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The Role of Residents in Increasing the Attractiveness of a Territorial Mega-product

Summary

This article presents the possibilities of residents' participation in creating the structure of the territorial mega-product. There is proposed the thesis that residents make up a leading group of stakeholders in a territorial unit, which can contribute to an increase in the attractiveness of the territorial mega-product, especially through enriching the potential product level. An attempt to adapt the thesis to the specificity of the territorial mega-product and sub-products was made against the background of theoretical deliberations on the concept of co-creating product value. The conducted surveys included 223 residents from the Podkarpackie Voivodeship and demonstrated that despite residents being included by the authorities in the organisation of occasional events, they are rather unaware of the ongoing matters connected with the development of the unit, and experience resistance on the side of the authorities when it comes to implementation of the proposed ideas and initiatives.

Key words: territorial marketing, territorial subproducts, stakeholders, value co-creation, DART model, product structure.

JEL codes: L31, M39, R58

Introduction

Managing a territorial unit by the rational utilisation of its potential has to be directed towards the needs of its target audience. The basic group of recipients are residents, who appear in a double role, as they participate in the realisation of the objectives of the unit and are affected by their effects. Their dual role consisting in being simultaneously a customer of the unit and a co-creator of the value of a given territory makes them perceived as stakeholders. The involvement of residents in the development of their "little homelands" is contributing to an increase in the attractiveness of the territorial mega-product by enriching the structure of particular sub-products. Every marketing product includes in its structure several levels: the core, the real product, the expected product, the extended product and the potential product. In respect of the territorial product, these levels jointly create a specific utility of a place, of a function and of a project (Szromnik 2012, p.123-124.). The elements that create the potential product level constitute the domain of inventiveness, which can spring from the ideas and inspirations of representatives of the local community and residents. In extreme cases they can become the source of valuable ideas and innovative solutions, which reflects the concept of User Driven Innovation (Wise, Hogenhaven 2008, p. 20) based on the utilisation

of knowledge, ideas and suggestions provided by consumers, to implement innovative solutions (innovations co-created by the user). Therefore, the utilisation of the knowledge and competences of residents contributes to enriching the extended product, which distinguishes the given unit from the rest.

This paper aims to present the possibilities of involving the local community in the process of increasing the attractiveness of the territorial megaproduct. A thesis was proposed that residents make up a leading group of stakeholders in a territorial unit, which can contribute to an increase in the attractiveness of the territorial mega-product, especially through enriching the potential product level.

Source material and research methods

The study utilised the method of a critical analysis of literature on the subject in question, as well as the author's own observations resulting from many years of research conducted in the communes of the Podkarpackie Voivodeship. This research was associated mainly with the 2010-2012 research grant for the development of rural tourism in the communes of the Podkarpackie Voivodeship (Kuźniar 2013, p. 4),

The empirical analysis forming part of the study was carried out based on surveys utilising a poll questionnaire, conducted in January 2015 among 223 respondents – students of the University of Rzeszów (57.4% women and 42.6% men). Non-random convenience sampling was employed in the selection of respondents.

The territorial mega-product and its structure vs. the expectations and activities of residents

The notion of territorial “megaproduct,” proposed by T. Markowski aimed to exhibit the holistic package (Markowski 2006, p. 95-96). Markowski highlights that, on the one hand, the territorial product is “a set of utilities offered paid or free of charge to interested groups of customers” and, on the other hand, he underlines an important fact that it is difficult to pinpoint a single, universal territorial product. There are several basic types of products – so-called sub-products offered to relatively homogenous groups of customers: tourist products, investment products, housing products, social products, trade and service products, educational-and-cultural products, fair-and-exhibition products, recreational-and-sports products, and public products. The synthetic territorial mega-product is a result of the overlapping of the aforementioned sub-products. Changes in individual sub-products can cause changes in other sub-products, both in their spatial and functional aspects.

According to A. Szromnik, the territorial product is the cumulated socio-economic utility of a place (area) offered to external and internal customers, to fulfil their material, spiritual, current and developmental needs of consumption- and investment-related nature, including material and spiritual needs (Szromnik 2012, p. 123-125).

In reference to T. Levitt's concept of product structure, Szromnik (2012, p. 130-137) isolated the following levels in the structure of the territorial product:

The product core specified by the main function of the product – its basic utility (the utility of a place).

The real product level reflects in the mega-product structure, the so-called directional part, oriented at a specific group of users of territorial sub-products (the so-called utility of a function).

The extended product level reflects the specialist part associated with specific benefits expected by selected stakeholder groups, especially residents, which is shaped to match their unique interests (the so-called utility of a project).

