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Marketing in the socio-economic development of Ukrainian cities in the context of European dimension

Abstract

The article analyses the main aspects of the philosophy, methodology and tool of marketing in socio-economic development of cities in Ukraine. The attention is focused on perceived deficiencies in the study area. Reviewed basic information on the implementation of marketing principles in the development of cities of Ukraine. Revealed questions the need to define, first of all, the development strategy of the city, and then the formation of the marketing strategy and its implementation.

The study highlighted the complexity of the concept of development of the city, which is not limited only to the growth of economic potential. The conclusion about necessity of use of experience of European countries in the use of marketing in the formation of the concept of development of cities of Ukraine. Focused attention on the fact that the leading role in shaping the development of cities, the use of local resources and enhancement of endogenous potential of the city is given primarily to local authorities. It is found that for the application of marketing in the time of the development of cities in Ukraine need professional and highly qualified team that will deal with these issues. Also drawn attention to the fact that Ukraine, unfortunately, cannot boast of a system of scientific researches in the field of marketing of the city. And their effective implementation. Local authorities in this sphere are chaotic because they have no clear understanding of a systematic approach to the planning and development of the city.

The experience of leading European countries in the use of marketing methodologies and techniques in the elaboration of development plans of cities. It is found that the governments of many countries have used marketing tools in the implementation of programmes to combat alcoholism, Smoking and drug abuse, energy conservation, compliance with traffic rules, the decision of problems of the uneven distribution of productive forces, the regulation of the tourism industry, the use of marketing to enhance socio-economic development, improving the competitiveness of the region and implementation of investment planning, etc. The necessity of applying the European experience of marketing in the formulation of plans for development of cities and regions of Ukraine, as well as the development and implementation of a comprehensive system of measures by local authorities in partnership with other stakeholders, which should consist in: developing a development strategy; identification of local advantages and unique territorial features; developing effective marketing strategies; development of local infrastructure; dissemination of educational programs; creation of organizational structures for marketing; forming partnerships; creation of an effective network of information and communication sphere, etc.

In general, it is concluded that marketing in local self-government helps to understand the economic and social interests of citizens, because the realization of these interests is the ultimate goal of the activity of all authorities and the state as a whole, and contributes to the formation and development of cities not only in Ukraine, but also in all over the world.

Keywords

marketing, target group, city investors development, local authorities, partnerships, events, concept, strategy, "smart city"

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1 Statement of the problem

Today Ukrainian cities are characterized by the presence of the problem which is the lack of effective policy of local self-government bodies in the sphere of local development and aims to develop appropriate plans for the development of an adequate level of competitiveness of the city in the middle of the other and ensuring the flow of investment funds to implement appropriate measures. The basis of the competitiveness of the city is its attractiveness of the territory not only for living but also for placement and business development. In this regard, the territory of the city and its resources are considered as a kind of "product" that can provide different "target groups" external (investors, business structure outside the city, guests) and internal (domestic investors, residents and the local business structure) of markets. Because these markets and consumers in the territory of each of the cities are very diverse it is logical there will be the need to develop specific measures that would give the opportunity to discover and meet those needs using marketing methodologies and tools.

The leading role in solving these issues is given primarily to local authorities and use of local assets and strengthening of internal potential of the city. This is not only the crisis phenomena in the economy, but low efficiency of the implementation of national and regional programmes for socio-economic development of the city as becoming increasingly prominent, the lack of financial, material and other resources. In the context of growing competition for investment funds at the forefront of the marketing tools that should provide the ability to correctly assess the investment potential of the territory and determine the means of its promotion. These issues should contribute to the marketing of territories. It is worth noting that the marketing measures taken by local authorities, can "boast" of their effectiveness only in case of close cooperation between government, businesses and population required.

2 Latest scientific progress and publications review

Theoretical, methodological and applied aspects of strategic development of cities have been the objects of many authors: A. Miller and G. the Monastery [1], who developed the theory, methodology and practice of development management of municipalities, A. Lukyanchenko [2], which, on the example of Donetsk, considered the main directions and benefits of development strategies of European cities, A. Vendina [3], who explored the nature of conceptual decisions regarding strategies for the development of large cities and

others. The necessity of using marketing tools in urban development is recognized by all scientists, but theoretical enthusiasm for the marketing of cities is carried out by single enthusiasts, including V. Vakulenko [4] (substantiated the role of local marketing as a tool for strategic planning of economic development of the city), Yu. Sharov [5] (highlighted the information-analytical function of municipal strategic marketing), Z. Gerasymchuk and O. Drachenko [6] (paid attention to the peculiarities of marketing city management), N. Glinsky [7, p.33] (review gave the opportunity to apply the marketing concept in the management of the city development, in his dissertation an interesting method of evaluating the effectiveness of the city marketing was developed) and others. At the same time, there are no identifying features of models of strategic development of Ukrainian cities, that is, not even imaginary, simplified versions of the strategic vision of cities, what they see in the achievable perspective, no identified properties that are essential for the purpose of specific city modelling and figurative features which will be embedded in the futuristic concept of the city.

