

JEL Classification: M31; M37; M39.

DOI: [https://doi.org/10.31521/modecon.V29\(2021\)-24](https://doi.org/10.31521/modecon.V29(2021)-24)

Rosokhata Anna, PhD in Economics, Senior lecturer of the Department of Marketing, Academic and Research Institute of Business, Economics and Management, Sumy State University, Sumy, Ukraine

ORCID ID: 0000-0001-6944-1515

e-mail: a.rosokhata@kmm.sumdu.edu.ua

Khomenko Liliia, PhD student of the Department of Marketing, Academic and Research Institute of Business, Economics and Management, Sumy State University, Sumy, Ukraine

ORCID ID: 0000-0001-5690-1105

e-mail: l.khomenko@fem.sumdu.edu.ua

Jasnikowski Adam, Director, Fundacja EUROWEEK, Bystrzyca Kłodzka, Poland

ORCID ID: 0000-0002-5695-2364

e-mail: adamjasnikowski1@gmail.com

Dmytruk Kateryna, Applicant for Higher Education, Academic and Research Institute of Business, Economics and Management, Sumy State University, Sumy, Ukraine

ORCID: 0000-0003-3575-3603

e-mail: kata13269@gmail.com

Methodical Tools Research of Place Marketing Via Small and Medium Business Development

Abstract. Introduction. *In recent years, along with the brands of companies and celebrities, there are brands of territories. The only way to compete for resources, investments, and partners is through well-thought-out place marketing and place branding. There are a lot of small towns that no one can guess, and they are gradually disappearing. And first of all the local business suffers from it. That's why it is important to analyze the positive experience of cities that have stood out among thousands of others and attract funds and resources to them.*

Purpose. *The study aims is to determine the role of small and medium-sized businesses as a component of place marketing.*

Results. *In the work it was systematized the goals, models of place marketing, target audiences and compared marketing strategies. It was analyzed examples of different image types: positive, weakly expressed, excessively traditional, contradictory, mixed, negative, and excessively attractive. It was considered examples of successful application of marketing tools for unknown territories. Also, it was systematized the image strategies and marketing tools used in the place promotion. It has been developed the recommendations for small and medium businesses to improve the place image.*

Conclusions. *It is recommended to determine the most attractive target audience, competitive advantages underlie the image, and place marketing strategy to strengthen it. It is necessary to develop a visual brand concept for the selected area: a logo, a slogan for each target audience. One of the visual image strategies: multidirectional, consistent, humorous, or negative visual series can be used to place promotion. From marketing tools, it is expedient to use events and actions, legends, to involve celebrities in advertising campaigns, to use branded goods, discount cards, and others.*

Keywords: *place marketing; small and medium enterprises; place branding; marketing tools; marketing strategies; territory image.*

УДК 339.1:658.8

Росохата А. С., кандидат економічних наук, старший викладач кафедри маркетингу, Навчально-науковий інститут бізнесу, економіки та менеджменту, Сумський державний університет, м. Суми, Україна

Хоменко Л. М., аспірантка кафедри маркетингу, Навчально-науковий інститут бізнесу, економіки та менеджменту, Сумський державний університет, м. Суми, Україна

Jasnikowski A., Director, Fundacja EUROWEEK, Plac Wolności 21, 57-500 Bystrzyca Kłodzka, Poland

Дмитрук К. В., здобувач вищої освіти, Навчально-науковий інститут бізнесу, економіки та менеджменту, Сумський державний університет, м. Суми, Україна

Дослідження методичного інструментарію маркетингу територій через розвиток малого та середнього підприємництва

