ABSTRACT
The shape of our future will be determined in cities. They have always been major centers of change and social innovation. A majority now live in urban areas and they offer significant opportunities for new approaches in the management of resources as well as consistent and clearly structured future city development plans. Only an integrated approach that puts people first can hope to succeed on a global scale. In this paper an action-oriented model for strengthening and accelerating sustainable city development is designed in the light of current and future challenges of urbanization. Already existing successful marketing, i.e. profile-oriented marketing, and management models, i.e. adaptive management are adapted from organizations and are sharpened and enriched in their application to cities. The focus lies on the usability of these marketing concepts to increase the sustainability and development quality of urban spaces within city structures. This work addresses city planners and public managers and shall help them prioritize and tackle next innovative and future steps to establish and foster a clearly structured future vision and profile to guarantee a high quality of living and sustainable urban development. A new dynamic profiling model, i.e. the adaptive urban profiling model, shall increase the visibility and uniqueness of competitive sustainable urban structures and provide solutions to optimize the urban living environment.

Keywords: profile-oriented marketing, adaptation management, urban/city development, city marketing, sustainability

1. INTRODUCTION

The enhancing globalization results in a world that is changing fast. Entire industries are reinventing themselves in response to complex transitions in economic, social and environmental areas. Demographic change is brought upon by an aging population, low birth rates, changing family structures and migration. The increasing urbanization is a key trend in that change. At the moment, half of the world’s population is living in cities and it is expected that this number will increase to more than two thirds by 2050 (Mahrer and Halper, 2012, p. 9; Ramsauer, 2012, p.2). Thus cities are the housing-, work-, and life-centers of a majority of people. Cities are the carriers and pioneers of socio-economic change. Therefore, the design of city systems will play an essential role in shaping a sustainable, livable and innovative future. (Fraunhofer, 2014, p. 6 Phase II)

Generally, sustainability refers to the capacity of systems and processes to endure. Thus, sustainable urban development focus on a city’s ability to self-regenerate, self-sustain and adapt (Rees 1992, Rees and Wackernagel 1996). Regarding cities, sustainability has been reformulated as the ability to satisfy the needs of current generations in a way that does not limit the options of future generations (Hopwood et al., 2005).

In this context demands in reference to the usage, planning and design of urban places, spaces and cities are increasing (Welch Guerra, 2010, p. 5). Thus, in times to come, cities definitely need clearly structured and consistent development plans in order to provide a secure social and economic environment for their residents to live and work in. Therefore it is the task of the communal and city development manager to make sure that the short-, middle- and long-term requirements of the citizens are met as best as possible. Therefore, the derivation of the approach lies in the need for city development consulting, which will increase through the growing complexity and integration of the global world, which also will increase the responsibility of the cities to ensure a high quality of living for its citizens. Additionally current European and international phenomena and technological potential of shaping urban space are discussed.

The cities of tomorrow will differ essentially from today’s city principles. The constant growth of cities results in the surrounding regions either merging into the expanding metropolitan figure, or suffering from a massive decline in population levels and an increasing number of elderly people (Kern, 2015). These developments create an environment in which cities are challenged to compete with each other for citizens and organizations
Thus, cities are facing similar challenges, as companies on a free market, or – in a more natural analogy – as species in their natural habitats.

Globalization poses a big challenge for cities and organizations today. Current market conditions are characterized by extraordinary level of uncertainty and dynamics. The company of the future is a connected company rather than a traditional hierarchical company (Gray & van der Whal, 2012). Marketing managers operate in an international and multicultural context that is creating increasing competition. In order to achieve and sustain competitive advantage, managers are forced to explore and use sophisticated management and marketing models (Porter, 2013).

Nevertheless, although city marketing emerged around the 1990’s (Smyth, 1994) to differentiate a city from competitor cities and increase the attractiveness of the city as economic, living, shopping or touristic destination Bornemeyer (2002), current marketing models and city development have up to now been studied independently of each other and rarely been investigated in conjunction.

One of these models is profile-oriented marketing, which bases the success of an organization on its value identity. It is out of question that cities need a strong value identity more than ever and require the use of new profiling systems (Mahrer, 2012, p. 9). This work is dedicated towards developing such a profiling system for city development planners as an adaption of marketing strategies from organizational theory to define a new “city of the future” – paradigm.

