

# TERRITORIAL MARKETING IN THE BALTIC SEA REGION PORT CITIES

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**Abstract.** *Today in the Baltic Sea region, territorial marketing plays a substantial role both for tourist attraction and local young families, a quality workforce and students' retention to the region, which is not easy due to the wide scope of work and travel opportunities in the European Union Member States. Territorial marketing aims to increase the prestige of a territory by attracting local and foreign subjects to the territory by creating an expressive image, maximal use of the territory's natural, material and technical as well as financial, labour and social resources. The Baltic Sea region countries have a lot in common: historical heritage of Soviet Union influence until 1991, which has left its impact both on their architecture, city planning and on peoples' mentality; joining the European Union in 2004 and since then struggling with common market side effects that force these countries to look for new ways to sustain their regional competitiveness. The current research focuses on exploring the experience of territorial marketing use in four Baltic Sea region port cities: Parnu (Estonia), Ventspils (Latvia), Klaipeda (Lithuania) and Szczecin (Poland). The research aimed to compare the territorial marketing approaches used in the four Baltic Sea region port cities and specifics of brand positioning for the cities. In the research work, desk study and the comparative method were applied to aggregate and interpret secondary data on the four cities' development trends. Analysis and synthesis methods were applied to investigate the elements of territorial marketing.*

**Keywords:** *territorial marketing, regional competitiveness, Baltic Sea region countries.*

**JEL code:** *R12, R58, M31*

## Introduction

Today the Baltic Sea region countries Poland, Latvia, Estonia and Lithuania alongside with other European Union (EU) Member States enjoy common market privileges that have become available for these countries since 2004 when they all became full members of the EU. Alongside with new market opportunities, these countries were also exposed to many negative side effects, e.g. the so called brain-drain of the young generation, which has had most dramatic consequences in Latvia and Lithuania and less dramatic, however still notable in Poland and Estonia. Therefore, the retention of young families, a quality workforce and students' to the four Baltic Sea region countries has become a serious problem, as a wide scope of work and travel opportunities in the European Union Member States are more compelling than put up with a modest lifestyle at home. It is scientifically proved that meaningful territorial marketing activities can increase the prestige of the

territory by attracting local and foreign subjects to the territory by creating an expressive image, maximal use of the territory's natural, material and technical as well as financial, labour and social resources. In the authors' opinion, the four Baltic Sea region countries have a lot in common: historical heritage of Soviet Union influence until 1991, which has left its impact both on their architecture, city planning and on peoples' mentality; joining the European Union in 2004 and since then struggling with common market side effects that force these countries to look for new ways to sustain their regional competitiveness. Thus, *the aim of the research* was to compare the territorial marketing approaches used in the four Baltic Sea region port cities – Parnu (Estonia), Ventspils (Latvia), Klaipeda (Lithuania) and Szczecin (Poland) and specifics of brand positioning for the cities. The authors have chosen to analyse these four cities because their geopolitical development has a lot in common due to 50 years being former port cities of the Soviet bloc countries. The specific *research tasks* were: 1) to characterize the social and economic indicators of Parnu, Ventspils, Klaipeda and Szczecin; 2) to characterize the territorial marketing approaches used for Parnu, Ventspils, Klaipeda and Szczecin cities' brand positioning. The research object was territorial marketing activities in the Baltic Sea region countries and the research subject was brand positioning for the cities of Parnu, Ventspils, Klaipeda and Szczecin.

For the current research, the authors have employed the following methods: theoretical literature studies, analysis and synthesis, the comparative analysis method. A graphical method was used for statistical display of the research data.

## **1. Social and economic indicators of Parnu, Ventspils, Klaipeda and Szczecin**

*Klaipeda* is located in the south-west part of Lithuania and often associates with a dolphinarium, which is one of the main tourism attraction places visited by 0.5 million people annually. The city is also a well-known medical tourism destination that offers a wide scope of medical services both for adults and children from Eastern Europe (Gaidule, 2017). Apart from the dolphinarium, attractive places to visit are also the old city with its narrow streets (Klaipeda Old Town, s.a), the Curonian Spit, which is a unique 98 km long, thin, curved sand-dune spit that separates the Curonian Lagoon from the Baltic Sea coast, on which one part of Klaipeda city is located.

