Marketing Place: The Case of a City and a University Business School

Elnora Stuart, University of South Carolina Upstate
Darrell Parker, University of South Carolina Upstate

Cities negatively impacted by de-industrialization are turning to marketing in order to ensure a financially secure future. As part of an economic development program for Spartanburg South Carolina, the Johnson College of Business of the University of South Carolina Upstate was asked to locate in downtown Spartanburg, South Carolina. Made possible by financial support from the city and the business community, a new College of Business building enhances the prospect of a new period of growth in the life cycle of the city, visibly supports the brand image and strengthens the “college town” positioning of the city.

During recent decades, many cities have suffered from “de-industrialization, a falling tax base and declining public expenditures, factories closing and jobs disappearing (Kavaratzis, 2005: 330).” With this changing economic environment, cities find they must compete for business relocation, foreign investment, residents, new jobs, and the economic benefits of tourism. As a result many are engaging in pro-active planned marketing strategies (Hankinson, 2007). In fact, today, an increasing number of cities both large and small are finding that marketing their communities is essential to provide for a financially secure future for the city, its businesses and its residents.

Marketing is most closely associated with popular consumer goods and services such as Coca-Cola, Nike, Disney, and Google. Products that can and do benefit from marketing, however, also include people (think of the millions spent on advertising to get voters to choose one political candidate over another), ideas such as recycling and wearing seat belts, and places including cities, nations, and tourist attractions. Kotler et al., (1993) have suggested that cities fall into one of four categories. They 1) are in chronic economic trouble; 2) are in acute economic trouble; 3) have already been transformed; or 4) are one of the favored few, like Florence, Paris, or San Francisco, that are financially healthy and continue to attract business, tourists and new residents. The cure for cities that find themselves in trouble is “strategic place marketing” in which cities seek to deliver the “right mix of community features and services,” provide incentives to make the place attractive to businesses and families, deliver the benefits that the place offers in an efficient and accessible way, and promote the place’s image and values (Kotler et al., 1993: 18). In other words, strategic place marketing for economic development must include the same elements of the marketing mix as other products from toothpaste to iPads - product, price, place and promotion.

While all marketing strategies used to market goods and services are relevant to marketing place, three concepts are especially important. The first of these is the product life cycle (PLC) of a place. The PLC concept, for example, has been frequently used in studies of tourism destinations. Second, the development of a branding strategy that will distinguish an offering and create a positive image is critical to place marketing. Finally, the concept of positioning in which marketers seek to “position” a product positively in the minds of consumers relative to the competition is also essential for successful place marketing strategies.

In this study, we will first discuss these marketing concepts necessary for successful place marketing: the product life cycle, branding, and positioning. Then we will present a case example of how one city is seeking to reposition itself with product enhancements and the role of a university business school in that process.

PLC

The concept of the product life cycle (PLC) has proven to be an important managerial tool used in the development and management of product offerings. The PLC is a useful way to explain how the market’s response to a product and corresponding marketing activities change over the life of the product. A
product’s stage in the PLC is often seen as the most useful variable for determining the appropriate business/marketing strategy.

The traditional life cycle is divided into four parts: introduction, growth, maturity and decline. Major changes are usually required during the introduction, maturity and decline stages (Anderson and Zeithaml, 1984). Butler adapted this traditional PLC model in developing his Tourism Area Life Cycle (TALC) model (Putra and Hitchcock, 2006). The TALC model that specifically addresses the problems of tourism destinations includes six stages: exploration, involvement, development, consolidation, stagnation, and rejuvenation or decline. While we will discuss the life cycle of cities in the context of the traditional model, it is noteworthy that this model of the PLC applied to place marketing suggests that there is a need and an opportunity for rejuvenation of places through intervention that may be necessary for survival.

Many cities find themselves in the maturity stage of the PLC in which growth has leveled off or even begun to decline. Competition for new industry and new residents is intense and other cities are fighting hard for their share of a shrinking pie. This is especially true today as an increasing number of industries have moved away from the United States leaving communities with high levels of unemployment.

