

IMPORTANCE OF TERRITORY MARKETING AND ITS SYMBOLS: CASE STUDY OF TALSI MUNICIPALITY

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Abstract. *The aim of the article is to analyse the significance of territory and its symbol marketing in the promotion of territory attractiveness and development. Basing on different opinions, stated in the scientific literature, the article presents the role of territory marketing in the establishment of place attractiveness, underlying different symbols of the current territory. The article studies Talsi municipality and its symbols as elements for establishing image attractiveness, revising different symbol groups that emphasize municipality in total, not only Talsi town as a centre of the municipality.*

Survey that was provided both to residents and visitors of Talsi municipality showed different results in identification of symbolic elements in municipality that could be the reason why current activities in territory marketing are not quite successful. Therefore, there is a necessity for a territory marketing strategy in the municipality, where the opinion of tourists about symbols of the municipality would be taken into consideration.

Key words: territory marketing, place attractiveness, symbols, municipality.

JEL code: M31

Introduction

Nowadays, when the economy of every country is characterized not only by its resources but also by economic, cultural relations and production cooperation, there is a necessity not only for product and service marketing but also for territory marketing that could promote and sell a particular territory worldwide. Today, between 5 and 10% of all advertising space in newspapers is devoted to the marketing of places, regions and nations (Langer, 2001). It means that a country must recognize its competitiveness advantages, possible direction for development, and work out specific tasks for attracting current and potential residents, tourists, entrepreneurs and investors. Due to increasing globalization and limited resources one of the main tasks for a good territory management is a rise of current resources and quality, attraction of new resources, developing the territory and preventing it from degradation.

Revising the current situation in Talsi municipality, the authors of the article set out aim to determine whether symbols of the territory are important territory marketing. To fulfil the aim the following tasks were determined:

- to analyse the role of territory marketing in the territory;
- to revise territory image as a body of different symbolic elements;
- to study the potential of Kurzeme region in promotion of territory marketing;
- to evaluate the use of symbols in territory marketing strategy of Talsi municipality.

For the output of the article, the authors used methods of logical analysis and synthesis, monographic and analytic research method for theoretical and empiric sources, logically constructive method, data processing method, descriptive method.

1. Role of territory marketing in the establishment of place attractiveness

Place marketing, though quite new and diverse research method in academic literature, definitely is not a new phenomenon. Place marketing is centuries old – as ancient town arms, coats-of-arms and escutcheons partly served the same purpose as modern logos in current society. A couple of centuries ago, these narrative techniques included the invention of national history and traditions and the construction of common symbols and rules, such as national currencies, national anthems and flags (Langer R., 2001).

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Increasingly often people think of popularizing the particular state, region, city or place in order to get its own niche for increasing competitiveness and find unique approach to every interested. Nowadays, place marketing has become especially popular, which after Smyth (1994) is "strategic stimulation of the city or suburban area with an aim to ensure specific activities and events". P.Kotler (1999), in his turn, offers such definition of territory or place marketing: "Place marketing is an activity that is performed to establish, maintain or change relationship and/or behaviour according to particular places".

Rainisto (2003) stresses out that place marketing after its essence consists of two parts – 'place' and 'marketing', where a term 'place' can correspond to any place, starting from small historic objects to places of state importance. Other authors, such as Verlaet, develop concrete definition of regional marketing, stating that "regional marketing is a planned whole of regional government activities. It takes place within the framework of the goals of an integrated development vision and the related priorities, and the presence of alternative options for customers. It is aimed at the increased use of regional products by residents, investors, visitors and other users of the region, by optimal matching of wants and needs of (potential) customers on the one hand, and the supply of regional products on the other hand" (Meijer, 2009).

The most important factor in marketing is direction of a product or in this case – territory – towards market to attract residents, visitors and entrepreneurs. It can be achieved with the help of four widely known methods of territory marketing – image marketing, marketing of popular sights, infrastructure marketing and people marketing.

Matias (2007) in his research stated that the most important elements for the definition of the

Jelgava, LLU ESAF, 21-22 April 2016, pp. 223-224 territorial marketing strategy and attractability management are the following:

- 1) identifying and building in the territory points and elements of real elements of real differentiation – the importance of choosing a differentiating function to carry out;
- 2) choosing and differentiating the symbolic elements related to the territory – the importance of graphic symbols of reference – the building of the territory's identity card;
- 3) choosing specific communication plans for specific target groups;
- 4) the joint management of the symbolic, real, potential and relational dimensions of the territory;
- 5) the building of the territorial brand(s) – the territory is a complex product having a complex way of being promoted – firstly one needs to know where one is headed to;
- 6) the option about building the territory's image(s) based on the territory itself or based on the most relevant economic sectors territorially or even based on the main companies located therein (Matias et al., 2007).

