Abstract:
In the recent decades, strategic market planning had been used as a strategy for enhancing competitiveness that led to achieving growth in the economies of some successful cities worldwide. This approach can be considered as an essential tool for the growth of urban economies in the global context. The model of place planning based on principles of marketing named Strategic Market Planning (SMP) that consists of the process of developing strategies so that a place can reach its growth objectives through identifying and meeting its target market demand. Place marketing is said to be both a consequence of, as well as a necessity for, increased competition among places for the development of resources. The competition is among developing places and/or among post-industrial cities which has resulted in more aggressive and complex forms of competition. As a consequence of the increasingly wide-ranging and aggressive competition, a place marketing strategy for retaining and attracting investment has become essential.

Keywords: Strategic Market Planning, Place Marketing, Competitiveness.

1. Introduction
Marketing plays a decisive role and coordinates the connection of production and business activities of enterprises with the market. Ensuring that the business operation of the business is oriented to the market, knowing the market, the needs and desires of the customer as the most solid foundation for all business decisions. At the same time, the link between producers and consumers, helps producers capture information about changes in consumer demand through the marketing information system.

Thanks to marketing activities, business decisions have a more scientific basis, and at the same time help businesses have the conditions to collect and process information in the most effective way to satisfy maximum customers' needs.

Marketing helps to overcome the weaknesses of a product from the consumer through the study of the customer after-purchase behavior. Marketing will help businesses find comprehensive methods to solve and overcome customer complaints, and improve their products.

Therefore, marketing is a tool towards the market, linking customers to ensure effective financial development for businesses to launch new products to target markets. By applying appropriately budget and resources for marketing, businesses can improve their competitiveness as well as improve product awareness and product quality. From there, marketing can bring financial benefits and opportunities for businesses.

In the recent decades, strategic market planning had been used as a strategy for enhancing competitiveness that led to achieving growth in the economies of some successful cities worldwide. Some scholars have judged this approach as an essential tool for the growth of urban economies in the global context (Ashworth 1994; Ashworth & Voogd 1990; Gold 1994; Jessop 1998; Kotler et al. 1999; Kotler, Haider & Rein 1993; Kotler et al. 2002; Levine 1998; Luo & Zhao 2003; Wells & Alvin 2000). They have been generalizing and conceptualizing this phenomenon in an effort to build a model of place planning based on principles of marketing. Kotler (ibid.) named this approach Strategic Market Planning (SMP) which consists of the process of developing strategies so that a place can reach its growth objectives through identifying and meeting its target market demand. A place’s target market might be businesses, visitors, residents, investors, donors and international financing institutions.
Place marketing is said to be both a consequence of, as well as a necessity for, increased competition among places for the development of resources. The concept of city marketing has gained increasing attention as a means of enhancing the competitiveness of cities (Paddison 1993 cited in Short & Kim 1998). In the effort to respond to the demands of competition and to attract the desired target groups, place administrators have recognized in marketing theory and practice a valuable ally (Kavaratzis 2005, p. 329). Some scholars pointed out that competition among places is not new. Cities have always existed within a market context of one sort or another, and they compete among one another for resources, activities, residents and services (Ashworth & Voogd 1990, p. 2). Many examples of marketing solutions, mainly promotional measures, which cities used in much earlier time are provided in Ward (1998). However, these early place marketing activities were intuitive and random (Kavaratzis 2005; Ward, 1998), whereas a more focused, integrated and strategic implementation of place marketing has been evident in recent decades (Kotler et al. 2002). The reason given for this change is increased competition among places as a response to fundamental changes in markets, investment and technology as a result of a common globalization trend in which people, capital, and companies have become more footloose (Kotler et al. 2002; Short & Kim 1998).

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2. LITERATURE REVIEW

2.1. Globalization, place competition and place marketing

When facing economic difficulties over the past decade, a large number of cities or regions (hereafter described as ‘places”) around the world have applied a marketing approach to planning to enhance their competitive capacity and to boost their local economies, in an effort to find a new way to grow (Kavaratzis 2007). This approach is called ‘place marketing’. The place marketing approach implies that the place adopts a marketing philosophy to draw development strategies and applies marketing techniques and solutions to identify its target markets (which can bring development resources – such as desired investors, tourists and human resources – to the place) and then to create and market offerings, which the place believes may satisfy the target market’s needs in a better manner than other places can do, to the target markets (Colomb 2011; Eshuis, Braun & Klijn 2011; Gertner 2011; Hospers, G 2011; Kavaratzis 2007; Kotler & Gertner 2012; Kotler et al. 2002).

