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Territorial Marketing as a Method of Reduction of Outward Migration

Abstract

The study considers problems of outward migration of the young population in regard to measures which should be taken by local governments in order to decrease this phenomenon. The author recommends here territorial marketing measures which may effectively restrain unfavorable tendencies. The study presents interesting example of marketing programme aimed at convincing young residents of Łódź not to leave city after graduation and to bind their future professional life with the place where they are studying and learning.

The programme has been directed to acquire new students who in future may contribute to the increase of town's attractiveness and development. The first results of evaluation of the programme conducted in 2009 proved that the initiative has been well perceived and was quite popular. Whereas only its further development and stages that will follow will present the answer about its effectiveness.

1. Introduction

Recently, along with elimination of administrative barriers in the flow of labor force between various countries we have been observing the phenomenon of intensification of outward migration. It is particularly notable in EU countries with uniform European market, characterized by four freedoms: the free movement of goods, services, capital and labor force. The study concerns the cities which as result of outward migration lose their most valuable, young

residents who after graduation leave their home cities in search of better jobs and better life. In such situation local authorities are to play a significant role striving to keep this highly qualified personnel in their home cities. The author thinks that the measures should be found in territorial marketing. This discipline constitutes a response on part of territorial units to growing competitiveness between territories in their quest for mobile factors of growth. These factors mainly involve financial and intellectual capital. The author has based his considerations on the example of the city of Łódź which also has been affected by unfavorable tendencies of employee migration. This serves at the same time as example of coordinated marketing job which through the programme „Młodzi w Łodzi” [“Youth in Łódź”] is to reverse this unfavorable tendency.

2. Territorial marketing as a method of managing the city in market conditions.

The adaptation of marketing for the needs of local governments has been for many years practiced both in the USA and Western Europe. These processes seem to be less advanced in Poland although have recently gained momentum. The authors dealing in marketing advocate adaptation of principal pillars of marketing for specific public institutions including local governments. Several limitations should be noted though, particularly those resulting from the non-market character of public institutions. One should note in this respect that many specialists in regional and local development work in order to streamline operation of these institutions. Particularly specialists in *public management*. Unfortunately, the latter treat marketing instrumentally, narrowing it mainly to promotion and advertising. Further, I will attempt to define territorial marketing, stressing its extensive scope of semantic range. Territorial marketing is broadly understood and identified with the whole idea of management in territorial self-governments in market conditions (Szromnik 2007), (Markowski 2006), (Domański 1997). Assuming extensive meaning of this term we may define territorial marketing as a market idea of managing a territorial unit – as management aimed at satisfying needs and desires of residents.

According to A. Szromnik it is also obligatory to foresee changes and to use rationally all available resources. This concept of territorial marketing is based on the conviction that satisfying internal and external needs and desires of reference groups by providing them with appropriate set of material and non-material means is possible owing to their earlier identification and also stimulation and creation (Szromnik 2007, p.17). Therefore, marketing is an idea associated with increase of competitive advantage of the area. P. Kotler favors

marketing as an ability to attract mobile factors of development to particular places and such concept of marketing is included in his *Marketing Places* (Kotler 1999).

The very title of this worldwide known publication on this topic indicates that it is worth attracting investment to the area, both typically industrial and service sector as well as tourists and new inhabitants. Within the latter group the most valuable are those whose virtues may be of use in particular locality. Let us name them the intellectual capital. Their presence may favorably affect condition of local companies and cause influx of new companies, particularly those requiring highly qualified personnel. Undoubtedly, to keep highly qualified personnel in city and to acquire new it is necessary to take comprehensive measures aimed at identification of needs and specific expectations of defined groups of addressees. Another challenge for marketing is to build a comprehensive strategy oriented at meeting these expectations in the long term. And then, the set of tools with which the said expectations can be met. They involve the esthetic image of the city where architecture is of key importance, improvement of broadly understood infrastructure, introduction of basic municipal services for residents, creation and development of attractions, shaping of friendly attitudes of local inhabitants towards newcomers (Kotler 1999). The issues of intellectual mobility will be a subject of further considerations in the study. Kotler does not conceal that apart of above mentioned marketing factors it is of great importance what people think about the place, how they perceive it. Nowadays it is the image of the territory that aspires to be a key success factor for the development of the area. In practice, the understanding of territorial marketing is much narrower. Usually, the members of local self-governments narrow its function to the said image of the territory. This is reflected by increasing number of events promoting cities and regions, organized under the aegis of territorial marketing.