While PLC theory suggests that the four stages of the PLC are predetermined, this is not the case for many goods and, hopefully, for cities. Firms are often successful at repositioning their products through the addition of new features and benefits that create new excitement among consumers and thus return the products to a second, third, etc., growth stage (Moon, 2005). In the same way, cities often seek to reinvigorate their communities by adding features and benefits which provide incentives enticing businesses to locate there and families to want to move there. This is the economic development goal of cities that find themselves in the maturity stage and respond with strategies such as elaborate redesigns of downtown shopping areas.

Branding

While branding is most often understood in terms of visual elements - logos, slogans, etc. - branding is far more. Brands provide the recognition factor products need to succeed. From a management perspective, however, branding is a complete and continuous process that includes all marketing activities used together to deliver a promise of quality and to increase the value of the brand, that is, the brand equity (Kavaratzis, 2009).

For example, Nike is one of the world’s most recognized brands. Nike is a name and it is the swoosh logo. But it is much more. It is a promise of quality athletic wear that has been carefully designed to meet the needs of all types of athletes and non-athletes, a promise Nike delivers on time and time again. If Nike were only the name and the swoosh, it would have disappeared long ago. Like many brands, Nike both makes and delivers a promise to customers through its total marketing strategy.

Branding a city is also more than mere advertising and promotional activities. Developing a successfully branding strategy for a city means creating a unique brand image through careful design and development enhancements and promotion which effectively communicates that image to prospective businesses and families. Cities have successfully marketed themselves with a variety of strategies from large events to large-scale improvements in the physical environment, often the result of public-private partnerships. New York not only created the “I ♥ NY” slogan but also cleaned up Times Square and then made sure tourists knew about it. Vancouver, Barcelona, and other cities have made significant improvements in their image through the Olympics and other large global events. Buildings and architecture can also be a strong factor in branding a city as seen in the opera house in Sydney, Australia, and in the large number of ambitious architectural projects in Dubai including the world’s tallest building and the sail-shaped 7-star Burj Al-Arab (Arabian Tower) Hotel.

For a city, however, branding presents some unique challenges. First, it is inherently more difficult than branding a good or service because a city has multiple stakeholders and the branding must be consistent with the needs and desires of all (Kavaratzis, 2009). In addition, a city is far more complex
than a simple good or service with both tangible and intangible assets and the entities that seek to develop a branding strategy have little or no control over the assets of the city. Trying to deliver a consistent brand image to diverse target markets creates additional challenges both in the development of a promise that meets the needs of all and in the delivery of that promise when target markets have conflicting goals.

Positioning

Closely tied to branding is the concept of positioning. Successful positioning demands “designing an organization’s offering and image so that it occupies a distinct and valued place in the customer’s mind” relative to the competition (Kerin and Peterson, 2010: 45). Positioning is about creating a promise of value that is important to the customer. Positioning is also the driver for all other marketing activities.

While firms may position a product in various ways, positioning by attribute or benefit is most frequently used. This strategy requires that marketers first identify which attributes are most important to the target market(s) and which are being emphasized by their competitors and then determine how their products can best be fitted into the product/target market environment. Often this entails developing a product that contains the appropriate attributes or, if they already exist, stressing those attributes in marketing communication about the product. This process is complicated exponentially by the existence of multiple target markets.

Successful city marketing strategies require careful determination of the best positioning and they must also make sure the product delivers on the promise. A city that seeks to position itself based on benefits or attributes, for example, might develop a positioning based on the friendly neighborhoods and good schools while positioning on use or application might focus on the access to major means of transportation or the available labor force. A city that already has a number of high-tech industries might position itself by current and potential new users of the product as the ideal community “for high-tech industries.”

For a city, a positioning strategy often means repositioning. Companies (and cities) are most successful with repositioning strategies that build on existing product competitive advantages or comparative strengths, often promoting different facets of the product/city to different audiences. That is one reason that larger cities with more diverse economies may be more successful stimulating growth as they can promote different facets of their city to different target markets (Warnaby et al., 2005). For example, some cities boast excellent retailing opportunities. Retailing can be especially important in repositioning as it interacts with other “product” elements and can thus enhance a “holistic” place product.