In any stage of development, to maintain their economic position and to grow, places need to retain and develop resources. In earlier stages of development, retaining and developing resources could be supported to a greater degree by non-competitive factors such as protectionism, domestic market growth suitable for local industries, the dependence of enterprises on conditions in a particular country or region, and technical difficulties in investment and labour mobility. For some countries, such factors might have been so strong that international competition played a relatively weak role. However, while they are still relevant, the influence of these non-competitive factors has decreased during the progress of globalization, as a result investment flows (enclosed by technology, managerial know-how, working capital and cultural factors) have become increasingly mobile. The strong flow of traditional industries from cities in developed economies to those in developing countries has been well documented, as has its impact on the growth of these developing cities.

One influential discussion of these issues is that of Ohmae (1995), who described these changes in terms of ‘the four Is’. The first is investment. Investment flows move across borders, with the cross-border flows driven by the quality of the investment opportunity: the investment will go to where the best opportunities are to be found. The second is industry. The strategies of modern multinational corporations are shaped and conditioned by the desire - and the need - to serve attractive markets wherever they exist, and to tap into attractive pools of resources wherever they sit. The movements of both investment and industry have been greatly facilitated by the third “I” - information technology. This technology makes it possible for a company to operate in various parts of the world, resulting in “the shrinkage in the space - time networks” (Short & Kim 1998, p. 55). Finally,
individual consumers have also become more global in orientation. With better access to information about lifestyles around the globe, consumers are much less likely to want to buy American or French or Japanese products merely because of their national associations. They increasingly want the best and cheapest products, no matter where they come from (Ohmae 1995). This opens more opportunities and pressures for investment and industry flows, by exposing more local markets to outside suppliers. The effects of these four factors have become stronger over time and are often referred to in many works, such as (e.g. Kotler et al. 2002; Short & Kim 1998).

These global trends open up opportunities for many different places, but are a complex process to make an opportunity into a reality. In particular, the increased mobility of the factors or production and the need to relocate traditional manufacturing industries provide great opportunities for places in developing economies. But, although the pressure to move these industries to developing countries is strong, these flows will not of course come to all developing cities. As a rule, they will come to, and concentrate in, places where investors can maximize their benefits, i.e. to the places which are able to offer the best solution to investors. It is necessary to note that the best solution is that as perceived by the investors, not as seen by the place authorities. The opportunities will turn into reality only for the cities or regions that can provide a high quality solution to investors.

Post-industrial cities, despite being hurt seriously by this relocation of industries, have opportunities to build on the foundation created in the industrialization period to develop hitech industries, for both goods and services, which promise high value added. An advanced base of technique, science and education and a high level of management and organization are advantages that post-industrial cities possess in developing high-tech industries. Although the potential of post-industrial cities to develop hi-tech goods and services industries is significant, these high technology industries will not come by themselves. To develop and then apply them, cities need resources (investment and human capital) and the right strategies. As in the case of developing cities, investment flows come to and concentrate on locations where investors can maximize their benefits. Moreover, the high-tech developments have a higher degree of locational flexibility, because they are more concerned with access to information than with closeness to traditional resources (such as coalfields or sources of power) (Short & Kim 1998), although they have tended to cluster around high quality knowledge resources. But the situation in both developing and post-industrial cities in the face of globalization is driven by the common rule: global investment and industry flows will go to where investors can get the greatest benefits.

With the more limited role of non-competitive factors which prevents the mobility of investment, competition has become unavoidable and a major means for places to retain and/or obtain the necessary resources. With the progress of globalization, an increasing number of places/cities participate in this competition, and the movement of global factors can create the potential for even small places to take part in the competition (Kotler et al. 2002). It is now regularly the case that products which are made in small places in developing countries are penetrating supermarkets in the cities of Australia or of other industrialized countries. The participation of these small places in the world market means that they are also participating in the competition among places. Although their names might be not be widely known, thousands of such small competitors have drawn big investors away from developed economies, leaving gaps in employment and in the tax base in post-industrial cities. The shift of the former socialist economies from closed markets and centralized planning systems towards a market economy and to participation in global trade has made the competition among places even more intense.

