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Residents' Attitudes Towards Place Marketing: Tourism Marketing Focus

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ABSTRACT

This article examines theoretical aspects of the co-production concept and illustrates its applicability within the framework of place marketing and tourism. A theoretical exploratory technique based on literature and discussion is employed to propose a conceptual model on residents' willingness to be engaged in co-production activities.

Keywords: Co-production; Place marketing; Residents' Engagement

В работе рассмотрены теоретические аспекты концепции сопроизводства и ее приложение в сфере территориального маркетинга. Реализовано поисковое исследование, основанное на обзоре и критическом анализе существующих в литературе подходов, и предложена концептуальная модель оценки готовности жителей участвовать в процессе сопроизводства в территориальном маркетинге.

Keywords: Сопроизводство; Территориальный маркетинг; Вовлечение жителей

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Introduction

It is generally believed that place marketing activities could generate plenty of benefits for the cities and destinations – they diversify the local economy, create new jobs in various sectors, increase tax revenues, attract residents and tourists, which bring additional vitality to the place (Florek & Insch, 2008). Given that, multiple place marketing strategies, aimed to create the picturesque images, are actively exploited by the tourism industry for cities in order to increase the value of the place. However, in practice poorly developed strategies may cause distrust and even pressure among stakeholders, which can lead to intercultural conflicts and, in turn, may discourage potential tourists and reduce the investment attractiveness of the places (Insch & Stuart, 2015).

As it is demonstrated by cases (for example, the case of Bogota branding by Kalandides (2011) or Aalborg by Therkelsen et al. (2010)), one of the possible ways of preventing such conflicts to happen could be found in engaging residents to participate in the creation and promotion of the values that the city possesses. During the last years of place marketing theory development, the role of residents was widely re-examined. Previously, in the seminal work by Kotler and Gertner (2002), they have been considered simply one of the place marketing target groups. Later on, Kavartzis (2012), Braun et al. (2013) and Zenker and Beckmen (2013) argued that residents should be viewed as active participants of place marketing process – they act as city ambassadors and behave positively far beyond their routine activities when involved in city marketing activities. Resident involvement could be organized in various formats depending on the extent of the participation and the employed communication tactics (Zenker & Seigis, 2012), for the purpose of this paper, we use the term “co-production”, which is defined as active public participation in the production of services by consumers performed throughout the consumption process (Minkiewicz et al., 2014).

Tourism marketing focus assumes that we deal with at minimum the threefold interaction, taking into consideration tourism service providers, residents and tourism services consumers. They all co-produce the multifaceted tourist product, which is highly experiential due to its nature (Sfandla & Bjork, 2013). Under the paradigm of place marketing it is clear that residents are to be engaged into the process of co-production in order to increase its effectiveness, but less is said about how it should be done both by academics and practitioners. This paper attempts to uncover this issue by proposing the conceptual model on residents' willingness to be engaged in co-production of place marketing activities. We hope that this contribution could be of great importance for place marketing researchers and practitioners, especially for place mega-event management and development.

1. The concept of co-production in place marketing

According to Kwon and Vogt (2009) place marketing can create a strong identity for a city, improve city image, and make residents proud of a city, yielding a higher outcome. However, in reality, there are plenty of examples when “non-appreciated” place marketing activities lead to the conflicts between various groups of place consumers, for instance between residents and tourists. To eliminate these conflicts, city managers and tourist service providers should take into consideration the experiential nature of tourism services. Service-dominant logic, which shapes this approach, has already been employed for the investigation of experience and value in heritage tourism (Chen & Chen, 2010), recreational facilities (Han et al., 2010), museums (Mencarello et al., 2010), and tourism services (Prebensen & Foss, 2011), but most of the papers concentrate their attention on the twofold interaction, still appealing to “producer-consumer” logic. From this perspective, consumers act as partners of producers in the joint creation of the company’s values. Thus, the relationship between producers and consumers are built through interaction and dialogue. This form of dialogue should be seen as an iterative process, as the consumer, along with the producer, gets an opportunity to be a co-producer of the final product (Prebensen & Foss, 2011).