¹Стаття надійшла до редакції: 12.10.2021

Received: 12 October 2021

Анотація. *Останніми роками поряд з брендами компаній та відомих осіб існують бренди територій. Єдиний спосіб гідно конкурувати за ресурси, інвестиції та партнерів – це за допомогою продуманого маркетингу та брендингу територій. Існує величезна кількість невеличких міст, про які ніхто не здогадується, і вони поступово зникають. І в першу чергу, страждає від цього локальний бізнес. Тому важливо проаналізувати позитивний досвід територій, яким вдалося виділитися з-поміж тисяч інших та залучити кошти та ресурси до них. Метою дослідження є визначення ролі малого та середнього бізнесу як складової маркетингу територій. У роботі систематизовано цілі, моделі маркетингу територій; співставлено цільові аудиторії та маркетингові стратегії. Проаналізовано приклади реалізації різних типів іміджів: позитивний, слабо виражений, надмірно традиційний, суперечливий, змішаний, негативний та надмірно привабливий. Розглянуто приклади успішного застосування інструментів маркетингу для маловідомих територій. Систематизовано іміджеві стратегії та інструменти маркетингу, що використовуються при просуванні територій. Розроблено рекомендації для малого та середнього бізнесу для підвищення іміджу територій. Для посилення іміджу території рекомендується визначити найбільш привабливу цільову аудиторію; конкурентні переваги, що лежатимуть в основі іміджу та стратегію маркетингу територій. Необхідно розробити візуальну концепцію бренду для обраної території: логотип, слоган для кожної цільової аудиторії. Для просування території можна використовувати одну з візуальних іміджевих стратегій: різноспрямований, послідовний, гумористичний чи заперечувальний візуальний ряд. З інструментів маркетингу доцільно використовувати події та заходи, легенди, залучати знаменитостей до рекламних кампаній, використовувати брендовані товари, дисконтні картки тощо.*

Ключові слова: *маркетинг територій; малі та середні підприємства; брендинг територій; маркетингові інструменти; маркетингові стратегії; імідж територій.*

JEL Classification: *M31; M37; M39.*

Formulation of the problem. In recent years, along with the brands of companies and celebrities, there are brands of territories. From geographical units, they are transformed into goods with values, parameters, and benefits for consumers. Cities, regions, countries compete for tourists, investments, highly qualified professionals, and residents. Locals and businesses will benefit the most from successful branding. The only way to compete worthily for resources, investments, and partners is through well-thought-out marketing and branding of territories.

There are a lot of small towns that no one can guess, and they are gradually disappearing. Thus, in Ukraine, 69 settlements are dead (missing) or attached to others [1]. And first of all the local business suffers from it. Therefore, it is important to analyze the positive experience of territories (at first small cities) that have stood out among thousands of others and attract funds and resources.

Analysis of recent research and publications. Place marketing is receiving more and more attention from domestic and foreign scientists every year [2-6]. These works investigate the tools of place marketing [7; 8], the concept of place marketing [9], low-budget means of communication [10], tools of electronic marketing [11], strategic aspects of place marketing [12], regional development strategies [10], stakeholder attractiveness of the region [9], regional marketing as a tool for supporting sustainable regional development, socio-economic aspects of territory branding [10].

The central direction is the use of various tools in the marketing of territories. Kruglov V. V. considered the tools of formation and improvement of territories within the framework of strategic marketing concepts [13].

Smerichevsky S. F. & Sibruk V. L. researched modern marketing tools of the territories directed on optimization of carrying out of marketing researches of administrative-territorial units [12]. Bondarenko V. M. & Shershun K. O. generalized foreign and domestic approaches to understanding territorial marketing, using marketing tools in the strategic development of regions, and identifying opportunities for their use in Ukraine [8]. Budnikovich I. M. & Gavrish I. I. considered tools of formation and increase of territory's attractiveness within situational and strategic concepts of marketing [9]. Yarmolyuk O. Ya., Klivoda D. S. generalized marketing aspects, and principles of using electronic marketing tools in marketing the territories of activity of the subjects of Ukraine [11].

However, the interaction with small and medium-sized businesses in territorial marketing is insufficiently studied in the scientific approach.

Formulation of research goals. The study aims to determine the role of small and medium-sized businesses as a component of place marketing.

To achieve this goal, the following scientific tasks were identified: to systematize goals, the models and marketing strategies of place marketing, and analyze the use of marketing tools by territories to promote and develop recommendations for representatives of the small and medium business.

Outline of the main research material. Place marketing is a type of marketing that works in the interests and needs of the territory, its internal and external actors, in support of which any territory is interested. The main goals of territorial marketing are presented in fig. 1.

creation, support, promotion, the behavior of consumer entities	competitiveness of the territory as a whole	the conditions of profitability, livelihood, and business activity in the selected area	the interest of tourists in natural, financial, labor, organizational resources concentrated in the territory.
---	---	---	--

Figure 1 – The main objectives of marketing areas

Source: developed by the authors based on [14]

Place marketing works in the interests and needs of the territory, its internal and external actors, in support of which any territory is interested. It is based on the management of sustainable and possible further development of the territory. It aims to identify and promote additional growth opportunities, focused on the attractiveness of natural, financial, technical, social, organizational, and other resources, prospects for implementing conditions to increase its prestige as a whole.