In addition to the severity of this competition, a mounting number of cities in emerging economies are able to compete to attract resources for developing high-tech industries. For example, Intel has announced that it will open a wafer fabrication facility in China in 2010 to produce chipsets first, and then possibly other types of chips, after negotiating with the Chinese Government and also getting U.S. government approval. The project, costing around US$2.5 billion for building the plant and located in the north eastern city of Dalian, is referred as a significant milestone for both the industry and China (Barboza 2007; Kanellos 2007).
by strict US regulations in putting cutting-edge chipmaking equipment in production overseas, Intel’s intention to move to China reflects China’s rise as the world’s second largest information technology market, likely to become the number one market by 2010. This process of setting-up a global network of production reveals the strong benefit-maximizing dynamic behind the moves of corporations and the great efforts of China and other countries to attract advanced technology design and manufacturing. Manufacturing this type of chip is not the most advanced technology, but a US$2.5 billion chip manufacturing plant is certainly attractive for both developing and post-industrial cities as well. The competition is, therefore, not only among developing places or among post-industrial cities but also between developing places and post-industrial cities, which has resulted in more aggressive and complex forms of competition. As a consequence of the increasingly wide-ranging and aggressive competition, a place marketing strategy for retaining and attracting footloose investment has become essential.

2.2. Place marketing plan

Place marketing is an application of the marketing approach to the place planning area, i.e. its operation is based on the concepts and principles of marketing. Ashworth and Voogd argued that “the selling of places within a market can and must be related to a set of basic concepts rooted principally in marketing science” (Ashworth & Voogd 1990). However, place marketing has considerably different features from many other forms of marketing, in terms of the nature of the product which is marketed, the nature of the organization that does marketing and the objective of marketing. Thus effective place marketing requires that place marketing theory develop a relevant set of key concepts to guide practice in this area. This chapter aims to contribute to the elaboration of these key concepts.

Place marketing is a process in which a place creates and markets its place products to its customers. Place products exist and had been exchanged for a long time, but the widespread nature and the intensity of the competition between places, and the enhanced role of success in attracting and retaining investors for economic development in the recent decades, means that it is an essential requirement to manage this process effectively. Place marketing management starts when the place is aware of the role of place marketing and makes efforts to seek models and means to improve the efficiency of exchange. Practices and theories have developed from ‘selling places’ to ‘place marketing’, and from unsophisticated to more sophisticated strategies.

In the view of marketing performance, we can define place marketing management as the task of identifying target markets and then creating, communicating, delivering and exchanging place products that meet the needs of the target markets in a better way than those of its competitors.

Given the growing importance of place marketing and the need to manage that process effectively, the next chapter proposes a model of place marketing management. At the same time, the next chapter also aims at finding more explanations for the above operational and conceptual questions.

In some respects, place marketing can be considered as a decision making process in which a place decides where it ought to be positioning itself in a competitive world among other places? Which alternatives and action plans for using its resources should be selected to move toward the desired position? However, the process does not end when decisions have been made. The selected plans need to be implemented and various alternative plans may need to be implemented before the place can reach the desired position. This is a planning and implementation process in which the provincial or city government is a key player.

Place marketing, as such, covers a broader area than the conventional concept of urban planning. Studying the evolution of urban planning theory and practice at national and local levels, some authors claim that urban planning has been expanded and become place marketing since the 1970s and the 1980s, when urban planning was no longer limited to spatial and infrastructure structure, but economic factors became vital in urban programs (Ashworth 1994; Ashworth & Voogd 1990; Fretter 1993; Gleeson & Low 2000; McGuirk 2005; Taylor 1998).
Since the 1970s and the 1980s, the fundamental political and economic context of Western countries, and therefore of town planning, has changed fundamentally, as discussed in the previous chapters. As a result, the nature of town planning has significantly changed. Before this period, the primary role of planning was viewed as guiding the development of the place through the provision of basic public infrastructure (roads, schools, leisure facilities, council housing) (Forster 2004; Fretter 1993) and the use of planning controls to direct and to limit private sector development (Fretter 1993). The widespread decline of many traditional manufacturing sectors made this role become insufficient and almost obsolete. In many cases, the decline of the private sector led to serious deficits in resources with which to fund the provision of public infrastructure, and large decreases in incomes of residents. Planning, therefore, needed to take a reverse role: to find ways to have and retain private resources for development, including for the provision of infrastructure. The job of the governmental planner changed from ‘spending money’ to ‘getting money’, or rather to ‘getting money’ before ‘spending money’. In that situation, “the selling of places was starting to become big business” (Fretter 1993, p. 165).

