

# PLACE MARKETING. CLUJ-NAPOCA CITY CASE STUDY

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## Abstract

Recently, places have become like businesses. Forces such as globalization and the new 21<sup>st</sup> century technology lead to the mobility of the resources. In this newly created situation places found themselves in a position of competing with each other. In order to face this competition places incorporate new concepts such as "marketing" into their development strategies.

Concepts such as 'place competition', 'distinguish and competitive advantages of the place', 'the brand of the place' and 'co-branding' are key aspects discussed in this paper regarding the case of Cluj-Napoca. In this study we focus on elaborating this key aspects of place marketing from the citizens' perception. We asked the citizens about their perception concerning: the most representative city brands, the importance of these brands in promoting the city's image, the differences between their city and others and their perception towards the existence of place competition.

## Introduction

At this moment, *marketing* is everywhere. It is present in all the fields of the private sector, having the same core elements and only adapting them to different situations. Besides the private sector marketing ideas have widely penetrated into the public sector too. Marketing appeared into the hands of those who work with the market, of those whose surviving depends on the market. The private sector depends on the customers' behavior and it is always in competition.

These are major changes in the public sector too. The public sector starts recognizing its customers and the places that are in competition with each other. The new phenomena like globalization are changing the rules of the game; they bring uniformity and standardize all the places. The number of investors is limited, as well as the tourists' number, thus places have to compete in order to achieve their goals. This is the moment when the public sector starts changing its view and its way of working and it recognizes the utility of the concepts from the private sector.

The study is presenting the basic concepts of *place marketing*. The places are in competition with each other, they need to develop themselves and therefore place marketing is one prominent feature of the place development strategy. On the other hand, the concept of place branding is "the top of the iceberg" in place development discourse.

The aim of this study is to conduct a research based on identifying the Cluj-Napoca city brand. We assume that the first step towards this strategy should come from the citizens' perceptions which are the most significant brands?; do they have the ability to export with them the city's image? Do citizens perceive a competition among different places? If they do, how does it affect the decision makers in the way they face this competition? Of course, one of the most important aspects is if the citizens see their city as a very distinguished place, as a city that has a lot of assets that could to be valorized.

## PLACE MARKETING DISCOURSE

Although it seems to be a rather new concept in public administration, place marketing is not such a new phenomenon. Like many other marketing ideas, it has its origins in the US; it has been preceded by the other concepts known as place selling. As the selling concepts are starting to appear as old and outdated ones, especially in the second part of the 20<sup>th</sup> century, the marketing ideas are taking over by bringing a new, fresh and wider vision. Already in 1850, in the context of promoting the areas such as "Wild West" the phenomenon of selling places is widely presented. It is quite easy to recognize it in the vast advertising campaigns that have been implemented with the major purpose of bringing more tourists to a certain place. But place marketing is much more than attracting tourists. More exactly, promotion is only one component of the marketing process.

In the new place competition situation and rapidly changing markets, old place promotion strategies no longer work (Kotler *et al.* 2002a). In order to compete effectively, places must develop a real marketing approach. The place competition is global, and

all places need to develop new capabilities to survive the competition. Consequently, places must produce services that current and future citizens, companies, investors and visitors need.

Place marketing as an approach to place development is focusing on strategic marketing planning – to define a place as distinctive it means that it has specific advantages for the target markets (Kotler *et al.* 1999). Place marketing has become a prominent feature of the place economic development strategy. There is a broad consensus in contemporary place marketing theory about the possibility of using marketing tools in order to develop places (Kotler *et al.* 1999; Ashworth & Voogd 1994; 1990, Berg *et al.* 1990; Helbrecht 1994; Herrn 1997; Meer 1990; Ward 1998; Rainisto 2001).

The various elements of place marketing are summarized the best in a framework called “Levels of Place Marketing” (Kotler *et al.* 1993).

It is a very important strategic decision for a place to start a systematic place marketing effort. This is a matter of resources, because there has to be sufficient organizing capacity. In place marketing, the place product must be adapted to fit the needs of place customers. The overall targets of a place can be reached only when this task has been fulfilled. Each place should define and communicate its special features and competitive advantages effectively. Places must find ways to differentiate and to position themselves on their target markets (Kotler *et al.* 1999; Krantz & Schätzl 1997; Kotler & Gertner 2002).

