MARKETING THE INVESTMENT POTENTIAL OF THE CITY.
CASE OF LUBLIN, POLAND

Currently, cities compete globally to attract investors. These activities are the object of
city marketing and precisely investment marketing. There is a need to summarise the
investment marketing activities of the city in term of city marketing theory. The city of Lublin
is an adequate case. Lublin’s marketing activities are the example of efficient and well-planned
investment marketing. It is based on development strategy, corporate identity, and combines
offline and online marketing tools. In the global market economy, the most of business
ventures can be implemented anywhere in the world. Global companies look for the perfect
investment location, choosing among many profitable offers. Hence, cities compete globally for
investment. They use sophisticated marketing techniques in their administration practice to
acquire new investors. This approach is certainly interesting concerning the marketing
classification of these activities amongst the types of marketing. Marketing the investment
potential of the city is classified as a part of the type of marketing, which object is a place, a
territory. This is one of the main types of marketing. The reason for the problems with the
terminology of city marketing is the complexity of city product and the characteristics of city
marketing’s subjects. The city as a whole has its own unique identity, the image as a reflection
of its profile and it should have a brand, which can be a strategic help to capitalise on the
positive image. One of the foundation concepts of marketing is that the company uses the set of
marketing tools called ‘marketing-mix’ – product, price, place, promotion – to achieve its
objectives in the market. It could be directly transferred into city marketing, but due to multi-
faceted city product (megaproduct), it is ineffective. For years, many concepts on how to define
marketing-mix’ for city marketing were created. Szromnik tried to connect all the concepts and phrased four main elements of territorial ‘marketing-mix’: territorial offer, which includes permanent and changeable place attributes; conditions to acquaint stakeholders with the offer, ways and circumstances of territorial product delivery, and forms, techniques, and means of communication of the place with its environment. It clearly shows that in city marketing and its subtypes, the most important traditional marketing tools are product – which, as megaproduct, includes price and place – and promotion. The data analysis proves that the system works as designed and expected. The website is spreading fast around the world. In five months until February 15, 2017, it reached users from 63 countries – the most from Poland, USA, United Kingdom, Austria, and Canada. On the LinkedIn page of Invest in Lublin, 71.7% of followers are managers, senior managers, or executives, as well as 85.9% of visitors (February 25, 2017).

Lublin’s investment marketing strategy is efficient and internationally awarded. According to only to the latest ranks and awards of fDi Intelligence, a division of the Financial Times specializing in all areas relating to foreign direct investment around the world, Lublin was granted: 3rd best FDI Strategy among small European cities, Strategy engagement Bespoke Award, and 3rd best FDI Strategy in Poland.

Key words: city marketing, place branding, investment marketing, investment subproduct.

Statement of the problem. In the global market economy, the most of business ventures can be implemented anywhere in the world. Global companies look for the perfect investment location, choosing among many profitable offers. Hence, cities compete globally for investment. They use sophisticated marketing techniques in their administration practice to acquire new investors. This approach is certainly interesting concerning the marketing classification of these activities amongst the types of marketing. The most important factor is the complexity of the city product, conceptualised by T. Markowski as the city megaproduct [11], which consists of many subproducts. One of them is the investment subproduct [15] marketed by the city towards potential investors, which is the object of investment marketing (economic marketing, business marketing) of the city. Also, marketing tools and techniques are different from those used in the marketing of other subproducts of the city.

The purpose of this paper is to summarise investment marketing activities of the city in term of city marketing theory. The city of Lublin was chosen as the object of the case study due to the strong business image of the city among the most relevant target audiences, which was built on the grounds of successful implementation of the development strategy, thereby investment marketing strategy, in the last few years. This proves that activities of Lublin are an adequate example of practical investment marketing of the city.