The purpose of this article is based on scientific analysis to explore the role of marketing and its use in the process of formation and implementation of development plans of cities in Ukraine in the context of European dimension.

3 Results of the research

In marketing sense, the city should consider in the form of a business entity (non-profit organization) for which the characteristic features are: a functioning market economy; registration as a legal entity; the existence of ties with the external environment; the possession of certain resources (human, material, financial and intangible nature); implementation of activities to meet the needs of the local community; to subject to control both by the state and the public.

Marketing city usually is the same as marketing the region, but when this binding is the peculiarities of the urban lifestyle. We are talking about: high population density; the concentration of the city's infrastructure, in particular the business and transportation; host authorities, not only local, but also the highest; educational and informational saturation environment of the city; concentrated number of modern amenities that are inherent to the city; high cost of living and land compared to rural areas; the poor state of the environment.

Unfortunately, for most cities of Ukraine Association of marketing happens only with the need to create a positive image of the government. In the study, we analysed the information that is given on the official web-pages of Ukrainian cities. So, we noticed that in most cases, such pages are

usually the information, which you can say "boasts" the city authorities, which in turn shows that supposedly is in tune with modern changes and innovations. However, systematically updating information on the official web page is not observed.

Due to a relatively high level of unemployment and continuing structural adjustment of production and services, economic fluctuations, the management of Ukrainian cities does not show any special interest in the use of philosophy and methodology of marketing to solve social-economic problems of the population. However, there are few cities in which local authorities have in order to rapidly increase the attractiveness of cities for new residents. A striking example of this is the city of Korosten, in the strategic development plan which that issue was given a lot of attention. Are also positive examples m. Zhovkva, which is a Museum under the open sky. The activities of the outlined structures of organizational and managerial nature focus on collecting, accounting and preserving the necessary information about the situation in the city; advertising and publishing activities; the study of consumer markets and major consumers of goods and services of the city and other marketing research; public relations; development and implementation of marketing programs and projects, etc.

And now it is understandable that in order to apply marketing in shaping urban development in Ukraine, there is a need for a professional highly skilled team that will focus on these issues. The recommended way out is to create one organizational structure, such as a city marketing service, local development agencies, municipal economic development centre etc.

In Ukraine, this practice is not widespread, although gains in modern conditions the relevance. This is evidenced as the scientific results which appear in this area, and practical experience: in the management structure of the Executive committees of many city councils appear divisions (departments) marketing, advertising, public relations units, whose responsibilities included promoting investment in the local economy, however, in most cases their activities are, as a rule, is determined only by the support of the Internet resource of a city, formation of investment passports and maintaining the proper level of internal communication. Obviously, this activity does not have a systemic nature and it is therefore impossible to expect a significant impact.

Ukraine cannot be proud of the system of scientific researches in the field of marketing of the city. The local authorities in this area are chaotic because they have no clear understanding of a systematic approach to its solution and not a fixed perspective development of the city.

We believe that strategic planning can improve the situation city marketing and its systematic updating as needed time. Yes, Ukrainian cities have

a lot to offer domestic and foreign consumers on their own behalf many services and domestic of goods, rather than simply acting as an unnamed supplier of raw materials and manufacturer of products under the brand name of a multinational company. Many opportunities and conditions for forming an exclusive city product lies in an extraordinary historical, cultural, natural, climatic, resource diversity and uniqueness that is inherent in most cities of Ukraine. Despite the fact that Ukraine still on course for European integration, we decided to explore the best practices of marketing in the activities of the local governments of leading European countries.

The governments of many countries have used marketing in the implementation of social programs to combat alcoholism, Smoking and drug abuse, energy conservation, compliance with traffic rules. In France, by using marketing it solved the problem of uneven location of the productive forces. In Switzerland, Spain, Germany coordination mechanism of regulation of the tourism industry are marketing systems of these countries. Organizational elements – media marketing functions became the Central and regional public authorities, national and regional tourist enterprise [8, p. 32].