Segmentation is a core task in place marketing to decide about the targeted customers (Kotler *et al.* 1999).

A Strategic Market Planning process involves five stages: Place audit, visions and goals, strategy formulation, action plan, implementation and control (Kotler *et al.* 2000:107-123).

Place marketing needs to be successful in both strategic and operational skills. There are four basic environments in which place marketing strategy and implementation can take place: the losers, the expanders, the frustrators and the gamblers (Kotler *et al.* 2002: 177).

In contemporary marketing, branding is central, as it integrates all strategic elements into one success formula (Aaker & Joachimsthaler 2000). Brands are the basis for long-term success for numerous firms and organizations. Building strong brands requires clear brand identity and brand position, and also consistency over time. The owner organization behind the brand has the keys to this treasure chest and to success. Strategic brand management involves the design and implementation of marketing programs to build measure and manage brand equity (Keller 1998: 594).

Brands are in the center of marketing (Kotler, 1997; Keller, 1998). Also branding can be a natural starting point for place marketing, as it forces a place to determine the essential contents of marketing. If the city decides what it wants its brand to be, then it will try to make its appearance. The mainstream of the discussion of branding of places has been related to nations and countries of origin (Kotler *et al.* 1999; Hankinson 2001).

In the global market, more products are introduced with a clear place-brand origin. A well-chosen place brand makes the product more identifiable for the place buyer, and brings added value. A co-branding strategy is frequently used in corporate marketing (e.g. Bacardi & Coca Cola), as well as in places. Examples of such place origins are “Dublin Guinness beer”, “Genevan Rolex”, “Swiss quality watches”, “German cars”, “Italian leather goods”, “Paris Chanel perfume”, and “Swedish Absolut vodka” (Kotler & Gertner 2002).

Branding can be used to make the place offering “visible” in a compatible way (Killingbeck & Trueman 2002; Hankinson 2001). A place brand is successful when a place is “augmented” in such a way that the place buyer perceives a relevant advantage, and feels that the unique added values of the place match the needs closely. Successful place brands make a clear statement to the target groups. Moreover, place brands are only built by being persistent over time (de Chernatony; Aaker 1996).

Branding can be a good starting point for place marketing: the choice of the brand name; brand positioning; and the whole marketing program - objectives, strategies and tactics – is derived from brand positioning.

Creating an effective brand image must meet the following criteria (Kotler 1993): it must be valid, believable, simple and distinctive, and it must have appeal.

## **THE CLUJ-NAPOCA'S CASE STUDY**

Cluj-Napoca city is one of the most important academic, cultural and industrial centers in Romania; it is located in the historic province of Transylvania and is located approximately 440 km northwest of Bucharest, in the Someșul Mic Valley, having more than 310.000 habitants.

Concepts such as ‘place competition’, ‘distinguish and competitive advantages of the place’, ‘the brand of the place’ and ‘co-branding’ are the key aspects discussed regarding to the case of Cluj-Napoca. We surveyed citizens about their perception regarding: the most representative city brands, the importance of these brands in promoting the city’s image, the differences between their city and others and their perception towards the existence of the place competition.

Based on these issues, we have established 5 hypotheses to be tested:

1. The citizens of Cluj-Napoca do not have a consensus about the most important local brands. There is no consensus on some brands that locals agree upon, considering their relevance to the city’s image and whether they can truly promote the image of Cluj-Napoca.
2. The Cluj-Napoca image is not promoted by its local brand. There is no association in the mind of customers between the local brand and the city’s image.
3. The citizens of Cluj-Napoca do not see their city as being very different from other cities of Romania.
4. The citizens of Cluj-Napoca do not think that there is a competition between their city and other cities.
5. The city of Cluj-Napoca does not have a slogan and its citizens are saying different versions of what the city slogan may be.

## *The methodology*

We have chosen the interview as a research method, using a number of 13 open questions addressed to the citizens of Cluj-Napoca. Based on very little information in this field related to Cluj-Napoca and the very large possibilities of answers that we may receive, the interview with open question was considered the most appropriate.

