

**PROMOTING VERWOERDBURG:
A STUDY IN CITY MARKETING**

by

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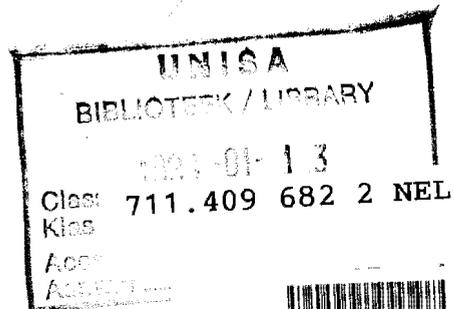
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ABSTRACT

City marketing is a recently developed process to assist communities in achieving development oriented aims. Changing economic circumstances created such a need and marketing contributed key concepts such as marketing mix and auditing procedures while the process usually occurs within a town planning context. Case studies of applied city marketing reveal predominantly growth related goals, diverse strategies, successes and problems concerning community involvement, equity and effectiveness. South African local authorities have only recently recognised the need for marketing, but tend to limit their actions to promotion. The Verwoerdburg Town Council which successfully established its new central business district, Verwoerdburgstad, through city marketing, has lost its impetus and direction. The Town Council should re-evaluate its goals and methods in order to market itself successfully.

Key words

City marketing, economic planning, local authority, marketing, marketing process, perceptions, promotion, town planning, Verwoerdburg.

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CHAPTER 1: INTRODUCTION AND THEORY

INTRODUCTION

"Western society has ... been caught up in a fire storm of change. This storm, far from abating, now appears to be gathering force." (Toffler, 1971:18)

In a time characterized by escalating change, the last twenty years or so have witnessed momentous changes, politically, economically and socially. Among the more notable political changes has been the collapse of communism in eastern Europe and the subsequent disintegration of the USSR and its Warsaw Pact allies. On the economic front there has been a severe, protracted recession, partially precipitated by the 1973 oil price hikes, coupled with structural shifts in Western economies from a manufacturing based economy to an information and service based economy. There has simultaneously been an increased emphasis on free-market principles and deregulation of the economy even in countries such as the People's Republic of China. Change has also been apparent in the social and cultural structure of societies. On the one hand there has been a growing environmental awareness and concern for the need to preserve and conserve both natural and urban environments. On the other, there has been a growing voice in defence of the disadvantaged.

Southern Africa has not been exempt from these changes: witness the independence of Zimbabwe, Namibia and the former Portuguese colonies of Mozambique and Angola, the unbanning of the ANC and affiliates, and the moves to greater democracy and power sharing in South Africa with the first multi-racial elections in April 1994. The Southern African region has not escaped the recession and has been plagued by drought as well. As with other economies the recession (and political changes) has prompted a move towards privatisation, deregulation and the adoption of free-market principles in an effort to stimulate the economy.

For local governments this has permitted greater autonomy and less control from central or second tier governments. While autonomy has generally been welcomed, with it has come greater responsibility for planning and financing projects initiated by local government. In a depressed economy this has not been easy. Local authorities have been forced to compete vigorously for available finance and investment. It is these circumstances that have set the scene for city marketing.

Verwoerdburg, on the southern periphery of Pretoria has not been favoured by national planning. It has had to contend with a strong decentralization policy and the

pull of the large cities to the north and south of it, in addition to the effects of the recession. Under these difficult circumstances, the town has striven to attract investment in the form of housing, shopping facilities, industries, offices and other employment opportunities for residents. That which has been achieved is partially as a result of marketing efforts by the Town Council.

PURPOSE OF THESIS

The purpose of this dissertation is to examine Verwoerdburg Town Council's city marketing efforts in the light of the emerging city marketing theory with a view to formulating proposals to improve the effectiveness of those efforts. This entails firstly a study of the literature to define city marketing, to trace its origins and to determine how city marketing differs from conventional town planning methodology. The second part of the study explores Verwoerdburg's approach, that of other local authorities and how these approaches differ from the theory. From these analyses general guidelines are formulated to assist Verwoerdburg in its city marketing.

STRUCTURE OF THESIS

This chapter serves as an introduction to the thesis and to city marketing. City marketing is firstly defined and then the chapter moves on to trace the development of city marketing from its various roots in marketing theory, marketing geography and town planning theory. The following chapter contains a synopsis of the theory and methodology of city marketing.

The third chapter considers the application of city marketing by local authorities in various countries, such as the Netherlands, Germany, Britain and the USA. The approach, techniques and successes (or failures) are discussed. Where possible, conclusions regarding the most effective application of city marketing are drawn.

Chapters One to Three are based on a study of the literature available. As this is such a new field, not much literature is directly available on the subject and often inferences must be drawn.

The fourth chapter moves closer to home: it examines the perceptions of both civic and business leaders in the Verwoerdburg community regarding the Town Council's marketing methods. The information is derived from personal interviews with these leaders and reflects their perceptions rather than factual data. A comparison is then

made between the Town Council's attitude and perceptions of city marketing using the theory outlined in Chapter Two.

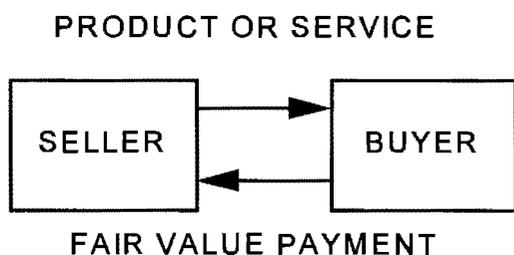
Chapter Five compares Verwoerdburg's approach with that of other local authorities. Some of these local authorities lie within the same sub-region and are between Grade 9 and 12 in terms of the Remuneration of Town Clerks Act, No 115 of 1984. This implies that they are much the same size. Given the proximity and similarity of these local authorities, they can be considered direct competitors for investment in the form of new housing and/or employment opportunities. Other local authorities actively involved in promoting their areas are also considered. The chapter examines the methodology and perceptions of the effectiveness of that methodology of these local authorities and contrasts it with Verwoerdburg. The chapter closes with conclusions regarding the state of city marketing in local authorities at present.

The final chapter looks at the lessons to be learned: what is valuable in the various approaches and what mistakes should be avoided. It concludes with an ideal, but practical approach to city marketing for Verwoerdburg that is relevant to the South African context.

DEFINITIONS OF CITY MARKETING

Marketing is not just a promotional activity, nor is it direct sales and distribution, nor is it customer service: it is all of these and more. Communication precedes an exchange, for without it no exchange is possible, and distribution facilitates and often concludes the exchange, making these important facets of marketing. Marketing is, however, more than communication or distribution. Central to the concept of marketing is exchange. According to Kotler, marketing is a "human activity directed at satisfying human desires through exchange processes rather than coercion, supplication or self production" (quoted in Mokwa, 1981:23). This implies two parties and commodities to be exchanged. The centrality of exchange to marketing is illustrated in figure 1.1. More concisely, marketing comprises all transactions involved in transferring a service or product from the producer to the customer and includes creating demand, evaluating the response, and where necessary, reshaping the service or product to conform to the demand. Bluntly stated, marketing is making the right product or service available to the right markets at the right price by the right means at the right time (Coffman, 1986:4-18).

Fig 1.1 THE CENTRALITY OF EXCHANGE IN MARKETING.



Source Gwinner et al, 1977:12

DEFINITION OF CITY MARKETING

City marketing is a form of marketing: a strategy designed to 'sell' the city in order to achieve specific, usually social and economic, goals. These goals are often aimed at strengthening the local urban economy (Borchert & Buursink, 1987:20) or providing employment. City marketing is a market-oriented philosophy and client-oriented process by the community to exploit the potential of the town (Buursink, 1987:93). According to Ashworth & Voogd (1988:68), city marketing is a process whereby urban activities are related to the needs and desires of selected target groups or customers in order to maximize the social and economic functions and activities of the relevant urban area in accordance with pre-established goals. While undoubtedly a marketing process, city marketing is equally a town planning process, in that it concerns the spatial and functional organization and planning of the city to achieve the social and economic goals of the community. This implies that an understanding of the market processes in the areas of housing, recreation and employment is fundamental to policy formation. The influences of one 'market' such as housing, on other areas, such as employment must also be recognized. Poor performance in one area will affect the level of achievement in another, and eventually the entire community. The attractiveness of a town in economic terms is thus greatly dependent on its position in the market and its level of competition (Voogd, 1989:43).

While these definitions may imply that city marketing has its roots in town planning, with marketing terminology grafted on, there is a fundamental difference in approach between traditional town planning as practised in South African local authorities and city marketing. In the words of Ashworth & Voogd, it is the "positive encouragement of the desirable rather than the prevention of the undesirable" (1990:14). City marketing is as much an off-shoot of marketing (as is social marketing and marketing for non-profit organizations) as a reaction to the problems faced by town planners in a depressed and structurally changed economy. To fully comprehend the purpose

and need for city marketing, it is thus necessary to discuss briefly the development of town planning, particularly after 1945 and the problems faced by planners in local authorities in the late 1970s and 1980s.

BRIEF HISTORY OF TOWN PLANNING

Although town planning is often considered to have begun with Hippodamus, a Greek architect who lived in the fifth century BC, town planning as practised today undoubtedly began as a reaction to the conditions that arose in the great industrial cities of the industrial revolution. Initially, there were no building restrictions in these cities and conditions were appalling. The plight of the poor led to the growth of radical reform movements and to the development of philanthropic movements. Some industrialists put their utopian ideas into practice: New Lanark, Port Sunlight, Saltaire and Bournville are examples. The success of these model communities had a profound effect on town planning and influenced thinkers such as Ebenezer Howard. In his book, 'Garden Cities of Tomorrow' (1902), he "introduced ideas that were to become standard planning strategies; for example, decentralization as a solution to urban sprawl, the containment of city growth through satellite towns, the notion of a balanced community in terms of working and living space, an emphasis on open space in the form of 'green belts' and issues of management and ownership in a city" (South African Institute of Town and Regional Planners, 1991:8). The emphasis was on controlling development, and in particular, the actions of the private sector which had given rise to the deplorable conditions in the cities in the first place. This control was entrenched in the first Housing Town Planning Act of 1909 in Britain, with its emphasis on raising the standard of new development (South African Institute of Town and Regional Planners, 1991:9). Most of the history of town planning in the first part of this century in Britain concerned the management of development and the redistribution of employment from growing, prosperous areas to declining regions and the attendant machinery to achieve those aims.

After the devastation of the Second World War (1939-1945) most planning in Europe was characterized by redevelopment. Planning in the United States of America (USA) was characterized by massive urban sprawl caused by improving standards of living and growing mobility concomitant with urban decay in the inner city (South African Institute of Town and Regional Planners, 1991:10). In Britain

" it was assumed that control of change was both feasible and desirable: feasible because the pace of population growth and of economic development was expected to be slow, ... desirable because decision-makers generally shared the Barlow hypothesis that uncontrolled change before the Second

World War had produced undesirable results. ...The system thus created was more powerful on its negative side than on the side of positive initiative." (Hall, 1975:151)

There was a negative attitude on the part of central government towards the growth of metropolitan areas. This, combined with the gradual decentralization of population and employment beyond the central cities towards the smaller towns on the outskirts of the conurbations led to a growing crisis in the inner city.

Spatial planning was at this time deterministic, based on the pre-supposition that the 'experts' knew best. The experts were architects, engineers and land surveyors who through their very training, relied on a plan indicating the end result: a blueprint. "It was believed that an ideal spatial structure could be represented on a map, and that such an image could be realised with the aid of technical measures such as planning norms and land use regulations." (University of South Africa, 1988:10). The whole planning procedure was very technical: set goals (based on generally acceptable values), survey, analysis and plan (University of South Africa, 1988:10). The product was a plan, "very precise large-scale maps showing the exact disposition of all land uses and activities and proposed developments" (Hall, 1975:7).

By the 1970s the approach to planning had begun to change. On the one hand, there was a marked move towards broader policy plans rather than detailed land-use allocations (master plans), transportation planning, economic planning and a recognition of the links between a city and its hinterland. There were new concerns: environmental issues, social causes and public participation, and the "increasing infusion of management techniques into local authorities" (Hall, 1975:182).

Environmental issues concerned the quality of both the natural and the urban environment, leading to a recognition of the need for conservation, preservation and environmental management. Management techniques, originally developed by private, profit-seeking enterprises, including Management by Objectives which was imported from the USA, were advocated by local authorities. Social concerns dealt with issues pertaining to the redistribution of public goods, who would benefit from planning exercises, and the right of those who were the object of planning to have a say in the procedure followed and decisions made. Planners and others began to question whether planning was indeed "scientific" and value free; whether planners could determine what was best for society, and whether society was homogeneous. In response to these issues public participation became mandatory in the British planning process, and from there evolved the notions of advocacy planning and the involvement of the people in making plans for themselves (Hall, 1975:299). Implicit

in these trends was a recognition of the existence of various publics with differing needs, concerns and expectations.

The result of these influences, the continuing decline of older industrial areas, and the impact of the recession brought on by the oil price increases in 1973 was to throw planning thought into disarray. Dissatisfaction with current planning thought elicited various reactions including efforts, "to make planning more responsive to the needs of clients and decision makers, ... which raised a wide ranging debate on the role of public planning in democratic societies, ... efforts to improve planning ... methods and techniques, ... (and) efforts to improve planning as an administrative task" (Ashworth & Voogd, 1990:9). By this time, there had been a clear move away from 'blueprint' or 'masterplan' planning towards a more process orientated methodology. The latter is concerned "more at influencing the prevailing developmental forces than at achieving a future spatial structure" (University of South Africa, 1988:11). From the realization that planning is a process rather than a product, came the recognition that planning is also a decision-making process.

However, in spite of these changes, it was clear that the public's belief in the planner's wisdom had evaporated, and planners' theories and approaches no longer appeared adequate in resolving the problems of the time.

But, while planning was grappling the above issues, there was an emerging concern for and emphasis on generating economic growth. Although this was previously a consideration limited to depressed regions, it had become and still is, a universal problem. The stage was set for a new planning methodology that recognized the existence of many publics, that could meet the challenge of stimulating economic growth rather than limiting it, and that could trade off advantages against the costs of certain actions.

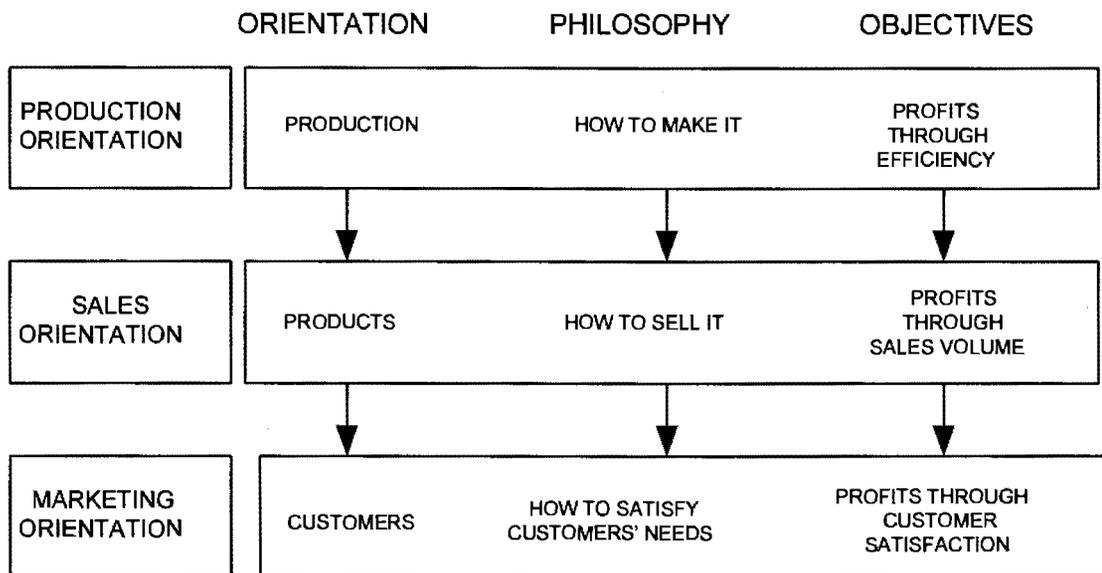
While the planning climate and associated theory had been changing, another discipline, that of marketing, had also been evolving in reaction to economic development and social pressures. One of the gradual developments in marketing thought was that the principles and certain of the techniques could be applied to areas other than commercial products, one of these being places. It is this evolution that will now be briefly considered.

EVOLUTION OF MARKETING

In the initial stages of this century, with the first mass production lines, producers were predominantly concerned with efficient production: the customers' opinions mattered little for it was a seller's market. But, as efficiency increased, so did the surplus. There thus arose a need to sell products for which the demand had previously exceeded the supply (Gwinner, 1977:7). Marketing which was formerly concerned only with distribution (the efficient, physical distribution of products as well as the legal and economic aspects of transactions), now became concerned primarily with sales techniques, sales management and advertising. Then, in the 1950s a concern with marketing as a decision-making and managerial function emerged. Greater emphasis was placed on customer relations, marketing research, pricing policy, distribution management, and product development (Gaedeke, 1977:35-37, Gwinner, 1977:7-10, Kotler & Andreasen, 1991:4-10). Associated with this ever-broadening concept of marketing was a growing interest in the behavioural aspects of marketing such as consumer behaviour, social systems and interactions, and to economic and social responsibility. The evolution of marketing is demonstrated in figure 1.2.

From recognition of the social responsibilities of marketing it was a short step to a generic view of marketing. The door was open for the application of marketing principles and concepts to social concerns, non-profit organizations and places. Among the major benefits of the broader application of marketing are: the transfer of knowledge from areas where behavioural research has been carried out to those where there is little research, the exchange of ideas between unrelated fields, and the application of a marketing specialist's skills in a variety of situations (Bartels, 1977:39).

Fig 1.2 THE EVOLUTION OF MARKETING



Source: Gwinner et al, 1977:25

Among the first to point out that principles and techniques developed in the competitive profit-seeking business sector could be applied far more widely were Kotler and Levy in 1969. They pointed out that all organizations face marketing decisions, and that the issue is not whether to market or not; but how to do it (Mokwa, 1981:9, 20). In each case, it is a matter of an organization's concern with their 'product' in the eyes of specific 'consumers' and which 'tools' to use to achieve the organization's aims. According to Kotler and Levy, every organization has a product whether it be a physical or tangible product, a service, an activity, an organization, or an idea, as well as consumers - those who use the organization's product. Consumers can be clients, the immediate consumers of an organization's product, or the public who may or may not have an active interest in the organization, but who at least have the potential to do so. The basic marketing tools remain the well known 'P's' ie the product (or product definition), promotion, price, and place or delivery system (Kotler & Levy, 1973:35-37). Also, most organizations face competition, either from organizations offering similar products, or from other means of satisfying the same needs, desires or aspirations. Thus parallels can be drawn between marketing for profit and marketing for social or non-profit purposes.

The third strand in the development of city marketing is undoubtedly the changing economic climate coupled with structural changes to Western economies which forced local authorities to look to city marketing as a means of achieving economic

development. The following paragraphs outline the effects of the deep recession precipitated by the 1973 oil crisis, and the form and effects of the structural changes.

CIRCUMSTANCES NECESSITATING A MARKETING APPROACH

Until the mid-1970s most post-war Western economies were growing with prospects of greater prosperity. However, the last twenty years or so have witnessed major structural transformations with increasing unemployment coupled with rapidly rising inflation, declining growth, balance of payments problems and mounting public sector budget deficits (Damgaard et al, 1989:1-3; OECD 1987:10-17).

These changes may be ascribed to the influence of new technologies, the growing share of the service sector in providing employment, and the internationalization of production combined with competition from other countries (particularly from the Far East: Japan, South Korea, Thailand and other newly industrialized countries). This has heightened the effects of the aging infrastructure and occupational structure within the larger metropolitan areas of Western economies (OECD, 1987:10-19). The oil price increases of 1973 too have played a significant part in precipitating economic change (Damgaard et al., 1989:184). The recession has been accompanied by increased 'capital mobility' a major technological revolution and the introduction of new methods of production (OECD, 1987:10).

Re-organization of production and occupational structure.

In many of the older industrialized areas these more recent structural changes only exacerbated existing problems. Cities based on the 19th century growth industries such as steel, coal, ship-building and textiles, which gradually declined, have been joined more recently by those cities with economies based on chemicals and motor vehicles, which experienced growth in the mid-20th century. One factor in the decline of these areas is that the products on which the economy was based are now reaching the mature stage of their life cycle, which implies a market that is becoming saturated, with less demand, greater competition and less profit. New labour-saving technologies are being introduced to remain competitive and thus in the market, with implications for local employment (OECD, 1987:13). Obsolescent buildings, machinery and methods, incapable of competing with new methods in other cities, states and continents have been abandoned. As old industries decline, so unemployment soars. "Parts of the city may suffer from dilapidated housing... aggregate demand is lowered and thus the market for locally produced goods and services is reduced. Rising unemployment is often accompanied by a higher

incidence of crime and delinquency. In turn the fiscal base of city government is eroded... " (OECD, 1987:17). Thus a negative spiral of de-industrialization and decline is established.

As important as the industrial structure is the occupational structure. The cities that have grown are those with a large proportion of 'white collar' employment, such as information processing and exchange, and business and consultant services, with the opposite being true of declining areas (OECD 1987:18).

Thus while unemployment was growing in the traditional heavy manufacturing sectors - in fact in most manufacturing sectors - there has been a significant shift towards service employment (Castells, 1989:127; Hall, 1987:7), which has tended to avoid the old industrial areas. This sector and the emerging 'sunrise' industries, ie high technology industries, such as electronics, tele-communications, and bio-technologies, appear to require other conditions which are met only in a few privileged locations that enjoy a high level of amenity and affluent markets.

Internationalization of production and world trade.