Marketing the investment potential of the city is classified as a part of the type of marketing, which object is a place, a territory. This is one of the main types of marketing [10]. Places compete to achieve marketing goals: attract tourists, residents, or investments. The terminology is not unambiguously determined. This is often referred as ‘place branding’, ‘place marketing’, ‘city marketing’, etc. It was clarified by indicating the difference between branding and marketing [16]. Branding is focused on long-term activities and strategic foundation of the place brand. On the contrary, marketing is the practical implementation of the brand and focuses on tactical and operational activities. According to this division, ‘place branding’ is the widest term, which includes ‘city branding’. However, to take into consideration marketing activities, the object of which is the investment potential of the city, it should be used ‘city marketing’ as a wider term, and ‘investment marketing’ as a specific one.

The reason for the problems with the terminology of city marketing is the complexity of city product and the characteristics of city marketing’s subjects. The city as a whole has its own unique identity, the image as a reflection of its profile and it should have a brand, which can be a strategic help to capitalise on the positive image. Notwithstanding, the city as a product consists of its inhabitants, infrastructure, environment, tourist attractions, trade facilities, education institutions, investment plots, etc. Hence, Tadeusz Markowski divided the city product into many subproducts under one umbrella-product called ‘city megaproduct’ [11]. Therefore, it is possible to set investment marketing apart city marketing, because
it pertains only to the investment subproduct of the city as an object and potential investors and business analysts as a subject of all marketing activities.

**Analysis of recent research and publications.** The literature on city marketing and in a wider approach, place marketing’ is well-developed both in Poland – Markowski, 2006; Szromnik, 2012 [11, 15] – and internationally – Dinnie, 2011; Temporal, 2015 [3, 16]. It focuses on the essence of city (urban) marketing – Alexa, 2010; Kavaratzis, 2004 [1, 9] and the approach to city marketing communication – Daszkiewicz & Pukas, 2016 [2] – also precisely online city branding and communication – Florek, 2011; Glińska, 2014 [7, 8]. Otherwise, the specific research in terms of investment marketing of the city is still limited. There are two attitudes to this topic. One of them emphasises the role of the city brand in attracting inward investments – Middleton, 2011 [12]. In opposition, only the city authorities should focus on: improving the city’s economic potential, for instance by preparing investment plots, and communicating the city’s assets to provide investors authentic information, which is a more relevant decision criterion than a brand-created image of the city – Sagan, 2015 [13].

**Goals of article:**
- Investment potential of the city in terms of city marketing.
- Marketing the investment potential of the City of Lublin.

**The main material of research.** One of the foundation concepts of marketing is that the company uses the set of marketing tools called ‘marketing-mix’ – product, price, place, promotion – to achieve its objectives in the market. It could be directly transferred into city marketing, but due to multi-faceted city product (megaproduct), it is ineffective. For years, many concepts on how to define ‘marketing-mix’ for city marketing were created. Szromnik tried to connect all the concepts and phrased four main elements of territorial ‘marketing-mix’: territorial offer, which includes permanent and changeable place attributes; conditions to acquaint stakeholders with the offer, ways and circumstances of territorial product delivery, and forms, techniques, and means of communication of the place with its environment [15]. It clearly shows that in city marketing and its subtypes, the most important traditional marketing tools are product – which, as megaproduct, includes price and place – and promotion.

Investment subproduct of the city consists of the city’s labour market, the economic environment and the future perspectives of growth, the city’s location and transport infrastructure, the quality of life, R&D facilities and all other aspects important for investors. It includes the price of buying this product, for instance, the price of a plot of land, and the way of delivery – f. ex. perpetual usufruct. The promotion should be built on the corporate identity of the city and the promotional mix. Corporate identity is a complex definition of the identity of the city. It comprises visual identity, which may include a brand logo, and the strategy of development, which is an exemplification of the current economic situation of the city and the future perspectives of growth. Promotional mix is a set of tools to communicate with the business environment. It is divided between offline and online tools. Offline tools of promotion in investment marketing are advertising in branch magazines, creative mailing, organising business events, public relations based on cooperation between local companies and the city administration, as well as tax exemptions for companies investing in special economic zones. The most effective offline promotion tool is personal selling, which comprises speeches on business meetings, face-to-face appointments, and direct business relation with senior managers of the companies interested in investing in the city. Online tools of promotion are the future of investment marketing. They give a possibility to contact directly any investor or business analyst and provide them complex information about the city’s investment offer. Hence, to market its investment potential efficiently, the city should use a wide variety of online tools of promotion, including responsive website, social media, mobile applications, online publications, and downloadable information materials.

