Chapter 1
INTRODUCTION

1.1 Research Phenomenon

Globalization intensifies world connections through increased networks, flows, transactions, images, and the transcendence of ideas that connect states and societies (Giddens, 1990). As the world is interlinked, places such as cities link their national economies globally through cross-border transactions. Sassen (2002) adds that globalization results in places at both global and national levels competing with one another. More specifically, globalization brings increased competition among places to remain attractive to place customers. As Burghardt (1971:284) emphasizes “just as there is a hierarchy of central places, so one may speak of corresponding hierarchy of gateways. Such hierarchy will occur in sequence with distance, in zones of declining productivity”. Burghardt is portraying a reality of interconnections amongst places. More specifically, some gateway cities gain competitive advantage over other sub-gateway cities in intercity competition. This issue leaves the latter to struggle for strategic attractiveness.

Sassen (2003) argues that state boundaries’ institutional order is a crucial regulatory means for aiding the implementation of cross-border operations for national as well as foreign firms, investors, and markets. These conditions require an urban economy such as cities to possess specific and adaptive modes of assimilating change and for them to be able to relate to competitive global environments which Judd and Fainstein (1999) assert shape cities to become alike. More specifically, cities become homogenized to
“theme cities” (Sorkin 1992; Paradis 2004), urban water fronts (Goss, 1996), and public entertainment spaces (Cy briwsky, 1999). Cities are struggling for competitive advantage, to be attractive to their potential customers such as tourists, factories, companies and talented people.

However, new approaches to handling the issue are being considered to face global competition. One of these recent approaches is to solidify competitiveness, as many researchers look to include sustainability in gaining competitiveness. Increasing awareness among people of the importance of sustainability (UNDESA, 2007) is an opportunity for places to compete for place customers. For Dwyer and Kim (2003), competitiveness is a national concern for cities and their economic, social, and cultural welfare with the ultimate aim of improved income to society. Newall (1992) gives meaning to competitiveness that focuses on human development, growth, and improved quality of life. Similarly, Murphy et al. (2000) claim that a destination is a set of crucial benefits directly managed and delivered by tourism infrastructure; and public policy driven environmental factors. Still covering destination, Hassan (2000:239) sees competitiveness as a “destination’s ability to create and integrate value-added products that sustain its resources while maintaining market position relative to competitor”. Competitiveness according to Crouch and Ritchie (2000) brings significant success to residents’ well-being with regards to the sustainability of economic, culture, social, ecological, and political considerations. However, the researchers stated above do not relate to place attachment, which this thesis maintains is an important mediator for understanding sustainable competitive places.
Place attachment is an important issue that relates to competitiveness (Turok, 2004) and sustainability (Vaske and Kobrin, 2001; Kyle, Graefe, Manning, Bacon, 2004). The concept of place attachment is incorporated into place marketing through studies of place satisfaction (Wickham, 2000; Stedman, 2002, Brocato, 2006; Halpenny, 2006) and place loyalty (Lee, 2003; George and George, 2004; Brocato, 2006). With this understanding, this thesis argues that place attachment is a mediator worth examining in explaining sustainable competitive places. The term “sustainable competitive place” in this thesis refers to a place’s ability to successfully develop, plan, manage, and sustain resources while satisfying customers’ needs and wants, and generations in the future relative to its competitors. Place marketers examining the place marketing phenomenon, require information and knowledge in managing the global competition between locations. Information supported by empirical evidence is necessary to enhance place marketers’ knowledge in explaining sustainable competitive places, and in particular place marketing.

Crouch and Ritchie (2003) claim that competitiveness without sustainability is illusory. This thesis maintains that an understanding of competitiveness and sustainability is incomplete without a consideration of attachment, satisfaction, and loyalty. Noting the crucial importance of these components to the field of place marketing, this thesis is focused on examining the roles and the relationships of sustainability, competitiveness, attachment, satisfaction, and loyalty in explaining sustainable competitive places. This knowledge informs a strategic approach for place marketing, particularly with regard to cities.
What is place marketing? Before going further, this thesis refers to “place” meaning all kinds of places such as cities, municipals, regions, communities, districts, states and nations. The term follows a definition from (Kotler, Hamlin, Rein, Haider 2002:4) who view place as “a nation-state, a geopolitical physical space; a region or state; a cultural, historical or ethic bounded location; a central city and its surrounding populations; a market with various definable attributes; an industry’s home base and a clustering of like-industries and their supplier; a psychological attribute of relations between people”. As the scope of this thesis is related to the concept of place marketing, the ideal definition from Kotler et al. (2002:183) is referred to which describes place marketing as “designing a place to satisfy the needs of its target markets. It succeeds when citizens and businesses are pleased with their community, and the expectations of visitors and investors are met.” This thesis regards place customers or place target markets as inclusive of residents, visitors, and businesses. It is believed that potential place customers can be understood through a better understanding of existing place customers.

This thesis argues that a customer oriented approach is essential in place marketing as it matches marketing theory which emphasizes the importance of customers. With place development, an economic development strategy is explored as an important aspect for sustainable competitive places due to its close relationship to place marketing. Asplund (1993) suggests soft attraction factors as features important in place marketing, with increasingly complex and sophisticated place-products to meet the needs of “knowledgeable” place customers. Kotler et al. (2002:163) define soft attraction factors as “niche development, quality of life, professional and workforce competencies, culture, personnel, management, flexibility and dynamism, professionalism in market
contacts, entrepreneurship‖, and hard attraction factors such as “economic stability, productivity, costs, property concept, local support services and networks, communication infrastructure, strategic location and incentive scheme”.

In this respect, places compete to promote their local economy as a location for economic development with other places (Cheshire and Gordon, 1999). According to Budd (1998) local economic development imposed through place marketing programs are responsive to the global competitive environment. Furthermore, formulation of place competitiveness indicators and assessment is linked to a place’s economic development (Webster and Muller, 2001; IMD, 2009; World Economic Forum, 2009). Place development in this study context refers to the explanation by Kotler et al. (2002:57) i.e. “to develop for a place a systematic and long-term marketing strategy directed towards nurturing and developing the natural and potential attributes of an area or region”.

According to Holcomb (1994), place marketing transforms places as products that are attractive to place customers. As such, place identity is a way of communicating place substance to targeted customers (Asplund, 1993; Hankinson, 2001). Places should be marketed as similar to the marketing of products or services (Berg, Klaasen, and Meer, 1990; Holcomb, 1993; Kearns and Philo, 1993; Braun, 1994; Ward, 1998). Accordingly, this study maintains that places are similar in many aspects to products or services which are linked to strategic marketing (Asplund, 1993; Ashworth and Voogd, 1994; Braun, 1994; Gold and Ward, 1994; Rainisto 2001; Hankinson, 2001; Berg et al., 2002).
Researchers are becoming interested in linking place marketing with place competitiveness (Berg and Braun, 1999; Metaxas, 2009). This thesis maintains that through the investigation of the roles of sustainability, competitiveness, attachment, satisfaction, and loyalty to sustainable competitive places, an insight into the arena of place identity can be understood. Further, research in place marketing requires yet more knowledge and information to handle the current “knowledge” society. By understanding the needs and wants of this societal group, place marketers are able to understand the place products that are suitable for their customers. More specifically, the information from place marketing researches will help place marketers understand the needs and wants of this societal group which are witty from the act of globalization.

Petrakos and Economou (2000) assert that the developmental opportunities of medium or small sized cities are restricted by their dominance on secondary production sectors. Mobile investments and the fast growth of multinational companies’ agglomeration in the metropolitan area are challenges for the medium sized and small cities. Moreover, medium sized cities rely only on the production structure of intra-sectoral specialization and cooperation (Henderson, 1993). According to Clark (2002) cities and small economic regions are increasingly important economic assets. Cities must be creative in handling issues of pollution problems, urban policy, place identity or generate social innovations (Hall, 2000). Kunzmann (2010) suggests that people are central to the local government of a medium-sized city in order to explore their own appropriate strategy to stabilize local economic and social conditions to the benefits of all citizens.
1.2 Problem Statement

The discussion of the above studies indicates that there is a gap in the literature particularly with regard to place marketing. No studies have investigated the phenomenon of sustainable competitive places. Studies that link competitiveness and sustainability of places (Crouch and Ritchie, 2003; Hassan, 2003) fail to describe details of sustainable competitive factors which are relevant to place marketing. Further, most available empirical studies focus on either competitiveness of places (Gomerzelj and Mihalic, 2004) or sustainability of places (Xing, Horner, El-Harem, 2009). Similarly, the available place competitiveness assessments or attribute determinants are mostly focused on aspects of destination competitiveness alone (Enright and Newton, 2002; Gomerzelj and Mihalic, 2008). Although the above mentioned studies present assessments and determinant attributes of competitiveness or sustainability, these assessments are investigated separately, which leaves a gap for combining the two dimensions. A similar situation is observed in specific marketing orientation studies which focus on describing the success factors of place marketing (Rainisto, 2003), the city marketing concept (Braun, 2008), and nation branding (Lee, 2009). No studies have empirically investigated the roles of various factors that explain sustainable competitive places.

Although the importance of place customers’ satisfaction in designing places is noted (Kotler et al., 2002), investigations into place customers’ attitudes and behavior are lacking. The effect of place attachment on place satisfaction and place loyalty is recognized (Brocato, 2006; Halpenny, 2006; Yuksel et al, 2010), but the effect of this aspect on sustainable competitive places has not been investigated. More specifically, further investigation of a customer-oriented approach is needed to examine the roles of
the influencing factors on sustainable competitive places. Consequently, the following question arises: *Does sustainability, competitiveness, and attachment matter to place customers?*

An approach to a better understanding of this problem is to assess the sustainability-competitiveness-attachment link and their effects on satisfaction and loyalty through the perceptions of the target markets.

### 1.3 Aims and Objectives

This thesis aims to explain the roles of factors that influence sustainable competitive places. The roles of the factors are described following the relationship amongst the factors. Customer oriented approach which concurs with the original marketing concept is justified as one of the basis for this thesis as it fits the researcher’s motivation to focus on the area from customer perspectives. In explaining the roles of sustainable competitive places, a conceptual model based on previous scholarly work is developed. This model is tested and verified through vigorous statistical testings of the relationship between the factors. Place attachment is argued as an important mediator for sustainable competitive factors. This thesis assumes that sustainability and competitiveness of places is linked with customers’ satisfaction and loyalty through place attachment. The interrelationships of factors and the influence of each factor on one another explain the concept of sustainable competitive places. This insight is argued as a feed to strategy making in place marketing. Ultimately, the aim of this thesis is to contribute to place marketing theory, and to provide guideline to place planners and place marketers for customer-focused management and planning of sustainable competitive places. To summarize, the objectives of this thesis are:
1) To develop the literature review on sustainable competitive places through the discussion of the relationships between place sustainability, place competitiveness, place customers’ attachment, place customers’ satisfaction, and place customers’ loyalty.

2) To develop on the literature review of sustainable competitive place concept through the explanation of the roles of place sustainability, place competitiveness, place customers’ attachment, place customers’ satisfaction, and place customers’ loyalty.

3) To develop a conceptual model that demonstrates the relationships between place sustainability, place competitiveness, place customers’ attachment, place customers’ satisfaction, and place customers’ loyalty.

4) To empirically test the constructed model of sustainable competitiveness as relevant to place marketing.

5) To contribute to academic literature on place marketing related to sustainable competitive places, which are under-researched.

6) To identify place customers’ perceptions and behaviour regarding sustainable competitive places.

7) To evaluate the impact of demographic factors on place customers’ behaviour.

1.4 Research Questions

Addressing the research gap of the roles and the relationships amongst the determinants of sustainable competitive places, this thesis assesses place customers’ perceptions towards sustainable competitive places. To explain the sustainable competitiveness of places, the relationships between the key aspects (place sustainability, place competitiveness, place attachment, place satisfactions, and place loyalty) will be
investigated. Factors for place sustainability are taken from established guidelines on sustainable development which involve considerations of economic, social, environmental, and institutional domains (UNDESA, 2007). However, factors for place competitiveness are exhaustive as numerous studies, researches, and guidelines from across disciplines are available as researchers embrace the competitiveness concept to suit their study contexts. For place attachment, place satisfaction and place loyalty, certain aspects are prevalent from previous research. An examination of the relationships of these factors is necessary to explain sustainable competitiveness.

Place sustainability is expected to influence place competitiveness which has further effects on place satisfaction and place loyalty. Place attachment serves as the mediator that influences place customers’ satisfaction and loyalty towards sustainable and competitive places. This thesis argues for the co-existence of place sustainability and place competitiveness which has not been addressed by previous research. In line with an explanation of the relationships between the key constructs of sustainable competitive places, the main research question is best articulated as:

- What are the roles of place sustainability, place competitiveness, place attachment, place satisfaction, and place loyalty in determining sustainable competitive places?

This research question needs an answer which the researcher believes requires further investigation in order to extend knowledge into the research subject. This thesis seeks to answer the research question by examining the place customers’ perceptions of the influencing factors. Following the main research questions, this thesis is further structured along the following related research questions:
1) **What are the components that represent factors of sustainable competitive places?**

2) **What are the main components that explain sustainable competitiveness?**

3) **What are the effects of each factor of sustainable competitive places on each other?**

4) **What are the factors that predict sustainable competitive places?**

### 1.5 Research Approach and Contribution of the Study

It is expected that the findings from this thesis will provide better understanding of sustainable competitive places at all level of place contexts. An insight into the factors that determine sustainable competitive places will provide guidelines for policy decision makers. The factors that they concentrate in generating will satisfy loyal and talented place customers. This is important in increasing the competitiveness of places (Florida, 2004). This thesis will not only be of interest to policy decision makers, but also for future researchers, and students in carrying out their research. No similar attempt exists in explaining the roles and the relationships of factors that determine sustainable competitive places.

The research approach for this thesis involves examination of medium sized cities. The chosen research settings are two Malaysian cities (Kuching and Kota Bharu). The choice for the research settings is driven by several reasons. These are: (1) the country’s keen effort to promote sustainable cities through various programs such as the “Malaysia Sustainable City Award” (MDOE, 2006). (2) Kuching, a Malaysian city, has received an ASEAN Sustainable City Award given by the World Health Organization (WHO) for the past few years. (3) The size of the medium sized cities which are mostly
the country’s capital states ranging from 100,000 to 500,000 in populations. (4) The unique locations and connections of the medium sized cities to the capital city (Kuala Lumpur). The findings from this thesis contribute to the policy decision making of sustainable competitive places in developing countries like Malaysia. However, it must be noted that the findings from this thesis extend to places beyond Malaysia. The findings are relevant to other countries and place context as the thesis is a pioneer in researching the intended area. More specifically, as the subject area of this thesis has never been investigated from any place context, the findings from this thesis can be used as basic guidelines for further research and discussions. For the context of this thesis, the researcher believes that the chosen research settings represent other place contexts of other countries like Malaysia. The next section highlights the background of Malaysian cities.

Malaysia pay less attention to its cities when, arguably, the majority of visitors to Malaysia choose urban areas as their specific destination (Law, 1993). A survey conducted by the Malaysian government in 2007 suggests the majority of visitors (47.7%) frequently visit Kuala Lumpur and Selangor. This phenomenon is attributed to Kuala Lumpur International Airport (KLIA) as being the main entry/exit point. Further, the study shows that the most popular visitor activity is shopping (82.5%), followed by sightseeing in the city (81.6%). Visitors to Malaysia generally visit cities. For the proper spatial planning and territorial management of cities, the Malaysian government has decided that there be a National Physical Plan (NPP); a concept resulting from the amendments to the Urban and Rural Planning Act (2001). The objective of this plan is to create an efficient, equitable, and sustainable national spatial
framework to guide the overall development of the country towards achieving a competitive developed nation by 2020.

Furthermore, this plan is formulated in accordance with the objectives of urbanization and other relevant plans. This plan reflects a good effort by the government to properly manage cities and urban areas. However, this plan applies only to peninsular Malaysia, but not Sabah and Sarawak. The omission of those two states leaves them with their own separate planning systems. This implies disintegration and the disparity of Malaysia’s spatial planning and territorial management. The Malaysian government has recognized the importance of sustainability for its cities. One clear effort is the creation of the “Malaysia Sustainable City Award”. This recognition is given to the city for their overall commitment and effort towards environmental sustainability. The concept of the sustainable city involves economic growth, environment, urban services, transportation, public safety, governance, and community participation.

The Malaysian government emphasises the implementation of Agenda 21, a comprehensive program of actions for countries in achieving sustainable development for the future, which was established by World Tourism Organization (WTO), World Travel and Tourism Council (WTTC) and European Commission (EC). Thus the effort to promote sustainable city development in Malaysia is evident in the adoption of Agenda 21 in city policies and planning. For example, under the 9th Malaysia Plan, various agencies such as the state government and businesses were encouraged to take an active role in minimising the effect of their businesses on the environment. However, the success of the projects under Agenda 21 is dissatisfactory because the nature of the project has been directed to solving environmental issues instead of
creating sustainable development per se. This, added with political interference, unskilled personnel, and financial constraints, the policy for Agenda 21 became futile (Cruz, 2003).

Another problem for cities is the quest for competitiveness. Sassen (2002) suggests that globalization leads to growing competition among cities within their own division, regional or globally for foreign investments. As with the case of place competition for attractiveness Opperman (1992) finds that visitors to Malaysia normally stay overnight and flock the area along the west coast of the Malaysian peninsula such as Malacca and Penang. Certain areas namely Kuala Lumpur and Selangor are the main places for visitor stays due to them being the nearest locations to main entry/exit point (Kuala Lumpur International Airport). It simply implies that places that are not main entry/exit points are at a disadvantage. A survey by Pearce (1997) on Singaporean visitors to Sarawak found that the state was regarded as a short-trip destination or a transit to another destination. With these conditions clearly evident, places far from capital cities must find solutions to attract people to their places. The discussion of Malaysian cities is best supported by the Malaysian map in Figure 1.1.
The study setting for this research is the two cities in Malaysia (Kuching and Kota Bharu). The choice for the research setting is justified by the Brundtland Commission’s report which maintains that sustainability of cities is necessary since cities are the places that demonstrate the most environmental and social problems (World Commission on Economic Development,, (WCED) 1987). Further, rather dated source were the advancement of communications technology, along with the decreasing nation state, permits cities to have an active role in economic and social policy (Borja and Castells, 1997). As the center of power, cities become the central causes for
environmental damage, mainly pollution and waste (Hopwood and Mellor, n.d). Rees and Wackernagel’s (1994) notion of the “ecological footprint” also describes sustainability issues as related to humans and land in urban areas. Dryzek (1987) describes the “radical decentralization” of cities and other local jurisdictions. Local bodies must consider sustainability as a serious concern.

The evidence of existing empirical research in relation to place marketing (Kotler. et al., 1993; Rainisto, 2003) shows the needs for additional discussion and modelling supported by new empirical research. As the findings have indicated, the contributions of this thesis are discussed from the perspectives of theoretical, methodological, and practical implications. These contributions are summarized below.

1) Theoretically, the sustainable competitive concept that is introduced in this thesis advances place marketing literature in explaining place customers satisfaction and loyalty through relationships of place sustainability, place competitiveness, place attachment, place satisfaction, and place loyalty. Moreover, the relationships among the constructs mark the establishment of sustainable competitive concept. More specifically, the results from vigorous statistical testing of the relationships among the factors show the compatibility of all the factors in explaining the concept of sustainable competitiveness.

2) Methodologically, this thesis marks the first effort for developing sustainable competitive measurement scales based on literary studies. These measurement scales are expected to be replicated in other future research studies.

3) Finally, this thesis provides practical advice and managerial practices for city marketers, planners, and decision-makers. It provides managers, administrators and planners with the necessary information for their future actions. For
example, the findings from this thesis can be used by place marketers to formulate their marketing strategies that consider the needs and wants of place customers. Moreover, the findings also provide reference for place managers to plan and develop sustainable competitive places that are attractive to place customers.

1.6 Theoretical Background

As discussed in the previous sections of this chapter, one of the objectives of this thesis is to develop a conceptual model which shows the associations of the factors. The development of the conceptual model must be supported by relevant theories (Hair, Black, Babin and Anderson, 2010). As such, the underlying theories for this study are identified as place attachment theory, sustainability theory, and competitiveness theory. Each of these theories will be briefly reviewed and summarized as follows.

1.6.1 Place Attachment Theory

Theoretically, place attachment is the basic concept for this thesis as the explanation of place sustainable competitiveness is mainly linked to this theory. Moreover, it is closely related to the concept of sustainability. Generally, the concept of place attachment is related to one’s sense of place which involves symbolic and emotional expressions. According to Warzecha and Lime (2001) place attachment theory has been used in research related to natural resource management. Previously it was often applied in the field of geography to investigate the relationship between architecture and the environment to people’s psychological impressions. In a tourism context, place attachment began to gain interest from researchers in the 1980s. However, early research was mainly exploratory, and tended to focus on place creation for the constructs of recreational activities. In describing place attachment, “place
dependence’’ and ‘‘place identity’’ as proposed by Williams et al. (1992) is referred to. The authors suggested that ‘‘place dependence’’ can be defined as a person’s assessment of a particular place and the awareness of the facilities, the uniqueness, and other forms of functionality dependence, and how these can meet the needs and the goals of the place users or visitors. Moreover, they define place identity as a person’s emotional connection to the specific place as a process of environmental self-regulation.

1.6.2 Sustainability Theory

Sustainability theory is related to sustainable development, which the Brundtland Commission report defines as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987:43). The concept of sustainable development integrates a balance among economic, social, and environmental factors (IISD, 1993). According to the Brundtland report (WCED, 1987) sustainable development of a specific locality involves three dimensions. These are equitable, livable and viable. Equitable development associates economic and social dimension, livable development suggests relationships between environment to social needs; and viable development means economic development complying with the capacity of the ecosystems in order to avoid depleting non-renewable resources. Through the Agenda 21 program, countries across the world are required to practice the concept of sustainable development involving development of sustainable development policies, management strategies, and action plans that link environmental protection, the socio-cultural system and economic development.

1.6.3 Competitiveness Theory

Moreover, competitiveness theory relates both to competitive advantage and comparative advantage. Both aspects are similar and different in their own
perspectives. More specifically, comparative advantage sees the opportunity of exploiting the productivity and the endowments of production (resources) and their use by the local residents and visitors. This theory states that inherited and endowed resources could be used for the benefit of the people. Furthermore, competitive advantage emphasizes the ability of a destination to use its resources in achieving long term sustainable goals (Ritchie and Crouch, 2003). Thus, in order to better understand place competitiveness, this theory is taken by the researcher as a guideline for this study. Studies relating to place competitiveness have received relatively little interest by scholars (Ritchie and Crouch, 2003). However, some notable studies show that it is worthwhile in making this area interesting (Buhalis, 2000; Dwyer and Kim, 2003; Heath, 2003; Enright and Newton, 2004; Crouch and Ritchie, 2006).

1.7 Line of Argument and Thesis Structure

As implied in the previous paragraphs, this study intends to explain the sustainable competitive factors of places as a response to the place marketing phenomenon. Thus, the best approach to this study is to begin with addressing the relevant place marketing aspects. As the subject area of this thesis is place marketing, the purpose of chapter 2 is to present the insight into the concept of place marketing to the readers. As this study generally assesses place customers’ attitudes for determining sustainable competitive places, this chapter addresses Kotler, Haider, and Rein’s (1993) identification of place customers’ characteristics to highlight the group’s influence on place marketing. The place marketing process is presented to relate place development and place competitiveness to the strategic marketing of places. Elaboration on the topic illustrates the relationships between place marketing with place development and place competitiveness.
As the objective of this study is to explain the roles of sustainable competitive factors with regard to cities, the concepts of sustainability, competitiveness, and attachment are addressed in chapter 3. This chapter elaborates on these three factors in relation to place marketing. A review of the concepts is presented to highlight various opinions from researchers. Insights from relevant research are highlighted to illustrate their connections to the city context. Approach of this thesis and analysis from the earlier research states the linkages between sustainable competitive places and place marketing.

Chapter 4 responds to the research question “What are the components of the influencing factors that determine sustainable competitive places?" Specifically, this chapter elaborates numerous sustainable competitive factors from previous studies that are closely related to the research context of this thesis. The presentation of these factors highlights the expected link between factors crucial to this thesis. Review of the existing indicators and assessments for the factors are presented to show the reliability of the sources selected for determining the factor based in this thesis. These factors precede the development and the presentation of the research framework and the research hypothesis at the end of the chapter to link the two issues. They mark the central discussion of the literary search before exploring the methodological issues in chapter 5.

As for chapter 5, methodological aspects contain explanations of the research approaches and the arguments for the choice of positivism and quantitative approaches. Insight into research design is explained to understand possible issues or problems
regarding the research process. The approach sets guidelines for data collection and data analysis. However, extra effort and unexpected events are assumed by the researcher during the research process. The reliability and validity of the measurement scales, and the description of the selected statistical method are argued to provide quality research design which ensures the rigor, thoroughness, and the high quality of the research findings. Further, analysis of the research finding is explained in chapter 6.

Chapter 6 follows directly after the methodology chapter to link the two chapters. In chapter 6, analysis of the findings is presented to illustrate the analysis involved on the collected data. The links between the research findings with proposed study hypotheses are described as measures of the study’s achievement. This chapter describes the statistical testing involved in early development of the measurement model until the final refined quality model is achieved. This chapter shows the efforts made to obtain the findings. Chapter 7 highlights the main conclusions of the thesis, the outlook, practical implications, and limitations. Overall, this thesis is structured in such a way that it is convenient to its readers to understand the issues discussed. The structure of this thesis is illustrated in Figure 1.2.
Figure 1.2: Structure of the Thesis

Chapter 1
Introduction

Chapter 2
The Concept of Place Marketing

Chapter 3
The Concept of Sustainable Competitive Places

Chapter 4
Factors Influencing Sustainable Competitive Places

Hypothesis and Theoretical Framework

Chapter 5
Methodology and Research Approach

Chapter 6
Results and Discussions

Chapter 7
Conclusions
Chapter 2
THE CONCEPT OF PLACE MARKETING

2.1 Introduction

The preceding chapter, chapter one, has identified the research phenomenon and has outlined the research objectives. The discussion has identified the need for investigating the roles of factors for sustainable competitive place from a customer-oriented approach through explanations of the relationships among the factors. This thesis contributes to the understanding of sustainable competitive place, in particular place marketing. The purpose of chapter 2 is to present a review of relevant literature which pertain to the main focus of the research; place marketing. Discussion on this topic will provide a clear understanding of the relationships among the main concepts explored in this thesis and place marketing. The chapter consists of relevant concepts and definitions, followed by place customers’ segmentation, place marketing process, and place attractiveness related to retailing and place branding. Further, the concept of place development is linked with both marketing and competitiveness. The focus of the discussion highlights the strategic approaches to place marketing that are relevant to the study. The structure of the chapter is illustrated in Figure 2.1.
2.2 Place Marketing Concepts and Definitions

There are numerous definitions given by scholars to describe place marketing. Linking marketing practices with the emphasis on places as commodities, Ashworth and Voogd (1994:41) claim that:

“Place marketing is a process whereby local activities are related as closely as possible to the demands of targeted customers. The intention is to maximize the efficient social and economic functioning of the area concerned, in accordance with whatever wider goals have been established”.

