

# The Local Labour Market as a Focus of Place Marketing

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**Abstract:** Analysing the use of place marketing, in which the labour market is treated as a territorial sub-product, both in the scientific literature and in local government activities, a significant deficiency is to be found. Scientific studies, concentrating on place marketing, point out that its area of interest includes workplaces, but there is little development of this issue. The question arises whether local labour markets should be treated as a territorial product? In the opinion of the authors, in view of the manpower shortage and changes in demographic processes, this area should be one of the centres of attention of local governments in their development processes, because destabilisation of local labour markets threatens their proper development. The aim of this paper is to provide guidelines concerning place marketing in local governments, the product of which is the local labour market. The value of the study and the recommendations derived from it is based on providing a new perspective on the process of place marketing, taking into account an important element for the functioning of local governments' resources, which is the labour market. The research results emphasize the importance of taking a comprehensive approach to place marketing, especially when it comes to the labor market. Instead of treating the labor market as a minor part, local governments should recognize its significance in a holistic manner. The study also highlights the need to learn from marketing practices in economic sectors and how they can enhance local government development. However, it's worth noting that political divisions can hinder marketing efforts, so involving various stakeholders and considering potential drawbacks is essential. Local governments should be involved in creating conditions for the development of their labour markets, and place marketing can be an appropriate tool for this purpose. Designing marketing activities should help to adjust the territorial offer to the needs of potential target groups of customers. Marketing activities towards territorial products are included in the marketing management of local governments, understood as a process of managing a settlement unit with the use of marketing concepts. The implementation of the place marketing concept in management practice is a response to the dynamics of change in the areas where local governments are forced to compete.

**Keywords:** Place marketing, Labour market, Government, City management

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## 1. Literature Background

In the strategic dimension, with regard to competitiveness processes, local governments will be increasingly forced to implement marketing by transferring techniques, tools and methodology known from the economic market to their own actions. By tailoring them to their specifics, for the purpose of growth, local governments emphasise their uniqueness. In the case of the local labour market as a territorial sub-product, its role is to support its attractiveness by other qualities of the place where it is present: natural qualities, infrastructure, level of education, etc. Another reinforcement is the positive participation of stakeholders-residents of the area in integration processes. Their positive energy, mental disposition but also properly used expertise (Eletxigeraa et al., 2018).

Operating in a globalisation condition requires the ability to respond to new challenges. One of them is to perceive the local labour market as a product for which buyers are sought. The new dimension of the market presence of local governments in the conditions of globalisation carries the necessity to bring the provider as close as possible to the customers. The best possible identification of the social, cultural, political and economic relationships existing in the area. In this context, skillful marketing communication is of particular importance. Implementing the latest communication technologies makes marketing activities much easier. Place branding suggests that places, cities, regions or countries could be considered as brands, as long as perceived so

(Sadhasivam, Begum, 2018). Modern ICT tools implemented in the marketing process not only make it possible to collect data, analyse changes, identify competition and trends but also allow for unlimited territorial real-time distribution of the content. The ability to systematically analyse data is especially important in the context of increasingly limiting resources and rising costs of acquiring them. Fast data collection makes marketing communications flexible, and enables changes in strategy execution (pkn.pl, 2020). It also allows local government residents to participate in the planning and execution of marketing activities.

It is crucial for local government managers to understand that "the global economy is becoming a symbolic spatial economy, with territories that compete aggressively through various channels across space and time

and space and time compression (the apparent destruction of space by time as a result of a wide range of media and communication technologies) as speed reconfigures many of the assumed relationships between social space and physical distribution" (pkn.pl, 2020). Public policies, implemented in the management processes in local and regional areas must consistently and in a modern way contribute to the strengthening and development of local governments, the professionalisation of their management, innovative actions making the use of the value of their territorial identity and attractiveness.