Barcelona is an example of a city that has been recognized for its “best practice” in repositioning itself (Hospers, 2009). Starting with the 1992 Olympic Games, the city worked on a plan to restore the city’s architectural heritage through renovation of older structures and the creation of new “imageable” buildings.

The Case of Spartanburg, South Carolina, and the George Dean Johnson College of Business and Economics

Spartanburg, South Carolina, located at the junction of Interstate highway 26 and Interstate highway 85, is a small city with a rich and vibrant history. Established in 1831, Spartanburg today has a population within the city of over 43,000 while the larger Spartanburg County population is over a quarter of a million.

History of the City

A number of events in the history of Spartanburg bear particular relevance to the city’s position today (Spartanburg County Public Library, 2004). First, the development of railroads in the latter decades of the 19th century placed Spartanburg on the route to almost everywhere, causing Spartanburg to be known as the “hub city.” Next, between 1880 and 1910, nearly 40 textile mills were added to the small textile
industry that had existed since the early part of the century. The textile industry in Spartanburg flourished through the end of World War II after which it began to decline. Similarly, being a railroad hub city lost importance as the use of railroads for transportation diminished.

Since its early years, Spartanburg has been a “college town.” Nationally recognized Wofford College and Converse College were begun in 1854 and 1889 respectively. Today six colleges and universities are located within the city.

Toward the close of the 20th century, a number of global firms located in Spartanburg County. Today more than 100 international firms representing 20 countries give Spartanburg the highest per capita international investment in the country.

**Current Economic Development Initiatives**

Recent years have been devastating to the economies of many communities. In 2008 and 2009, as the national economy declined, real GDP in Spartanburg declined 0.5% and 6.4% respectively (Bureau of Economic Analysis, 2011). The advance estimates for 2010 GDP indicate an increase of 3.7% from the 2009 low. This is still below the level of economic activity in 2007 before the downturn.

Today Spartanburg, like many other former textile economies, is developing and implementing several initiatives aimed at reinvigorating the downtown area where some stores and other buildings stand empty and little or no recent private construction has occurred. The Economic Growth Council, with members who are professional development practitioners from government, business, education and utilities, has initiated a plan for the economic growth of Spartanburg County (Economic Futures Group, 2007). Implementation of the plan, titled the Path to Prosperity is tasked to the Economic Futures Group.

In addition, the Upstate Alliance is a public/private regional economic development organization supported by 10 counties, five cities and more than 170 individual companies and organizations in the Upstate South Carolina region. This region embraces the I-85 corridor in South Carolina that connects the Atlanta and Charlotte metropolitan regions. The mission of the Alliance includes marketing the Upstate SC region to attract business investment and to support other economic development efforts for the 10-county Upstate region (Upstate SC Alliance, 2010).

And much progress has been made. Corporate headquarters have located downtown; a thirty-five million dollar cultural arts center serves the city residents; a four-star conference center, the Marriott Spartanburg, has opened; private dollars have been made available for downtown housing; and $34 million has been secured to replace public housing.

**The University of South Carolina Upstate**

The University of South Carolina Upstate, a four-year campus of the University of South Carolina, is located on a 300-acre residential campus in Spartanburg, S.C. The University is a comprehensive, metropolitan university and offers baccalaureate education and selected master’s degrees to citizens of the Upstate region. USC Upstate has distinguished itself with its mission: …the University of South Carolina Upstate aims to become one of the Southeast’s leading “metropolitan” universities, a university that acknowledges as its fundamental reason for being its relationship to expanding populations along the I-85 corridor. …The University’s metropolitan mission rests upon a foundation of partnership with the education, corporate and service organizations of the Upstate.

To understand the focus of a “metropolitan” university, one might think of the land-grant universities that have unique obligations to their state’s engineering and agricultural environments. In the same way, metropolitan universities have special obligations to their urban corridors and might even be called “metro-grant universities.”