Therefore, the abovementioned states that territory marketing in the particular place can be developed with the help of different elements that are not competing among each other but cooperate and through different communication channels work with different target audiences.

2. Territory image as a body of different symbolic elements

Territory image, similarly to company or product image becomes more developed. Although initially it seems limited and constant, different marketing strategies, social surveys, different psychological and economic indicators are being used to establish territory image that would be binding to corresponding target audience. Making decision on development of territory image and attraction of chosen target audience, the image-making specialists should

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take into consideration four steps, described below.

First step of image making is defining the needs and wishes. In this stage, specialists should set out desirable wishes and tasks for achieving aim as well as deliberative possible image vision and associations that consumer will have after visiting the particular territory.

In the second step, specialists should determine the possible direction of territory in market, i.e. should think of the first reaction, first opinion and associations of territory consumers. To ensure the achievement of set-out aims and implementation of territory vision, it is necessary to establish outstanding first communication stages with visitors. In this stage, it is advisable to perform SWOT analysis of the territory, surveys for potential visitors in order to clarify their wishes and associations with a particular market and other research.

In the third stage, the particular territory will already receive associations and emotions from visitors themselves. People during their visit in a particular territory will unconsciously receive the level of territory attractiveness and quality and will decide whether come to this territory for another time and suggest visiting it also to others.

The fourth stage is an evaluation of results, achieved in the first three stages, since visitors already have their own opinion and story about the territory. When they hear the name of a particular place, they already have their own visual image of the territory with its character and traits. In this stage, it is necessary to provide different sociologic surveys on a territory quality, asking visitors about availability of the territory, infrastructure, cleanliness of the sights and territory itself etc. (Kotler P., 2006).

3. Potential of Kurzeme region in promotion of territory marketing

Kurzeme region is one of five regions in Latvia that is located in the West of Latvia. The base of

Jelgava, LLU ESAF, 21-22 April 2016, pp. 223-225 settling structure in Kurzeme region is historically established city net that is formed from 15 cities. Approximately 15 000 settlements form settlement net of Kurzeme region. More than 90% of all settlements in the region are farmsteads. The total amount of villages is 500, including villages that are seasonally inhabited (Kurzeme planning region..., 2011).

Kurzeme has maintained and developed several advantages that promote competitiveness of the region in national and international scale. Evaluating indicators of entrepreneurship and employment, export ability and productivity it can be stated that Kurzeme region in different intensity has comparative advantage for fisheries, clothing production, tourism, production of finished hardware, forestry, food production, ancillary activities of storage and transport, wholesale. Region has not significant advantages in the fields of human resources or knowledge resources but natural resources and infrastructure can be marked as significant advantages (Kurzeme 2030, 2015).

Sustainable development strategy of Kurzeme planning region for 2015–2030 states that Kurzeme region has to provide development of creative resources for increase in value added, indicating that "it is necessary to promote cooperation between traditional and creative industries that results in new innovative, unique products, developed product designs and trademarks, improved marketing that also increases value added for the particular industry in the region. Consequently, it is significant to invest in the development of creative industries and resources as well as encourage representatives of creative and traditional industries to cooperate and use each other's knowledge and skills, creating up-to-date, marketable products that could become recognizable not only in region or Latvia but also abroad."

Revising sustainable development strategies of Latvia and Kurzeme region, it is determined

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that the potential of Kurzeme region is creativity, heritage and sights – the most popular of them are Karosta, Ventspils city, the Historical Centre of Kuldīga and red-brick bridge across the river Venta, Wine Hill in Sabīle etc. These are symbols that, included in marketing strategy and appropriately used, can attract not only residents but also tourists and potential investors.

4. Use of symbols in territory marketing strategy of Talsi municipality

Talsi municipality is located in Northern Kurzeme, in Kurzeme planning region (which corresponds to European NUTS 3 region). Talsi municipality with 29597 residents (CSB, 2014) and area of 1763.2 sq.m. is the greatest municipality in Kurzeme region and the sixth greatest municipality in Latvia.

