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The Role of Geomarketing in Promotion of Sustainable Development

1. Emerging of a new geomarketing conception

Until recently the concept of 'geomarketing' had a rather narrow meaning as a special tool in traditional (business) marketing aimed at geographic segmentation ('geosegmentation') of the marketplace and geographic positioning ('geopositioning') of the products (goods and services). In the middle of nineties the conception of 'place marketing' (P.Kotler, D.Haider, and I.Rein, 1994) was developed as a reaction on considerable changes in firm strategies and government policies caused by processes of globalization and regionalization (these two processes are synergetic and interdependent). That was a principal moment for geomarketing because it began to be placed and viewed in context of local and regional development. Such an expansion of geomarketing concept has changed its perception by business community, local governments and non-governmental organizations.

2. Geomarketing and local development

Local governments begin to view geomarketing (marketing of regions and localities) as a tool for promotion of local and regional economic development in conditions of increasing geoeconomic competition (regional competition). Such marketing is aimed at attraction of investors' interest to these territories with the purpose to make them 'the gateways to the global economy'. On the other hand, the fact is that new approaches to regional development and policy seek to encourage enterprise and build entrepreneurial capacity in the regions as a means to boost national growth on principles of sustainability. In the emergent 'bottom-up' approaches to regional development and policy, localities and regions – whether relatively prosperous or laggard – are increasingly being encouraged to help themselves and become entrepreneurial agents of their own growth and development. The background to this more recent thinking lies in the emphasis upon endogenous (grown from within) forms of economic growth aimed at sustainable development. All these foresee inventory, assessment and marketing of local endogenous resources and factors of economic growth with sustainable perspective. In this case geomarketing helps to promote selected sites and places within the region as perspective 'regional poles of economic growth' keeping in mind their sustainability functions.

3. Business scope of new geomarketing conception

The business community also change their perception of geomarketing and view it more and more through a prism of sustainable development. The farsighted firms while conducting the marketing don't limit it to the simple 'geosegmentation' and 'geopositioning', but try to take into account all peculiarities of geographic environment of the place, including its regional development perspectives, economic-geographical location, and environmental awareness of population. Another innovation in this sector is emerging of a new kind of business – production and distribution of geo-technologies (GIS-technologies). It may be viewed as a third dimension of geomarketing – marketing of geographical knowledge and technologies.

4. Geomarketing in non-governmental organizations

Non-governmental organizations find geomarketing as an effective tool first of all for promotion of regional sustainable development and natural environment protection (natural resources and biodiversity preservation). By using of geomarketing (which has in this case non-commercial nature), NGOs try to promote selected territories and localities as the whole natural ecosystems, which need saving and protection at national or international levels.

5. Geomarketing as a tool for promotion of sustainable development

The next step is in combining of these approaches and conceptions in order to establish public-private partnership as a form of synergy between firm strategies, government policies and NGO activities aimed at promotion of local and regional sustainable development.

Making regional development research projects in Ukraine, we were convinced of importance of such broad conception of geomarketing for application in public, private, and community sectors in conditions of transforming economy. So, we propose new complex geomarketing conception, which have to be designed by adoption and elaboration of some new ideas and approaches, such as "place marketing", "collaborative spatial decision-making", "endogenous regional development", and "sustainable development".

The proposed complex geomarketing conception is based on integration of three different interpretations of geomarketing: 1) as a traditional marketing tool providing procedures of 'geosegmentation' and 'geopositioning' in market analysis; 2) as a marketing of places (placemarketing); 3) as a marketing of geographic knowledge and technologies. Such a complex approach foresees systematical empirical study of innovations and changes in these domains with the purpose to develop a general theory of geomarketing as a tool for promotion of sustainable development at local and regional levels.

Finally, the practical issue is to explore how geomarketing in such a comprehension may be implemented in business administration and sustainable development policy making on example of some Ukrainian firms, local governments, and communities.

6. Placing geomarketing in context of regional development policy: the case study of Ukraine

Elaboration of new complex geomarketing conception (based on unification of three different conception) allows placing geomarketing in context of regional development policy and arranging synergy and partnership between firm strategies and government policies in promotion of local and regional sustainable development.