International trade has been growing and changing over the past decade or so. More assembled goods are now being produced by the newly industrializing countries of the Pacific Rim, which is threatening the Western economies. There have also been changes resulting from a shortened product cycle, demanding constant innovation and inducing capital mobility. One result of this is a spatial separation of production from research, and design and administrative offices (OECD 1987:14). The impact on older, established cities can be severe if a large plant closes with major job losses.

While many tomes could be written regarding the causes and effects of the economic ills and the structural changes in Western economies, suffice here to point out that they do exist, that there are changes and that economic growth can no longer be assumed or taken for granted. One of the results of this global restructuring is that only a few favoured regions within Western economies are experiencing self-sustaining economic growth: the remainder must work for it. Today, a purposeful strategy to stimulate local economies, create or at least retain existing jobs, and attract new investment is essential. Hence the justification for city marketing (Lukkes, 1987: 66).

Having briefly considered the influences, circumstances and events which have given rise to city marketing, the following chapter outlines the basic tenets of marketing before the process and techniques of city marketing *per se* are discussed.

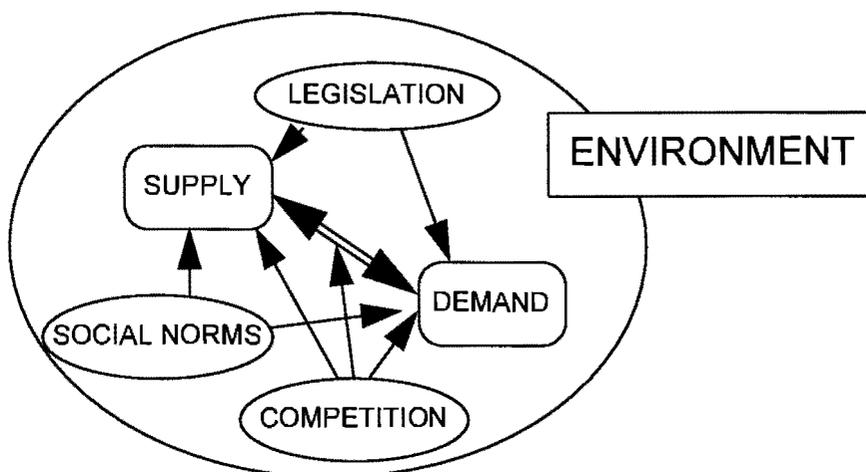
CHAPTER 2: ORIGINS, DEFINITION AND THEORY OF CITY MARKETING

BASIC MARKETING TENETS

Marketing is a 'bridging mechanism' which enables the organization to determine what the consumer (the market) wants, and in what form and at what price that consumer will be interested in the product (Kotler & Zaltman, 1973:48).

Marketing does not take place in a vacuum. There are numerous influences and players in the drama (See Figure 2.1). The leading roles are played by the supplier of the product and the consumer (the demand). Among the supporting roles are those of competitors, legal restraints and social norms. These supporting actors - competitors: state, provincial or municipal authorities: consumer organizations and pressure groups - often have different goals and motives to those of the producer or the consumer. These influence, facilitate or hinder the exchange process. Competitors will attempt to woo the consumer by presenting alternative products. Consumer bodies and pressure groups may act on behalf of consumers to obtain a better deal, or to promote some or other cause. Legislation may protect both consumer and producer, and restrict all or part of the process. The purpose of marketing is to eliminate or at least limit hindrances to the exchange process.

Fig 2.1 THE MARKETING ENVIRONMENT



Unless there is both a product and a demand for that product, no exchange is possible. Exchange or marketing takes place only when the product on offer meets the needs, desires or aspirations of the consumer. The degree to which the product

conforms to the consumer's needs is of far greater importance than the form of the product (Coffman, 1986:8). Not only must the product offer or intrinsically be something that the consumer needs, but it must also be affordable and provide value for money, at least in the consumer's opinion.

The product itself can take on many forms: a tangible object, an idea, a cause, a service, a person (politician), an organization, or a place. In defining a product, cognizance must be taken of the many nuances or subtle meanings surrounding a product. Soap is more than merely a chemical compound: it is cleanliness and social acceptance. A house is more than shelter: it is prestige, security and an investment. Product definition thus includes what Ghosh and McLafferty term a 'value platform', "which specifies the manner in which a firm differentiates itself (or its product) from its competitors..." (1987:16). Defining a value platform entails defining:

- the products to be offered
- the specific target markets
- the price range
- the form and content of advertising, promotion and communication to that target market
- the most appropriate means of delivering that product.

A value platform thus includes elements of the four 'P's' of marketing, the 'marketing mix' elements which form the backbone of any marketing strategy, namely Product, Price, Promotion and Place (or delivery).

Pricing is all important in the face of competition. Ideally, the price should cover costs, but still be low enough that, in the consumer's estimation, the reward will justify the cost. Costs must not be restricted to monetary costs, but should also include psychological costs. The latter also plays an important role in the 'place' element. No matter how desirable or affordable a product is, unless it is obtainable (ie delivery and distribution), the purpose of marketing is not achieved. Convenience is cardinal in providing the product at the right place at the right time.

The fourth element, promotion, concerns communication with consumers: informing the market, advertising, research, and feedback. Without some form of communication, consumers would not know what products were on offer or be able to compare prices, and producers would not know how products were received, used and evaluated by consumers. Research is essential to advise producers of consumers' needs, desires and aspirations. Only once the producer appreciates how his product is differentiated from others can he exploit any 'differential advantage' to

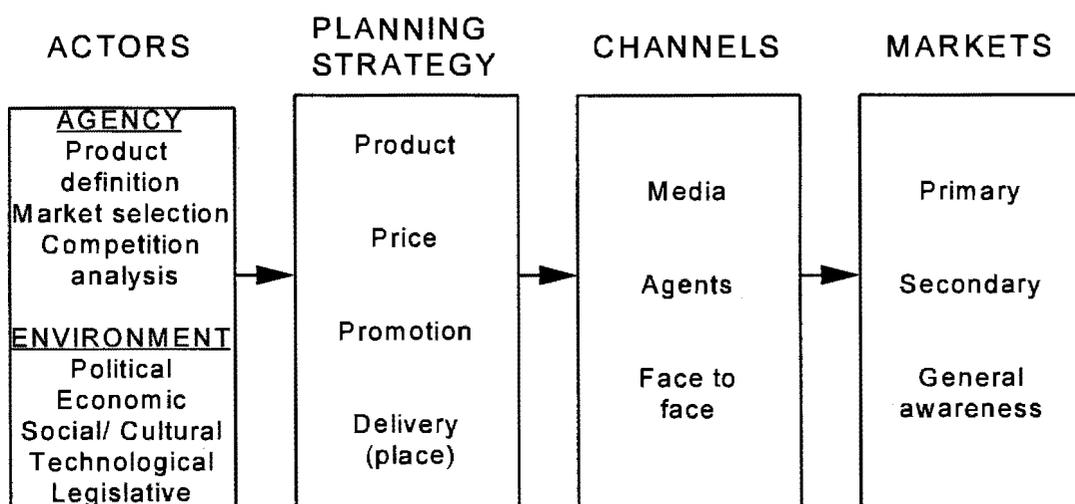
add value to the product to increase its market share. Comprehensive marketing research is a prerequisite to any effective promotional, advertising or indeed marketing campaign (Coffman, 1986:8).

Kotler and Zaltman, based on an analysis of various authors (1977:59), have identified several attributes that any promotional campaign should have to be successful ie:-

- there must be a pre-existing motivation or some form of need or desire,
- the promotional activity must indicate a means for these needs or desires to be met,
- the means must be effective (or at least appear to be so),
- the perceived rewards of meeting the needs and desires must be greater than the anticipated or actual cost involved.

Thus the greater the initial predisposition of the consumer to the product on offer and the greater the ease in obtaining the product, the more likely an exchange or transaction. Figure 2.2 illustrates the links between the above-mentioned elements.

Fig 2.2 ELEMENTS OF THE MARKETING PROCESS



Source Kotler and Zaltman, 1977:65

THE MARKETING PROCESS

A grasp of the basic elements is insufficient unless welded together in a purposeful programme designed to achieve the desired results, ie a marketing strategy. Such a strategy defines the target market, the value platform, and the details of the marketing mix for both short-term and long-term goals (Kotler & Andreasen, 1991:67). The strategy is inextricably linked to the organization's goals and structure.

There should, therefore, be a continuous interaction between organizational planners and marketing planners. Hence any marketing planning process should begin with a clear statement of the organization's purpose, mission, and goals. Once the destination is clearly defined, the detailed planning of the route can begin.

As with any planning, the first step is an analysis. On the one hand the organization's strengths and weaknesses, and potential are examined while, on the other, the external environment is considered. The latter entails an investigation into the market (potential consumers), competitors, and all the other actors in the social, political, technical, and economic fields. Thereafter, detailed marketing goals and objectives can be set.

With these goals as sign boards, the detailed marketing strategy is developed, which includes a definition of the target market, appropriate promotional means, means of dealing with competition, performance benchmarks, and organizational structures to implement the strategy. Once the strategy has been finalized, it can be implemented and constantly assessed and reviewed to ascertain if the initial goals and objectives are being met.

This entire process is summarized in figure 2.3.

Fig 2.3 MARKETING PLANNING PROCESS



Source: Kotler & Andreasen, 1991:69.

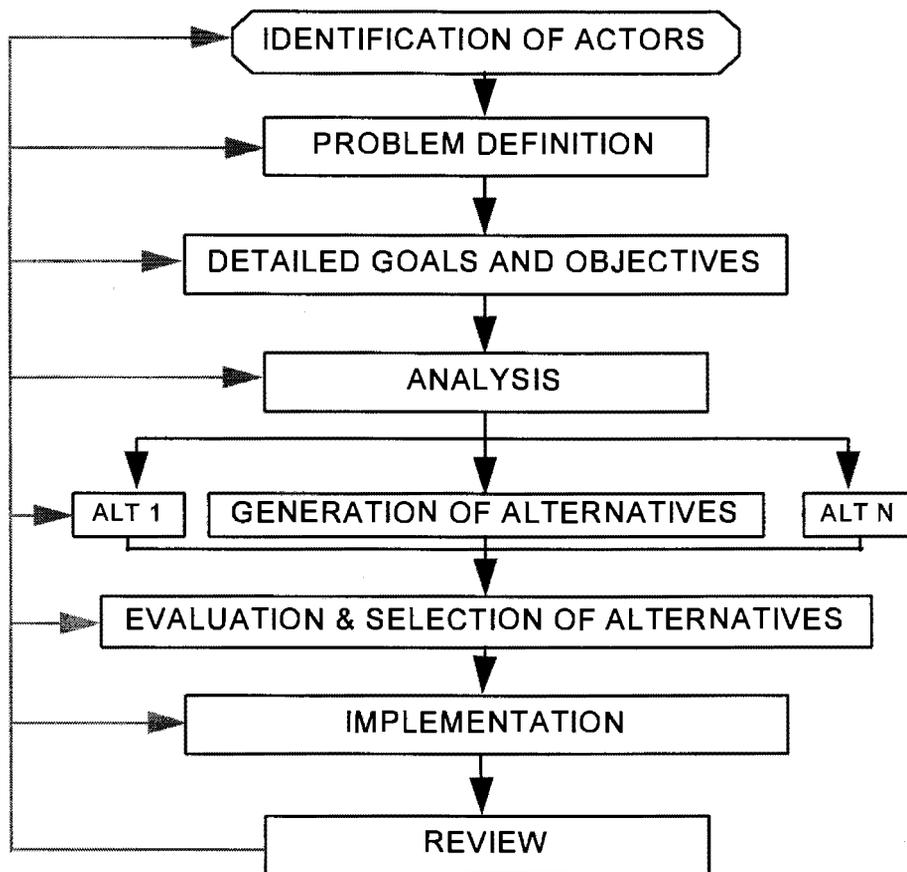
THE CITY MARKETING PROCESS

Although the city marketing process is a fusion of the above-mentioned marketing planning process and the town planning process, the latter will be only cursorily outlined. Numerous books are available in the field and the pros and cons of the various methodologies will not be discussed here. Suffice to say that the process illustrated below in essence follows most planning processes (See eg Pfeiffer, 1986:1-24).

Hall describes three planning processes (1975:278), which are, in essence, similar to the process depicted by McConnell (1981:107). The major phases are: identification of the actors, problem definition, formulation of goals and objectives, analysis,

generation of alternative proposals, evaluation of alternatives, selection of preferred alternatives, implementation, and evaluation of results. This process is illustrated in figure. 2.4.

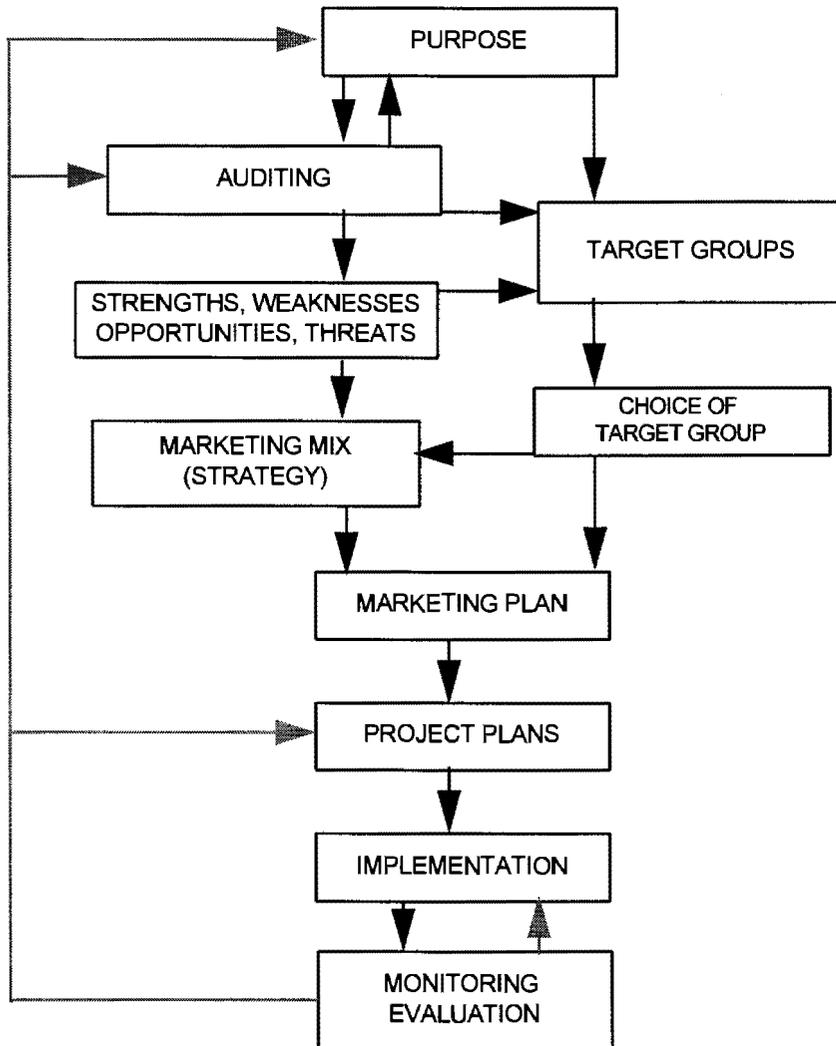
Figure 2.4 THE TOWN PLANNING PROCESS



Source: After Hall, 1975:278 and McConnell, 1981:107

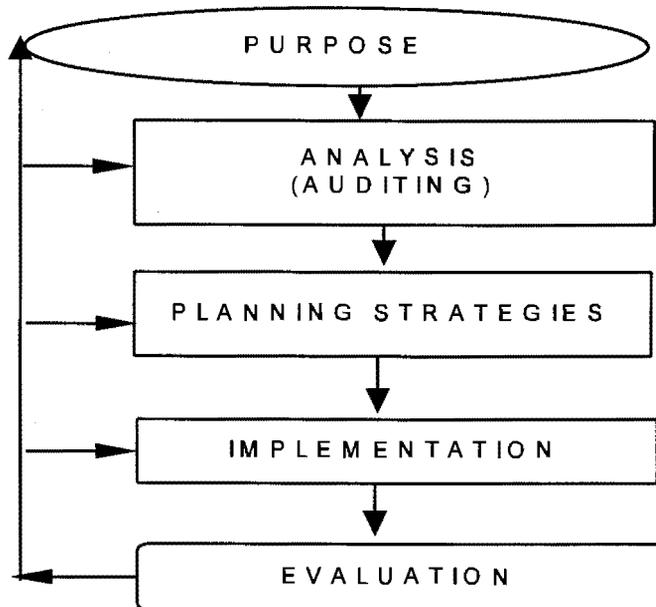
It is clear that there are many similarities between the marketing and the town planning processes. One of the differences that occurs is the positioning of the goals and objectives. In the marketing planning process, there are two sets of goals: the broad organizational goals and the more detailed marketing goals, while in the town planning process, it would appear that the broad goals and mission are assumed to be self-evident or are addressed simultaneously with the more detailed goals. Less attention is given to the analysis, phase but more emphasis is placed upon the generation of alternative plans and the evaluation of these with a view to selecting the best alternative, in the town planning processes illustrated than in the marketing planning approach. A composite of the two planning approaches is illustrated in figure 2.5.

Fig 2.5 CITY MARKETING PLANNING PROCESS



This approach is more detailed than that proposed by Lukkes (1987:67, 68) or Ashworth & Voogd (1990:27-40) as per figure 2.6. As with the above process, the first step is to define the purpose of undertaking city marketing: the broad goals and mission. Thereafter, a detailed analysis or audit is undertaken on which planning strategies can be based. The strategies are implemented and the results evaluated. The entire process is cyclical with iterations between any of the broad phases possible.

Fig 2.6 BROAD PHASES OF THE CITY MARKETING PROCESS



Source: After Ashworth & Voogd, 1990:30 and Lukkes, 1987:68

"The marketing planning process is a rigorous exercise demanding consideration of all relevant information in a logical sequence." (Coffman, 1986:62) The following sections will now examine the broad phases of the city marketing process, in logical sequence, with reference to the information required and possible techniques to obtain or process that information where appropriate.

Mission and Purpose

Before any plan can be formulated or any strategy detailed, it is essential to determine the purpose of the exercise. In most cases considered, city marketing has been undertaken to achieve economic goals. However, within this broad mission, there could be several specific objectives, such as generating additional employment, attracting tourists, new residents, new industries and new investment, or the establishment of the city as a leisure, conference or cultural centre. Unless there is a clear vision of the purpose of city marketing, much time, effort and resources will be wasted on dead-ends.

Analysis

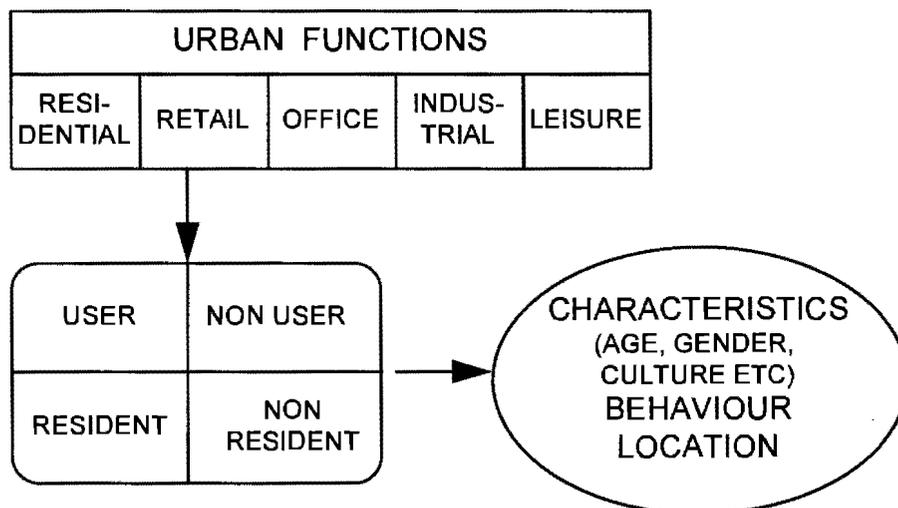
The three major areas of analysis are the market, the product and the environment. The first of these, the market, entails a market reconnaissance to determine what the

market is looking for on the one hand, and which segments of the market should be targeted.

The market for a city comprises many elements: residents, employees, businesses, shoppers, and tourists to name a few. Each of these could be further subdivided into other sub-markets. For example a business market could comprise service firms, retailers, industrialists, and developers, each with specific goals, needs and desires. Residents can be more or less affluent, young or old, comprise large or small households with many different lifestyles. Furthermore, these categories are not mutually exclusive as any one individual can fall into several categories. Although existing users and investors in a city make up the bulk of the market, potential users and investors should not be ignored. Much of the market analysis will be concerned with the identification and subsequent approach to these segments.

There are numerous means of segmenting a market: frequent, seldom or first-time users; non-users, early or late adopters of new products (Ashworth & Voogd, 1990:49), or on the basis of demographic characteristics (age, sex, income, culture etc), location or behaviour (Coffman, 1986:9). Figure 2.7 is a possible means of segmentation.