The core is the common, general part that is valued by all target groups. It includes the basic utilitarian values of the area, local natural and infrastructural resources that can be used by various groups of individuals. The main advantage for customers (stakeholders), permanently or temporarily residing in a given area, is the possibility of fulfilling their needs, as well as the needs of institutions and groups, thanks to drawing from natural, infrastructural, social, cultural and intellectual resources present locally. The aforementioned benefits are equally important for various entities permanently or temporarily associated with a given territorial unit (tourists, managers, residents, entrepreneurs, students, etc.). They create the common central part of every territorial subproduct.

In the subproduct structure it is also possible to distinguish characteristics, as well as benefits stemming from them, which clearly refer to the interests and expectations of specific customer groups (in addition to residents, also to investors, tourists, managers, migrants, etc.). These characteristics are directly associated with the specificity of sub-projects, are dissimilar, and create an appropriate set of function utility.

Specialist benefits (project utility) reflect the unique characteristics that increase the attractiveness of particular territorial subproducts aimed at various groups of potential customers. These are the unique characteristics of the subproduct that clearly distinguish it from other units and increase the attractiveness of the territorial package.

Residents as the main stakeholders in territorial units – an overview of literature

The impact of residents on the development of a territory as a whole and its individual subproducts stems mostly from their growing contribution to the joint creation of the value of a given unit. At the base of such attitude lies “service dominant logic”, which assumes that services – understood as the utilisation of specialist competences, e.g. knowledge and skills, through acts, processes and production to achieve benefits – form the basis of exchange (Vargo, Lusch 2004, p. 2-7). In line with this attitude, value is created as a result of the co-creation process, in which consumers (residents) play the main role. Furthermore, in the concept in question, Vargo and Lusch assume the existence of symmetric access

to information, a cult of dialogue, the construction of a value-creating network, learning through exchange and the assumption of a relational perspective. Respecting the separate rules creates a new quality of organization's relations with a client, resulting in mutual benefits, trust building in particular, joint creation of specific solutions and creating value (Dziewanowska 2013, p. 46). Creating value starts at the product design stage, and the whole process of value creation is focused around customers and their individual experiences (Taranko 2013, p. 2-3).

The presented concept is reflected by the territorial mega-product, which consists of many subproducts. Investment, tourist, housing, public, educational-and-cultural, social, recreational-and-sports, trade-and-service, and fair-and-exhibition subproducts are offered to "territory customers" mainly in the form of services. The final consumer participates in the process of their provision. His or her involvement and the quality of interaction established between the service provider and the customer can significantly influence the final value of the offered product. As indicated by Prahalad and Ramaswamy (2004, p. 23-31), the process of value co-creation is based on respecting four basic assumptions – the DART model: Dialogue, Access, Transparency and Risk Assessment.

The inclusion of residents in the process of co-creating the value of individual subproducts that make up the territorial megaproduct, can take place at every of the indicated stages, through:

Dialogue – it can be reflected, among other things, by social consultations, direct meetings between local authorities and residents, and maintaining a dialogue with local communities through internet forums and social media, facilitating for residents the possibility of exchanging and sharing their knowledge.

Access – in addition to services offered by a local-government unit, residents can also participate in their design, preliminary testing and modifying, which will systematically increase the attractiveness of individual subproducts.

Transparency – thanks to the disappearance of information asymmetry, residents are becoming more and more conscious; they can also follow current events on an ongoing basis, ask questions and share their ideas and observations. It should be stated that in addition to the traditional forms of information flow, such as periodic newspapers and brochures, the Internet – and especially social media – serve an increasingly important function in the flow of current information.

Risk Assessment – the involvement of residents in the development of its unit, sharing knowledge and experience, and proposing alternative solutions result in the residents' taking over some responsibility for risk associated with wrong decisions and actions of the authorities in respect of creating product structure.

The involvement of residents in the process of co-creating the territorial mega-product depends on their activity, mobility and social competences. In relation to attitudes, T. Domański (1997, p. 22-23) distinguishes so-called immobile groups that make up the majority of a given community, and highly mobile groups, which often serve as the leaders of public opinion and ambassadors of a given local community. The conducted studies

suggest that the possibility of co-participation in the development of municipal community is more convincing for elderly people and the ones with higher education (Kuźniar 2012, p. 432-439).