The place marketing is created collectively, the government, business, and the population are interested in it. But everyone's "contribution" to the project is different: city authorities - administrative resources, coordination, lobbying of the city's interests in state bodies; business - financial and personnel support; population - new ideas and political support.

There are different initiators of the development of the brand of the territory. So there are models of organization of place marketing (table 1).

Table 1. Models of the place marketing organization

Features / Models	Administrative (European) model	"Civil" model	Business model (American): export and import
Initiator	State or municipal authorities	Local communities: public organizations or individuals	Business
Features of the model	In the administration structure, one or more subdivisions are appointed responsible for the marketing of the territory. Marketing starts from the top.	Marketing starts from the bottom. Society (population) acts as a catalyst for the marketing process in the territory. Then business and government are connected through the mechanism of public-private partnership.	"Export" - stimulating sales and promotion of goods and services of local producers in the external environment using the territorial name and symbols (for example, Vologda oil, Swiss watches, etc.); "Import" - attracting new businesses and investments
The type of cities used most often	Regional centers	Small cities	Universally

Source: developed by the authors based on [14-16]

Depending on the goals, use one of the four marketing strategies of the territories. Comparisons of target audiences and marketing strategies are given in Table 2.

Place marketing objects can be divided into the following levels: marketing of the country, marketing of the region, marketing of the city, and other places (arboretum, fair, etc.).

1. The country's marketing is aimed at improving (supporting) its image, competitiveness, attractiveness in terms of tourism, prestige in international organizations.

2. The region's marketing in general also solves the same tasks and uses the same means as the country's marketing, but at a different level.

3. City's marketing explores the potential and existing opportunities of the city in the interests of both its territory and residents and external actors in its area of interest.

Table 2. Brief description of marketing strategies of territories

Target audience	Characteristics of the target audience	Marketing strategic of territories
The population of the territory	Able-bodied and incapable of work, including potential (those who want to move to the region).	Attractiveness, infrastructure, staff strategies
Tourists	Local or foreign, including foreign: business or recreational; by types of tourism	Image improvement strategy
Investors	Internal or external, including foreign.	Image improvement and infrastructure strategies
Enterprises of the territory	Individual entrepreneurs (fops), legal entities; by industries, including tourism and export-oriented enterprises	Attractiveness and infrastructure strategies
Foreign markets	Consumers of regional exported goods or services, including foreign ones.	Image improvement strategy

Source: developed by the authors based on [15-16]

Small and medium businesses can influence only in city marketing level.

Along with the place marketing concept, distinguish the place image concept, which is a set of emotional and physical perceptions of consumers. They are the result of comparing all the features of the territory, people's own experience, and rumors, which create a certain image in the imagination. The region's image is influenced primarily by psychological, economic, political, and social factors, which are a holistic result of their interaction.

The set of competitive advantages and disadvantages is one of the most important objective components of

the image of a specific territory. Examples of the image of different territories are given in table 3.

The territory image is one of the decisive factors in making consumer decisions about it, and therefore the task of its formation has economic consequences for the marketing entity. Image determines the attitude of the territory consumer, his behavior in the market, the preference to make a choice in favor of a particular territory. As a result, individual decisions are summed up in the overall consumer demand for this area, which is manifested in the flow of tourists, migration flows, the size of investments, and the volume of exports of local products.

