

# City Marketing in Local Governance in Nepalese Perspectives: A Comparative Study between Chagunarayan and Suryabinayak Municipality

*Rajeshwor Neupane*

Associate Professor, Nepal Commerce Campus

## **Abstract**

*This Paper discusses city marketing in local governance in Nepalese perspectives and gives an overview of the city marketing technique and how it is used in various marketing research designed and applications. A basic outline of how the technique works and its criteria, including its main assumptions are discussed as well as when it should be used in various geographical locations. City marketing is promoted to enlighten readers on how place marketing strategies works, an example of how to run city marketing on municipalities is provided. This will allow readers to develop a better understanding of when to employ city marketing and how to interpret the role of city marketing in the output. By keeping a view of this reality, this study tries to identify the difference between city marketing in local governance on the basis of gender and household size of Changunarayan and Suryabinayak municipalities.*

**Keywords:** *Place marketing, local governance, socio-economic development*

## **Introduction**

Governance as a composite function of the state, private sector and civil society. Governance includes the state, but transcends it by taking in the private sector and society. All three are critical for sustaining human development. The state creates a conducive political and legal environment. The private sector generates jobs and income. And civil society facilitates political and social interactions (Mehata, 1998).

Local Government is a confluence of two philosophical 'self-government' and 'good' government. Self-government is both a psychological and pragmatic necessity. Preference for self-government by a group of people living together flows from human nature. By nature man is self-centered. One does not like somebody to decide. Self-government thus embodies man's individuality in group activities, reflecting liberty. Further, motivation can be of maximum order if a person who is likely to be affected is him involved in decision-making. For, between fear and interest – which are the two levers of moving people--interest is more productive and more satisfying (Muttalib & Khan, 1982).

Marketing is the process of planning and executing the conception, price, promotion and distribution of ideas, goods and services to create exchanges that satisfy individual and organizational objectives (Koirala, 2014). City marketing is about designing and planning a place or area to satisfy the needs of its target markets (Rauhat Companients & Rouhat D, 2013). City marketing refers to a geographically

limited area; a reason or state; a cultural, historical or ethically - bounded locations, a central city and its surrounding, a market with various definable, attributes, an industries, home base and a clustering of like-industries and their supplier, or a psychological attributes of relations between people (Kotler et. al , 2010). This process is known under several different names such as place marketing (Kozma, 2006), City marketing (Deffener & Liouris, 2005). Urban marketing (Kavaratzis, 2008), rural marketing (Velayudhan, 2007), geographical marketing (Meester & Pellenbarg, 2001 ), village marketing (Kozma, 2006), territorial marketing (Dinis, 2004) and location marketing (Makombe & Kachwamba, 2011).

Several different models have been designed to describe city marketing activities the '10-C' model constitutes the key components in the marketing spiral (Consumer orientation, communication, consensus, coordination, co-operation, creativity, conception. campaign, continuity and control) can be used in marketing activities (Kozma, 2006). The traditional marketing model '5P' (product price, place, promotion, people) has also been advocated for place city marketing (Kotler, et.al. 1999). These models, however, constitutes strategies or plans for city marketing activities and they are important for urban governance audience and the agent informing the target audience about the unique selling point before the above mentioned models can be applied. Before applying these models, there is a necessity to explore the components of city marketing and its components in detail in order to understand for local governance planning and management.

Every city has to retain its customers' attentions in order to present itself in the best possible way and to identify its unique selling points (USP). The unique selling points will differentiate the place from competitors. Each place or area must formulate of combination of offering and benefits that can meet the expectations of a broad range of investors' new businesses and visitors (Kotler et.all, 1999). The procedure of city marketing consists of determining the needs of target groups and delivering the desired satisfaction more effectively and efficiently than competitors (Koirala, 2014). The success of place marketing depends on considering two parameters – (a) the residents satisfaction from purchase of goods and services that the place provides (b) the satisfaction of the potential target market (Kotler, 2002). Thus, several suggestion in terms of classification of target groups have been made (Kotler et. all, 1999) suggest four target groups (visitors, residence, employees, business and industry and export markets), While Kozma, (2006) suggest three groups such as (economic participants, tourist and inhabitants). These two set of classification have some components in common.

Urban areas generally have a comprehensive mix of differentiate functions rendering them unique, (Parr, 2007). A city area have a relatively high population density with strong marketing activity and hence dynamic labour market. These features imply the existence of a good transport services and easy accessibility to different welfare services. The services include, number of available hotels beds, restaurants, school, and other public utilities services are developed. Metaxes (2010b) emphasized that the foundation for a city strategy to win its competitive advantages aims to promote and support the particular features in a strategic manner in order to better set out a competitive city image. The identification of several target audiences and if they are pleased with this specific place and when their expectations are met the

same target audiences can appear as agents to spread the positive message of the city.

It is obvious that city marketing can stimulate local development and produce its growth dynamics. Nepal has reformed 753 local governance units to execute their routine administrative as well as multi-sectoral socio-economic activities the major challenges of the local governance is to build and maintain its local resources. Depending on promotional activities alone is not sufficient to make its marketing successful. City marketing is considered as a tool to attract in target audiences in unique selling points. This study suggest a theoretical exposition referring to Suryabinayak Municipality and Changunarayan Municipality in Bhaktapur district where the big issue is to find out the answers of the following questions. As what is the potentials for a separately design city marketing strategy, Why city marketing strategy differ from one area to another and Why will it not be successful strategy of of place when marketing another place?

