centres from closer and further surroundings influence in different manner and in different scope on that system. The attractiveness and competitiveness is offered by the unit of territorial government products depend – in such case – among other things on the state and structure of resources as well as on the ways of using it. The using of marketing helps in the increase of competitiveness of the commune or region.³

2. THE ESSENCE OF TERRITORIAL MARKETING

Marketing traditionally understood – as a social and management process, thanks to which particular persons and groups obtain the thing they want and they wish to achieve through creating, offering and exchanging products with the certain value⁴ – had long ago lost its exclusively economic character.

Among numerous spheres of social life, in which the marketing way of management appears, units of territorial self-government exist, which activities in that scope we call a territorial, communal or regional marketing. Under Polish conditions most often used denomination of that form of marketing activity is territorial marketing. However, according to A. Szromnik, in the specialist literature we can find related and derived terms, usually stating special differentiation of reference units.⁵ There exist the following definitions: country marketing, marketing of regional services, city marketing, communal marketing, marketing of public services, urban marketing.

According to A. Szromnik – territorial marketing is deliberate and systematic activity of self-government administration, aiming to recognition, creating and satisfying needs and wishes of local society, through processes of exchange and interaction.

When we take the approach the marketing as a specific way of thinking of a success in the contemporary business, according to such approach territorial marketing is a philosophy of reaching goals that were established through special settling units under the conditions of competition for limited resources. The basis for that philosophy is a conviction of a decisive impact on results of proper orientation on “clients–partners”.

² Gajdzik B. (1998:18)

³ Frankowski (2002: 16)

⁴ Kotler (1994: 6)

⁵ Szromnik (2007: 15)

According to Maffert city marketing is an analysis, planning and a control of programmes which aim to reach desirable exchange processes with chosen markets or groups of receivers.

The conception of territorial marketing covers the group of techniques and activities applied by local society and organizations during the process of planning the project of economic, touristic, urban, social, cultural development or the identity project.

Meffert took into consideration five aspects enabling the formulation of main characteristics which differ regional marketing from other marketing:

1. Philosophic aspect – the main aim in marketing is not the income to communal pursue or tolerating the bureaucratized administration but stronger orientation of the city to its habitants and potential clients;
2. Information aspect – basic characteristic of an efficient territorial marketing is systematic controlling and analysis of desires and wishes of target group clients;
3. Strategic-operational aspect – means that reaching desired reactions from the side of “markets” needs building of the plan of activities and using the instruments of mix-marketing;
4. Aspect of differentiation of activities – means that territorial marketing needs application of the rule of different treating of “clients” of settling unit;
5. Aspect of planning coordination – action proper for coordinated plan.

Main aim of territorial marketing is influencing opinions, attitudes and ways of behaviour of “exterior” (addressers from local society in question) groups of interested clients through creating proper set of means and instruments of stimulating of exchange contacts.

In other words, subjects of territorial marketing – organs of self-government administration communal enterprises, private firms (acting from order of authorities of self-government) and especially created institutions and habitants should ensure habitants being and satisfy their needs. These subjects called “planning group” are the first level in territorial marketing and they are responsible effects of marketing programmes.

We can express it in three goals:

1. Developing and strengthening of services provided by public institutions, benefiting from which is difficult for habitants and economic subjects;
2. Creating of good image of a region, a commune and local units;

3. Increasing of attractivity and position of regions, cities and communes in their competition.

The second level in the city marketing are “marketing factors-tools” – instruments through which subjects can react on particular market segment. The basic instruments are: infrastructure, image and life quality, people and attractions.

The third level displays target markets (new habitants, tourists, experts, investors, entrepreneurs, management of enterprises). Subjects of territorial marketing take care of good opinions regarding them, attitudes and ways of behaviour which ensure better development conditions.

“The place” as an object of reference of marketing activity and a realisor of activities of the territorial marketing scope could be:

- city commune or its urban, administrative, functional part for example district, main shopping street or sport-recreation resort,
- rural commune or its administrative, functional part for example government of village or separated natural area,
- group of city and rural communes separated because of administrative, economic or natural reasons, for example: vojvodship, district, land or country,
- special space units with the special socio-political, economic, natural, touristic, historical meaning, for example: natural parks, Euro regions, border zones.

3. MEANING OF MARKETING COMMUNICATION IN MANAGING OF THE UNIT OF TERRITORIAL SELF GOVERNMENT

Under the term of marketing management the unit of territorial self-government is a process including planning, implementation and evaluation of marketing “concepts” during the activity of self-government. Taking into consideration the concepts of marketing management, governments of these units manage the local and regional development, taken from the point of view of processes and rules of the market.