Table 3. Examples of different types for territory image

Image type	Example
Positive image	Venice, Rym (Italy), Lviv (Ukraine), St. Petersburg (Russia) are definitely associated with their shortcomings, whether architectural exoticism, financial well-being, valuable historical past, or high cultural level. This image does not require its change, but its strengthening, confirmation, and dissemination to as many target groups of consumers as possible
Weak image	The territory may be relatively unknown to the target groups of desired consumers customers. The main reasons are small size, undeveloped competitive advantages, lack of advertising, unwillingness to attract visitors' attention. In this case, it is necessary to purposefully form information flows (many small cities)
Excessively traditional image	The United Kingdom, for example, with the advent of Labor, began to actively promote the idea of updating the image. The image based on the association, which goes back centuries, does not allow to present the country as dynamic, modern, and this pushes away the multi-important target groups
An image-based on contradiction	Many metropolitan cities have many advantages, but at the same time, they are often associated with smog, polluted water, heavy traffic, and the concentration of crime. The task of the territory is to break in practice such connections and thus correct the image (for example, Brusel; New-York in 1980)
Mixed image	Often, the pros and cons of the neighborhood are unrelated. Yes, Italy looks quite attractive, but only until the tourist is faced with a strike by railway, aviation, or hotel employees. The most common technique, in this case, is to emphasize the positive features and silence the negative ones
Negative image	Detroit, for example, is the recognized capital of brutal crime in America, Colombia is a center of drug addiction, and Bangladesh is the apotheosis of poverty. It is necessary not only to create a new image but also to actively destroy the old one
Too attractive image	Some areas have already faced the need to regulate the flow of visitors and new residents to reduce their number. For example, California has deliberately refused to modernize and expand water and reservoir capacity to prevent new construction





Source: developed by the authors based on [14-16]

The methods of promoting the territory's image should include the following: advertising; direct marketing; sales promotion; public relations; personal

sale. To understand the best marketing tools, we analyze the experience of successful city elements of city identity, logos, and slogans (Table 4).

Table 4. Examples of the visual concept of marketing tools for specific areas

Indicator	Covington, the USA	Nordkin, Norway	Oryada, Romania	Gainsborough, Great Britain
Prerequisites for brand creating	A city with a population of 40,000 people, not distinguished by special sights or events.	There are no special places of interest.	Oradea is famous for its architecture: here the baroque buildings of the Austro-Hungarian Empire are combined with art nouveau architecture, is part of the association Réseau Art Nouveau Network, whose task is to preserve the heritage of art	Five weeks was the capital, the poet T. Miller was born, is the basis of the novel by J. Elliot "Mill on the Floss".

			nouveau	
The basis of the logo	Friendly and understandable logo with using different encouraging, welcoming, or approving gestures, and at the same time flexible and dynamic logo. A large number of logo variations indicated diversity among the local population.	An ice crystal-like logo that changes shape depending on temperature and wind direction.	Five rings and heart emphasize the historical continuity and focus on transformation, especially on improving the lives of citizens. The locals showed their heart and their responsiveness. The crowns symbolized the historical past, Art Nouveau architecture, magnificent nature, a multicultural society, and a multicultural community.	Schematic drawings that reflect the urban reality and at the same time add to it future projects and plans for the development of the city and its community.
Logo				
Slogan	Covington Alive	Where Nature Rules	Art Nouveau, Life Nouveau	No dates
Target audience	Residence of the city	Tourism	Residence of the city	Tourists, new residents, investors

Source: developed by the authors based on [17]

In addition, examples of the implementation of marketing strategies for individual areas were analyzed (table 5).

Table 5. Visual image strategies used in the territory promotion

Using visual symbols	Essence	The country that use it	Examples
Multidirectional visual range	Destruction of the idea that the territory has a single character; formed two or three largest and several small images, which together and in unity represent a holistic territorial image in the human mind.	Spain	Spain positions itself as a territory with an atmosphere of mystery, where sagas are told; All marketing materials also mention numerous saga-related monuments, museums, objects of history and culture, mysterious geological phenomena, and others.
Consecutive visual series	Systematic and consistent disclosure of a single (brightest and strongest) image of the city.	Austria	Vienna - the birthplace of Strauss, Salzburg - the birthplace of Mozart: annual music festivals.
Humorous visual series	Presentation of the territory in some witty light, which is considered the most effective for eliminating its negative image.	Finland	To eliminate the negative image of gray fog and rain, as well as dull and phlegmatic Finns spend the Fun holidays and festivals in several Finnish cities as sitting on an anthill, battle with mosquitoes, race naked for 10 km, throwing mobile phones, World Wife Transfer Championship, football in the swamp, throwing rubber boots, sleepyhead day and others.
Negative visual series	Formation and promotion of a set of positive images, some of which delicately deny its negative aspects.	Netherlands	The visual symbol of Brussels is the central square, filled with greenery of the famous GrandePlace, completely free of cars.