If we want to provide a knowledge base for future research. A lot of authors agree that this field of research has not yet reached a very advanced stage. It lacks generally accepted definitions, agreed-upon classifications, and a general research plan with an overview of the existing research and issues to be clarified (with research models, variables). The literature on place marketing and branding:

- suffers from a lack of conceptual clarity, diverging definitions and a weak theoretical foundation, which means it addresses a very broad range of research topics;
- makes few references to classic marketing literature, which, for its part, provides clear definitions of marketing and branding;
- lacks empirical evidence and explanatory articles, meaning that the numerous hypotheses concerning its effects on attractiveness remain unsubstantiated;
- is disconnected from the political and institutional aspects of locations, although this context is important when it comes to public management;
- offers pride of place to the rhetoric of consultants by including many prescriptive publications that aim to share best practices (Vuignier, 2017).

A place brand is a sum of the networks of association in the consumer's mind developed from the visual, verbal and behavioral expression of a place (Balakrishnan, 2015). The current perception of the purpose of place marketing aimed at promoting a given area as a place for investments and tourist services is subject to change not only in the case of the increasing awareness that the abandonment of marketing activities reduces the chances for development, but it also stimulates thinking about the need to seek the advantages of own resources, which, as a new product in the marketing concept, can be of interest to buyers. *The most promising approach to place marketing is the relational one that can help build an extensive network of marketing communications* (Komarov, 2020). The labour market as a product, increasingly requires not only formal promotion, but even intervention in view of the threat of its destabilisation. Even more so when the effects of demographic changes, overlooked by the political authorities, can threaten the sustainable development of a local government. Place branding is a promotional strategy that includes all activities that increase the attractiveness of an area as a place for working, living, and spending free time (Messely et. al, 2015).

According to Nadica Jovanovska Boshkovska and Klime Poposki (2018), the requirement of our times is the necessity to create a proactive approach to public policies. This should result in building a strategic perspective, a proactive approach to public policies. The ability to predict the future of an area, the growth of professional management capacity to cope with structural and cyclical changes. Consistent building of strategic management of the relational dimension of an area, systematic actions towards effective relationships with different territorial levels. Making the most of an area's resources. Making use of creativity and innovation of the stakeholders. Making use of the value of the environment and building relationships with partners. An open approach to working with the private sector, building territorial competitive advantage with them. The brand of the place and its effectiveness stems from the identity of the place and is linked to the rooted core values of the place (Ali, Khafaji, 2022).

An important aspect of place marketing is searching for uniqueness and raising cultural values, which are an important element of the integration with employees from abroad. Pointing out the values of the region by affirming cultural richness. Emphasising developmental success, economic and social stability. "Otherwise, any such failure will undermine the ability of public policy to respond to the specific features that lead to an areas 'exit and oblivion' from global movements" (pkn.pl, 2020).

## **2. Research**

In this chapter we present one part of the research results. The research was conducted in three stages. In the first stage the analysis of Polish and foreign literature was conducted, as well as the analysis of secondary

sources: national and European Union documents, reports and analyses concerning the labour market, activities of District Employment Offices, institutions providing services on the labour market in local governments. Afterwards, the second stage of the research was implemented, the aim of which was to diagnose whether the studied local governments have developed place marketing strategies, in which the product is the local labour market. The websites of District Employment Offices were mainly analysed in detail, which are the main instrument for organising the labour market and communication processes in terms of communication activities of local governments. At the same time, the development strategies of individual local governments were analysed. We wanted to answer the question in what form the surveyed local governments conduct marketing activities in terms of the labour market. Do they result from the strategies developed? This stage ended with a positive verification of the hypothesis.

The third stage of the research process served to develop indications that can be taken into account in the development of place marketing strategies of local governments taking into account their labour market, and at the same time to identify the main factors affecting the lack of strategic actions. This stage of the research process applied the method of unstructured IDIs with experts speaking on the need for marketing activities, their characteristics and the indications for this process. The quantitative key for the selection of experts was adopted in relation to the size of local governments and the number of inhabitants of the members of the GMG, and as follows: for cities over 100,000 population – 9 experts; for cities with 50,000-100,000 population – 5 experts; for the remaining metropolitan cities – 11 experts. As part of the study, 25 individual in-depth interviews were conducted. The experts were selected from a group of academics, economic and social organisations living in the communes of Silesian Metropolis. The interviews provided comprehensive research material, allowing the examined issue to be described from various perspectives.

