Chapter 4.5
Strategic Management in City Government:
Integrating Information Communication Technologies and Marketing in a Causal Model to Drive Stakeholder Satisfaction and Economic Development

Laura L. Matherly
Tarleton State University, Central Texas, USA

Maureen Jouett
Tarleton State University, Central Texas, USA

ABSTRACT

Integrating information communication technologies (ICTs) and marketing in strategic management of city government is critical to achieving stakeholder satisfaction and economic development. As a result of the rapid growth in computer networks and access to online services, the use of ICTs, for example, Internet and Intranet, as a communication and marketing platform can provide a city with a global advantage. City marketing focuses on promoting the attributes of a location to prospective stakeholders so that these individuals, businesses, and investors are attracted to visit, locate, or invest in the city. A causal model is presented where ICT is used to not only to deliver services to internal stakeholders, but also to market a city to external stakeholders. To be successful, managers need to be skilled in current technologies and marketing practices. Case study applications are discussed as well as the questions to address in future research to most effectively integrate ICTs and marketing in city management.

INTRODUCTION

Organizations are increasingly faced with the global challenges of international competition

and as a result, the adoption of information communication technologies (ICT) as a marketing competency has become a strategic imperative (Gummesson, 2002; Lapierre & Medeiros, 2006; Brady, Fellenz & Brookes, 2008). City governments are utilizing emerging technologies and especially, ICTs, as a major catalyst to market and communicate with stakeholders to ultimately attain strategic objectives such as growth and economic expansion. The purpose of this chapter is to provide a model for the use of marketing and ICTs in strategic planning to create a distinctive competency and address the challenges that result in achieving strategic performance objectives. The causal model developed in this chapter proposes that ICT initiatives and investment in the ICT infrastructure can be used to improve internal stakeholder services and satisfaction as well as with a marketing plan to promote the attractiveness of the city image to external stakeholders. Marketing and ICTs are presented as activities in a strategic map of causal linkages: by developing and recruiting employees with the skill sets required to effectively integrate ICT initiatives and marketing plans that develop customer relationships and improve service quality, a city's image to both internal and external stakeholders will be enhanced. Excellent internal processes and service levels can advance community outcomes such as health, safety and welfare as well as a city's overall reputation which ultimately impact the attainment of strategic goals such as economic development.

First, a review of the developments in performance management, balanced scorecards, and strategic management is discussed with an eye toward developing a generic causal model for city management that starts with developing the employee and the information capital of the organization which in turn improves internal processes, services and eventually, stakeholder satisfaction. The strategic group map (Kaplan & Norton, 1996) was chosen as a framework for the

model because it challenges strategic planners to go beyond measuring lagging performance indicators such as economic development and growth to specify the drivers of economic development and growth. For example, if a city's image drives economic growth and marketing positively impacts a city's image, by measuring and investing in marketing initiatives, corresponding improvements in image and then economic growth will occur.

The role of ICTs in contemporary marketing practices (CMP) over the last decade is examined as an effective solution to meet the challenges brought about by a connected, global economy and expanded and empowered customer base. Given the importance of technology in developing a strategic marketing plan, a number of ICT applications are presented. Several case study applications are discussed to illustrate the application and benefits of ICTs to city marketing. Last, the future role of ICTs in city government is examined by posing the fundamental issues in the form of research questions to be answered that will illuminate how to effectively integrate specific ICT and marketing practices into strategic management of city governments. The management mindset that is required to be successful and competitive, both in determining the strategic direction and implementing the technological changes required by the new marketplace is addressed.

PERFORMANCE MANAGEMENT AND A CITY STRATEGIC GROUP MAP

Over the last decade, developments in performance measurement have signaled the need for organizations to monitor performance dimensions that go beyond traditional financial measures to include measuring and improving those factors that ultimately impact financial performance such as stakeholder satisfaction.

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