Source: developed by the authors based on [17-18]

Thus, the purpose of marketing areas is to create the most favorable, competitive conditions for living, working, doing business, investing, and recreation of individuals, groups, and organizations. From the

marketing standpoint, we can identify some tools that most successfully implement the tasks of marketing areas; the main ones are shown in table 6.

Table 6. Marketing tools used in the promotion of the territory

Tool	Essence	Using by country	Examples
Events and activities	Many people, tourists, and business representatives come.	Germany, France	Munich - Beer Festival "Oktoberfest"; Clermen-Ferranvo (France) - Short Film Festival; Hannover (Germany) - the annual CeBIT conference; Salzburg (Austria) - a music festival; Bergen (Norway) - an annual rain festival.
Legends	Using a successful legend in promotional materials and beaten in tours; aimed at attracting tourists.	Great Britain, France	The Loch Ness Monster of Scotland; images of Quasimodo and Esmeralda associated with the Notre Dame de Paris; the image of Galeta associated with Kronborg Castle near Helsingari.
Branded clothing	Clothes are given to all visitors to attract them to the city's spirit, atmosphere, and values.	The USA	New York authorities initiated the production of T-shirts with the New York logo, which were presented to all visitors to attract them to the city's spirit, atmosphere, and values.
Discount cards	provide visitors with the opportunity to enjoy a discount when visiting the institutions of the cultural and entertainment industry: museums, theaters, cinemas, exhibitions, restaurants and others.	Germany	In Germany such cards provide: free travel on public transport, including transport to Frankfurt Airport; 25% discount on regular city tours; 50% discount in 22 museums; 20% discount on river tours on the Main; various discounts in city restaurants, bars, clubs, and shops.
Celebrities	Attracting celebrities to advertising campaigns to change the image and attitude to the territory.	The USA, Australia, Japan	Country-style New York campaign with country star Taylor Swift; Australia is the birthplace of Thor; Tokyo - Godzilla's Smile.

Source: developed by the authors based on [17-18]

Thus, the main components of the promotion of territories today are the following marketing tools:

- advertising – the use of paid channels to disseminate information about goods and services;
- sales promotion – the formation of a system of measures to encourage consumers to buy goods and services;
- public realtions – holding various events.

Conclusions. This paper clearly showed the importance of territorial marketing for cities and countries as a whole. The development of the territory's image allows the country to enrich its wealth and promote this city, the country among tourists. The problems of this type of marketing are analyzed, and recommendations are given to eliminate these problems. With the help of place marketing, you can enrich the profits of the territory and make your own territorial brand, its business card. Thus, the brand will then "work" on the territory and not vice versa.

The promotion of the territory allows to improve the appearance and internal structure of the city, the country and thus make them even more attractive for tourists and locals.

All participants in the process will benefit from improving the territory's image: residents, tourists, city authorities, and representatives of small and medium-sized businesses.

It is recommended to determine the most attractive target audience, competitive advantages that will underlie the image, and marketing strategy of the territories to strengthen its image. It is necessary to create visual components for the selected area: logo and each target audience's slogan. To promote the territories, you can use one of the visual image strategies: multidirectional, consistent, humorous, or negative visual series. From marketing tools, it is expedient to use events and actions, legends, to involve celebrities in advertising campaigns, to use branded goods, discount cards, etc.

References:

1. Wikipedia. (2021). Kolyshni naseleni punkty Ukrainy .Former Settlements of Ukraine. Retrieved from : <https://uk.wikipedia.org/wiki> [in Ukrainian].
2. Rosokhata, A., Letunovska, N., Jasniewski, A. & Moiseienko, D. (2020) Marketing services mix for healthy territories : Europe – Ukraine features. *Economic space*, 147(2), 13-19. doi: <https://doi.org/10.32782/2224-6282/162-2> [in Ukrainian].
3. Khomenko, L., Saher, L., Letunovska, N. & Jasniewski, A. (2021). Segmentation as a base for digital marketing strategies in blood service: A cluster analysis for classifying healthy regional subjects. *E3S Web of Conferences* 307. London, 03001, 14P. doi: <https://doi.org/10.1051/e3sconf/202130703001> [in English].