2.3. Place audit

Fretter (1993) calls this stage ‘know yourself’, i.e. knowing exactly what you have to offer. The place needs to review and to evaluate all the resources it is holding. The resources are assessed relative to those of other places. Both Kotler et al. (2002) and Fretter (1993) suggest the use of SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis for evaluation. To apply the SWOT analysis, the place should carry out the following steps. Firstly, the place must understand the actual context and anticipate the major development trends which would affect it. For example, the place might ask itself questions such as “what is the tendency of multi-national companies in expanding and locating or relocating their businesses?” or “what industries would be favoured or not favoured by the technology development tendency?” The questions can also come from more immediate environments such as national development planning, environmental laws or the domestic private sector’s capacity to expand. This step can help the place to become aware of general opportunities and threats. Vietnamese provinces can see that the relocation movement of manufacturing to developing countries for cost-cutting is an opportunity for them. The search by multinational corporations for growing markets and their expansion strategies are another opportunity. These trends drive even high-tech corporations such as Intel to look for their plant locations in emerging economies like Vietnam. The national government’s support policies for industries such as the automobile industry can be a favourable condition for this industry’s domestic market growth. However, behind these opportunities the province or city needs to answer the question about what are the specific needs and wants of these potential customers for a location. Based on their particular needs and wants, they are classified into different market segments. At the same time, the province or city has to be aware of what factors in the macro-environment limit or facilitate it in meeting the needs of the market segments.

Secondly, all its resources and attributes need to be reviewed and classified in the basic categories as strengths or weaknesses (attractive factors or unattractive factors) in the context of general trends. The answer to what constitutes a strength or a weakness needs to be defined from the investor’s perspective. One useful way might be to question, for a characteristic of the place, whether this characteristic helps to satisfy the investor’s needs or to increase the preference of investors more for the place (e.g. by giving them more benefits). If so, it is can be viewed as strength. A characteristic which is likely to reduce the satisfaction of the investor (such as one which increases costs) is a weakness. This principle must be kept in mind throughout the place marketing process.

Thirdly, these strengths and weaknesses need to be weighed up in comparison to other places (competitors), especially with its competitors who might have similar resources. They are weighed up in interaction among the factors. The degree of strength and weakness has to be assessed and measured. Capacity to provide benefits or advantages to investors measures the degree of strength, whereas the possibility of incurring costs or creating disadvantages measures the degree of weakness. However, this is a relative assessment. For example, all taxes are costs for investors, but a convenient tax system and a lower tax level than other places can be a strength of the province or city. The degree of strength and weakness should be grouped into integrated criteria rather than single factors in the second step. In this step, the base for selecting target markets starts to shape.
In using SWOT, Fretter (1993), based on his knowledge and experience in executing place marketing in some places in Britain, suggested that the place should look for independent consultants because, in practice, public agencies who often work so closely with the ‘product’ might have a biased analysis. Kotler states a similar view: A place needs to take an outside-in approach and identify which of its characteristics represent a major strength, minor strength, neutral factor, minor weakness or major weakness in light of what specific investors are seeking. (Kotler et al. 2002, p. 162)

2.4. Vision and goals

This step sets a choice of what a province or city wants to be in the distant future (possibly up to or more than 20 years). The triangular comparison and weighing-up process would produce some different scenarios. For example, Ho Chi Minh City (HCM City) has both the history and the present reality of being a big industrial city with a rich variety of industries. Holding a vital position in the nation in the context of present international and regional development trends, HCM City might examine four alternatives: (1) to remain a centre for a variety of industries; (2) to become a high-tech city; (3) to become a national and regional centre of finance and commerce; and become a complex of high-tech industries, commercial and financial services.

The choices are not limited to these options. The leadership might develop other scenarios or make these scenarios more specific. Each scenario has different requirements and also promises different outcomes. Scenario 1 does not require much in terms of resources and effort. Scenario 2 is a challenge in terms of resources, timing and the City’s capacity to govern. On the one hand it would be required to mobilize resources to create and market successfully its place products to high-tech investors. On the other hand, not less importantly, it would need to rearrange existing industries and to cope with the challenge of employment problems when high-tech industries replace the existing labour-intensive industries. Scenarios 3 and 4 provide further perspectives and greater challenges, but they cannot be immediately ruled out as impossible. Vietnam may be able to play a role as a bridge between the huge Chinese market and ASEAN and, with more dynamic ability than Hanoi, HCM City could get to this position. The city leadership has to choose one of the scenarios based on their vision about which is the best scenario for the city. This choice determines the goals of the city and the future of the city as well.