However, an extended definition of place marketing was presented by Kotler, Asplund, Rein and Haider (1999:125). They suggest that place marketing is:
“a place planning procedure concerning the satisfaction of the needs of target – markets. It could be successful when it satisfies two main parameters: a) The enterprises' and the residents’ satisfaction from the purchase of goods and services that the place provides, b) the satisfaction of the expectations of potential target -markets (enterprises and visitors), as long as the goods and the services that the place provides to them are those that they wish to get”.

Previous research in place marketing focuses on the urban or city context (e.g. Ashworth and Voogd, 1990; Crilley, 1993; Holcomb, 1993; Ward, 1994). Kotler et al.’s (1999) suggest that place marketing studies are grouped in the three categories of place promotion, place selling and place marketing. Their suggestion provides basic explanation of place marketing. Holcomb (1993) describes image marketing studies in post-industrial cities. She concludes that these cities project similar images of holiday let in competing for place customers. Moreover, Ward (1994) claims that activities related to image marketing aim to sell potential towns as attractive real estate bargains to potential residents. In addition, the place selling category, as Ashworth and Voogd (1990) explain, shows various marketing methods that are used in public sector urban planning. In the place marketing group, Harvey (1989) claims place marketing is a method to be used in urban regeneration. Empirical details on urban regeneration are presented by Healey (1997) who focuses on a property-led aspect as a tool for urban regeneration.
The widespread use of place marketing mainly in the urban context is evident in most parts of the world. For example, in the context of Europe, Helbrecht (1994) proposes a model to describe the process of place marketing, which is unsurprisingly called “city marketing”. From the USA context, place marketing relates to political economy of places (e.g. Logan and Molotch, 1987). Moreover, Kotler et al. (1993) use American examples to investigate place marketing, by referring to the various stages of product development relating to cities. They suggest that places need to adopt strategic marketing planning as applicable to most communities. Kotler et al. (1993) additionally describe their ideas for place marketing through their “Levels of Place Marketing” model which was further refined to the Europe and Asia contexts. Moreover, some authors focus on place marketing and urban context in aspects of urban development and regeneration. For example, Smyth (1994) suggests that flagship developments such as new hotels or convention centers impact on other sectors too. Further, Varady-Raffel (1992) and Walsh (1989) address the activities of the local authorities within the city such as public health, education, administration, and housing policy. However, careful usage of place marketing in an urban context in the aspect of marketing communication activities is an important issue. For example, Burgess (1982), through his studies on British cities, suggests that factors such as geographical location, a dependable labor force, and a high standard of living determine the efficiencies of marketing communication activity. Bartels and Timmer (1987), in their investigation on Dutch cities, reveal the differences among the cities in terms of their communication activities, such as advertisements release, and preparation of publications used by the local authorities.
The above discussion suggests various interpretations of place marketing in reference to city marketing, which has been attractive in many aspects. A notable interpretation of place marketing that extends to city marketing is represented by Ashworth-Voogd (1988:68). With regard to place marketing, they argue that:

“City marketing can be described as a process whereby urban activities are as closely as possible related to the demands of targeted customers so as to maximize the efficient social and economic functioning of the area concerned in accordance with whatever goals have been established”.

Meer (1990) describes “city marketing” as a set of urban functions that are used to meet the demand of the inhabitants, businesses, and visitors, which determine local authority methods of matching the demand and supply of provision. Accordingly, Van den Berg et al. (1990: 3) claim that the term “city marketing in a similar way refers specifically to marketing and to urban development”. Hellbrecht discusses the new local development approach in connection with city marketing (1994: 528-529) as follows:

“City marketing is the wrong term for the right strategic approach in local development policy – it enables a new approach to strategic planning in the public sector. City marketing enables a new level of quality within the local development policy in terms of comprehensiveness, creativity and flexibility. New resources in form of ideas, capital, and local knowledge are mobilized for local policy. In this way
**city marketing enables a strategic approach to public planning in collaboration with the private sector.**

Many researchers have unravelled the complexity of explaining city marketing in their studies. Pearce (2001) considers that academic and practical interest in urban studies are caused by both the increasing demand by visitors to experience urban heritage and historic place, and the genuine efforts by policy makers to regard cities as important for urban area revitalization and economic prosperity. Further, researchers from different study background investigate various contexts and levels in city marketing studies. For example, country/region specific studies in city marketing include: Asia (Teo and Huang, 1995); Europe (Van den Berg et al., 1995); Africa (Marks, 1996); and North America (Judd and Fainstein, 1999). Whereas specific subject-related city studies encompass: marketing the cities (Ashworth and Voogdt, 1990); urban regeneration (Law, 1993); urban management (Van den Berg et al., 1995; Hall and Page, 2003); policy and planning (Law, 1993; Pearce, 1998); visitors impacts in cities (Partlett et al., 1995); quality issue (Murphy, 1997); visitor perceptions (Carter, 2004); model of urban management (De Bres, 1994); and sustainable city (Paskaleva-Shapira, 2007). These studies suggest the increasing interests by the researchers to investigate the global issues pertaining to cities.

The interests of many researchers also lie in national capital cities (Pearce, 2003; Maitland and Ritchie, 2007). As Law (1996) puts it, the term city is generally used to represent large cities. He claims that the concept of the city is difficult to determine because of its application in various place contexts. Ritter (1986) also limits his discussion to the hotel locations of big cities. Evidently most research approaches imply a dearth of research studies relating to medium-sized cities. Medium–sized cities
as described in this thesis refer to cities with a population of 100,000 to 500,000 residents. Moreover, previous literature shows that place marketing is compatible with city marketing. Accordingly, for the purpose of this thesis, place marketing is considered as synonymous with city marketing. However, this practice is limited to determining the study context of this thesis which is deemed an appropriate practice for the researcher considering the broad contexts that places are identified by various people and organizations. Furthermore, the cities are regularly used by researchers as their study scopes in investigating places (e.g. Partlett et al., 1995; Pearce, 2003; Maitland and Ritchie, 2007). Moreover, the definition of place marketing by Kotler et al. (1999) is adopted because the author’s description best describes place marketing in accordance with the aims of this thesis. More specifically, Kotler et al. (1999) emphasis on planning procedures that satisfies the needs of the target markets match with the objective of this thesis; to investigate the roles of sustainable competitive places factors for satisfying the needs of place target markets. Essentially, this thesis extends Kotler et al. (1999) description of place marketing by emphasizing the need to understand the complexity of place target market needs. The investigation of this aspect is explored through the understanding of the roles of sustainable competitive factors. This thesis argues that place customers seek sustainable competitive places.

2.3 Place Marketing and Segmentation

Numerous researchers approve of the complex marketing requirements of customers. For example, Gummesson (1999) suggests that understanding customer needs and wants is central to the marketing concept. In addition Kotler (1997) and Weilbacher (1993) agree that solving customer issues by producing value added products is the main concern for all marketing activities, and generating customer satisfaction is the
task for the entire organization. Similarly in place marketing, the understanding of customers’ needs and wants facilitates the provision of place products that match the needs of place customers. More specifically, places must be able to determine, create and communicate their special features and “extraordinary wow factors” effectively to the target customer (Kotler, 1993).

As suggested by most researchers (e.g. van den Berg et al., 1990; Ashworth-Voogd, 1994), the specific nature of place marketing if compared to traditional marketing is that the product to be sold has the required unique features from the outset. The complex nature of elements consisting of physical establishments, services and experiences makes it difficult to define the total place product. Various “target markets” are involved that want to use place product for different purposes. In addition, Smyth (1994) highlights the dynamic nature of place caused by frequent developments and transformations which change the essential features of the place product on offer to its target markets. One way of achieving and dealing with the place product is to compete through product differentiation and then position products relative to their target markets (Kotler et al., 1999; Kotler and Gartner, 2002).

A place can be marketed through distinct images to specific target markets of place consumers (Gilbert, 1988; Nasar, 1998; Kotler and Gartner, 2002). Accordingly, Kotler et al. (1999:75) propose a place buying process of place customers consisting of “the most relevant places, followed by the awareness set, consideration set, choice set and the decision set. The place buyer can have different roles as initiator, influencer, decision maker, approver, and buyer, even as user in the role of an employee, investor, visitor, expert or family member”. Kotler et al. (1993) identify four main target
markets of place marketing. These are: (1) visitors; (2) residents and employees; (3) business and industry; and (4) export markets. Table 2.1 illustrates the four place marketing target markets.

<table>
<thead>
<tr>
<th>Market Group</th>
<th>Characters in the Market Group</th>
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| Visitors           | Business visitors (attending a business or convention, reconnoitering a site, coming to buy or sell something)  
                               | Non-business visitors (tourists and travelers)                                                  |
| Residents and employees | Professionals (scientists, doctors, etc.) employees                         
                               | Skilled employees                                                                                   
                               | Teleworkers                                                                                           
                               | Wealthy individuals                                                                                  
                               | Investors                                                                                             
                               | Entrepreneurs                                                                                         
                               | Unskilled workers                                                                                    |
| Business and industry | Heavy industry                                                                                 
                               | Clean industry assembly, high-tech, service companies, etc.                                         
                               | Entrepreneurs                                                                                        |
| Export markets     | Other localities within the domestic markets and International markets                              |

Source: Kotler et al. (1993:24)

In their discussion of place target markets, Kotler et al. (1993) claim that visitors are the main target market for places. However, large visitor numbers cause social costs to localities such as environmental damage and crowding of facilities. Thus they suggest that places need to carefully examine their target groups before making any place development. For residents and employees, undesirable problem are usually from migration which causes excessive physical and population growth. As for business and industry, Kotler et al. (1993) suggest that places need to make the correct decisions on the mix of industries and economy they are willing to embark on for the sustainability of the nation. They further suggest that places often fail to determine their target groups which lead to an unclear focus being portrayed by their marketing messages (Kotler et al., 1999).
Further, they claim that export markets demonstrate a place’s capability to generate goods or services for other places, people and businesses that are willing to buy. Kotler et al. (1999) state that through co-branding, both public and private sectors are required to enhance the places’ export market image. They further indicate that the current generation of place target markets has selective and advanced niche thinking. Braun (2008) links the customers to the aspired environment for explaining place attractiveness. Place customers evaluate and make tradeoffs between the positive and negative aspects of the relevant environments. These are illustrated in Table 2.2.

According to Braun (2008) these environments are interconnected, and the aspirations of them are rooted in the place customers’ needs, wants and demands. Gold and Ward (1994) claim that present place marketing views particular social or ethnic groups, such as retired people, as target market potentials, and recognizes new themes such as the environment. The social marketing concept introduced by Kotler (1984) may have encouraged further development of place marketing.
The target markets discussed above are extraordinarily interesting and different in their associations to places. For the context of this study, the investigation is limited to the resident market group due to time limitations and study area boundaries. The residents of a place have been recognized as one of the most important internal target markets within a city environment (Metaxas, 2002). Woolley (2000) claims that “local people are the key to urban vitality”. Referring to the discussion of the place customers’ target markets, the residents are selected as the target group for this study.

2.4 Place Marketing Process

Researchers present many different views of place marketing processes. Kotler (1997:90) suggests that a place marketing “process consists of analyzing marketing
opportunities, developing marketing strategies, planning marketing programs, and managing the marketing effort‖. Researchers agree that the place marketing process begins with strategic analysis of a place (Berg et al., 1993; Duffy, 1995; Rainisto, 2001; Kotler et al., 2002). This idea simply means that conducting a Strength, Weakness, Opportunity, Threat (SWOT) analysis of a place is the starting point in the place marketing process.

Ashworth and Voogd (1994) present the elements of place marketing process from the perspectives of producers, markets and consumers. They claim these elements consist of: resources; products; marketing strategies and measures; customer populations; segmentation; and strategies. They further argue that these elements show the distinct nature of a place is marketing process, which is more complex than that of traditional marketing. According to Rothschild (1979) place as a product relates to characteristics of: intangible non-business products; non-monetary price of purchase; the extreme lack of frequency of purchase; the lack of behavioral reinforcements; the need to market to an entire, but heterogeneous, market; and the extreme levels of involvement. As Ashworth and Voogd (1994) suggest, the political environment influences the place marketer’s decision process. However, a comprehensive recommendation of creating a place product that is attractive for business, attractive for visitors, and livable, is presented by Kotler et al. (1993:100). They suggest various investments on four aspects of place. These are:

1) Place as character: A place needs an attractive design that enhances its attractiveness and more fully develops its aesthetic qualities and values.
2) Place as a fixed environment: Places need to develop and maintain a basic infrastructure that moves people and goods in ways compatible with the natural environment.

3) Place as a service provider: A place must provide basic services of a quality that meets both business and public needs.

4) Place as entertainment and recreation: Places need a range of attractions for their indigenous people and for visitors.

Further, Kotler et al. (2002:177) identify four categories of places related to implementation strategy and strategic ability. These categories are: "the frustrators"; "the expanders"; "the losers"; and "the gamblers". More specifically, “the loser” refers to places which are inadequate in both implementation strategy and strategic ability. The opposite of “the loser” is “the expander” which is highly accomplished in strategic ability and implementation. “The frustrators”, however good in strategic ability, are deficient in implementation skills. And lastly “the gamblers” refers to places with poor strategic ability. The authors’ descriptions of place categories suggest that a good mix of strategic and implementation strategies are required in the place marketing process. This appears to suggest that a strategic planning process includes proper actions and good place marketing planning to position places in the “expanders” category.

### 2.5 Place Branding

Place branding is an important aspect to link to place marketing because it can function as a tool to increase place attractiveness. Most researchers (e.g. Keller, 1998; Killingbeck and Trueman, 2002; Hankinson, 2001) generally agree that, like products and services, places are capable of being branded. According to Shrimp (2000) places
are made up of elements such as name, symbols, packaging and reputation. Keller (1998) suggests that place brands create awareness of the place location and establish customers’ anticipated associations of the places. Hankinson’s (2001) study shows that branding of locations, specifically cities, is probable and relevant. According to Aaker and Joachimsthaler (2000) branding is the core that binds all strategic components together to make up a superior formula. Strategic brand management relates to the design and applications of marketing programs to build, evaluate, and manage brand equity (Keller, 1998). Moreover, Rein et al. (1987) suggest that the long term success for firms and organizations lies in their brands.

However, brands also need to be outstanding for attracting the current market economy. Aaker (1996) states that outstanding knowledge on generating brand identity, brand differentiation and brand personality is necessary to attain an accomplished goal in branding process. As exposed by Weilbacher (1993), brands are easily imitated which leads people to perceive them as common. Since it is challenging to generate unique brands, careful measures are necessary in brand creation. Joachimsthaler and Aaker (1997) identify three directives which need to be linked with core identity in creating winning branding. These are: the involvements of senior managers in branding efforts; necessary elaboration of core brand identity; and total focus on core identity to gain position. Some researchers agree that core identity is a main factor in place branding, alongside the components that contribute to place attractiveness (Duffy, 1995; Duncan and Moriarty, 1997; Kotler et al., 1999; Kapferer, 2000). These studies suggest the importance of brand identity. However, researchers hold differing views of the brand identity concept. For example, Kapferer (1992) claims that brand identity links the brand and its customers through functional, emotional and self-expressive benefits.
According to Aaker (1996:68) the brand identity is “how the brand is wanted to be perceived. The brand identity is a unique set of brand associations that the management wants to create or maintain. The associations represent what the brand stands for and imply a promise to customers from the organization”. Accordingly, Pryor and Grossbart (2007:294) refer to place branding as “the process of inscribing to a place symbols and images that represent that set of central, enduring, and distinctive characteristics that actors have ascribed to that place, thereby creating a focus of identity”. Several researchers associate place branding with the issue of national identity. For example, Hankinson (2007) suggests the idea of place branding as a way of promoting a positive image through a sanctioned national identity. Zerrillo and Thomas (2007) claim that a place’s brand identity is strictly associated with the place’s national identity, which originates from both culture and politics of the country.

Kavaratzis and Ashworth (2005) claim that place branding is explained in several categories which are used in various contexts that match the producers’ desired brand identity and objectives. They highlight the three types of place branding, which are: the geographical nomenclature (place becomes only a name for a specific brand or a generic name for a production process); product-place co-branding (employment of quality local products to give meanings and associations to the place); and place management (creation of a reputable place identity and the further use of that identity to develop favorable processes that can influence user behavior). Hankinson (2004:113) conceptualizes brands in the place-marketing perspective as “perceptual entities, communications, relationships, and value enhancers”. Hankinson’s idea generally represents overall ideas of place branding that are used by many studies in place marketing. Therefore, popular researchers’ views of branding is that it is able to extract
visitors’ evaluation of places’ dimensions whether they are superior, poor or irrelevant (Dooley and Bowie, 2005).

De Chernatony (1999) states that brand identity is an important aspect in place branding as the identity is the basis for facilitating attraction; and it binds essential features of attraction into the place’s identity. Basically, researchers’ views of brand identity are linked to the organizations’ efforts in image-building processes. Accordingly, Duncan and Moriarty (1997), and Dematteis (1994) suggest that if the foundations at core values level are unclear, desired image will not be achieved even though good marketing communication is used. According to Kotler et al. (1993:141),

“A place’s image is the sum of beliefs, ideas, and impressions that people have of a place. Images represent a simplification of a large number of associations and pieces of information connected with the place. They are the product of the mind trying to process and “essentialize” huge amounts of data about a place”.

Thus, it is appropriate to consider that place competitiveness and attractiveness is influenced by positive images of a place. A way to deal with the issue of place attractiveness is through branding which literally makes a place’s offerings attractive and visible to customers (Hankinson, 2001; Killingbeck and Trueman, 2002). Kotler et al. (1993:142) identify strategic image management (SIM) as an approach to place attraction which they define as:

“the ongoing process of researching a place’s image among its audiences, segmenting and targeting its
specific image and its demographic audiences,
positioning the place’s benefits to support an existing
image or create a new image, and communicating those
benefits to the target audiences.”

They claim that SIM approach can be used to evaluate a place’s image, and assess and design the images that are attractive to target groups. However, they also argue that a place’s image must be valid, believable, simple, distinctive and appealing (Kotler et al., 1993:149-150). Moreover, Hankinson (2004) claims that perceptual perspectives or brand images lead to accepted views on the role of marketing as promoting an image to achieve the social and economic goals of a nation. Gould and Skinner (2007) explain place branding and the management of place image through association to a country’s strategic innovation and coordinated economic, commercial, social, cultural and government policy. According to Kotler and Gartner (2002) even though most images portrayed from branding of places are usually stereotypes which oversimplify inaccurate and imagined reality they are persistent. Slater (2002) claims that place branding is related to advanced and detailed market research; and its success depends on the ability of the brand to deliver the “feel” and “personality” of a place. Furthermore, Anholt (2002:5) suggests place branding as associated to “trust, quality and lifestyle connotations that consumers can readily purchase, explore and associate with themselves”.

According to Hankinson (2001) and Rainisto (2003) branding is a holistic concept that influences the entire place or organization and not just an inactive marketing activity. However, Kapferer (1992:9-10) notes that brands are essential to assist in organizations’ decision-making as they identify, guarantee, structure, and stabilize
supply. Murphy (1998) highlights that firms recognize brands are their most precious business capital, and the answer to the firm’s affluence. Thus, branding and marketing must be the main responsibility for firms, and outsourcing can be used in the customer value process without reducing customer value (Aaker and Joachimsthaler, 2000; Rainisto, 2003). Through place branding, places can establish desired associations which are attractive to place customers. However, it must be noted that creating value added products that are attractive to customers is not an easy task. This situation also applies to place context. According to Aaker (1996) place brands are only established over the long run, through persistently offering value added products that are needed by the customers.

The measure of place branding practices should relate to brand equity. The concept of brand equity is formed by the assets and liabilities linked to a brand and thereby forming its value (Aaker 1991; De Chernatony and McDonald, 1998; Kapferer, 2000). Aaker (1991) proposes a model of brand equity which identifies brand loyalty as a crucial part in establishing brand equity. According to Hankinson (2004) the concept of brand as a value enhancer causes the development of brand equity which is output based. Kavaratzis and Ashworth (2005) claim that the objectives of the process, and the method of measuring the degree of success in place branding, are to increase brand equity. This brand equity is the extra benefit enjoyed by the consumer. Kerr (2006) relates to the increased concern for places to excel in the competitive environment, which means greater interest in the use of the principles of brand management, or developing a brand management system. He also argues that in managing a place brand, a place must develop and manage its intellectual architecture which generates the brand. Pryor and Grossbart (2007) present an important proposal for the management of place
brands which comprises of five guiding principles. These are: visionary leadership; a brand-oriented organizational culture; departmental coordination and process alignment; and consistent communications and partnerships across stakeholders. Accordingly, Pant (2005) claims that brand management strategy of a place must be properly sustained, mainly when it involves leadership, financial support, and key stakeholders’ dedication.

Papadopoulos and Heslop (2003) and Papadopoulos (2004) claim that the global competition causes increased number of countries undertaking proactive branding programs to appeal to foreign investors. Keller (1998) further suggests that brands must be made as distinctive as possible from the competitors’ offerings. Researchers (e.g. Meer, 1990; Trueman et al., 2001; Killingbeck and Trueman, 2002) agree that differentiation through unique brand identity is necessary for places if place customers are to identify a location as superior. Some researchers tend to link the place branding process with the involvement in place activities of brand positioning. For example, Papadopoulos and Heslop (2003) identify the process involved in building a winning brand as: researching the brand values; having a vision; maintaining a positioning strategy; and facilitating implementation, thereby achieving iconic standing and emotional value. The place branding process is described by Kotler et al. (2002), who propose several strategic decisions in the place branding process. These are:

1) The choice of the brand name is often obvious and the name of the city situated in the center of the region is most often selected.

2) Brand positioning is a fundamental strategic decision and a place should position its unique image among the other places in the desired segment. Positioning identifies the brand in the market in relation to the competition.
3) The whole marketing program - objectives, strategies and tactics – is derived from brand positioning (Weilbacher, 1993; Randall, 1997; Trueman et al., 2001).

Murphy (1998) suggests that place personality and unique sales plans must be determined in comparison to competitors. Since technology is one of the driving forces that influences place marketing globally (Castells and Hall, 1994), places can focus on the development of customer benefits and added value. A possible approach is for places to protect their brands through focusing on a specific market segment. Keller (1998) and Kapferer (1992) maintains that the more focused the product offering is the more easily the offer will be a winner in the segment. Hankinson (2001) suggests that the global nature of the place target markets is sufficient for small market niches to recognize place target markets.

According to Rainisto (2003) a place brand is created when customers are able to select the place for consumption after a place continues to embed desirable brand associations in the targeted customers’ minds. From the retail perspective, Stachow and Hart (2010) investigate the formation of consumers’ images of town centers. By comparing consumer perceptions of the shopping experience in three contrasting town centers in the United Kingdom, they found that the image of town centre is complex constructs encompassing of four elements (cognitive, affective, social and physical) embodied within a customer experience framework. Anholt (2005:117-118) highlights that place branding requires an element of designed visual identity such as: name; logo or slogan; a wide area of corporate strategy; consumer and stakeholder motivation and behavior; internal and external communications; ethics; and purpose. He further suggests that general recognition of places must be based on the guided strategy of a place’s actions.
or behaviors; and an approach of place branding must be achieved through understanding of strategic expertise in promoting the place’s products and sub-brands. Ashworth (2009) identifies three main local planning instruments used in place development to brand places. They are: signature buildings (urban design and districts); personality associations; and hallmark events to brand places.

Accordingly, Warnaby and Medway (2008) demonstrate that an iconic bridge is a visual identity system of a place brand that triggers mental and emotional associations with particular a place. They further highlights that iconic bridges create symbolic places which can be manipulated by place marketers to communicate and differentiate places to various publics. However, Warnaby, Medway and Bennison (2009) found that marketing historical places such as Hadrian Wall in Northern England is different from common place marketing activity. They suggest that the branding of this type of place is associated with the “fuzzy place” that the wall represents. Furthermore, Morgan and Pritchard (2004) note the importance of extending core brand authenticity through good relationships with stakeholders who influence the ultimate success of a place branding strategy. It must be noted that various stakeholders may ultimately become involved in place development (Skinner and Kubacki, 2007). However brand owners must continue to present a complete message to the customers about social responsibility (Keller, 1998; Kapferer, 2000). The discussion on place branding undoubtedly relates to the brand equity and brand identity of places. It is therefore appropriate to perceive place identity and place image as the elements that form the framework of place branding.
2.6 Place Development and Marketing

As Ashworth and Voogd (1994) and Kotler et al. (1993) suggest, place marketing is a subset of place development. In discussing place development, researchers generally emphasize the economic aspect of a nation state. Kotler et al. (1993) combine place development with economic development in the context of strategic marketing to explain place marketing. Furthermore, researchers agree that a place and its economic development determines the competitive advantage of a place in a global economy (Clark, 2002; Castells and Susser, 2002; Porter, 2001). According to Porter (2001) the sustainment of competitive advantages in the global economy depends on incomparable resources that competitors cannot copy such as knowledge, relationships and motivation. Various researchers investigate the effect of economic development in the urban context (e.g. Kotler et al., 1993; Castells and Hall, 1994; Castells and Himanen, 2001; Castells and Susser, 2002). Kotler et al. (1993:72) identify five approaches to place development which they relate to economic development, and they use cities to describe those development approaches. These five approaches are:

1) Community development:

This approach involves creating a quality environment for the people living and working in the community, alongside the opportunity for attracting new residents. The focus revolves around providing community service developments such as high-quality schools, health facilities, day-care services, and other matters that can contribute to quality of life in a community.

