

RELATIONSHIP BETWEEN TOURISM POLICY, PLACE IMAGE AND BUSINESS INVESTMENTS

Ph.D. Nako Tashkov, nako.taskov@ugd.edu.mk;
M.Sc. Tatjana Dzaleva, tdzaleva@yahoo.com

ABSTRACT:

Development plan with aim promotion of a city as attracting place is the principal planning policy which for are interested all those involved in development of the place that is promoting. It recognizes that achieving urban regeneration is dependent on creating an attractive and safe environment within the city, by using high-profile projects. This benefits the existing residents and businesses and attracts new investment, particularly in the city centre.

Cities pursue these types of tourism strategies as a tool to give some competitive advantage in an increasingly globalized and interdependent economy. In the interrelation between tourism and interurban competition, globalization decidedly affects the way in which policies for tourism are formulated and put into practice. Destinations (in this case, cities) face increasing pressure to raise their 'place identity' in order to position themselves competitively in the global context.

Improvement of the physical environment, will promote the city as an attractive and enjoyable place to visit, to invest in, and to live in.

Key words: flagship projects, tourism, city image, investment,

Introduction

Many cities are combining the use of high-profile projects with enhanced tourism policy to seek to revitalize economic decline and improve their urban physical structure. These high-profile projects are developed in city centres, and comprise prominent conference centres and meeting places; museums and other leisure destinations; and concentrations of restaurants, bars and nightlife. They are often linked to special events such as art performances and festivals, and place specific marketing strategies. The use of high-profile projects alongside tourism policy also aims to promote a positive city image in order to attract inward business investment. Central to the majority of these initiatives is a reassessment of the image that the city projects (Stevenson, 2003), which then becomes a key element in an urban regeneration strategy, for employment creation, increasing tourist expenditure and improving the physical urban structure, in a context of high interurban competition for potential inward investment.

City image is the subjective view or perception of a city and it has been argued that a positive change in image may encourage business investment and business activity, though much of the literature on the topic has not clearly defined what kind of inward business investment/investor might be encouraged due to such a change in the city image.

The government continues to pursue a policy that promotes high-profile projects with tourism policy, and upgrading the image of the city, where is underling the significance of the influence on inward business investment.

Flagship projects and city image

Today, here are increasing numbers of countries that focus on promotion and development of high-profile projects combined with tourism policy. A high profile project also has aims to encourage business investment from outside the locality and to upgrade the image of the particular place to potential investors and tourists. Promoters of these projects seek additional spin-off benefits that result from employment and capital creation at the city-wide level. Smyth (1994) comments that a flagship project comprises three elements: a development in its own right that may or may not be self-sustaining; grouping opportunities for further business investment; and promotion of an image.

High-profile projects are closely associated the promotion of a locality to the outside world (Stobart & Ball, 1998). Local city administrations use place marketing to make their cities attractive as a place for inward investment and for visitors. From this point of view, these places that are promoted seek to make their service, commercial, or prestige functions stand out from those competing for the same investment on the basis of similar urban character. The projects are usually a form of property-led urban regeneration and are dominated by prominent new buildings and/or reconstruction, land reuse and infrastructure development with attention to building, urban design and spaces at the macro or city-wide scale (Hubbard, 1995). Also the investment in these kinds of projects is both socially and politically attractive – the selling of the place as a location for investment and activity depends heavily on the creation of an attractive imagery, which is of interest to politicians and other stakeholders. Tourism policy, for example cities, is pursued because it is seen as a fast growth industry; it can provide job opportunities; and may contribute to environmental improvement, especially in combination with major physical urban regeneration projects. Thus, tourism

development seeks to create revenue and employment opportunities for city authorities and residents. It may increase the tax base and earnings from incoming tourist expenditure, and there may even be multiplier effects (Law, 2002; Shaw & Williams, 2002). Thus start the process of place promotion, and on national level too. Tourism development seeks to improve the urban physical structure through the reuse and adaptation of historical buildings or brownfield land in cities, especially in areas located in waterfronts, historical districts or run-down areas to the benefit of both tourists and local residents. Improvement of the physical environment, together with major planned cultural events, such as organizing festivals as part of a tourism strategy, will promote the city as an attractive and enjoyable place to visit, to invest in, and to live in (Bramwell & Rawding, 1996; Garcia, 2004).