One of the most important aspects of our study that we had in view when asking the questions was the association made by citizens with their city, the first impressions and first spontaneous things that crossed the interviewee's mind. The opinion questions - that everybody made their association between the city and its characteristics, its specialties, its names, brands, companies, institutions – was our tool in finding out the answers for the hypotheses mentioned above.

As an example for this association process we can mention the case of TIFFF – Transylvanian International Film Festival that is getting to its sixth edition this year. If the interviewees were asked if the TIFFF is one of the Cluj-Napoca brands and if it is a relevant name for the city's image, most of them agreed upon this. But without being mentioned by us, only a few citizens (7 from 50 participants) associated the TIFFF with the image of their city.

The study was composed of 50 interviews. The interviews were held in the period between January 25<sup>th</sup> 2007 and February 10<sup>th</sup> 2007. The participants were selected randomly: they were both male and female, they had different professions, and they had different age and were coming from different ethnic groups too.

## *Findings*

In our attempt to see how the citizens of Cluj-Napoca see their city, we encountered different answers but with the general perception focused on: University Center, Heart of Transylvania, The Cultural Center of Romania, a Multiethnic City, and a Historical City.

1. *The citizens of Cluj-Napoca do not have a consensus about the most important local brands. There is no consensus on some brands that locals agree upon, considering their relevance to the city's image and whether they can truly promote the image of Cluj-Napoca.*

In the attempt to find the Cluj-Napoca's most important brand we divided its "most important names" in three categories: Personal Names, Company Names and Institution Names.

The reason for creating this categorization was particularly because of the vast variety of possible answers given. In this way we could find out the brand for each category and the next step was asking the participants to choose the most important brands – the most relevant for the city of Cluj-Napoca. Most of the participants did not give one answer for each category, therefore, in the end, the number of brands and their frequency, was quite large comparing to the number of participants.

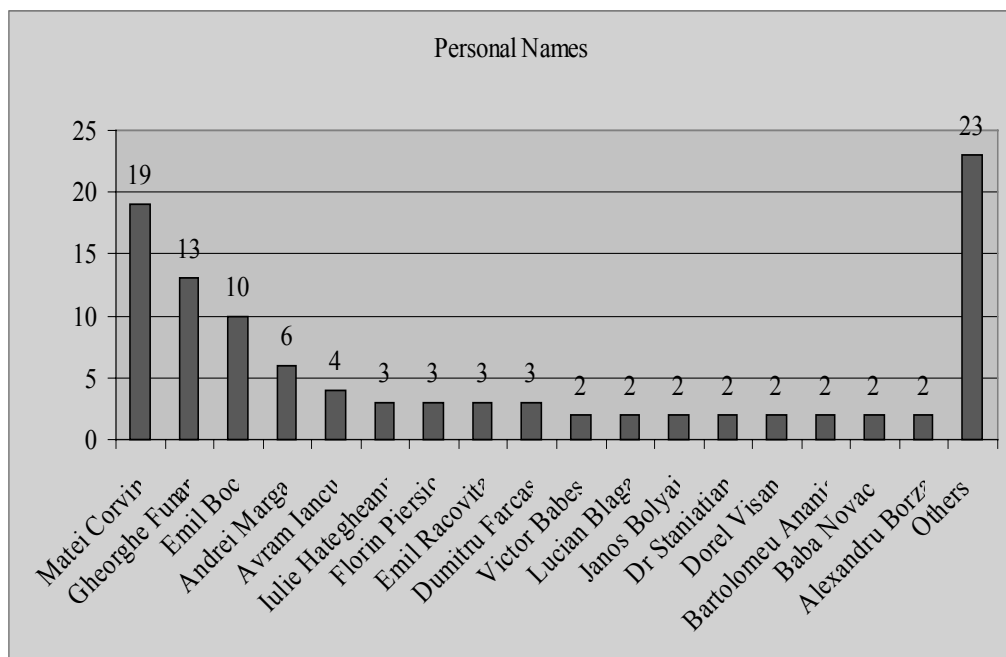
### 1.1. Personal Names

The result of our attempt in finding the personal names that are more related to the city of Cluj-Napoca showed a list of 40 different names that the citizens mentioned.