Meanwhile, in the case of place marketing activities the process of co-production is more likely a threefold process, as far as it generally considers residents as one of the most influential place marketing target groups (Medway & Warnaby, 2008, Shafranskaya & Potapov, 2014). Given this, residents are irreplaceable agents of co-production as there is no doubt that residents play a crucial role in maintenance of places as the main labor force, tax payers and mediators of city values – the ambassadors of culture, traditions, knowledge and history. Research on residents’ involvement behavior as co-producers and co-creators have recently been one of the top research priorities in marketing and tourism research (Grissemann & Stokburger-Sauer, 2012; Shaw, et. al., 2011; Verhoef, et. al., 2010). We argue that in order to engage residents in tourism marketing activities properly and therefore develop efficient destination strategies, it is important to understand residents’ attitudes, intentions and factors, which determine their willingness to co-produce.

The development of the co-production concept within the marketing field was the change of in the marketing paradigm towards the service-dominant logic (Vargo & Lusch, 2008). According to the traditional marketing approach companies produce goods or services in order to satisfy customers’ needs in a profitable manner, but in terms of service-dominant logic, consumers are no longer passive recipients of producing goods and services, but are the co-producers and co-creators themselves.

Minkiewicz et al. (2014) discuss the difference between co-creation and co-production in the scope of tourism services – according to their view, co-production, engagement and personalization are three interrelated dimensions of co-creation. Co-production is defined as an active consumer participation in the activities, performed by the tourism providers. Engagement is discussed from a process perspective that involves cognitive, emotional and behavioral aspects. And personalization captures key aspects of the consumer experience such as its tailoring and personal relevance. But it is

acknowledged that co-creation is a process that occurs in the network of agents (Sfandla & Bjork, 2013), this means that not only consumers and producers co-produce experience but also other stakeholders take part in the process of delivering the services. This is especially true for the complicated processes in place marketing, targeted to various consumer groups and involving plenty of agents. The nature of customer value is highly experiential in this field; consequently, place marketing activities should be aimed to create experiences in order to increase the value of the place (Warnaby, 2009). Moreover, place branding and place promotion activities have interactive character and are largely determined either by direct or indirect people experience (Kavaratzis & Kalandides, 2015). Such understanding of place marketing highlights the need for participatory practices, and co-production is among them.

It should be noted that co-production is a versatile concept; it means that any resident can become a co-producer even without a particular intention, for example, if he or she has an opportunity to participate in the urban space organization. Arnstein (1969) proposed the "ladder of citizen participation", as far as various forms of co-production might be possible, such as the initiation of certain activities, different intellectual activities, participation in design, aggregation of resources, processing, delivery and much more. Regarding tourism activities residents can choose to participate in one or several types of the following co-production: provision of private housing for rent to tourists, volunteering, excursions guiding, sponsorships and creating recommendations for tourists (Shaw et al., 2011).

Brudney and England (1983) stated three types of co-production: individual, group and collective. The division into these types is conditional, and the main criterion for inclusion in one or another type of co-production is the benefits that co-production activity has in comparison with a transactional approach to place marketing and tourism development. Individual co-production can take two forms, depending on the nature of the services provided. The first type of co-production is passive, because, in certain circumstances, residents have little choice of actions and therefore are forced to behave in a certain manner. In terms of tourism development this can be residents' sharing of public space with tourists. So if residents take the situation with plenty of tourists walking in the streets as granted this can be appreciated as the passive individual co-production. The second type of individual co-production is determined by the active position of residents who are eager to create and support tourists' experience, for example, by giving tourist information on the best places to visit or stay and so on. It should be noted that although this behavior is characterized by active citizenship, such activities without the proper coordination and communication from the city managers' point of view has the minimal importance in the context of the city development and place marketing. Group co-production, in contrast to individual co-production, includes a co-production of the group of residents, who unites on a voluntary basis in order to address issues related to place development or tourist attraction. This type of co-production may include various forms of formal coordination.