However, the specialists involved in managing the city and region broaden this interpretation to activities aimed at attracting investors and tourists, i.e. carriers of capital, so necessary to generate local development.

According to the author, there is a need for broad understanding of the term territorial marketing which is reflected by the "Młodzi w Łodzi" programme discussed further in the study, initiated by the City of Łódź Office in 2008. Along with growing competition for mobile factors of growth between cities we may observe increased activities of local governments, specific for commercial entities. In the study, I will call them signs of territorial marketing, but it is worth mentioning that those who implement them do not use this term, although their activities clearly indicate it.

Further considerations will involve one of the most important problems affecting Polish cities – the problem of economic emigration, which gave rise to marketing programme “Młodzi w Łodzi”

3. The issue of “Brain Drain”

The human capital has recently become a significant factor of territorial competition. Qualification or experience of local labor force often form principal localization factor, taken into account by arriving investors. It is being built in the long term through development of educational offer at professional and higher level, development of vocational courses and trainings etc.

Such offer may effectively attract youth from the region, sometimes from over the country or foreign students. Unfortunately, such intellectual potential can get lost in favor of other, often competitive centers. That happens due to the mobility of employees. This phenomenon may be defined as a change of domicile of particular person, of international, local or regional character. Following Poland’s access to the European Union we have directly seen international mobility, at the beginning heading for Great Britain and Ireland. Some authors negatively assess this possibility as harmful for Polish economy. However, one should remember that the phenomenon of employees’ mobility should not be perceived as pejorative. Such mobility is perfectly natural, often perceived as necessary for the development of professional career. It is of considerable importance for managerial personnel and scholars.

From the vantage point of macro-economics much more harmful is the brainwaste phenomenon, i.e. the waste of employees’ qualification, since those who emigrate quite often take up jobs below their qualifications. The OECD data indicate that this problem affects immigrants from many countries and striving at stronger integration in societies where the immigrants live and work should constitute a panacea for this. It is the European Union which plan to reduce this problem in the coming years. Directing and managing migration streams and attracting the selected types of economic migrants are a product of government’s policy, activities of companies and employees’ conduct. Whether the outward migration causes in a couple of years greater employment of human capital depends on the success of this policy. Even today, such countries as Canada, Australia and Great Britain strive to introduce well thought out migration policies. For example the *Canadian Experience Class* programme favors immigrants with higher education and professional experience. Also the Polish government foreseeing that in the long run immigration to Poland will outnumber emigration, found it necessary to develop new immigration policy.

Although we already may notice its first signs, only the coming years will prove its effectiveness. Although the mobility of employees is in itself a positive phenomenon, vital for economy of particular countries and for the whole European Union, the drainage of highly qualified personnel is its unfavorable demonstration. The process is popularly called "*brain drain*"- "*human capital flight*" unfavorable for cities or regions that lose their well trained personnel. It might however, prove favorable if the employees who had earlier left the country or region would return, bringing accumulated new knowledge, experience and financial resources. It is not certain though that they would come back to the country or city they had left.

The issue of economic emigration forces administration of countries, regions or cities to undertake activities aimed at restraining emigration of qualified personnel or to attract those who had left earlier. The Polish government should create such conditions for development of economy and quality of life so that the Poles abroad would find it profitable to come back and the process would be smooth in administrative terms. Undoubtedly, the „Return” project set in motion in 2007 and run by government is noticeable in this context. It is aimed at encouraging immigrants to come back to their home country. Apparently, the Polish emigration has reached unprecedented volume. As early as in 2006 the number of Poles employed in the European Union was assessed at 1.2 million (WWW.bezrobocie.org.pl). The survey conducted at that time demonstrated the average age of Polish emigrant to be 26 years. Sixty percent of them do not know what to do next, twenty percent want to come back; the remaining twenty percent do not want to do so. The set of recommendations prepared in September 2006 by the Institute of Public Affairs under professor Lena Kolarska-Bobińska seemed to be the additional inspiration for measures taken by the Polish government in this respect (Kolarska – Bobińska 2006). The „Return” project consists of several parts, one involves children. Although most of the people working in the European Union countries do not have children yet, it is expected that this phenomenon will attain a massive scale. Therefore, the Ministry of National Education will promote introduction of Polish language courses to schools in countries populated in great numbers by Poles. Project’s information function constitutes its significant element. By means of www.polacy.gov.pl our fellow citizens may obtain the following useful information: how to pay taxes, regulations on free flow of employees in EU, job offers in Poland, and internet forum for Poles and many other.