Meanwhile, in ecology, it is not the strongest of species that survives, it is the one most adaptable to change (Darwin, 2008). Thus, competitive cities need to be able to flexibly adapt to their constantly changing environment. In order to respond to these challenges the concept of adaption management has been developed for organizations.

Therefore, this paper will pick up the idea of profile oriented marketing for sustainable city development. However, the model developed here will expand the model of profile oriented marketing by elements of adaption management, thereby focusing on the adaptive capacity of cities which is essential for the sustainability of city development. Thus this work will – for the first time – merge these two important trends in marketing for utilization in city development planning, resulting in a new “Adaptive Urban Profiling” model. Thereby, this paper will link current trends in city development to current trends in marketing strategies. The linking concept between both theories is the concept of identity/culture.

2. COMMONALITIES BETWEEN CITY DEVELOPMENT AND MANAGEMENT THEORY

The major challenge for both, city development as well as for marketing, is Globalization. Both cities and companies do now exist in an international environment requiring global thinking and increasing interconnectedness to other cities and companies. This process of globalization results in increasing competition for both cities and companies. Therefore, both cities and companies have to increase their adaptive capacity in order to survive. Another commonality among the current challenges for cities and marketing is...
change. The environment of cities and organizations is constantly changing at an increasingly faster rate, such that both cities and organizations are challenged in their adaptive capacity.

Both cities development and organization management was historically reactive. When social or economic changes occurred, the spatial organization of cities or the management strategies of organizations were changed accordingly. The earliest forms of city development planning can be viewed as city construction planning (Bairoch, 1988). With increasing imperial size, cities were not only constructed, but founded intentionally, to act as trading centers and ensure economic growth. Since the 19th century, times of economic growth were not so much accompanied by the founding of new cities, but by increasing urbanization (Massard-Guilbaud & Thoresheim, 2007; Antrop, 2004). Citizens moved to cities, expecting a better quality of life (infrastructure, job opportunities). Therefore, existing cities are constantly growing. Consequently, until the 1970ies city development planning was concerned with expansion, but – due to financial restrictions – did not take into account the interests of citizens and economy. Also, during that time, city development planning concentrated on the development of smaller districts and the development of the city as a whole was neglected. Accordingly, spatial city development in the 19th century was more a reaction to social and economic developments.

Traditionally, organization theory was dominated by a system structural view of organizations (Thompson, 1967), according to which, organizational behavior depends on impersonal mechanisms and structural elements. Each person within the organization occupies a certain role, defined by the organizational structure, which determines their behaviors, duties and responsibilities. The manager is responsible for the adaption of the organizational structure in response to a changing environment. As part of the organization, the manager’s behavior is determined by the organizations structure and can only be reactive. From this view, marketing started out as production oriented marketing, which focuses on the internal capabilities of a company.

For cities and companies, counter-movements emerged to change from a simple reactivity to proactive planning. These movements came in the form of (new) urbanism for cities and strategic marketing for companies. New Urbanism was founded as a movement in city development planning to counteract the simple reactive spatial development of cities (Nicolaiides & Wiese, 2006). Instead of simply following social and economic change, such a plan should integrate social and economic change. City development is nowadays, more and more not just a reactive movement to social developments, but guided by city development strategies (Stevenson, 2013). A city development strategy integrates a long-term perspective into the city development plan. The emergence of city development strategies goes hand in hand with the development of city marketing.

Likewise, organization theory moved on to a strategic choice view of organizations (Child, 1973), which argues that organizational structure does not determine individuals actions, but is in turn designed by the free choices of individuals. The manager’s role in this view can be described as proactive. The manager’s choices are free and shape the organizational structure. Accordingly, marketing developed to strategic marketing, which focuses on competitive advantages of the own company in comparison to other companies and develops marketing strategies.

Yet, for both cities and companies it is now necessary to move from a proactive planning to an interactive management process. The collective action view of organizations evolved from social ecology (Emery & Trist, 1965) and views organizations as part of a larger network. The members of organizations exchange information, negotiate and form their environment. The organizations success is dependent on the manager’s transactions with others. Accordingly, marketing evolved to relationship-oriented, dialogue-oriented and network-oriented marketing. A related view for cities is much warranted!