The benefits derived from collective co-production can be distributed not only among a particular group of people, but also have a positive impact on society as a whole (Brudney & England, 1983). In the case of collective co-production, any resident of the

city will be able to receive the result of this production. For example, if residents collectively participate in order to co-produce some sports or cultural events in the city, this can create positive effects for all the residents, as they will have a chance to participate or at least experience these events.

Implementing co-production concept in place marketing and development can bring many benefits. First and foremost, city managers get a chance to learn about residents' preferences directly from the residents themselves, so that the information is not distorted and more accurately reflects the needs of the past, which allows for satisfying their needs and wants regarding their relationship with tourists. Secondly, residents' co-production activities could reduce the costs of various events as residents can take part on a voluntary basis. Thirdly, it is believed that the implementation of co-production in place marketing and tourism management will lead to residents' loyalty to the policy implemented by the city's authorities. Thus, city managers should involve residents in tourism and place marketing activities in order to gain competitive advantages for their tourism and place marketing strategies. Therefore, we state that the co-production concept could be efficiently utilized in place marketing.

2. Residential willingness to co-produce: a conceptual model.

There are several conditions under which co-production concept may be practically implemented in the framework of place marketing. First of all, the city administration representatives must be willing to interact with residents (Sharp, 1980). In this case, the residents will have the opportunity to take the initiative to co-production activities. Secondly, co-production is always a voluntary action (Chathoth et al., 2013). It means that if the residents carry out their duties or act in a certain way, because of fear of punishment for their activities, such behavior cannot be regarded as a co-production. Thirdly, the co-production has an exclusively positive context (Baron & Harris, 2008). It means that if a resident is destroying the urban environment in any case, for example throw garbage in inappropriate places, treat tourists poorly and so on, such behavior cannot be applied to the co-production concept, because co-production should relate to the benefit of the environment.

In turn, residents take part in co-production activities for several purposes and motives. These motives can be related to the economic, psychological and social dimensions. Lusch and Vargo (2006) define the economic motives as the possibility of obtaining material compensation in one form or another. For example, residents can participate as volunteers in the organization of sport events in order to get free tickets to the event data. Residents can also participate in co-production activities in order to reduce risks associated with the particular event production (Shaw et al., 2011). The risks may be physical, financial, psychological, and social. Engage in co-production activities can reduce these risks, allowing residents to directly control the production process. However, it should be noted that the co-production could also pose risks to consumers, such as potential conflicts with other members of the co-production and psychological risks associated with the lack of the necessary skills for the co-production

(Baron & Harris, 2008). However, in practice these risks are offset by a large number of advantages from co-production. Residents can also participate in co-production activities for the sake of the process itself, during which they hope to get a new experience, acquaintances and other benefits that do not depend on the nature of the production (Hankinson, 2004). Thus, people can participate in the co-production, simply because they want to change the activity that they do on a regular basis, so to make something which differs from their mundane activities.

According to Etgar (2008), a co-production consists of five consequent steps:

- Preparation of conditions of co-production activities,
- Development of motivation system, which will encourage people to participate in the co-production,
- Evaluation of the co-production in terms of the likely costs and benefits,
- Implementation of co-production activities,
- Evaluation of the co-production.

It is obvious, that in order to implement this concept for place marketing activities and involve residents, incentives that affect their willingness to participate in co-production of tourist attraction activities should be discovered. It is important to study the conditions under which residents can be engaged in mentioned activities. In order to approach this issue, we have developed the following chart on the basis of literature, reviewed above (Figure 1):