As presented in Figure 1 the most frequent name mentioned by participants was “Matei Corvin”<sup>1</sup> – 38 % of the participants.

It is important to mention that even though the second place is taken by the name of “Gheorghe Funar”<sup>2</sup>, 26 % of participants mentioned his name, most of them did not mention it in a positive manner; comparing it to the third place, the name of “Emil Boc”<sup>3</sup> who was mentioned in a very positive way. Other 23 names that are listed in Figure 1 in the category “Others” have been mentioned only once.

Concerning the Personal Names we cannot say that we found a consensus about one or a few brands that are representative for the city of Cluj-Napoca. In the same time, the fact that 40 different names were mentioned, calls our attention to the big potential of Personal Names that the city of Cluj-Napoca can explore.



**Figure 1:** Synoptic Table of Personal Names.

### 1.2. Company Names

In the case of company names the findings were also very varied. Each participant listed at least 2-3 names. As a result 43 different Company Names were mentioned. This time we reached a more relevant consensus, even though the list is longer than

<sup>1</sup> “Matei Corvin” – Matthias Corvinus – legendary king of Hungary between 1458 – 1490, born in Cluj-Napoca in 1443.

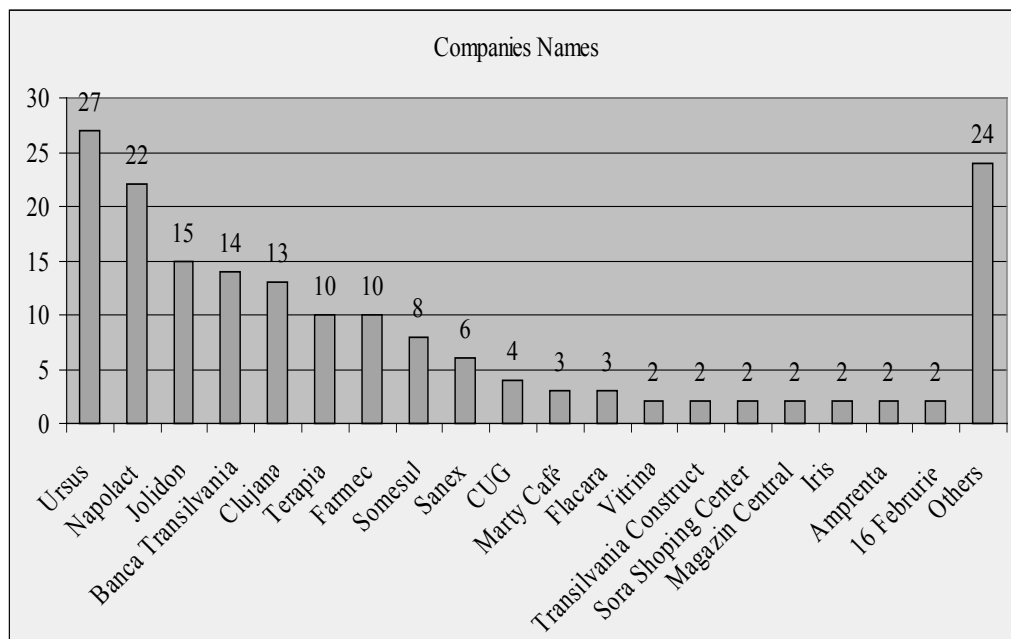
<sup>2</sup> Gheorghe Funar is a nationalist Romanian politician, who rose to fame as mayor of Cluj-Napoca between 1992 and 2004.

<sup>3</sup> Emil Boc - elected in June 2004 as the Mayor of Cluj-Napoca. He is also president of the Democratic Party of Romania, part of the Justice and Truth Alliance and the party of President Traian Băseșcu.

in the case of Personal Names. Therefore 54% of participants mentioned the same Company Name – “URSUS” – the local brewery since 1878 and one of the best-sold beer brands in Romania.

According to some of the interviewees<sup>4</sup> the name of Ursus should be the most representative brand of Cluj-Napoca. This is the brand for a large-scale market, an old name associated with Cluj-Napoca. Ursus has a lot of traditions and besides that, the company sets up a vast communication campaign. Actually, both Ursus and Napolact<sup>5</sup> are very old brands and it hasn't been a surprise for them to be so popular in Cluj-Napoca.