City authorities pursue these types of tourism strategies as a tool to give some competitive advantage in an increasingly globalized and interdependent economy. In the interrelation between tourism and interurban competition, globalization decidedly affects the way in which policies for tourism are formulated and put into practice (Costa, 2001). Destinations (in this case, cities) face increasing pressure to raise their place identity in order to position themselves competitively in the global context (Hughes, 1999). Using tourism strategies as a tool to regenerate urban areas has substantial implications for the interests of groups within urban areas (Hall, 1994).

Flagship projects and tourism strategy

In this context, there is a mixed development approach that includes retailing, tourism, leisure, offices and residential use is currently practise, which has involved very substantial high-profile projects.

For example, ina research made for London, concretely for Birmingham, the historical data show that in the early 1980s, unemployment rates in Birmingham were among the highest in the country. So this was the reason for their City Council to start to think about the regeneration of previously run-down physical structure of the city centre and to expand the city's economic base, which had suffered from the decline of manufacturing. For success of the business tourism development, and the significant potential for modern conference facilities, the City Council initiated the International Convention Centre (ICC). From the perspective of the City Council, the construction of the ICC, together with the adjacent associated complementary developments have provided major attractions for both existing residents of the city and visitors alike.

Taking this Council and their approach as an example for tourism development and nation branding, could be summarized some activities and strategy as advantages that are usefull to implement. In this way, forming some Centre for tourism development and promoting a place and make it attractive, is essential in means that it has a role for holding conference for presenting events, exhibitions, and in this way bringing a lot of visitors. Thus this Centre will become venue for many high profile events and will positioned in the national and international conference market. The agenda of the conference could implement and so play a role in attracting tourists through hosting a wide variety of prestigious international concerts.

Another activity is organizing business events, entertainment spectaculars which also bring visitors. Opening museums, gallery, restaurants, shops, bars, canal-side developments and public squares which represent mixed-use scheme, are all attractive to visitors. Other important tourism resourse is theatre that provide important cultural activities. High-profile projects with tourism development also include representing a historic value of the place and important buildings and features

have been retained, which are attractions to visit. As a project in that kind of place with historic value could include cafes, restaurants, pubs, retail, outlets and an attractive pedestrian route.

These projects together have strongly shaped tourism activities around the world. They provide the venues for staging exhibitions, conferences, concerts, sporting and entertainment events, eating, drinking and shopping. Indeed, their development provided the major business, tourism and cultural focus, which and Birmingham as one example. Development plan with aim promotion of a city as attracting place is the principal planning policy which for are interested all those involved in development of the place that is promoting. It recognizes that achieving urban regeneration is dependent on creating an attractive and safe environment within the city, such as by using these high-profile projects. This benefits the existing residents and businesses and attracts new investment, particularly in the city centre.

In addition, the physical structure of the city centre has been improved greatly throughout. The creation of an improved physical environment is critical for the promotion of tourism.

Results “talk” about facts. In this way, the high-profile projects recreate the identity of the city, help the city’s renaissance and demonstrate how the city can change and that an added benefit is to raise the profile and improve the image of the area. Here are believes that the reconstruction of the older buildings is a positive step and that when the high-profile projects arise, they stimulate further development and enable the city to bring in new architecture. This keeps visitors interested and coming, and thus the momentum for new development continues, and increased tourism thereby helps to increase the market.

Tourism policy is a key part of the city’s plans for economic regeneration.

Tourism represents one of the most buoyant sectors of the economy and in terms of jobs and wealth creation. It has the ability to stimulate regeneration and change in other areas and to increase confidence and civic pride in the city.

Strategies that come from highprofile projects raise the potential for economic and employment growth. This potential is linked to the proposed expansion of the region’s key industries, including motor vehicles and components; high technology knowledge-based industries; business and financial services; tourism, media and culture.

Many councils of the cities in the world today, build up economic information centres that represent the economy of the city in this case. In addition, they represent economy based on hi-tech manufacturing and professional services. This is opportunity for great local employment growth in the service sectors. The role of tourism policy in the city’s economy is to bring in revenue from outside, to create job opportunities and to enhance the city’s image to attract inward investment.