The role of humans is changing for both, cities and companies. While in cities, urban public space was previously viewed as the vessel of social and economic processes, it is now viewed as socially determined, reconstructed by humans in their daily actions. Furthermore, the increasing demands on civic participation upgrade the role of citizens in city development. The paradigm shift in the understanding of urban living space mirrors current paradigm shifts in marketing. Where the brand itself was in the center of marketing strategies until recently, new marketing models focus their efforts on people. Likewise, in organizations, employees were previously viewed as elements of the company each playing their part to achieve a common goal, but being integrated into a larger hierarchy and stable structures, this view is changing. The business is now viewed as constructed by its employees and their social interactions within the company, but also outside the company. Companies are not only competing for customers, but also for employees and it is becoming increasingly important for companies to bind their employees by creating an emotional value for them and increase identification with the organization (employer branding, Kriegler, 2012). Similarly, cities are not only
competing for tourists, but also for citizens and need to create an emotional value to enhance identification of citizens with the city (city branding, Lucarelli & Berg, 2011)

3. INTRODUCTION TO PROFILE ORIENTED MARKETING

In accordance with newer management models, management is not a group of individuals leading an organization, but a function including the design, leadership and development of goal-directed organizations (compare Ulrich, 1984; Rüegg-Stürm, 2003, p. 22). The St. Galler management model (Rüegg-Stürm, 2003) distinguishes 3 management processes in organizations:

- The **normative management** deals with the general principles, norms and rules for the survival and development of the organization.
- The **strategic management** develops procedures for the implementation of the principles set by the normative management.
- The **operative management** implements the procedures developed by the strategic management.

The strategic management process predominates in traditional strategic marketing. Profile oriented marketing takes all three management processes into account by adding a new dimension to the concept of marketing: the philosophy. Profile Oriented Marketing is strategic marketing with a profile. A **profile** is a bundle of individual, as unique as possible characteristics of a communality. These characteristics include the quality statement (mission), the aspired state (vision), a clear and valid mind-set (principles) and the appearance (corporate identity) of the organization.

Over the years, the term “profile” has acquired a variety of meanings. Kellner (2007, p.67) uses the term based on the definition of being clearly characterized (Kluge 2002, p. 722) or following a clear direction/obtaining a clear position. He adopts the view of a profile from managerial traditions of being distinct and having qualities that clearly distinguish one from the rest (Kellner, 2007, p.68; Beck 2004, p.8).

The profile constitutes the pivotal point in Kellner’s profiling structure model. Kellner distinguishes two levels of a profile, which are assigned the following elements: The **overall concept** including mission, vision and principles, and the **appearance** with marketing promises and corporate identity (compare Figure 1).

A selection of existing strength and weaknesses identified in the analysis step is integrated in the overall concept. It points out, which strength are to be built upon and which weaknesses shall be worked on improving. The overall concept can also be viewed as a cities identity. It is however a rather abstract set of principles that should guide the concrete actions of municipals.

The overall concept level guides the appearance level in the sense that the appearance of a city should be oriented along the overall concept, i.e. it should reflect its mission, vision and guiding principles to be perceived by the outside world. The more clearly the overall concept is formulated the more consistent can a city be in its appearance. Thereby the marketing promises shall provide a clear commitment to citizens, companies and tourists. Specific for cities, these promises can be worded in the city slogan.
By defining its desired state, the profile gives an organization a clear direction of development, a perspective to work future oriented. This is done at the level of the normative management. Therefore, the profile is the pivotal point of marketing actions, as outlined in the Profiling-Structure Model by Kellner (2007). The profile is derived from a detailed analysis of the market, strength of the own organization and weaknesses of the competitors and a prognosis of future market developments. Once the profile is established clear goals can be defined and strategies and measures to achieve these goals can be developed, which can then be realized by a strict organization and control mechanisms at each implementation step. The implementation is performed by the operative management. The profiling structure model as developed by Kellner (2007) and links each of its elements to the management processes of the St. Galler management model, is illustrated in Figure 1.