USC Upstate’s 300-acre residential campus in Spartanburg County is the primary venue for delivery of its educational programs and offers classroom space, academic support facilities, housing, and athletic and recreational facilities. In addition, USC Upstate offers courses in Greenville, S.C. Offering courses and programs in more than one location is not unusual as many metropolitan universities occupy a residential campus at some location within their corridors and support specialized locations in the core
cities along their corridors. While the school recruits students through state-wide and global recruiting efforts, the largest percentage of students come from Spartanburg and the Upstate region. Most choose to remain in the region after graduation.

USC Upstate is “deeply engaged” in Spartanburg. In line with its mission of being a metropolitan university, Upstate has sought to partner with Spartanburg and other cities along the I-85 corridor. University leaders have served on Spartanburg’s commissions and boards, and have collaborated with Chamber, economic development, and the “College Town” initiatives. University students have given thousands of hours of volunteer service and faculty regularly undertake consultancies and research projects.

Relocation of the Business School

In 2007, the City of Spartanburg invited USC Upstate to locate the Johnson College of Business and Economics downtown in the heart of an area known as “Renaissance Park.” The master plan for Renaissance Park includes the already completed Marriott Conference Center and the Chapman Cultural Arts Center surrounded by a commercial village, galleries, corporate sites, parking facilities and residential developments. The new downtown home of the College is referred to as “The George” since the official name of the business school is the George Dean Johnson, Jr., College of Business and Economics. Construction on the building began in November, 2008, and was completed for occupancy in summer, 2010.

Funding for the project was made possible by the combined efforts of the University, the city and the business community. The project required an investment of over $32 million. This included approximately $15 million for parking and infrastructure from the city. The University move was also enthusiastically supported by the business community. Over $10 million was pledged during the first month and over $14 million in private donations had been committed by the opening.

The building design includes dedicated computer labs with business software, a stock market trading room for finance classes, and classrooms with computers to permit students to individually run educational software during class. In addition to classroom and office space, future plans for the building include shared space for executive and continuing education opportunities, allowing for expanded services for small businesses, and connecting the University and its students to the business community.

For the University, the opportunity to move downtown meant using the investment in the new facility for the Johnson College as an economic engine for the city. This decision goes beyond the institution’s “metropolitan engagement” and the provision of educational opportunities to regional residents and partnerships with regional enterprises to becoming a “principal ally and agent of change” in the reinvention of the city. Such a move is, however, in strong agreement with the mission of USC Upstate as a “metropolitan university.”

The Marketing Perspective on the Move

A major part of the strategic marketing of a place, as discussed, is development of an effective product strategy. In the case of a product in the maturity stage of the PLC, this often means adding new product features and customer benefits which have the potential for moving the product into a new stage of growth. It is posited that the move of the Johnson College of Business away from the larger University campus to a downtown Spartanburg location has the potential to, along with other city initiatives, create a new period of growth for the city, provide benefits to the city, to businesses, and to the College and create new opportunities for branding and repositioning of the city.

Additional Product Benefits of a Downtown Business School

The move of the Johnson College of Business to downtown Spartanburg provides features and benefits for the city that along with other attributes can make the city more attractive to companies and individuals looking for a place to locate. But, in addition, there are benefits to the existing local businesses and to the
University and the College. Because it offers significant benefits to all three entities, the move creates a synergism that provides for sustainable growth for all.

Benefits to the Economic Development of the City

People and companies can select from a large number of cities, all seeking to attract new loyal members of their communities. Cities that are able to attract growth will be successful in tomorrow’s economy while those which are not will find it more and more difficult to stimulate a turnaround in the future. Furthermore, in a strong economy, jobs follow people instead of people following jobs. In other words, companies seek to locate in communities in which a quality workforce is available. Indeed the two work together. A community must be able to attract both new residents and new businesses.

The current recessionary economy has changed the expectations of many consumers. They no longer have confidence that prosperity and the accompanying monetary success for all is guaranteed. As a result, many feel that quality of life is just as important if not more important than simple monetary success. The prominent position of the Johnson College in downtown Spartanburg can supplement other initiatives in providing strong evidence to companies and individuals that Spartanburg is not just another dying textile town hoping for better days but is a city actively moving toward becoming a more vibrant community offering the quality of life that is attractive to families.