Tourism helps to improve the employment rate. However, the tourism industry (e.g. the hotel and catering sector) often offers poor working conditions, such as part-time work and low pay, which result in high staff turnover and recruitment difficulties. On the other hand, many of the jobs in the visitor economy do not demand high qualification levels, so increases in employment would help many city residents currently frozen out of the local labour market because local jobs growth has been limited to the knowledge economy.

The highprofile projects for nation branding should provide a major tourism and cultural gathering place for visitors who come for business, leisure or entertainment. So, initiates some policies for the city’s high-profile projects and tourism

development to this area, are needed. These emphasize strongly the issues of urban design, transport infrastructure, sustainable development, tourist information services and tourism organization partnerships. The aim is to realize how high-profile projects and tourism development contributing to improvement in physical structure, prosperous development and improved social wellbeing in the city. The researchers propose the quality of buildings and the facilities built provide world-class entertainment and this contributes to tourism, and consequently the city strengthens its role as the focus and transport hub of the region.

Tourism becomes an extra economic driver as the tourists bring additional money into the place that are promoted. The projects connect to the economic strategy to get international business to think about locating in the concrete place.

Tourism, nation branding and investment

Tourism can improve the city's environment, enhances the city's image and aids inward investment. Flagship projects for promotion a city as nation brand, ensure the potential for new investment to be attracted due to the fact of promoting a new image by creating a new and attractive physical environment. A new and positive image is seen as a crucial element of attracting inward business investment.

As part of tourism strategy, could be developed an agenda for attracting overnight business tourists and to raise international profile of the city. Thus, tourism strategy in these high-profile projects for promotion a city as nation brand include:

- encouraging access and movement,
- providing quality tourist information,
- setting up visitor priority areas,
- developing a coherent mixture of visitor attractions,
- encouraging investment in retailing, restaurants and accommodation,
- incorporating with various organizations,
- improving physical environment as a critical role for the promotion of tourism activities,
- creating additional leisure and tourism facilities and major visitor attractions based on the industrial and social heritage,
- encouraging the creation of a cross-city pedestrian walkway, ect.

These major events will attract large numbers of visitors. Consequently, the reputation and perception of the city will effectively enhance. As the number of visitors to the city increases and the city's national and international image through the development of tourism policy along with high-profile projects, does this attract business investment?

The quality of high-profile project does not just consist of image, cultural, leisure and recreation issues. It should also include education provision, medical services, housing conditions, criminal justice systems and community services. The Multilateral Investment Guarantee Agency (MIGA) (2002) also conducted a survey of foreign direct investment in 2001. MIGA selected 191 companies, comprising 55% respondents from manufacturing/processing companies and 45% respondents from service companies in North America, Western Europe and the Asia/Pacific region where the results show how it is possible to conclude that city image may be seen as an unimportant factor for companies in deciding where to locate. In this context, based on these surveys of selection of investment locations, there is no strong evidence to reveal a cause and effect between city image and business investment behaviour. As some researchers (Richter 1994) observe, existing research does not

establish a clear causal link between amount of tourism and amount of foreign investment, although tourist destinations may benefit unduly from international investment. From this perspective, political climate is a consideration, and political stability and government receptivity to foreign influence can be seen as important factors influencing the investment. The interrelationship between the decision-making process of business investments and the influence of local policy for high-profile projects and tourism development is therefore uncertain. However, policy-makers of a city involved in both the high-profile projects and the tourism programme believe that city image can effectively attract business investment from outside the city.

Urban planners, often act as if the provision of culture-led initiatives would affect the location selection of potential business investors. They see image perception as a key element to attract inward business investment and business relocation to the city. For these aims are using many different marketing and branding strategies.

In theory, there is value in seeing the city in the perspective of marketing principles operating under four key controllable variables: product, price, place and promotion (Kotler, 1991; Middleton, 1994).

Thus, high-profile projects can be aligned as product, its capital cost and funding as price, the city centre as place and the city's methods of communication as promotion, together with the city's marketing. Thereby, the city can be seen as a commodity to be packaged and sold (Ward, 1998). In addition, the four key controllable variables offer opportunities to target potential investors in the city, such as: banking, high technology, information communication, hospitality or leisure-based retailing sector. Those tasked with attracting inward business investment to a city will identify products and services that meet the needs of compatible target investors. Every target market consists of groups or segments with dissimilar needs and wants (Middleton, 1994). All types of potential business investor will not be attracted to a particular city. Seeking to attract inward business investment by targeting specific types of industry through effectively operating the four key controllable variables should guide inward investment strategy.