In economically developed countries, the government, the administration of lands, States, cantons, departments, cities have effectively used marketing to enhance socio-economic development.

The instrumental basis for improving the region's competitiveness and investment planning can be an innovative territorial marketing. Thus, the region of southern Bavaria said and positioned himself as an established area of high technology, insurance, banking, in General, focused on efficient service to the global market. In this respect, the project "MAI (Munich – Augsburg – Ingolstadt)," put the task first of all in sphere of strengthening of the role of marketing the image: to strengthen the profile is created and specified economic space in every possible way to raise the status of Munich and southern Bavaria as an attractive European centre. It is also appropriate to note that there are agreements between cities throughout Europe, there is a lot of cross-border cooperation between neighbouring cities. One such example is the region of lake Constance near Konstanz. [10, p.196].

For its development there is cooperation of the nearby Swiss, Austrian and German municipalities, in terms, for example, public transport and transport infrastructure (whether the street or General road network for bicycles for tourists) and educational/cultural activities and festivals. Such cooperation is mainly informal and collaborative promotion of the region as a whole (such as the location of business establishments and tourist destination), increasing, at the same time, cross-border regional identity [11, p.158].

Analysing the "achievements" of the territorial units in the organizational field of territorial marketing in Poland, it should be noted they are very limited in size and scattered, heterogeneous, and often not comparative forms. The complexity, heterogeneity and speculant marketing activities, developed and implemented marketing services administrative-territorial units of Poland, lead to the fact that they are mostly forced to use the services of professional agencies and bureaus. The size of the cooperation depends, however, on the size and types of skills acquired by workers of territorial marketing, experience and technical equipment means of implementation of marketing activities [11, p. 52].

For example, in London was applied in social marketing to enhance community cohesion and confidence in local government. Council areas of London want the people trusted them that they could effectively disseminate information about their community. In addition to social marketing in London is actively used by the municipal marketing. Municipal marketing in the framework of socio-ethical concept has significant ethical and responsible load and forms the basis of civil society as a particularly high-quality state of society based on advanced forms of self-organization and self-regulation [11, p. 405]. New concept of cities: "Open city", "Smart city", "Comfortable city", "Creative city", "Clap city", etc.

John Nahst and P. Aberdeen in 1990 provided that "in 2000, the true global cities are not the largest and "smartest". Model "Open city" (Open City), Smart city (Smart City) is already developing in several European cities: Stockholm, Amsterdam, Barcelona, Berlin, Rome, Paris, Helsinki. The

concept of "Open city" and "Smart city" perfectly complement each other. The idea of the open city provides that the citizens most involved in its improvement and development, based on the use of crowdsourcing, open data, social innovation, a large number of companies creating their projects for urban infrastructure, fibre optic network etc. in the model: innovation in the public sector; the concept of the study ecosystems (living labs) in the centre of which is a resident of a particular place, who was involved to researches related to his place of residence; crowdsourcing (Eng. crowdsourcing, crowd - "crowd" and soercing - "resource selection") – using the collective intelligence of thousands of people, their collaboration; open data – the use of open data for personal and commercial use; open platforms for the development of networks and open sensor networks [12, p. 405].

The Smart City model in recent years in the international community means cities whose infrastructure is built on new technologies and management systems (in Barcelona, citizens can connect via the Internet with any official in 40 sec.) that can optimize the urban environment, facilitate communication and accessibility of public goods, use energysources efficiently and minimize environmental impact. These include new technical solutions in the fields of electricity, water, resource accounting, waste management, and the creation of an efficient transportation system and the construction of so-called "smart" buildings [12, p. 407].

If we talk about "smart cities" in Ukraine, today the most significant are considered three cities: Kiev, Ternopil, Vinnitsa. For what characterizes them as "smart," see. in the Table 1.

The main purpose of the establishment of a

TABLE 1 Application of modern municipal management tools in "smart cities" of Ukraine