Based on the presented division, the author reckons that it is possible to distinguish several resident categories, different in terms of their degree of involvement in the creation of the territorial mega-product structure:

1. Residents participating in the development of the territorial package to a small degree. These people are not very involved in social life, and usually are not very mobile. Their impact on the development of the mega-product structure usually manifests itself indirectly during local government elections and in ongoing activities connected with the functioning of households (e.g. care of house aesthetics, improving one's qualifications and taking entrepreneurial initiatives, environmental protection sensitivity, friendly attitude towards tourists, etc.).
2. Residents participating in the development of the territorial package to a moderate degree, whose involvement manifests mainly in their interest in local problems, participating in social consultations, supporting projects proposed under a "participatory budget" and promoting the values of towns and cities outside, making people from outside the given territory interested in the region.
3. Residents that can participate to a high degree in the development of the territorial product package, whose involvement manifests itself mainly in initiating various endeavours that contribute to the improvement of the attractiveness of individual territorial subproducts (especially the housing, investment, cultural-and-entertainment, sports-and-recreation and tourist subproducts). Representatives of this group, through their full identification with their home city or town, create its positive image of a place that is friendly towards its residents, investors, tourists, students, etc. The condition for active participation of the local society in increasing the attractiveness of the mega-product as a whole, and its individual subproducts, is identification with a given unit, a knowledge of its advantages, attractions and development strategy. Famous influential individuals from a given city or town have a special role to play. They become to some degree "ambassadors" of a place, increasing its attractiveness by evoking positive associations and popularising information on their home town or city. These individuals can include famous sportspeople, artists and scientists, who would highlight that their home regions were the place where their talents and carriers developed and were supported by local cultural, sports and scientific institutions. This group can also include famous politicians and other celebrities, who will support local development through their knowledge, contacts and specific actions.

It is worth highlighting that owing to the inclusion of residents in the creation of the territorial product package, a new quality of relations between the territorial unit and main stakeholders is created. This brings bilateral benefits, and especially makes it possible to jointly prepare specific solutions, which translates into greater trust between local authorities and residents.

Research results and discussion

Each of the subproducts making up the territorial mega-product structure requires involvement of many entities, with a particularly important role being played by residents. Undoubtedly, every stakeholder can exert different pressure. Also, the level of stakeholders' impact and the specificity of their expectations can be different (Kachniewska 2011, p. 53-72). Depending on the nature of the subproduct, their involvement can be either direct or indirect. The activity of residents in respect of making the territory's package more attractive will be growing with the local society's knowledge of developmental priorities and their will to become involved in social matters. However, the needs and expectations of residents will, always and irrespective of the nature of the product, be the starting point in the creation of particular subproducts. It is particularly evident as regards the housing, public and cultural-and-entertainment subproducts. This issue, as illustrated by the surveyed respondents, is presented in table 1.

Table 1
The assessment of local authorities in respect of creating favourable conditions for residents' participation in unit management

Specification	Average score	Score from -3 to +3					
		-3	-2	-1	+1	+2	+3
The analysis of residents' needs and expectations	0.06	5.5	14.2	26.5	32.7	15.5	4.4
Informing the community about current events	0.77	6.2	5.3	17.3	32.3	22.6	15.0
Involving residents in event organisation	1.64	2.7	3.5	5.3	18.1	42.9	26.1
Taking participatory-budget-type initiatives	-0.42	10.2	11.9	35.0	31.9	8.8	0.9
Implementing the submitted ideas into practice	-0.17	7.1	15.5	29.2	32.7	10.6	3.5
Openness to initiatives submitted by young people and students	-0.45	20.8	12.4	25.7	18.6	14.2	7.1

Source: Author's own work based on surveys.

Among the assessed areas of authorities' activities aiming at involving residents in the development of a territorial unit, the highest scores were obtained by the inclusion of the local community in the organisation of various events. Every fourth respondent gave in this regard the highest score. Nearly three out of four respondents positively assessed informing the community about current events; however, only every seventh respondent gave the highest score in this regard. The activity in respect of analysing residents' needs and expectations was assessed rather poorly. Negative scores were usually given to solutions associated with submitting residents' initiatives concerning the way public money is spent and implementing the submitted ideas into practice. Local authorities' not being open to the initiatives of young and educated individuals makes respondent especially discontent, as the creativity of young people and students will condition the future of their "little homelands."

From the point of view of increasing the attractiveness of the territorial megaproduct, as indicated by the respondents, matters related to initiatives on how public money is spent and implementing ideas into practice, leave much to be desired. These declarations indicate that the main premises of the DART model are being poorly implemented into practice.

A relatively significant contribution of residents to increasing the attractiveness of the territorial product was identified in respect of the development of rural tourism, in which, in addition to natural values, building relationships is especially important. Based on the author's earlier surveys conducted among residents, accommodation providers and local authorities, it should be stated that, in the field of tourist reception, it is possible to distinguish several categories of residents, which can be divided into three groups:

1. "Unfriendly observers" – a group of residents whose attitudes do not favour the development of tourism. These individuals are unfriendly towards visitors and guests, and often also towards the hosts, who become subjects of their envy, jealousy or mockery. In extreme cases they can even purposely act to the detriment of tourists (e.g. thefts, noise nuisance at night and insults).
2. "Neutral neighbours" – the development of rural tourism does not evoke any emotions in them. They are not very interested in the matters of the local society. They do no harm but also do not further the development of tourism.
3. "Kind residents" – an attitude full of kindness and acceptance; it is displayed by people who, while not involved in the process of providing tourist services and not benefiting from them in a personal way, are aware of the positive impact of tourism on local development, which is often associated with kind-heartedness and openness towards guests visiting their towns and cities, creating "a good atmosphere for tourism" (Kuźniar 2013, p. 236-237).