4. INTRODUCTION TO ADAPTATION MANAGEMENT

Competitive companies need to appear the ability and flexibility to adapt to changing environmental conditions. As portrayed above this environment is constantly changing with increasing speed, posing challenges to organizations. Consequently, current trends in marketing are concerned with distinguishing a company from its competitors, while current trends in management theory are concerned with successful adaptation to these environmental changes. The branch of management theory treating with such adaptive reactions is adaption management.

In the 1970s adaptive management was introduced, by a group of ecologists as a continuous systematic process for improving management practices by learning from the outcomes of previous decisions. (Intaver Institute, 2014). This definition basically translates into “learning by doing” and adapting based on what’s learned (Walters and Holling 1990). For all kinds of projects outside the field of ecology, adaptive management is now
used. The key to adaptive project management is to manage projects based on learning from actual project performance and to learn via the use of quantitative methods. The goal of adaptive management is to determine the best management strategy through experimentation. Thereby, adaptive management aims to enhance knowledge and reduce uncertainties from natural variability, incomplete data (National Research Council, 2004) or social and economic changes. Furthermore, adaptive management aims at a timely response to such changes, i.e. flexibility in decisions.

Active and passive approaches to adaption management can be distinguished (National Research Council, 2004; Salafsky et al. 1991). The main difference between these approaches is how they treat uncertainty and learning (e.g., Williams 2011). Passive adaptive management focuses less on the reduction of uncertainty than active adaption management (Walters 1986; Williams 2011).

The capacity of a system, to adapt to environmental changes refers to adaptive capacity. It has been argued that the adaptive capacity of ecological systems is based on their diversity (Walters, 1986; Gunderson & Holling, 2001). A similar argument can be made for cities, because diversity allows for a higher flexibility, larger common knowledge, creativity of decisions and responsive power structures, which determine the adaptive capacity of social systems (Gunderson & Holling, 2001). Therefore, elements of adaption management shall be integrated more strongly into the profiling structure model in order to develop a new urban profiling system to be utilized to generate resilient cities by improving their adaptive capacity.

5. MERGING PROFILE ORIENTED MARKETING AND ADAPTATION MANAGEMENT FOR SUSTAINABLE URBAN DEVELOPMENT

Profile oriented marketing specifically tends to further development and hence is particularly suitable to increase the attractiveness of a city via sustainable city development. If a profile gives an organization a clear future perspective and direction of development, sustainable urban development should profit in the same way from profile oriented marketing. Some of these cognitions on industries may from the perspective of organizational theory be applicable to cities. The important developments appear to be the creation of niches and a decrease in competition. A well characterized, clearly defined culture emotionally distinguishes an organization from competing organizations and occupies its own, right defined emotional space/niche. Thereby, not only customers, but importantly also employees have to identify with the organization in order for profile-oriented marketing to be effective and successful.

In a related way, city marketing can only be successful if tourists, organizations and citizens identify with the city and attribute an emotional value to the city. Therefore city marketing has to be consistent at all levels. This consistency can be achieved by profile oriented marketing. The more the people and organizations located in a region identify with its culture, the more distinguished is its emotional fingerprint. In the sense of occupying economic niches, organizations can be compared to species in ecological systems, which are more likely to survive when occupying niches. An ecological system is more likely to survive when it comprises a high diversity of different species allowing for the occupation of different niches. The adaptive capacity of cities is influenced by economic development and technology, but also by social factors (Klein and Smith, 2003; Brooks and Adger 2005; Tompkins, 2005; Berkhout, 2006). Catch phrases related with the adaptive capacity of social and ecological systems are creativity, flexibility and diversity.

Subject to adaption management are these issues, which is seldom integrated into city development plans and is only partly recognized in marketing strategies. The profile is in itself a result of constant analysis and prognosis of the own organization (city), the environment, the competitors and a prognosis of future market development. Once the profile is established clear goals can be defined and strategies and measures to achieve these goals can be developed, which can then be realized by a strict organization and control mechanisms at each implementation step. In that respect, profile-oriented marketing integrates measures of adaption management.