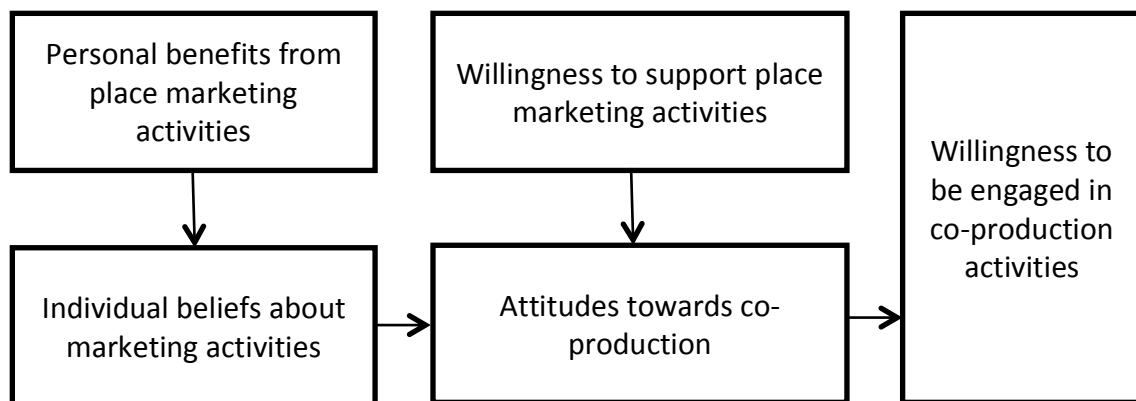


Figure 1: Components of the conceptual model on residents' willingness to be engaged in co-production activities

Source: personal picture

In order to alter this chart to a particular conceptual model we have utilized theoretical approach of planned behavior by Aizen (1991, 2011), according to which the attitude towards any object consists of the following components: cognitive, affective and behavioral. The affective component is based on the emotional experiences of the person and can occur on the basis of a positive or negative experience with the respondent's specific product / service and its emotional perception of the product.

Basically, these are emotional motives of the future relationship. Cognitive part arises from human belief, arising in the process of socialization, in other words, this can be a stereotype regarding the identity of an object. The behavioral component is based on concrete actions of people in relation to objects, people's willingness to act in a certain way. In turn, all of these components together form the intention and then develop a certain behavior (Figure 2).

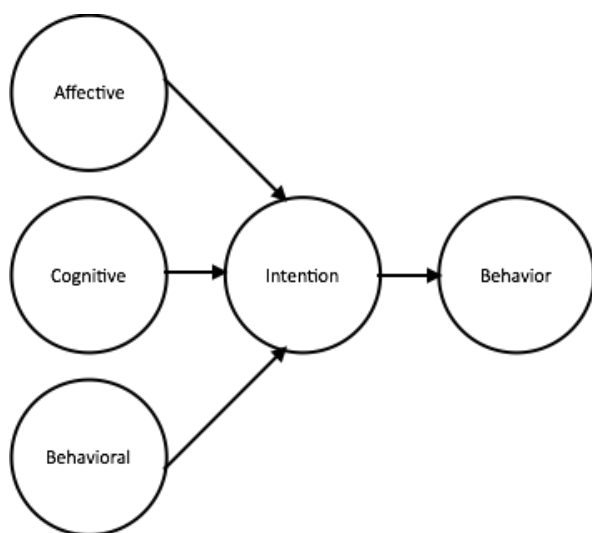


Figure 2: The theory of planned behavior model

Source: Ajzen (2011)

Thus, these components were modeled as factors influencing the attitude of residents to co-produce place marketing activities (Figure 3):