Fig. 2.7 MARKET SEGMENTATION

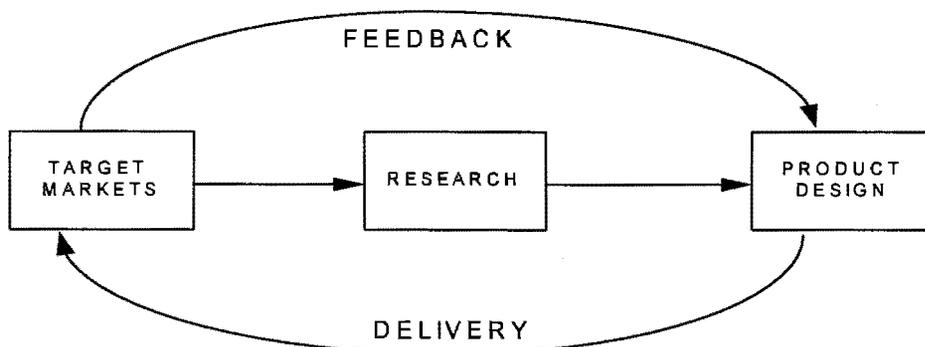


Source: Ashworth & Voogd, 1990:51 and Coffman, 1986:68

Before the city in any form can be 'sold' to any part of the market, a thorough analysis of that market segment's characteristics, needs, desires and behaviour is necessary, since it is on this analysis that the entire promotional strategy and product

design will be based. (Ashworth & Voogd, 1990:48-51). This is the entire purpose of market research (See figure 2.8).

Fig 2.8 ROLE OF MARKET RESEARCH

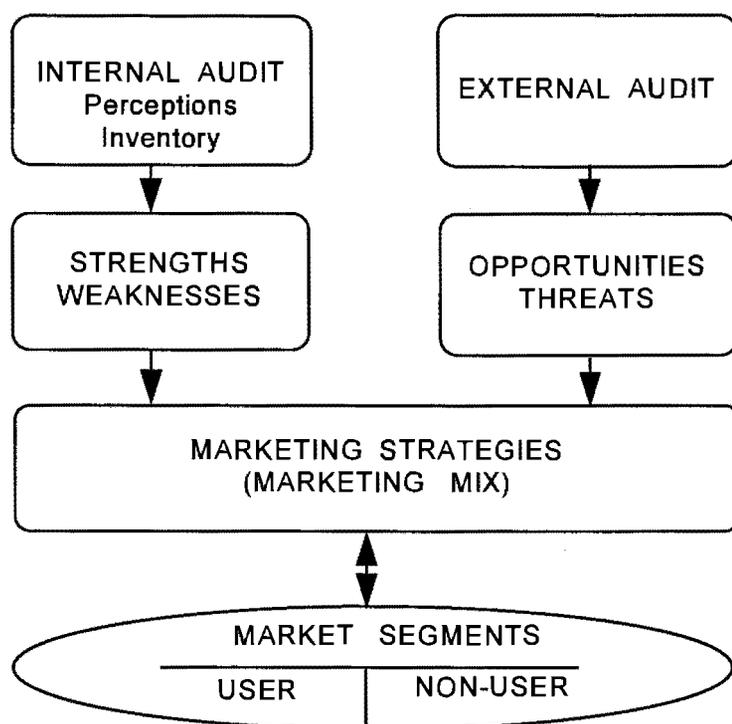


Source: After Coffman, 1986:5

Coffman (1986:8), stresses that "if you don't have - or listen to - good research, the result will be...a misuse of resources. ... If you let (policy makers) shape the service without research, you're abandoning the right to call what you're doing marketing. At that point it is only sales or public relations work on a product that you had no hand in shaping." Careful segmentation and accurate analysis of target markets will permit more cost- effective and successful marketing.

Auditing is the term applied to the analyses of the environment and the product. It is a "*comprehensive, systematic independent and periodic* examination of an organization's marketing environment, objectives, strategies and activities with a view of determining problem areas and opportunities and recommending a plan of action to improve the organization's strategic marketing performance" (Kotler & Andreasen, 1991:80). The external audit considers those factors over which the city or local authority has little or no control, while the internal audit examines the product - the city - what it is, what it can offer, its potential, problems, and also perceptions of the city's strengths and weaknesses (Ashworth & Voogd, 1990:45-47). Figure 2.9 illustrates the auditing process.

Fig 2.9 INTERNAL AND EXTERNAL AUDITING IN THE MARKETING PROCESS.



Source: After Ashworth & Voogd, 1990:46

Ashworth & Voogd (1990:46) define an external audit as the "analysis of issues which cannot be influenced to any realistic extent by the urban or regional authorities". The examples provided include national and international economic events and trends, changing consumer preferences and technological developments. Kotler and Andreasen (1991:81) give more detailed lists of external influences under the following headings: demographic, economic and ecological trends, technological and political developments, and cultural and social changes. However the list is defined, the purpose is to evaluate the organization's likely performance in its environment. Questions that should be asked are: What are the major developments in the various sectors and how will these developments affect the city in the short and long-term. The answers should provide a basis for marketing strategies and detailed goals and objectives (Ashworth & Voogd, 1990:47).

Both Kotler & Andreasen (1991:80-195) and Ashworth & Voogd (1990:47) view the analysis and evaluation of competition as part of the external audit, while Landré (1992:13) views it as part of the internal audit. Either way, it is essential to determine how the city compares to other cities, both objectively (in terms of indices) as well as perceptually (its image). Kotler & Andreasen (1991:203) defines an image as more than a simple opinion: it is a whole set of beliefs about a product. Various techniques

are available for determining the image of the city. Buursink (1987:33, 34) distinguishes between three forms of familiarity with a town: knowledge of the town's existence; acquaintance with the town through residence or at least a visit, which also includes elements of an 'identity', and 'use knowledge' of specific attributes through regular use of the city. A 'familiarity - favourability' measurement (Kotler & Andreasen, 1991:203) is one means of determining how well-known the city is and how it is perceived (See figure 2.10). Once the familiarity and basic image of the city has been determined, the content of the image should be researched. Kotler et al (1993:147) propose a semantic differential scale as a suitable technique. Ashworth & Voogd (1990:53-60) propose multi-criteria evaluation techniques which can handle a large number of criteria with different priorities according to different measurements. The results are usually expressed in a matrix of scores for alternatives against criteria.

The results of image measurements (the opinions and perceptions obtained) can be evaluated against actual scores (objective data for eg the number of financial institutions, the actual distances to various points, existing land and building rentals etc). If the perceptions are more favourable than the objective scores, then upgrading of the product is required. If the reverse is true, then a promotional campaign is needed (Landré, 1992:14).

Fig 2.10 FAMILIARITY- FAVOURABILITY MEASUREMENT

MEASURE OF FAMILIARITY WITH TOWN/ CITY OR ORGANIZATION

Never heard of it	Heard of it	Know where it is	Been there	Know it very well
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MEASURE OF FAVOURABILITY TOWARDS TOWN/ CITY OR ORGANIZATION

Very unfavourable	Somewhat unfavourable	Indifferent	Somewhat favourable	Very favourable
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Source: Kotler & Andreasen, 1991:203

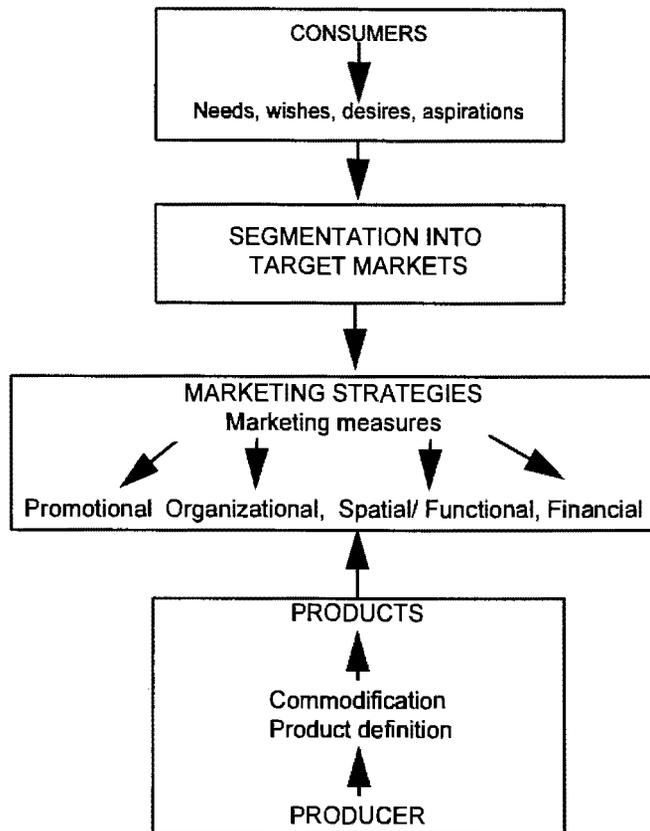
While a competition analysis compares the product with other towns and cities, the internal audit concentrates on the product: what it is, and how it is viewed, and what the town has to offer. It considers perceptions and the level of appreciation of the various facets of the urban product, what aspects are considered to be lacking or in need of improvement, the effectiveness and efficiency of past policies and the organization itself (Ashworth & Voogd, 1990:48). Again, both objective data and opinions are necessary. On the one hand, an inventory of existing products, facilities,

amenities, and attractiveness is compiled from surveys and field measurements. These are compared to opinions and perceptions of residents or users in each of the sub-markets in the town regarding those products, facilities, amenities, and the attractiveness of the town. From this exercise a locational profile - the evaluation of the town by existing users and people outside the town can be compiled which will be invaluable in formulating policies (Landré, 1992:13-16).

A further benefit of the above-mentioned exercise is its contribution to product definition. Marketing a city differs from marketing concrete products in that it does not necessarily entail "either the exchange between seller and buyer of ownership over a physical entity, nor even the purchase or hire of any exclusive rights over urban services" (Ashworth & Voogd, 1990:65). Careful definition of the city is necessary to determine what is being sold, for it is a diverse, multi-faceted and multi-functional product that can be sold as an entity or in discrete portions, packaged for various markets. A city is an image, a concept with symbolic attributes, but it also comprises buildings, land and services, activities and places. Thus there is the image of the city which must be determined (hence the emphasis on this attribute in the auditing), as well as the land and physical structures which house the activities and functions of the city at a specific location. "The city is intrinsically both an entity and a location, a set of attributes and a site, and these two characteristics, although logically distinct, cannot in practice be treated separately." (Ashworth & Voogd, 1990:76) All the nuances that often surround a product must also be considered when defining the city product. While the physical core product may be identical, consumers may value and use the peripheral products differently (Jansen-Verbeke, 1987:39). Cognizance must also be taken of the spatial scale of the product as perceived by the target markets. While the local authority may only consider its area of jurisdiction, this area may not correspond with the trade area of the Central Business District, school zones, or even residents' perceptions (Ashworth & Voogd, 1990:71). Furthermore, city marketing also "requires not only the identification and definition of the existing urban products, but the ... introduction of new products in relation to the existing product line" (Ashworth & Voogd, 1990:74).

The auditing phase, coupled with the market analysis (ie evaluation of the market and the determination of those sectors which should be targeted), yields the strengths and weaknesses, the problems and potential or opportunities, of the city which form the basis of the following phase: the formulation of strategies and policies to build on the strengths, to make the most of the opportunities, and to address the problems and areas of weakness. Figure 2.11 illustrates the inter-relationship between the analyses and the strategy phases.

Fig 2.11 INTER-RELATIONSHIP BETWEEN THE ANALYSIS AND STRATEGY



Source: Ashworth & Voogd, 1990:28.

Strategy

The strategy is the means whereby the demand (the target markets) is linked to the product (the city). In conventional marketing the strategy is based on the marketing mix or the four "P's" of Product, Price, Promotion and Place (delivery). As a result of the unique, place-bound character of the city, place and product are synonymous and inseparable. The spatial aspect is fixed, the location of a town or city cannot be altered, only the access to it can be improved (Borchert & Buursink, 1987:12), hence a more appropriate spatially defined marketing mix is required. Ashworth & Voogd (1990:31) have suggested that such a marketing mix should comprise:

- spatial functional measures, such as traditional land-use, urban design or functional plans or policies
- organizational measures, so that the organization can implement the policies efficiently and effectively
- financial measures by which the organization can finance its marketing activities

- promotional measures to extend and improve the image of the town held by the target markets.

There is no one best strategy. The most apt should flow from the purpose of the marketing exercise, the analysis and the unique qualities of the city. In formulating the strategy, there should be an evaluation of the marketing measures available to the city and the relevance of each to the city's peculiar circumstances and the market situation (Lukkes, 1987:68). Each type of market will require different strategies, as illustrated by Ashworth & Voogd, (1988:70).

Fig. 2.12 MARKET SITUATION AND STRATEGY

MARKET SITUATION	STRATEGY
Full demand	Maintenance marketing
Latent demand	Development marketing
Negative demand	Conversional marketing
No demand	Stimulational marketing
Faltering demand	Remarketing
Over full demand	Selective demarketing

Source: Ashworth & Voogd, 1988:70

Another typology for city marketing that is both more flexible and more closely related to the nature of the city is also suggested. Here the market is divided into potential and existing users, while the product - the urban structure - can either be adapted (product modification), or maintained. Four basic strategic approaches are then possible, as illustrated in the following figure.

Figure 2.13 TYPOLOGY OF CITY MARKETING STRATEGIES

MARKET	URBAN FACILITY OR STRUCTURE	
	MAINTAIN	ADAPT
Existing consumers	Consolidation	Quality
New or potential consumers	Expansion	Diversification

Source: Ashworth & Voogd, 1988:69

Consolidation - a defensive approach - is aimed at maintaining the existing level of service or range of products for existing consumers and is appropriate where a city has no major social or economic problems. A city which has experienced rapid population growth or which has aging facilities would opt for a "quality" approach

which emphasizes the provision of improved services and products for existing consumers. New or potential customers are the focus of an expansion policy which looks to wooing new users for existing facilities. A diversification approach involves the provision of new facilities for new customers. For each dimension of the city product and each segment of the target market, a different policy may be appropriate. Thus a city may follow a consolidation approach with respect to its retail core, a quality approach in its residential areas, an expansion approach for its office and industrial floor area, and a diversification approach with respect to undeveloped land earmarked for job opportunities.

As stated above the marketing measures suggested for city marketing are promotional, spatial/functional, organizational and financial. Promotional measures involve far more than merely advertising in the media: they entail a way of thinking or a marketing 'mindset' that permeates the entire organization, but also detailed information on specific products (eg industrial floor area for sale or to rent). Without a committed organization behind the city marketing section that is not only willing, but able, to provide the information, and provide the product on time (without unnecessary red tape), the entire exercise could be futile. The same is true of the financial side. Without a budget, which includes personnel to undertake marketing, and a procedure to process incomes and expenditures, any impetus gained by other facets of the marketing exercise will soon be lost. The spatial and functional side is perhaps the most familiar to town planners. "The expectations and approaches of physical planning therefore form an important link between city marketing and spatial planning as a whole. (But) physical planning is, ... 'supply oriented' ie the attention is usually focused on investigating the constraints and physical possibilities ('design') of the existing built environment. The 'demand'-side is often considered as a deduced phenomenon that is usually only treated in daily planning practice in terms of goals and objectives and not as an analytical subject with which to structure the treatment of the built environment. Marketing planning, however, is much more 'demand-oriented' ie the city and possible changes of urban facility structure are considered from the perspective of actual and potential consumers." (Ashworth & Voogd, 1988:71) Spatial planning is thus undertaken in response to the needs, desires, aspirations, and wishes of the consumer, as much as to the initial broad goals. This implies far more contact between the town planner, and the community (or consumers) for whom planning is being undertaken. Interest groups are replaced by customers and consumers, which affords the latter more credibility than the former in many organizations.

Once the relevant strategies have been formulated, they must be implemented. As one is dealing with a variety of products and consumers, there will be a variety of policies and actions to be implemented, ie the implementation must also be differentiated in terms of the marketing mix (Landré, 1992:17). As in any planning process, regular monitoring is essential and the evaluation of the results, the success and problems encountered in implementation, must be noted and addressed.

CHAPTER 3: APPLICATION OF CITY MARKETING

This chapter examines examples of city marketing as applied in Europe, Britain, the United States of America (USA), and Japan. It concludes with a brief critique on some aspects of city marketing as practised in the examples. Although the literature is rich in economic development initiatives and policy measures originating on the national level, it is relatively sparse regarding local initiatives and, in particular, marketing measures.

THE NETHERLANDS

City or place marketing in the Netherlands is as much concerned with promoting tourism as part of the economic base as it is with new industrial investment. Consequently, much of the literature on city marketing revolves around creating images and attractions that will appeal to visitors. This is certainly the case with Nijmegen where the marketing exercise revolved around tourism and the image of the town in the eyes of potential visitors. The first step was a survey to determine how many people knew of the town and had visited it, what the perceptions and images of the town were, and what aspects made it an attractive place to visit (Dietvorst, 1987:122-137). From the results of the survey, it was possible to identify those elements of the 'tourist product' that would appeal to the different market segments.

Lelystad

Lelystad is a new town in Flevoland. Initially, there was rapid growth, which has since flattened out. This provided the impetus for a series of activities undertaken by the community to attract new residents. These activities included rentals of dwelling units, improvements to the residential environment, improved presentation of the facts and opportunities available in the town, and promotional activities. The latter comprised advertising campaigns, presentations regarding Lelystad, and 'free publicity' (Beukers, 1987:115). The goals of the promotion campaign were:

- to improve the knowledge of the town
- to bring the potential of the town to the attention of latent residents.

This campaign, with the motto of "Lelystad Capital" (of Flevoland), was initiated in 1985. Surveys in that year, and another in 1986, were conducted to measure the impact of the campaign. There was an increase in the number of respondents who knew about the town, but the actual images did not appear to have changed much. On the other hand, some success was achieved in attracting new residents.

However, as the campaign was directed at potential new residents and not at existing

residents, little was done to limit the exodus of existing residents from the town. This, together with increased familiarity with the town and enhancement of its image, should be part of a continuous strategy for the marketing of Lelystad (Beukers, 1987:114-121).

Nieuwegein

Nieuwegein began city marketing in 1984 as a response to the slow uptake of proclaimed industrial land and concomitant restricted growth in job opportunities. The objectives of the city marketing programme were:

- to realize 21 500 job opportunities by 1995 with a balance between various occupations and opportunities for local residents to establish their own enterprises
- to promote the uptake of industrial land by firms of all sizes and to avoid only one form of industrial development.

In order to achieve these goals, the city marketing had to make contact with firms considering a move to the region to ensure that the town was on the short list of potential locations, while retaining the firms already established in the town.

Furthermore, new firms had to be assisted to maximize their potential to create jobs in the town (Kroeske, 1987:138, 142).

A distinction had to be made between the various target markets, as each had different needs. Activities not represented or under-represented comprised other specific target markets. In order to attract the desired investment, potential investors were supplied with relevant information about the opportunities and potential in the town. Through early contact with firms considering relocation, the details of a move could be determined in conjunction with the community and potential problems avoided (Kroeske, 1987:143).

As part of a long-term strategy, attention was given to improving and maintaining the quality of facilities, (such as shopping and recreation) the infrastructure, and ensuring that sufficient housing was available. Organizational aspects such as simplified application procedures, the expeditious provision of information, and relaxation of rules and regulations were also part of the plan (Kroeske, 1987:144).

Short-term actions included visits to firms, followed by invitations to visit (and re-locate) in Nieuwegein. Tours of the town were organized to stimulate interest and information was continually made available through various channels about opportunities available. Where direct mailing gave rise to inquiries, these were followed up by personal calls. An advertising campaign was initiated to draw attention

to the town and to create a positive image, backed up by seminars and symposia in the town. Use was made of 'free-publicity' in the form of articles and editorials about the town. A comprehensive information brochure was also compiled for 'hand-outs' and direct mailing (Kroeske, 1987:144-147).

The emphasis in Nieuwegein has moved from general marketing to increase awareness of the town to a more purposeful targeting of specific sectors. Direct contact has enabled the town to keep abreast of firms considering a move and thus to invite them to the town. According to Kroeske (1987:147, 148), the marketing plan has yielded dividends and dynamic growth, making the efforts worthwhile.

City marketing can thus be the basis for tourist planning, industrial development, and land- use planning in the formulation of structure plans, as in the case of Hoogeveen and Groningen.

Hoogeveen

The new structure plan for Hoogeveen, a town of some 50 000 residents, had three major objectives:

- provision of new activities through the use of appropriate stimuli
- formulation of a framework for the integration of various policies
- the supply of information regarding the potential and priorities for development (Ashworth & Voogd, 1988:74).

The process began with an analysis of potential and problems in the town, followed by an analysis of strengths and weaknesses, which included opinions and perception of users of the town's functions. Then the market was examined and target groups identified with sub- markets for each major land-use. From this analysis, a range of alternatives was drawn up for improvements, from the clients' point of view. These were then incorporated into the draft structure plan which, was used as an instrument to initiate discussion with interested clients and consumers (Ashworth & Voogd, 1988:72-77; Ashworth & Voogd, 1990: 40, 41).

Groningen

A similar procedure was followed for Groningen a growth point or generator of economic activity for the northern region of the Netherlands. Objectives of the plan included strengthening the central place functions of the city and improving of the residential component (Ashworth & Voogd, 1990:41-42; Ashworth & Voogd, 1988:72).

GERMANY

Although not explicitly designated as such, many of the strategies to initiate or maintain economic development, and the agencies responsible for such activities in Germany, can be viewed as city marketing and are, therefore, worthy of mention.

Although German cities do not suffer as much from obsolete physical infrastructure and housing (due to the extensive rebuilding after the Second World War) as for instance British cities do, the effects of the world-wide recession and structural changes in Western economies are leaving their mark. Fluctuations in the national economy but more so, in the local economy, have a direct effect not only on employment, but on local revenue. Thus local authorities entertain a deep concern for the economic health of their communities. Local financial institutions and the business community share this concern for the local economy from which they draw their livelihood. Active involvement in, and commitment to the local economy enables these organizations to keep a finger on the pulse, to recognize problems and opportunities, and in particular, to mobilize political and financial support for their proposals. "A combination of corporate social responsibility and enlightened self-interest means that financial institutions... give tangible and often preferential financial support to firms in their areas." (Hart, 1983:12) There is concern that, unless action is taken now, German cities could also eventually experience the decline and plight of British and American inner areas. The reaction to potential problems includes financial incentives, promotion, and public-private partnerships.