2) Urban design:

This approach focuses on providing the design qualities of a place relative to: architecture; open spaces; land use; street layout; and cleanliness and environmental quality.
3) Urban planning:
This approach considers the role of urban planning units in determining the best investment projects related to matters such as land use, zoning, and traffic control that will increase the place attractiveness and infrastructure.

4) Economic development:
This approach emphasizes the output of economic development such as new industries, efficient resource use, and innovation. A place enhances competitiveness through underlying approaches that incorporate community development, urban design, and urban planning with economic development.

5) Strategic market planning:
This approach focuses on making specific places have distinct advantages for the target industries. Place marketing is considered important in place development and involves place-audit, visionary work, and forming goals and strategies to the action plan and implementation.

These approaches are flexible and timely and are applicable to place planners and marketers as guidelines in dealing with the ever-changing challenges of global place development. One of the more recent challenges is environmental issues which may demand further attention in the competition (Castells, 1996; Keller, 1998; Anholt, 2002). The challenge could also come from global competition since a place not only must market its products in its local or domestic market, but also internationally (Ashworth and Voogd, 1990; Kotler et al., 1990). In other words, places must be attractive to potential target markets. Accordingly, Kotler et al. (1993) suggest that a place is attractive when it can offer possibilities such as new industry startups, strong job opportunities, and an attractive quality of life. They regard these important qualities
as contributors to the place growth dynamic. In defining and measuring place attractiveness, Hart, Dennis and Stachow (2008) examine the concept of place attractiveness of town and city centers as shopping destinations. More specifically, the authors propose the measurement of place attractiveness through the combinations of integrated quantitative measures based on customer utility and qualitative measures of customer image perceptions. The influence of retailing on place attractiveness and marketing is further supported by researchers in the areas of retail studies. For example, Teller, Elms, Thomson and Paddison (2010) identified the antecedents of (retail related) place attractiveness. Through their empirical study which focuses on place users’ perceptions of an Austrian town, they found that the retail tenant mix and the retail atmosphere influence place attractiveness most significantly. Accordingly, Teller and Elms (2010) presents a conceptual model that proposes direct and indirect antecedents regarding the different retail related dimensions associated with urban place attractiveness. By surveying approximately 500 actual customers of a town centre, they found that the retail tenant mix, the merchandise value, and the atmosphere had a direct impact, and the product range and the sales personnel has an indirect impact upon the evaluation of place attractiveness. Their study confirms that retailing activities were a major driver of attractiveness for urban place marketing.

However, Kotler et al. (1993) also acknowledge the decline that places must experience following periods of growth, which is similar to the business cycle theory. Other researchers extend the effects to encapsulates the so called “process coincidences” which include issues such as air pollution, strained infrastructure, and crime rate, all of which must be noted early in the contingency plan (Berg et al., 1993; Ashworth and Voogd, 1994; Killingbeck and Trueman, 2002).
2.7 Place Development and Competitiveness

Any scholarly discussion relating to place marketing includes consideration of the places’ vitality in the light of growing global competition. Places must be able to react to the challenges from place competition, which are largely related to the place market. In facing the challenges, Braun (2008:185-186) suggests that places use an integrated approach to respond to place competition. The integrated approach concerns two dimensions which are: urban governance, and the supportive factors. Braun argues for embeddedness in urban governance through:

1) A broad and shared interpretation of city marketing at the level of the city’s decision makers in order to avoid confusion among policymakers;

2) The inclusion of city marketing in the political priorities to make it an explicit part of the political and administrative process;

3) The unambiguous political responsibility for city marketing, and clarity about the relation with other policy fields to prevent competition among various policy fields;

4) The support from city marketing networks to make the most of the wide variety of stakeholders with relevant expertise and interests, and the leadership to develop, coordinate and use the full potential of these networks.

Meanwhile, for the supportive factors he suggests:

1) The translation of political priorities into a comprehensive city marketing framework to avoid negative externalities and conflicts, and to provide a link with the city’s wider political objectives;

2) The identification of city marketing activities that are relevant for more than one generic customer group, and supporting these activities by an adequate coordinated mechanism to facilitate city marketing management;
3) City marketing activities for particular customer groups need to be supported by a coordination mechanism as close as possible to these customer groups. This is a basic marketing idea acknowledging that those practitioners close to the customers know their own customers’ needs. The absence of this coordination mechanism causes city marketing management to become impracticable;

4) A flexible approach to the spatial level of city marketing activities to make it possible to respond to customer preferences that cross administrative borders.

The responses outlined above are comprehensive but limited to the aspects of governance in responding to changing global competition. However, with enhanced management of competition, and the gaining of competitive advantage places may employ these responses appropriately for their place contexts. Furthermore, some researchers discuss strategies in relation to economic planning development thereby building a competitive advantage for a location (e.g. Borja and Castells, 1997; Sanchez, 1997). Accordingly, Porter (2000) suggests local clusters as strategies for economic development. More universally, Healey (2009) proposes “city region[s]” which integrate local places in place development. The development strategies are helpful ideas for places in their place development, and are similar to the responses outlined by Kotler et al. (1993). These outlined strategies are:

1) Focusing regional resources through regional clusters (science parks, enterprise hubs).

2) Supporting local entrepreneurs.

3) Bringing education and business together.

4) Creating community involvement.
5) Building national and international links to develop new markets and to exploit inward and outward investment opportunities.

Metaxas’ (2002) discussion on the effect of place marketing as a tool for local economic development and place competitiveness has shown a promising, integrating process linking a place’s potential competitive advantage to their overall economic development goals. To further extend this idea, Ashworth and Voogd (1994:43) suggest that place marketing includes aspects of resource production, a set of marketing measures (i.e. promotional, spatial/functional, organizational practices) for the market, and consideration for the multiple groups of consumers who have different demands. Kotler et al. (1993) recommend the following aspects as strategies for successful place marketing, namely: having a planning group; marketing factors (infrastructure, attractions, image and quality of life, and people); and target markets. Accordingly, Rainisto (2003:68) suggests that places must consider systematic place marketing as a central strategy in their decisions, and all parties involved in the place’s marketing programs must accept the common goals of the programs. From his study on success factors in place marketing practices in northern Europe and the United States, Rainisto (2003:216-223) finds nine success factors of place marketing which are particularly relevant to cities. These are:

1) Planning group:

Place marketing needs a planning group as a coordinating organizer that contributes to the necessary vision, focus and motivation. Group representatives from the business communities contribute to more successful place marketing programs.

2) Vision and Strategic Analysis:
Strategic analysis work (SWOT-analysis) examining places’ strengths, weaknesses, opportunities and threats are necessary in order to succeed over more relevant place marketing programs from the competing places. Multiple (combined) visions are necessary in broadening the view and giving protection through reserve plans.

3) Place Identity and Place Image:
Places must develop their known brand image to compete over locations with no brand familiarity. The maturity of place components must be present before major communication activities are made. The umbrella brand and the sub-brands of a place must be consistent with each other and also with the place offerings. Most places can be branded for their uniqueness, similar to goods and services. A holistic branding process gives a place a lead over locations which only exercise promotion through development of the place products. All stakeholders must be involved in branding process.

4) Public-Private Partnerships:
The success in public-private partnerships is crucial for the long-term success in place marketing as the support from the private sector will lead to more credible and result-oriented planning and implementation.

5) Political Unity:
Political unity and consistency are crucial in the implementation of a successful place marketing program. Major stakeholders’ agreement on common goals and strategies are crucial for the success of place marketing programs.

6) Global Marketplace and Local Development:
The local conditions of a place must first be satisfactory before the place expands its offering globally. A place offering must be consistent and professional, with
international customer-value oriented practices, in order to survive the global competition. The correct global market niche is necessary, even with limited resources.

7) Process Coincidences:

Gaining control of the negative externalities is beneficial. Reserve plans are important. Good management is crucial for place survival.

8) Leadership:

Professional leadership is necessary as talented leadership make use of its resources and capabilities and prevent losing its development and market position.

Evidently, Rainisto (2003) has closely followed Kotler’s (1993) strategies for place marketing, and his success factors can be considered as merely a detailed or evolutionary explanation of Kotler’s strategies for successful place marketing. Other factors that researchers view as contributors to success in place marketing and place development are: easy access to markets; customers or clients; transport links with other cities, both domestic and international; quality of telecommunications; a climate for business through tax (the availability of financial incentives); quality of life for employees; freedom from pollution; and focused economic development (Gold and Ward, 1994; Jensen-Butler, 1997; Clark, 2002). Kotler et al. (1993:81-98) relate strategic place marketing processes to the challenges that place marketing encounters, for instance the changing marketplace. They believe that the strategic place marketing process can be used to revitalize towns, cities, regions, and nations, and that this process is effective in most places where both institutions and procedures are involved in the decision making of the place’s future.
The description of the proposed strategic marketing planning process discussed above shows that this process is an ideal approach that places can employ to formulate winning plans and actions, since this scheme incorporates the place’s objectives and resources, together with the changing opportunities. An additional important means of making places attractive through product development is via the provision of an attractive built environment, which involves the use of contemporary architecture (Ward, 1998). However, Hubbard (1995) suggests that the alternative use of contemporary elements may alter favorable images from the past especially of cities with regard to architecture. Furthermore, Crilley (1993) highlights that such investment in the architecture may result in the new symbols of the cities becoming the main means of communication activity. The discussion above indicates that it is not an easy task to achieve success in place marketing. With relation to the city context, the marketing of successful cities is indeed partly influenced by the place marketing process and development, such as the economics of a nation state.

2.8 Summary

This chapter shows that the concepts of place marketing are associated to the urban context. Further, strategic place marketing approaches are related to strategies for building a place’s brand and identity, and for enhancing desirable place image and reputation to the target customers. The discussion on identified place target customers describes the various needs and wants of each of these groups. Moreover, place marketing and development through economic development, especially in the urban context, is identified as a strategic tool in achieving competitive and a successful place. The discussion highlights the importance of the local economic development of a place in attracting place markets. Place development is addressed to the place needs to
achieving competitiveness in the global market. The global competition is highlighted as a positive aspect to a new market niche. It is also suggested that small places focus on their own market niche through emphasizing their superiority or unique character over other places. Strategically, a place has unique offerings that can be attractive or interesting to the correct customers and market segments. They also add value for the customer. However, there is a lack of knowledge in terms of attitude, behaviour and perception of place target markets concerning factors for place competitiveness. The discussion of the literature on place marketing also suggests that there is a lack of empirical studies to address this very issue. The discussion on place marketing suggests place branding as an important aspect of a place. However, the place branding context of this thesis will not stretch further to the discussion of a brand name. Nevertheless, the role of place branding is a concept to be aware of for the researcher, as it is closely related to marketing attractive places for place customers.

This thesis has addressed place development as it is linked to place marketing. The development aspect can be investigated to aid place marketers to address the global competition among places in attracting place customers. However, the link between place marketing and the issue of place development with regards to sustainable development is evidently under researched. The next chapter introduces the aspects of sustainable development, competitiveness, place attachment, place satisfaction, and place loyalty as relevant concepts to understand place customers’ attitudes towards marketing sustainable competitive places.
Chapter 3
THE CONCEPT OF SUSTAINABLE COMPETITIVE PLACES

3.1 Introduction

Place marketing is a strategic approach for places to promote their localities (Kotler et al., 1993; Holcomb, 1994). Places should be marketed similarly to marketing of other products and services (Meer, 1990; Braun, 1994). In the marketing of places, the context of the city is widely addressed by researchers (Ward, 1994). Existing studies on place marketing focus on aspects of place branding (e.g. Hankinson, 2001) and place identity (e.g. Yuen, 2007). As place marketing is closely related to the concept of place development, marketing of places is strongly linked to this concept. In the case of marketing sustainable competitive places, sustainability is investigated in conjunction with competitiveness. Sustainability and competitiveness are acknowledged to be closely related (Crouch, 2007; Hassan, 2003). However, place marketing studies, and relevant discussions in particular, show that a big gap in the knowledge remains relating to this issue. As the previous chapter discusses the important issues related to place marketing, this section will introduce the reader to earlier studies on sustainability and competitiveness relevant to this thesis.

Since this thesis addresses the city context, this section begins with the definitions and concepts of the city aspects as a basis for understanding the concept of sustainable competitive place. Furthermore, aspects relevant to the thesis and the associated city context are reviewed including globalization, and planning and development. The discussion of the city is advanced to sustainability, which leads to discussions on the
concept of sustainable development, the sustainable city, and sustainable city development. The purpose of this discussion structure and relevancy is to demonstrate the relationships between sustainability in terms of the city context. The relationships between the sustainable city and place loyalty, and sustainable city and place satisfaction are discussed to highlight the importance of places’ sustainability. The chapter is further enhanced by discussing the link between competitiveness and sustainability. The competitiveness concepts and dimensions (competitive advantage and comparative advantage) are discussed to support the understanding of the competitiveness-sustainability relationship. Finally, place attachment is addressed to highlight its importance as the foundation for understanding sustainable competitive places. Figure 3.1 illustrates the structure of chapter 3.

Figure 3.1 Organizational Structure of Chapter 3
3.2 Definitions and Concepts

There is no standard definition of the term “city”. Many definitions and concepts of a city are used in various settings by different groups of people. For example, Hall (1995) uses the term “city” to mean a functional city region which is provided by the American analysis of the Metropolitan Statistical Area. Opperman and Chon (1997) refer to cities as the entities which bear the national symbol, companies and government major offices. According to the American Heritage Dictionary of English Language (2009) a city is a centre of population, commerce, and culture; a town of significant size and importance. For countries like China with its large population, regulations of the Chinese Urban Planning Act divides cities into three levels depending on their population: large cities (population of more than 1,000,000); medium-sized cities (population between 200,000 and 1,000,000); and small cities (with population less than 200,000) (Van jik and Minshun, 2005). In Europe, the widely accepted definitions of medium-sized cities consider population density and the country’s urban system along with populations of 20,000 to 200,000 (European Foundation, 1994).

In Malaysia, to define a medium-sized city, an understanding of the country’s urban hierarchy system is necessary. This system of urban hierarchy, established through the National Urbanization policy 2006, is a way of arranging urban areas into a hierarchy based upon criteria such as the number of population, sphere of influence, functions. The cities can be categorized into discreet classes having entirely different levels of functional complexity. In the context of this thesis, the medium-sized cities comply with the Malaysian state-growth conurbation. Though this hierarchy is intended for application to areas of West Malaysia, this thesis assumes the state growth conurbation
applies to East Malaysia i.e. Sarawak and Sabah due to the close population range for state conurbations or state capital between both parts of Malaysia. The Malaysian national urbanization hierarchical system is illustrated in Table 3.1.

Table 3.1 Malaysian National Urbanization Plan Hierarchy

<table>
<thead>
<tr>
<th>URBAN HIERARCHY</th>
<th>POPULATION RANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Urban Conurbation</td>
<td>2.5 Million and above</td>
</tr>
<tr>
<td>Regional Growth Conurbation</td>
<td>1.5 to 2.5 million</td>
</tr>
<tr>
<td>Semi-Regional Growth Conurbation</td>
<td>0.5 to 1.5 million</td>
</tr>
<tr>
<td>State Growth Conurbation</td>
<td>300,001 - 500,000</td>
</tr>
<tr>
<td>District Growth Conurbation</td>
<td>100,001 – 300,000</td>
</tr>
<tr>
<td>Major Settlement Center</td>
<td>30,001 – 100,000</td>
</tr>
<tr>
<td>Minor Settlement center</td>
<td>10,000 - 30,000</td>
</tr>
</tbody>
</table>

Source: Federal Department of Town and Country Planning Peninsular Malaysia, 2006

According to Cappon (1993:9), a city is “more or less regular and recognizable agglomeration of buildings and thoroughfares, where people live and work”. On a similar theme, Acselrad (2004:1) claims that “cities may be seen to be sustained as a material structure, as the space of quality of life or as a political space where urban policies are legitimized”. Some researchers regard the city and its mechanisms as categorical entities. For example, Pacione (2001) suggests that cities can be identified by four elements which are: size of its population; economic sources; administrative or legal criteria; and functionality. However, his proposition highlights some critical issues including various national uses of actual size for urban definition, and the undermining of the physical extent of the urban area with regards to administrative boundaries. As indicated by Mumford (1997:185), a city can be seen as a “geographic
plexus – an economic organization, an institutional process, a theatre of social action, and an aesthetic symbol of collective unity”. He suggests that strong characteristics based on social exchanges intensify in urban areas and thereby make each city unique. Mumford further describes the anonymous interaction or dispersal of social interactions beyond the boundaries. Supporting Mumford, Pile (1999:16-18) argues that the resulting urban dispersal was the ‘inevitable dissipation of its humanity and creativity’. According to Kunzmann (2010:34) geography alone does not really explain and determine the function of medium-sized cities. He suggests that the functions of medium-sized cities can be grouped into four categories. These are:

1) Supplier and stabilizer:
An economic, social and cultural centre in a region including the provision of goods and services for the households, local firms and enterprises.

2) Developer:
The engine for regional spatial development.

3) Reliever:
A location for functions, decentralized for economic or political reasons from the metropolitan core.

4) Border, exchange and gateway:
A gateway centre and a centre of cultural exchange.

The Commission of the European Community (2000) indicates that globalization cause cities and their hinterlands become indifferent from one another, become better connected by good communications, and show comparable cultural descriptions. Hinch (1998) states that the key elements of place in the urban setting are the built environment, the natural environment, and the cultural environment. All these resources
are unevenly distributed within city areas. Garnham (1985) claims that the city’s characteristics (climate, natural setting, and many others) contribute to the city’s sense of place, a scenario which can be further advanced from residents’ perspectives to make competitive urban destinations. For the purpose of this thesis, Garnham’s (1985) description of a city best fits the thesis’s objectives. Generally, the term city in this thesis refers to the place where people and their culture, social life, economics, politics, and physical characteristics combine to create a distinct environment. Critically analyzed, a city has multiple functions ranging from being a gateway (sub-gateway), a centre of economic activity, and a central destination. Cities also offer a different sort of experience to the residents and visitors. However, as a result of the various definitions and concepts of city discussed above, the working definition of a city for this thesis focuses on key characteristics of a medium-sized or sub-gateway city. The chosen concepts and fundamentals assumed to facilitate a holistic understanding of a city into several summarized criteria. These are:

1) Naturally complex
2) Multifunctional
3) Environmentally sensitive
4) Benefits to the residents
5) Physically attractive
6) Generates satisfaction to place customers
7) Generates attachment to place customers
8) Promotes residents’ loyalty
3.3 Cities and Globalization

As a peculiar agent for development in cities, globalization brings increased competition among cities to remain attractive to place customers. Globalization intensifies world connection through increased networks, flows, transactions, images, and transcendence of ideas that connect states and societies (Giddens, 1990). According to Freeman (1997) globalization appears in fields such as international political economy, economic geography, business and society (or social issues in management), and business ethics. Interpretively, globalization is both challenging the competitive force and growing market potentials on a global basis (Barney, 1991; Porter, 1998). Porter (1998) further asserts that globalization leads to location advantage by eliminating barriers to trade and investment, while creating both the opportunity to increase national competitiveness, and a threat to its maintenance. Gill (2002) maintains that the general process of restructuring the state, political and civil society, political economy and culture are partly attributed by multidimensionality aspects of globalization. These are: symbols, music, ideas, images, fashion, and various preferences originated from the community and their identity. As Anholt (2007) suggests, to successfully compete global players must have the ability to react to a diverse global marketplace, with a precise, credible, appealing, distinctive and thoroughly planned vision, identity and strategy. Moreover, various stages of globalization in the marketplace lead to difficulties in making decisions at all governmental levels (Buckley and Ghauri, 2004). Generally, globalization is manageable and its effect is to improve people’s lives, to unify decision for cross-border public action, and to create networked communication (e.g. Kaul et al., 2003).
Cities link their national economies globally through cross-border transactions. Sassen (2002) adds that globalization results in cities at both global and national level competing with one another. Some researchers e.g. Pearce (1995) and Stansfield (1964) consider cities as gateways. They claim that cities are commonly regarded as the visitor gateways to other destinations. According to Opperman (1992) cities become the point of distribution or a transit to other destinations inside a country. Furthermore, Opperman and Chon (1997) claim that capital cities are major gateways and the locations for international airports. However, as Burghardt (1971:284) illustrates, “just as there is a hierarchy of central places, so one may speak of corresponding hierarchy of gateways. Such hierarchy will occur in sequence with distance, in zones of declining productivity”. The author is portraying a reality of interconnections among cities. More specifically, first rank gateway cities have competitive advantage over other sub-gateways cities in intercity competition. This gateway hierarchy issue leaves the latter to compete for strategic place attractiveness. Sassen (2003) argues that state-side-bound institutional order is a crucial regulatory means for aiding the implementation of cross-border operations for national as well as foreign firms, investors, and international markets. These conditions require an urban economy such as cities to possess specific and adaptive modes of assimilating change, and an ability to relate to a competitive global environment. Judd and Fainstein (1999) assert that global forces shape cities to become alike. More specifically, cities become homogenized to “theme cities” (Sorkin, 1992; Paradis, 2004), urban waterfronts (Goss, 1996), and public entertainment space (Cybriwsky, 1999). Braun (2008) claims that there are fundamental developments and trends that influence city dynamics. These are: (1) ICT revolution; (2) media society; (3) terrorism threat; (4) geo-political change; (5) better transport connections; and (6) globalization. One clear explanation is that these
factors are interrelated. Furthermore, researchers have understood the influence of a knowledge economy (Dahlman and Andersson, 2000; Braun, 2008) and an experience economy. More specifically, Dahlman and Andersson (2000) suggest that knowledge economy encourages organizations and people to acquire, create, disseminate and use (codified and tacit) knowledge more effectively for greater economic and social development. Van den Berg, Pol, Van Winden and Woets (2004) link the knowledge economy to the urban context, which they claim has a different impact on cities depending on the cities’ potential as locations for knowledge-intensive activities and the local government. For an experience economy, Pine and Gilmore (1999) suggest that companies have to strive for value added goods and services in order to remain competitive, and be capable of meeting the high demands of knowledgeable customers.

### 3.4 City Planning and Development

Development in city areas brings economic prosperity to any types of cities (capital, industrial, or metropolitan). However, the development also leads to a number of negative impacts on the cities and its residents (Shaw and Williams, 1992; Hall and Page, 2003). Green and Hunter (1992) argue that development causes decline in the quality of urban environments, and changes in the environments’ visual impact and physical characteristics, urban infrastructure, and urban forms. Expansion in cities also creates an overloaded infrastructure, traffic congestion, litter, pollution of ecosystems from sewage, and uncontrolled migration of people to cities for a better life (Mathieson and Wall, 1982). As Tyler (1998) demonstrates, urban areas are seemingly repetitive of their product types (heritage and cultural attractions, conference and convention centres, festivals, shopping, and events). The development also leads to a conflict of interest between the stakeholders in issues of planning and development. The United Nations
maintains that the enforcement of common interests often fails due to areas of political jurisdiction and areas of impact not coinciding. In planning and development, particularly with respect to urban context, the urban life cycle proposed by Van den Berg (1987) is a concept worth examining for the following reasons: (1) he relates fundamental developments as being associated with changing patterns of urban development; (2) he suggests the spatial behavior of urban actors (residents, companies and the government) as the key to understanding cities and urban region development patterns; (3) he recognizes the urban actors’ desire to maximize their well-being over value or wealth; and (4) he recognizes the place actors as an important target group.

Another important idea identified by Van den Berg (1987) that contributes to the discussion of place planning and development is the stage of urban development. This aspect is important because it provides insight into the development that urban contexts undertake. Van den Berg (1987) claims the degrees of cities’ competitiveness depends mainly on their stage of development. He identifies three urban development stages beginning with the urbanization stage where towns act as independent units, and have rare functional connections with other municipalities. The next stage is urban sprawl which shows the cities as functional urban region. The third stage is declining urbanization, where large towns are facing problems such as competition from the attractive living environments of far distanced medium-size towns. Besides all these development stages, Van den Berg recognizes the proliferation of functional urban regions under the influence of the rise of the information society, which are nowadays referred to as polycentric urban regions (Van der Knaap, 2002).

Urban conservation is an emerging issue that is discussed by researchers. To illustrate, Shaw and Williams (1992) state that urban conservation is a result of city development.
They further suggest that cities are continuously regenerated, and restored of historical, architectural and cultural features. This understanding eases the concern about the development impacts and sustainability for the environment, host community, and adjacent territories. Furthermore, according to Hall (2000) planning processes between the urban level and national or provincial level are different; social and political situations mould the planning process guided by that particular city or sub-city area. He claims that government policies and strategies with regard to the significant role of sub-national authorities to global interactions are still at its infancy. Accordingly, Kunzmann (2010:39) suggests that the key ideas for strategic planning for medium-sized cities are to address local development problems, overcome shortcomings, and equip the local community to face their future. He suggests that the strategic planning involves eleven aspects. These are:

1) Base stabilization strategies on the local territorial capital. Importance of knowledge of the particular local capital is essential. It has to be carefully researched, evaluated, documented and locally communicated.

2) The use and promotion of local knowledge and competence. The promotion of small and medium enterprises (SMEs) in areas of local knowledge and competence is a logical strategic consequence for action.

3) Building on local quality of life. The quality of the built and natural environment is a key factor in community building.

4) Engaging the local civil society. Engage local communities in strategic planning and development, not as consumers of public services, but as actors in local efforts to improve livability.
5) Targeting a young generation.
Young people’s early active involvement in local projects could contribute much to reduce their willingness to leave.

6) International orientation.
Internationalize through adding an international component to local development strategies.

7) Involving local media in communicating values and visions.
Invite local media to report about local political, social, or cultural events.

8) Forming sub-regional strategic alliances.
Form strategic alliances between central city and the smaller rural communities through a catalytic project that benefits both parties.

9) Promoting local economic circuits.
One regional response to globalization is local and regional economic circuits.

10) Promoting learning processes.
Use urban development processes as perfect learning processes, where the participating stakeholders learn to understand others, communicate their interests and sharpen their arguments.

11) Forging interregional networks.
Build up interregional networks among cities and regions to forge sustainable interregional and intercultural networks across national borders.