The issue is noticeable in the regions or locally. Successful marketing projects aimed at drawing the return of expatriates have been implemented in Europe as early as in the 80s by whole countries (Ireland) or particular cities (Glasgow) (Rudolf 2006, p. 154). A campaign conducted by the city of

Wrocław, encouraging Poles working in the Great Britain to return home, received a lot of publicity in Poland. The billboard campaign drew attention of British society to this town. The British started to get interested in the city which encouraged its fellow countrymen to return home. The president of Wrocław – Mr. Rafał Dutkiewicz was invited to the BBC “Hard Talk” talk show which on the average draws worldwide almost 60 million spectators per week. Even though the billboard campaign did not produce expected results it made Wrocław internationally famous.

In December 2006 the City of Wrocław Office together with four Wrocław universities began intensive promotion campaign in Ukraine. Mass emigration of young people caused that the city decided to strive for students from the East. In main Ukrainian campuses they hung 100 large bulletins and 50 so called "citylight" billboards. Within the campaign city ads were purchased in the national daily “Gazeta Ekspres”. Internet was also applied. The internet site www.teraz.wroclaw.pl was translated into Ukrainian (www.teperwroclaw.pl), with vital information on studying and working opportunities in Wrocław. The author recognizes the importance of establishing institutional organizations, enabling long term promotion of Wrocław. These involved „teraz Wrocław” Office and the Wrocław Agglomeration Development Agency established by the Mayor of Wrocław together with the Rector of the Wrocław University of Economics.

The initiative taken by the Association of Young Polish Community in Great Britain – the “Poland Street” is a new example of measures aimed at drawing Polish immigrants back to Poland. Their project, named “12 Cities – Return? But where to? – Let us get down to facts” consists first of all in organizing 12 open meetings with members of Polish community abroad, local authorities and businessmen from various cities of Poland. 12 largest Polish cities have been invited⁴⁵. The meetings for young members of Polish community abroad are designed to convince them to return home. The meetings are to take place in 2009. In case they arouse interest (on the average 200 people took part in first meetings) the organizers declare continuation of the project in 2010. It is worth mentioning in the context of the said project that costs are partially covered by the cities and sponsors. During particular presentations and discussions the use of teleconference techniques brought the costs down (not all lecturers have arrived in person). One should add that the effectiveness of such programmes depends to a large extent on macro-economic conditions.

⁴⁵ Białystok, Bydgoszcz, Gdańsk, Katowice, Cracow, Lublin, Łódź, Poznań, Rzeszów, Szczecin, Warsaw, Wrocław.

Depreciation of Polish currency increases earnings of Polish emigrants and discourages them from coming home.

Further, we will focus on marketing programme named „Młodzi w Łodzi”: [”Youth in Łódź”] which has been implemented in Łódź since spring 2008⁴⁶.

4. The „Youth in Łódź” programme

The „Youth in Łódź” programme is a good example of marketing approach in activities of the city authorities. This is supposed to decrease professional mobility of young inhabitants of Łódź.

Origin and introduction of the programme

The survey conducted by the Media-tor for the City of Łódź Office manifested number of alarming results. Conducted in October and November 2007 named accordingly “Directions and reasons of migration of students’ Łódź higher education institutions”⁴⁷ and “Motives for choosing a city to study” proved that half of the surveyed did not know whether they wanted to remain in Łódź after graduation or leave the town. Merely one out of five of those surveyed responded that he or she will remain in Łódź. It should be noted that prevailing majority of those surveyed expressed their opinion that they would have been inclined to remain in Łódź if they had found satisfactory job and had been confident of permanent employment. The results of the second survey confirmed that the choice of university and settlement is determined by situation in the job market and possibility of finding satisfactory employment.

In the survey the respondents were given several initiatives for appraisal in respect which of them would improve attractiveness of Łódź as a place to work and live. As a result, a set of instruments which received the most indications was provided. These have been incorporated in the “Youth in Łódź” consolidated marketing programme. The programme strives to encourage young people to bind their future with Łódź, to increasing number of applicants for those fields of study which are preferred by employers and to improve image of Łódź as a city with friendly attitude in respect of professional development.