It was very good to see that a quite new brand, Jolidon, starts to be known among the citizens of Cluj-Napoca.<sup>6</sup>



**Figure 2:** *Synoptic Table of Company Names*

### 1.3. Institution Names

Among the institution names we found the most relevant consensus: 94% of participants mentioned the name of “Babes-Bolyai University”. The participants mentioned a list of 33 Institutions Names and from 50 participants, 47 listed the “Babes Bolyai University” as one of the most representative institution for Cluj-Napoca.

“Babes Bolyai” University is one of the oldest and the most comprehensive institution of higher education in Romania. It is the largest university in Romania.

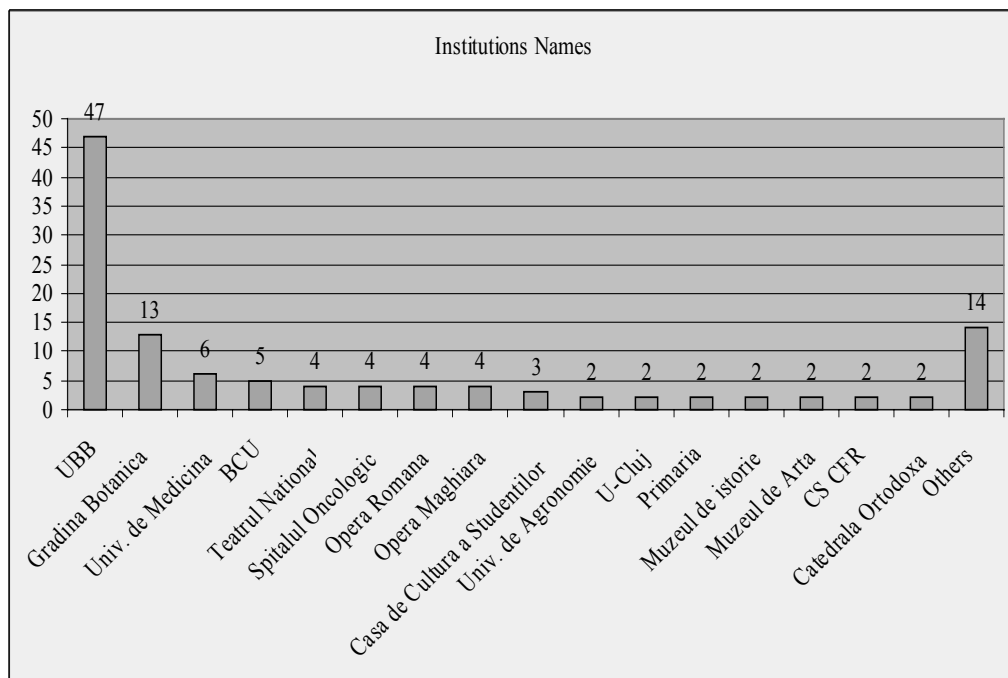
<sup>4</sup> Marcel Ciprian Pop, professor of Marketing at the Faculty of Economic Science at Babes-Bolyai University, Cluj-Napoca, Romania.

<sup>5</sup> Napolact – the milk products factory based in Cluj-Napoca and one of the largest producers of milk in Romania.

<sup>6</sup> Jolidon – the swimwear and underwear producer based in Cluj-Napoca since 1993 with 45 own stores in Romania but also extended in Hungary, Italy and France.

With more than 45,500 students, the university offers 105 specializations, of which there are 98 in Romanian language, 52 in Hungarian, 13 in German, and 4 in English. The university was named after two prominent Transylvanian scientists, the Romanian scientist Victor Babeş and the Hungarian mathematician János Bolyai.

As presented in the Figure 3, “Babes-Bolyai University” (UBB in the Figure 3) is far ahead from the second place Institution Name taken by Botanical Garden<sup>7</sup> which has been mentioned by 13 participants.