Kunzmann’s (2010) argument for emphasis on handling community problems as an approach to strategic planning as stated above is realistic, which is in line with Conroy’s (2003) and Campbell’s (1996) arguments that local communities play a vital role in sustainable developments. With regards to the sustainable development process,
the International Development Research Centre in Canada maintains that a sustainable
development process involves balancing the development processes of economics,
community, and ecology. Accordingly, Amado, Santos, Moura, and Silva (2010)
propose that the sustainable planning process consists of four stages. These are:
intervention aims definition; reference situation analysis; plan design; and
implementation. They propose that the stages are dependent on each other; the
following stage starts only after the evaluation and validation of the previous one.
Amado et al. (2010) further argue that community involvement is vital in the evaluation
and validation process which presents decision makers with precise knowledge of the
area and its specific needs. In a similar vein, Conroy (2003) claims that the key
dimensions of sustainable development planning processes are participation effort,
resource commitment, and political support for sustainable development. Indeed,
“planners cannot create sustainable communities without commitment from community
residents to change the way they live on the land and their attitudes towards it” (Grant,
processes involving communities will address the conflict of competing claims on the
restricted environmental, social and economic resources of a region.

3.5 Cities and Sustainability

3.5.1 Introduction

According to the International Urban Development Association (2006) urban growth
makes cities undeniably the right centre for development, innovation, and creativity
thereby fulfilling the century’s focus on sustainability. This section puts into
perspective the concept of sustainable development, the sustainable city, sustainable
city development, and the indicators and assessments for sustainable cities. Essentially,
the explanation of these important aspects demonstrates the possible link between sustainability and the city.

3.5.2 Sustainable Development

United Nations Charter (1944) laid out a comprehensive view of development, which involves economic and social progress and higher standards of living, as well as cultural, educational and health matters. In 1995 the Program of Action of World Summit for Social Development, for instance, includes a concept of development that comprises both developed and developing countries, and aims to eradicate absolute poverty, to provide expanding employment, and to increase social integration (UNRISD, 1995). Generally, development is becoming an open-ended process which is loosely defined as a “broadening of people’s choice” (UNDP, 1998). However, as UNCTAD (1999:150), put it, “development is more than just economic growth and economic development”.

When compared to development, the term “sustainability” is not a new concept. The increased interest to this concept began during the 1970s and 1980s. With the release of The World Commission on Environment and Development (WCED) report entitled Our Common Future, concern for the environment is becoming clearer (WCED, 1987). This report which is well known as The Brundtland Commission report, states that sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987:84). In 1992 at the United Nation's Conference on Environment and Development (UNCED) Rio de Janeiro, the concept of sustainable development was thoroughly discussed. At the conference, the concept of sustainable development was accepted as critical to environmental and developmental sustainability. The UNCED
"Earth Summit" made sustainable development a universally accepted goal. Besides making clear that the goals of economic and social development have to be defined in terms of sustainability by all countries of the world, the "Earth Summit" also produced conventions on climate change, biological diversity, the "Rio Declaration" statement of principles on environmental protection and development, and an agreement on the statement on forestry principles (IISD, 1993). It literally means that to be sustainable, development must improve economic efficiency, protect and restore ecological systems, and enhance the well-being of all people. The concept of sustainable development integrates a balance among economic, social, and environmental factors (IISD, 1993). In addition, for development of a given territory to be considered sustainable, it must integrate the qualities associated with interactions and overlapping of these dimensions. In addition, the Brundtland report (WCED, 1987) asserts, for the development of a specific locality to be considered sustainable it must comply with three dimensions (equitable, livable and viable). More specifically, equitable development means there are linkages between the economic and social dimension; livable development demonstrates relationships of the environment to social needs; and viable development shows that economic development must consider and support the capacity of the ecosystems, and avoid the act of depleting non-renewable resources.

A further effort to make real the understanding of sustainable concept is through the publication of agenda 21 by WTO, WTTC, and EC. Agenda 21 is a comprehensive programme of action for countries in the world to achieve a more sustainable pattern of development for the next century (IISD, 1993). The implementation of Agenda 21 requires nations to put into practice the concept of sustainable development. Countries are also urged to develop sustainable development policies, management strategies, and
action plans that link environmental protection, socio-cultural systems and economic
development. Countries of the world would then be able to enhance prospects for
environmental protection, social development, and economic development (IISD, 1997).

However, Sack (1992), among other researchers claims that there is no single, fixed
definition of “sustainable development”. He claims that the nature of various
development goals allows for many ways of reaching the goals for sustainable
development. Some arguments of what sustainable development actually means either
philosophically or in practice put the definition wider into perspective. Since much
debate of sustainable development revolves around conservation of environment and
culture, Wearing and McDonald (2002:199), states that in order to settle the
conservation versus development approach, “the sustainable development debate” must
not be “choosing between two mutually exclusive modes of practice – tradition or
modernity.” But, more of “finding new balance in a changing time and enabling people
to communicate their priorities to outside influences”. The unavoidable need of linking
sustainable development with human development is evident. More specifically,
sustainable development involves the aspect of sustainable human development. For
example, in handling the concept of development, World Investment Reports of
UNCTAD embraces the United Nations’ definition of “sustainable human
development” that encompasses economic, social, political, environmental and other
dimensions. Accordingly, Gladwin et al. (1995) describes the link between sustainable
development and human development. The authors states that sustainable development
is “achieving human development ... in an inclusive, connected, equitable, prudent, and
secure manner” and “improving the quality of human life ...”.
3.5.3 The Sustainable City

There are many definitions given for the term “sustainable city”. A typical definition of a sustainable city is given by Nijkamp and Perrels (1994:4). They define a sustainable city as a place “where socio-economic interests are brought together in harmony (co-evolution) with environmental and energy concerns in order to ensure continuity in change”. A rather dynamic approach to sustainable city definition is “one in which its people and business continuously endeavor to improve their natural, built, and cultural environments at neighborhood and regional levels, whilst working in ways which always support the goal of sustainable development” Haughton and Hunter (2003:27).

Camagni, Capello and Nijkamp (1998:108) suggest that in order for a city to be sustainable, “three environments (physical, social, and economic) characterizing an urban agglomeration interact in such a way that the sum of all positive externalities stemming from the interaction of the three environments is larger than the sum of the negative external effects caused by the interaction”. In an earlier publication, the idea of Camagni et al. (1998) threshold conditions of the need for meeting the three sustainable environments has been stated by Nijkamp and Opschoor (1995).

Sustainable cities are receiving much attention from researchers (e.g. Roberts, 2000; Portney, 2001; Bramley et al., 2006). The reasons behind the focus on cities are attributed to the increased awareness that most of the world’s population resides in cities and towns, and the potential of cities as administrative entities to providing solutions for the effects of globalization (Atkinson, 1998; Mercer and Jotkowitz, 2000; Clark, Lloyd, Wong, and Jain, 2002). Actions have been taken towards achieving sustainable cities. For example, implementation of Local agenda 21 shows the importance of cities as ecological entities that deal with issues of environmental
problems resulting from the increased impact of urbanization. Wackernagel and Rees’s (1997) well noted conceptual tool, the “ecological footprint model” was employed to calculate and compare the footprints of various cities. They link their tool to “the total area of productive land and water required on a continuous basis to produce all the resources consumed, and to assimilate all the waste produced, by that population, wherever on earth that land is located” (p:11). Rees (1997) suggests that in order to reduce the ecological footprint, efforts such as integrated city planning and open space planning, better use of green areas and pursuing economic development that has no impact on ecosystems need to be pursued. To Girardet (1996), a city is as linear and circular metabolic which see recycling as an important function of the cities.

In describing human-nature relationship, Roseland’s (1997), *Urban Ecology* which was established in 1975 marks the early movement that focus on this relationships. This movement significantly contributes to the establishment of a set of principles that helped define urban ecology (Roseland, 1997:3). These are stated as follows:

1) Reorganizing land use in order to encourage compact, diverse, green, safe, pleasant and mixed use communities near transit nodes and transport facilities;

2) Recasting transportation priorities to encourage pedestrian and bicycle traffic over automobiles;

3) Restoring unhealthy urban bio-physical environments such as waterways and shorelines;

4) Supporting local agriculture and community gardening;

5) Encouraging recycling, appropriate technological innovations and resource conservation;
6) Promoting environmentally sound economic activities among the business community;

7) Raising awareness of the local and regional bio-physical environment and sustainability issues.

Social issues such as ensuring the availability of affordable housing, encouraging social justice and promoting ‘voluntary simplicity’ instead of over-consumption are also given serious consideration. These principles gave rise to planning movements such as traditional neighborhood design (Till, 1993), new urbanism (Katz, 1996), smart growth (Beatly, 2000), and energy revolution (Geller, 2003). More overpowering, the development of sustainable cities is linked with urban ecology principles with the combined aspects of bio-physical environmental, social goals, and economic development (Nijkamp and Perrels, 1994; Beatly, 2000; Evans, 2002; Portney, 2002) and the ideas of healthy city (Barton and Tsourou, 2000), livable Cities (Evans, 2002), eco-city (Portney, 2002), and smart cities (Centre of Regional Science Vienna University of Technology, 2007).

### 3.5.4 Sustainable City Development

The discussion on sustainability aspects from previous sections (3.5.2, 3.5.3) implies that planning for the sustainable city must be realistic and achievable. In other words, to embrace sustainability, city planners and managers must not sacrifice destination competitiveness. Further, sustainable development must encompass aspects of socio-economic development, cultural changes and general economic policies (IISD, 1993). The organization’s proposition implies that activities must focus on the social dimensions of sustainable development which are community involvement, development, enhancement, management and preservation of destination resources, enforcement of environmental quality standards, distribution of revenues to destination
resources, and meeting the needs of future generations. Accordingly, UNCSD (2006) puts forward the involvement of various elements of sustainable development. These are: (1) visitors (satisfaction, behaviour intention, ethic, etc.) and the host community (jobs, identity, and social well-being), (2) subjects: industry and economy (employment, local/regional multiplier, value added); culture (heritage conservation, diversity); and natural environment (environmental quality, biodiversity, materials and energy consumption).

The guiding principles for the planning, development and management of the sustainable city involve comprehensive, dynamic, and imminent strategy formulation (Haughton and Hunter, 2003). Thus, it can be argued that sustainable development for the city implies that economic, natural, cultural and other resources are efficiently managed to bring benefits to society presently without sacrificing the needs of the future. Another guideline that relates to sustainable city development is Wight’s (1993) principles for sustainable ecotourism. These are:

1) Development of the resource in an environmentally sound manner and not degrading it;
2) Providing first hand participatory and enlightening experience;
3) Providing education for local communities, government, non-governmental organizations, industry and tourists;
4) Encouraging all parties’ recognition of the intrinsic values of the resource;
5) Recognizing the limits and level of acceptability of the resource;
6) Promoting understanding and partnership between many players;
7) Promoting moral and ethical responsibilities and behaviour towards the natural and cultural environment;
8) Providing long-term benefits and

9) Ensuring the underlying ethics of a responsible environment is applied both externally and internally.

As far as the guidelines are considered, sustainable city development must accomplish a balance between the benefit of citizens, the regions, and industries. The protection and enhancement of future opportunities for natural resources, cultural heritage, and socio-economic factors must also be considered. It also means that sustainable city development and management must lead to the long-term maintenance of ecosystems and species.

While linking the sustainability and competitiveness of cities, their abilities and capacity to provide various opportunities, infrastructure, and attractive city features need to be highly regarded. As Paskaleva-Shapira (2007) suggests urban destination competitiveness consists of four interrelated dimensions. These are: physical characteristics of the city, an urban community element, management (supply oriented), and marketing (customer oriented). However, her approach is lacking a perspective of customer value and awareness of city resources and conservation.

### 3.5.5 Indicators and Assessments for Sustainable Cities

A city is a complex entity consists of bio-physical environmental concerns and social and economic forces. Economic and social factors have a central role to play in the making of the world. These elements are investigated by researchers to assess the impacts of sustainable cities. According to Fernandez-Armesto (2001) the city’s physical characters reflect the political, economic and social forces of the period of its creation. The ways in which a city brands itself to be globally competitive affect the ways a city is constructed physically and mentally. Eade and Mele (2002:6),
recognizing the contested place, note that urban imagery must be the “constitutive element in the social production of the city where the built form of the city and the interpretative schemas of different social groups are in active engagement... The imaginary... acts and is acted upon through the production of the city”. Furthermore, the Commission of the European Communities (1990) suggests that the combination of economic, social, cultural, and political dynamics influence urban growth. However, Haughton and Hunter (2003) argue for the city stakeholder’s emphasis on natural, built and cultural environments for global sustainable development. From the discussion above, it is inferred that the physical (natural and built) environment, the economic environment, the social environment, and the political environment affect the sustainable environments of a city. The combination and the coexistence of these environments may imply the future of the city. All these environments generate advantages and disadvantages for the city in terms of user benefits and costs of a city (Haughton and Hunter, 2003). Camagni et al. (1998) suggest that these elements must be considered together, because they deeply interact with one another and represent or express the goals, means and constraints to human action in the city. By looking at the sustainable city environments discussed earlier, sustainable city indicators clearly illustrate sufficient explanations of most elements in the stated environments. Associating with the three main dimensions of sustainable development, Tomalty et al. (2006) successfully make comparisons of 27 municipalities in Ontario, Canada using the indicators for sustainable development.

In addition, the aspect of Sustainable Development Indicators (SDIs) is now receiving attention from many researchers examining sustainable development and practices from various fields. Through the event of 1992 Rio Summit, the importance of sustainable
development indicators were highlighted in helping countries to make better decisions regarding sustainable development (UNCSD, 1993). The United Nations Commission for Sustainable Development (UNCSD) in 1993 was one of the notable bodies to develop SDIs. As Camagni (2002) suggests, Agenda 21 which is the result of the 1992 Rio Summit make experts realize that efforts for sustainable development must be rooted at the local level such as municipalities, cities or metropolitan regions. Detailed description of the main sustainable development themes and sub themes and the sustainable development indicators approach used in decision-making processes at the national level is detailed by the UNCSD indicators system (UNCSD, 2002). These indicators inform public administrators in compiling sustainable development strategies. In order to refine the 2001 set of indicators, the UN Division for Sustainable Development reviewed the indicators in 2006 (UNCSD, 2006). However, the organization acknowledges redundancy problem of some of the indicators when applied to differing context for sustainable development. As such the organization suggests for modifications of the indicators to suit differing assessment contexts.

In the context of urban sustainability, the European Common Indicators (ECI) were introduced in 1999 as an effort to control sustainability specifically in urban contexts. According to Tarzia (2003) the indicators for ECI include elements from global climatic change to ecological footprint. In the context of human development, Alberti (1996) claims the United Nations Center for Human Settlement (UNCHS) and the World Bank indicators resulted from selected objectives which illustrate a "well-functioning city" as a result of "well-functioning" sectors. She categorized the indicators into seven categories: (1) socio-economic development, (2) infrastructure, (3) transport, (4) environmental management, (5) local government, (6) affordable and adequate housing,
and (7) housing provision. A good indicator for sustainable human development is given by the Economist Intelligence Unit (2004), which presents a range of categories relating to business environment and quality-of-life factors, such as socio economic well-being for assessing the comparative attractiveness of countries. The discussion of the indicators for sustainability of cities is closely linked to the impacts attribute of human action to the environments. A good reference of such linkage is represented by Xing, Horner, El-Haram, and Bebbington’s (2009) Urban Development Sustainability Assessment Model (UD-SAM) which provides a holistic assessment of sustainability impact elements in the urban environment. The sustainability indicators identified by the authors are the element impacts of (economic, environmental and social). Sustainability city indicators are extensive and essential and are a vast area of study for further investigation. Thus, the need for further investigation of the sustainable city indicators and the impacts attribute establish the researcher’s interest for identification of sustainable competitive factors.

3.5.6 Sustainable City and Place Satisfaction

Studies in customer satisfaction are extensive (e.g. Barsky and Labagh, 1992; Danaher and Matsson, 1994; Yuksel and Rimmington, 1998; Ekinci, Riley and Chen, 2000). These researchers have conducted intensive customer satisfaction studies which have led to further research in customer satisfaction. Meanwhile, Oliver (1997:13) claims that customer satisfaction is “consumer’s fulfilment response as a judgement that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfilment, including level of under or over-fulfilment”. In addition, Gilbert and Horsnell (1998) perceive customer satisfaction as customers’ post response to the “quality of services or products they receive”. Oh (2000) suggests that customer satisfaction is closely linked to service performance.
Swarbrooke and Horner (2001:163) state that “quality is about the product or service we offer, while satisfaction is concerned with how the customer perceives these products and whether or not they think they have met their needs effectively”. Most researchers define satisfaction alongside quality.

Researchers express many opinions about the constituents of customer satisfaction. For example, Pizam and Ellis (1999) perceive the experience of all products and service attributes or each individual element of the products or attributes. These aspects sum up the total satisfaction in hospitality areas such as restaurant meals and hotel stays. Lovelock (1985) identifies that core and secondary attributes make up the elements of customer satisfaction in hospitality services. Although the elements that are present in the process of customer satisfaction vary, the elements are classified as expectation, experience and behavioural intentions.

For Barsky (1992), expectation is a standard that consumers use to judge a product or service experience. He notes that the customer satisfaction process involves comparison of the pre-experience standards (expectation) with perception of product or service performance (quality). According to Martin and Simmons (1999) expectation in service literature is perceived as a standard or reference point. They claim that in consumer behaviour literature, it is used as a guide in examining the consumers’ decision-making behaviour. Meanwhile, in satisfaction literature, expectation is used for judging service performance. To explain the significance of consumer expectations in service evaluation process, they propose a model that identifies expectation through a service encounter continuum. The model is represented in Figure 3.2.
Figure 3.2: Expectation Continuum in Service Encounter

Memory

Long term ←→ Short term

Prepurchase Expectation

Postpurchase Expectation

Cognitive Effort

Ideal ←→ Expected continuum

Source: Martin and Simmons (1999:78)

This model suggests that pre-purchase expectation is somewhat distinct from post-purchase expectation. More specifically, pre-purchase expectation influences the choice of a product or service through ideal and global judgement. Meanwhile, post-purchase expectation determines the possible experience in a service encounter. It also acts as a predictor of actions that service providers must recognise to satisfy customers.

Parasuraman et al. (1993) introduce a model of expectation that identifies the so-called “zone of tolerance”. In this model, expectation is divided into two levels. The upper level is known as the “desired service” and the lower level is known as “adequate”. “Zone of tolerance” is the range between the two levels of expectation. Feeling of satisfaction from an expected service performance is achieved within the range of “zone of tolerance” (Zeithmal et al., 1993:2). Ekinci et al. (2000) provide an interesting
review of the application of expectation theory. The authors suggest that the “ideal” expectations influence the choice process and post-purchase evaluation of customers’ expectation. Measurement of customers’ pre-purchase expectation helps service providers to investigate how customers perceive their products or services from the beginning.

Experience is an important part of a service delivery process. It is the time in the process when customers get to experience the products or services. According to Cadotte et al. (1987) experience helps customers generate expectations of likely needs and wants. Meanwhile, from perceived standards the customers mirror a focal brand of a product as a service. More specifically, the authors present three suggestions of brand associations. These are:

1) Consumers’ belief about product attributes such as employee friendliness of all brands in a category is classified as a product type norm.

2) Consumers’ beliefs about product attributes of the best brand in a category are classified as best brand norm.

3) Consumers’ belief about product attributes of the brand that is based from a past experience is classified as brand expectations.

Researchers also place great emphasis on customer satisfaction and service quality. In the early literature, Lewis and Booms (1983) suggest that service quality is a consistent measurement between service level performances with customers’ expectations. Horowitz (1999) states that service quality is a firm’s choice of a minimum level of service which can satisfy their target clientele. Meanwhile, it also involves providing a consistent degree of a predetermined level of the service that a firm can maintain.
Parasuraman et al. (1985) present another important view of service quality. According to the authors, service quality is “a gap (discrepancy) between customer’s expectation of a service and customer’s perceptions of service received” Parasuraman et al. (1985:44).

Their idea is summarized in the widely referred to service quality assessment model, (SERVQUAL). Gronroos (1990) describes how customers perceive service quality and the ways that quality is influenced. Following Parasuraman et al. (1985) he describes service quality as a component of two principles: technical quality and functional quality. Technical quality is related to “what” consumers received from their interactions with service providers. Functional quality on the other hand is a “how” process of the technical quality. Both functional quality and technical quality could combine to develop the corporate image, which is the way that consumers perceive of a firm with regards to its services. Consequently, perceived service is expected as a result of consumers’ perceptions of the service dimensions. However, perceived service quality is ensured when both expected service and perceived service are compared.

According to Barsky and Labagh (1992) satisfaction retains loyal customers and improves a company’s market share and profits. Gilbert and Horsnell (1998) suggest that the quality of management practices can be evaluated through the measurement of customer satisfaction. A formula for measuring customer satisfaction in the hospitality industry which may be applicable to other fields of study is presented by Barsky (1992). According to him, customer satisfaction is determined by expectations and other pre-experience standards, and service performance along with factors affecting actual service perceptions. He also adds that a person’s satisfaction level is associated with
certain values attributed to the services multiplied by how well its attributes meet with the customers’ expectations. In addition to this formula, Barsky (1992) proposes a customer satisfaction matrix to identify a hotel’s current situation with respect to customer satisfaction. To support his ideas, he surveyed hotel guests using comment cards. His results show that customer satisfaction is correlated with customers’ willingness to return to the hotel. From the study, managers are also able to plan for encouraging repeat visits to their hotels.

Difficulties faced by managers in hospitality industries are examined by Gundersen et al. (1996). The authors based their opinion on their study of business travellers at four major business hotels. For the purpose of their study, they evaluated the front of office, food and beverage, and the housekeeping departments. These departments are assumed to be the major source of variation in overall satisfaction with the hotel operation. The result of their study suggests that intangible and tangible dimensions of all three departments are the major source of variation in overall satisfaction in hotel operation. Furthermore, Bordas (2005) indicates that the new attitude of visitors influenced by their emotional link values, experience, and feelings of a place should be considered in developing a value added and satisfying service delivery experience.

Relating satisfaction with place, Stedman (2002) claims that place satisfaction is a multidimensional summary judgment of the perceived quality of a specific location. He further suggests that the functionalities of a place fulfill important needs ranging from sociability to services and physical characteristics. Exploring a link of place satisfaction to place attachment, Brocato (2006) suggests that satisfaction with place attributes leads to peoples’ involvement in favorite activities; which consequently encourages positive
outcomes such as social interactions, the accomplishment of personal goals, and the attainment of memories. He further claims that customer satisfaction enhance place identity, place dependence, social bonds and affective attachment. Moreover, some researchers identify place satisfaction as a predictor for place attachment (e.g. Lee and Allen, 1999; Hou et al., 2005). However, according to (Wickham, 2000; Halpenny, 2006; Scott and Vitardas, 2008) customer satisfaction decisions may be connected with the type and the level of place attachment. More specifically, residents with a strong place attachment to a city would also feel more satisfied with the service performance of their local government (Scott and Vitardas, 2008).

Wickham (2000) found that there is a significant relationship between place attachment and satisfaction with place experience through the use of a series of regression models. These models that he employed show the relationship between place attachment, involvement, human territoriality and satisfaction. Moreover, Mowen et al. (1997) add to the understanding of the relationship between place attachment and experience evaluations, and how place attachment might influence a person’s satisfaction with a recreation setting. A comprehensive study to link place satisfaction, place attachment, and place loyalty is presented by Lee (2003) who investigates causal relationships between place involvement, service quality, place satisfaction, attachment and destination loyalty. The study which is based on Oliver’s (1999) theoretical model and Iwasaki and Havitz (1998) conceptual process, demonstrates that both place attachment and customer satisfaction are significantly and positively linked to destination loyalty. However, their research shows a clear deficiency in explaining the linkages and the impacts between the study dimensions.
In addition, many researchers have attempted to understand the link between place attachment and customer satisfaction (e.g. Wickham, 2000; Stedman, 2002; Halpenny, 2006). However, there is little empirical research linking place attachment and customer satisfaction in the city marketing literature. As Wickham (2000) suggests, a sense of belonging, emotions, and being acquainted with a place contributes to the definition of oneself and lead to positive evaluation of that individual towards other people, services and atmosphere that a person is involved in. Discussions of the literature imply that users’ satisfaction with the city is relatively dependent on the level and the nature of their attachment. Thus it is proposed for this study that place attachment directly and significantly influences customer satisfaction.

3.5.7 Sustainable City and Place Loyalty

According to Oliver (1999) satisfaction is a first step to loyalty generation, which is ultimately influenced by factors such as perceived product superiority, personal vigor, social bonding and their synergistic effects. He further highlights that ‘‘satisfaction does not transform into loyalty as much as it is a seed that requires the nurturance of sun, moisture, and soil nutrients’’ (p.42). More specifically, satisfaction is connected to experience evaluation aspects such as probability to return, to recommend, and to repurchase the products or services. The relationships of these aspects with customer satisfaction are gaining the interest of many researchers. For example, Taylor and Baker (1994) conducted a study on the nature of service quality perceptions and customer satisfaction relationships on customers’ purchase intentions. For the study, the authors manage samples from four industries: health care, airlines, communication, and recreation. The result of the study indicates that service, quality, and satisfaction have a significant effect on purchase intention. In addition, the relationship between service quality and purchase intention is moderated by the satisfaction with the service
experience. Furthermore, when both perceptions of service quality and satisfaction are high, the level of purchase intention is at its highest. Baker and Compton (2000) conducted a study to investigate the effect of performance quality and satisfaction on behavioural intentions. For their study purposes, they assess service attributes and emotional states in the tourism industry. The results of their study suggest that performance quality is possibly a more useful measure than satisfaction in assessing behavioural intentions. However, for a good evaluation process, both areas (quality and satisfaction) should be included. Oh (1999) suggests that intention to repurchase and intention to recommend is a direct outcome of perceptions, value, and satisfaction. Furthermore, she adds that recommendation is perceived as word of mouth and it results from perceptions, value, satisfaction, and repurchase intention. Oh (1999) proposes her ideas through the model presented in Figure 3.3.

