Chapter VII
City Boosterism through Internet Marketing: An Institutional Perspective

María Isabel Huerta-Carvajal
Universidad de las Americas-Puebla, Mexico

Luis Felipe Luna-Reyes
Universidad de las Americas-Puebla, Mexico

ABSTRACT

Local governments around the world are becoming aware of the importance of identifying and marketing their local assets to promote economic competitiveness. Information and Communication Technologies (ICT) have proven useful in supporting marketing activities in the private sector, but there is still little exploration on their use in the public sector. However, ICT effectiveness is constrained by institutional arrangements and the coordination of the marketing efforts with other government processes such as urban planning and strategy development. The purpose of this chapter is to discuss the strategic scaffolding for ICT as a key component of a city’s marketing strategy using as an example the city of Puebla in Mexico. Although city marketing efforts and ICT use are still at its initial stages in the city, lessons from current efforts in Puebla are related to the key role of stakeholder networks, ICT interoperability, Geographic Information Systems, and government program continuity.

INTRODUCTION

One of the main objectives of governments around the world is to promote sustainable social and economic development. However, current politico-administrative regimes work on a model in which government provides security, basic infrastructures and services, but economic development relies on private investments that are regulated to different extents. In this way, govern
City Boosterism through Internet Marketing

ments compete to attract investment by providing robust physical infrastructures, promoting the formation of a critical mass of highly qualified human resources, reducing taxes, creating efficient procedures to encourage business and lower investment barriers.

Globalization has intensified the competition for investments among countries and regions (Erickson & Roberts, 1997; Doel & Hubbard, 2002), and similarly to other global phenomena, local manifestations are becoming increasingly important (Frederickson, 2004). Moreover, local governments are playing a key role in global sustainability (Keen & Mahanty, 2006).

In this way, municipal, city and town governments are becoming aware of the importance of identifying and marketing their local assets. However, local government activities, policies and results are both enabled and constrained by institutions, organizations and contextual factors at the local, state and national levels (Lowndes, 2005).

However, Information and Communication Technologies (ICT) not only provide alternative channels to market products and services in the private sector, but also are key enablers of some forms of marketing (Gillenson, Sherrell & Chen, 1999; Mohammed, Fisher, Jaworski & Cahill, 2002; Roberts, 2003). Furthermore, the Internet as a manifestation of ICT is changing traditional marketing paradigms to become a way to aggregate communities that can be engaged in conversations for branding or marketing goods and services (D. M. Scott, 2007; L. Weber, 2007; S. Weber, 2007). However, there is still little exploration of the ways that ICT can support local and city marketing.

The purpose of this chapter is to discuss the strategic scaffolding for ICT as a key component of a city’s marketing strategy. Although the interactive and networked characteristics of modern ICT make them an important medium to connect different stakeholders in the marketing process, the main source of value resides in the strategic use of ICT and not in ICT itself. Moreover, both ICT use and marketing activities are shaped by existing and emerging interorganizational networks (enterprises, service personnel, government officials, city planners, consumers, citizens), government structures and institutions (Fountain, 2001; Gil-Garcia, 2005; Hassan & Gil-Garcia, 2007; Luna-Reyes, Gil-Garcia & Cruz, 2007; Luna-Reyes, Gil-Garcia & Estrada-Marroquin, 2008). In this way, the chapter will analyze key factors in city marketing in addition to their interactions with other city management processes, strategic management, and government institutional arrangements.

We will use as an example the city of Puebla, Mexico. City marketing efforts and ICT use is still incipient there, mainly because of institutional constraints and limited commitment among key stakeholders. However, we believe that some developments in city planning and marketing could constitute the basis for a marketing strategy that takes advantage of current ICT.

The rest of the chapter is organized as follows. The second section describes the concepts of strategy, city marketing, ICT for public management and institutions. The third section presents the case of the Mexican city of Puebla to illustrate the city’s current strategy and marketing efforts, its use of ICT, the institutional, contextual and organizational factors involved in the planning process, and the lessons learned. The fourth section explores some future trends in the use of ICT in city marketing, and the chapter ends with a conclusion.

BACKGROUND

City marketing is, like many other government activities, a problem that requires collaboration between private and non-profit organizations. The department of urban development needs to create and coordinate the city’s infrastructure, to make the city attractive; the department of finance needs