Financial incentives are highly selective. They are directed at specific spatial development projects with economic potential as the bulk of the funding derives from the private sector. It is taken for granted that development cannot, and will not occur without private sector funding and that the role of the local authority is that of initiator or catalyst serving primarily to stimulate private investment. This is partly possible because business associations play an active role in local economies. The Chambers of Commerce (whose members comprise the larger firms) and the Chambers of Craftsmen (which attract members from the smaller of craft firms) play a leading role in the local economies. These bodies have considerable budgets and expertise. They act as consultants and intermediaries between firms, the local authority and other agencies, as well as producing research reports on various economic issues. In some cases, the service includes financial assistance and risk-sharing (Hart, 1983:13-15).

Concern for economic promotion by public agencies dates back to the Second World War. Much attention is focused on the preparation and sale of land to firms which the local authority believes can contribute to a specific form of employment that will benefit the local economy. Where possible, dependency on one firm or one industry is avoided so as to maintain as broad an economic base as possible. Hart (1983:18) cites an example from Wiesbaden where an analysis indicated the city's strengths and weaknesses as well as its potential. This potential was translated into specific types of firms which would add to the diversity of the economic base. These firms were all contacted personally or by letter by the mayor with details of the potential, opportunities, inducements, and costs of establishment in the town.

Given the commitment of the private and public sectors to the health and wealth of the local economy, it is not surprising that joint ventures are common. Many joint venture companies are staffed and partially funded by the public sector, and have small and medium sized firms as their target market. This is particularly evident in the concern for the viability of these small firms in urban renewal programmes (Hart, 1983:21).

Besides the quantifiable economic benefits that the German cities have realized, there are less tangible benefits too. Among these are greater confidence in the local economy and trust between private and public sectors, as well as sustained social and political backing for the strategies (Hart, 1983:9-33).

BRITAIN

The election of a conservative Government in 1979 heralded the way for more emphasis on private sector involvement in economic development and renewal. Many of the initiatives and much of the funding for development and revitalization comes from the central government through numerous development agencies ranging from regional development authorities to local urban development corporations. The agencies are usually initiated by the public sector, but also represent private sector interests, and are often run according to private sector management principles. Among the functions of these agencies are the channelling of funds from central government, the leverage of private funds, attracting private investment, traditional development control and land-use planning, job creation, and image promotion (Ashworth & Voogd, 1990:138-143).

Public sector funding comes in the form of various grants (City Grants, Urban Development Grants and Urban Regeneration Grant in Britain) from the British central government as well as from the European Community (EC). It is the

preliminary planning and the format of applications to the EC that has initiated many of the public private partnerships and planning initiatives, such as Integrated Development Organizations (Ashworth and Voogd, 1990:138-143). Furthermore, the role of the small and medium sized enterprises with their strong local links and commitment is acknowledged and these are targeted for assistance.

Promotional actions are aimed at reversing prevailing negative images held of the respective areas to make the area of jurisdiction more attractive for businesses and thus attract investment. In many cases the promotional activities are matched by positive steps to enhance the local environment, through improved housing and urban facilities, the clearance and redevelopment of derelict land and buildings, the upgrading of the natural environment, and the provision of improved infrastructure, such as roads and airports.

Two examples of city marketing in Britain are Glasgow on the urban scale and North East England on a more regional scale.

Glasgow

This city, once at the fore of the industrial revolution, is now an extreme example of a city which has lost its industrial base through the restructuring of the economy, and with it, jobs and its population. The population has declined by about 30% since 1961 and available jobs by about 25% (Paddison, 1993:344). Prior to the 1960s, the city's economic base had been predominantly manufacturing, now service employment contributes over 60% of all the jobs. Various agencies have made efforts to improve the housing, upgrade the environment, and create jobs, with varying success.

The city marketing effort began in the 1980s as "a series of pro-active or responsive strategies harnessing opportunities which 'city marketeers', those responsible for initiating and implementing city marketing, have read as offering potential for increasing inward investment and contribution positively to the development of the city's image" (Paddison, 1993:345).

As there were no prior examples and as the climate was so uncertain, no blueprint, master plan or formula could be followed. Policies have developed slowly, each new project bringing new lessons. The advantage of this *ad hoc* approach was its flexibility, allowing opportunities of the moment to be grasped. Initially, the approach was broad-based, and less direct, but subsequently, more direct, targeted strategies have been adopted (Paddison, 1993:346).

The city marketing approach developed from a promotional campaign : "Glasgow's Miles Better" with the purpose of improving the general image of Glasgow. From this, it grew to target other markets, such as tourism and service industries, with specific emphasis on the arts. The initial promotional campaign was conceived as a result of perceptions of the city's negative image and the effect that it had on investment. Besides improving the image in the eyes of potential external investors, the promotional campaign had the bonus of improving local morale. The politicians benefited in that they could indicate concern and commitment to the area, at relatively little cost, for the brunt of the financial burden of the advertising campaign was borne by the business sector (Paddison, 1993:346).

While the promotional campaign represented the first step in the slow turn about, actions had to follow the rhetoric. These included the enhancement of the central area and the upgrading of the airport. These improvements then bolstered the city's image, which in turn assisted the city to improve in key areas, such as its service industry. Thus promotion played a key role throughout the city marketing process. As the marketing process progressed, it became clear that a more focused promotional strategy was required, one aimed at specific targets or economic activities.

At this point, image reconstruction took precedence over image building and the campaign moved from one "which sought to increase the external visibility of the city, and, in a diffuse manner, to counter the stereotyping of it, to a more purposive campaign seeking to reconstruct the image of the type of city which Glasgow represented" (Paddison, 1993:347). The purpose was to detract from the image of a declining industrial city to one rich in the arts and culture which could act as a tourist attraction and create jobs.

The promotional campaign and associated strategies to establish Glasgow as a cultural centre bore dividends when Glasgow was designated European Cultural Capital in 1990. Furthermore, there was a substantial increase in the number of respondents to a survey who believed that Glasgow was improving. However, this did not translate into persons who would be happy to move to Glasgow or substantially increase the number of relocations to the city. According to Paddison (1993: 347), the "durability of the city's poor external image as a place in which to live is evidence not so much as the failure of the image-promotion campaign, but rather that - for the individual - the image of a city is compartmentalized. Hallmark events combined with an advertising campaign may influence specific aspects of a city's image... which in turn may influence the decision to visit the city. However, such events may leave relatively unaffected the overall image of the city, and particularly

its more negative aspects." However, there was an increase in tourism, much of which could be attributed to the Cultural Capital designation. Other gains in employment were offset by the general recession, national cut-backs, and the decisions of externally owned firms.

Yet city marketing according to Paddison, cannot be discussed or evaluated only in economic terms, but must include political and social accountability. The foremost criticism of the Glasgow campaign is that the image projected is unrelated to the deprivation that exists in certain areas of the city. The challenge then for Glasgow, must be to bring reality in line with the image (Paddison, 1993:349).

North East England

This area is also suffering from the restructuring of the national economy away from the traditional bases such as heavy engineering and mining. It is from the depressing circumstances found here that local initiatives for improvement have been developed (Storey, 1983:184-209).

One of the major strategies has been promotion by both local authorities and an umbrella body, the North of England Development Authority, to inform potential industrialists in the United Kingdom (UK), and abroad of the opportunities and incentives available in the area. Much promotion is in the form of advertisements in trade journals and national newspapers. Some stress the positive features of the area, others list their 'scores' ie firms that have recently located in the area with either favourable quotations from the managers of those firms or growth statistics (Storey, 1983:196). A second form of promotion is more targeted. The authority approaches firms which it has previously identified as being receptive to the possibility of locating in the area. The firms are advised of the opportunities and packages available in the area. Often the target firms are those which exist in areas where it is difficult to recruit labour and the abundance of skilled labour is used as an incentive. Most of these promotional strategies are aimed at existing firms, which leads to high levels of competition, and, in recessionary times, there are "more authorities, with increased budgets chasing fewer firms" (Storey, 1983:196).

The promotional activities are supported by various other strategies aimed at creating jobs to compensate for steel mill closures. These include incentives and advisory services to small firms, often in conjunction with local colleges, polytechnics and universities. More concrete steps are taken in the construction and leasing of industrial buildings to firms. Loans to firms also make up a substantial part of the budget (Storey, 1983:186-191).

UNITED STATES OF AMERICA

Because much of their revenue is derived directly from local sources, American local authorities display a keen interest and involvement in the local economy. However, true to the American commitment to free enterprise, most of the funding for city marketing initiatives is drawn from the private sector, often in the form of public-private partnerships or joint venture corporations. Private sector business associations have often taken the lead in city marketing efforts aimed at central area renewal. Examples cited are Philadelphia and Baltimore (Hart, 1983:15). In the latter, revitalization was achieved through the use of marketing strategies and innovative management institutions permitting the co-operation of politicians with business leaders with widespread credibility, creative financing aimed at stimulating private investment through limited public investment, and an emphasis on promotion. The promotional campaign, as in the case of Glasgow mentioned above, was aimed externally to act as an incentive for new investment and development, and internally to foster civic consciousness and pride (Ashworth & Voogd, 1990:138).

Pittsburgh

Pittsburgh is an oft cited example of the restructuring of the industrial base from declining heavy industries to services and high technology through city marketing.

Although the decline of Pittsburgh's industrial base began in the 1950s it was in the early 1980s that the deepening economic crisis became the prime priority on the agenda. By 1987, a general strategy, formulated and funded by public private partnerships, had begun to achieve results (Weaver and Dennert, 1987:449-457). The main actor was the Allegheny Conference, which represented large business interests, local governments, and the high technology sector (Ahlbrandt and Weaver, 1987:450, Ashworth & Voogd, 1990:134). The Allegheny Conference, which brought together leaders from all sectors to attain common community goals, commissioned a report containing a strategy to address the local economic ills. This was released in 1984. The goal of the Pittsburgh plan was to secure a stronger high technology sector and to promote the city as a location for advanced technologies. The core strategies followed were:

- funding for research and development
- the development of a 'seed fund' and provision of venture capital
- provision of assistance - financial and managerial - to new firm start-ups and small firms
- provision of appropriate space in industrial parks or incubator units

- promotion of the region as an active entrepreneurial and advanced technology centre. The latter activities include industry network building, organizing and sponsoring seminars, workshops and luncheons. (Ahlbrandt and Weaver, 1987:450, 451)

According to Ahlbrandt and Weaver (1987:452, 457), the early results were positive. There have been new firm start-ups and new jobs, but it is the confidence that has been generated and the image of growth that perhaps hold most long-term benefits. The strategy has created an environment conducive to developing and sustaining a high technology sector. It now remains to be seen if the momentum will continue in the long-term.

'Cultural tourism', where the city is marketed for its cultural, architectural or historic attributes is also being practised in the USA. According to McNulty (1985:225-228), several towns are experiencing rejuvenation through the promotion of their heritage to attract tourists and small businesses. Lowell, an old calico mill town, has redeveloped much of its central area as an urban cultural park, with resounding success.

CANADA

In Canada joint public-private ventures to achieve common objectives are undertaken by Crown Corporations. Ashworth & Voogd (1990:136, 137) point out that while the goals are in the public interest, most of the funding, and the management techniques belong to the private sector. The Toronto Harbourfront Corporation is predominantly self-financing and uses its profits from redevelopment of previously derelict land to subsidize other enterprises in the public interest.

JAPAN

Although less affected by the restructuring of the global economy, Japan has also had to deal with diminishing demand for textiles, shipbuilding and steel. The effects of the appreciation of the yen have too taken their toll by raising the costs of production in Japan relative to other countries. One of the results of these changes is the rationalization of Nippon Steel, the world's largest steel company. This has, in turn, affected the local economy of cities where Nippon Steel has operated its production works. Kitakyushu is one such town, where over 3000 jobs have already, or will shortly be lost in the Nippon Steel works. As there are some 700 other firms related to the steel industry in the city, the total will be far higher. Given this

situation, the local authority has taken active steps to replace the declining industries with those at the forefront of technology. (Shapira, 1990:389-411)

The central government has recognised the need to assist areas with declining industrial bases, and the Ministry of International Trade and Industry (MITI) has introduced several measures to this effect. Kitakyushu has used these measures in developing its own policy. Strategic planning was undertaken by a council - 'City Basic Concept Study Council' comprising elected officials, representatives of local citizens, businesses and various experts. The overall goal is "an international technology-intensive waterfront city with greenery and heart-to-heart-communication" (Shapira, 1990:403). As part of this plan to improve the image of the city, objectives were adopted relating to housing, welfare, interactions with the rest of the world, technology and information, and science and research. Policy measures adopted are a combination of image-building, physical improvements to infrastructure, the stimulation of tourism, high technology and small businesses and organizational measures to achieve the goals (Shapira, 1990:406). Forums to discuss and implement the plans include an organization modelled on the Allegheny Conference in Pittsburgh and the Chamber of Commerce and Industry.

Promotion such as an international "Techno Fair" have been backed up by improvements in transportation infrastructure and the establishment of an "international centre" to stimulate economic and cultural exchanges. In addition, a large amusement park with a space theme has also been developed. In keeping with the objective to promote high technology development there are various financial incentives, as well as technical assistance in the areas of research and development, upgrading of technology, employee training, and the development of new markets and products. Among the infrastructure improvements, is the construction of airport facilities capable of handling large international airliners. Other developments include new hotels and leisure facilities.

City marketing in Japan is very new. Previously, it was the national government that took the lead and formulated policies. In the case Kitakyushu City, the efforts appear to have been led more by Nippon Steel than the local authority. In order to achieve a strong, diverse economic base, less dependent on the steel industry implies a strong effort to attract, develop and nurse small and medium size enterprises, both high technology and business service to support these firms (Shapira, 1990:407).

EVALUATION OF CITY MARKETING MEASURES

Paddison (1993:339-343, 349, 350) raises a number of issues concerning city marketing which form a useful framework for evaluating the actions described above. These are: the relative inflexibility of cities; the effects of interurban competition; which groups of residents, businesses and land owners benefit; and the necessity of matching promotion with action.

Cities are inherently inflexible. Reconstruction of a city to meet the market's needs takes time. It is for this reason that city marketers tend to focus on matching the available product to the market rather than shaping the product according to the market's needs. In many instances, a certain strategy was decided upon, and then the market to meet that strategy was approached. Examples include Glasgow as a cultural centre, Pittsburgh as a high technology region, and towns wishing to exploit their tourist potential. Marketing in these cases is merely a tool to achieve economic and other goals. In other cases, such as the formulation of Hoogeveen and Groningen's structure plans, insufficient time has elapsed to gauge the success or otherwise of the actions taken.

Ambiguity is a second issue. "While marketing is frequently conducted at city level, its impacts frequently extend beyond the city boundary, raising the problem of whether the marketing effort should be organized at some regional as well as urban, scale. ... The effect of restructuring has been to loosen the economic complementarities which existed between the cities as members of a larger, functionally interacting, urban-industrial region. Their proximity, which was in effect an asset to their functioning ... becomes more of a liability as each of the cities, aiming to establish a new economic niche, competes for investment." (Paddison, 1993:342) While there could be positive spin-offs from investment in one city for another the fierce competition may have a zero sum outcome. There is also the potential for firms to play towns and cities off against each other for the financial assistance that they could obtain (North and Gough, 1983:182).

The third point raised is the issue of equity and accountability in the decision of what type of investment should be made where. As these issues involve the distribution of investment, they are political. The argument is that there should be greater political accountability in the city marketing process, or at least in the case of Glasgow (Paddison, 1993: 348). Ashworth & Voogd also raise the question of the distribution of costs and benefits in city marketing as practised in the USA (1990:135). Weaver and Dennert, (1987:435), commenting on the public private partnerships to bolster

and transform local economies in decline, state that "such partnerships may stimulate economic adjustment and expansion, but they pose a number of serious challenges to conventional conceptions of government ... especially ideas of government accountability and democratic representation." But they are confident that, given sufficient public representation, there is a future for joint marketing efforts. The potential for neighbourhood groups to participate in the city marketing process is discussed in Weiss and Metzger (1987:469-477), where the residents of a neighbourhood in Pittsburgh affected by the city marketing plans took the initiative to become involved and to ensure that proposals for their area benefited local residents and businesses.

Fourthly, promotion exercises should be matched by action in the neighbourhoods. This was one of the greatest criticisms of the Glasgow marketing plan (Paddison, 1993:348). It is also a criticism of some of the earlier marketing efforts of American cities.

From the few case studies described above, it is also clear that most of the promotion and marketing was aimed outwards, with the goal of attracting new investment. Only in the case of Nieuwegein and the German cities was there any emphasis on retaining and building up the existing economic base and facilities. This would appear to be a serious short-coming if the old adage "a bird in the hand is worth two in the bush" has any truth in it. Furthermore, it is generally the existing economic base that provides the funding for city marketing, unless there are substantial state or federal grants.

A further issue regarding promotion is its cost effectiveness. Does the investment obtained justify the expenditure on advertising and promotion? Can the interest generated by the promotion be converted into investment, jobs or tourists. (Storey, 1983:191-208)? It would appear that carefully targeted promotion, with all the relevant details and followed up with personal contact can deliver results, as in the case of Nieuwegein.

Burgess (1982:1-17) has assessed the content of local authority promotional measures aimed at attracting investment and improving images of their areas. Promotional activity ranges from advertisements in newspapers and trade journals, mailshots, and other written material distributed on request, as well as promotional gifts, staging exhibitions and making films. The purpose of much of this activity is to facilitate personal contact with executives with a view to improving the image of the town or persuading the firm to locate there. While much of the written material

purposes to give an unbiased, objective and representative image of the relevant town, "without exception all are biased, unfair and unrepresentative. Sometimes the text is deliberately misleading, more often it errs through omission" (Burgess, 1982:5). Many claim to be the centre of the area, to offer a wide choice of housing and beautiful scenery. Generally, the quality of copy writing is poor and lacking in originality. Often the same document is used for tourists, prospective residents and businessmen. What is required is a professional document, with the details targeted for each major segment of the market, and co-operation between authorities on a regional basis to pool resources and limit inter-urban competition. But, in the end, it might be personal contacts, as promoted by Wiesbaden and Nieuwegein, that will stand to yield the most impressive results.

CHAPTER 4: HISTORY OF VERWOERDBURG AND ITS APPLICATION OF CITY MARKETING

INTRODUCTION

This chapter moves from the literature to the application of city marketing in the town of Verwoerdburg. It examines the perceptions of the city marketing effort in Verwoerdburg held by senior officials, councillors and business leaders, based on personal interviews conducted by the author. However, before the interviews and results are discussed, a brief introduction to Verwoerdburg and its recent history and achievements is necessary as a background to the interviews. The chapter therefore, outlines the development of Verwoerdburg and its new Central Business District (CBD), Verwoerdburgstad, before moving on to the interviews, methodology and results, and concluding with a few comparisons between the ideal process of city marketing (as discussed in Chapter Two) and its application in Verwoerdburg.

HISTORY OF VERWOERDBURG

Irene was the first township to be established in the present day Verwoerdburg (1902), followed by Kloofsig (1906) ,and Lyttelton Manor (1908). The Health Committee for Peri Urban Areas was responsible for the townships from its establishment in 1944 until 1950. In 1950 Lyttelton, then comprising Lyttelton Manor and Extension 1, was given the status of a Health Committee. This status was upgraded to a Village Council (*dorpsraad*) in 1955 and to Town Council status (*stadsraad*) in 1960 (Schoeman, 1983:1-4).

The area under the jurisdiction of the Lyttelton Town Council was extended from 750 ha to some 6000 ha on 1 July 1964. The enlarged municipal area included other existing townships such as Irene, Kloofsig, Clubview, Eldoraigue and the Lyttelton and Simarlo Agricultural Holdings. Nine years later, in 1973 the municipal area was extended again to the present 20 000 ha (Schoeman, 1983:1- 4). Further extension of the municipal areas to the south-east and south-west to a total area of some 30 000ha is at present under consideration. The name 'Verwoerdburg' was adopted in 1967 following the assassination of Dr H F Verwoerd (Schoeman, 1983:1- 4).

The modern history of Verwoerdburg and its growth from a dormitory town to a more independent status begins with the formulation of a masterplan in 1978. In this document, the need for a central business district (CBD) was pointed out and the

motivation for the proposed location of the CBD was discussed in detail (Verwoerdburg Town Council, 1978: 112, 118).

The reasons given for the establishment of a new CBD were:

- The existing retail centres were inadequate and could not be extended to meet the growing local need.
- More than 50% of the local purchasing power was lost to Verwoerdburg.
- A new CBD would provide the local authority with a better income base from both rates and the sale of services to business erven.
- A CBD would provide local job opportunities, reducing dependence on Pretoria.
- A new CBD with jobs and retail facilities would reduce trip lengths for residents (Verwoerdburg Town Council, 1980:6).

The Council adopted these proposals in the same year and work began in earnest on the planning of the CBD (Unpublished lecture notes based on discussions with the Chief Town Planner). A detailed planning report was completed in 1980 (Verwoerdburg Town Council, 1980). Construction began in 1983. The first part of the retail centre, the OK Boulevard, opened its doors in 1984 and the remainder of the retail core in 1985. The Atlantis Water Park was opened in the spring of 1985, followed by Centurion Park, the home of the Northern Transvaal Cricket Union in 1986. The Highveld Technopark, a science and technology park, was proclaimed in 1988 (Verwoerdburg Town Council, Town Planning Department: Annual Reports). The first industrial township was proclaimed in the early 1980s while the first commercial developments (warehouses, service industries or wholesaling) were completed in 1984. (Verwoerdburg Town Council, Town planning Department: Annual reports and Atlas 1991). (Refer to maps on pages 54-57 for maps depicting the location of Verwoerdburg in the region and the town and CBD)

The following tables reflect the growth of the retail, office, commercial, and industrial floor areas during the last decade or so.