A number of factors contribute to this. First, a city’s ability to entice new business and investment is enhanced when a community addresses the educational attainment of the population. The George will enhance the city’s “College Town” image. Second, the move creates the potential for continuing education, outreach programs and certificate programs designed to meet the needs within the city.

The downtown location of the Johnson College provides a new and important visual feature to the city. The building was designed by the same architect that built the cultural arts center next door. From the beginning, as much attention was focused on the urban development opportunity as was focused on the function as an educational facility. Two visual cues were integral to the design. First, an octagonal tower provides a classic university feature and is highly visible evidence of the city’s focus on education. Second, the tower is wrapped with a 20 foot external stock ticker. This symbolizes the function of the business school and reinforces the downtown business district image of the city. While Spartanburg has sought to enhance its image with the “college town” moniker for decades, the addition of this highly visible College of Business is concrete evidence of the intent of the city to encourage and enhance the educational benefits of the city.

In today’s economic environment, experts repeatedly remind us that it is small entrepreneurial businesses which are the creators of new jobs - not large companies. Therefore, any economic development program must enhance the environment for entrepreneurship. The downtown location of the College of Business satisfies this need in several ways. First, the talent and programs of the business school can provide tremendous assistance to those who would like to begin small businesses. In addition, students in the business programs are a potential source of new entrepreneurs. Another requirement for strong growth of entrepreneurship in a community is the availability of incubator facilities and pre-incubator services. The downtown College of Business has the space and an interest in developing these facilities and services.

Economic development experts know that good jobs go to smart communities. Executives who have the decision-making authority for where to locate or relocate a company do not wish to locate in communities with low levels of education - and they certainly don’t wish to live there themselves. Both community leaders and the business school recognize the need to increase the level of education in Spartanburg and are dedicated to that goal. Currently, only 19 percent of the population of Spartanburg over the age of 25 has at least a bachelor’s degree. This is significantly below the state average of 23 percent and 28 percent in neighboring Greenville County. The U.S. average is 27 percent. The opportunity to work with community leaders to develop innovative programs to improve these statistics is enhanced by the visibility provided by the downtown location.
Of course, it is equally important to the economic health of a city to retain its existing businesses. The Johnson College of Business and Economics is currently home to over 800 business majors, approximately half of which will have the majority of their courses in “The George.” Thus 500 or more students, faculty and staff will be added to the downtown daytime population. This means a flow of 200 to 250 people through the downtown business district at regular intervals during the day. Many of these will be eating and shopping, creating a boost to existing downtown businesses.

In summary, the presence of the downtown business campus can help attract families seeking quality of life, provide a visual icon of the College Town designation, assist in growing entrepreneurship, lead the way to a more highly educated population and boost downtown traffic. Long-range benefits will accrue to the city including: stimulating innovation, supporting incubation, enabling continuing education and enhancing the downtown “cool” factor. This in turn can strengthen the city’s position in attracting investment, increasing its tax base, providing professional job opportunities and attracting talent. Most importantly the downtown campus will be predisposing some graduating business majors by virtue of their experience, comfort levels, and internship connections to build careers and live in the city.

Benefits to Current and Future Companies

As noted, the Johnson College move to downtown Spartanburg enhances Spartanburg by adding a new important feature that provides benefits to current and future companies. Some of these are already in evidence whereas others remain in the development stage. While the residential USC Upstate campus is only four miles from downtown Spartanburg, the move downtown erases any distance barrier to cooperative business-university activities. Businesses can more easily and more fully take advantage of opportunities for working with faculty and student groups. Faculty and/or student groups may, either through consultancies or through class projects, provide assistance to businesses in crafting successful business strategies.