Frankowski introduces the division of marketing management in the unit of territorial self government for the interior marketing – it is management of public administration, creating of opinion-giving centres – and exterior marketing, connected with management of self government resources.⁶

⁶ Frankowski (2002: 17)

Marketing communication (promotion) plays an important role in exterior as well as interior marketing. In the literature we can meet the following systematics of ways of promotion of units of territorial self-government (which is separated on the basis of correlation of addressers of activities in question and a character of promoted scope of self-government activity):

- interior economic promotion; That means carrying out marketing activities which aim encouraging local society to undertake enterprises, initiation and promotion functioning subjects as well as subjects which are going to undertake economic activity in future.
- exterior economic promotion; These are the marketing activities addressed to local industry, commerce, service and agriculture, usually aiming capital and interest obtainment, “catching” tourists thanks to the special offer, promotion of local firms and keeping good contacts with central government as well as with opinion-giving centres.
- interior social promotion; Its goal is provoking social and civil activity of habitants as well as incitation activity of organizations and institutions functioning on the territory of the self-government unit, stimulated in the direction of qualifications increase and deepening the knowledge. Its second goal is a creation of positive attitude of habitants regarding local government and gaining habitants’ favour for realised activities.
- exterior social promotion; Its goal is to pass the information on the level of social development to the exterior milieu of the unit of territorial government, which -in consequence- would lead to incitation of interest on possibilities of settling on its territory. Strengthened good image of a region as a place with good socio-being background, access to education, culture and sport, ensuring safety, peace, health safety and access to non-polluted natural environment improves the interest of society from other regions.
- interior culture promotion; Its main aim is strengthening social connections, identity and cultural awareness of local society. Communes and regions are able to spread cultural values through promotion of local culture animators, organization or cooperation in organization of cultural events, spreading culture and art among habitants, cultivating of tradition or spreading examples of creative way of spending free time.
- exterior culture promotion; It means popularization of cultural heritage resources outside its interior milieu. Its goal is to stimulate interest in the commune or region with their cultural offer, increasing level of acquaintance of the region (its history and tradition), creating good image of local government which wide-spreads its cultural development.⁷

⁷ Marks (2006: 210–219)

Marketing communication realised by units of territorial government is not limited only to realisation of promotional function, which could refer to products and services, which bidder can be self-government. Communication with the surroundings refers also to creation of the image of self-government and has classic functions coming off carrying public communication. From the promotional point of view functions of marketing communication realised by territorial self-governments are treated analogically, as it is in the case of marketing communication of enterprises and they regard:⁸

- information function – unit of territorial self-government provides less or well developed set of information addressed to participants of marketing communication process,
- stimulating function – which goal is to provoke addressers of marketing activities into particular attitudes and behaviours, so that the unit of territorial self-government could sell its offer and call out activities in its own favour,
- competitive function – which understand promotion as an instrument of the fight among competitors on the market.

Marketing communication of the units of territorial self-government also has some communicative functions of a self-government as a public authority. These functions are:⁹

- informing the public and providing reports,
- building and keeping the “prestige” of public institutions,
- listening to opinions and questions of citizens, attentive observation of public debate,
- helping in deepening of social connections, stimulating of awareness of adherence to the community, treating citizens as equal partners,
- accompanying the changes in citizens and social organs behaviour.

The unit of territorial self-government should use all the channels and forms of communication, enabling reaching the addresser. Every organization – enterprise as well as public institution (including units of territorial self-government) – creates a combination of some factors (instruments in the scope of marketing communication) during realisation of marketing activity for its own needs and creation of promotion strategy. These instruments (advertisement, public relations, sponsoring and many others) are sometimes applied intuitionally; they are largely separated and independent

⁸ Gajdzik (2002: 49)

⁹ Dobek-Ostrowska B. (2001: 21)

from each other, however they are more often in the scope of strategic approach of marketing communication. We can meet uniform systems of their functioning, which lead to the increase of their activity's efficiency. Coordination of activities connected with different spheres of marketing communication is necessary when promoting organization efforts are to establish coherent strategy. Realization of the task in question is possible thanks to applying of the planning process of integrated marketing communication.

4. ROLE OF THE INTERNET IN TERRITORIAL SELF-GOVERNMENTS UNITS

The Internet is becoming one of the most popular tools used by local governments in marketing communication. In the conception of Integrated Marketing Communication, the Internet has an important coordination function, which allows more fully integration of traditional and modern tools of marketing communication. Moreover, that function indicates the synergy effect of the integration of marketing tools.