Table 4.1 Growth in retail and office floor areas, 1980 to 1990

	1980	1985	1990
Retail floor area (m ²)	4941	52241	74902
Office floor area (m ²)	4724	50953	152587
TOTAL	9665	103194	227489

Source: Verwoerdburg Town Council, Town Planning Department, Annual Reports and Atlas 1991

Table 4.2 Growth in industrial and commercial floor areas, 1983 to 1991.

	1983	1986	1989	1991
Industrial floor area (m ²)	24695	50600	102514	161087
Commercial floor area (m ²)	-	1460	8356	193671
TOTAL	24695	52060	110870	354758

Source: Verwoerdburg Town Council, Town Planning Department, Annual Reports and Atlas 1991

Growth in business floor areas is reflected in the growth of job opportunities. At present, almost 28% of the local residents work within Verwoerdburg (Verwoerdburg Town Council, Atlas 91).

Table 4.3 Growth of population and employment in Verwoerdburg, 1976 to 1990

Year	Population	Employment opportunities	% Residents locally employed
1976	29 047	9 140	15,8
1980	49 700	11 093	18,1 (1983)
1990	96 894	37 202	27,84

Source: Verwoerdburg Town Council, Town Planning Department, Annual Reports and Atlas 1991

It appears from these figures, that the construction of Verwoerdburgstad, the new CBD of Verwoerdburg, has indeed had a major impact on the development of the town, with growth in all areas: population, local employment opportunities, and business floor areas. That which has been achieved, was, according to the Chief Town Planner and Mr Piet Geers, the Town Clerk at the time, the result of a dedicated marketing effort which persuaded major corporations to invest in an area that was nothing but grassland at the time.

The following section examines the perceptions of those marketing efforts over the past few years up to the present.

PERCEPTIONS OF VERWOERDBURG'S MARKETING

Methodology

The following discussion is based on a number of a survey of the opinions of senior officials, councillors and business leaders in the Verwoerdburg community in June and July of 1993. Personal interviews of approximately one hour each, based on an open ended questionnaire were held with the following officials: the recently retired Town Clerk, Mr Piet Geers, the newly appointed Town Clerk, the Town Secretary, the Town Treasurer, the Assistant Town Engineer, the Town Electrical Engineer, the Chief and Deputy Chief Town Planners. The inclusion of Mr Geers was considered essential, as much of the development that took place in Verwoerdburg did so under his leadership and guidance. As the Town Planning Department took a leading role in the development of the CBD (and still does), it was considered appropriate to include the deputy head of the department as well.

The chairman of the Management Committee and the chairman of the Aesthetics Committee were also interviewed to obtain an indication of the councillors' opinions of Verwoerdburg's marketing effort. Leaders in the business community were also interviewed. The questionnaire is contained in Appendix 1. (Many of the interviews were conducted in Afrikaans as this was the language with which those respondents were most comfortable and the responses have, therefore, been translated into English.)

All the respondents were exceptionally friendly and helpful, and their time and patience is appreciated. The opinions expressed are those of the individuals rather than those of the Town Council or business firms. Nevertheless, as they constitute the opinions of policy-makers, they undoubtedly influence decisions and actions taken by the Town Council.

The questions can be summarized as follows:

- Is it necessary and possible to undertake City Marketing?
- What are the Town Council's goals in marketing the town?
- Does the Council have a purposeful strategy or programme of marketing?
- How important are these actions and is the importance reflected in the allocation of resources to do the job?
- How successful is the Council?
- To which factors can the successes and failures be ascribed?
- How can the Council improve its marketing?

- What should the Town Council's role be in marketing the town?
- How does Verwoerdburg's marketing compare with other local authorities?

Results

The responses to each question are discussed, more or less question by question, with some comments on the opinions expressed and their implications.

Need for marketing

There was virtually unanimous agreement that city marketing was both necessary and possible. The only exceptions were the Town Engineer and Town Electrical Engineer, who stated that city marketing was necessary provided that it was profitable ie it did not cost more than it yielded. The main reasons given for the need for marketing were economic and can be summarized as the attraction of development and investment to broaden the tax base and lower individual consumers' accounts.

Goals and strategy

There was less consensus regarding the goals of marketing in Verwoerdburg. Six of the respondents stated that there were no clear goals. Two respondents coupled the marketing goals to the town's mission, which is to create a place in which to live, work and relax. For some it was to attract development and make Verwoerdburg more affordable (three respondents). The Town Electrical Engineer encapsulated the mood of many of the respondents in his understanding of the goals: "*sien wie vlieg daar en hoe ons hom kan vang*" (see who flies past and how to catch him). More cynical was the response by others of "development at any cost". Interestingly enough, the clearest statement of the goals which could be traced through Council reports and promotional literature, was summarized by the manager of the Centurion Centre (that part of the retail core managed by Ampros), as: to establish an infrastructure that is acceptable to business and to residents; to create an awareness of Verwoerdburg as a town and to create an own identity of Verwoerdburg separate from Pretoria.

While there was some confusion concerning the goals of the marketing programme, most of the respondents were in agreement that there was no clear strategy or marketing programme, and that all marketing so far had been done on an *ad hoc* basis. The only exception was the manager of the Centurion Centre who believed that the Council did its marketing well.

Allocation of resources

There was general agreement about the importance of marketing: for most, it was seen to be crucial to the future well-being of Verwoerdburg. The Chief Town Planner pointed out that Verwoerdburgstad, which covered only 2% of the total area of the town, was already responsible for 10% of its income. There was also consensus that despite the necessity for marketing, few resources were allocated to the task. From the interviews it could be discerned that marketing in the Council was primarily the responsibility of the Chief Town Planner and a small section comprising three staff members in the Town Planning Department, and the Public Relations Officer and an Assistant in the Town Secretary's Department. According to the Town Clerk, between R400 000 and R500 000 per annum was allocated to marketing (0,22% of total budget).¹

Two respondents suggested that resources should be allocated on the basis of a cost benefit study, while another proposed that it should be related to the necessity for marketing. The general feeling was, however, that additional resources should be allocated to enable the Council to market itself in a more organized, continuous manner.

Successes and failures

Generally Verwoerdburgstad was regarded as the biggest success that the Council has achieved to date, and for some, the only success. The majority of respondents believed that Verwoerdburg had been successful, taking the constraints of the economic climate and the difficulties of marketing Verwoerdburg into account. However, only a few (the political leaders) believed that the town had been very successful. Consequently, it was felt by most that there was room for improvement and that the level of marketing effort and success achieved with the establishment of Verwoerdburgstad should be maintained.

For most, the successes were attributable to the vision and dedication of those who were concerned with marketing. The Chief Town Planner, Mr Douw Nel, and Mr Geers were singled out as key role players in the successes achieved, as persons who had the vision, the commitment and the ability to persuade others to share their vision. Other reasons given for Verwoerdburg's success to date were its favourable

¹The majority of this allocation is spent on promotional material such as brochures, a marketing video, (now available in Cantonese and Mandarin as well as English) and events such as the Momentum Classic.

location on major freeways, its unique environment, as well as its preparedness to take risks and think innovatively.

For some (the heads of the engineering departments in particular), many other marketing projects were considered expensive failures, but the chairman of the Management Committee considered the only failure to be Atlantis Water Park², "because we gave the private sector too much leeway". The other project considered a failure despite intense marketing efforts is the Highveld Technopark³. The cause of the slow development of Technopark was, according to one respondent, the curtailment of Armscor, the major employer in Verwoerdburg, and its high technology affiliates. Only two respondents ascribed failures to the lack of market research, the absence of formal organizational structures, and limited marketing planning.

Thus the successes and failures were seen in terms of projects and persons, rather than the existence or otherwise of a coherent planning and marketing strategy. The comments elicited reflect the status quo of marketing in Verwoerdburg: the responsibility of a few individuals and viewed in terms of specific projects, rather than as a continuous process. Verwoerdburgstad is regarded as the crowning achievement of Verwoerdburg to date and all the departments are proud of that achievement.

Improvements and role of the Council

The shortfalls in the present marketing process were clear to many respondents. It is not surprising, therefore, that proposals for improvement centred around a marketing strategy, with well-defined goals and the allocation of resources (professional personnel and finances) to do the job. More than one respondent emphasized the need for a marketing mentality among the staff and officials of the Town Council. In

²Atlantis Water Park is adjacent to Centurion Park, the Northern Transvaal Cricket Union stadium. It is a water theme park, with a wave machine in the main pool, water slides and smaller pools for children. No literature is available on any market research to evaluate the viability of the project, and according to officials, none was undertaken. At present, the water park is on the market either in its present form, or for any other recreational purposes, as the cost of maintaining the park is exorbitant. It is, nevertheless, very popular in the summer.

³The Highveld Technopark is modeled after the successful Stanford Park in Silicon Valley. Again, according to officials at the Verwoerdburg Town Council, there was very little research to determine the demand and viability of this enterprise. It appears to have been born out of a visit to England and America, where similar, and more successful, techno parks were encountered. The Council established the township and paid for the services (roads, water, sewerage, electricity) at great cost, and is unable to recover those costs due to the lack of demand for the land. At present, most of the land is vacant and only a handful of high technology firms and related uses have located there.

terms of such a marketing mentality, each official is responsible for marketing the image of Verwoerdburg as a friendly and helpful local authority, concerned with the welfare of its residents and keen to expand and develop.

Other proposals included an improved and more affordable product that would meet the demands of the market, with new incentives, initiatives and means of accommodating developers.

Both the respondents from the private sector believed that the Council (officials and Councillors) should meet with business and community leaders in a seminar or forum to discuss the entire issue of marketing Verwoerdburg. According to one respondent, the Council needed to start afresh; it had rested on its laurels from the success of Verwoerdburgstad far too long. A new approach to meet current problems and issues was now urgently required.

The role of the Town Council in marketing the town.

Consistent with the perception that marketing was essential for the continued growth of Verwoerdburg, was the opinion that the Council should remain involved and take a leading role in the marketing of the town. As one respondent put it, the Council had to take the lead as private businesses (particularly affiliates to national or multi-national companies) lacked commitment to Verwoerdburg. Divergent views on the actions that should be taken by the Council were held. These views included the following: initiating new developments, undertaking qualitative improvements to the environment, attracting additional investment, formulating policy, providing accurate information, developing a total philosophy towards marketing, acting as a catalyst for development, and leading the business community and residents. The role of initiator was probably the most strongly held opinion of all the respondents. Most of these actions presumably presuppose the existence of a more formal marketing process on the lines of that set out in Chapter Two.

Comparison with other Councils.

Most respondents believed that Verwoerdburg compared exceptionally well with other local authorities when it came to the initial marketing of Verwoerdburgstad. Three people were unsure of how Verwoerdburg compared with other local authorities at present, while four respondents were of the opinion that, as few other Councils undertook marketing, Verwoerdburg still compared well. The majority took the opposite view, pointing to the organizational structures and successes of other local authorities that appeared to be marketing themselves very successfully. To

match these other Councils, Verwoerdburg needed to re-examine its concept of marketing and develop its marketing potential to the full.

CONCLUSIONS

Despite the visible success of Verwoerdburgstad, a somewhat dismal view of city marketing as practised at present by Verwoerdburg emerges. While the necessity was recognized in the light of the current economic climate, the town's own financial state, and mounting competition by surrounding local authorities, Verwoerdburg had no clear goals, no policy and no formal organizational structures for marketing. That marketing which did take place, occurs on an *ad hoc* basis, undertaken by a few individuals with little co-ordination. Although the efforts of the few individuals who undertook marketing is recognized and appreciated, it remained the efforts of those individuals rather than that of the Council as a whole. Inter-departmental jealousy, 'empire building' and warring goals were the reasons for the lack of cohesion given by one respondent.

To improve the *status quo*, marketing must become the responsibility of the entire Council, with each department playing its part. Clear goals and policy are necessary. These goals and broad policies should be formulated by the Council in conjunction with the business and residential community of Verwoerdburg. The Council should take the lead in marketing the town. To do so, it requires a marketing mentality or 'mindset' among officials, a formal organizational structure, and an approved budget, trained professional marketers, and an affordable product that is in demand by the market.

CITY MARKETING IN VERWOERDBURG AS COMPARED TO THE THEORY

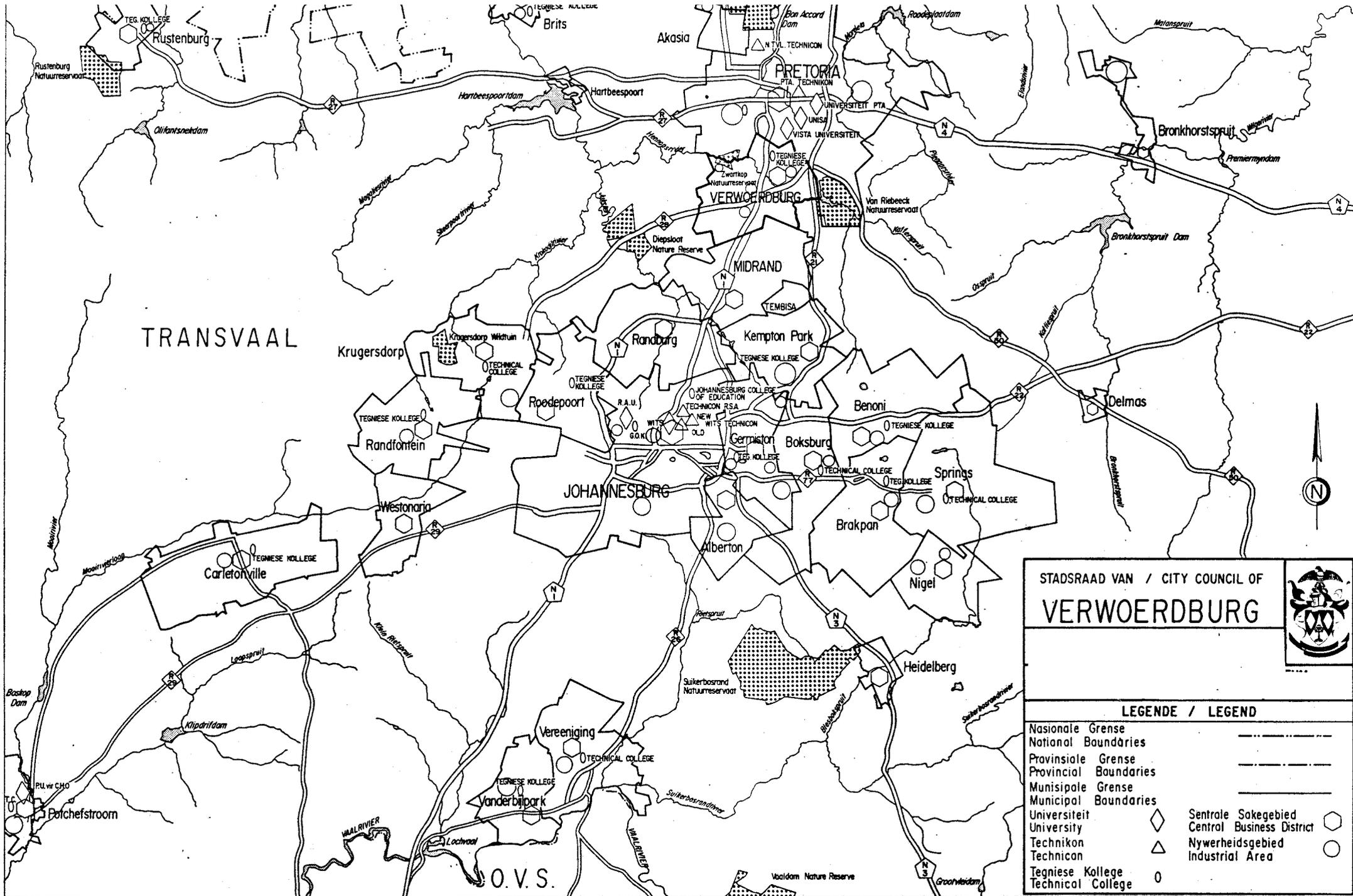
The discrepancies between the theory of city marketing as discussed in Chapter Two and the marketing as practised by the Verwoerdburg Town Council are clear and recognized by the officials. There is no consistent, well-defined marketing process at present and, therefore, an entire new process must be adopted. All the facets of the marketing process from the goals, the analysis of the product, the markets and the environment, and the methods must be re-examined.

While the preceding comments are, on the face of it, extremely negative, the very lack of formal procedures and processes offers an opportunity to start afresh on the

basis of the process set out in the initial chapters of this thesis. The Verwoerdburg Town Council, should it resolve to undertake city marketing, with trained personnel and a thorough analysis of its local marketing environment, has every opportunity to match its achievements in establishing Verwoerdburgstad. Such an approach, has in a modest manner, been initiated by the town planners of the Town Planning Department with an Economic Development Plan (EDP). The plan aims at stimulating growth and development in Verwoerdburg, and has taken a city marketing approach, with a decided emphasis on the market's needs, attitudes and perceptions.

The first steps in the EDP were taken in November 1991, with a report to Council recommending that the Council proceed with the plan and approve broad goals primarily concerned with economic development and growth. The Council agreed to this, and, as the expertise in this line is limited, it was resolved to appoint a consultant to assist the Town Planning Department in the analyses: what should be done and how. The product of this investigation was a detailed, city marketing oriented report, entitled "*Preadvies insake Ekonomiese Ontwikkelingsplan*" (Landré, 1992). It was clear from this report that the Council needed to have a better understanding of the local economic base. To this end, a survey of the industrial activities in Verwoerdburg was completed in 1993 (Verwoerdburg Town Council, Town Planning Department, 1993), and a similar survey of the remaining economic activities is being undertaken in 1994. These are the first detailed surveys of the local economic base, with the purpose of imparting a clear understanding of the economic activities in the town. Other aims of the surveys are to determine the locational requirements of local businesses, their perceptions of Verwoerdburg, and the problems experienced with locating in the town. The information gathered from the surveys will enable the Council to formulate specific strategies to meet the different needs of the business community.

From the scant literature on such economic planning, it would appear that Verwoerdburg is one of the first in this area, at least in South Africa. However, it would appear also appear that other local authorities are responding to the need for such planning. The concern with local economic development and planning can be closely linked to the growing realization of the fierceness of the competition to attract new employment and residents, and hence the importance of city marketing. Such city marketing, as perceived and practised by other local authorities, is the subject of the following chapter.



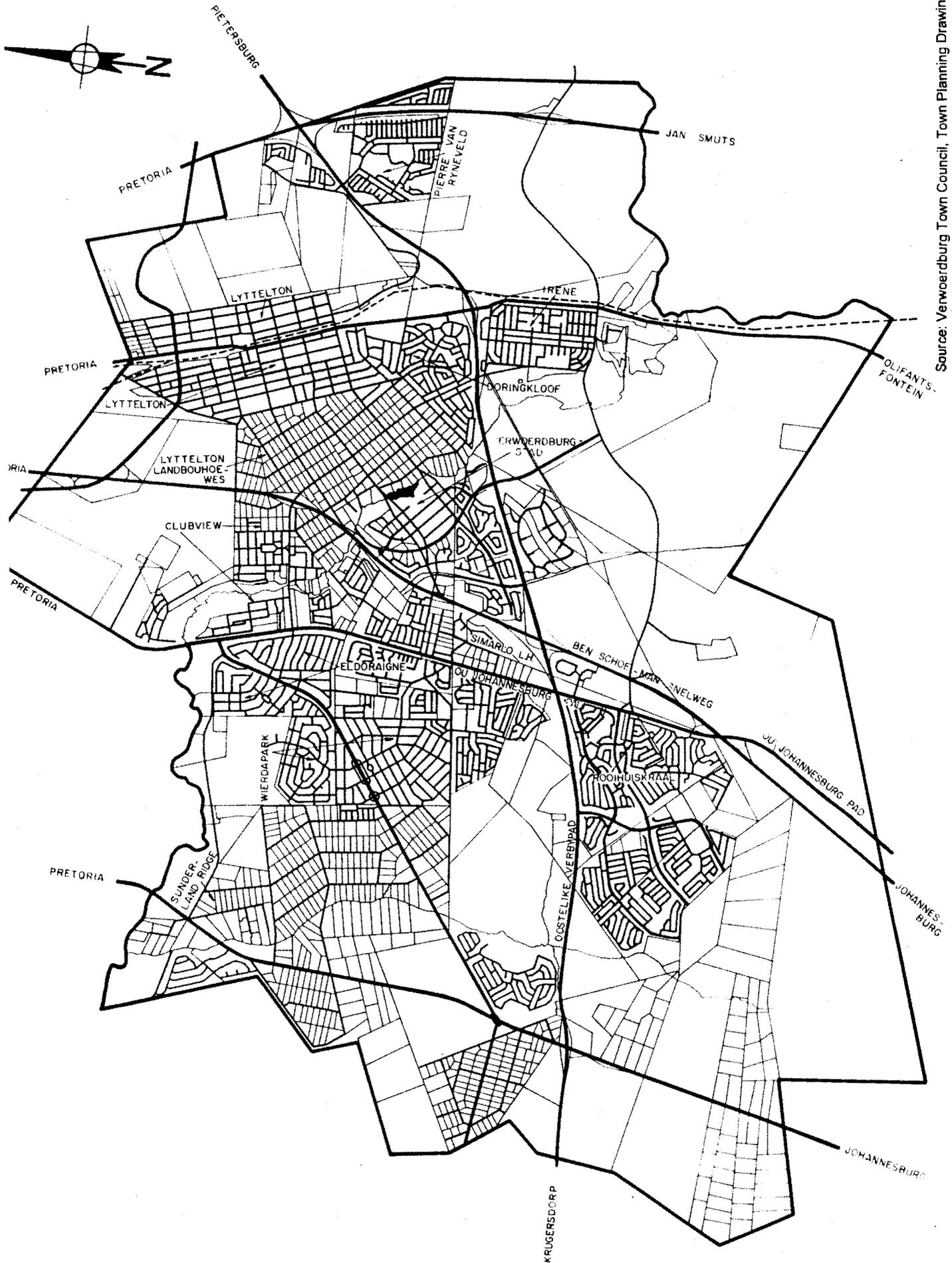
STADSRAAD VAN / CITY COUNCIL OF
VERWOERDBURG