It is a challenge to bridge the gap between providing a clear perspective and keeping values constant and recognizable, as intended by the profile, on the one hand, and constantly updating and flexibly changing marketing strategies on the other hand. Therefore, adaptations of profile-oriented marketing will be suggested to be utilized as a profiling system in city development. While the profile provides the city with the stability to encounter radical environmental changes, adaption management processes can be integrated into the profiling model in order to increase the resilience and sustainability of the achieved city development plan. In this context, cities are complex formations by nature and from the relationships and interactions within the city society
emerges a city culture that together with the spatial structures determine the characteristic profile of a city that is perceptible beyond its borders. That’s why an image of the city arises from collective views and subjective experiences. Thus despite its complexity, each city already has a profile that has grown since it’s foundation and has since developed dynamically. The task is to identify and sharpen this profile and make it visible to citizens, tourists and companies. Nowadays it is essential, to create the own city profile proactively in order to secure the future of a city.

The profiling model from Kellner makes two assumptions that do not necessarily apply to modern cities. First, not all information may be available in the initial analysis of the problem, such that the analysis and prognosis may have to be based on uncertain information. Second, information may change over time and strategies may fail, such that it is important to go back to the beginning or to an earlier stage of the problem and start again. These elements of adaptation management shall here be integrated with Kellner’s profiling model. The underlying two-dimensional Profiling Model from Kellner is pictured in the shape of an hour-glass and therefore to constant and not flexible enough for an individual sustainable development process. Transformation and urban processes gain more and more complexity and a dynamic combination of solutions at the urban level can increase overall sustainability of the city. Therefore, the model has to be more dynamic, flexible and complex.

6. THE ADAPTIVE URBAN PROFILING MODEL

An action oriented, three-dimenosional profiling model for sustainable urban development has been designed in this paper, which has been fitted in spiral form with a multi-layered system – the adaptive urban profiling model (Figure 2). According to adaptation management, this model can repeat the process represented in Kellner’s hourglass an infinite number of times by continuously monitoring the success of the initially derived measures and re-evaluating the initial analysis. The transition from implementation of measures to starting a new analysis and prognosis process is fluent, but each repetition is centered around the profile as an anchoring point.

6.1. Analysis and Prognosis

The analysis of the problem is the starting point for profile-oriented marketing, before a profile is developed and strategies are solved the problem and further the development of the organization or city. Hereby the goal of the analysis is to crystallize the profile by understanding the strength and weaknesses of a city. In the original model Kellner proposes that the analysis step also has to include a “prognosis” of the performance of a city in the near future (Kellner, 2007, p. 62). He suggests questionnaires, expert interviews and extrapolation from previous experience as methods of prognosis. In the sense of adaptation management however, the prognosis step should rather be viewed as a hypothesis generation step, which includes more flexibility in the model. Rather than assuming that the situation of the city will develop in a certain way in the near future, it is predicted that if certain criteria apply, the city should develop in a certain way. When information changes, such that those criteria don’t apply anymore, the city development planner can go back to the analysis step at any time and develop new adapted hypotheses.

Inside the Analysis and Prognosis Step, Kellner (2007, p. 62) differentiate between the city itself, its environment and the market, although these areas are intertwined with each other. While the city itself includes all aspects of the city that city development planners can influence, all factors that city development planners cannot influence are subsummized under environment. This is also the field for which prognosis has to deal with the most uncertainties. He defines the market as the temporal accordance of demand and supply. In city marketing the special situation arises that demanding and supplying party may be virtually the same, i.e. citizens of the city that create their own living environment with the goal for a better quality of living, or organizations that boost the economy of a location by investing in it.
6.2. The Profile’s Elements

The conception of a profile, as described by Kellner (2007), shall be integrated in the adaptive urban profiling model. It proposes an extension in two directions. On the one hand, a cities (sustainability) profile should be more specific and integrate the triple-bottom-line of social, economic and ecological sustainability. Thus, a city would need a distinguishing characteristic in each of these domains in order to achieve long-term sustainability. Thus, the mission should incorporate a selection of social, economic and ecological strength and weaknesses and the vision formulate an aspired state for each of these domains. Also guiding principles of behavior should not be single-sided to one of these dimensions, but should draft social, ecological and economic rules.