Figure 3.3: Oh’s Model for Service Quality, Customer Value, and Customer Satisfaction

![Diagram](image_url)

Note: Arrows indicate hypothesized causal effect
(a) the hypothesized relationship is negative, all the other causal effect is hypothesized to be positive, (b) word of mouth communication intention
Source: Oh (1999:72)
In addition, behavioral intention is associated with loyalty. In understanding place attachment and satisfaction, some researchers (e.g. Lee, 2003; George and George, 2004; Alexandris et al., 2006) relate these factors to customer loyalty. According to Oliver (1999:34) loyalty is “a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior”. Adopting the proposed conceptual sequence of loyalty by Oliver (1997), Lee (2003) and Sui and Baloglu (2003) claim that satisfaction precedes loyalty. Examination of recent studies (e.g. Oliver, 1999; Lam, Shankar, Erramilli, and Murthy, 2004) shows that loyalty can be explored within the cognitive–affective–conative framework.

According to Chiou and Droge (2006) the loyalty process starts with a cognitive component followed by emotional responses and finally behavioral intention. Causality of this behavioral process is supported by empirical research such as Lam et al. (2004). More specifically, studies such as (Dabholkar et al., 2000) and (Cole and Illum, 2006) confirmed that satisfaction (affective components) determines the effect of service quality (cognitive components) on behavioral intentions (conative components). Furthermore, Chi and Qu (2008) found that attribute satisfaction (or perceived quality) precedes overall satisfaction, and attribute satisfaction and overall satisfaction influence loyalty. Similarly, Brady et al.’s (2005) study on multi-industry and multi-country environment confirms that collective assessment of service quality, satisfaction and service value all directly influence behavioral intention. Furthermore, increased chances of repeat visits, and willingness to recommend, resulted from greater levels of satisfaction (Silva, Mendes, and Guerrio, 2006). Lee (2003) reports that intense
competition and the importance of loyal visitors made loyalty a crucial aspect in
destination marketing and management research. However, empirical research in
several industries concludes that some satisfied customers remain disloyal (Jones and
Sasser, 1995). The author’s remark implies that the loyalty approach is not applicable
to all industries across the business environments.

Linking place attachment and loyalty, many researchers support the theory that place
attachment can significantly predict loyalty. This statement translates into higher
attachment means higher loyalty and vice versa (George and George, 2004; Brocato,
2006; Simpson and Siquaw, 2008). Researchers have investigated loyalty using various
methods. For example, Alexandris et al. (2006) perform a three items scale to measure
visitors’ intention for continue skiing in a specific resort; George and George (2004)
“frequency and intensity of past purchases” and “intention to revisit”; Lee et al.
hiked along the trail, and proportion of use”; and Simpson and Siquaw (2008) use
word-of-mouth as communication of behavioral intention. Those researches link place
attachment and loyalty as a one-dimensional construct. It implies that one-dimensional
constructs are accepted by researchers in loyalty studies. Further, the discussion
proceeds to another discussion of the relationship between sustainability and
competitiveness.
3.6 Linking Competitiveness to Place Sustainability

3.6.1 Introduction

According to Crouch and Ritchie (2003), the most competitive places bring significant success to residents’ wellbeing through sustainability of economics, culture, social, ecological, and political factors. This section addresses the concept of competitiveness, and the theories of competitive advantage and comparative advantage. The discussion on these aspects links the concept of competitiveness and the sustainability of places.

3.6.2 Concepts of Competitiveness

There are no agreed definitions of competitiveness. According to the Concise Oxford Dictionary, the term compete means strive for superiority in a quality. The term competitiveness on the other hand is hard to define because of its relativity (superiority compared to what), and multidimensionality (what are outstanding qualities). However, it is of the best interest of this thesis to cite the definitions given by the notable bodies such as the Organization for Economic Co-operation and Development (OECD). This organization defines competitiveness as “the degree to which a nation can, under free trade and fair market conditions, produce goods and services which meet the test of international markets, while simultaneously maintaining and expanding the real incomes of people over the long-term” (National Competitiveness Council, 2002:2). With the focus on economic development, the (WEF) defines competitiveness as “the ability of a country to achieve sustained high rates of growth in GDP per capita” (National Competitiveness Council, 2002:2).

According to Dwyer and Kim (2003) it is best to look at both from micro and macro perspectives of competitiveness. From a macro perspective, competitiveness is a national concern for economic, social, and cultural aspects with the ultimate goal of
improved income to society. On the other hand, micro perspective relates to competition at ‘firm-level’ situation. This micro level competitiveness is best represented by Porter’s (1980) competitive framework which emphasizes industry characteristics and attractiveness. As Porter (1990) suggests, micro level competitiveness relates to competition among firms to gain national and international competitiveness, while macro level competitiveness relates to competition among nations to gain global competitiveness. Simply put, the definition of competitiveness is extensive. Newall (1992) provides a solid meaning of competitiveness that focuses on human development, growth, and improved quality of life. Essentially, major factors that shape global competitiveness of an economy vary according to the different phase of development (Porter et al., 2001). Kozak and Rimmington (1999) argue that competitiveness is hailed as the core factor for the long term success of organizations, industries, regions, and countries. Hughes (1993) maintains that two general approaches in analyzing competitiveness. These are relative efficiency that illustrates levels of productivity and productivity growth, and relative international trade performance. However, Porter (1998) argues that national productivity is the most significant concept of competitiveness at the national level. Lengyel (2003) states that the competition between regions or cities from the same hierarchical level is subzero, providing advantages such as possible development for regions and cities. This scenario requires regional competition strategy oriented planning among the cities and regions.

According to Boltho (1996) competitiveness means different matters to different people. He relates competitiveness to the performance, establishment and control of competitive advantages, and the right choice for decision making process. The term competitiveness of cities can be closely linked to the definition suggested by Malecki
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(2000:334) who claims that “the competitiveness of places – localities, regions and nations – refers to the ability of the local economy and society to provide an increasing standard of living for its inhabitants”. Several crucial factors such as the size of the city, localization of the economies, and the urbanization of the economies determine the extent to which cities could compete (O’Sullivan, 1996; Petrakos, 2000). However, Budd (1998) claims that for the city, competitiveness should also depend on the criteria of the government policies implemented by some countries for gaining competitive advantage. He further identifies two types of competition such as activities or markets that function in the city’s environment and the cities or places that compete not only through distinctive characteristics (local distinctiveness) but through distinctive perceptions. Furthermore, Buckley, Pass and Prescott (1988) suggest that competitiveness is dynamic and crucial to the competitiveness process. Competitiveness portrays a holistic approach of the ability of a city to sustain economic and social development, and the environment while creating value and prosperity.

As Dwyer and Kim (2001) assert, in explaining the concept of competitiveness, experts from different disciplines tend to define competitiveness within their own boundaries. For example, economists focus on price and country specific economic features, while management experts emphasis on firm-specific features. Dunning (2000:9) highlights that current economic events indicate that, “the nature and composition of a country or a region’s comparative advantage, which has been traditionally based on its possession of a unique set of immobile natural resources and capabilities, is now more geared to its ability to offer a distinct and non-imitable set of location bound created assets, including the presence of indigenous firms”. Thus, in achieving both competitiveness and sustainable development goals, destinations or organizations must be able to
introduce goods and services that match global market needs, and produce and dictate value-added assets, processes, and attractiveness. Thus, the concept laid out by OECD (National Competitiveness Council, 2002) is highly regarded for this study because its emphasis on market-orientation and social values. Relating this idea to an urban context, place competitiveness means marketing a set of value added products (goods and services) supportive of the development of a sustainable and competitive city for the people.

**3.6.3 Competitive Advantage**

As suggested by Porter (1985:3), “*competitive advantage grows fundamentally out of the value a firm is able to cater for its buyer that exceeds the firm’s cost of creating it*”. Accordingly, Day and Wensley (1988) claim that competitive advantage relates to three elements, which are: positional advantage as having superior customer value and lower relative costs; source of advantage that demonstrates superior skills and superior resources; and performance outcomes that includes aspects of satisfaction, loyalty, market share, profitability, and investment of profits to sustain advantage. For place competition, human capital and clusters of industries are essential resources for places to develop (Kotler et al., 1993). Further, Porter (1998) states that for better interpretation of place competitiveness, diverse sources of competitive advantage are characterized into general categories such as infrastructure, human, physical, knowledge and capital resources. Earlier in his works on evaluating place competitiveness, he proposed the diamond model of competitive advantage of a nation. The illustration of Porter (1990) idea of competitive advantage of a nation is presented in Figure 3.4.
Using this diamond model, Porter (1998, 1990) evaluates relative strength of nations’ competitiveness through four categories. These are:

1) Factor conditions

Porter (1990) differentiates factor conditions between the following categories: human resources, physical resources, knowledge resources, capital resources and infrastructure. Factor conditions are further subdivided into basic and advanced factors that can be either general or specialized. He suggests that basic factors such as unskilled labour, raw materials, climatic conditions and water resources are inherited and require little or no new investment to be utilized in the production process. Advanced factors are created and upgraded through reinvestment and innovation to specialized factors. These factors form the basis for the sustainable competitive advantage of a country.
2) Demand conditions

Porter (1990) also perceives demand conditions in a country as a source of competitive advantage. However, he emphasizes demand differences than similarities to explain the international competitiveness of countries. Furthermore, he regards the essential demand conditions into three criteria. These are: a home demand that directs and predicts international demand, industry segments with a major distribution of home demand, and complex and difficult buyers. More specifically, Porter’s demand conditions present explanation of location differences.

3) Firm strategy, structure and rivalry

The main emphasis of this national competitive advantage determinant is the high dependence of strategies and firms’ structures depend on the national environment. Porter (1990) suggests that there are systematic distinction in the business sectors in different countries that determine the way in which firms compete in each country and their competitive advantage. He identifies rivalry as the key to competitive advantage of a country’s firms. Domestic rivalry drive firms to strive for cost competitiveness, quality improvement and innovation. He suggests that firms’ international competitive is formed by international competitiveness of a country. Like firms, countries compete internationally.

4) Related and support industries

This determinant of national competitive advantage is also known as industry clusters. According to Porter (2000, 2003) maintains that the true source of competitive advantage is the external economies of related and support industry clusters, such as networks of specialised input providers, institutions and the spill-over effects of local rivalry. The cluster represents an environment for learning, innovation and operating productivity to flourish. He believes that the clusters as a prominent feature of virtually
any advanced economy. Porter (1998) argues that building clusters to understand the external economies is a major challenge of economic development. He asserts for the focus of cutting-edge public policy issues on removing obstacles to productivity improvement and innovation in cluster development.

In his Diamond Model Theory, Porter (1990, 1998) exclude government from the model, he rather sees government as an influencing factor through economic policies. Porter (1990) views all the determinants as an interactive system that leads to the competitive advantage of countries. Porter (1990) diamond model is a descriptive interactive system that makes competitive advantage easy to comprehend. General acceptance of his model in the management literature suggests that the model is valuable reference in investigating competitive advantage of a country. His model provides useful explanations for understanding competitive advantage of this thesis.

Competitive advantage relates to the ability of a destination or place to use resources for long-term sustainable gains (Hamel and Pralahad, 1993; Crouch and Ritchie, 2003). Day and Wensley (1988) indicate that value-creation characterized by clear benefits for both competitors and customers are also contributing to competitive advantage. Day (1990) relates to core markets with products that satisfy and offer similar or related functions to groups of customers with distinct needs. Further, Hooley et al. (1988) suggest emphasis is given to strategic market environments and competitive advantage, grouped into key elements such as degree of competition, diversity of customer wants and needs, and market maturity.
In relation to the concept of sustainability, Porter (1998) suggests that a hierarchy of sources of advantage structures contributes to sustainability. Advanced industries related to complex technology and highly skilled human resources are potentially high in productivity and sustainable growth. In addition, Aaker (1989) claims the foundation of sustainable competitive advantage comes from assets and skills. Sustainable competitive advantage as Hall (1992) argues results from intangible assets such as ideas or knowledge which drive capability differentials. A constructive idea in relation to sustainable competitive advantage is explained by Barney (1991). He maintains that sustainable competitive advantage is gained through ownership of resources that are priceless, limited, not easily reproduced, and not replicable. Referring to Porter’s (1985) idea of value chain, he generates a framework to show linkages of valuable resources (human, physical, and organizational) that lead to generation of competitive advantages outcomes. Later, Fladmoe-Lindquist and Tallman (1994) include financial resources such as capital availability and political control as valuable resources for achieving sustainable competitive advantage.

3.6.4 Comparative Advantage

The importance of comparative advantage which is sometimes referred to as country specific is also noted. Porter (1990) claims comparative advantage is a key factor of global competitiveness. He proposes four factors as sources of competitiveness, and later added two more factors which are government and chance of events. Government is the regulator and institutional facilitator of trade and services and chance of events as either positive and negative (Porter, 1990). However, Cho (1998) asserts that the theory of comparative advantage means that a country is more competitive than its competitors if it has endowed resources, which translates into labour, capital, and natural resources at lower prices and suitable location. Crouch and Ritchie (1999) identify general factors
for resources endowments of a destination which are human resources, physical resources, knowledge resources, capital resources, and infrastructure. Similarly, Waheduzzaan and Ryan (1996) further extend that research on the global marketplace shows that a nation’s competitiveness over its competitors is determined by its comparative advantages compared to prices of goods and services. Porter (1990) asserts that in order to overcome comparative advantages, nations generally develop and enhance competitiveness through innovations.

An important study that links place sustainability to place competitiveness was carried out by Yuen (2007). She concludes that Singapore’s traditional heritage highlights the identity of the country which translates into the country’s competitiveness. The discussion in this section shows that research on the relationships between place sustainability and place competitiveness are still rare. Further, in explaining competitive sustainable places, this thesis argues for the importance of place attachment as the foundation for an overall understanding of the concepts involved.

### 3.7 Place Attachment and Sustainable Competitive City

#### 3.7.1 Introduction

This section links the place attachment concept to the explanation of sustainable competitive places. As such, this section introduces the concept of place attachment as the basis for further understanding of the sustainable competitive city. Furthermore, the two essential dimensions of place attachment, which are place identity and place dependence, are reviewed. The purpose of the discussion is to show the relationships between the components of place attachment with sustainable competitiveness of places.
3.7.2 Concepts of Place attachment

There are many usages of the terms place attachment and sense of place. According to Sharpe and Ewert (1999) the term place attachment is vastly used in environmental psychology. The field of human geography would generally use the term place attachment instead sense of place. Confusion of the term place attachment used in specific fields is evident. For example, in the perspective of human geographers such as Ballinger and Manning (1997) and Hay (1988;1998), place attachment is a sub set of sense of place. However, the views of social scientists and recreational researchers such as Williams et al. (1992) shows that the concept of place attachment and sense of place are interchangeable. As Bow and Buys (2003:4) elaborate, “the most prominent concept within environmental psychology is place attachment, while human geographers promote the concept of sense of place which incites their interest”. To understand the concept of place attachment, this thesis links it to the place concept. In social sciences, Agnew and Duncan (1989:2) quote “location: that is spatial distribution of social and economic activities; locale: which means routine social interaction in a place; and sense of place which means the identification with a place emotionally or symbolically”. The word place as maintained by Kaltenborn and Bjerke (2002:383) implies “geographic space imbued with meaning through personal use”. Accordingly, Steele (1981) states that places have molded human history and visible environments and influence the perspective of a person’s view of the world. Jorgenson and Stedman (2001) claim that place is an important part of one’s self. These views on the theory of place tend to relate to attachment of people to a location with physical settings, human activities, and human social and psychological processes (Tuan, 1977; Proshansky et al., 1983; Williams et al., 1992). As asserted by Kaltenborn (1997), the concept of place is manmade and its meanings and concepts are changeable over time. Thus, in the
context of this thesis, the concept of place refers to the “city” as the research setting. In the context of this thesis, the concept of “place” means a location that identifies with oneself through physical settings, human activities, and human social and psychological processes.

According to Tuan (1974; 1977) place attachment can be defined as a space that has meanings to an individual once the understanding of the place is developed. He suggests that the motivation to address environmental issues is influenced by the self-understanding of human perceptions, attitudes and values, and that place attachment is associated with self-identity. Low and Altman (1992:165) define place attachment as “an individual’s cognitive or emotional connection to a particular setting or milieu”. Another view that relates feelings to a place is given by Hummon (1992:256) who regards place attachment as an “emotional involvement with places”. Low and Altman (1992) suggest that the formation of place attachments can be linked to real places and also with mythical, hypothetical and the imagined place associations. Places vary in scale and specificity. Moreover, Pruneau et al. (1999:27) illustrate the term place attachment as “the conscious relationship that people have with their community, their culture or a natural or man-made environment”. According to Cresswell (2004) attachments can build up between people and buildings, environments, homes, objects, landscapes, neighborhoods, towns and cities. Moreover, place attachment “emphasize the inter-connectiveness of feelings, attitudes and behavior” (Kaltenborn and Bjerke 2002:384). According to Feld and Basso (1996:11) place attachment is “the experiential and expressive ways places are known, imagined, yearned for, held, remembered, voiced, lived, contested, and struggled over”. Simply put, Hidalgo and
Hernandez (2001:274) highlight the commonly used term of place attachment as “an effective bond between people and specific places”.

Scholars from various field of knowledge such as geographers go further into explaining the concept of place attachment. For example, Tuan (1974) introduces the term “topophilia” to illustrate the formation of values which resulted from an affectionate bondage between people and places. In a similar thread, insiderness, according to Relph (1976) describes the experience, belonging and acquaintance with a place, and rootedness refers to being settled in a place. Sharpe and Ewert (1999) express activities which deliberately reverse place attachment as place interference, and cause placelessness. Relph (1976) explores the disappearance of landscapes and significant places and proposed “placelessness” as a concept that captures what happens when people lose their attachment and appreciation to special places, downgrade symbols, or depart from the origin of a place. To him, “events and actions are significant only in the context of certain places, and are colored and influenced by the character of those places” (p.42). This concern on place attachment matters is obviously related to the act of “globalization”. A further negative demonstration of place attachment is place annihilation which Hewitt (1983) describes as the destruction of places during war.

Porteous and Smith (2001) create domicile, a subset of place annihilation, to portray planned place destruction. They also suggest memoricide to relate to the “destruction of memories that people have of a place, through the deliberate destruction of public and or private records, photographs and documents” (p.148). Jorgensen and Stedman (2001) identify affective attachment as an individual’s emotional connection with a
specific place. Moreover, Kyle et al. (2004, 2005), Brocato (2006), and Halpenny (2006) find that place affect is different from place identity which leads to the identification of three attitudinal components (affective, cognitive and functional) of place attachment. However numerous the terms may be they are self-explanatory and fit for use from various research perspectives. These terms generally imply the link between places with emotions and social belongings.

In addition, place attachment primarily consists of two components: a goal directed or functional attachment named place dependence, and an emotional or symbolic attachment named place identity (Williams et al, 1995; Sharp and Ewert, 1999). Williams et al. (1992) highlight the necessary roles of place dependence and place identity within the model of place attachment. Highly compatible, these two components make studies belonging to place dependence and place identity stretch to one another component to bring in aspects of the other. However, it is worth to examine each of these components to better understand place attachment.

3.7.3 Place Dependence

As stated earlier in section 3.7.2, place dependence is a goal directed or functional type of attachment. It portrays the dependence of an individual on a place for activities like recreation or employment. Place dependence is an “occupant’s perceived strength of association between him/herself and specific places” Stokols and Shumaker (1981:457). The influence of dependence on activity involvement is of interest to many researchers (e.g. Mowen, Graefe and Virden, 1997; Mowen and Graefe, 1999; Kyle et al., 2003). Findings from these studies suggest that activity involvement enhanced the relationship with the setting, and resulted in positive experiences for the activity doers. Williams and Roggenbuck (1989) highlight the use of recreational resources to facilitate desired
activities. Receiving further scholar attention is the notion of satisfaction and willingness to involve in place decisions (Stedman, 2002), satisfaction and crowding (Wickham and Kerstetter, 2000), and satisfaction and interpretation (Hwang, Lee and Chen, 2005). These concerns imply the researchers’ interest in evaluations of place performance.

The influence of place attachment on satisfaction is highlighted by Wickham and Graefe (2001:362), “positively influencing place attachment and activity involvement is an effective strategy for increasing visitor satisfaction”. Similarly, Moore and Graefe (1994) state that the quality of resources at place settings in comparison to alternative sites or settings in facilitating specific user activities is important for satisfying individual’s needs and goals. Wickham and Kerstetter (2000) describe place attachment through the observation of increased attachment to community leads to more positive feelings about crowding at community events. Meanwhile, various attachment levels to a place does not influence place users belief on the impacts of a place’s resource as an important consideration (Daigle, Hannon and Stacey, 2001). According to Lee (2001) place attachment in interpretation, planning, and zoning decisions of a place is crucial. People’s strong place dependence encouraged a strong place identity, and considerate environmental behavior (Kyle et al., 2004).

Schroeder (2004) claims that the reasons behind why people consider a place as special to them must be considered as a part of the place planning process. For example, Confer, Graefe, Absher and Thapa (1999) reveal higher levels of place attachment amongst those that are dependent on the place’s resources. In addition, Zwick and Solan (2001) find that people form attachment to places through the use of the place’s
resources. The users which are place dependant on a resource for their activities or lifestyle see the activity or place as central to their wellbeing, which can lead them to be in conflict with other user groups (Jacob and Schreyer, 1980). In addition, place dependence exerts an influence on place identity and environmental behavior. According to Vaske and Kobrin (2001) place dependence can influence the development of place identity, which is strongly linked to environmental behavior. Furthermore, the study by Kyle et al. (2004) reveals that people with strong place dependence develop a strong place identity, which can influence environmental behaviour.

3.7.4 Place Identity

Another component of place attachment, place identity, is used in this thesis to describe an emotional or symbolic attachment to a place. This component may stem from place dependence, described in the earlier section (3.7.3). As the term suggests, “identity” can be defined as “the qualities which make up an individual, or place, capable of being specified or singled out, which make it unique and separate” (Erickson and Roberts, 1997). According to Breakwell (1986) identity relates to the development of a living organism’s evolution resulting from the process of accommodation, assimilation, and evaluation of the social world. In social psychology, these concepts are associated with four basic principles which are distinctiveness, continuity, self-esteem, and self-efficacy. Furthermore, Abram and Waldren (1997:6) state that identity is “a process of expression and exclusion”. A close tie to identity in understanding place attachment is the concept of “belonging”, which Schama (1995) defines as “a sense of experience, a phenomenology of locality which serves to create, mould and reflect perceived ideals surrounding place”. According to Lovell (1998) belonging explains the close connection of a specific place with emotions, and the sentiments whether real or
imaginary. The idea of belonging is substantially related to place disruption processes such as displacement, dislocation and dispossession.

Furthermore, according to Williams et al. (1995) place identity portrays a powerful linkage between special childhood memory, adult memory and a place of special significance and the way an individual become familiar with a place. More specifically, place users who are associated with the places’ identity tend to be passive users or people interested in historic or cultural aspects. Generally, place identity, which is part of our personal identity followed after an attachment to a place is formed (Hernández, Hidalgo, Salazar-Laplace and Hess, 2007). According to Proshansky (1978) place identity portrays that a person’s emotional attachment to a place is connected with a person’s special association with the world. In later publication with his colleagues, he characterizes place identity as “a combination of attitudes, values thoughts, beliefs, meanings, and behavioral tendencies, reaching far beyond attachment and belonging to particular place” (Proshansky et al., 1983:61). Accordingly, Rose (1995:89) suggests that place attachment, formed by feelings of belonging is linked to place identity because “how you define yourself is symbolized by certain qualities of that place”. Similarly, place identity is able to “capture the broad range of social relations which contribute to the construction of a ‘sense of place’” (Kneafsey, 1998:112).

According to Holloway and Hubbard (2001:71) place attachment is linked to place identity because “meaningful places become part of who we are, the way we understand ourselves and literally, our place in the world”, and thus “play an important part in the formation of our identities”. Earlier, Erickson and Roberts (1997) claim that place identity is a crucial element in forming self-identity. Moreover, a
person’s place identity which dynamically changes over time through life experience and developed inner growth are also tied to other social and physical characteristics of a place (Measham 2004). Smaldone et al. (2005) support this idea that place attachment forms and changes over time, and that emotional attachment is its central part. In other words, a person’s personal identity, which is a mix of conscious and unconscious ideas, feelings, preferences and values are associated with place identity. Further, Measham (2004) suggests that emphasis on the value of environmental education during childhood enhance place learning and create a person’s bondage with the environment. He maintains that emotional attachment to place identity is strongly influenced by childhood experiences more than adult experiences. Accordingly, Hartiz et al. (2001) explain that people who views the restorative aspects of nature as important tend to behave more responsibly towards natural environments.

In addition, the role of past experience in forming place attachment is reflected through various studies (e.g. Williams et al., 1992; Moore and Graefe, 1994; Bricker and Kerstetter, 2000). According to Zajonc (2001) cited in Backlund and Williams (2003:321) “...past experience should also be a powerful predictor of place identity” like repeated visits or visual images. Repeat visits to a certain place can significantly strengthen a person’s emotional attachment to a place (Altman and Low, 1992). Additionally, when exposed to a place, preference to the place settings builds up (Zajonc, 2001). Backlund and Williams (2003) claim that activities and preferences for specific place settings are linked to an emotional, symbolic or functional attachment to the place. Accordingly, Marles et al. (2003) state that place identity and repeat tourist visits are strongly linked, and repeat visits to a place strengthened emotional bonds. Similarly, Lee, Backman and Backman (1997) also suggest that repeat visits can be
described through place attachment. Simply put, Alegre and Juaneda (2006) make it clear that repeat visits are partly caused by development of an emotional attachment to the destinations.

Hailu, Boxall and McFarlane (2005:581) suggest that place attachment “formed through previous trips to a destination can also influence recreational demand and travel costs”. By examining the link between place attachment and economic valuations, these authors uncover the costs associated with trips to destinations. Furthermore, they establish that “as place attachment develops, visits to a site increase, as recreationists perceive fewer sites as adequate substitutes” (Hailu, et al., 2005:583). Though, it must be clearly noted that place attachments vary with gender and age. Generally, children prefer natural settings, private and secret places and rest areas, uninterrupted by adult interference, but their differing age groups lead them to prefer different place setting (Min and Lee, 2006). They also believe that the exposure to secure and comfortably built playground environment lead the children to accept these place settings as special.