⁴⁶ Łódź is a post-industrial town, once based on textile industry and is the third-largest (750 000) city in Poland. More than 100 000 people study here in 21 university-level schools.

⁴⁷ The Directions and Reasons of Migration of Students of Łódź Higher Education Institutions, The Report on implementation of the survey for the Office for Development of Entrepreneurship and Jobs OCE, Media-Tor Badania Rynku, Łódź, June 2007

Programme components.

The programme consists of several components, further briefly described.

- ***Student training and internship portal.*** The portal was established for students of Łódź high schools and higher education institutions in order to facilitate obtaining additional skills and vocational experience during internship. The portal will also produce notable benefits for employers popularizing student training as a perfect way for acquiring valuable future employees.
- ***Financing hostels for new students.*** In order to encourage young people to study in Łódź, some companies participating in the programme will be financing for a minimum period of one year accommodation of students from outside Łódź Province. Best results when applying for selected fields of study were adopted as criterion.
- ***Employer financed scholarships for best students.*** The employers will finance at least one year long scholarships for students who choose to study employer favored fields of study.
- ***Scholarships for best students financed by The City of Łódź Office.*** The Students who study fields indicated in the strategy of Łódź development as priority sectors may get support already during their first year of studies.
- ***Scholarships for (post)graduates.*** (Post) graduates who study fields highly regarded by employers may obtain employer financed scholarships on condition that doctoral thesis lies within the interest of the sponsoring company.
- ***Co-operation with high schools.*** The Department of Education in city administration has prepared "Strategy for vocational education in high schools under sponsorship of the city of Łódź" project aimed at creating conditions for organization and implementation of vocational education with regard to needs of job market and development of youth and parents awareness of necessity of vocational education.
- ***TEWI – The Łódź Technological Platform. Technology, Education, Knowledge, Innovation.*** The project consists in creation of informative network operating in Łódź higher education institutions playing educational role and also enabling implementation of R&D works. The objective of the TEWI is to improve professional qualifications of future employees for companies which employ hi-tec technologies, vital for the development of Łódź. The platform is also to support innovation enterprises based on Polish scientific potential, securing conditions for planning and creation of innovative products made with hi-tec technologies.

- **The system of monitoring job market of Łódź agglomeration.** The system is to provide adequate number of employees with skills required by employers.
- **Information – promotion campaign.** The campaign forms an integral part of the programme. It is implemented by the *Great Open House* creative agency, selected by open tender. The agency prepared campaign's communication strategy and creative lines. They also provided internet site (WWW.mlodziwlodzi.pl) for the programme. Interesting and clear logo of the programme easily combines with various colors.

The campaign has been divided into three stages:

I stage (May 2008) – the campaign is addressed to recent secondary-school graduates, facing choice of place and field of further education. The motto of this part of campaign: „*Żyj i pracuj po łódzku*” [play on words: „Live and work in a Łódź fashion” or „Live and work decently”] is to demonstrate that Łódź is a place worth living and working in, meaning with proper remuneration and without unnecessary „Rat race”. Images of virtual students from Łódź have been applied in the visual campaign.

II stage (September 2008) – The campaign is mainly addressed to students under „Łódź breaks stereotypes” motto. Innovative method of advertising have been employed here, raising interest through presentation of incomplete sentences and play on words on billboards (*I have been disappointed with Łódź..., I made my career thanks to connections...*) completed in a week with the rest of the sentences entirely changing their initial meaning (*Łódź made my career possible.*) and (*Computer chips made my career possible.*) accordingly. The campaign attracted attention of national media in the context of risky remarks (e.g. I have been disappointed with Łódź) but it could only contribute to positive perception of Łódź and made it popular in the country.

III stage (May 2009) – Following stage of the “Youth in Łódź” promotion campaign began with “Choose Łódź”. The campaign has been mainly addressed to young people facing choice of city to study and consequently often a place to live and work. To attract attention of the young it was decided to have the campaign contest various negative associations with politics and to juxtapose it with positive message of the “Youth in Łódź” programme. The billboards and other external advertising media modeled after election posters⁴⁸ received images of real young residents of Łódź – students of the two largest Universities in the region – the Technical University and the University of Łódź. It was

⁴⁸ The said campaign has been brilliantly combined with the then election campaign for a new five year term to European Parliament, which resulted in billboards receiving better attention.

a manipulation made up of ambiguous, witty watchwords. Each billboard depicts particular benefit, each comprises the same cohesive structure: at start a negative component referring to politicians/politics (struggle for power, unkept promises) which are then turned into joke and particular programme benefit. This stage of campaign took place in Łódź but also in several places in the region and country.