LEGENDE / LEGEND

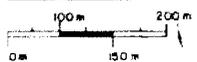
Nasionale Grense National Boundaries	-----
Provinsiale Grense Provincial Boundaries	-----
Munisipale Grense Municipal Boundaries	-----
Universiteit University	◇
Technikon Technician	△
Tegniese Kollege Technical College	○
Sentrale Sakegebied Central Business District	◻
Nywerheidsgebied Industrial Area	○

DS



Source: Verwoerdburg Town Council, Town Planning Drawing Office

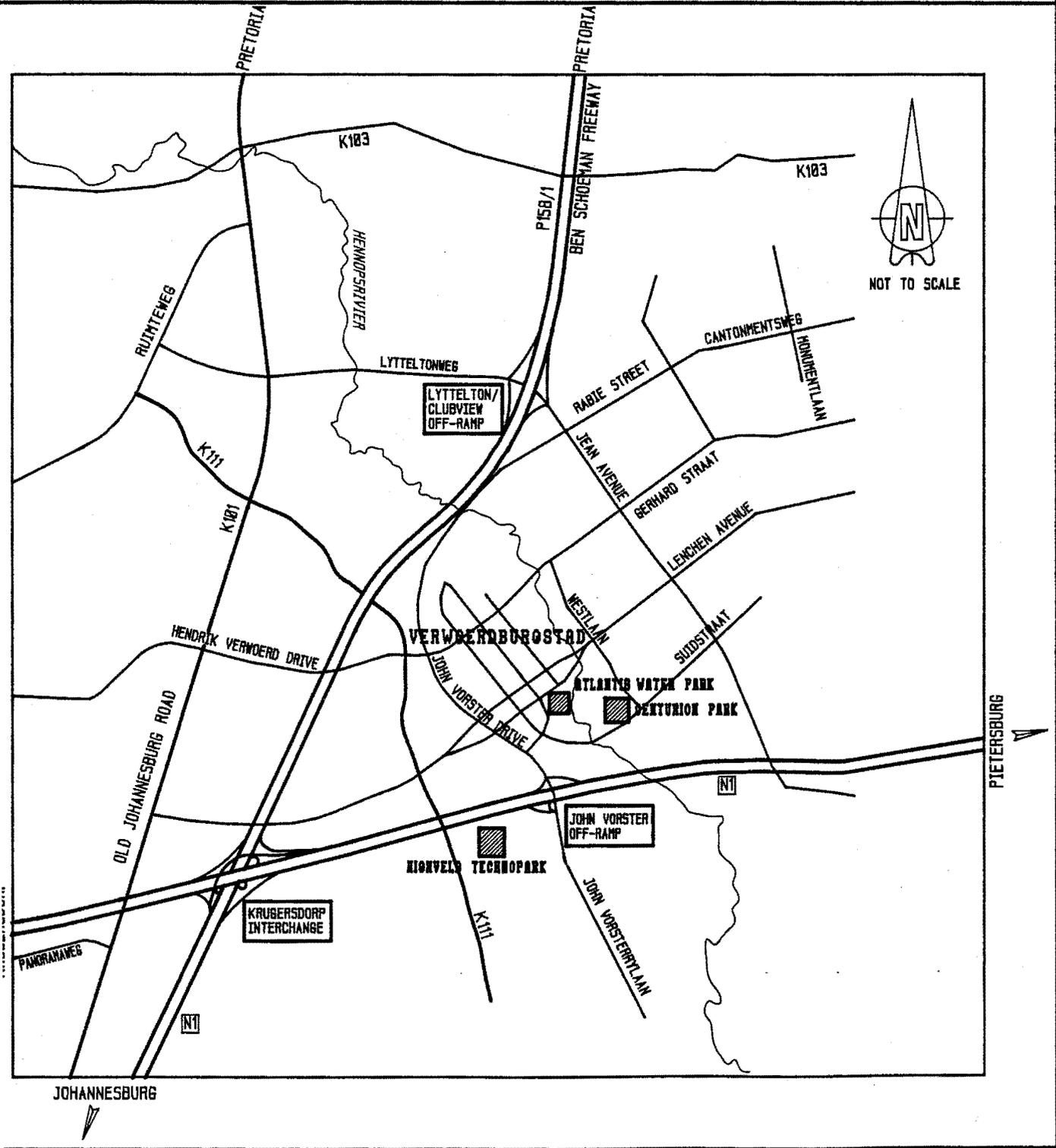
1:1 / SCALE



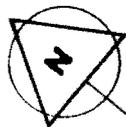
VERWOERDBURG MUNICIPAL AREA

LIGGINGSPLAN
LOCALITY PLAN

VERWOERBURGSTAD AND ENVIRONS



e: Verwoerdburg Town Council, Town Planning Drawing Office

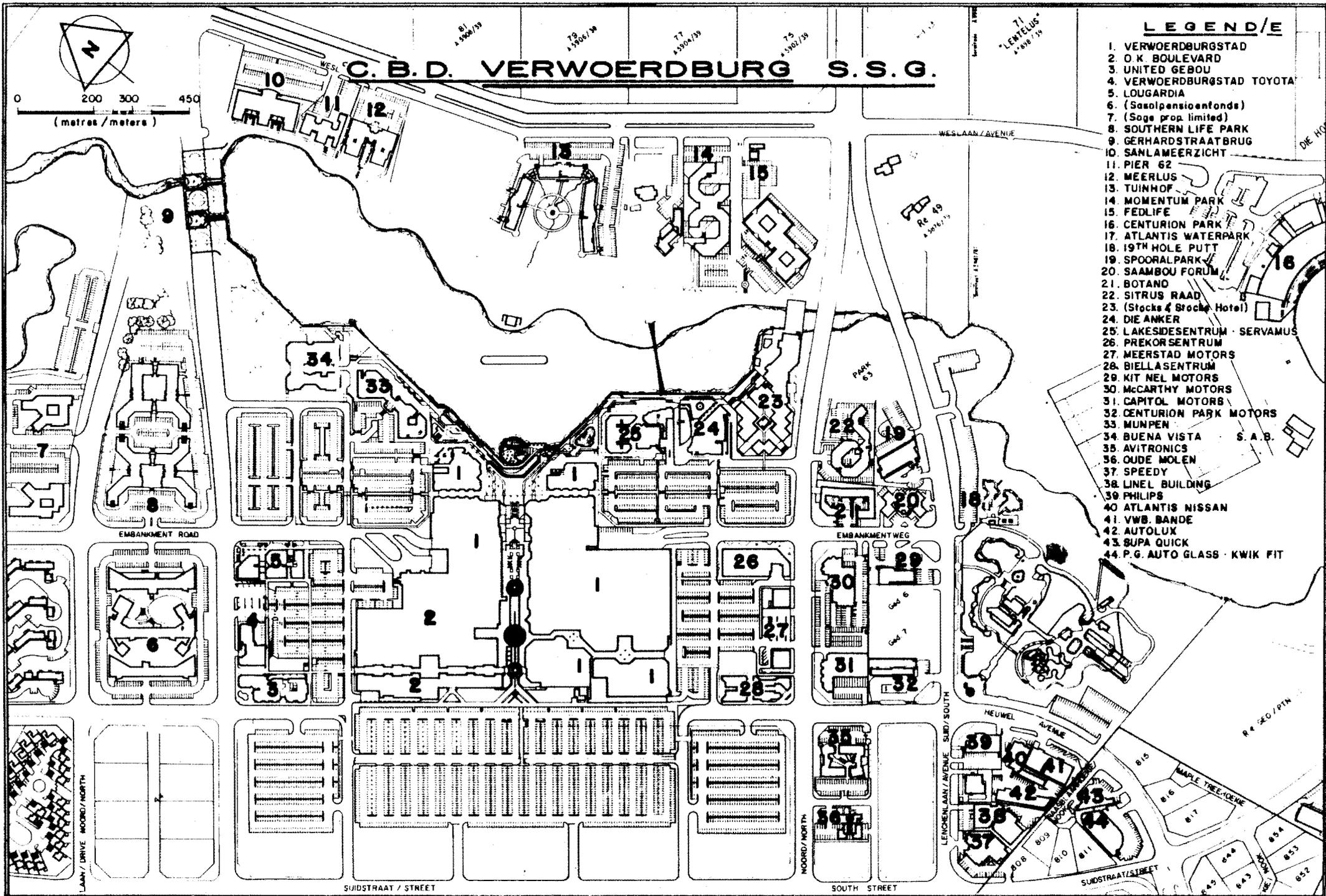


0 200 300 450
(metres / meters)

C. B. D. VERWOERDBURG S. S. G.

LEGENDE

1. VERWOERDBURGSTAD
2. O. K. BOULEVARD
3. UNITED GEBOU
4. VERWOERDBURGSTAD TOYOTA
5. LOUGARDIA
6. (Sasolpensioenfonds)
7. (Sage prop limited)
8. SOUTHERN LIFE PARK
9. GERHARDSTRAATBRUG
10. SANLAMEERZICHT
11. PIER 62
12. MEERLUS
13. TUINHOF
14. MOMENTUM PARK
15. FEDLIFE
16. CENTURION PARK
17. ATLANTIS WATERPARK
18. 19TH HOLE PUTT
19. SPOORPARK
20. SAAMBOU FORUM
21. BOTANO
22. SITRUS RAAD
23. (Stocks & Broche Hotel)
24. DIE ANKER
25. LAKESIDECENTRUM · SERVAMUS
26. PREKORSENTRUM
27. MEERSTAD MOTORS
28. BIELLAGENTRUM
29. KIT NEL MOTORS
30. MCCARTHY MOTORS
31. CAPITOL MOTORS
32. CENTURION PARK MOTORS
33. MUNPEN
34. BUENA VISTA S. A. B.
35. AVITRONICS
36. OUDE MOLEN
37. SPEEDY
38. LINEL BUILDING
39. PHILIPS
40. ATLANTIS NISSAN
41. VWB. BANDE
42. AUTOLUX
43. SUPA QUICK
44. P. G. AUTO GLASS · KWIK FIT



CHAPTER 5: COMPARISON BETWEEN LOCAL AUTHORITIES' CITY MARKETING

INTRODUCTION

This chapter examines the process of city marketing as practised in other local authorities, some of whom are actively advertising their towns, and others that can be considered to be in direct competition with Verwoerdburg. The objectives of this research were to obtain an overview of city marketing in South Africa; how it is practiced in local authorities; and how the strategies of those local authorities compare to those of Verwoerdburg.

This chapter commences by considering the methodology employed, then discusses the results obtained from the questionnaires and concludes with remarks on the state of city marketing in local authorities. In addition, a brief comparison is made between the marketing practised by the other local authorities and Verwoerdburg.

METHODOLOGY

Two questionnaires were used to obtain information concerning the city marketing efforts of other local authorities. The first questionnaire was addressed to Town and Regional Planners attending a Transvaal Municipal Town Planners Association Congress in February 1993 and a later questionnaire (July 1993) was addressed to specific local authorities.

The primary purpose of the first questionnaire was to gauge the understanding and extent of city marketing within Town and City Councils in the Transvaal. The questionnaires were distributed among delegates at the annual congress of the Transvaal Municipal Town Planners Association. A response was obtained from each local authority represented at the Congress, ie 12 local authorities, as well as ORMET (East Rand Metropolitan Transportation Planning Authority).

The second questionnaire was faxed to the Town Clerk or Chief Executive Officer of local authorities in the vicinity of Verwoerdburg, with similar grades ie 9 to 12 in terms of the Remuneration of Town Clerks Act (115 of 1984), which could be considered to be in direct competition with Verwoerdburg, namely Sandton, Randburg, Kempton Park, Edenvale and Midrand, as well as local authorities, which were advertising over the broadcasting media at the time ie Welkom, Johannesburg, Port Elizabeth,

Pretoria, Springs and Akasia. Of the 11 local authorities approached, nine responded, giving an 81,8% response.

RESULTS OF FIRST QUESTIONNAIRE TO TOWN PLANNERS

The responses to the first questionnaire are summarized in Appendix 4, while the questionnaire is included as Appendix 2. (Most of the responses were in Afrikaans and have been translated.)

What is city marketing

For most respondents, city marketing was understood as the promotion of a town to its market in order to attract and stimulate development and business so as to uplift the community. Most respondents recognized that it included more than advertising, although communication of a town's unique assets or qualities and the opportunities available was accepted as an important component of city marketing. The opinions expressed by the Town Planners from these local authorities compare well with the opinions held, and actions taken in Verwoerdburg.

Necessity for city marketing

Each and every local authority that responded to the survey, from Johannesburg to Modderfontein, indicated that it took steps to attract development, and hence to market itself. All the local authorities, with one exception, agreed that it was now essential to promote and market town and cities in South Africa. Thus there was general consensus on the need for city marketing.

Less consensus was obtained on how this should and is done. Among the strategies employed were:

- advertising and in newspapers and magazines
- brochures
- co-operation with the Tourism Board
- development and financial initiatives, including concessions for developers such as preferential tariffs
- Information sessions
- offer of Council land at attractive rates eg low interest
- personal contact with developers by planners and councillors
- presentations to target groups, such as developers, finance companies, consultants.

- pro-active management and timely planning to finance development
- provision of unique facilities
- radio advertisements
- recruitment of overseas industrialists
- specific marketing portfolios to undertake full-time marketing
- studies on employment creation.
- tours for developers and estate agents
- videos.

Verwoerdburg, in its marketing to date, has engaged in most of the above mentioned activities. While these may constitute components of a marketing exercise, they cannot be considered to comprise marketing *per se*. Although many respondents stated that their Councils undertook active marketing, it appeared from the typical strategies listed, that few had undertaken any form of strategic marketing exercise based on market research or an analysis of the market, target groups or the environment in which they were operating. Until recently, this was also true of Verwoerdburg.

This short questionnaire indicates a growing awareness of the need for city marketing, primarily to stimulate local economic development. City marketing would appear to be in its infancy in the majority of the local authorities, as the process of city marketing is still vague. Promotion plays a dominant role, but is not necessarily part of an overall strategy. A greater awareness is required of the entire process of city marketing, so that each action can complement every other action, and thus move closer to the attainment of goals.

Of interest is the emphasis placed by the town planners on promotion and advertising. A greater emphasis was expected on township establishment for industrial, commercial and business purposes and land development and incentives related to land development; these being the traditional concerns of the town planner. It is also interesting to note the similarities and differences between the responses of the town planners and those of the officials most directly concerned with marketing elicited by the second questionnaire.

RESULTS OF THE SECOND QUESTIONNAIRE TO TOWN CLERKS

The purpose of the second questionnaire was to obtain more detailed information on city marketing activities undertaken by specific local authorities. This was also a short questionnaire, sent by telefasimile (to ensure that the local authorities did receive it)

and addressed to the Town Clerk or Chief Executive Officer, so that the section or department most actively concerned with the marketing of the local authority could respond.

Questionnaires were sent to the following local authorities: Edenvale, Kempton Park, Midrand, Randburg, and Sandton all of which lie between Johannesburg and Pretoria and are between Grade 9 and 12 (Verwoerdburg is Grade 11) in terms of the Remuneration of Town Clerks Act (Act 115 of 1984). Responses were obtained from each Council with the exception of Sandton.

Questionnaires were also sent to Akasia, Port Elizabeth, Springs, and Welkom, which were actively advertising over the broadcasting media at the time, and to Johannesburg and Pretoria, the core cities within the region. Responses were obtained from all the towns approached excluding Pretoria. Although the grading, incomes and sizes of these local authorities range considerably, and two of the local authorities approached do not fall within the PWV, the very range of local authorities should make the findings relevant to an understanding of local city marketing efforts.

The responses to each of the questions in the questionnaire are examined first with comparisons drawn between the various local authorities and Verwoerdburg. Differences between the local authorities' approaches and the theory are also discussed.

Existence of a city marketing campaign

All the local authorities, with the exception of Edenvale, responded positively to this question. Edenvale replied that there was a limited marketing campaign. Kempton Park indicated that a three phase marketing and publicity campaign over three financial years had been approved by the Town Council. Randburg had an overall marketing strategy which entailed a publicity and promotional campaign.

It is clear from these responses and those from the town planners employed in local authorities that a need for marketing and the promotion of local authorities has been recognized and that local authorities are responding to this need in various ways. Verwoerdburg is, therefore, not alone in this area.

Chief aims of the marketing and promotional campaign.

Whereas Verwoerdburg's aims are fairly vague, this is not the case for other local authorities, according to the responses obtained. Four of the local authorities, Port

Elizabeth, Akasia, Springs, and Edenvale emphasized economic growth. Attraction of business ventures, the retention and expansion of local business ventures, assisting small business ventures, stimulating growth in industrial areas, the central business district, and residential areas, and broadening the income base of the local authority were all cited as components of the economic growth goals. Other local authorities, such as Kempton Park, Welkom, Midrand and Randburg, placed more emphasis on the quality of life of the community and improved service to residents. An improved image of the local authority was also an important aspect of Welkom, Kempton Park, Randburg and Midrand's goals. Johannesburg, although it included service goals, also emphasised other goals in a long list of aims, ranging from managing change and urbanization, to protecting the environment. Among the community related goals included in the list were an open administration, developing residents to their full potential, and promoting civic pride. Economic goals appear to take a back seat in the financial capital of the country.

From these responses there would appear to be three areas of concern: the economic growth of the town, an improved quality of life for residents, and a general promotional campaign (a) to heighten awareness concerning the town or city and (b) to improve the image held of the town or city as an ideal place in which to live, work and invest. The goals appear to be sufficiently broad to permit a range of policies and strategies, but adequately defined to give a clear sense of direction.

Although Verwoerdburg's marketing goals are vague, there is some correspondence between the goals mentioned above. Certainly economic goals, and, in particular the expansion of the tax base, were cited by Verwoerdburg officials as the goals of the town's marketing efforts. These are now clearly stated as the goals of the economic development plan. Quality of life as encapsulated in Verwoerdburg's mission statement - to create a place in which to live, work and relax - was also considered to be a goal by some officials interviewed. Promotional goals are strongly linked with the attraction of new investment, jobs and residents.

Targets of the campaign.

Responses to the question "at whom is the campaign aimed" reflected the aims and goals of the marketing efforts in as much as the same groups were mentioned. Economic development goals are reflected in target markets of businesses, investors, developers, etc. Thus, high on the list of responses were local and foreign businessmen (specifically stated by five local authorities), as were developers, industrialists and investors who received a mention from seven of the respondents.

Port Elizabeth has divided its marketing campaign into two well-defined areas: namely industrial and commercial development and promotion and development of tourism. The former is undertaken by a development officer who reports directly to the Town Clerk (Chief Executive Officer) and who is responsible for the identification of target markets. These vary "from time to time given current economic conditions, noteworthy ... political or economic events..." (Quote from Port Elizabeth response to target markets). According to the town planner representing Johannesburg at the Municipal Town Planners' Congress, Johannesburg has taken much the same route with a portfolio of Executive Director of Industry and Development.

The quality of life goals, which focus on the community and were mentioned by Johannesburg, Welkom, Kempton Park, Midrand, and Randburg, refer to residents (existing and potential) as targets of the campaign.

Other targets are the media (Welkom), tourists (Welkom, Port Elizabeth and Edenvale), visitors (Randburg), and officials and councillors of the local authority (Randburg and Johannesburg).

Thus the target markets appear to be consistent with the aims of the marketing exercise and also appear to be far more clearly defined than those of Verwoerdburg. Port Elizabeth appears in particular to have undertaken research in this regard and is concentrating on those markets where most success is anticipated. An example cited by that local authority is a data file on delegates who attended seminars in Taiwan to promote business. This enables the city to send a detailed information portfolio to each delegate at a fraction of the cost of an overseas trip.

Of interest is the importance Johannesburg and Randburg attach to marketing within the local authority organization. This points to an awareness of the importance of a marketing "mindset" among personnel as an essential basis for successful marketing. This is a sentiment emphasized by Coffman (1986:44-46), and echoed by Mr Geers (recently retired Town Clerk of Verwoerdburg).

Methods and Means of Marketing

Advertising by means of pamphlets, brochures or articles in the local press is the most common strategy and is mentioned by all the respondents. Verwoerdburg is no exception. In the words of the Town Secretary, Verwoerdburg derives a great deal of 'free marketing' from press releases and reports in local newspapers.

Promotional events were cited by Port Elizabeth, Akasia, Edenvale, and Randburg as components of their marketing strategy. Verwoerdburg has also followed this course with the Momentum Classic, a golf tournament played around the Verwoerdburg Lake which is Verwoerdburg's premier promotional event.

Other forms of advertising, such as exhibitions, were mentioned by Welkom, Kempton Park and Randburg, while speeches and discussion groups and audio visual material were quoted by Port Elizabeth and Kempton Park respectively. Only Kempton Park mentioned a video, although the town planners from both Randburg and Boksburg mentioned local marketing videos. (Verwoerdburg too, has a short marketing video, extolling the virtues of the town as a high technology centre within a rustic setting.) Radio advertising is used by Akasia, Welkom, Springs, and Port Elizabeth, but was not mentioned by Welkom. Springs mentions personal marketing, both locally and overseas, as a means of marketing, as did Johannesburg.

It appears from the above that the majority of the promotional material is intended for the general public, but there is little focus on the intended target markets. Only Port Elizabeth appears to concentrate on the specific business market, with the example cited above and specific advice on business matters, as well as an 'interface officer' to deal with issues of 'red tape'. According to the literature (Kotler and Andreasen, 1991:195, 196), such a general approach will probably elicit only a general response, whereas most of the local authorities are looking for specific responses, such as the purchase of land or the establishment of a major employer. The emphasis on promotion rather than specific strategies geared to the various target markets can be partly explained by the Departments responsible for city marketing.