**Figure 3:** Synoptic Table of Institution Names

#### 1.4 The most relevant brand

After mentioning separate brands for each category (Personal, Companies and Institutions names) the participants were asked to choose one or two of those brands that they considered the most representative for Cluj-Napoca’s image. The results of this question are presented in the Figure 4. The most representative brand of Cluj-Napoca – The “Babes-Bolyai University” (UBB in the Figure 4) – has been chosen by 37 participants out of 50, that means 72% of the participants.

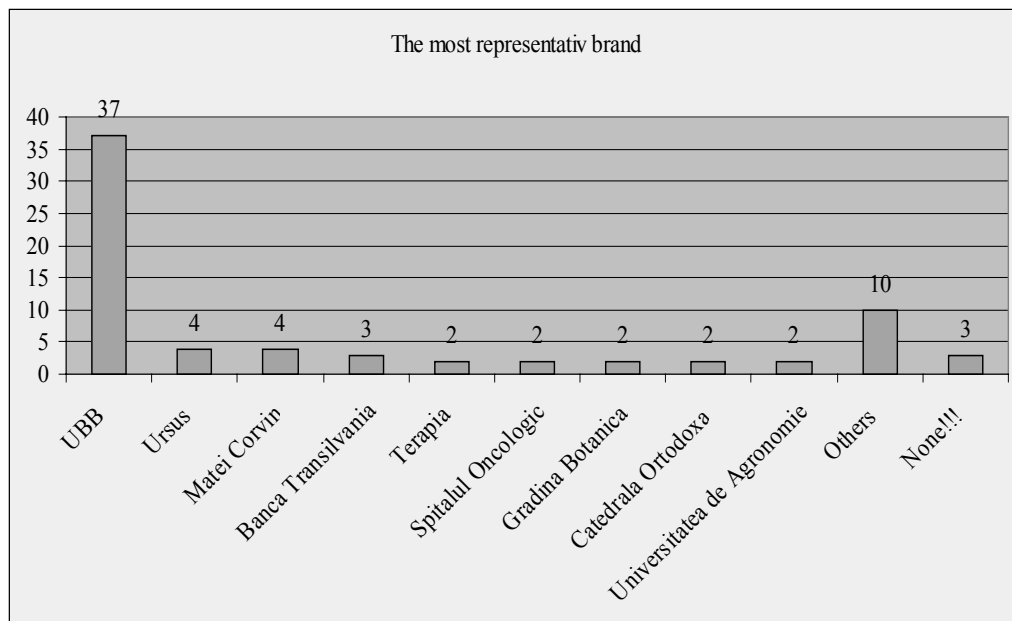
*This result is related to the data presented in the “Development Strategy of Cluj-Napoca”<sup>8</sup>. The strategy claims that 62% of the Cluj-Napoca’s citizens regard their city*

<sup>7</sup> “Gradina Botanica” – The Botanical Garden of Cluj-Napoca was founded in 1920 by Alexandru Borza. The garden is over 14 hectares in area, with over 10,000 plants from throughout the world. It is divided into ornamental, phytogeographic (geobotanical), systematic (taxonomical), and medicinal sections.

<sup>8</sup> [http://www.primariaclujnapoca.ro/Comunicate/strategie\\_final.pdf](http://www.primariaclujnapoca.ro/Comunicate/strategie_final.pdf) (pages 13-14).

as an University Center, 21% - as a Medical Center, 13% - as a Historical Center, 3% - as an Industrial Center and other 3% - are presenting the city as a Business Center.

The new element in the Figure 4, different from the other Synoptic Table presented above, is the section “None!!!”. 3 of the 50 participants considered that none of the brands is very representative, or the most representative for the image of the city.



**Figure 4:** Synoptic Table of The Most Representative Brand

2. *The Cluj-Napoca’s image is not promoted by its local brand. There is no association in the mind of customers between the local brand and the city image.*

The results showed that citizens believe that the local brands do promote the city’s image. Only 6% confirmed that the local brands are not sustaining the city’s image compared to 84% that were convinced about the contrary (Figure 5).