Initial evaluation of the programme.

The above mentioned components of the “Youth in Łódź” programme prove its comprehensiveness. It is clearly seen that the programme is not only to be an element of shaping image of Łódź but also it is to be a medium stimulating positive bonds of the young people with the town. As it has been already mentioned it is a permanent programme and it will be continued as long as there is a political will and budget for programme implementation. Whereas long term success of the programme will be dependent on many factors, both those macro-economic (directly independent from local authorities) and factors related to socio-economic situation in the city and region (indirect impact of local government) and programme management process (direct city control).

Acquisition of partners for the programme (businessmen, higher education institutions, career agencies etc.) which seek their own benefits in this enterprise, seem to form a principal challenge for the programme management. It is worth mentioning that the Technical University of Łódź and the University of Łódź have become key partners in the programme.

The representatives of the City of Łódź Office do not exclude broadening this group in the future but initially it was a matter of prestige – the two largest and the best universities in Łódź. On part of the employers the partners to the programme involve mainly large corporations, often with a participation of foreign capital. They involve: Indesit, Dell, ABB, Gillette, BRE BANK, MultiBank and other. After one year of programme operation the number of business partners rose to 45, a good result taking into consideration economic slowdown. Another group involves media. The press: (Gazeta Wyborcza, Dziennik Łódzki), radio (Radio Łódź, Żak Student Radio), television (TVP Łódź, TOYA) and free newspapers reaching students (042 magazine, echo miasta).

The first evaluation of the programme implemented after the second stage of its implementation (end of 2008) demonstrated very good results⁴⁹. A survey

⁴⁹ More in: The Report on implementation of the survey for “Youth in Łódź” programme by the Media-Tor Badania Rynku in November 2008 for the Office for Development of Entrepreneurship and Jobs, the City of Łódź Office.

of 1000 students from various universities has been conducted. Over 70 percent of those questioned have heard about the „Youth in Łódź” programme. Fewer knew about programme related initiatives – less than half. The respondents have correctly understood the programme message – encouraging young people to remain in Łódź and perception of Łódź as a city with hopes for the future. Almost 60 percent of those surveyed think that the campaign has been constructed in such a way that it appeals to young people. More than half think it is clear and 48 percent that it is well noticeable. Unfortunately only few respondents took advantage of programme internet site. In the case of WWW.mlodziwlodzi.pl it was only 15 percent of respondents, and in the case of WWW.praktyki.lodz.pl a mere 9 percent. It is worth mentioning that evaluation concerned only the first year of operation of the programme which is of permanent character. The WWW.mlodziwlodzi.pl visit statistics obtained during the third stage of the campaign are much more promising (10 000 visits per week). The effectiveness of the programme has been proved by the fact that if in 2007 as much as 23 percent of those surveyed definitely wanted to leave the city after graduation, a year later this proportion went down to 17 percent.

5. Conclusion

The above considerations lead us to a conclusion that cities trying to keep highly qualified personnel in city and attract those who had left earlier should conduct appropriate long term policy in this respect. The important component of this policy involves shaping positive image of the city worth living and working in. Identification of concrete and real examples of satisfied persons and their popularization seems to constitute in this case particularly desired marketing technique. One should not forget about at the same time conducted policy of shaping proper conditions for the development of existing and acquisition of new economic entities for the city and region. However, the policy should be conducted especially intensely in regard to selected sectors which, considering local socio-economic conditions have considerable chances for development in particular area.⁵⁰

The times when cheap labor force created competitive advantage are long gone. It happens however, that international corporations are forced to save and

⁵⁰ In the case of Łódź it is a manufacture of household appliances, logistics, BPO and IT sectors. They have been identified in the Strategy for Łódź document prepared under the “Cluster for Łódź” project made by McKinsey and Company in 2006.

are inclined to move their factories to countries, regions or cities with lower costs of manufacture (e.g. Dell from Ireland to Łódź). In the long term however, the shaping of competitiveness should be based on quality factors, which today involve qualified personnel, innovation of local companies, development of R&D sector, social capital etc.

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