Significance of such geomarketing conception for transforming economy of Ukraine is grounded on the following arguments:

1. The young and developing business community in Ukraine have very few information about geomarketing as a special tool in market analysis and business planning. Therefore project may contribute significantly to cultivation of geomarketing awareness among Ukrainian businessmen (first conception of geomarketing). It will help in developing business culture and accelerating transformation processes in economy of Ukraine.

2. It is very important to implement geomarketing (as a placemarketing) in regional development policy in Ukraine. The point is that now Ukrainian local governments have much more power in regional planning and management. But because of lack of financial resources they can't to realize designed plans on socioeconomic development of their territories. In this situation geomarketing may be used as an accelerator of local economic development. It is so called 'bottom-up' approach to regional development and policy, when localities and regions are increasingly being encouraged to help themselves and become entrepreneurial agents of their own growth and development. In this case geomarketing plays a key role providing inventory, assessment and marketing of local endogenous resources and factors of sustainable development.

3. It is very important to disseminate among Ukrainian business community and local governments the ideology of public-private partnership based on geomarketing and collaborative spatial decision-making. Such approach will help to tie business activity and local development at the earliest phase of process and contribute to sustainable development.

Strategically implementation of geomarketing has to be conducted as a sequence of the following stages: a) empirical study of the existing experience and success stories; b)

elaboration of the body of knowledge about geomarketing as a local sustainable development tool; c) arranging of the public-private partnership pilot-project on geomarketing (in collaboration with selected Ukrainian local governments); d) dissemination of the experience among business community, local governments and non-governmental organizations in Ukraine.

I. The empirical study of existing experience and success stories.

At this stage it is necessary to study systematically the existing experience in conducting of geomarketing by firms, local governments and NGOs in developed countries and aimed at the local and regional sustainable development. The empirical study has to be conducted in four main directions:

1. Study the success stories of commercial geomarketing conducted by firms and affected the local and regional sustainable development. Special attention has to be paid to such issues as industrial location [2, 26], retail site selection [1, 18, 23], office location [5, 6, 8], defining and estimating the trading areas [7], tourism geomarketing [14]. Arranging a study of the firms producing and marketing the geographic information technologies (geomarketing as a marketing of geographic knowledge and technologies).

2. Inventory the geomarketing (placemarketing) experience of local governments at regional and local (municipal) levels. Special attention has to be paid to the role of geomarketing in rural community restructuring [12], small town business growth [13], facilities location [19], and historic and heritage tourism [14].

3. Inventory and study the geomarketing experience of the western non-government organizations promoting natural environment protection and regional sustainable development.

4. Study of the geomarketing role in arranging of public-private partnership for promotion of local and regional sustainable development.

II. Elaboration of the body of knowledge about geomarketing as a tool promoting local and regional sustainable development.

At this stage the results of empirical researches have to be systemized and compared with the results of analogues researches made in Ukraine (for example, EU Danube Space Study and TACIS Lower Danube Lakes projects we have being engaged in). Then a general theory of geomarketing as a tool promoting local and regional sustainable development may be designed and discussed with the competent western experts. This theory will be based on unification of three different conceptions of geomarketing: 1) geomarketing as a traditional marketing tool providing procedures of 'geosegmentation' and 'geopositioning' in market analysis; 2) geomarketing as a marketing of places and localities (placemarketing); 3) geomarketing as a marketing of geographic knowledge and technologies. Special attention has to be paid to the development of so called Collaborative Spatial Decision-Making and corresponding geoinformation technologies to include them in geomarketing methodical apparatus [9-10].

III. Arranging of the public-private partnership pilot-project on geomarketing in Ukraine.

In order to test and verify the developed theory, a special pilot-project has to be arranged to establish the public-private partnership on the base of unified conception of geomarketing. It will be aimed at local sustainable development of the selected Ukrainian community. The purpose of such pilot-project is to elaborate the mechanisms of harmonization firms' strategies, government policy and public interests in process of local sustainable development policy making.

IV. Dissemination of the experience among business community, local governments and non-governmental organizations in Ukraine.