By incorporating elements of adaption management, on the other hand, the adaptive urban profiling model introduces a higher degree of flexibility into the cities profile than the original formulation by Kellner suggests. If the profile is too fixed, it will diminish the cities adaptive capacity, i.e. its ability to react to unexpected change in a flexible way. Therefore, adaptive urban profiling has to bridge the complicated tasks of preserving the cities...
identity while maintaining a high degree of behavioral flexibility. One way to do that is to integrate flexibility into the guiding principles. Another way is to keep the guiding principles as basic as possible. The overall concept is specifically requested to only include a selection of characteristics. Thus, it is the task of the analysis step to identify the strengths of the city to be included into this concept and it is the task of the prognosis step to identify the weaknesses to be improved that are to be included in the vision statement. In accordance with the idea of adaption management, it should always be possible to go back if several attempts to improve a certain weakness fails and select another weakness to improve. The integration of a triple bottom line into the profile provides it with the necessary support to maintain identity in this process. If some components of the profile have to be reformulated in one of the domains (social, economic, ecological), consistency can be achieved via the other domains. The plan of simultaneously, pursuing several ideas in different areas is strongly sustained by adaption management.

6.3. Conception

Afterwards the profile has been identified, it has to be transferred into a more concrete concept that determines the municipal actions. Therefore, strategically, the Conception step is composed of three substeps that build upon each other (Kellner, 2007, p. 86ff):

- Determining the goals
- Determining the possible strategies to reach these goals
- Determining the marketing instruments suitable for these strategies.

When a goal is clearly defined in that way, it is easier to identify the strategies to achieve the goal. It may however, not always be possible to determine, whether a certain strategy will actually lead to achievement of the goal as it may have a variety of impacts on other fields that cannot be foreseen. The elements of active adaption management introduced in the adaptive urban profiling model allow municipals to test a variety of strategies simultaneously, but at any time terminate a strategy if it turns out to be ineffective or develop and introduce a new strategy to make sure the goal can be achieved. This is illustrated exemplarily in Figure 2 by several intertwining strands in the conception step.

6.4. Evaluation and Realization

As soon as the measures to achieve the aspired goal have been identified they have to be realized. Successful management also means to ensure that envisioned concepts actually become reality (Hilker 1993, p. 3). Kellner (2007, p. 94) distinguishes three steps towards realization: Organization, Implementation and Evaluation.

Evaluation, views Kellner more as an element of monitoring and control that realization of the concept actually takes place. In accordance with adaption management the adaptive urban profiling separates the evaluation step from realization. Evaluation has to take place continuously throughout the whole profiling process. Thus, the traditional top down organization structure has to become more flexible (e.g. Gunderson 1999).

Opposite to a final singular evaluation step as suggested by profile-oriented marketing, evaluation as implemented in adaption management includes several stages.

- Monitoring, which is a continuously ongoing activity.
- Assessment, which aims at evaluating management effectiveness by using the data produced during monitoring.
- Learning and feedback, which aims at selecting future management actions based on the information gained from the previous steps.

This continuous evaluation cycle is integrated in the adaptive urban profiling model rather than a final evaluation step. Moreover, the adaptive urban profiling model proposes that each city is individual and therefore the approach has been developed to assess a city as an individual and complex system.

7. CONCLUSION

Nowadays, cities and companies underwent a similar history and facing similar challenges, like globalization, rapid change and increasing competition. Thus, it was outlined in this work that successful marketing and management tools developed for companies should also be utilised for cities. It has previously been proposed
that profile oriented marketing could increase a city or regions attractiveness to companies and citizens alike (Kellner, 2007) by giving it a profile, i.e. by making its culture and values explicit which also leads to identification. It was outlined in the current work, how this model can be improved by elements of adaption management, thereby increasing the flexibility of city manager’s decision making and allowing cities timely reactions to the rapid changes in their environment. The basis for developing strategies or roadmaps for defining the trajectories of transition for today’s cities, represents the adaptive urban profiling model. In summary, the success factor of the attractiveness of both cities and companies are: there are attractive, because there are adaptive.

Biography

Rebecca Reschreiter is currently a doctoral candidate of Management Science at the University of Latvia, at the Faculty of Economics and Management. Her research is concerned with adaption management and profile-oriented marketing and in conjunction with sustainable city development. She taught courses in the field of Marketing and Business Management at University of applied science in Salzburg. In parallel to her academic research, she works in a Head of Marketing & Projectmanagement position at a communication and media agency in Austria.

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