Events / Cities	Kyiv	Ternopil	Vinnitsa
Open budget	+	+	+
Electronic Procurement System	+	+	+ - (in process of connection)
E-petitions	+	+	+
Map of emergency works	+	-	+
Electronic Queue to the Kindergarten	+	+	+
Territorial Community Property Management System	+	-	-
Participation in the Open City project	-	+	-
City Surveillance Video System	-	+	-
Real-time tracking of public transit traffic	-	+	-
Wi-Fi in public transport	+	+	+
Wi-Fi in city parks	+ - (in progress)	+	-
An electronic queue in CNAP (centre for administrative services) that can be monitored online	-	-	+
Subsidy calculator	-	-	+
Remote payment for public utilities	+	+	+

regime of openness within the city is the decision of local economic, social and environmental issues, including regional and national economic tasks on the basis of partnership of all participants in the urban community. Model "Open city" is developing under the new concept of partner municipal management "Good local governance" (Eng. good urban governance). These relationships include both formal institutions and informal arrangements and the social capital of citizens, i.e. the activity of citizens in managing the city. Model "Open city" provides urban Institute, public forums, public Congress, which is the selection and search for such projects, ideas and people who start the process of public examination of projects of urban development, urban development concept, where they get their legitimacy in the eyes of the members of the urban community. Almost all the basic principles of "good local governance", which are used in foreign practice of corporate and municipal management, sell solely on the basis of marketing approaches or their view of [12, p.410].

It is well known that the main task of local authorities is to ensure the sustainable development of the territory and the best conditions for life of citizens. Prospects for the development of Ukrainian cities may become the use of marketing methods and tools, first and foremost such as research, segmentation and promotion, analyse and publicize the thoughts, needs and desires of the local communities - citizens, entrepreneurs, investors, organizations and bodies local government. And based on that, it is advisable to find optimal way of partnership and the implementation of the social needs and responsibilities of local authorities in order to ensure local development.

The most common form of partnership is public-private partnership (hereinafter – PPP) between the public authorities and the private sector. Public-private partnership in accordance with the proposal of the European Committee is defined as a form of cooperation between the public and the private sector to Finance the construction, reconstruction, maintenance and infrastructure maintenance and public services, this infrastructure [13, p. 280].

For example, the use of mechanisms of public-private partnerships as an organizational platform of territorial marketing has allowed the municipality of Amsterdam to translate conceptual development plans and projects, to attract to the system of brand promotion of the city's private and public partners, to mobilize and efficiently use financial resources from different sources. This approach contributed to the unification of public and private financial and managerial resources to promote regional brand [14, p.288].

Considering the experience of other countries in the use of marketing in the activities of local authorities, it is worth noting that one of the most

used marketing tools at the regional level is benchmarking. It is an analytical tool that enables you to compare the most important structural and functional features of the territorial units with the same features the main competitive cells or cells that are considered the best, cutting-edge, who are more likely to attract the attention at home and abroad [15, p.26]. Today benchmarking is an alternative tool to define the best practices for their further use in which jobs are defined is not reached and based on the analysis of competitors.

Standards for comparison is not only the achievements of competitors, but also the best practices of leading organizations in other sectors, establishment of standards, which must reach the organization. Benchmarking is useful when designing regional development strategies to establish indicators of achievement of the strategic objectives on the basis of experience of foreign countries [14, p.193].

So, based on the European experience, it can be concluded that marketing is increasingly being applied in the activities of local authorities. In practice its use has proven effective in various areas – from development and branding, promotion of ideas, development of infrastructure, strengthening of innovative activities, political activities and to the assessment of efficiency of activity of local authorities and the establishment of feedback between local governments and citizens.

5 Conclusions

Summarizing the above, we can conclude that in order to increase the effectiveness of Ukrainian urban development management in the context of the European dimension, there is a need to develop and implement a comprehensive system of actions by local governments in partnership with other stakeholders (these can be representatives of business, population, non-governmental organizations, investors, educational institutions, other institutions and organizations of the city). These include: developing a development strategy; identification of local advantages and unique territorial features; developing effective marketing strategies; development of local infrastructure; dissemination of educational programs; creation of organizational structures of the city for marketing; forming partnerships; creation of an effective network of information and communication sphere, etc.

For Ukrainian cities promising ways to get out of the existing one the situation is:

- 1) Strategic development planning, monitoring and systematic modernization;
- 2) Creating a certain organizational structure, such as a city marketing service, local development agency, municipal centre

- economic development, etc.;
- 3) Extension of the Smart City model to Ukrainian cities;
 - 4) Use of marketing methods and tools, first of all as research, segmentation and promotion, opinion research;
 - 5) Use of benchmarking;
 - 6) Use of public-private partnership mechanisms as territorial marketing organizational platform.
- Thus, the use of the philosophy and methodology

of marketing in local self-government help to understand the economic and social interests of citizens, because the realization of these interests is the ultimate goal of the activity of all authorities and the state as a whole, and contributes to the formation and development of cities in Ukraine and other cities in the world. The results of the study can be used for educational purposes in public administration, as well as being applied in development local government, urban development and improvement the welfare of their inhabitants.

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