*Parnu* is located in Southern Estonia and positions itself as a modern city that young people most often associate with the annual music festival „Weekend Festival Baltic”, which every year brings together thousands of people. However, Parnu cannot be characterized only as a place of

contemporary music events, as it also has a rich historical heritage of the city, which is popular with its legends, beautiful and untraditional architecture churches (Why to visit..., s.a.). Moreover, Parnu has meaningfully used the advantages of its geographical location and has created beautiful parks that are compelling for visitors who want to enjoy maritime landscapes with peaceful surroundings (Embracing the Estonian..., 2017).

*Ventspils* is located in the western part of Latvia and is famous not only for its successful industrial zone owing to the Freeport of Ventspils, but also for many entertainment and sightseeing places. The city's name literally means a "castle on the Venta", referring to the Livonian Order's castle built alongside the Venta River. In Ventspils, historical buildings harmoniously coexist with modern tourism attraction objects such as fountains and aqua entertainment parks. A unique symbol associated with Ventspils is a cow – there are many cows' monuments in full size, which are found in almost all urban corners, thus surprising guests everywhere. Moreover, the city has its own money – "venti", which is a special Ventspils cash currency, thus residents and tourists can use the advantage of many special venti offers, which proves that city is patriotic and is not afraid to show it by extraordinary approaches.

*Szczecin* is the capital and the largest city of the West Pomeranian Voivodeship in Poland. It is located near the Baltic Sea and the German border. Szczecin's architectural style is due to trends popular in the last half of the 19th century and the first years of the 20th century: Academic Art and Art Nouveau. The city has an abundance of green areas: parks and avenues – wide streets with trees planted in the island separating opposing traffic (where often tram tracks are laid); and roundabouts. Szczecin's city plan resembles that of Paris, mostly because Szczecin was rebuilt in the 1880s according to a design by Georges-Eugène Haussmann, who had redesigned Paris under Napoléon III (The History and Culture..., s.a.).

The main social and economic indicators of the four cities are aggregated in Table 1. According to the information in Table 1, as a major seaport and Poland's seventh-largest city, Szczecin is the biggest one also among the four Baltic Sea region cities and it has the largest population. However, Klaipeda is the leader in population density, which is higher than in Szczecin and significantly exceeds that in Ventspils and Parnu. This fact gives evidence of the distinctive city cult that has resulted from mono-centric development, thus today the major part of the population lives in the capital cities, while in other cities the population is significantly smaller. In Lithuania, regional development has always been polycentric and, despite the fact that Klaipeda is only the third largest city in Lithuania, the population there is almost four times larger than in the rest of the cities.

Table 1 The comparison of social and economic indicators of Klaipeda, Parnu, Ventspils and Szczecin  
(Source: Gaidule, 2017; Klaipeda city municipality (s.a.); Welcome to Parnu (s.a.); Par Ventspili (s.a.); 2017; Statistical Office in Szczecin (s.a.))

<b>Indicator</b>	<b>Klaipeda</b>	<b>Parnu</b>	<b>Ventspils</b>	<b>Szczecin</b>
<i>City area, km<sup>2</sup></i>	98.35	32.20	58.00	300.5
<i>Population (2017)</i>	151227	40705	39286	405413
<i>Population density/1 km<sup>2</sup></i>	1537	1264	677	1349
<i>Higher education institutions</i>	Klaipeda University, LLC International University, 7 colleges	Parnu College of the University of Tartu and several colleges	Ventspils University College and four regional affiliates of higher education institutions	In total: 14 – the most important are: University of Szczecin West Pomeranian University of Technology Maritime University Medical University
<i>Medicine centres</i>	9	2	2	12
<i>Unemployment, % (2016)</i>	6.4	6.0	6.7	6.8

The population of Parnu and Ventspils is approximately the same (around 40 thousand); however Ventspils' territory is almost twice as large as the territory of Parnu. This leads to a conclusion that the inhabitants of Ventspils can enjoy more free space, which generally creates a pleasant atmosphere. However, this fact means that Parnu can be characterized as a more developed urban environment with tall buildings, which means that urban residents are more mobile and are closer to each other (Gaidule, 2017). All the four cities provide college and university level studies, which is an important prerequisite for retaining young people here. The widest range of study opportunities are offered by Szczecin higher education institutions. The comparison of availability of medical services, which is expressed by the number of medicine centres per capita, leads to a conclusion that the best health care situation is in Klaipeda, while the smallest number of medical centres per capita is in Szczecin. As regards unemployment in the four cities, the authors conclude that in the four Baltic Sea region cities the unemployment rates, which range from 6.0 to 6.8%, are lower than the average unemployment in the EU, which was 8.1% in January 2017 (Unemployment statistics..., 2017). The finding that these cities have a lower unemployment rate than the EU and the Baltic States as a whole can be attributed to the fact that alongside with tourism attraction opportunities these all are port cities with a large proportion of jobs provided by the cargo

shipping related companies. All the four cities support industrial production, have adapted infrastructure and provide strategic resources and extensive intellectual capital, education and science potential.