In this stage of the research, the experts were asked what might be the reasons for the lack of marketing strategies focusing on the labour market in local governments and whether local governments should have a place marketing strategy focusing on the local labour market? The experts' answers are presented in tables 1 and 2.

**Table 1: Main mistakes in the marketing process in the area of self-government in the opinion of experts**

Compliance in the indication of the factor in the expert group	Description of miscommunication
21	Lack of understanding of the importance of marketing that should support management processes in local governments, which is a common practice.
16	Management of local governments is mainly based on the administration of their resources and the legislator has not introduced the term "marketing" into the field of activity of institutions operating on the labour market.
18	Local governments hardly work with other local governments, including foreign governments, to strategically evolve resource management.
23	Interest in the local labour market is characterised by thinking that it is exclusively entrepreneurs' problem.
17	Local governments do not have development strategies that would be firmly rooted in the reality of their operation.
22	Local governments do not hire marketing professionals.
23	Marketing strategies in local governments are identified as promotion strategies or promotional activities without being embedded in strategic thinking.

*Note.* Own IDI research

The main errors identified by experts encompass local government marketing. Firstly, 21 experts highlight a common oversight: marketing's core role is often ignored, hindering local governments from benefiting from strategic marketing's potential for perception enhancement, engagement, and resource allocation. Secondly, 16 experts underscore that local government management predominantly focuses on administration and resource allocation, disregarding marketing integration. This limits effective communication and positive community relationships. Collaboration gaps, emphasized by 18 experts, hinder resource management evolution. Failing to pool resources, ideas, and practices impedes innovative solutions and community growth.

Ignoring local governments' role in the labor market, highlighted by 23 experts, curbs economic development potential. Lack of well-grounded strategies (17 experts) leads to misaligned efforts and ineffective resource

allocation. Surprisingly, 22 experts note local governments' failure to hire marketing professionals. This limits effective campaigns, public relations, and community communication. Moreover, 23 experts point out the misconception of equating marketing strategies to mere promotion. This undermines marketing's potential for transformative change. In conclusion, 25 experts identify key mistakes in local government marketing. Addressing the lack of marketing recognition, collaboration gaps, misconceptions, and hiring oversight is vital for fostering community-oriented governance and effective resource management.

The respondents were asked how they perceived the need for local governments to take action consisting in developing a marketing strategy for their labour market. The responses are presented in Table 2.

**Table 2: Need for developed strategy**

Number of experts participating in the study	Local governments should have a developed strategy	Local governments do not need to have a developed strategy and their marketing activities should meet the current needs
25	18	7

Note. Own IDI research

When asked about the necessity of local governments developing a marketing strategy for their labor market, the insights from the same 25 experts were divided into two main perspectives. A majority of 18 experts strongly advocated for the implementation of a well-structured marketing strategy by local governments. They emphasized that having a developed strategy is imperative for effective resource management, community engagement, and long-term growth. These experts recognized that a comprehensive marketing strategy can align the goals of local governments with the needs and aspirations of their communities, fostering economic development and job creation.

On the other hand, 7 experts held the view that local governments do not necessarily need a fully developed marketing strategy. They argued that marketing activities should be flexible and adaptable to meet the ever-evolving current needs of the labor market and the community. This perspective suggests that an overly rigid strategy might hinder the ability to respond to dynamic changes and shifts in the local economic landscape.

In summary, the opinions of the 25 experts were divided between those who emphasized the significance of a developed marketing strategy for local governments, citing its potential to drive effective governance and community progress, and those who favored a more flexible approach, highlighting the importance of staying agile to address immediate needs. These contrasting perspectives highlight the nuanced nature of marketing strategy development in the context of local government, suggesting that a balanced approach might be the most effective way forward.

As a consequence, experts were asked about the validity and the main determinants of a strategy in which the local labour market is offered. The results are presented in Table 3.

**Table 3: Key factors of a marketing strategy**

Compliance in the indication of the factor in the expert group	Description of factors and tools used in marketing
25	Development and implementation of a marketing strategy organises the activities carried out by local governments in this area.
22	Labour market is an important part of a local government's operation and can be an added value to its competitiveness in the market.
21	Understanding from the political authorities of the local government is crucial.
25	Marketing process requires professional employees.
17	Actions that invite employees from outside the commune and especially from abroad require public consultations.
25	Local government, by conducting marketing activities, assists entrepreneurs who should participate in this process.
21	Defining a clear management structure is necessary.