Symbolic attachment to a place is assigned by “individuals, groups and societies, and is not necessarily related to the physical attributes of a place” (Williams et al., 1992:33). Moreover, place identity studies reveal that a person’s identity is connected to community identity (e.g. Hildago and Hernandez, 2001; Dixon and Durrheim, 2004). Similarly, Entrikin (1997) believes that place identity illustrates the narrative strategies we use to find a sense of wholeness, and associate our self-disposition to our environment and to broader communities. According to Pratt (1998) strong landscape characters lead to place identity processes that affect people’s behaviors and sense of
self or collective group belonging, which then connect the people to certain place settings. Similarly, Sack (1997:136) asserts those places identity and people’s identity are linked because “self-knowledge and personal identity cannot be reconstructed without place-worlds”. Hou, Lin and Morais (2005) state that place attractiveness and involvement are related to both the formation of place attachment and cultural identity.

According to Simon (2005:31) place attachment is “a lived embodied felt quality of place that informs practice and is productive of particular expressions of place”, which is formed from identity and natural intuition. More specifically, place attachment reflects human-environment relationships, through a complex process of beliefs, attitudes and emotions, which portrays an individual’s view of life. Discussion of literature has shown that place attachment can inform management and influence views about place conservations. The roles of place attachment in an individual decision making process suggest the application of place meanings are involved in interpretation, planning, and zoning decisions for various groups of place users. The value that people attach to places is a matter for consideration.

3.8 Summary

This chapter has demonstrated that sustainability and competitiveness are two important concepts that are closely related to places, and in particular to cities. However, previous studies that investigate the relationships between these two aspects are very rare. Sustainability aspects, particularly sustainable development, have always been a main concern for researchers’ planning, development, and marketing of sustainable places are indeed important for many bodies such as government. However, much of the literature explored in this chapter fails to relate the sustainability of places or the city to place
marketing. More specifically, this chapter implies a need to examine the factors or dimensions of sustainable development in place context, in particular the city. Moreover, discussions in literature reveal that in order to be sustainable and competitive, places are required to develop sustainable value-added products which are strategically better than those of alternative places. This chapter implies that exploring competitiveness elements related to places is needed. Overall, this chapter documents that place satisfaction, place loyalty, and place attachment are related to the sustainable competitiveness of places. Having explored the literature, the next chapter will fully addresses the elements or factors of sustainability and competitiveness, place attachment, place satisfaction, and place loyalty.
Chapter 4

FACTORS DETERMINING SUSTAINABLE COMPETITIVE PLACES

4.1 Introduction

The concept of sustainable competitive place is connected in many ways to the process of planning and development. According to Conroy (2003) the process for planning and development of sustainable places requires the local community to play the vital role of the decision maker. The planning and development of a sustainable place, particularly a city, requires an integration of sustainable development factors that are economic, social, environmental, and institutional (UNDESA, 2007). Furthermore, competitiveness of places depends on various factors that a place is able to provide to its customers (O’Sullivan, 1996; Malecki, 2000; Petrakos, 2000). The review of the literature shows that there has been little empirical research into the factors of sustainable competitive places, particularly with regard to cities, despite the growing interest by governments and researchers in understanding the subject. Previous chapters have developed the foundations of sustainable competitive places through exploration on various issues relating to sustainability and competitiveness documented in the literature. This chapter is bridge the gap in the literature regarding factors of sustainable competitiveness places, before developing a framework that conceptualizes sustainable competitive place. The framework is based on reviews of previous literature associated with factors of place sustainability, place competitiveness, place attachment, place satisfaction, and place loyalty. In discussing these factors, the chapter reviews various studies on indicators used for assessment of sustainability. These indicators fall under dimensions of economic, social, environmental, and sometimes institutional. The
The purpose of the discussion on the assessment is to identify the various competing indicators that represent factors of sustainable places for this thesis. Additionally, a similar approach is undertaken for identifying indicators and dimensions of place competitiveness. The discussion on this area presents relevant competitiveness assessments which are deemed useful as references to determinants of competitiveness.

The place attachment concept is addressed as a highly relevant core aspect to the marketing a sustainable competitive place. In particular, the components that are usually used in assessing place attachment are discussed. Moreover, the discussion leads to aspects of place satisfaction and place loyalty. The purpose of the discussion is to highlight the indicators and dimensions that are used by previous studies in evaluating both aspects. Then, the proposed hypotheses formulated for this thesis is presented. Following the hypotheses’ development, a conceptual framework is presented to illustrate the thesis’s attempt. Operationalization of the key constructs is discussed to support the developed conceptual framework. Finally, the summary is presented to conclude the chapter. The structure of this chapter is in Figure 4.1.
4.2 Factors Influencing Sustainable Places

In addressing the factors that determine sustainable competitive places, it is best to begin with the criteria accepted by the notable body, that is the United Nations. As a well known body that concentrate on world issues, this organization is chosen based on the organization’s basic purpose. These are: the commitment to maintaining international peace and security, the development of friendly relations among nations, and the promotion of social progress, better living standards and human rights. More specifically, the factors can be retrieved from the second UNCSD indicators, organized along the four dimensions of sustainable development (economic, social,
environmental, and institutional). These indicators emphasize the multi-dimensional nature of sustainable development and the needs for integrating its pillars, and eliminating the weaknesses of the first UNCSD indicators (United Nations Department of Economics and Social Affairs/UNDESA, 2007). The organization’s four dimensions of sustainable development are basically referred to in this thesis due to their wide usage from most other studies related to sustainable development of places. The indicators are embedded in a more flexible theme/sub-theme framework as in Table 4.1.

With regard to sustainable development indicators in the urban context, UNDESA (2007) believes that such indicators provide information that facilitates communication among experts, policymakers, and the public. The department’s effort implies that it is necessary to better equip local and national policymakers in relation to their sustainability efforts. More specifically, the department presents the functions of the indicators. These are: (1) systematic monitoring of urban environmental changes; (2) early warning of urban environmental problems; (3) target setting; (4) performance reviews; and (5) public information and communication. Another important feature that advances the idea for urban sustainability is the Habitat Agenda announced at the UN Habitat II Conference in 1996. The concept has received attention from researchers who are proceeding to investigate the human settlement issues. For example, Lee (2002) identifies 10 main issues in examining the Habitat Agenda, which he later relates to sustainability. The issues that he identified are categorized into three domains. These are: social, economic and environmental. He suggests that Sustainable Habitat involves these three domains. Though the issues are not comprehensive, they are useful references for further comparison with other established indicators of sustainable development. Table 4.2 illustrates the proposed sustainable habitat.
Table 4.1 UNCSDF Second Indicator

<table>
<thead>
<tr>
<th>THEME</th>
<th>SUB THEME</th>
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<tbody>
<tr>
<td>Poverty</td>
<td>Income poverty</td>
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<td></td>
<td>Income inequality</td>
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<td></td>
<td>Access to energy</td>
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<td>Living conditions</td>
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<td></td>
<td>Drinking water</td>
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<td>Sanitation</td>
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<td>Governance</td>
<td>Corruption</td>
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<td>Crime</td>
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<td>Health</td>
<td>Mortality</td>
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<td></td>
<td>Health care delivery</td>
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<td></td>
<td>Nutritional status</td>
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<td></td>
<td>Health status and risks</td>
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<tr>
<td>Education</td>
<td>Education level</td>
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<td></td>
<td>Literacy</td>
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<tr>
<td>Demographics</td>
<td>Population</td>
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<td></td>
<td>Tourism</td>
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<tr>
<td>Natural hazard</td>
<td>Vulnerability to natural hazards</td>
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<td></td>
<td>Disaster preparedness and response</td>
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<td>Atmosphere</td>
<td>Climate change</td>
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<td></td>
<td>Ozone layer depletion</td>
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<tr>
<td></td>
<td>Air quality</td>
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<tr>
<td>Land</td>
<td>Land use and status</td>
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<td></td>
<td>Desertification</td>
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<tr>
<td></td>
<td>Agriculture</td>
</tr>
<tr>
<td></td>
<td>Forests</td>
</tr>
<tr>
<td>Oceans, seas and coasts</td>
<td>Coastal zone</td>
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<td></td>
<td>Fisheries</td>
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<tr>
<td></td>
<td>Marine environment</td>
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<tr>
<td>Freshwater</td>
<td>Water quantity</td>
</tr>
<tr>
<td></td>
<td>Water quality</td>
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<tr>
<td>Biodiversity</td>
<td>Ecosystem</td>
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<td></td>
<td>Species</td>
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<tr>
<td>Economic development</td>
<td>Macroeconomic performance</td>
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<td></td>
<td>Sustainable public finance</td>
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<td></td>
<td>Employment</td>
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<td></td>
<td>Information and communication technologies</td>
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<tr>
<td></td>
<td>Research and development</td>
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<td></td>
<td>Tourism</td>
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<tr>
<td>Global economic partnership</td>
<td>Trade</td>
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<td></td>
<td>External financing</td>
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<tr>
<td>Consumption and production pattern</td>
<td>Material consumption</td>
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<td></td>
<td>Energy use</td>
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<tr>
<td></td>
<td>Waste generation and management</td>
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<tr>
<td></td>
<td>Transportation</td>
</tr>
</tbody>
</table>

Source: (UNDESA, 2007:10-14)
Another field for identifying sustainable factors is that of urban regeneration. Numerous researchers and organizational bodies (e.g. UN, 1996; BURA, 2000; Roberts et al., 2000; Hemphill et al., 2003; Ng, 2004, UTF, 2005; Lee, 2005) explain urban regeneration within the three domains of sustainable development: social, economic, and environmental. These three domains of sustainable urban regenerations are illustrated in Table 4.3.

Table 4.2 Habitat Agenda Sustainability Domains

<table>
<thead>
<tr>
<th>SUSTAINABILITY DOMAIN</th>
<th>ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Social development (creation of productive employment, social integration)</td>
</tr>
<tr>
<td></td>
<td>Population management and development of habitat</td>
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<tr>
<td></td>
<td>Preservation and restoration of historical and cultural heritage</td>
</tr>
<tr>
<td></td>
<td>Disaster prevention, reduction and rehabilitation</td>
</tr>
<tr>
<td>Economic</td>
<td>Improvement of urban economy</td>
</tr>
<tr>
<td></td>
<td>Balanced development in agricultural habitat</td>
</tr>
<tr>
<td>Environmental</td>
<td>Sustainable land use</td>
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<tr>
<td></td>
<td>Sustainable transportation and information technology system</td>
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<td></td>
<td>Ecologically healthy and vital habitat</td>
</tr>
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<td></td>
<td>Sustainable energy use</td>
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</tbody>
</table>

Source: Lee (2002)

Issues from the three domains are comprehensive and understandable. The knowledge of sustainable urban regeneration can be used as a reference for identification of sustainable factors for this thesis. More specifically, urban regeneration implies a sustainable practice for places in achieving sustainable place development.
Table 4.3 Domains of Sustainable Urban Regeneration

<table>
<thead>
<tr>
<th>DOMAINS</th>
<th>ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social</td>
<td>Community revitalization</td>
</tr>
<tr>
<td></td>
<td>Social mix and diversity social development</td>
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<tr>
<td></td>
<td>Coexistence with social weakness</td>
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<td></td>
<td>Regional culture identity</td>
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<td></td>
<td>Restoration and conservation of historical heritage</td>
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<td></td>
<td>Historical and cultural identity succession</td>
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<td></td>
<td>Excellent design with local character</td>
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<td></td>
<td>Original inhabitants resettlement</td>
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<td></td>
<td>Enhanced educational systems</td>
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<td>Local public service enhancement</td>
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<td></td>
<td>Physical infrastructure enforcement</td>
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<td></td>
<td>Third sector partnerships</td>
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<td></td>
<td>Town making agreement and support</td>
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<tr>
<td>Economic</td>
<td>Local economy revitalization</td>
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<td></td>
<td>Productive employment creation</td>
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<td>City marketing</td>
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<td>Step-by-step balancing growth</td>
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<td></td>
<td>Balancing environmental protection with business development</td>
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<td>Connection with superior institution</td>
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<td></td>
<td>Reservation area establishment</td>
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<td></td>
<td>Share in increased values created</td>
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<td></td>
<td>Restraint of speculation in real estate</td>
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<td></td>
<td>Efficiency and integrated management of public investment</td>
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<td></td>
<td>Urban security and safety enhancement disaster prevention system</td>
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<td></td>
<td>and prompt recovery</td>
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<tr>
<td>Environmental</td>
<td>Urban greening</td>
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<td>Sustainable density distribution</td>
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<td>Considering existing resource</td>
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<td>Sustainable land use</td>
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<td>Brown field reuse</td>
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<td></td>
<td>Energy efficiency</td>
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<td>Energy use</td>
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<td>Efficient waste management</td>
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<td>Intelligent transportation system</td>
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<td>Green transportation network</td>
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<td>Well-integrated with public transport</td>
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<td>Accessibility improvement</td>
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<td></td>
<td>Eco-friendly parking planning</td>
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<td></td>
<td>Ubiquitous communication system</td>
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<tr>
<td></td>
<td>Local environmental management scheme</td>
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<tr>
<td></td>
<td>Urban ecology rehabilitation</td>
</tr>
</tbody>
</table>

Source: (UN, 1996; BURA, 2000; Roberts et al., 2000; Hemphill et al, 2003; Ng, 2004, UTF, 2005; Lee, 2005; cited from Lee and Rhee, 2008:151)
One of the studies that describe sustainable development dimensions through the assessment of urban development impacts is that of Xing et al. (2009). The study develops an Urban Development Sustainability Assessment Model (UD-SAM) to help decision makers identify sustainability indicators (economic, environmental and social) that show the impact of development on urban environment. The UD-SAM, originally build on a sustainability assessment model (SAM) for the oil industry, is adapted to generate general sustainable development indicators. The model involves external and internal impacts. The external impact comprises of three sub impacts that are environmental, social, and economic. These three sub impacts are further divided into smaller categories. Under environmental impacts, these are: natural resource depletion; emission; and waste. For social impacts the sub-categories are direct impacts which relate to building functionalities and indirect impacts which involve aspects such as health and wellbeing. The sub category for economic impacts only relates to the multiplier effects of jobs. Further, internal impact is made up of whole life value which is divided into the whole life cost and the whole life income. This thesis argues that UD-SAM is limited to its general focus on sustainable development impacts of its two components (external impacts and internal impacts). However, this assessment model is useful as a guide in determining sustainable factors for this thesis.

Generally, the assessment of sustainable studies applies the three dimensions of sustainable development (social, economic, and environmental). However, Portney (2001) in his assessment of sustainable cities uses a different approach in assessing sustainable development. The author uses seven assessment categories to compare the commitment of 24 American cities with regard to sustainability. Portney (2001) approach found less commitment for sustainable commitment if city residents are
employed in manufacturing industries, and that cities with older populations take sustainability more seriously than other cities with younger age groups. Though the assessment does not include important elements such as economics, the assessment is indicative and useful as a reference for identification of sustainable factors. The details of Portney’s (2001:34) seven elements are:

A. Sustainable Indicators Project:
1) Indicators project active in last five years.
2) Indicators progress report in last five years.
3) Does indicator project include “action plan” of policies/programs?

B. “Smart Growth” Activities:
1) Eco-industrial park development.
2) Cluster or targeted economic development.
3) Eco-village project or program.
4) Brownfield redevelopment (project or pilot project).

C. Land Use Planning Programs, Policies, and Zoning:
1) Zoning used to delineate environmentally sensitive growth areas.
2) Comprehensive land use plan that includes environmental issues.
3) Tax incentives for environmentally friendly development.

D. Transportation Planning Programs and Policies:
1) Operation of public transit (buses and/or trains).
2) Limits on downtown parking spaces.
3) Car pool lanes (diamond lanes).
4) Alternatively fueled city vehicle program.
5) Bicycle ridership program.
E. Pollution Prevention and Reduction Efforts:

1) Household solid waste recycling.
2) Industrial recycling.
3) Hazardous waste recycling.
4) Air pollution reduction program (i.e. Volatile Organic Compound (VOC) reduction).
5) Recycled product purchasing by city government.
6) Superfund site remediation.
7) Asbestos abatement program.
8) Lead paint abatement program.

F. Energy and Resource Conservation/Efficiency Initiatives:

1) Green building program.
2) Renewable energy use by city government.
3) Energy conservation effort (other than Green building program).
4) Alternative energy offered to consumers (solar, wind, biogas, etc.).
5) Water conservation program.

G. Organization/Administration/Management/Coordination/Governance:

1) Single government/nonprofit agency responsible for implementing sustainability.
2) Part of a citywide comprehensive plan.
3) Involvement of city/county/metropolitan council.
4) Involvement of mayor or chief executive officer.
5) Involvement of the business community (e.g. Chamber of Commerce).
6) General public involvement in sustainable cities initiative (public hearings, "visioning" process, neighborhood groups or associations, etc.).
Similarly, Kenworthy (2006) evaluate sustainable development through assessment of an eco-city. He identified ten key transport and planning dimensions for sustainable city development. Though his emphasis is on issues of transport planning, he highlights sound planning dimensions which are linked to sustainable factors. More specifically, Kenworthy’s (2006) ten planning dimensions of an eco-city are a good reference to this thesis. These identified planning dimensions are:

1) A compact, mixed-use urban form that uses land efficiently and protects the natural environment, biodiversity and food-producing areas.
2) Natural environment fills the city’s spaces and embraces the city, while the city and its hinterlands provide a major proportion of its food needs.
3) A de-emphasized freeway and road infrastructure for a transit, walking and cycling infrastructure, with a special emphasis on rail. Car and motorcycle use are minimized.
4) Extensive use of environmental technologies for water, energy and waste management – the city’s life support systems become closed loop systems.
5) Central city and sub-centers within the city is a human center that emphasizes access and circulation by modes of transport other than the automobile, and absorbs a high proportion of employment and residential growth.
6) High-quality public realm throughout that expresses public culture, community, equity, and good governance. The public realm includes the entire transit system and all the environments associated with it.
7) City’s physical structure and urban design of the city, especially its public environments, are highly legible, permeable, robust, varied, rich, and visually appropriate and personalized for human needs.
8) Economic performance of the city and employment creation are maximized through innovation, creativity and the uniqueness of the local environment, culture and history, as well as the high environmental and social quality of the city’s public environments.

9) Planning for the future of the city is a visionary “debate and decide” process, not a “predict and provide” computer-driven process.

In discussing urban sustainability, a clear aspect that closely fits the context of sustainable development is sustainable communities. Numerous researchers (e.g. Berke and Conroy, 2000; Conroy, 2003; Power, 2004; Bramley et al., 2006) have shown interest in this particular aspect. Evidently, researchers are interested with the effects of sustainable development on the local community. The indication of sustainable development on community sustainability is emphasised particularly in the urban context (Power, 2004). As such, Power (2004) establishes a checklist that explains sustainable communities. Her checklist, which is targeted at the urban context is comprehensive and can be used as a reference for this thesis. Details of Power’s (2004:17) sustainable communities are:

1) Community (residents, service providers and other local stakeholders) have a key role in analyzing the challenges and deciding priorities within the available and potential resources.

2) Homes have the highest Standard Assessment Procedure (SAP) rating, including refurbished homes and reuse of existing buildings – the cost of achieving this for existing homes should be built in to the plan, with a payback period of a typical loan of 10-30 years.

3) Materials and components used in construction are as locally sourced as possible, health friendly (e.g. low toxins), low in embodied energy, and easily
and locally maintainable. New communities are to have the lowest energy use overall, the lowest environmental impact overall and beneficial social effects.

4) Sufficient useable green space within walking distance (15 minutes from any home with a push chair) with trees (to absorb carbon and provide shade and shelter) and supervision and maintenance. Green space provides wildlife habitats and contributes to urban drainage.

5) Streets pedestrian and cycle friendly to encourage local contact, informal surveillance and local shopping. Street fronts include shops and small businesses near bus stops and intersections.

6) Settlement has frequent, reliable, cheap public transport requiring a density of at least 50 homes per hectare to support bus routes, local shops and schools. Car parking and car access are organized:
   a) to allow and encourage essential economic and social activity.
   b) to deter unnecessary journeys.
   c) to generate income for local services (particularly public transport).
   d) to rebalance urban communities in favor of families, young children, and the elderly – to stimulate social contact and street life generally. Parking fees/permits, the limitations of road space, enforcement of speed limits, and the establishment of Home Zones technique;

7) Design and layout of communities creating a viable mix of people and uses, integrating old with new, providing community facilities, parks and play areas, benches, planting, encouraging involvement, commitment, ownership and investment – attracting people of different ethnic and social backgrounds.

8) Communities meeting points are provided with benches, pocket parks, play areas, and cafes.
9) Community facilities are centers for meetings, are available for hire, for parties and weddings and churches with associated social activities and provision.

10) Residents make an input into their communities. All sections of the community have a chance to influence and make decisions that affect their future. There are local schools, training facilities, and lifelong learning.

11) Front-line jobs – with training and recognition – to care for, protect, and repair the neighborhood. This strategy helps people needing work, creates informal supervision and maintains conditions. The park keeper, caretaker, warden, and school assistant are examples.

12) Proper security, street supervision, repair and maintenance and environmental care. For instance, neighborhood management team is responsible for organizing this basic environmental and social service and coordinating public inputs to maximize a community’s quality of life.

Besides looking at the effects of sustainable development on the local communities, numerous researchers (e.g. Campbell, 1996; Conroy, 2003; Amado et al., 2010) are emphasizing community participation in determining indicators, and in the sustainable development planning process. For example, Yuan, James, Hodgson, Hutchinson, and Shia (2003) incorporate public participation in determining core, additional and supplementary indicators for sustainable community. These indicators, which are selected by the public themselves, represent public participation in decision making which is crucial in the sustainable development planning process (Campbell, 1996; Conroy, 2003; Amado et al., 2010). More importantly, the study by Yuan et al (2003) reveals criteria of important sustainable indicators that resulted from community judgment. Thus, evaluation of such indicators in determining sustainable factors for
this thesis is a justifiable approach. The indicators identified by Yuan et al (2003) are detailed in Table 4.4.

Table 4.4 Indicators from Public Participation for Sustainable Community

<table>
<thead>
<tr>
<th>TYPE OF INDICATORS</th>
<th>CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core</td>
<td>Ecological protection&lt;br&gt;Environment quality&lt;br&gt;Waste treatment and management&lt;br&gt;Qualifications of the population</td>
</tr>
<tr>
<td>Additional</td>
<td>Disposable income per household&lt;br&gt;Resident satisfaction and participation in community activities&lt;br&gt;Employment&lt;br&gt;Retail sales of consumer goods&lt;br&gt;Level of social welfare provision&lt;br&gt;Economic structure&lt;br&gt;Economic efficiency and benefits</td>
</tr>
<tr>
<td>Supplementary</td>
<td>Total economic output&lt;br&gt;Total investment in fixed assets&lt;br&gt;Expected years of healthy life&lt;br&gt;Housing stock condition&lt;br&gt;Level of crime</td>
</tr>
<tr>
<td>Not considered important</td>
<td>Population size</td>
</tr>
</tbody>
</table>

Source: Yuan et al. (2003:258)

Alongside the discussion of urban sustainability assessment, Bramley, Dempsey, Power and Brown’s (2006:16) study focuses on the specific components of sustainability. They propose two key dimensions to the social sustainability concept which is associated with equity of access and the community’s sustainability/quality. The authors discuss social sustainability in the urban form, and suggest main composite indicators which involve the dimensions of social sustainability. These are:

1) Friendliness and social interaction - measured by seeing friends and relatives in the neighborhood frequently, seeing/chatting with/borrowing from/knowing by name ‘some/most/all’ of the neighbors, and agreeing that this is a place where neighbors look out for each other, or are friendly.
2) Perception of pride in/satisfaction with neighborhood - measured by general satisfaction, good appearance ratings and feelings of pride, identification and belonging.

3) Safety - measured by more negative responses to standard question about the safety of walking alone after dark, serious problems of crime, disturbance by children/youths, or traffic, and not feeling comfortable/safe waiting for public transport.

4) Environment - measured by negative rating of street lighting or parks/open spaces, serious problems with noisy neighbors, litter/graffiti, lack of parking or amount of traffic.

5) Mobility - measured by having lived in location less than 3 years, or expecting to move in the next few years for reasons relating to accommodation or the area.

6) Collective group activity - measured by participating at least once a month in each of six activities within the neighborhood or the city, including sport/exercise, adult education, community/residents groups, support groups, religious or other groups.

7) Use of local facilities - those of 11 local services used at least once a month. These can also be measured by estimated annual frequency, for two main groupings.

Emphasis on sustainable urban development is also evident in developing countries. For example, in Malaysia the government established the Malaysian Urban Observatory Network (MURNINET) to measure sustainable urban performance of its cities. The network acts as a report for the assessment of the state of sustainable development of Malaysian cities. The detail of the function of the network, which is still not understood
by most Malaysian cities, uses indicators by planning sectors for assessment of sustainable development. These indicators are:

1) Demographics.
2) Housing.
3) Urban economics.
4) Utility and infrastructure.
5) Public facilities and recreation.
6) Environment.
7) Sociology and social impacts.
8) Land uses.
9) Tourism and heritage.
10) Transportation and accessibility.
11) Finance and management.

The sub-indicators used for the above stated indicators are too specific. However, these indicators are a useful guide in determining sustainable factors as they are the result of focus groups discussions with stakeholders such as local communities and businesses.

4.3 Factors Influencing Competitive Places

As far as competitiveness is concerned, a comprehensive assessment of evaluating the competitiveness factors is practiced by the Institute of Management Development (IMD). The assessment, which is meant for evaluating a country’s competitiveness, contains basic criteria that can guide the assessment of urban competitiveness. Since the criteria used by IMD come from thorough investigation and revisions from international, national and regional sources added by feedback from reliable sources, they are a highly reliable reference. However, some of the criteria of this assessment
such as fiscal policy and business legislation are not suitable for use directly into different contexts such as the assessment of urban competitiveness from residents’ perspective, and they require modifications. Due to its comprehensive nature, the assessment is a useful reference for determining the competitiveness factors of this thesis. The illustration of IMD competitiveness indicators are presented by Table 4.5.