Lublin is the city in Eastern Poland, the capital of Lublin Voivodeship. It is the ninth largest Polish city with a population of 340,745 and 711,450 in the metropolitan area. Lublin has a long history – it celebrates its 700th anniversary of location on the German town law in 2017 – of being one of the most
important cultural and economic centres in Poland across the centuries. It has rich industrial traditions in food processing and machinery sectors, dating back to 19th century. Its most prominent examples are Plage & Łaśkiewicz inter-war aerospace manufacturer, FSC Lublin automotive factory – the biggest lorry factory in communist period, and hundred-years-old spirit distillery – known today as Stock Polska. Finally, Lublin is an important academic centre: five public and 4 private universities operate here, teaching about 70,000 students, of which more than 19,000 graduate each year.

The city of Lublin intensified its investment marketing activities since the Strategy and Investor Relations Department of the Lublin City Office was created in February 2011. It is assigned to promote the investment potential of Lublin and to actively support domestic and foreign investors by offering detailed information about the city including consultancy and assistance in the investment process, informing about exemptions and incentives for investors and supporting the investor in the formal process. This Department organised and unified all investment marketing activities of the city.

One of the first tasks of the department was to prepare the development strategy of Lublin. ‘The 2013–2020 Lublin Development Strategy’ [14] was written in 2012 and accepted by Lublin City Council in 2013. It diagnosed the current position of Lublin in that time and formed the objectives to achieve in 2020. One of its four main areas of development was entrepreneurship. Regarding investment marketing, it focused on the development of promotional schemes associated with the brand ‘Lublin. Inspires business’, creating conditions for industrial investments, attracting new (local and external, especially foreign) investors for strategic areas of city development, promoting economic potential of the industrial and services sectors in Lublin, promoting the business potential of Lublin, and building co-operation between universities and business. In the same time, the principles of investment marketing of Lublin were formulated, which base on the image of Lublin as a business expert, personal engagement in city-to-business communication, proactive approach, and the highest standards of visual presentation.

Investment marketing activities of the Strategy and Investor Relations Department can be divided into two groups: offline and online. The first years of operation were focused on offline activities, which one of the most important were key projects realised in the form of personal selling with companies that were interested in investing in Lublin in order to develop Lublin Subzone of EURO-PARK Mielec Special Economic Zone, opened in 2007. The Department’s Investor Relations Managers conducted more than 10 projects a year since 2011. They organised regular meetings with the companies’ representatives to convince them to invest in Lublin and then assisted them during the whole investment process. It resulted in the almost complete development of Lublin Subzone in the end of 2016. Moreover, they also conducted investment processes of companies from the services sector, attracting to Lublin companies like Convergys, Mobica, and Sii.

### Development of SEZ Lublin Subzone

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<td>Permits</td>
<td>13</td>
<td>51</td>
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<tr>
<td>Operating facilities</td>
<td>5</td>
<td>35</td>
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<tr>
<td>Jobs</td>
<td>602</td>
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The Department pays special attention to organising and taking part in business events. It is particularly important that the representatives of Lublin for these events are not only passive participants, but they are always speakers or panellists and present Lublin’s business experience and investment potential. The most important business meetings organised each year in Lublin are the Business Gala (9th edition in 2016), where Lublin Mayor’s Economic Award is granted, and LUB-INVEST Polish-Eastern Conference (8th edition in 2016). Among many conferences held in Lublin, the most important were 360 FORUM (June 2016), 4th Polish Entrepreneurship Congress (October 2016), and The BSS Forum/Outsourcing Stars Gala (January 2017).