The centre of municipality is Talsi town. Municipality has borders with Roja and Mersrags municipalities, through which Talsi municipality has the exit to the Baltic Sea. Municipality has also borders with Dundaga, Kuldīga and Ventspils municipalities in Kurzeme planning region as well as with Tukums and Kandava municipalities that are located in Rīga planning region.

Talsi municipality was established in 2009 after the administrative territorial reform when former Talsi district was divided into four smaller municipalities: Roja, Mersrags, Dundaga and Talsi municipalities. After implementation of the reform, Talsi municipality experienced decrease of territory image, since places and different values, such as Cape Kolka, the Livonian heritage or seashore that symbolized Talsi district for many years now were located in other municipalities. The territory experienced necessity for a new, attractive image, offering current and creating new symbols that would attract target audience of different ages who would be interested not only visiting municipality but also stay for a living there and develop their entrepreneurship.

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Initially municipality did not provide significant image direction activities; image making mainly appeared in all county without any purposeful action and such situation did not promote identification of the municipality in Latvia. Due to such actions, tourists recognized particular places, sights and objects, not the municipality as a whole, thus, no association were established. However, due to the crisis, many residents emigrated to other municipalities and countries, the tourist flow decreased and the local government had to think of a better approach of territory marketing.

For a new strategy it had to include whole territory of the municipality, which was not a simple task, since the centre of the municipality is located in the centre of the municipality, moreover municipality shows monocentric traits. Municipality still has no marketing strategy for promotion of image attractability, though local government and corresponding institutions actively work on tourism offer development and popularization of the greatest events in Talsi municipality in order to offer the best things of Talsi municipality.

The development programme of Talsi municipality for 2014-2020 defines long-term aim – to promote sustainable development of Talsi municipality by strengthening local economy and management to establish pleasant environment for life and work and hand over natural and culture heritage to next generations. To implement the abovementioned aim – establish pleasant environment for life and work and hand over natural and culture heritage to next generations – territory has to determine the objects, i.e. symbolic elements, with the help of which the pleasant environment for life and work is established. For the analysis of symbols, the authors during September provided a survey, consisting of 7 questions, 4 of which are analysed further on due to their appropriateness to the research. The author questioned 252 residents of

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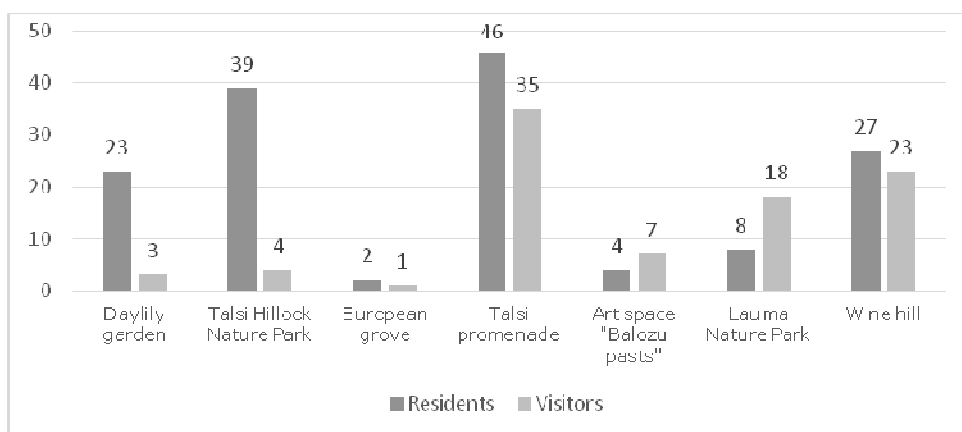
Latvia in total; 132 of them were residents but 120 – visitors.

Results of the survey show a tendency that symbolic elements, chosen by residents of the municipality, significantly differ from visitors' opinion; hence witnessing that the municipality has no united image, moreover, each of these resident groups connects municipality with their own symbols, creating completely different associations. Further in the present article the authors will analyse criteria – sightseeing places, events, visual symbols and entrepreneurship - the use of which implements the previously set-out aim about establishing pleasant environment for life and work.

Analysing the criterion "Sightseeing places" (Figure 1), it can be determined that residents of Talsi municipality stress the symbolic meaning of

Jelgava, LLU ESAF, 21-22 April 2016, pp. 223-227 Talsi promenade and Talsi Hillock Nature park, while only 4% visitors sees the symbolic value of the Nature park. More than 20% of visitors emphasize the existence of Daylily garden, which is the greatest daylily garden in Eastern Europe.