### Objective of the Study

The main objective of the study is to identify the difference between city marketing in local governance on the basis of gender and household size of Changunarayan and Suryabinayak municipalities.

### Methods and Materials

The present study is descriptive as well as analytical in nature which is based on the published source of secondary data obtained from national population and housing census 2011. This data is based on household and population by gender wise ward level and is also based on new structure of 753 local units of Nepal. Inferential statistics such as chi-square test for independent of attributes is used to test where there in an association between gender and household of attributes in Changunarayan and Suryabinayak municipalities.

The chi-square test is given by

$$\chi^2 = \sum \frac{(O - E)^2}{E} \quad (1)$$

Where O= Observed frequency and E= Expected frequency

Similarly, t-test has been used to test the significant difference between average house hold between Changunarayan and Suryabinayak municipalities.

The t-test of significance for difference between two means is given by

$$t\text{-test} = \frac{\bar{x}_1 - \bar{x}_2}{\sqrt{S^2 \left( \frac{1}{n_1} + \frac{1}{n_2} \right)}} \quad (2)$$

Where,  $\bar{x}_1$  = Average household for Changunarayan municipality and  $\bar{x}_2$  = Average household for Suryabinak municipality and  $S^2$  = Sample variance.

$$S^2 = \frac{1}{n_1 + n_2 - 2} \left[ \sum x_1^2 - \frac{\sum (x_1)^2}{n_1} + \sum x_2^2 - \frac{\sum (x_2)^2}{n_2} \right] \quad (3)$$

**Results and Discussions**

Gender wise population of Chagunarayan and Suryabinayak municipality

Null hypothesis ( $H_0$ ): There are independent of gender wise population distribution in Changunarayan municipality and Suryabinak municipality.

Alternative hypothesis ( $H_1$ ): There are dependent of gender wise population distribution in Changunarayan municipality and Suryabinak municipality.

*Table 1: Gender wise population of Chagunarayan and Suryabinayak municipality of Bhaktapur*

City	Gender		Total
	Male	Female	
Changunarayan	26,992	28,438	55,430
Suryabinayak	38,889	39,591	74,490

**Source: National population and housing census 2011, Household and population by sex ward level based on new structure of 753 local units**

*Table 2: Result of chi-square test for gender wise population of two municipalities of Bhaktapur*

Degree of freedom	$(r-1)(c-1) = (2-1)(2-1) = 1 \times 1 = 1$
Level of significant	$\alpha = 0.05$
Calculated value	$x^2_{cal} = 9.69276$
Tabulated value	$x^2_{tab} = 3.841$
Decision	$H_1$ is accepted

Table 2 shows that calculated value of  $x^2$  is greater than the tabulated value of  $x^2$ . It is significant so  $H_0$  is rejected and  $H_1$  is accepted which means that there is association between two attributes i.e. There are dependent of gender wise population distribution in Changunarayan municipality and Suryabinak municipality.

**Ward wise household in Chagunarayan and Suryabinayak municipality**

Null Hypothesis ( $H_0$ ):  $\mu_1 = \mu_2$  i.e. There is no significant difference of average household size between Chagunarayan and Suryabinayak municipality.

Alternative Hypothesis ( $H_1$ ):  $\mu_1 \neq \mu_2$ , There is significant difference of average household size between Chagunarayan and Suryabinayak municipality.

*Table 3:Ward wise household in two municipalities of Bhaktapur District*

Ward	Municipality	
	Changunarayan	Suryabinayak
1	1393	1482
2	1019	2407
3	1631	1592
4	1347	2239
5	1817	2441
6	973	2251
7	1137	1257

Ward	Municipality	
	Changunarayan	Suryabinayak
8	1562	2278
9	1264	1225
10		1274
Total	12170	18446

**Source: National population and housing census 2011, Household and population by sex ward level based on new structure of 753 local units.**

*Table 4: Result of t-test for average household of two municipalities of Bhaktapur*

Degree of freedom	$n_1 + n_2 - 7 = 9 + 10 - 2 = 17$
Level of significant	$\alpha = 0.05$
Calculated value	$t_{cal} = 2.52$
Tabulated value	$t_{tab} = 2.111$ (two tail test)
Decision	$H_0$ is rejected

Table 4 shows that the calculated value of t is greater than the tabulated value t. So the difference of two mean is significantly differed.  $H_0$  is rejected and it  $H_1$  is accepted i.e. There is significant difference of average household size between Chagunarayan and Suryabinayak municipality.

## Conclusions

Place marketing are promoted to enlighten readers on how place marketing strategies works an example of how to run a place marketing on highly densely populated city and a low inhabitant area is provided. This study shows that there are dependent of gender wise population distribution in Changunarayan municipality and Suryabinak municipality on the basis of chi-square test. Similarly, there is significant difference of average household size between Chagunarayan and Suryabinayak municipality on the basis of t-test. This study concludes that the marketing strategy of one geographical location is not applicable for another location. The analysis also shows that marketing plan must be made for each area by promoting its unique features copy pasted plan and methodology is not sufficient for socio-economic development of local governance.

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