4. Rahmanov, F., Aliyeva, R., Rosokhata, A. & Letunovska, N. (2020). Tourism management in Azerbaijan under sustainable developmen : impact of COVID-19. *Marketing and Management of Innovations*, 3, 243-251. doi: <http://doi.org/10.21272/mmi.2021.2-20> [in English].
5. Letunovska, N., Rosokhata, A., Saher, L. & Lazorenko, V. (2020). Health threats in the European region and their economic impact: lessons for Ukraine. *Economics and Region*, 3(78), 70-77. doi: [http://doi:10.26906/EiR.2020.3\(78\).1999](http://doi:10.26906/EiR.2020.3(78).1999) [in English].
6. Letunovska, N., Rosokhata, A. & Saher, L. (2021). *Population health as a determinant of the level of regional development: examples of marketing programs to support a healthy lifestyle. National health as determinant of sustainable development of society: monograph/ edited by N. Dubrovina S. Filip*. Bratislava: The School of Economics and Management in Public Administration in Bratislava. 527-539 [in English].
7. Kotler, P., Haider, D. H. & Rein, I. J. (1993). *Marketing Places : Attracting Investment, Industry, and Tourism to Cities, States, and Nations*. Free Press. 388 [in English].
8. Bondarenko, V. M. & Shershun, K. O. (2012). Poniattia ta instrumenty terytorial'noho marketynhu v konteksti stratehichnoho rozvytku rehioniv [Concepts and tools of territorial marketing in the context of strategic development of regions]. *Scientific Bulletin of Uzhgorod University : Series: Economics*, 2(36), 66-73 [in Ukrainian].
9. Budnikevich, I. M. & Gavrish, I. I. (2016). Kontseptsiiia terytorial'noho marketynhu iak osnova formuvannia ta pidvyschennia pryvabyvosti rehioniv [The concept of territorial marketing as a basis for the formation and increase the attractiveness of regions]. *Rehional'na ekonomika [Regional Economy]*, 3, 76-85 [in Ukrainian].
10. Serhiienko, A. O. (2018). *Stratehii ta polityka rozvytku terytorij : mizhnarodni, natsional'ni, rehional'ni ta lokal'ni vyklyky [Strategies and policies of territorial development: international, national, regional and local challenges]*: Proceedings of the International Scientific and Practical Conference, May 10-12. Chernivtsi : Chernivtsi National University. University, 156 [in Ukrainian].
11. Yarmoliuk, O. Ya & Klivoda, D. S. (2018). Vykorystannya instrumentiv elektronnoho marketynhu v marketynhu terytorij [Use Of Electronic Marketing Tools In Territory Marketing]. *Infrastruktura rynku [Market infrastructure]*, 15, 137-141 [in Ukrainian].
12. Smerichevsky, S. F. & Sibruk, V. L. (2018). Stratehichni aspekty marketynhu terytorij v umovakh detsentralizatsii upravlinnia Ukrainy [Strategic Aspects Of Territory Marketing In The Conditions Of Decentralization Of Ukraine Governance]. *Prychornomors'ki ekonomichni studii [Black Sea Economic Studies]*, 2(26), 55-59 [in Ukrainian].
13. Kruglov, V. V. (2018). Terytorial'nyj marketynh iak instrument rozvytku derzhavno-pryvatnoho partnerstva [Territorial marketing as a tool for the development of public-private partnership]. *Pravo ta derzhavne upravlinnia. [Law and public administration]*, 1(30), 86-91 [in Ukrainian].
14. Hrynchuk, N. (2014). *Formuvannia terytorial'nykh marketynhovoykh stratehij. [Formation of territorial marketing strategies]*: K. NADU.43 [in Ukrainian].
15. Polyakova, N. V. (2017). *Marketing terytorij [Territory marketing]*: textbook. Irkutsk : BGU [in Russian].
16. Ketova, N. P. (2015). *Territorial'nyj marketing [Territory marketing]*: textbook. Rostov-na-Donu.106 [in Russian].
17. 34travel.me. (2021). Place Branding: krutye brendy neizvestnyh gorodov [Place Branding : cool brands from unknown cities]. Retrieved from : <https://34travel.me/post/place-branding-2> [in Russian].
18. 34travel.me. (2021). Place Branding: kak poyavilis' samye izvestnye brendy gorodov? [Place Branding: how did the most famous brands of cities come about?]. Retrieved from : <https://34travel.me/post/place-pranding-1>. [in Russian].