The division for investment marketing of the Department is also publishing printed materials and preparing advertisements. The examples of publications are ‘Economic Lublin’ promotional folder (2011), ‘Office Space Report’ (since 2012), ‘R&D and Innovation in Lublin Report’ (2012), business sectors reports (2013), and ‘Guide for Investors’ (2015). Printed advertisements are published every year in local and national newspapers and magazines. Moreover, the publicity is generated using public relations techniques like sponsored content in both Polish and foreign business magazines, for instance, Outsourcing&More, Puls Biznesu, and fDi Magazine.

Online promotion of the investment potential of Lublin until 2016 was limited. All business-related information was published on the website www.gospodarka.lublin.eu in Polish, English, and Ukrainian. The website was full of text, providing information in an obsolete manner. In 2016 the decision was made to modernise online investment marketing of the city. It required complete new online communication strategy which was implemented using brand new communication system ‘Invest-in-Lublin.com’. According to this strategy, Lublin is ready to compete globally with other cities and regions to attract investors. Hence, the main and only language used in investor marketing is English – the global language of business. In addition, the visual identity of the business brand was redesigned.

![Image](http://invest-in-lublin.com)

**Figure 2. Invest-in-Lublin.com website – Main Page**

Source: http://invest-in-lublin.com

The keystone of the system is Invest-in-Lublin.com website. It is designed in line with current standards of web design: fully responsive block layout optimised to all major platforms. It is primary source of business information about Lublin, therefore consists of four main parts: About Lublin (information and key data about the city), Key Sectors (divided into eight prominent sectors of Lublin economy), Business Support (providing full contact data to all Investor Relations Managers) and Locate Lublin (a map with full information about available investment plots). Furthermore, there is Info Centre on the website, which provides the latest news, blog updates, and event announcements from Lublin. The
The system also comprises social media applicable to business: LinkedIn and Twitter, and SlideShare as the repository of downloadable publications.

Invest-in-Lublin.com is unique considering the strategy of communication. The target group is precisely defined and contains researchers, business analysts, managers, consultants, and business journalists. The communication is personalised both on the website, where Investor Relations Managers are the authors of blog updates and the representatives of Lublin-based companies endorse business environment in each prominent sector, and on LinkedIn, where the Department’s team members link with entrepreneurs from around the world and share all updates directly to their colleagues.

The data analysis proves that the system works as designed and expected. The website is spreading fast around the world. In five months until February 15, 2017, it reached users from 63 countries – the most from Poland, USA, United Kingdom, Austria, and Canada. On the LinkedIn page of Invest in Lublin, 71.7% of followers are managers, senior managers, or executives, as well as 85.9% of visitors (February 25, 2017).

Lublin’s investment marketing strategy is efficient and internationally awarded. According to only to the latest ranks and awards of fDi Intelligence, a division of the Financial Times specializing in all areas relating to foreign direct investment around the world, Lublin was granted: 3rd best FDI Strategy among small European cities [4], Strategy engagement Bespoke Award [6], and 3rd best FDI Strategy in Poland [5].

Conclusions and recommendations for further research. Investment marketing is the specific part of city marketing, which describes the marketing activities that cities use to compete in a global market to attract investments. It is different from other types of marketing as a result of the complexity of the city product and requires specialised marketing tools, both offline and online. The city of Lublin developed the investment marketing strategy which is effective and awarded. It is based on the Lublin Development Strategy and uses dedicated visual identity, different from the main Lublin brand. For years, it made use mostly of offline marketing tools like personal selling, advertising, public relations, and business events, which allowed to reach the expert level of experience and achieve the objective of developing SEZ Lublin Subzone. However, only the combination of well-proven offline marketing tools with up-to-date and precisely designed online marketing communication system allowed Lublin to reach the top of the Polish and international rankings in terms of FDI Strategy.