This stage foresees dissemination of geomarketing know-how (as a tool for promotion of sustainable development) among academicians, business community, local governments, and public in Ukraine. Special attention has to be paid to the conditions and problems of geomarketing implementation under conditions of economic and administrative reforms are going on in Ukraine.

7. Geomarketing and local sustainable development: the case study of Odessa region

At the Laboratory of Regional Studies and GIS of Odessa I.I.Mechnikov National University we have developed and initiated some pilot-projects on geomarketing at local (municipal) level.

The following sites and localities was selected as the case studies:

Odessa City – administrative center of Odessa region (oblast).

There is the rich architectural-historical environment and cultural heritage exist, which have to be incorporated into municipal economic development plan. Authorities have adopted recently special program on preservation of Odessa City's historic center and use its heritage to attract tourists. Geomarketing is aimed here on harmonization of city's industrial, recreational, and social functions.

Belgorod-Dnestrovsky rayon of Odessa oblast and town of Belgorod-Ddnestrovsky.

It is very interesting in sense of historic heritage site in Odessa region. Remains of ancient Greek town of Tiras as well as medieval Turkish fortress are situated here. Not far from town of Belgorod-Dnestrovsky there are some very popular sea resorts: Sergeevka, Karolino-Bugaz, Zatoka. For these resorts special program on development of tourism and recreation was designed at regional level few years ago. Also this area has great potential for development of ecological or "green" tourism in Lower Dniester wetlands with their unique biodiversity and landscapes. The problem is that local government (Rayon State Administration) tries to develop a kind of complex program on socioeconomic development of the rayon and town, which should incorporate all mentioned priorities and opportunities.

Izmailsky rayon of Odessa oblast and town of Izmail.

Izmail is a medium size town on Lower Danube featuring with its famous historic monuments and sites related to Russian-Turkish war 1787-1891 (storm of Izmail fortress by Russian troops in 1790). Now Izmail (especially its port and ship repairing factory) suffers economically from decline of cargo and passenger navigation on the Lower Danube. Therefore development of cultural and historical tourism in this area may be considered as a key factor of local economic restoration and sustainable development.

Kiliisky rayon of Odessa oblast and village of Vilkoovo.

It is Lower Danube Delta area with the large biodiversity preservation zone that is very attractive for tourists. Special "free economic tourist-recreational zone of Ukrainian Danube wetlands" has to be established here in the near future. Village of Vilkoovo situated on the arm of Lower Danube and is called "Ukrainian Venice" because it was built "on the water" – there are a lot of canals and small Danube River's arms dividing the village on blocks as in Italian Venice. Not far from Vilkoovo there is nice sea resort Primorskoe with beautiful sand beaches. The lack of tourism infrastructure hinders the local economic development here.

Reniisky rayon of Odessa oblast and seaport of Reni.

The seaport of Reni was the largest one on Lower Danube in soviet times. Now it is in "economic shade" because of navigation decline on Ukrainian arm of Lower Danube caused by war in Yugoslavia and (that is more important) putting into operation the navigable canal Chorna Voda – Constantza in Romania. In order to revive local economy, the special economic zone has been established here few years ago. But it doesn't improve the situation. As an alternative scenario, the ecological and cultural tourism would be proposed (e.g. there are many sites suitable for arranging of sport fishing and hunting).

Bolgradsky rayon of Odessa oblast and town of Bolgrad.

This rayon compactly populated by Bulgarians and Gagauzians and is famous for national festivals at various times of year. Local authorities try to develop cultural tourism here and incorporate it into plans of socioeconomic development of the communities.

Town of Ochakov, Nikolaev oblast.

This is well known historic site – first Russian settlement on the Black Sea, which was conquered by Russian troops during Russian-Turkish war 1787-1891. There are very interesting A.V.Suvorov historic museum (Commander-in-Chief of Russian troops during the war) and beautiful climatic resort.

Educational track of this initiative consists of some new course designed for teaching in Odessa National University and Odessa Institute of Public Administration: "Business geography", "Geomarketing", "Geomanagement", "Collaborative spatial decision-making in regional planning". On the base of Laboratory of regional studies and GIS we plan to arrange special training seminar and summer school for local governments (oblast and rayon state administrations) on geomarketing and collaborative spatial decision-making as the tools for promotion of local and regional sustainable development.

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