Department responsible

The City Secretariat, under various names, appears to be the department primarily responsible for city marketing in all the local authorities approached. Springs has a separate Department of Public Relations and Marketing, which is responsible for promotion and marketing. In this area, Verwoerdburg is perhaps unique, as the Town Planning Department has played a leading role, while the Public Relations section of the Town Secretary's Department appears to play a more supportive role. However, the Town Planning Department was mentioned by Welkom as a role player, while the Parks and Recreation Department in Port Elizabeth and Welkom are also responsible for some aspects of marketing (particularly tourism in the former). Publicity Associations were mentioned by Welkom and Kempton Park. Johannesburg states

that the marketing efforts have to a large degree been decentralised with the Corporate Communications Department acting in an advisory capacity to the other 11 directorates.

The limited role played by the town planning and other development-oriented departments is an unexpected finding, given the emphasis on economic growth, investment and development. If it is accepted that the town planning and engineering departments generally have the most contact with developers and investors and, therefore, are able to ascertain their needs and demands, then it is surprising that these departments do not play a bigger role in the marketing process. This is not to decry the importance of promotion and increasing the awareness of the local authority, but to balance the need for improved awareness and knowledge of the town with well defined, profitable opportunities for both investors and the town, on the basis of facts rather than perceptions. According to Verwoerdburg's Chief Town Planner, part of Verwoerdburgstad's success can be attributed to the fact that potential developers were given details of expected costs and returns on their investments that enabled them to make a considered and rational decision.

Amounts allocated to marketing

The amounts allocated for marketing by the local authorities are portrayed in Table 5.1.

Table 5.1: City marketing budgets of local authorities

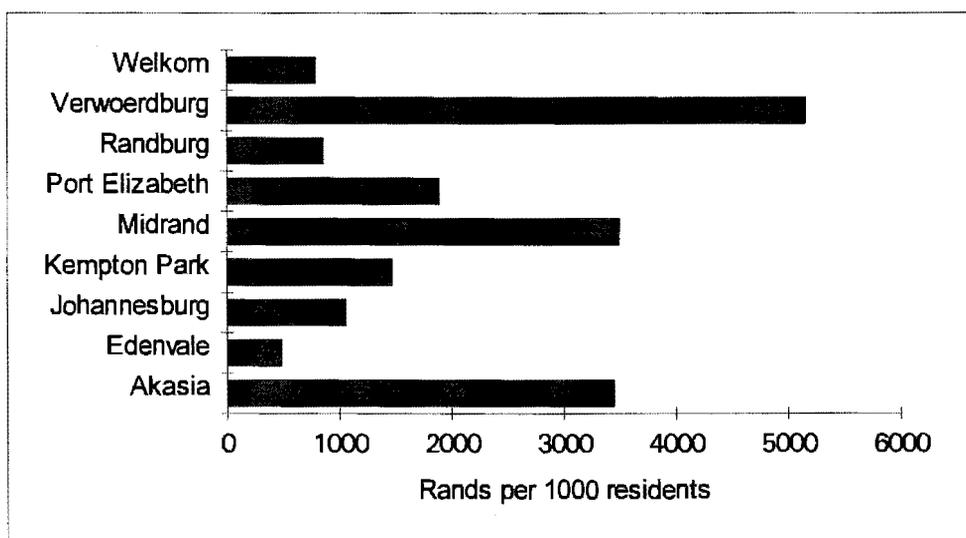
TOWN*	AMOUNT BUDGETED PER ANNUM	AMOUNT PER 1000 POPULATION
Akasia	R50 000 to R74 999	± R 3 425,41
Edenvale	less than R25 000	< R 488,28
Johannesburg	over R1 000 000	> R 1 058,72
Kempton Park	Over R200 000	> R1 468,28
Midrand	R75 000 to R99 000	± R 3 480,00
Port Elizabeth	R1 200 000	R1 892,15
Randburg	R100 000 to R124 999	± R 860,59
Welkom	Over R200 000	± R 795,54
Verwoerdburg	± R500 000**	± R 5 162,62

* Springs did not respond to this question. *Based on estimate by Town Clerk

Source of population figures: SA Municipal Year Book, 1991 (1993 for Johannesburg and excludes Soweto) and from enquiries at the Randburg Town Council.

Budgeted amounts for marketing vary considerably. However, those local authorities with the clearest goals and strategy (other than Verwoerdburg) appear to spend the most, reflecting perhaps, a greater commitment to marketing. However, when the population of the town is taken into account, there is considerable variation in the amounts allocated to marketing, ranging from under R500 per 1000 residents (Edenvale) to over R5000 per 1000 residents (Verwoerdburg) with a mean of R 2 075,68. (The correlation between population and amount spent is 0,88, which is indicative of the diversity.) The range of expenditure per 1000 population is graphically illustrated in figure 5.1. Verwoerdburg clearly spends the most per resident. (If this amount is considered in the light of the comments regarding the town's current success rate, there is perhaps a need to revise the allocation of the marketing budget.)

Figure 5.1 EXPENDITURE ON MARKETING PER 1000 RESIDENTS BY LOCAL AUTHORITIES



Effectiveness of campaign

Many of the local authorities stated that it was difficult to assess the effectiveness of their campaigns. Among the reasons listed were the newness of the campaign (Kempton Park), the fact that results were not quantifiable (Port Elizabeth), and that the campaign was under review (Midrand and Welkom). Akasia cited a residential growth rate of 11 to 12%, but no responses at that time to the marketing of industrial land, which was attributed to the political situation. According to Kempton Park, positive feedback had been received. The Johannesburg City Council indicated that its campaign had been in operation for about two years and that the goals were

beginning to be achieved, but no further detail was given. Midrand claimed that its high growth rate was an indication of the success of its marketing, while Springs stated that numerous industries had settled there and named two big industrial corporations. According to Randburg, the "campaign is effective within the financial constraints and short-term goals are being achieved". Port Elizabeth also alluded to financial constraints, claiming that the results were "commensurate with the resources allocated", and that greater investment would yield improved results. Where Verwoerdburg had clear goals, it had achieved definite results: vague goals meant vague results.

Other than the 11 to 12% growth rate cited by Akasia, no firm indication was given of the success of the marketing. According to many respondents, it was still too soon to evaluate the effectiveness of the campaigns as they had been initiated only recently. On the other hand, the few success quoted could be attributed to general marketing with its general results. However, as insufficient detail was obtained in the responses regarding goals, this remains conjecture.

Conclusions

It appears that city marketing for most of the local authorities approached centres around promotional activities. As the results of such promotional activities are difficult to measure, few concrete results could be stated by the majority of local authorities.

Although economic goals featured very strongly in the responses to both questionnaires, and in the list of target markets, this aspect has not come to the fore in the strategies cited, and the latter has tended to concentrate on promotional activities. Certainly promotion will heighten awareness of the town, but it will not necessarily attract new businesses or industries to the area. Very specific strategies, aimed at well defined targets and based on clear goals and objectives will be necessary to achieve the typical economic goals mentioned.

Promotional efforts will, however, increase familiarity with a town, and can perhaps move it up the scale from "never heard of it" to "know where it is", possibly encouraging a visit. Promotion can certainly improve the image of a town, but only when that image largely reflects reality (Kotler et al, 1993:149). Promotional efforts are, therefore, essential, but they should not stand alone. In order to be more effective in the attainment of their economic growth and development goals, the local authorities will have to move towards more effective strategies, designed to attract the investors, developers, businesses and industries they have indicated as target

markets. This will entail more specific goal setting, detailed auditing, and clear strategies to obtain the desired results. Once the marketing process as discussed in Chapter Two is more fully applied, more concrete results can be anticipated.

CONCLUSION

Kotler et al, (1993:77) note that city marketing in America has passed through distinct stages; namely smoke-stack chasing, then target marketing, and more recently product development. From the information elicited above, it appears that local city marketing is in some respects somewhere between the first and second generations in that the need for specific target markets and the quality of life within towns is recognized, but is still in its infancy regarding means and methods.

Given the recognition of the need for marketing, and the awareness of the necessity for developing a complete product in the inclusion of both economic and quality of life goals by many local authorities, city marketing will undoubtedly grow and mature in the years to come. A growing emphasis on the economic aspects of planning within planning circles is also slowly emerging in local authorities, and the economic analyses and plans will be an important contribution to city marketing in both auditing and strategy formulation. From the present shaky beginnings, it is anticipated that city marketing will grow in importance and sophistication. As the competition grows, so will each local authority be forced to meet the challenge to remain in the race or to find a niche for itself.

CHAPTER 6: THE FUTURE OF CITY MARKETING IN VERWOERDBURG.

INTRODUCTION

This thesis commenced with the challenge of change that currently confronts individuals and communities, before considering the changes that have precipitated and necessitated city marketing. This was followed by a discussion of the process of city marketing. Chapters Three to Five examined the application of city marketing in various other countries, in Verwoerdburg, and then in surrounding local authorities. These chapters all dealt with the past: this chapter looks to the future of city marketing in Verwoerdburg. First the approach and the of the Verwoerdburg Town Council are considered, following which a few strategy options are proposed.

A NEW APPROACH

From the interviews conducted with decision makers within the Town Council, it appears that Verwoerdburg is not marketing optimally. There is a significant discrepancy between the theory and practice of city marketing. Despite the high allocation to marketing per resident as compared to other local authorities, the opinions and perceptions of many of the policy-makers in Verwoerdburg indicate that there is much room for improvement in the town's marketing. Improvement necessitates a radical change, a new approach. It is essential that the attitude to city marketing change if Verwoerdburg wishes to challenge, and win, in the growing competition among towns and cities for investment, employment and growth. The current *ad hoc* approach is inadequate and, at present, appears to be yielding fewer successes and more embarrassments. For successful city marketing there are three prerequisites, which are absent at present in Verwoerdburg and which entail a change of attitude. These are:

- a commitment to marketing the town, particularly by top management
- clear goals and objectives and a strategy to achieve them
- a marketing orientation that permeates the entire organization.

Commitment

It is clear from the interviews conducted with senior officials and councillors, that they recognize the need to market Verwoerdburg. No matter how necessary, no marketing can or will occur unless there is a commitment on the part of the Council to city marketing and all that it implies. Such a commitment must affect the entire

Council and its *modus operandi*. It must pervade all decision making, all planning, and all contacts with the community. A commitment to city marketing will have financial, organizational, and personnel implications, but, without it, Verwoerdburg may continue to drift along and find itself a loser in the local contest to gain prestige, investment and jobs. This commitment and, by implication, a marketing orientation is unlikely to develop unless the top management "believes in it, understands it (and) wants it" (Kotler and Andreasen, 1991:357). Top management - in the case of Verwoerdburg, the Heads of Department - must create a climate for marketing the town and demonstrate this commitment in action.

Direction

At present, Verwoerdburg has no clear vision of where it wants to go. Much data exists on the socio-demographic characteristics of the residents, and surveys of the economic sectors are being undertaken at present to gain an understanding of the composition and characteristics of the major economic sectors. The Council knows what it has. It must decide where it is going. It requires a vision, a philosophy to guide it into the twenty-first century.

There should be consensus regarding the vision that will ultimately determine priorities, for, without consensus, different groups may pull in opposing directions, to the detriment of all. Verwoerdburg's vision should be developed in conjunction with the residents, business community and civic organizations (Kotler et al, 1993:91).

Consensus is essential, but so is commitment to the vision, goals and objectives. This applies particularly to the Councillors and top management of the Town Council. Once there is commitment to an agreed set of goals, then it will be possible to create the organizational structures, appoint the appropriate personnel, budget for projects and programmes, and re-examine the existing policies and their implications for marketing strategies.

Once there is agreement regarding the general direction, more explicit goals and objectives can be formulated. These objectives must be specific and measurable so that progress towards attaining them can be evaluated and the Council can give good account to the community of its achievements.

Marketing Orientation

Hand in hand with a commitment to marketing goes a marketing orientation. According to Coffman (1986:45), "a marketing orientation means that each person in

the organization puts himself or herself in the customer's place in every contact and seeks to help - no matter how seemingly stupid or openly hostile the question". While it is perhaps easier to cultivate a marketing orientation among senior personnel, it is essential to do so among the clerks and administrative officials who deal daily with the problems, complaints and queries of the public. It is these officials, including cashiers, switchboard operators and inquiry clerks, who project the image of the Council to the majority of persons who come into contact with it and who are often the first persons encountered in a visit to a local authority. First impressions count, and the image of a surly clerk annoyed by someone asking for directions may not contribute to closing a major deal with the Council. Commitment on the part of top management is the beginning to a market orientation, but this philosophy must permeate the entire organization. Rewarding employees who demonstrate a friendly and helpful attitude will confirm management's commitment to marketing.

"Any attempt to reorient an organization requires a plan (which) must be based on sound principles for producing organizational change." (Kotler and Andreasen, 1991:357) Such a plan should include a clear understanding of the Council's role, organization design, and effective strategies. Some of these aspects are described in the following sections.

THE COUNCIL'S ROLE

Most respondents interviewed concerning Verwoerdburg's marketing, agreed that the Town Council had a leading role to play. The marketing of Verwoerdburg is seen and accepted as the responsibility of the Town Council, albeit with the assistance of the private sector, as the former represents and manages the town on behalf of the community. According to the respondents, the Council should act as initiator and be organized to do marketing.

The role of initiator

There was consensus that the Council should take the initiative in marketing the town. The private sector in South Africa, unlike its German and American counterparts (see Hart, 1983:9-33), often has little affiliation or commitment and thus less loyalty to the local economy, and, therefore, cannot be relied upon to take the lead in marketing. The Town Council is consequently in the best position in the local context to initiate, to lead and to promote the marketing of Verwoerdburg.

Although responsibility for marketing the town will lie with the Council, the private sector and the community can nonetheless make valuable contributions that should be recognized and accepted. Ideas and expertise can be seconded from these sources. Much of the funding should originate from the community, local businesses and financial institutions, while the implementation of projects will surely lie with the private sector. The Council will thus have a secondary role of co-ordinator, which is perhaps as difficult as that of marketing a town (See Kotler et al, 1993:41, 42).

In these roles, the Council may propose various initiatives, including joint ventures with the private sector or community organizations, ideas and opportunities to be followed through and implemented by other parties (eg Verwoerdburgstad), or merely orchestrate the actions of private bodies.

Organization

The Town Council cannot undertake marketing seriously or effectively unless it is organized to do so, which, judging from the interviews conducted with senior officials at the Council, is not the case at present. If the Council is serious about marketing, it should appoint a marketing director with a professional staff and an appropriate budget.

Verwoerdburg at present has two Departments who take responsibility for some facets of marketing. The Public Relations section of the Town Secretary's Department is primarily responsible for promotion and dissemination of information about the Council, while the Chief Town Planner, assisted by three officials, undertakes specific projects, usually regarding land development. Long-term strategic marketing planning receives scant, if any attention. A single marketing department, responsible for all marketing will be more effective. Although a number of suggestions for a marketing section have been put forward internally within the Town Council, none have been accepted. Most of these include a section under the Chief Town Planner as part of the Town Planning Department, or as a Department within a Town Planning and Marketing Directorate.

It is proposed that a new marketing department should be independent of the Town Planning Department to free it from the restrictions of a predominantly land-use planning or projects approach, which is considered to be marketing in Verwoerdburg at present. This department should be represented on the highest level of decision making (Coffman, 1986:24-34). Such senior status will permit the marketing department to participate in the planning of actions and strategies, and enable co-ordination between departments so that the Council has a congruent and coherent

message for its target markets. It will also ensure that the marketing department's priorities get onto and stay on the budget.

The responsibilities of the new Marketing Department should include promotion and, possibly, public relations, strategic planning (continuous research, auditing of the environment and market), development of programmes and policies to achieve the goals and co-ordination of joint venture projects with the private sector and Council departments. In order to liaise with the private sector, fairly senior persons with an accredited status within the Council should make up the core of the marketing staff. The persons already tasked with marketing, such as it is, should be more adequately trained for their responsibilities and in time, they should be assisted by new staff with the right attitudes and skills (Kotler and Andreasen, 1991:357, 358).

Kotler and Andreasen (1991:348-356) discuss four alternative organizational structures: functional organization, product centred organization, customer centred organization and a mixed organization, that could be implemented in a marketing organization. A functional unit groups the responsibilities, for example, of promotion, in one section, and those of research or planning in others. Where these units are small, with only one or two persons in each, then such an organization can function effectively with economies of scale. Such functional units however, are not necessarily the most effective in a large organization (Kotler & Andreasen, 1991:348-352). A product centred organizational structure places responsibility for the entire marketing of a specific product or service in the hands of one group. In large organizations, with skilled, experienced personnel, this may be effective, but not in smaller organizations, where the staff member tasked with the entire marketing of a set of products or services may not have the training or the experience to be able to deal with all facets of marketing. This is true too of a customer orientated marketing organization, where the marketing section is divided between various clients or market segments.

A mixed organization has elements of both functional and product or customer orientated structures. In a smaller organization, this has the advantage of permitting specialization in eg promotion and advertising, while still placing the responsibility for individual product lines or customer groups in one section (Kotler & Andreasen, 1991:352-354). This is the structure that will probably best suit Verwoerdburg at present. The advantage of a mixed organization include:

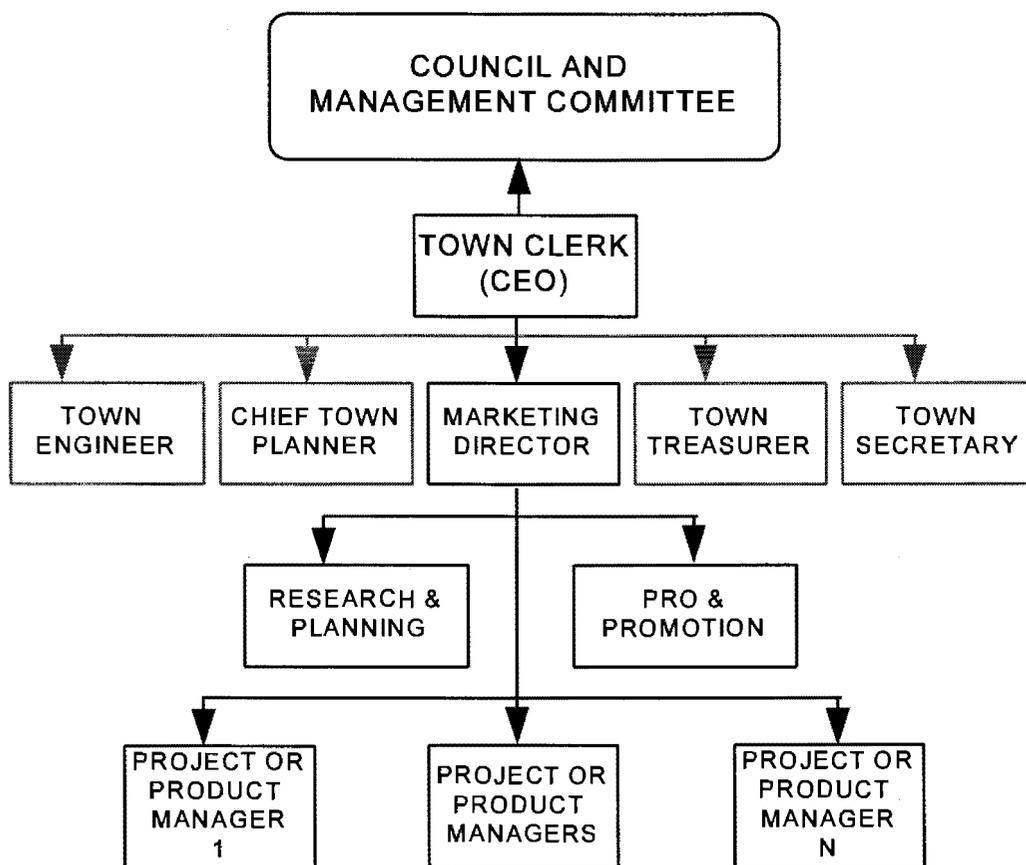
- Clear responsibility for the success or otherwise of a strategy.
- As attention is focused on one product, strategy or service, close attention must be paid to the vagrancies of the market, competitors' actions and the external

environment. Furthermore, the targets within the market can be determined more effectively and a good relationship built up with potential clients.

- It enables the development of management skills in those tasked with the marketing of each product or service, to the benefit of both the organization and the individuals.
- Smaller or less dramatic projects can receive equal status and attention.
- Highly skilled persons with expertise in specific areas are still available to advise and assist those tasked with individual products or services (Kotler and Andreasen, 1991:352).

Where skills are lacking and are too specialized or expensive to be kept on the payroll, consultants can be called in to assist. While the goals and strategies should flow from the organization, not everything need be done "in-house".

Figure 6.1 POSSIBLE MARKETING STRUCTURE FOR VERWOERDBURG



After Kotler and Andreasen, 1991:349

ACTIONS

This section considers some actions that could be undertaken by the Verwoerdburg Town Council as part of a marketing exercise. The section follows the marketing process discussed in Chapter Two, beginning with the goals and objectives and concluding with suggestions for specific actions.

Formulating a vision

As stated above, unless there is a vision to guide the process, it will go nowhere. Verwoerdburg must decide therefore whether to take city marketing seriously, and if so, what it wants to achieve. The vision should not be determined by the Town Council in isolation, but in conjunction with the community. A forum should be created - as suggested by both Mr van Zyl of Ampros and Mr Gerhard Lourens - which will comprise councillors, senior officials, and those concerned with marketing, representatives of the community, civic organizations and business sectors present in Verwoerdburg. Together, a vision should be created for Verwoerdburg in the 'New South Africa', along with the goals and objectives to attain it in their order of priority. If all the sectors of the business and residential community are represented, their views included, and consensus obtained, then the level of commitment by the entire Verwoerdburg community will be higher. It will also ensure that the entire community gains, and not merely a few businesses.