Table 4.5 IMD Competitiveness Factors for Countries

<table>
<thead>
<tr>
<th>Competitiveness Factors</th>
<th>Main Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Performance (76 criteria)</td>
<td>Assessment of domestic economy (size, growth, wealth, forecasts), international trade, international investment (investment, finance), employment and prices.</td>
</tr>
<tr>
<td>Government Efficiency (71 criteria)</td>
<td>Assessment of government policies on public finance, Fiscal Policy, institutional framework (central bank, state efficiency), business legislation (openness, competition and regulation, labour regulation) and societal framework.</td>
</tr>
<tr>
<td>Business Efficiency (67 criteria)</td>
<td>Assessment of productivity and efficiency, labour market (costs, relations, availability of skills), finance (bank efficiency, stock market efficiency, finance management), management practices and attitudes and values.</td>
</tr>
<tr>
<td>Infrastructure (113 criteria)</td>
<td>Assessment of basic infrastructure, technological infrastructure, scientific infrastructure, health and environment, and education</td>
</tr>
</tbody>
</table>

Source: Adapted from IMD Competitiveness Yearbook 2009/2010

Besides IMD, a highly recognized competitiveness assessment is the Global Competitiveness Index presented by the World Economic Forum (WEF). This assessment comprises three major competitiveness factors which are basic requirements, efficiency enhancers, and innovation and sophistication factors. It presents a comprehensive assessment of competitiveness. Accordingly, Crouch (2009) suggests that the assessment made by the WEF is successful. The assessment is constructed from reliable sources, which are in this case, public ‘hard’ data and the Executive Opinion Survey (WEF, 2010). Like the IMD assessment or any other assessment, the WEF assessment also undergoes continuous revision in order to be upgraded. From the
three major factors, the assessment which formerly comprises of nine pillars is further extended into twelve. They are institutions, infrastructure, macroeconomic stability, health and primary education, higher education and training, goods market efficiency, labour market efficiency, financial market sophistication, technological readiness, market size, business sophistication, and innovation. The nature of the WEF assessment can be seen as being comprehensive and applicable to most competitiveness contexts. Thus, the assessment is another appropriate reference for determining competitiveness factors for this thesis. Table 4.6 illustrates the WEF assessment.

<table>
<thead>
<tr>
<th>COMPETITIVENESS FACTORS</th>
<th>ASSESSMENT PILLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASIC REQUIREMENT</td>
<td>1st pillar: Institutions (Public institutions, private institutions).</td>
</tr>
<tr>
<td></td>
<td>2nd pillar: Infrastructure.</td>
</tr>
<tr>
<td></td>
<td>3rd pillar: Macroeconomic stability.</td>
</tr>
<tr>
<td></td>
<td>4th pillar: Health and primary education.</td>
</tr>
<tr>
<td>EFFICIENCY ENHANCERS</td>
<td>5th pillar: Higher education and training.</td>
</tr>
<tr>
<td></td>
<td>6th pillar: Goods market efficiency (Competition, quality of demand conditions).</td>
</tr>
<tr>
<td></td>
<td>7th pillar: Labour market efficiency.</td>
</tr>
<tr>
<td></td>
<td>8th pillar: Financial market sophistication.</td>
</tr>
<tr>
<td></td>
<td>9th pillar: Technological readiness.</td>
</tr>
<tr>
<td></td>
<td>10th pillar: Market size.</td>
</tr>
<tr>
<td>INNOVATION AND SOPHISTICATION</td>
<td>11th pillar: Business sophistication (networks and supporting industries, sophistication of firms’ operations and strategy).</td>
</tr>
<tr>
<td></td>
<td>12th pillar: Innovation.</td>
</tr>
</tbody>
</table>


The WEF global competitiveness factors involve core or basic criteria, efficiencies, and innovations. It emphasises dimensions of economics and social capital. Like the IMD assessment, this assessment is meant for evaluating countries and requires modifications if used on a different place context. The Organization for Economic Co-Operation and Development (OECD) (2006) identifies competitiveness factors for cities as comprising productivity, human and physical endowment, and labour markets. The
organization maintains that lower productivity is related to lower skill, while regional productivity is related to infrastructure. Besides country assessment, regional competitiveness assessment also received researchers’ attention. Huovari, Kangasharju and Alanen (2001:15) identify four factors of regional competitiveness which are human capital, innovativeness, agglomeration and accessibility to markets. They constructed an index to measure regional competitiveness. The index contains statistical indicators for all the said factors. These are:

1) **Human capital:**
   
   Indicators for this index include (1) working-age population (age 15-64), (2) participation rate, (3) students, (4) technical students, and (5) highly educated people.

2) **Innovativeness:**
   
   In this index, the statistical indicators are related to innovation aspects which are (1) R&D expenditures, (2) patents, (3) high technology sectors and the share of value-added and (4) innovative establishments.

3) **Agglomeration:**
   
   The indicators that make up this index are described as (1) population, (2) agglomerative sectors, (3) supporting sectors, and (4) specialisation.

4) **Accessibility:**
   
   For this index, the indicators that are concerned include accessibility of market by road and air, and the establishments engaged in foreign trade.

The authors claim that the competitiveness factors are closely related to one another. More specifically, accessibility is identified because of its relation to agglomeration, the result of long term competitiveness. Human capital is identified as a key factor for
economic development in the knowledge-based society. In addition, they link human
capital with innovativeness of the regions. Huovari et al.’s (2001) assessment is
creative and current which is useful, in particular for assessment of long term
competitiveness. However, this assessment is not suitable for use in various contexts of
places. Modifications of the indicators are required for use in other place contexts. For
assessment of regional competitiveness, Lengyel (2007) proposes a three level pyramid
model for defining city competitiveness which he extracts from his study on the
competitiveness of regions. These three levels in the pyramid model are:

1) Basic categories:
   These categories measure the competitiveness of regions such as income, labor
   productivity and employment. They directly affect the final goal, living
   standards and quality of life of the population.

2) Development factors:
   Research and technological development, infrastructure and human capital,
   foreign direct investment, small and medium-sized enterprises, institutions and
   social capital which affect the basic categories directly and usually on a short
time basis.

3) Success determinants:
   Social and environmental conditions that explain competitiveness determines
   indirectly basic categories and development factors. It comprises economic
   structure, innovative activity, regional accessibility, skills of the workforce,
   social structure, decision centers, environment and regional identity, which
   influences competitiveness indirectly, through transmissions on a longer time
   basis.
Lengyel (2007) pyramid model implies the need focusing on human wellbeing in achieving place competitiveness. The goal of Lengyel’s (2007) pyramid model for the achievement of quality of life shows that this aspect is important in the assessment of city competitiveness. Numerous researchers (e.g. Harvey; 1989; Hall, 1995, Florida and Gates, 2001; Rogerson, 2009) state that the aspect must be added to the assessment of city competitiveness. ASIAWEEK magazine (1999) cited from Webster and Muller (2000:28) publishes a ranking of the best Asian cities to live in every year. The magazine gives certain scores to regional cities in Asia based on 23 performance indicators from categories that form a Quality of Life Index. These 23 performance indicators according to their categories are:

1) Economic Opportunity: The cities are evaluated on (1) the unemployment rate of the residents, (2) the GDP growth, (3) annual urban inflation rate, and (4) the average income of the residents.

2) Quality of Education: (1) The per-capita state expenditure for education, (2) the average class size in primary schools, and (3) the university educated people as a percentage of the total population.

3) Environment and Sanitation: (1) The amount of sulphur dioxide in the air, (2) the dust/suspended particles in the air—micrograms per cubic meter, (3) the percentage of population with sewerage, and (4) sq meter of parks and fields per capita.

4) Health Care: The average life expectancy and the number of hospital beds per 1000 people.

5) Transport and Communication: (1) the number of vehicles per km of city road, (2) the existence of a mass transit rail system, (3) the average time taken to commute to work, and (4) the number of telephones per 1000 people.
6) Personal Security: The number of criminal cases for every 10,000 persons in the cities.

7) Housing Cost: The average monthly rental per sq meter and the ratio of housing price to income.

8) Leisure: (1) The number of movie theatres per 100,000 people, (2) the number of the residents’ vacation and public holidays per year, and (3) the number of TV sets per 1,000 people.

The focus on quality of life in ranking cities suggests that competitiveness factors involve the people’s wellbeing. Through their study on quality of life as criteria for place satisfaction, Zenker et al. (2009) found four important factors that are considered in the evaluation of quality of life. These four important factors are:

1) Urbanity and diversity: These factors consists of openness and tolerance of a city; many different cultures and subcultures; the energy of a city; the urban image of a city; a variety of shopping opportunities, and a wide range of cultural activities (theatre, nightlife, etc.).

2) Nature and recreation: These factors consists of the number of parks and opens spaces at the place; tranquillity of the place; access to water; low pollution; a wide range of outdoor-activities.

3) Job chances: This factor is made up of professional networks in the city; general economic growth of the particular region; good job and promotion opportunities; the general level of wages.

4) Cost-efficiency: This factor consists of aspects such as the general price level in the city; costs of living; housing market; availability of apartments and houses.
The emphasis on the quality of life attracts considerable attention even from the government to achieve citizen’s wellbeing. For example, the Malaysian government under the Economic Planning Unit (EPU), emphasizes the quality of life of citizens through the development of a weighted Malaysian Quality of Life Index (MQLI), using time series data. The assessment involves criteria such as education, safety, income and distribution, culture and leisure, family life, environment, transport and communications. According to Zainuddin Muhammad, the Director-General of the Department of Town and Country Planning for Peninsular Malaysia, the index is intended to show that the country’s high economic growth is positively related to the overall quality of life of the country’s citizens. Although the criteria for assessment of the index is complex, it is a useful guide which serves as the basis for determining competitive factors, particularly in relation to the quality of life component.

Moreover, a comprehensive urban competitiveness assessment is presented by Webster and Muller (2000). The authors identify four assessment categories of urban competitiveness which are: economic structure, territorial endowment, human resources and institutional milieu. They claim that economic structure is selected because of its long known focus on competitiveness assessment. Further, they regard territorial endowment as the non-tradable factor that is related to a specific place. Human resources, along with the institutional milieu, are the other key factors in explaining competitiveness. However, they do highlight a failure to include some very important categories such as business culture and network depth, which are not easily available in developing countries, which often lack techniques for collecting new data (Flood, 1997). Webster and Muller’s (2000) urban competitiveness assessment is represented by Table 4.7:
Table 4.7 Webster and Muller Urban Competitiveness Assessment

<table>
<thead>
<tr>
<th><strong>ECONOMIC STRUCTURE</strong></th>
<th><strong>Territorial endowments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic composition (structural changes in industry, changes in firm strategy), degree of concentration &amp; diversity (intra-industry concentration, economic diversity)</td>
<td>Centrality of industry, presence &amp; quality of - local customers, local capable suppliers, local competitive, related industries</td>
</tr>
<tr>
<td><strong>Territorial endowments</strong></td>
<td><strong>Human Resources</strong></td>
</tr>
<tr>
<td>Market demographics (population by age cohort, income distribution), location / access analysis (facilities inventory, network assessment, cost to key cities), infrastructure inventory: (cost, coverage, capacity, reliability)- (transportation, telecommunications, electricity and water, industrial estates and zones), natural resources, amenity (climate &amp; natural amenities, urban environmental quality, cultural &amp; recreation facilities, aesthetics)</td>
<td>Capital availability (interest rates, venture capital, intermediate credit orgs, banking culture &amp; modes), cost structures (land &amp; property markets, relative labor costs, cost of living, taxes, exchange rates), image (international city ranking, , reputation locally-nationally)</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td><strong>Institutional Milieu</strong></td>
</tr>
<tr>
<td>Labour force participation (labour force size &amp; growth, average hours worked per week, un-/under-employment, informal sector trends, dependency ratios), skills &amp; education profile (education and training level, technical prowess, literacy &amp; language skills, computer &amp; internet skills), education facilities &amp; curricula (enrollment trends by field, quality of programs, leading education / R&amp;D institutions, job retraining)</td>
<td>Industrial structure &amp; labour force fit (job vacancies by area vs. unemployment, turnover rates, employment growth by sector vs. training), wage earnings &amp; labour institution (minimum wage, prevailing wages, change in earnings by profession, payroll taxes/deductions, unionization by sector, technical &amp; professional association)</td>
</tr>
<tr>
<td><strong>Institutional Milieu</strong></td>
<td>Source: Webster and Muller (2000:43)</td>
</tr>
<tr>
<td>National governance (macroeconomic policy &amp; political stability, corporate &amp; personal tax structures, antitrust laws), local governance (local tax &amp; business fee structure, streamlining of licensing, approvals, permitting, economic development programs and experience, local public sector capacity), champion institutions &amp; individuals (charismatic mayor, effective development/promo agency, city boosters, high profile firm)</td>
<td>Networks &amp; interconnectivity (linkages between business, government and education, associational vibrancy, cross-membership rates, business support programs, inter-jurisdictional cooperation), norms &amp; conventions (entrepreneurship start-ups, failures, R&amp;D spending, local competition, corruption modes, rates, local-foreign relationships, mediation styles and venues)</td>
</tr>
</tbody>
</table>

Table 4.7 shows that Webster and Muller’s (2000) assessment are another useful reference that can be used in determining competitiveness factors for this thesis. The
criteria are universal and easily adaptable and communicated to the target receiver. The assessment includes aspects of economics and social capital which conform to other competitiveness assessments discussed earlier in this chapter. Webster and Muller (2000) highlight that competitiveness conditions are likely to vary between large urban regions, smaller urban regions, and sub-areas within the urban region due to spatial considerations, functionality, and the political structure.

Another study for urban competitiveness is presented by So and Shen (2004). Their assessment uses economic, social, and environmental dimensions. They form their assessment on a three-level system of indicators. At Level I, they identify three competitiveness components, which are economic (EC), social (SC) and environmental (GC) competitiveness components, which are further broken down into ten Level II subgroups of subgroups. These are the growth of urban economic capacity (E1), economic performance (E2), economic structure (E3), urban development (S1), education and training (S2), social security (S3), quality of life (S4), government efficiency (S5), waste treatment (G1) and quality of environment (G2). The final stage, level III, is made up of 55 explanatory and performance indicators. So and Shen (2004) themes from the subgroups are general, but the indicators that they use are too specific. This study is unusual compared to other assessments of urban competitiveness because it includes environmental factors which they argue are crucial, due to current environmental problems that most urban areas face. The attempt however agrees with Bailey et al. (2002) and Begg (2002) who suggest that urban competitiveness is susceptible to economic performance, social development and quality of environment. As such, the assessment is a useful reference for this thesis. So and Shen’s (2004) assessment also includes an important aspect of urban competitiveness, namely quality
of life, which most researchers such as Harvey (1989) and Rogerson (1999) view as necessary for urban competitiveness. Accordingly, Ni and Kresl (2010) suggest that urban competitiveness is formed by the elements of environment and industrial system, and value system. They suggest that urban competitiveness is a combination of urban enterprise, the operational elements system and the industrial system. In interpreting urban competitiveness, Ni, Kresl, and Vaughn (2010) identify an input framework which contains the elements of human resource, enterprise quality, industry structure, global connectivity, living environment, soft business environment, and hard business environment. They identified key factors for global urban competitiveness. These are:

1) Human resource (educational development).

2) Enterprise quality (enterprise management).

   Other factors that present in this category are: corporate culture, corporate systems, corporate governance, business operation, and branding and business performance.

3) Industry structure (industrial aggregation).

4) Global connectivity (enterprise connectivity).

5) Living environment (environmental quality).

   For this category, other factors are: the natural environment, residential environment, shopping and catering environment, leisure and recreation, and the security environment.

6) Soft business environment (strategy).

   Other factors that are present in this category are market environment and social management.

7) Hard business environment (technological innovation).
Another example of the study on urban competitiveness is the work by Kresl and Singh (1999). The authors evaluated competitiveness of 24 large metropolitan areas in the United States. More specifically, they created ranks of metropolitan areas into manufacturing value-added, retail sales, and measure of professional services. Kresl (1995) refers urban competitiveness assessment on the basis of six characteristics. These are:

1) Ability to create jobs of high-skill and high-income.
2) Production of environmentally benign goods and services.
3) Production concentration on goods and services of an attractive nature.
4) Appropriate economic growth for achievement of full employment.
5) Specialization in activities that will permit control over the future.
6) Ability to enhance an urban hierarchy position.

In describing place competitiveness, Florida’s (2003) highlights the importance of creative class, along with three critical factors that accompany it. These are: technology, talent, and tolerance. Moreover, Florida (2003:10) defines “tolerance as openness, inclusiveness, and diversity to all ethnicities, races, and walks of life. Talent is defined as those with a bachelor’s degree and above. And technology is a function of both innovation and high-technology concentrations in a region”. Glaeser (2004) highlights the importance of human capital in competitiveness. Empirical evidence by Mathur (1999) show cities with more educated residents grow faster than those with smaller stocks of human capital. Kresl (1995) suggests that urban competitiveness consists of “economic determinants”. This comprises factors of production and infrastructure, and “strategic determinants” which include policy and institutional design. Competitiveness of cities can be closely linked to the definition suggested by
Malecki (2000:334), who claims that “the competitiveness of places – localities, regions and nations – refers to the ability of the local economy and society to provide an increasing standard of living for its inhabitants”. Several crucial factors such as the size of the city, localization of the economies, and the urbanization of the economies determine the degree to which cities could compete (O’Sullivan, 1996; Petrakos, 2000). However, Budd (1998) claims that city competitiveness should also depend on the criteria of government policy implemented for that purpose by some countries. He further identifies two types of competition which are in economic fields such as activities or markets that function in cities’ environments and among cities or places that compete not only through distinctive characteristics (local distinctiveness) but also through distinctive perceptions. Accordingly, Jensen-Butler (1997) claims that urban competitiveness primarily depends on its position in the national and/or international urban system framework, the transport, communication, electricity and water supply, infrastructure, efficient operation of urban governance, capacities for research and development activities, education and the quality of human resources. Harvey (1989:126) asserts that “urban regions compete for employment, investment, new technologies, and the like by offering unique packages of physical and social infrastructure, qualities and quantities of labour power, input costs, life-styles, tax systems, environmental qualities, and the like.”

In addition, ranking of cities is an alternative for understanding competitiveness factors. This practice has gained research interest from many groups. A serious effort made by the French government was prepared by the DATAR, the planning institute of the French government in the late 1980s (DATAR, 1989). Through this study some selected European cities are ranked by way of five indicators (international relations,
communication, economy and financial issues, research and technology, and cultural radiation). According to Landis–Sawicki (1988) the 1990s interest in ranking cities is evident by the “Places Rated Almanac” which ranks cities on nine aspects, such as climate, costs of living, healthcare, criminality, education, economy, culture and tourism. Considerable efforts have been made to rank cities, and there seems to be various elements that each researcher deems important as the criteria in assessing city competitiveness. Heikkila (1999) suggests that besides assessing the status and performance of urban systems, benchmarking is gaining importance in assessing city competitiveness. Notable bodies such as the United Nations Centre for Human Settlements (UNCHS) and the Asian Development Bank (ADB) are extensively adopting this technique in an urban context. More specifically, this technique involves “mentoring” between cities. Moreover, the benchmarking process involves: (i) refocusing goals (vision), objectives, and indicators, on outcomes, (ii) developing indicators to measure progress towards the desired state, (iii) relating performance to benchmarks, (iv) identifying factors underlying performance, and (v) guidance of programmatic and allocation decisions. The benchmarking process is clearly gaining importance in urban competitiveness assessment. The idea of benchmarking is also a useful guide in understanding competitiveness factors for this thesis.

As stated earlier in this chapter, the term place in the context of this thesis is linked to the term destination. According to Murphy et al. (2000) destination is a set of crucial benefits directly managed and delivered by infrastructure and public policy driven environmental factors. The term destination refers to a place which offers an amalgam of products and services which are usually created by the destination through destination image (Buhalis, 2000). Relating competitiveness and destination, Hassan
(2000:239) sees competitiveness as the “destination’s ability to create and integrate value-added products that sustain its resources while maintaining market position relative to the competitor”. By relating competitiveness with the environmental sustainability of destinations, he has successfully recognised the importance of sustainable destinations. Similarly, the most competitive destination according to Crouch and Ritchie (2000) brings significant success to residents’ well-being with regards to sustainability of economic, culture, social, ecological, and political considerations. Poon (1993) provides a sound basis for competitive destinations. Though these principles are general and less detailed, it is a useful guideline for place planners and for this thesis. The author suggests that destinations need to follow four key principles to be competitive. These are:

1) Put the environment first,
2) Make tourism a lead sector,
3) Strengthen the distribution channels in the marketplace,
4) Build a dynamic private sector;

However, a detailed work undertaken by experts on overall destination competitiveness attributes is that of Crouch and Ritchie (1999), and Ritchie and Crouch (1993, 2000, 2003). The authors propose a comprehensive theoretical model which elaborates on the competitiveness of destinations. Though the model does not indicate the relative importance of the proposed destination’s attributes, it represents an insight into a better understanding of destination competitiveness. A notable research approach into attribute importance is constructed by Crouch (2007). In his study, he assesses the importance of competitive destination attributes using expert judgement. More specifically, all the competitive attributes are grouped into five main attributes and each
main attribute and their own attributes were weighted according to importance. His studies show that core resources and attractors are the most important attribute to competitive destinations. Destination management, and supporting factors, and resources are closely behind and follow as the second most important attribute. These main attributes and the main attribute for each attribute group are:

1) Core resources and attractors - the strength of the destination’s drawing power (superstructure: the quality and quantity of the built environment).

2) Supporting factors and attractors - the springboard for destination development (accessibility: the overall ease involved in getting to and into a destination).

3) Destination policy planning and development - the destination’s strategic framework (positioning and branding: the destination’s effort to create an identity).

4) Destination management - the destination’s ability to implement strategy (quality of service and experience: ability to deliver integrated visitor experience).

5) Qualifying and amplifying determinants - factors which leverage or limit competitiveness (cost/value: factors affecting the overall affordability of the destination).

March (2004:5) proposes Destination Competitiveness Inventory (DCI) as a marketing tool for assessing destination competitiveness. He identifies six attributes necessary for evaluations. These are:

1) Origin Attributes - are factors that are specific to the source market. For example, many Asians travelling overseas for the first time seek a western
experience. For that reason Australia enjoys high visit rates from many Asian countries, particularly those in Southeast Asia.

2) Linkages - refer to the links between two countries. These links can be business, ethnic, educational, foreign investment flows, as well as influence of the destination’s government on the government of particular source markets. (For example, the US government has greater leverage over the Japanese Government in matters of aviation policy and airline access than a country like Australia or Italy.)

3) Accessibility - refers to the ease with which visitors can travel to and enter a country. It comprises eleven factors including number of gateways, visa requirements, and speed through customs.

4) Costs - as the term suggests, refers to the costs associated with travel to a particular destination. Factors include exchange rate, cost of air ticket, land arrangement costs (in the case of group travel arranged by wholesalers or inbound operators), and accommodation costs, and so on.

5) Infrastructure - relates to the extent and quality of facilities and processes necessary to attract and sustain visits to a destination. Key factors include the quality and variety of accommodation available, theme parks, shopping, service quality and tour guides.

6) Attractors - embrace a variety of natural and man-made features of a destination. Attractors can be classified as either generic or destination specific. Generic attractors are those features of a destination that would appeal to all visitors, regardless of purpose of travel; they comprise climate, natural wonders & scenery, friendliness of locals, and good safety and security. Destination specific attractors include wildlife, culture, cuisine, history, events, and entertainment.
The author believes that considered as a whole these elements shape consumer attitudes and images of destinations, and creates an impact on the consumer decision process. In his whole model, he proposed three variables (consumer perceptions and attitudes, marketing communication and management, and outcomes) as the core and two other variables (economic and political environment, and travel experience) as external forces to relate to global travel. Considering the applicability and compatibility of the city context, and the destination context, the models for assessing the competitiveness of destinations are regarded as a useful reference for this thesis. The next chapter addresses the selected factors that determine sustainable competitive places.

4.4 Choice of Sustainable Competitiveness Factors

The discussions on possible factors that make up sustainable competitiveness are extensive. Discussion reveals that previous studies and organizations interpret aspects of sustainable competitive places, particularly place sustainability and place competitiveness, in various ways. However, as the complexity of the issue requires resolutions, the researcher has decided that the choice of determining the relevant factors begins with (1) assessing the research objectives, (2) identifying the common and uncommon factors that are used by previous research and established organisations such as the United Nations, the World Economic Forum, and the IMD, (3) determine the sustainability of places as the root factors, (3) identify the factors that are commonly used as priority, and (4) cross-check for redundancy and omissions. Particularly, as the factors make up the research constructs and indicators, the researcher relates to the work of Rossiter (2002); Diamantopoulos and Siguaw (2005); Churchill (1979) and Jarvis et al. (2003) in further actions regarding the choice of the factors. The discussion of various studies on sustainability assessment clearly shows
that common elements of sustainable development assessment include the popular dimensions of economic, social, environmental, and sometimes institutional considerations. The importance of a sustainable community and their roles in making sustainable development successful is noted by the researchers (Campbell, 1996; Conroy, 2003; Yuan et al., 2003). Various studies from different field of knowledge present different perspectives in assessing sustainability. However, for the purpose of this thesis, four dimensions of sustainability as identified by UNCSD (2000), and which involve social, economic, environmental, and institutional considerations is adopted. As some factors from these dimensions are identical to place competitiveness, the factors are used for place sustainability. For example, environmental assessment regarded as important by some researchers (So and Shen, 2004; Lengyel, 2007; Ni and Kresl, 2010) forms the factors relevant to place sustainability. In determining factors of sustainable place, various sources related to sustainability are used.

The discussion on the various studies related to competitiveness assessments show that there are exhaustive factors used to describe place competitiveness. Common elements of place competitiveness assessments involve various factors such as economics, social capital, governance, human capital, and infrastructure. Thus, in determining the factors of place competitiveness, this thesis has determined these factors in describing place competitiveness. However, as other relevant sources are present in competitiveness studies, cross-checking with other factors are applied to avoid duplication and omission of relevant factors. Besides the choice of economic performance and human capital, the emphasis is also given to quality of life in the urban context. As Begg (1999) and Kresl and Singh (1999) maintain urban competitiveness involves the urban dynamic as a whole entity, this thesis uses various study sources and outcomes related to
competitiveness. The discussion on sustainability and competitiveness factors show that assessment for competitiveness involves different perspectives that suit the research purpose. However, for the purpose of this thesis, four dimensions of competitiveness are identified as infrastructure, human capital, quality of life, and governance. These four dimensions are chosen because they best match the research purpose, and objectives and they are considered to be suitable for use in this research context.