Both residents and tourists evaluate symbolic value of Talsi promenade (33% residents and 31% visitors, respectively) as well as Wine hill (19% residents and 20% visitors) in the life of municipality. It should be stated that Sabile Wine Hill is the town symbol and has been included in the Guinness World Record Book as the most northerly vineyard in the world. It should also be stated that such sightseeing places as Art space "Baložu pasts" and Lauma Nature park are more evaluated by tourists than residents.



Source: survey results

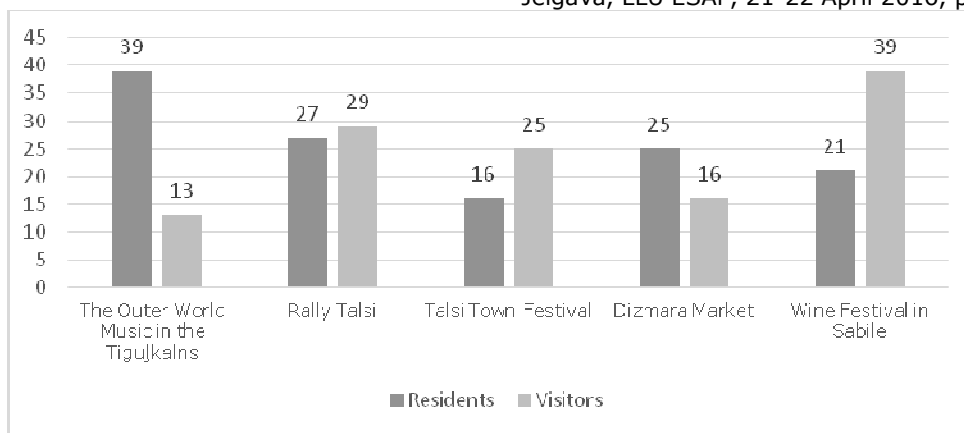
Fig. 1. Symbolic meaning of sightseeing places among residents and visitors

Culture and sport events are integral part of society's life and allow territory not only promote its image but also direct it towards some specific direction, defining priorities that are set in the territory – art, music, dances, sports etc. Well-planned events usually attract visitor attention and often get into annual agenda not only in the specific territory but also in regional and national calendar of sports and culture.

Evaluating the criterion "Events in Talsi municipality", the authors repeatedly want to underline differences in opinions between both

groups of respondents – while residents give the greatest symbolic value to the Outer World Music in the Tigulkaļns (28%), visitors do not pay much attention to it (12%).

Visitors unambiguously evaluate the symbolic meaning of Wine Festival in Sabile (27%) and Rally Talsi (24%) in the social life of Talsi municipality. The meaning of Rally Talsi, its economic contribution and establishment of municipality image in sports field have been evaluated also by 21% of residents.



Source: survey results

Fig. 2. Symbolic meaning of events in Talsi municipality among residents and visitors

The authors discovered an interesting situation with two events of municipality scale – Dizmara Market and Talsi Town Festival. Both festivals are quite similar not only after their format; they both are held in the centre of municipality only with a month interval. The visitors of Talsi municipality evaluate the symbolic meaning of Talsi Town Festival (22%) that, although it is town festival, offers wide and interesting programme for everyone. Dizmara Market, in its turn, is a festival for residents of whole municipality and guests but is evaluated only from the residents (18%).

Visual and verbal symbols of the territory are becoming more and more significant – nowadays everyone knows at least one company or territory slogan, logo or other visual and verbal approaches with the help of which the particular company or territory promotes its identification as well as indirectly indicate any other important information. Also Talsi municipality purposefully works at the output of new symbols that would create new associations with the territory and put stress on symbols and traditions of the municipality.



Source: survey results

Fig. 3. Symbolic meaning of visual and verbal symbols in Talsi municipality among residents and visitors

Analysis of the criterion "Visual/verbal symbol" (Figure 3) shows that results are comparatively different but still directed toward the same direction. Nine percent of residents state that the visual symbol of the municipality is