Among the issues that should be considered in formulating a vision are:

- The composition of the economic base of the town: should Verwoerdburg go for predominantly high technology industries, or corporate head offices, or service industries, or a diversified base?
- What mix of land uses and forms of housing are acceptable and viable for the community?
- What is expected of the local authority the private sector and community as a whole?
- How are actions to be financed and what are residents and the business community prepared to contribute? (Kotler et al, 1993:91-94)

Research

Reliance on research is one of the hallmarks of an organization with a modern marketing orientation (Kotler and Andreasen, 1991:53). Verwoerdburg probably has one of the most comprehensive databases regarding the socio-economic and demographic aspects of its residents in the region for a local authority of its size and stature (Atlas '91 contains most of this data). However, sound market research is

lacking. This is recognized by many of the respondents in the survey discussed in Chapter Four. One of the primary tasks of a new marketing section must, therefore, be to undertake market research, along the lines of the auditing process discussed in Chapter Two, with particular attention to:

- Verwoerdburg's position in the different markets
- the demand for the various products under consideration (such as a Technopark or new stadium)
- the identification of specific targets within the broad market segments
- the influences of the ever-changing environment on the Council.

If new projects are evaluated against sound research, then costly white elephants can be avoided, while scarce resources can be allocated to those projects that will yield better returns (Coffman, 1986:12, 48). Sound research will enable the Council to anticipate changes and opportunities amid the uncertainties in South Africa at present and to respond appropriately and in time (Kotler and Andreasen, 1991:54).

Insight into the perceptions of existing and potential residents and non-residential sectors of the town is one facet of the research that should be conducted. Surveys have been carried out to determine the perceptions of residents (a confidential report for the Town Secretary's Department) and of industrialists (Verwoerdburg Town Council, Town Planning Department, 1993), and a similar survey was planned at the time of writing for the remaining economic sectors before July 1994. However, no such information, other than hearsay, exists for potential residents and businesses. This research should cover the following: familiarity with Verwoerdburg, perceptions of the town as a place in which to live, to work, relax and invest, the quality and extent of facilities, problems and advantages. Such research must be a priority of the marketing section, as the information obtained is vital to the formulation of effective promotional campaigns, targeting markets, retaining existing residents and businesses, and improving the quality of service.

Target markets

A detailed analysis should be made of potential target markets with a view to identifying specific sectors (industries, or firms) among the major sectors of the economy, and segments of the residential and leisure markets which can be attracted to Verwoerdburg. As most data available at present is organized into the following broad categories, residential, industrial, retail and services (offices), it may be practical to start along similar lines. Traditionally, the residential market was predominantly first home buyers, but it could be changing. An analysis of the demographic and economic characteristics of the people settling in (and moving out of) Verwoerdburg is cardinal to determining what type (form, size, price and location)

of housing is necessary and how to attract the desired residents. Similar analyses must be done of the markets for office, industrial and retail space, leisure and conference facilities, and tourism.

The more detailed the analysis and the better the pinpointing of target markets, the more specific the strategy for attracting them to Verwoerdburg can be. This approach undoubtedly contributed to success in Wiesbaden (Hart, 1983:18) and Nieuwegein (Ashworth & Voogd, 1988:138-142). Clear and open research will also enable the Council to make, and account for, decisions made.

Competition

As most sectors of Verwoerdburg have capacity for growth, it is not surprising that growth and economic development were the goals most mentioned by the respondents to the survey among councillors and officials at the Town Council. It is also explicitly stated as the primary goal of the economic development plan currently being prepared by the Town Planning Department (Verwoerdburg Town Council, Town Planning Department, 1991). As economic growth is also one of the main goals of the majority of other local authorities surveyed, fierce competition can be expected for the available investment, affluent residents, new office and industrial floor space, and associated employment. This competition will necessitate:

- an analysis of the competition: which local authorities, or alternative investments in which sectors (residential, industrial, etc), the relative strengths and weaknesses of each competitor, and the methods used in their strategies
- a response to the competition.

One response could be to create a unique niche for the town, to avoid direct competition, eg to become the telecommunications capital of South Africa. Another response could be to compete in certain areas only and to leave others to competitors as illustrated by Verwoerdburg's industrial policy where it permits only light, non-polluting industries, preferably with a semi-skilled to skilled workforce.⁴

The external environment

With so much change at present in South Africa, the analysis of the external environment is fraught with difficulties, and projecting this environment is virtually impossible without a series of assumptions about each facet of the external

⁴The Council's commitment to non-polluting industries is illustrated in a recent decision not to permit the use of oil-burners, which would be considerably cheaper fuel than electricity for the factory, even for a short while each day, on account of the potential air pollution.

environment: the political changes, the level of confidence in the economy, the autonomy and form of local governments, etc. Given the uncertainty, it is suggested that planning and the analysis of the environment be based on a series of scenarios, 'what if' situations. A scenario approach will create awareness of alternative 'futures' both bleaker and brighter, thus enabling better planning in the event of those futures occurring (Refer to Sunter, 1988).

STRATEGIES

With the ground work in place, the Council, in conjunction with its partners, can examine its strengths, weaknesses, opportunities and threats. These then will serve as the basis for the strategies to attain the vision, goals and objectives. As it is not the purpose of this thesis to propose a detailed marketing strategy for Verwoerdburg, only a few options will be mentioned as suggestions or points of departure. Some are very specific and relate to policies already in action, while others are far broader and need detailed research and planning to determine their pertinence.

Strategies in Verwoerdburg could concentrate on are:

- improving the image of Verwoerdburg
- creating a quality environment that is attractive to existing and potential residents, businesses and investors
- attracting new residents, businesses and investors
- stimulating businesses within Verwoerdburg.

Image

Verwoerdburg appears to have a number of images: a dynamic young town, an expensive town with exceptionally high property rates and service charges, a town linked to 'Apartheid' by virtue of its name. The positive aspects of the image should be extended, while attention should be given to the less favourable. An image should be valid (concur with reality), credible, clear, and distinctive, with appeal to the target markets. Although an image can mean different things in different places, the message must remain the same. Images can be built around specific events or places or through visual symbols (Kotler et al, 1993:149-158). Events such as the Momentum Classic golf tournament around the Verwoerdburgstad Lake, if there is sufficient promotion and media coverage, can increase familiarity with the town and create the impression of an imaginative and resourceful community. Verwoerdburg, with its short history, cannot build an image as an historical town, but it could perhaps capitalize on its motto, "create your own future" with a 'museum of the

future', built around exhibits by various firms of how they envisage the future and the contribution that their products could make.

Quality environment

In order to be attractive to new residents and businesses, Verwoerdburg must offer an attractive environment. Among the elements of an attractive and high quality environment are personal safety, security of investments, excellent schools, and medical care, good shopping and leisure facilities, convenient access, and reliable telecommunications. Although the Verwoerdburg Town Council does not have direct jurisdiction over these, it should be one of the principal tasks of the marketing group to ensure that these facilities exist and are of a high standard (Kotler et al, 1993:115). Education is one of the highest priorities in the 'New South Africa' and Verwoerdburg should ensure that it can offer among the best facilities in the country. One opportunity that could be researched further is a science and technology school, along the lines of art, music, ballet, and drama schools such as Pro Arte in Pretoria.

Attracting new investment and employment

According to Kotler et al, (1993:231), there are several strategies that towns can use to improve their economic well being. These include;

- attracting tourists and business visitors to conferences and seminars
- attracting business from elsewhere
- promoting small business
- expanding exports and outside investments
- increasing the number of (affluent) residents.

Verwoerdburg has tended to concentrate on attracting businesses and investment from elsewhere and new residents, which up to now, have been in the higher income brackets. Given the capacity to expand in all these markets, unless research proves otherwise, it would be profitable to continue with those strategies.

The town's location could also be a key factor in promoting and establishing a business visitor industry, which provides facilities for conferences and seminars. This market and the potential for short stay tourists should be investigated.

Although high technology industries are viewed by many local authorities as a panacea for all economic ills, they contribute only a small proportion of new jobs. Most new jobs are in the tertiary sector, such as offices, retailing and restaurants (Boddy and Lovering, 1986:229; MacDonald, 1987:358). Information technology, the collection, processing and distribution of information is one of the growing areas of

employment. Consequently, Verwoerdburg should concentrate on this aspect of the high technology sector and invest in telecommunications.

Telecommunications is a key to the information processing industry, without which it cannot function. According to Castells (1989:146), "in order to exploit the global reach of telecommunications, organizations must locate in certain areas where they will have access to an advanced infrastructure at relatively affordable costs (affordable because of economies of scale)." The opportunity exists for Verwoerdburg to become a centre of the new information based sector, which relies on advanced telecommunications, should it attract and provide the necessary infrastructure (radio and satellite links, co-axial cables, etc). The town's location between the financial and administrative capitals of the country will only increase its competitive advantage given the investment in telecommunications. (Also see Hepworth, 1990:357-558, for a discussion on the importance of tele-communications infrastructure)

Since skilled technical, professional and scientific labour appears to be a key factor in the development of innovative and high technology environments (Castells, 1989:68, 83, 84; Haug, 1986:108-110; Malecki 1986:140), Verwoerdburg should thus strive to attract residents with these and entrepreneurial skills through its housing provision and amenities if it wishes to create such an environment.

However, in order to attract new residents, businesses and investment, Verwoerdburg must portray a favourable image, a sound infrastructure, and an attractive environment, both physically and in terms of educational, medical, leisure, shopping and housing facilities. Where serviced land, office or retail floor area, and housing is not immediately available, the procedures and the costs involved must be such that it remains profitable for investors and developers to develop houses, office and industrial space. This implies streamlined and efficient local authority structures to process applications for township establishment, rezoning, consent-use and building plans.

Stimulating existing businesses

Existing businesses should not be neglected while Verwoerdburg looks to attracting businesses and investment from elsewhere. Attention should be given to retaining existing businesses as well as stimulating new small businesses.⁵ According to Kotler et al (1993:247), there is "mounting evidence that the vast majority of jobs generated in the United States came from existing companies and new business start-ups". Among the strategies that can be used to achieve these aims are:

improved job and employee training, provision of financing and venture capital, management training, and suitable premises (Kotler et al, 1993:247; Miller & Côté, 1987:71-86). Factors which can hinder the expansion or start-up of new firms such as legal restraints and taxation must also be considered. (Research must be done to determine which policies are most appropriate for which types of firms in the Verwoerdburg context.)

CONCLUSION

This chapter has examined the responses that Verwoerdburg should make for successful city marketing. The Town Council's approach was considered, including the commitment, vision and marketing orientation that are prerequisites to marketing. Thereafter, the Council's role as initiator and co-ordinator was considered and a potential organization structure was proposed. Finally, a series of actions was considered, from formulating the vision in conjunction with the community, conducting research and analysing target markets to a few strategies. The latter are not intended as detailed proposals, but rather as suggestions of the type and range of options that could be considered. There is clearly a great deal of scope for further research and more detailed proposals regarding the strategies, policies and actions open to a town such as Verwoerdburg to achieve its goals and win a slice of the economic pie. This will necessitate commitment, hard work and research into the areas discussed previously, but the benefits of the application of city marketing should be far greater than the costs involved

CONCLUDING REMARKS

This thesis commenced with a discussion on city marketing in general: its definitions, origins and process, which was followed by some case studies of city marketing. Thereafter the particular case of Verwoerdburg was evaluated and compared to city marketing in other South African local authorities. This chapter has concentrated on opportunities for improving Verwoerdburg's city marketing with specific suggestions. A brief discussion on the broader application of city marketing in South African circumstances and proposals for further research conclude this thesis.

The general impression of city marketing, particularly in South Africa, is that it is a developing field (although some towns in Europe and the United States have of necessity been practising city marketing far longer than South African local authorities). As such, there is a concentration on the promotional side of marketing, which will probably become balanced, with steps to retain and attract new

employment and investment with the move towards urban economic planning. The newness of the field creates much scope for research and innovation. There are opportunities for research in just about every aspect of city marketing and its application to the South African situation. The novelty of city marketing also has drawbacks as the course is relatively uncharted and fraught with uncertainties - particularly in South Africa at present.

The application of city marketing in a climate as uncertain as South Africa's presents many opportunities for the development of new techniques. In addition, the Third World elements of the South African economy and society offer opportunities for the development of a city marketing process that is more appropriate to local circumstances or those elsewhere in Africa. None of the case studies cited in Chapter Three are from Third World countries, which is indicative of the potential for research to determine the applicability of city marketing to such circumstances.

Research into the application of city marketing in Third World circumstances or in South Africa can examine both the process and the content aspects of this field. As process and content in a city marketing exercise are inextricably bound together stemming from the relationships between perceptions and demand, outcomes and opinions, any research into or application of city marketing should not neglect the one aspect in favour of the other. The process of city marketing could be refined and techniques developed for auditing towns that are appropriate to the local South African situation. Aspects such as the expertise and data available and the heterogeneity of the market must be considered in developing such a process. How can city marketing be used to improve the conditions of people in sprawling shanty towns or the unemployed and unskilled? There is also a need for research and experiment regarding the content of city marketing strategies, the methods and policies to achieve the desired results. How does one persuade a fearful and reticent market to invest and develop in one's town?

Other more general areas of research of equal importance in industrialized as in Third World countries are the issues concerning 'who benefits' and channelling such benefits to the entire community. The question of who benefits, raised by Paddison (1993:348 -350), affects the process of city marketing in who participates, which markets are considered, the content of policies, and which sectors and segments of the market and economy receive most attention. The inclusion of wealthy or articulate participants in the city marketing process is seldom as difficult as including the less affluent, less educated, or disadvantaged groups. Processes and techniques must be developed to facilitate the inclusion of such clients in a city

marketing exercise to ensure that there is an acceptable level of equality and that the decision makers remain accountable at all times to all residents and participants in the exercise. The associated issue of the distribution of the returns from city marketing to all the residents of a town should receive as high a priority. These are particularly sensitive and highly politicized areas in South Africa at present and urgent research should be undertaken into appropriate processes, methods and techniques for participatory city marketing.

On the more technical side research is needed into the area of promotion: making it effective and converting it into jobs and investment. The lack of real changes in the lives of Glasgow residents was a criticism of that campaign (Paddison, 1993:348), and there appear, at this stage, to be few tangible results in local city marketing. Cost-effective means of obtaining results from the time, effort and capital invested in city marketing that are appropriate to the South African situation must be researched and developed if city marketing is to be successful.

In many of the case studies examined, some form of central government funding was available, although such funding was diminishing. Until recently, very little central government funding was available to local authorities in South Africa, and this may not change under the new constitution. There are, therefore, opportunities for research into means that will enable local authorities to obtain the maximum benefit with the resources at their disposal.

City marketing, in its initial development has evolved from many sources, including marketing, town planning, and urban geography. Further development of the field will necessitate research drawn from those disciplines, as well as the political and social sciences, and urban economics. The success of city marketing will depend as much on the commitment of the local authorities to the technical process (from goal setting and auditing to implementing the policies) as to the social and political processes behind it. As it has the potential to cater for all groups in a community by virtue of its emphasis on clients and their segmentation into specific target markets, there is enormous potential for city marketing to address the problems of urban development in a heterogeneous society such as South Africa's. This potential can be translated into reality only by the successful application of city marketing. Verwoerdburg, by implementing the proposals discussed above could lead the way. Given the vision, supported by these techniques, there is truly potential for the town to "create its own future".

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APPENDIX 1: QUESTIONNAIRE TO COUNCILLORS AND SENIOR OFFICIALS OF THE VERWOERDBURG TOWN COUNCIL

1. What in your opinion are the greatest challenges facing Verwoerdburg as a town in this decade, the 1990s?
2. Much has been said about the solution to Verwoerdburg's current economic problems lying in the attraction of new development to the town. Do you think this approach has merit? Do you believe it is possible to market a city?
3. What do you think are the Town Council's marketing and promotional goals?
4. Do you believe that Verwoerdburg follows a purposeful marketing programme?
5. How important are these actions for the Council? What financial and personnel resources are, and should be, allocated to the marketing and promotion of Verwoerdburg?
6. How successful are the Council's marketing activities?
7. To which factors can the successes and / or failures be ascribed?
8. In what way can the Council improve its promotional and marketing activities to make them more effective?
9. What do you believe the Council's role should be in promoting and marketing the town?
10. How do you believe the Council compares to similar local authorities in its marketing?

APPENDIX 2: QUESTIONNAIRE TO TOWN PLANNERS AT TRANSVAAL MUNICIPAL TOWN PLANNERS ASSOCIATION

1. For which local authority do you work?
 1. *By watter plaaslike bestuur werk u?*

2. Is that local authority actively engaged in attracting development to its area of jurisdiction?
 2. *Doen daardie plaaslike bestuur daadwerklike stappe om ontwikkeling te trek na sy regsgebied?*

3. By what means does that local authority attract development?
 3. *Hoe trek die plaaslike bestuur sodanige ontwikkeling?*

4. Do you think the marketing and promotion of cities has relevance in the present circumstances in South Africa?
 4. *Wat is u mening oor die relevansie van promosie en bemarking van dorpe binne die huidige omstandighede in Suid Afrika?*

5. What do you understand by the term, "City Marketing"?
 5. *Wat verstaan u by die begrip, "Stadsbemarking"?*

APPENDIX 3: QUESTIONNAIRE TO TOWN CLERKS OF OTHER LOCAL AUTHORITIES

1. Does your local authority have an approved marketing, publicity and promotional campaign?
2. What are the chief aims of your Council's marketing and promotional campaign?
3. At whom is the campaign aimed?
4. What methods or means are used to promote the town/city and local authority?
5. Which departments of the local authority are responsible for promotion and publicity?
6. How much is spent annually on promotion and advertising?

Less than R25000	R25000 to R49999	R50000 to R74499	R75000 to R99999	R100000 to R124499
R 125000 to R149999	R150000 to R174499	R175000 to R200000	Over R200000	Other

7. How effective is the campaign? Are the goals being achieved?

APPENDIX 4: TOWN PLANNERS RESPONSES

TOWN	NEED FOR CITY MARKETING	WHAT IS CITY MARKETING	DOES THE LOCAL AUTHORITY DO CITY MARKETING & HOW
Akasia	Necessary as competition exists between towns; it also leads to development.	The marketing and presentation of a town to attract development and to achieve certain goals with the limited resources available to a local authority (LA)	Yes, in terms of a strategic plan that describes the goals. One aspect of this plan is a marketing strategy, the development of initiatives, purchase of land and exploitation of the town's unique location.
Alberton	Relevant; help strengthen economic base and employment in town.	A purposeful action to sell a product to a client.	Yes; through personal contact and through the media (newspaper advertisements)
Boksburg	Very important. A good image is important.	The publication of a town's potential and opportunities to all in order to attract industrialists, businesses and hence residents.	Yes; through discussions with developers and concerns, financial incentives, radio advertisements, videos to guests at the Council and videos on international flights.
Edenvale	Essential where the tax base of a local authority must be broadened or to stimulate economic growth. But professional advice is necessary.	More than advertising; Active marketing of the town in terms of housing, businesses and industries.	Yes, but predominantly by individual efforts by councillors and senior officials. Also advertisements, discussions to point out opportunities to developers. Offer of Council owned land at attractive rates (eg two years interest free), bending over backwards to assist.

TOWN	NEED FOR CITY MARKETING	WHAT IS CITY MARKETING	DOES THE LOCAL AUTHORITY DO CITY MARKETING & HOW
Johannesburg	Most essential	The publication of the opportunities of the town and includes determining the product, price, channels and media etc.	Yes. There is a specific portfolio of Executive Director: Commerce and Industry and a Department of Property Development to undertake marketing and development.
Kempton Park	Important for the further development of any town.	Regular distribution of information to residents and a friendly and helpful staff.	Yes. Reports in newspapers, tours for estate agents through the town and advertising of the town.
Klerksdorp	Essential for economic survival to create a positive climate.	Marketing the entire town, ie economic, cultural, geographic and social aspects.	Yes. Negotiating with developers and formulating certain concessions for developers such as better service tariffs.
Midrand	Necessary	Selling the town to private and public organizations, promoting development to uplift the community, residents, local commerce and industry.	Yes. Through pro-active management, active marketing, provision of unique facilities in the town and exploiting advantageous location.
Modderfontein	Necessary	To publicize a specific town with its unique characteristics and good opportunities to potential industrialists, developers and home owners.	Yes. The Council supports the efforts of the major land owner which has an official whose primary function is to identify and attract potential industrialists to the town.
Potchefstroom	Necessary	Pro-active measures to attract and retain investments in a town.	Yes. Recruitment of foreign industrialists and co-operation with Tourist Board.

TOWN	NEED FOR CITY MARKETING	WHAT IS CITY MARKETING	DOES THE LOCAL AUTHORITY DO CITY MARKETING & HOW
Randburg	Necessary, particularly in the present poor economic and political climate. Also important because of the competition to attract development.	Marketing of a town to attract and stimulate development	Yes, through 12 min. marketing video, presentations to groups such as developers, consultants, estate agents, brochures, advertisements in eg technical journals, contacts with developers to eliminate problems, and timely planning to enable developments to get off the ground rapidly.
Randfontein	Until South Africa is attractive to investors, it will be difficult.	To publicize a town's qualities to the world.	Yes, primarily through competitive land prices but also a marketing brochure for distribution in and beyond South Africa. Otherwise through personal contacts with developers.
ORMET	Necessary	Supply of information to developers to enable them to make informed decisions. Such information would indicate the comparative advantages of the area and the safety of the area for investment. Also promote agglomeration economies.	To a limited extent through studies in employment creation.