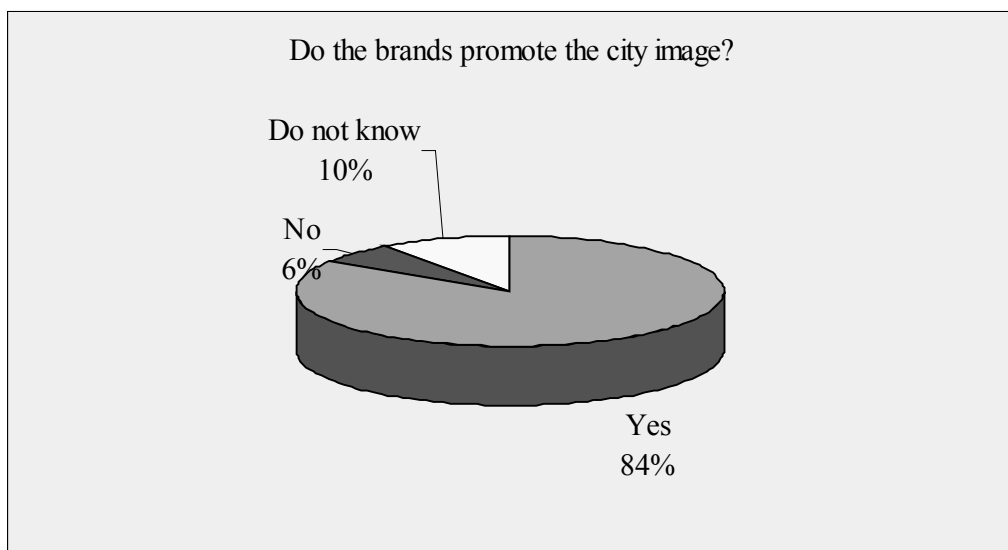
The most common opinion among participants – 24 % - was that the city’s image is best promoted by its actual and former students; 75% were especially referring to the “Babes-Bolyai University”. Among the other opinions that we came across are as it follows:

- “Banca Transilvania”<sup>9</sup> is one of the best promoters for Cluj-Napoca’s image;
- Transylvania International Film Festival has an international impact;
- Ursus with its national advertisements is promoting on a large-scale the city’s image etc.

Regarding to how local brands could promote the city’s image in a more efficient way, 24% of the participants were generally mentioning the use of better communication

<sup>9</sup> Transylvania Bank – a bank corporation in Romania, founded in Cluj-Napoca in December 1993. It has a branch network of 331 locations out of which 21 and the headquarters are in Cluj-Napoca.

tools, marketing and branding the city's image. Specific actions mentioned included: the use of exhibitions and fairs and promoting the local products, to make the local brands more competitive, to draw more attention to cultural products and events, to make the city more attractive as a tourist place.



**Figure 5:** The perception in promoting the city's image by its local brands

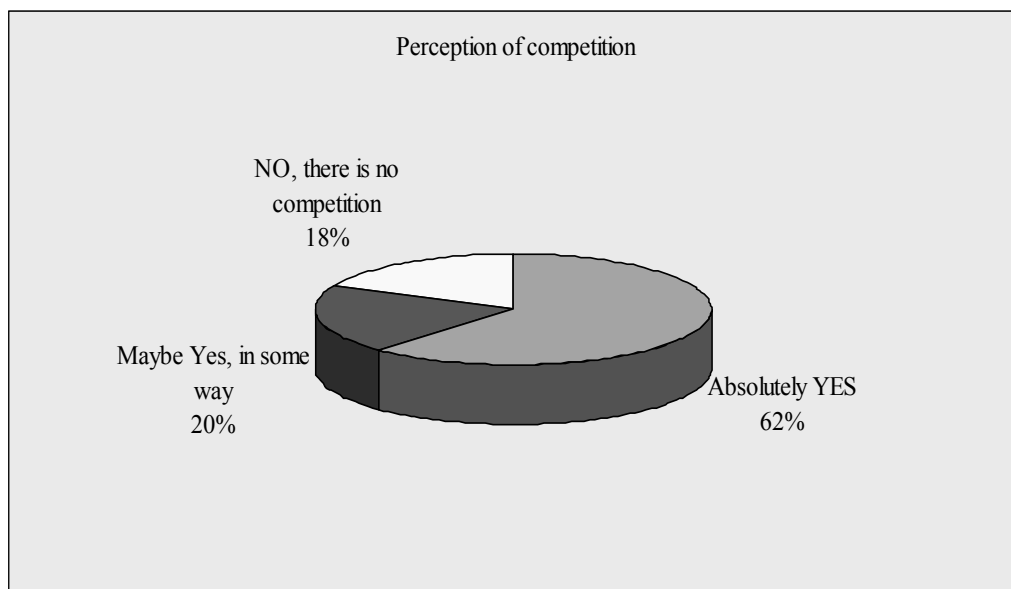
3. *The citizens of Cluj-Napoca do not see their city as being very different from other cities in Romania, of the region.*