What does a vision mean? Many places think that their future is shaped by the resources currently available to them. Small cities are disappointed because big cities have many more resources and advantages than they do. A vision means that the future of a place is not shaped in a fixed manner by its resources and a vision can make a change. In some cases, a great vision and an effective deployment of action plans can bring in amazing results. Singapore is such a world case and, on a smaller scale, Binh Duong and Vinh Phuc provinces are such Vietnamese cases (see Part 2). Many city leaders are puzzled in trying to locate a differentiation strategy, since they find that a lot of places have similar resources or advantages to their city. The picture of strengths and weaknesses might differ substantially under different visions. A vision implies that, with similar resources, different places can pursue different strategies. The province or city takes its vision into account when it analyses the possible interaction between dynamic factors and static factors, and the possible effects of positive activities on existing resources to enhance strengths or to create a new combination of strengths (which might be unique). This means that, to some extent, the province or city takes its subjective ideas and vision of the future as another ‘resource’ that contributes to shape its real future. This is a flexible resource for differentiation strategies.

2.5. Creating place products: Place product strategy

Product strategy is always a fundamental one for other strategies in marketing. Because of features of the behaviour of investor customers, the position of place product strategy in place marketing is more important. Kotler, when comparing the roles of place product improvement and place promotion emphasizes:
Many marketers believe that marketing a place means promoting it. Promotion is, ironically, one of the least important marketing tasks. Promotion alone does not help a troubled place. In fact it only helps place buyers to discover early on how troubled a place really is. Place marketing means designing a place to satisfy the needs of its target markets. (Kotler et al. 2002, pp. 181-3)

The attributes which form a place product may be naturally available or created. Available attributes exist in forms of existing resources. Only when attributes are combined in a package which can meet the needs of customers do they form a place product. The utility of an attribute can be enhanced depending on interaction with other attributes in a package. Sydney’s establishments for headquarters offices would be less attractive without a large green environment and entertainment centres. Thus place product strategy is viewed as a creative task of combining different attributes to create a unique and stronger place product under the guidance of a vision and of an orientation towards the needs of the target markets. The design of Hoa Lac Hi-Tech Park in Ha Tay province of Vietnam is compatible with this discipline (see Chapter 9). Hoa Lac Hi-Tech Park was designed in a large cluster in which the Park was not only supported by leading universities, research institutions and service centres, but also amenities to ensure a high quality of life. Dong Mo Ecotourism and Entertainment and the Village of Tourist and Cultural Preservation in the same region enhance the ability to attract and retain high quality human resources which are a vital factor for the development of a hitech park. The natural beauty of a large attractive cluster of mountains, forests and lakes come together with enclosed services to be able to meet the needs for the life of well-educated human resources. These features in combination with a strategically geographical position make Hoa Lac Hi-Tech Park an exceptional advantage. Nonetheless, this vision has not come to reality because of the problems in action plans and implementation.

3. Theoretical Framework

Given the view of the political economy theory of planning, the theoretical framework explored urban planning in specific regimes. The regimes were labeled in Level 1 which includes the two boxes of world/region and Vietnam contexts. The framework also expressed the view that to be a normative theory (not abstract) of province planning, the model demonstrates two things: how province planning should be approached (a process of doing) and the kinds of urban environment province planning should seek to create (the content and goal) (Taylor 1998). Level 2 shows a five-stage process of planning with the application of marketing principles in the content of stages. The arrow from Level 1 to Level 2 illustrates the two meanings. First the regimes have a determinant influence on province planning. Second, these determinant factors serve as inputs and need to be understood well before coming to a process of planning. Level 3 shows the goal or ‘substantive’ ends of province planning.
The goal of planning is to increase investment, which would bring growth to the province's economy, more jobs and living standard improvement. The philosophy of the approach is that a province sees itself as an organization and such an organization tries to achieve its goal of growth through meeting efficiently and effectively the need for growth of others – its target markets.

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