In quantitative terms "neutral neighbours" (54%) and "kind neighbours" made up the largest groups. It is reassuring to note that only 7% of individuals displayed negative attitudes that warranted classifying them as "unfriendly observers." This group, instead of co-creating the value of the tourist sub-product, has a negative impact on the field of reception, decreasing the attractiveness of the territorial megaproduct as a whole.

Conclusions

Residents appearing in the role of main stakeholders in a territorial unit can substantially impact on the implementation of its premises and objectives. When it comes to residents in the context of their participation in the creation of the territorial megaproduct, structure it should be highlighted that their involvement in activities on the whole is diverse, depending on their personal traits, activity, prosocial involvement and performed social functions.

The conducted analysis of literature on the subject, surveys and the author's own observations, leads to the following final conclusions:

1. While in theory the main premises of the DART model can be fundamentally adapted to the specificity of a territorial unit, in practice these are implemented only partially,

- which constitutes a serious barrier to residents' participation in the creation of the territorial megaproduct.
2. The biggest potential for residents' impact on the structure of the territorial megaproduct can be observed in relation to possible products, which are the domain of innovativeness, the development of which is largely conditional on the active attitudes and behaviour of residents.
 3. To shape active attitudes among residents, one should focus primarily on increasing their awareness of the direction of their unit's development and its priorities. The local society must be aware of benefits stemming from increasing the attractiveness of the territorial megaproduct (e.g. the development of infrastructure and new jobs). It would be expedient in this regard to present the examples of sub-products developed on the basis of joint initiatives (e.g. in the field of tourism).
 4. The creative participation of the local society in the life of a territorial unit can be an important source of change. Appropriate conditions for sharing knowledge, ideas and suggestions concerning the development of a unit should be created. Also, residents should be encouraged to participate in the creation of innovative solutions.
 5. In order to reach young and active people, it appears necessary to employ social media as a tool for multidirectional communication. This can be achieved by creating a platform facilitating ongoing communication concerning important matters in the field of local development, as well as the presentation of opinions and ideas (for example the "DobrePomysły" (Good Ideas) platform launched in Rzeszów).

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Rola mieszkańców w podnoszeniu atrakcyjności megaprojektu terytorialnego

Streszczenie

W artykule przedstawiono możliwości współuczestniczenia mieszkańców w tworzeniu struktury megaprojektu terytorialnego. Założono tezę, że mieszkańcy stanowią wiodącą grupę interesariuszy jednostki terytorialnej, która może przyczynić się do wzrostu atrakcyjności megaprojektu terytorialnego przez wzbogacanie zwłaszcza poziomu produktu potencjalnego. Na tle rozważań teoretycznych odnoszących się do koncepcji współtworzenia wartości produktu, dokonano próby jej adaptacji do specyfiki megaprojektu i subproduktów terytorialnych.

Badania przeprowadzone wśród 223 mieszkańców województwa podkarpackiego wykazały, że chociaż mieszkańcy są włączani przez władze w organizowanie okolicznościowych eventów, to jednak ogólnie mają dość niską świadomość w zakresie bieżących spraw związanych z rozwojem jednostki oraz napotykać opór ze strony władz w zakresie wdrażania proponowanych przez nie pomysłów i inicjatyw.

Słowa kluczowe: marketing terytorialny, subprodukty terytorialne, interesariusze, współtworzenie wartości, model DART, struktura produktu.

Kody JEL: L31, M39, R58

Роль жителей в повышении привлекательности территориального мегапродукта

Резюме

В статье представили возможности участия жителей в создании структуры территориального мегапродукта. Поставили тезис, что жители представляют собой группу лидеров-стейкхолдеров территориальной единицы, которая может способствовать росту привлекательности территориального мегапродукта путем обогащения в особенности уровня потенциального продукта. На фоне теоретических рассуждений, касающихся концепции совместного создания ценностей продукта, сделали попытку ее адаптации к специфике мегапродукта и территориальных субпродуктов.

Обследования, проведенные среди 223 жителей Подкарпатского воеводства, показали, что хотя жители и включаются органами власти в организацию приуроченных к данным обстоятельствам событий, то все-таки у них в общем довольно низкая осведомленность в отношении текущих дел, связанных

с развитием единицы, а также они встречаются с сопротивлением со стороны органов власти в области внедрения предлагаемых ими идей и инициатив.

Ключевые слова: территориальный маркетинг, территориальные субпродукты, стейкхолдеры, совместное создание ценностей, модель DART, структура продукта.

Коды JEL: L31, M39, R58

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