After an evaluation of the social and economic indicators in Table 1, the authors conclude that all the four cities have potential to attract the main target audiences to the cities: businesses, citizens and tourists. All these cities provide the necessary infrastructure, education, health care and job opportunities, which are the main basic conditions necessary for the local people, so that they feel satisfied with their home and they avoid the need to go to study, work or live in another place.

## **2. Territorial marketing approaches used to promote Parnu, Ventspils, Klaipeda and Szczecin**

Each city creates its uniqueness through its brand image, which creates certain associations looking at these elements before we get to know the city itself. According to Kotler et al. (1999), regions and cities are characterized by their necessity to present a positive image, and for this reason they should adopt promotional programmes and actions.













Therefore, regions and cities have been, especially during the last twenty years, characterised by a plurality of efforts to define their vision, to construct their identity and to shape their images, in order to become more attractive to various 'customer' groups – new residents, businesses, and visitors. They are striving towards the creation of the most competitive and attractive image in order to attract potential target markets and so enhance their economic development (Territorial marketing..., 2013).

Generally, a brand is a lot more than just the product represents – the best brands build an emotional connection with the consumer. Strong brands don't just meet rational needs; they create an emotional reaction (Solomon et al., 2008). Accordingly, there can be different types of relationships a person might have with the product brand: self-concept attachment (the product helps to establish the user's identity); nostalgic attachment (the product serves as a link with the past self); interdependence (the product is a part of the user's daily routine); love (the product elicits emotional bonds of warmth, passion, or other strong emotions) (Fournier, 1998). An important dimension of a successful brand image is its positioning strategy. Positioning means developing a marketing strategy aimed at influencing how a particular market segment perceives a good or service in comparison to the competing brands.

To find out how Klaipeda, Parnu and Ventspils position their city brands, the authors have analysed secondary information data, which are aggregated in Table 2.

Table 2 The comparison of territorial marketing elements of Klaipeda, Parnu, Ventspils and Szczecin

(Source: Gaidule, 2017; Klaipeda city municipality (s.a.); Welcome to Parnu (s.a.); Par Ventspili (s.a.); 2017; Online Encyclopaedia of Szczecin (s.a.))

Territorial marketing elements	Klaipeda	Parnu	Ventspils	Szczecin
Logo of the city				
Coat of arms				
Flag of the city				
Motto of the city	Laisvu stiliumi (Free style)	Pärnu – Eesti Vabariigi sünnilinn! (Estonian native town) and Pärnu- just see	Ventspils - pilsēta rītdienai (Ventspils – a city with a promising future)	There is no formal motto, however local population uses “Szczecin – a floating garden”

According to Gaidule (2017), Klaipeda has managed to create the least conservative brand, as evidenced by the slogan “laisva stiliumi”, which can be translated as a “free style”. This fact points at the city’s ability to change, adapt and evolve. The same logo is composed not only of a slogan, but also its graphical part: a stylized ship, a symbol of moving forward, the anchor (stability) and smiling faces that squint their one eye, inviting them to join (Klaipedos miesto prekes, 2005). Overall, the logo creates a dynamic and moving impression. However, Klaipeda’s coat of arms and flag are more conservative and historically formed symbols. The flag depicts the coat of arms of the city fortress and guard towers. Both use the combination of two colours: red and yellow, thus creating a strong contrast and a bright and lively impression.

The first impression of Parnu territorial marketing elements associates with a common unifying blue colour that forms the backdrop of both the flag

and the emblem and logo. Parnu's coat of arms at first sight may seem quite unusual and hard to be explained, it contains a hand of God from heaven with a cross and the city's key. The ancient articles explain that the cross symbolizes the medieval church relics of the oldest cities of the church, while the key is a symbol of the city laws. There is a white cross on the flag, which symbolizes faith. The official logo has been intentionally created in the same colours, so that everything is coordinated, creating associations with the clean air and the sea. Thus, simplicity is emphasized everywhere, so that any person can easily write it down by hand (Symbols of Parnu, s.a.). The city has two slogans, one for Estonian local population, manifesting that Parnu is Estonia's native city with very ancient historical roots, but the second slogan in English "Parnu - just see" invites tourists to look at the beautiful city, convincing them that it is better once to see than many times to hear (Pärnu linn tunnuslause, 2016).