Our findings showed that the citizens do perceive that the city of Cluj-Napoca is significantly different from other cities in Romania. This fact may also be related to the citizens' affiliation to their city or their sense of pride in the city. Anyway, the vast variety of answer that point out the differences between Cluj-Napoca and other cities are actually suggesting that it has a large set of assets, characteristics and specificity that can be used in creating and branding the city's image.

The most common characteristics of the city were related to: Its historical roots, its image as a university center, as the center of Transylvania, as a very cultural city, as a very dynamic and young city due to its high number of students, and as a medical center.

4. *The citizens of Cluj-Napoca do not think that there is a competition between their city and others.*

The validity of this assumption was confirmed only by 18 % of the participants what makes the hypothesis not valid. 64 % of participants were absolutely convinced that there is a competition among the cities and Cluj-Napoca is competing with other similar cities (county capital with comparative number of habitants) from Romania, as illustrated in Figure 6.



**Figure 6:** Perception of Competition

5. *The city of Cluj-Napoca does not have a slogan and its citizens are saying different versions of what the city logo may be.*

In the case of the city slogan our findings are sustaining the hypothesis. The majority of the citizens could not give an answer to the question in connection with the slogan of Cluj-Napoca. They have had difficulties in saying a phrase or a word that might be used as a slogan. The answers were very different from one another but the most common words were: culture, history, youth. Citizens with Hungarian roots have usually used the words about ethnic groups or their history that is related to different countries, not only to Romania but to Hungary as well.

An interesting approach belongs to those who proposed as a slogan expressions that are addressed to the citizens, expressions like: “Let’s Get to Work”, “Together for a better future” or “We can do better”. This is bringing the supposition that the citizens are much more concern with the internal problems of the city. They see that it is still a lot to do for the city before they start thinking about promoting it to the others.

One of the other aspects related to our findings, that we consider it is worth mentioning, is the so-called “Napoca” aspect. A few of our interviewees mentioned their displeasure related to the widely use of the name Cluj and not Cluj-Napoca when talking or mentioning the city. The name Cluj is coming from the Hungarian name of the city when Napoca has the Latin origins, being the name given by the Romans.

## Conclusions

- Even though the citizens of Cluj-Napoca are mentioning a great variety of different brands, there is a consensus about some brands that can truly be considered by the citizens as very representative. The case of “Babes-Bolyai University” is

such an example. Beside the University we see a very big potential in using the companies names in promoting the city's image. "Ursus" is one of the brands that can be the motor for this promotion. Also "Napolact", the second ranked company name in citizens' preferences, is a very well known local brand, an old one, with traditions, and last but very important it contains the city's name "Napoca" in its name.

- The perception of the citizens is that these brands are promoting the city's image. This means that there are further opportunities in a tightly public-private partnership, in a more competitive and better communication campaigns.
- Cluj-Napoca is a unique place in its way. It is different from other cities, is has a lot of assets that the citizens pointed out and all these advantages should be communicated outside its borders. The citizens's opinion shows that we have a lot of things to talk about the regarding the city of Cluj-Napoca.
- And also there is a competition among the cities. We are in the competition and have to work hard not be outrun by our competitors. This is an opinion that has to help the authorities in setting their priorities and presenting to the public how they are dealing with this competition.
- The citizens did not know a city slogan but we obtained a list of what the slogan could be like. It should be also simple, valid and distinctive. It should be conceived by branding specialists with all the implications that a slogan may have on a certain place.
- Our hypotheses were mostly negativistic having the worst scenario but as a result four of them, out of five, were false. There is no city slogan as well as there is no place branding strategy but there are a lot of assets to be explored.

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