25	Marketing communication is an important factor.
19	Local governments should work together, especially those whose labour market is not large and which are adjacent to each other.
18	In the absence of a strategy, marketing activities should be based on annual action plans.
25	Undertaking a marketing process requires careful research of needs.
20	Prerequisite for undertaking a structured process is to understand the benefits of place marketing.
23	Organisation of the marketing process should take into account the best marketing activity practices of economic organisations.
23	In the conditions of globalisation, the labour market is subject to dynamic competitiveness processes, which provokes the professionalisation of management.

Note. Own IDI research

A unanimous agreement among experts highlights the pivotal role of developing and implementing a strategy to organize local government endeavors. This strategy acts as a guiding framework, enhancing efficiency and effectiveness. Moreover, 22 experts emphasized the significance of the labor market in local government operations. Nurturing a vibrant labor market boosts local competitiveness, attracting talent, driving economic growth, and fostering community development. Input from 21 experts stressed garnering support from local political authorities as vital for coherent strategy execution. Professional expertise emerged as crucial, with 25 experts emphasizing its role in effective marketing processes. Transparency and community involvement, endorsed by 17 experts, enhance strategy acceptance. Collaboration with entrepreneurs is highlighted, amplifying the local government's role in economic growth. Clear organizational structures, underscored by 21 experts, ensure seamless strategy execution. Communication emerged as pivotal for all 25 experts, conveying messages effectively. Collaboration among local governments, especially with smaller labor markets, was affirmed by 19 experts. Lastly, unanimous agreement on meticulous research underscores tailored strategy development. In conclusion, experts agree on a multifaceted approach for an effective local labor market strategy. Coordinated efforts, political alignment, professional staff, community engagement, clear organization, strategic communication, collaboration, and research-backed initiatives collectively bolster local governments and foster economic vitality.

### **3. Discussion**

Changing conditions on the labour markets require rising to new challenges. When it comes to the issue of local labour markets raised in local government bodies, it seems that not enough thought has been given to attracting investors to local governments. On the other hand, activities on the labour market, limited to employment support programmes and formal matters, are costly and result from the current management style. The management activities that need to be undertaken should be in line with the idea of strategic activity in local governments, which is a method of management focused on the long-term development of a commune. It is based on rational principles of managing own financial resources and those obtained from external sources. This concept should be complemented with the method of strategic and marketing activities, which is a desirable method of local government management in the conditions of market economy (Ziolkowski, 2015) reforming administrative management.

The necessity to undertake well-considered strategic activities in the scope of supporting the development of labour markets in local governments with the use of marketing seems to be a necessary condition of their development, which includes unconditionally stable labour market.

The marketing activity, with a designated offeror and recipient of the offer, should be in the form of systematic planning and, as a result, the implementation of activities and their control. The implementation of strategies and tactical elements aimed at satisfying customer needs appropriately. Bringing about an effective exchange transaction in such a way that the local labour market is stable, can develop and could serve local government to carry out its mission of the development of local government in parallel with the development of its inhabitants and satisfying their needs. In local governments where one of the determinants of development is a stable labour market, it can constitute a value factor in the process of competing with other local governments. Courage and vision are needed, as well as new ideas for place marketing to provide local governments with tools

to carry out the management process. As a result of the research process, the following recommendations were made for place marketing, focusing on a labour market:

- The place marketing approach of treating the labour market as a territorial sub-product shall be understood as a holistic issue.
- In place marketing, it is necessary to draw on the experience of marketing applied to the economic area.
- The marketing strategy shall add value to the development of local government.
- The lack of political unity and cohesion shall be a major obstacle to marketing in this area.
- In developing marketing activities, the needs of as many stakeholders as possible should be taken into account.
- The marketing activities undertaken in local areas should learn from the experience of marketing activities undertaken by other local governments.
- One of the key elements is marketing communication. Since marketing communication is global, marketing practices should use modern communication tools.
- A marketing strategy that plans to measure and monitor results shall be more effective than setting out activities in this area without these elements.
- It is necessary to define a vision, mission, strategic goals and motivational guidelines for implementers and stakeholders.
- In place marketing, a management group is necessary as a planning and coordinating body.
- For marketing activities to be effective, a SWOT analysis is essential and should be kept up to date.
- Analysis of competition is necessary.
- It is advisable to develop foresight in a specific time perspective for a specific area.
- For each local government or their broader cooperation, it is essential to understand the unique attraction features that will differentiate it from its competitors.
- The decision to implement the process shall be embedded in the responsibilities of top management.
- The commitment to implementation should involve most levels of the management structure and the maximum number of stakeholders in the local government.
- The identity of the area in which the strategy is developed and its image are the foundation of marketing activities.
- For marketing activities to be successful, it is necessary for the main actors in local governments to agree on common goals and the resulting strategy.
- It is essential to anticipate the negative effects of marketing activities in order to counteract them.
- Successful marketing practices require professional, talented leadership. Without it, the commune shall not be able to use its resources and development opportunities.
- Key measures in the area of labour market focused marketing, in the area of immigrant related activities, require the approval of the inhabitants of the local government.
- Marketing to attract workers from outside the commune shall be integrated in the integration strategy.

The recommendations formulated in the study are based on the findings of the empirical research. These were formulated after the research. The results of the research indicated a lack of strategic thinking by local governments in this area - a typical approach to manpower shortages by considering them to be a problem of employers. Low activity of political authorities in a situation when the local labour market not only has a direct impact on the living standards of inhabitants, the development of local governments or the social care system. Understanding of the managers of local governments that targeting foreign workers is a different activity than the one undertaken so far in the field of local labour market promotion targeted mainly at people living in the area governed by the local government. It is based on a marketing concept taking into account the features attributed to the specificity of place marketing.

Increasing manpower shortage seen in many European countries and problems with the integration of foreigners require well-considered, professional actions managed by talented managers, engaged by political authorities. The generalisation of the proposed factors to the activities of the management of local governments can occur after taking into account the strength of their resources, the complex specificity of local governments and their environment.

#### **4. Conclusion**

This article deals with theory building rather than theory testing. The considerations have been supported by expert opinions to give credibility to the conclusions derived. The authors are aware of the need for caution in drawing conclusions. The rationale for this study was the importance of labour market issues in the development processes of local governments, the low interest of researchers and practitioners in the application of place marketing, the product of which is the local labour market. Problems of manpower shortages can be seen all over Europe and are systematically increasing. Economic organisations, especially corporations, are increasingly active in directing their offers to foreigners. Their interest increases when the non-salary benefits in the area in which they intend to stay will secure their needs. Differences in the conditions created by different countries affect their effectiveness in the process of competing in the global labour market.

Conclusions and discussion on the results of the conducted research allow us to propose some interesting, concerning the theory of place marketing, research issues, which are illustrated by the following questions of the research subjects.

- Should place marketing be implemented by local governments and how?
- How should the labour market be described as a territorial sub-product?
- Why do local governments build their support strategies as promotion strategies rather than marketing strategies?
- Why do not policies of local governments perceive the labour market as a factor in their competitiveness?
- How should effective marketing activities be carried out in order to attract foreign workers with the most suitable characteristics for the local labour markets?
- Is a partnership between communes and the private sector in the development of a marketing strategy possible, and how should it fulfil the demand for transparency?
- How should the national migration strategy affect local governments, and to what extent should they have decision-making sovereignty?
- What features of the local labour market influence the success of place marketing practices the most?
- What value does the local government's brand have in the marketing process, and how does it determine it?
- Where are the boundaries of necessary action between the local government and the employer?
- What should be the model for creating non-working conditions for the recruited workers in the local labour market?
- How should the marketing strategy for attracting foreign workers cooperate with the integration strategy?
- Do local governments have immigration strategies? What are their main assumptions?
- Should place marketing strategies on the labour market be developed separately for each local government, or should they be prepared within the framework of mutual cooperation?

An opportunity, however, is a well-considered in principle and consequence strategic approach to the problem of labour markets, and in view of the growing competition for workers in many European countries, going beyond the current patterns of activity.

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