The functions of the Internet in territorial self-governments units are:

- promotion and information,
- bureaucratic and organizational.

Promotion is the core function of all the local governments. The promotion contributes to identify demands of community and means to reach them. It also emphasises on building intercourse relation, which grounds on trust and understanding. Another aim of promotion is creating the image of local governments and working in constant improving it. This tool (promotion) is usually directed to internal and external objects from local government environment. Internal addresses of promotion are employees of local government administration. External addresses of promotion we can describe as inhabitants of particular region. But we should also include in this category people who can have some kind of relation with the region, now and in the future. The relation can have economical or cultural character (investors or tourists).

In the case of territorial self-government, the crucial function of marketing communication is information function. According to access to public information law (from 2004) territorial self-governments are obligated to publish in the Internet information about their activity, assets, authorities and their competences. The access to public information is the main feature of democracy.

The bureaucratic and organizational functions of the Internet allow territorial self-government units to introduce e-government conception. The aims for e-government

conception are to make administration work more effective and make an administration friendlier for “customers” (citizens).

The Internet is more and more often used as marketing communication tool by self-government units. In conception of Integrated Marketing Communication, the Internet performs an important coordination function, so it allows full integration of traditional and non-traditional marketing tools and influences on creation of synergy effect, coming from this integration.

The Internet in self-government units has the following functions :

- promotional and informational
- bureauracial-organizational.

Promotion of region is one of the most important missions among self-government units. Promotion's influence typically fulfills classical functions of marketing addressed to different spheres of self-government units' activities and connected with them elements of environment. They are used to define environment needs and possible ways to fulfill them. Moreover, they also concentrate on building reciprocal relationships, support by trust and understanding. Their aim is also image's creation and care for permanent development of it. The activities, which are connected to image's creation, are driven to insiders and outsiders of self-government units' environment. The insider addressees are employees of self-government units and organizations under their control. Outside environment can be described as inhabitants of self-government unit's territory. We can extend this category to non-inhabitant people and organizations, which are some who connected to particular region or can be connected in the future (such as investors, tourists).

The Internet's pages are showcase of all towns, communes, districts and provincials. Those pages fulfill tasks such as informational function and they are a perfect platform for communication with the environment. Well-prepared web page allowed also reciprocal exchanging of information (getting information directly from inhabitants, investors and other stakeholders). According to public information access law from 2004, self-government units have been obligated to publish information about their activities, assets, authorities and their skills on their web pages. Unfortunately, some of the authorities still have not seen need for permanent communication with the environment. The creation of Public Information Bulletin is not only realization of public information access law's statements, but also it can be a perfect tool in building positive image of the self-government units. It is highly important, because information function of marketing communication is particularly crucial for self-government units. The access to public information, par excellence, is one of the democratic country's

principles. The full access to public information allows public community control local authorities, who should work for inhabitants' interests and pro publico bono.¹⁰

The Internet has also important bureaucratic-organizational, which allows realization of e-government conception. The Internet, as a communication between citizens and administration platform, guarantees possible settlement of formal cases on-line, without visiting traditional administration office, and improvement in office's correspondence. However, we can still see that opportunities given by the Internet are not fully used by government administration and self-government units administration. Besides comprehensive presentation of self-government unit, their authorities and offers for investors, the web page shows administration procedures and e-office's functions, that part of internet services is permanently improving its meaning. Official's web pages informed citizens about e.g.: how to register yourself in the office, make accessible particular questionnaires and applications important in formal proceeding, where are free areas for investments. Perfect web page has archive of documents, which are law basis of function and powers of the units.

According to Administration Processing Code, officials cannot refuse to accept administration formula sending through the Internet. Application, request, dismissal, complaint and other documents can be brought in written, telephone, fax, but also e-mail ways. Until real functioning of e-signature it could be recognize as impossible, but it is also not far future. This is the reason why self-government units should adapt their procedures to unavoidable revolution in this area. Professional preparation and right manageable Internet's service is a key factor to fulfill commitments raised by progress and modernity.

SUMMARY

Territorial marketing is a business philosophy orientated to the best possible satisfaction of "clients-partners" needs. Only the conception in question is a guaranty of the efficient management of units of territorial self-government. Units of self-government are able to do their tasks in an optimal way implementing properly marketing instruments. Therefore, marketing communication is of crucial importance as far as management of these subjects is concerned. The question is to employ people who will be able to use all the channels and forms of communication enabling reaching the addresser.

¹⁰ Krajewski M. (2006: 20)

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