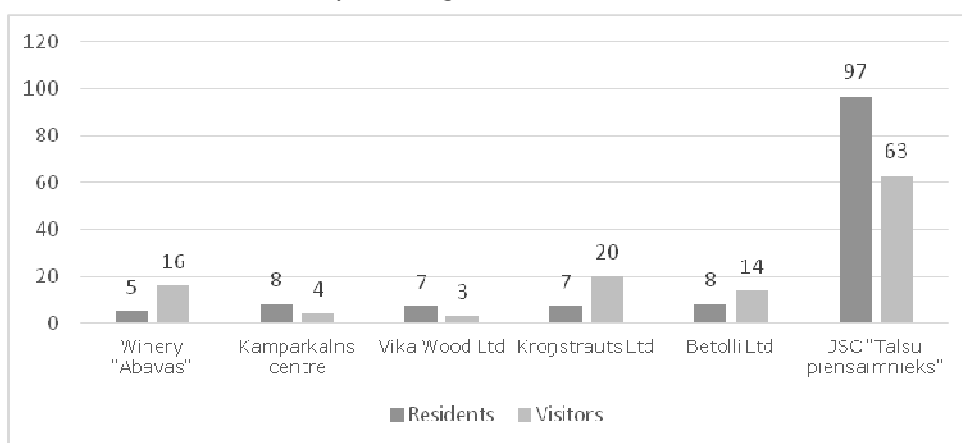
a stripe code that is derived from the national costume of Talsi municipality. The visitors, in their turn, underline the existence of nine hills in Talsi town (31%) that are one of the most significant tourism objects in Talsi town. They

also highly evaluate the new slogan of Talsi municipality "Weave in your story" that indirectly indicates the strong traditions of folklore, folk dances and choir singing in the municipality and invites visitors and residents to weave in their own story in Talsi municipality – it was stated by 24% of visitors.

Twenty per cent of the residents underlined the symbolic meaning of the oak wreath that has been used also in the coat of arms of the municipality but, unfortunately, it does not make any significant associations among visitors. Residents also commented their surveys, stating

Jelgava, LLU ESAF, 21-22 April 2016, pp. 223-229 the municipality needs new symbols to maintain and offer to visitors.

Companies in the territory indicate on economic growth of the territory, create new working places and attract professional workforce. Talsi municipality cannot be proud of specific weight of big production companies but many companies in the municipality are unique in their form of activities, for example, "Betolli" Ltd that offers shirts with individual design, or "Kronstrauts" Ltd that produces Sabile cider, using traditional methods and local apples.



Source: survey results

Fig. 4. Symbolic meaning of companies in Talsi municipality among residents and visitors

Revising the criterion "Entrepreneurship" (Figure 4), it can be stated that both residents and visitors highly evaluate the symbolic meaning and significance of JSC "Talsu piensaimnieks" (73% residents and 53% visitors, respectively). Visitors also have evaluated the meaning and contribution to the municipality from such companies as "Betolli" Ltd (12%), Kronstrauts Ltd (17%), and Winery "Abava" (13%).

The authors determine that, although big production and service companies give a greater contribution to the development of the territory, more workplaces and financial resources, symbolic meaning and identification territory can be achieved with small niche companies.

Conclusions, proposals, recommendations

- 1) Territory image, similarly to company or product image becomes more developed; different marketing strategies, social surveys, different psychological and economic indicators have been used to establish territory image that would be binding to corresponding target audience.
- 2) Kurzeme has maintained and developed several advantages that promote competitiveness of the region in national and international scale, for example, fisheries, clothing production, tourism, production of finished hardware, forestry, food production, ancillary activities of storage and transport, wholesale; also natural resources and infrastructure can be marked as significant

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advantages. These aspects are taken into consideration, developing strategies for sustainable development of Kurzeme region and separate municipalities in it as well as other normative documentation.

3) Performing the analysis of all criteria, it can be seen that major part of events, sightseeing places and companies, for example, Talsi promenade, Talsi Town Festival, JSC "Talsu piensaimnieks" are located in Talsi town.

4) Potential symbols, i.e. objects that visitors and residents mentioned as the second or third in the survey, such as Daylily garden, Sabile Wine Festival and Rally Talsi are located in municipality, thus, promoting polycentric development of the municipality.

5) Residents of the municipality are more focused on events in the centre of municipality, while guests come to an events

Jelgava, LLU ESAF, 21-22 April 2016, pp. 223-230 and sightseeing places around all territory of the municipality that should be taken into consideration in the establishment of long-term development documents, including territory marketing strategy for the particular territory and tourism plan for next years. If local government invests in those events and places, that are more significant in the eyes of visitors, the possibility they return to the municipality, increases.

Acknowledgments

The preparation of the paper was supported by the National Research Program 5.2. Economic Transformation, Smart Growth, Governance and Legal Framework for the State and Society for Sustainable Development-a New Approach to the Creation of a Sustainable Learning Community, Project EKOSOC_LV.

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