In terms of marketing principles, the city is thus seen as the product of assembling its facilities, products and services. The marketing involved in packaging places almost as a commodity to be bought and sold, is not only their physical existence as land, but also their historical and cultural significance. It is impossible to market places or cities in the same way as a defined product or service that is sold to clearly defined users. In addition, unlike most other commodities that are marketed, those doing the marketing have considerably less direct control over the assemblage of products through which the totality of the city is constituted (Barke & Harrop, 1994). The marketing approach offers some tools for the job that give promotional groups a methodology that enables them to define and target place image (Ward & Gold, 1994).

It is a fact that the high-profile projects combined with tourism development will improve physical structure of a city and provide visitor expenditure and tourism-related employment for the city. This brings benefits for the city. The theory reveals that image is simply part of the promotion in terms of the marketing principle. As Kotler et al. (1993) says, place marketing planning needs to design the right sort of urban features, set attractive incentives for potential users of urban products and services, deliver these urban products and services, and promote the urban values and images so that the users know what the city's distinctive advantages are. Thus, image promotion occupies an important role, it is only one part of a much broader process of place marketing and can only be appreciated within that context (Ashworth & Voogd, 1995).

Urban image should not be seen as an individual factor leading and dominating policy or planning. As to this kind of urban symbolism, Mullins (1991) comments that the work of urban symbolism is conceptually, methodologically and theoretically weak, since it is philosophic, rather than social scientific, in orientation, unless suitable concepts are developed and empirical research undertaken, urban symbolism will remain a vague philosophy and will be of little use for urban social science.

Successful places need to be able to attract and retain businesses, based on understanding their requirements. The target investors that want to settle down in the city will be based on the perception of its advantages that those target investors need. A city's potential advantages for investors would include the existing clusters of businesses, supply of human resources, support of transportation networks and demands of local markets (Porter, 1995). The surveys conducted by MIGA (2002) also reveal similar results to these city advantages: key factors in selecting investment location are availability of qualified staff, transport links, the quality of telecommunications, reliability of infrastructure and utilities and cost of staff. Those who follow the approach in seeking to have a city stand out from other competitors that offer similar characteristics also need to pay attention to how high-profile projects combined with tourism development can help to focus on the substantive advantages that a city can offer.

Conclusion

Cooperation programmes and high-profile projects will support the efforts of a city to improve benefits for the development and implementation of sustainable tourism policies and programmes.

Improving the competitive city image, will bring investment support and promotion, product development and strengthening linkages between tourism and other sectors of economic activity.

That's why there is need for a fundamental consideration of factors that influence the location of business and can help highlight the decisions that potential business investors and developers make. In addition, the necessity of the marketing principle in image promotion is an important issue. Cities are different from one another, and it could be argued, city marketing must reflect this difference. The considerations of these marketing approaches in and of themselves can help to improve city strategies for inward investment and provide a focus for work on city image and potential target businesses.

Internationally, the promotion of a place (as city in this case) by city authorities and donor organisations has typically aimed at encouraging private sector investment, macroeconomic growth and also foreign exchange earnings.

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In addition, place marketing planning needs to design the right sort of urban features, set attractive incentives for potential users of urban products and services, deliver these urban products and services, and promote the urban values and images so that the users know what the city's distinctive advantages are.

Seeking to attract inward business investment by targeting specific types of industry through effectively operating the marketing principles should guide inward investment strategy.

Tourism has the potential to empower communities and the sustainable tourism agenda needs to focus on how to bring this about. Understanding tourists and tourism processes is the first stage to empowering the local community to make informed and appropriate decisions about their tourism development. Considerable investments are required in communication and trust building between the actors in tourism. In this context to make successful development of tourism and place promotion is necessary to understand the importance of activities and tourism strategy as tools for tourism business success. In this way, tourism businesses have been identified as essential actors for creating jobs, tourism destination development and generally growing the economy.

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