A number of new college-wide initiatives also offer benefits to companies. The new facilities are currently offering opportunities for expanded open enrollment and custom executive education programs. As already noted, there are tentative plans for “The George” to house small-business incubator facilities and offer pre-incubator services. In addition, discussions are underway with local businesses regarding the development of a marketing research facility that would give students experience and provide important assistance for local businesses.

Benefits to the College and the University

For the University, the downtown location of “The George” offers greater visibility among the leaders of the city and a “front door” to the business community, thus enhancing its ability to connect with and benefit from external business stakeholders. Along with greater visibility, the University is enjoying increased esteem for the institution and its programs.

Excellence in business education requires experiential learning in which students interact with business leaders and prospective employers in a professional business learning environment. Classes and students benefit from the increased engagement of business leaders in the classroom and with student organizations.

For learning in such a business environment, a downtown facility allows students a better opportunity to transition into their first professional career role. Internships and other experiential learning opportunities benefit both students and businesses. For students, internships provide real-world experience, often critical in finding employment after graduation. Businesses benefit by having the opportunity to “try out” prospective employees without risk.

Although the building has only been in use a little more than a year, there is already evidence of synergistic benefit opportunities for the University, the community and the city. Business leaders have enthusiastically accepted invitations to speak in classes and instructors have responded to requests from community organizations for student groups to assist in the development of business strategies through class projects.
Enhancing the Branding of Spartanburg

As discussed earlier, branding is not simply a logo or a name but is a continuous process that includes all marketing activities used together to deliver a promise of quality and to increase the value of the brand, that is, the brand equity. In a nation where economic growth appears to be consolidating in fewer communities, having a recognizable name and a positive image will play a huge role in a city’s future development. As people are placing more and more importance on the quality of life in a place where they live, an opportunity is created for Spartanburg to craft a new brand image.

The Path to Prosperity plan of the Economic Futures Group states that one major objective is to “create a new image/brand which capitalizes on our desirability as a place to live and work.” But brands must be built on a community’s strengths. The focus on education as a branding element is not only attractive to prospective businesses and families but it is consistent with the history of the community. As a result, branding that includes a strong focus on colleges will have greater credibility. Opportunities for higher education create both a product benefit of the city and an important part of the city’s branding. The high visibility of the Johnson College of Business and Economics as part of the downtown landscape strongly enhances such branding efforts.

Positioning

As discussed earlier, positioning is about how customers and prospective customers view the product in relation to competitors’ offerings. A product’s positioning strategy dictates not only communication about the product but how all marketing strategies are designed. Positioning may be the most important part of marketing strategy in successfully competing against other product offerings. Therefore, for a city, a winning positioning strategy must set the city apart in the minds of companies and individuals as a more desirable place to locate than competing cities.

There are many competing cities that can be positioned similarly as small, friendly, seeking and welcoming of growth, and so forth. The downtown location of the Johnson College allows the city to develop a unique positioning as a “small, friendly, college town with an engaged population that supports education and growth.”

Early Results

The move from its inception has generated great enthusiasm in the community. It seems that everyone in the city knows about “The George” and is excited about it. Being able to include in a positioning strategy that Spartanburg is a a city where good things are happening and where residents, businesses, and University students are excited about the movement forward can be enticing and even intoxicating to both companies and individuals looking to make their home in a new city.

Some downtown retail businesses have already opened and others are in the planning stage. University faculty and administrators and local business leaders are energized participants in new joint initiatives. While there are no guarantees about the future, for the time being it appears that Spartanburg, with a strong focus on economic development that includes the Johnson College of Business, is moving into a second growth stage in the product life cycle of the city.

REFERENCES


**Elnora Stuart** is a professor of marketing at University of South Carolina Upstate. She received her Ph.D. in marketing from University of South Carolina. Her current research interests include marketing in global environments, ethics in advertising and household decision making. She has published in *Journal of Consumer Research, Journal of Business Research, Journal of Advertising, Journal of Education in Marketing*, and others.

**Darrell Parker** is the dean of Johnson College at University of South Carolina Upstate. He received his Ph.D. in economics from Purdue University. His areas of specialization include: general economics and business, regulatory economics, labor economics, public economics, and international business.