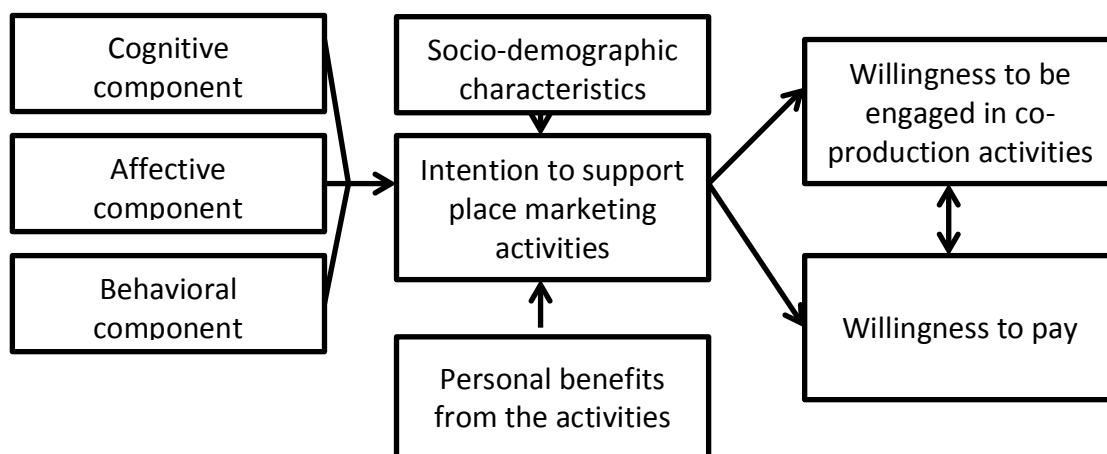


Figure 3: The conceptual model on residents' willingness to be engaged in co-production activities

Source: personal picture

As it can be seen from the Figure 3, the logic of the proposed model is derived from Ajzen's theory (2011), however we added the following factors:

- socio-demographic characteristics as from the marketing perspective it is believed that these characteristics can influence intentions a lot;
- personal benefits from the activities. The model proposed by Kwon and Vogt (2009) stated that having particular personal benefits can also influence actual behavior;
- willingness to pay, which refers to the marketing term and basically means the maximum price at or below which a consumer will definitely buy one unit of the product. It is essential to add this component in order to make the model measurable.

The proposed model integrates all components together, and reflects the actual residents' willingness to be engaged in co-production of place marketing activities. It is proposed that this model can provide a basis for developing appropriate marketing strategies for attracting tourists and create better images of the cities on co-production with residents.

Conclusion

Since its introduction place marketing is gaining more and more followers and supporters, and has shown to carry strong economic and social benefits. The aim of this study was to build up a conceptual model in order to get a better understanding of the factors that influence residents' willingness to be engaged in various place marketing, activities especially in the tourism industry, as it deals with a huge variety of stakeholders. The ongoing process of place marketing theory development has at least one point of mutual agreement – it generally considers residents as one of the most influential place marketing target groups (Medway & Warnaby, 2008). In the case of place marketing and tourism it is stated that residents should be involved in the activities devoted to cities promotion and development. Residents are irreplaceable agents of co-production as there is no doubt that residents play a crucial role in maintenance of places as the main labor force, tax payers and mediators of city values – the ambassadors of culture, traditions, knowledge and history.

Despite the fact that the co-production activity has many advantages and is practically implemented by some cities in various forms, a number of issues with respect to this concept remain under investigated. Almost all of the studies devoted to the co-production relate to business-to-consumers marketing, and analyzes the commercial relations between producers and consumers, but it is important to understand whether the concept also will work well within the framework of place marketing and tourism. It is proved that the involvement of residents in the co-production in place marketing leads to more consistent and long-term strategies for cities (Klijn et al., 2012). It is rather obvious, that the concept of co-production can become one of the

most efficient ways to achieve synergies between the city administration and residents within the city's development; hence this can be applied in terms of tourism and place marketing strategy implementation. Moreover, co-production could substitute ineffective top-down approach to place marketing with the more customer-centric bottom-up approach, as residents could both participate and initiate place marketing activities on the institutionally provided basis (Aitken & Campelo, 2011).

This paper is the only first step in approaching co-production concept within tourism development strategies. On the basis of proposed model we suggest further research on the residents' willingness to be engaged in co-production. Therefore, the next important step that should be taken is the model triangulation. The results of the complex study could be both of practical and theoretical importance as the understanding of residents' preferences regarding place marketing co-production activities can be the foundation for the development of efficient place marketing strategies.

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