Ventspils logo comprises three philosophical aspects: historical (the castle), eternal (the sea), and dynamic (the brush-written name of the city). The unique handwriting directly illustrates the peculiar character of Ventspils. The design of the logo is free, friendly, open and dynamic. The colour combination depicts the sun and the city by the sea. All this makes the logo attractive and easily recognizable. The graphic mark of the city does not outshine the coat of arms for they complement each other. The former serves for city marketing and commercial purposes while the latter is used in formal occasions and has rather heraldic significance. The design of the logo allows using it along with the coat of arms (Ventspils simbolika, s.a.). The motto of the city is inspiring and associates with optimism about the future. In its marketing communication, Ventspils specially targets the young generation, emphasizing its good education opportunities and jobs available there.

"Szczecin – a floating garden" – logo created in 2008, reflects the vision of Szczecin's development by 2050. Szczecin is to be seen as "the floating garden, the green Venice of the north, the largest and most modern marina in the Baltic". Green and blue colours reflect the forests and water of the city. As the name is difficult to pronounce, the English transcript of the name is also included here (Hernik, 2013).

The modern coat of arms of Szczecin is: on a dark blue background (shield) red head of a griffin with a yellow (golden) crown and a yellow (golden) beak. By the middle of the thirteenth century, the coat of arms of the city was the prince sitting on a throne; from 1361 on the seals of the city administration you can see the head of a griffin in the crown; initially the griffin was on a white background, this was changed by the Swedes introducing the dark blue background (in 1660; from 1630 the town was occupied by the Swedes). In 1720 the city was attached to Prussia and in 1808 a new seal and coat of arms were introduced, in which the upper part

was covered with a Prussian eagle with spread wings. The crown head of the griffin returned to the coat of arms of Szczecin after 1915, and since then it is the most important and permanent element of the Szczecin coat of arms and the stamp of the city. The city flag reflects the colours of the coat of arms: dark blue and red (Online Encyclopaedia of Szczecin, s.a.).

### **Conclusions and suggestions**

After an analysis of territorial marketing elements, the authors conclude that Klaipeda, Parnu, Ventspils and Szczecin all have created their unique and original city brand images. There were no such elements of a city brand image that would overlap with the neighbouring countries' brand images. In terms of colours, Klaipeda and Parnu territorial marketing elements are more consistent – in the case of Klaipeda, red and yellow colours immediately have strong associations with the flag of Lithuania, which contains these colours, too. Parnu territorial marketing elements are also coherent, each of them keeping up with the blue colour, which complies with the overall philosophy of Parnu – a maritime climate, relaxation, a peaceful environment. The territorial marketing elements of Ventspils and Szczecin are not so coherent. In both cities, at first sight, the cities' logo images and colours do not fully comply with their coats of arms, flags and mottos. In the case of Ventspils, the motto is aimed at future and thus the logo elements could have been more dynamic and suggesting futuristic graphics, however, currently the conservative castle and eternal sea look rather static and the upward title "Ventspils" could have contained more energy and dynamics. In the case of Szczecin, the coat of arms and the flag of the city look fundamental, conservative and at the same time very coherent and expressive, however the logo of the city is in completely different colour combination, which rather associates with a modern art design and naturalness, which could better suit to Parnu city's philosophy, thus there is rather vague linkage with the philosophy of "Szczecin – a floating garden". Currently, the brands of the cities of Klaipeda, Parnu and Ventspils more focus on the enhancement of a "self-concept attachment" relationship with the target audience, while Szczecin elicits a strong emotional bond owing to rich colours alongside with a nostalgic feeling of a "floating garden". So, the floating gardens allow the city to be assessed as an area offering water attractions and green, flowering parks.

Further research directions should be focused on exploring opportunities how Latvian, Estonian, Lithuanian and Polish port cities could position themselves as a joint destination, since the success of a relatively smaller and, compared with other European regions, less attractive Baltic Sea region lies in the synergy of its countries' tourism potential and thus



provides a sustainable win-win solution in the conditions of global tourism competition.

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