4.5 Dimensions of Place Attachment

According to Milligan (1998) place attachment involves both the built and the social environments within a place. More specifically, he suggests that social interaction is possible through physical sites that are stages created physically and socially. He adds that place attachment is the emotional link that an individual establishes with a physical site that are meaningful through interaction with the site. However, the “topophilia” concept held by Tuan (1974) is basic for place attachment. For this thesis the researcher has decided to align this work with theorists, Williams et al.’s (1992) concept of “place attachment conceptualized as being comprised of two components: place dependence and place identity is frequently used in social science outdoor recreation research” (Sharpe and Ewert, 1999:218). Research into place attachment is not only limited to geography and psychology, but it covers a broad range of subject areas such as sociology, environment, and anthropology (Pruneau, Chouinard, Arsenault, and Breau, 1999). This thesis focuses on those areas most relevant to sustainable city marketing within the context of this thesis. Thus, little consideration on the work of researchers such as Fishbein and Ajzen (1974), Ajzen (1985, 1991), Low and Altman (1992), and Kuller (2004) is given in understanding the psychological associations to place attachment. Less detail is expected to be used in this thesis due to
the need for boundaries for the study. Though place attachment has started from health science studies, it is proposed that a person’s place attachment is developed from their attachment to people (Fried, 2000).

In the assessment of place attachment, researchers have explored place attachment dimensions to better understand the concept. Starting with Proshansky (1978:155), place identity is “those dimensions of self that define the individual’s personal identity in relation to the physical environment by means of a complex pattern of conscious and unconscious ideas, beliefs, preferences, feelings, values, goals and behavioural tendencies and skills relevant to this environment”. Accordingly, Stedman (2002) suggests that place identity is the symbolic connection between an individual and a location. Williams and Patterson (1999) further extend the idea of place identity and the psychological collection with a location that is developed over time. Proshansky, Fabian, and Kaminoff (1983) relate place identity to the association of self and a particular location through a set of memories, interpretations, ideas and related feelings about physical settings as well as types of the settings. Place dependence is an “occupant’s perceived strength of association between him/herself and specific places” Stokols and Shumaker (1981:457). Confer et al. (1999) reveal that place attachment is higher for people who are dependent on the resource. Zwick and Solan (2001) find that people form attachment to places through resource use. The users which are place dependant on a resource for their activities or lifestyle see the activity or place as central to their wellbeing, and lead them to be in conflict with other user groups (Jacob and Schreyer, 1980). Place dependence also exerts some influence on place identity and environmental behavior. Vaske and Kobrin (2001) establish that place dependence can influence the development of place identity, which is strongly linked to environmental
behavior. Further studies by Kyle et al. (2004) reveal that people with strong place dependence can also develop a strong place identity, which can influence environmental behavior. Williams (2000:3) provides a review of his and his colleagues’ previous works on place attachment concepts for place identity and place dependence. The details of these two dimensions are:

1. **Place Dependence** - individual’s “perceived” self-associations with places.

   1) No other place can compare to this area.
   2) I get more satisfaction out of visiting this place than from visiting any other.
   3) Doing what I do here is more important to me than doing it in any other place.
   4) I wouldn't substitute any other area for doing the types of things I do here.
   5) This is the best place for what I like to do.
   6) No other place can compare to this area for what I like to do in my spare time.
   7) I can't imagine a better place for what I like to do.
   8) This place makes me feel like no other place can.
   9) This is my favourite place to go during my free time.
   10) The things I do here I would enjoy just as much at another site.

2. **Place Identity** - individual’s “self” associations with places.

   1) I feel like this place is a part of me.
   2) This place means a lot to me.
   3) I am very attached to this place.
   4) I identify strongly with this place.
   5) I think a lot about coming here.
   6) This place is very special to me.
   7) This place says a lot about who I am.
   8) I would prefer to spend more time here if I could.
However, Brocato (2006), Halpenny (2006) and Kyle et al. (2004), demonstrate that place affect is different from place identity and it measures emotional or affective attachment. Place affect which is usually included in place identity is suitably measured using its own dimensions (Halpenny, 2006). Jorgensen and Stedman (2001) explain that affective attachment is an emotional bond with a particular setting. Bagozzi, Gopinath and Nyer (1999) characterize “affective” to the emotions and mood. Similarly, Cohen and Areni (1991) relate affective to feeling emotions of involvement and moods. Other researchers (e.g. Jorgensen and Stedman 2001; Kyle, Graefe and Manning, 2005) show their increasing interest in adding affective and other components to place attachment concepts. Halpenny’s (2006:61) study at Point Pelee National Park (N.P) uses three dimensions of place attachment. These three place attachment dimensions are:

1. **Place Identity** - individual’s self-association to the Point Pelee National Park.
   1) Visiting Point Pelee N.P. says a lot about who I am.
   2) When I visit Point Pelee N.P. others see me the way I want them to see me.
   3) I identify strongly with Point Pelee N.P.
   4) I feel Point Pelee N.P. is part of me.
   5) I feel I can really be myself when I am in Point Pelee N.P.
   6) Point Pelee N.P. means a great deal to me.

2. **Place Affect** - individual’s emotional attachment to the Point Pelee National Park.
   1) I feel strong, positive feelings for Point Pelee N.P.
   2) I really miss Point Pelee N.P. when I am away too long.
   3) I feel relaxed when I am at Point Pelee N.P.
   4) I am fond of Point Pelee N.P.
5) I feel happiest when I am at Point Pelee N.P.
6) Point Pelee N.P. is my favourite place to be.

3. **Place Dependence** - individual’s perceived self association to the Point Pelee National Park.

1) I get more satisfaction out of visiting Point Pelee N.P. than any other park.
2) The things I do at Point Pelee N.P. I would enjoy doing just as much at a similar site.
3) I wouldn’t substitute any other area for doing the types of things I do at Point Pelee N.P.
4) Point Pelee is the best place for what I like to do.

However, traditional research on place attachment normally follows two dimensions: place identity and place dependence (Williams et al., 1992). However, since Halpenny’s (2006) study reveals that a place affect stands on its own criteria through escape from identity dimension, this thesis details the place attachment concept following Halpenny (2006) study. More specifically, the concept of place attachment literature is linked to the purpose of place attachment research in sustainable city marketing. This knowledge can be integrated into the management practices of sustainable competitive places. It must be noted that the place attachment concept is essential in this thesis context. This thesis argues that place attachment is the basis for residents’ judgment in place marketing, particularly of sustainable competitive places. The place attachment concepts used by various disciplines suggests that further investigations is necessary to clarify the dimensional approach of place attachment.
4.6 Dimensions of Place Satisfaction

Place satisfaction is another important aspect that is linked to the marketing of sustainable competitive place. According to Mesch and Manor (1998:509) “it is possible to be satisfied with where one lives and to not be particularly attached to that place”. However, Lee and Allen (2000) argue that such a situation is experienced by place market groups such as tourists and recreationists, and one time only visitors to a place. Researchers (e.g. Lee and Allen, 2000; Bricker and Kerstetter, 2001; Kyle, et al., 2004) found that satisfaction with a place setting is a potential foundation for place attachment. Shumaker and Taylor (1984) highlight the link between neighbourhood satisfaction, community attachment and loyalty to the neighbourhood by protecting it against negative impacts. Similarly, Guest and Lee (1983) reveal that community satisfaction combined with community sentiment influence individuals to be involved in political activity, to defend their community and to take political action to defend their community. These studies suggest that satisfaction is determined by various explanations. Furthermore, recreation and community sociology literature recognizes social criteria are important in place satisfaction (Meech and Manor, 1998; Jonas, Stewart, and Larkin, 2003; Stedman, 2003; Kyle et al., 2004). Kyle et al. (2004) and Manning et al. (1999) highlight opportunities to engage in a favourite activity as an important influence to place satisfaction for recreationists. Accordingly, Kaltenborn (1997) and Kyle et al. (2004) recognize the importance of ecological or environmental surroundings in forming satisfaction with a setting. The study of Williams et al. (1992) on specific social and physical resource conditions shows that these aspects influence the quality of a wilderness trip. The authors find that place attachment is linked to sensitivity to ecological impacts such as litter and vegetation loss. Lee (2003) recognizes the links between place satisfaction, place attachment, and place loyalty.
More specifically, he investigates causal relationships between place involvement, service quality, place satisfaction, attachment and destination loyalty. His investigation which is based on Oliver’s (1999) theoretical model and Iwasaki and Havitz (1998) conceptual process, demonstrates that both place attachment and customer satisfaction are significantly and positively linked to destination loyalty. However, their research shows clear deficiencies in explaining linkages and impacts between these study dimensions.

Interest in understanding the link between place attachment and customer satisfaction has become the subject of many researchers’ studies e.g. (Wickham, 2000; Stedman, 2002; Halpenny, 2006). As Wickham (2000) suggests, a sense of belonging, emotions, and being acquainted with a place contributes to the definition of oneself and leads to positive evaluation of people, services and atmosphere. There is little research linking place attachment and customer satisfaction in city marketing literature. Discussions of the literature show that place satisfaction is relatively dependent on the level and the nature of attachment. Thus it is proposed for this study that place attachment directly and significantly influences customer satisfaction. Generally, researchers agree that satisfaction can be estimated with a single item, which measures the overall satisfaction (Fornell, 1992; Spreng and Mackoy, 1996; Bigné et al., 2001). However, Mai and Ness (2006) suggest that a degree of satisfaction can be estimated through evaluation of specific attributes. Oliver (1980) and Bigné et al. (2001) acknowledge that satisfaction is estimated through the use of an expectation-confirmation paradigm. Zenker, Peterson, Aholt (2009), on the other hand, present an interesting perspective to assessing satisfaction for a community, by using a satisfaction index. The authors propose a citizen satisfaction index that consists of four factors. These are: urbanity
and diversity, nature and recreation, job opportunities, and cost-efficiency. From their study, they find urbanity and diversity as the strongest influence on citizens’ satisfaction, and nature and recreation as desirable factors. Job chances and cost-efficiency, on the other hand, do not directly influence the citizens’ overall satisfaction, but they form the basis for perception of the other two factors. Zenker et al.’s (2009) criterion for the assessment of citizen satisfaction index is detailed in Table 4.8.

**Table 4.8 Citizen Satisfaction Index Assessment**

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>CRITERIA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urbanity and Diversity</td>
<td>1) A wide range of cultural activities (theatre, nightlife, etc.)</td>
</tr>
<tr>
<td></td>
<td>2) A variety of shopping opportunities</td>
</tr>
<tr>
<td></td>
<td>3) Many different cultures and subcultures</td>
</tr>
<tr>
<td></td>
<td>4) The energy and atmosphere of the city</td>
</tr>
<tr>
<td></td>
<td>5) Availability of different services</td>
</tr>
<tr>
<td></td>
<td>6) The urban image of the city</td>
</tr>
<tr>
<td></td>
<td>7) Openness and tolerance of the city</td>
</tr>
<tr>
<td></td>
<td>8) A proliferation of nature and public green areas</td>
</tr>
<tr>
<td>Nature and Recreation</td>
<td>1) A proliferation of nature and public green areas</td>
</tr>
<tr>
<td></td>
<td>2) Environmental quality (low pollution)</td>
</tr>
<tr>
<td></td>
<td>3) A number of parks and open spaces</td>
</tr>
<tr>
<td></td>
<td>4) A wide range of outdoor activities</td>
</tr>
<tr>
<td></td>
<td>5) Tranquillity of the place</td>
</tr>
<tr>
<td></td>
<td>6) Cleanness of the city</td>
</tr>
<tr>
<td></td>
<td>7) Access to water</td>
</tr>
<tr>
<td>Job Chances</td>
<td>1) The general level of wages</td>
</tr>
<tr>
<td></td>
<td>2) Good job and promotion opportunities</td>
</tr>
<tr>
<td></td>
<td>3) General economic growth of the particular region</td>
</tr>
<tr>
<td></td>
<td>4) Professional networks in the city</td>
</tr>
<tr>
<td>Cost-Efficiency</td>
<td>1) Housing market / cost of hiring</td>
</tr>
<tr>
<td></td>
<td>2) The general price level in the city / costs of living</td>
</tr>
<tr>
<td></td>
<td>3) Availability of apartments and houses</td>
</tr>
</tbody>
</table>

Source: Zenker, Peterson, Aholt (2009:6)

Furthermore, Yoon and Uysal (2005) claim that satisfaction requires a multidimensional perspective that is more than one criterion for assessing satisfaction. Researchers (e.g. Oliver, 1999; Back and Parks, 2003; Back, 2005; Zabkar et al., 2009; Yuksel et al., 2010) have shown increasing interest in the use of a multidimensional satisfaction. With the possibility and reliability shown from previous studies on the use
of multi-dimensional criteria for assessment of satisfaction, this thesis uses the multidimensional criteria similar to Yuksel et al. (2010) assessment of place satisfaction. These are:

1) I am happy about my decision to stay in Didim.
2) I believe I did the right thing when I chose to make my holiday in Didim.
3) Overall, I am satisfied with decision to make my holiday in Didim.

4.7 Dimensions of Place Loyalty

The important link between loyalty and satisfaction is demonstrated by numerous researchers (e.g. Bitner, 1990; Oliver, 1999; Flavián et al., 2001). Oliver (1999) states that loyalty develops through sequential stages which start from preference over competing brand attributes (beliefs), along with an affective preference (attitude) towards the product, and a greater intention (conation) to purchase the product above and beyond that for competing product offerings. More specifically, cognitive thinking leads consumers to be loyal, followed by an affective ‘like’ or ‘dislike’ for a product, and then in a conative sense (Oliver, 1997; Back, 2005). Various elements of the attitude development structure may influence consumers’ loyalty at each stage (Oliver, 1999). To further explain loyalty, Pedersen and Nysveen (2001) suggest cognitive loyalty as the weakest form of loyalty generated by the availability of product information. According to Evanschitzky and Wunderlich (2006) cognitive loyalty is led by the consumer’s assessment of experience associated with the perceived accomplishment of an offering compared to price. Oliver (1997) suggests that an affect which translates into affective loyalty is more deeply embedded in the consumer’s mind than cognition, which may change due to counter-arguments. Affective loyalty is based on consumers’ affection to a product. An attitude to a product is determined by the
established relationship between the consumer and the product. Positive attitudes to a product lead consumers to grow affective loyalty to the product. However, Pedersen and Nysveen (2001) argue that it is conative loyalty not affective loyalty that perfectly portrays behavioral loyalty. Conative loyalty is argued to be the strongest predictor of behavioral loyalty.

A sequential development of loyalty is represented by Yuksel et al.’s (2010) study which examines the direct and indirect role of place attachment in predicting visitor satisfaction with their holiday experiences. Moreover, the causal relationship between satisfaction and loyalty is also established in the literature (Back and Parks, 2003; Lee, 2003; Sui and Baloglu, 2003; Valle et al., 2006; Yuksel, 2008). Furthermore, previous research shows that place attachment would influence cognitive and affective loyalty, and then conative loyalty (Lee, 2003). Based on previous research, this thesis hypothesizes that the level and the nature of place attachment directly and indirectly relates (through satisfaction) to destination or place loyalty. Based on the discussion of place loyalty, this thesis proposes that place attachment directly and significantly influences conative loyalty. Place attachment is deemed to indirectly influence loyalty through customer satisfaction. Oliver (1999) states that loyalty as a construct can be conceptualized through several different perspectives. Accordingly, Cronin and Taylor (1992) measure the construct “behavioural intention” which researchers normally associate with loyalty by using two indicators: the intention to repurchase and the intention to provide positive recommendations. As an important concept in marketing literature, loyalty is related to organizational success (Turnbull and Wilson, 1989; Bauer et. al., 2002). The work of Hallowell (1996) reveals the link between satisfaction, loyalty and organizational profit. According to Pine et al. (1995) loyalty
can be measured through customer recommendation and repeat sales. Accordingly, Oliver (1999) identifies four stages of loyalty, which are cognitive loyalty, affective loyalty, conative loyalty, and action loyalty. However, not all of the loyalty stages are used in loyalty studies. For example, Yuksel et al. (2010) conduct a loyalty associated study and use only three stages of loyalty (affective, cognitive, and conative), as identified by Oliver (1999) due to the difficulty in measuring action loyalty. In the context of this thesis, the two early stages of loyalty are considered to be identical with place attachment constructs. Inclusion of these statements is believed a probable cause to construct multicollinearity. Thus, following works of Baker and Crompton (2000), Lee (2003), Yoon and Uysal (2005), and Valle et al. (2006) the researcherformulates the loyalty construct based on conative loyalty used by Yuksel et al. (2010:279). These are:

1) If I am given a chance, I intend to continue making my holiday in Didim.

2) I consider Didim to be my first holiday choice.

4.8 Research Hypotheses and Conceptual Model

According to Wickham (2000); Halpenny (2006); and Scott and Vitardas, (2008) customer satisfaction decisions may be connected with the type and level of place attachment. Other researchers (e.g. Lee and Allen, 1999; Hou et al., 2005, Brocato, 2006) identify place satisfaction as a predictor for place attachment. According to Stedman (2002) place satisfaction is a multidimensional summary judgment of the perceived quality of a specific location. Mowen et al. (1997) add to the comprehension of relationship between place attachment and experience evaluations, and consider how place attachment might influence a person’s satisfaction with a recreation setting.
Discussions of the literature imply that place satisfaction is relatively dependent on the level and the nature of attachment. Thus, it is hypothesized for this thesis that:

H1: Place attachment positively affects place satisfaction.

As Hou, Lin and Morais (2005) state, place attractiveness and involvement are related both to the formation of place attachment and cultural identity. Another important piece of work in this area is Williams et al.’s (1992) study. In this study, they investigate the influence of specific social and physical resource conditions to the quality of a wilderness trip. They find that place attachment is linked to sensitivity to ecological impacts such as litter and vegetation loss. According to Pratt (1998) strong landscape characters lead to place identity processes that affect people behaviors and self-sense, or collective group belonging, which then makes people become connected to certain places. Thus, based on the literary review above, this thesis hypothesizes that:

H2: Place sustainability positively affects place attachment.

Accordingly, Kaltenborn (1998) and Kyle et al. (2004) recognise the importance of ecological or environmental surroundings in forming satisfaction with a setting through place attachment. According to a study by Ikeshoji, Schvaneveldt, and Enkawa (2005) sustained economic growth aspects such as GDP (Gross Domestic Product), personal consumption expenditure, industrial production, and household income positively determines customer satisfaction. Relating to previous research, this thesis highlights the relationship between place sustainability and place satisfaction through the following hypothesis:

H3: Place sustainability positively affects place satisfaction.
According to a study by Tuhkunnen (2007), the migration of Northern European people of young ages to another place is affected by the sense of that new place. More specifically, place offerings contribute to people’s attachment to that place. Turok (2004) finds that place attachment is influenced by the place’s offerings. He also discovers that attachment to their city encourages residents to support efforts for making the city better. Thus, the hypothesis for this thesis is developed as below:

H4: Place competitiveness positively affects place attachment.

Yuen (2005) suggests that a good place for living influences residents’ satisfaction. Various researchers (e.g. Rogerson, 1999, Lengyel, 2007; Zenker et al., 2009) highlighted the importance of quality of life as a feature of place competitiveness and satisfaction. Visual attractiveness, which is featured through the built environment, positively affects quality of life and resident satisfaction (Taylor, 1998; Abercrombie, 1998). Similarly, Moore and Graefe (1994) state that the quality of resources at place settings as compared to alternative sites or settings in facilitating specific user activities, is important for satisfying individual’s needs and goals. Based on previous research, it is therefore hypothesized that:

H5: Place competitiveness positively affects place satisfaction.

According to Lee (2003) loyalty is crucial in destination marketing and management research. Researchers (e.g. Lee, 2003; George and George, 2004; Alexandris et al., 2006) generally relate place satisfaction to customer loyalty. Adopting the proposed conceptual sequence of loyalty proposed by Oliver (1997), Lee (2003) and Sui and Baloglu (2003) find that satisfaction precedes loyalty. A good example of a study involving the sequential development of loyalty is presented by Yuksel et al. (2010).
They examine the role of place satisfaction in predicting place loyalty to visitor holiday destinations. The relationship between satisfaction and loyalty was also established in literature (e.g. Back and Parks, 2003; Lee, 2003; Sui and Baloglu, 2003; Valle et al., 2006; Yuksel, 2008). Based on previous research, this thesis supports the theory that place satisfaction is related to destination loyalty:

H6: Place satisfaction positively affects place loyalty.

According to Porter (1998) the hierarchy of sources of advantage structures contributes to sustainability. Advanced industries related to complex technology and highly skilled human resources are potentially high in productivity and sustainable growth. Aaker (1989) claims the foundation of sustainable competitive advantage is associated with assets and skills. Sustainable competitive advantage, as Hall (1992) claims, resulted from intangible assets meaning ideas or knowledge which drive capability differentials. A constructive idea on sustainable competitive advantage is explained by Barney (1991). He claims that sustainable competitive advantage is gained through ownership of resources that are priceless, limited, not easily reproduced, and not replicable. Referring to Porter’s (1985) idea of value chain, he generates a framework to show linkages of valuable resources (human, physical, and organizational) and developments that leads to generation of competitive advantages outcomes. Later, Fladmoe-Lindquist and Tallman (1994) include financial resources such as capital availability and political control as valuable resources for achieving sustainable competitive advantage. Yuen’s (2005) study also highlights the role of sustainability on Singapore competitiveness. The discussion of previous studies leads to the following study hypothesis:

H7: Place sustainability positively affects place competitiveness.
Linking place attachment and loyalty, researchers (e.g. Brocato, 2006; Simpson and Siguaw, 2008) support that place attachment significantly predict loyalty. More specifically, high attachment to places implies a high degree of loyalty. Furthermore, previous research such as Lee (2003) shows that place attachment would influence cognitive and affective loyalty, and consequently conative loyalty. Alegre and Juaneda (2006) make it clear that the reason for repeat visits is due in part to developing an emotional attachment to the destination. Iwasaki and Havitz’s (1998) conceptual process demonstrates that both place attachment and customer satisfaction are significantly and positively linked to destination loyalty. Following the discussion above, the hypotheses below is developed:

H8: Place attachment positively affects place loyalty

According to Oliver (1999) loyalty generation is influenced by factors such as perceived product superiority, personal vigor, social bonding and their synergistic effects. Baker and Crompton (2000) conducted a study to investigate the effect of performance quality on behavioural intentions. For study purposes, they assessed service attributes and emotional states in the tourism industry. The results of their study suggest that performance quality is possibly a more useful measure than satisfaction in assessing behavioural intentions. However, for a sound evaluation process, both areas should be included. Furthermore, Lee (2003) found a relationship between place involvement, service quality, and destination loyalty. Brady et al.’s (2005) study on multi-industry and multi-country environments confirms the collective assessment of service quality. They found that satisfaction and service value all directly influence behavioral intentions. The discussion of previous studies leads to the following study hypothesis:
H9: Place competitiveness positively affects place loyalty.

Shumaker and Taylor (1984) highlight the link between people’s loyalty to the neighbourhood by protecting it against negative impacts. Hartig et al. (2001) suggest that people who view the restorative aspects of nature as important tend to behave more responsibly towards natural environments. Moreover, Measham (2004) suggests environmental education during childhood to enhance place learning and to create bondage with the environment. Guest and Lee (1983) reveal that individuals are willing to be involved in taking political activity to defend their community. The discussion of previous studies leads to the following study hypothesis:

H10: Place sustainability positively affects place loyalty.

All the research hypotheses developed above are constructed based on previous research. These hypotheses relate to the research questions proposed for this study. As such, these hypotheses are the result of a thorough review of the literature. Based on the research hypotheses, the researcher has developed the conceptual model of sustainable competitive place as illustrated in Figure 4.2.
4.2 Conceptual Model of Sustainable Competitive Places

This conceptual model involves latent variables of two $\xi$ (ksi) exogenous variables, and three $\eta$ (eta) endogenous variables. The five latent variables are (1) place sustainability ($\xi_1$), (2) place competitiveness ($\xi_2$), (3) place attachment ($\eta_3$), (4) place satisfaction ($\eta_4$), and (5) and place loyalty ($\eta_5$). Based on the findings from the literature, the model proposes that place competitiveness is directly affected by the root cause, which is place sustainability ($\gamma_{21}$, Fladmoe-Lindquist and Tallman, 1994; Yuen, 2007). Further, place attachment is positively affected by place sustainability ($\gamma_{31}$, Pratt, 1998; Hou et al., 2005) and place competitiveness ($\gamma_{32}$, Tuhkunnen, 2007; Turok, 2004). Furthermore, place satisfaction is directly affected by place attachment ($\beta_{43}$, Halpenny, 2006; Scott & Vitardas, 2008; Wickham, 2000), place competitiveness ($\gamma_{42}$, Moore and Graefe, 1994;
Rogerson, 1999; Zenker et al., 2009), and place sustainability (γ\textsubscript{41}, Kaltenborn, 1998; Kyle et al., 2004; Ikeshoji et al., 2005). Then, place loyalty is affected directly by all other constructs: place satisfaction (β\textsubscript{54}, Alexandris et al., 2006; George and George, 2004; Lee, 2003), place attachment (β\textsubscript{53}, Alegre and Juaneda, 2006; Iwasaki and Havitz, 1998), place competitiveness (γ\textsubscript{51}, Brady et al., 2005; Taylor and Baker, 1994), and place sustainability (γ\textsubscript{52}, Shumaker and Taylor, 1984; Hartig et al., 2001). To illustrate the hypotheses and the relationships/effects between the constructs, the detailed conceptual model is presented in Figure 4.3. Moreover, the calculation of the total effects that help explain the relationships between the constructs of the model is illustrated in Table 4.9.

Table 4.9 Calculation of the Total Effects

<table>
<thead>
<tr>
<th>EFFECT</th>
<th>MEDIATORS</th>
<th>CALCULATION (DIRECT + INDIRECT EFFECTS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ξ\textsubscript{1} → η\textsubscript{5}</td>
<td>ξ\textsubscript{2}, η\textsubscript{3}, η\textsubscript{4}</td>
<td>γ\textsubscript{52} + γ\textsubscript{21} * β\textsubscript{53} + γ\textsubscript{32} * β\textsubscript{54}</td>
</tr>
<tr>
<td>ξ\textsubscript{2} → η\textsubscript{5}</td>
<td>η\textsubscript{3}, η\textsubscript{4}</td>
<td>γ\textsubscript{51} + γ\textsubscript{32} * β\textsubscript{53} + γ\textsubscript{32} * β\textsubscript{54} + γ\textsubscript{42} * β\textsubscript{54}</td>
</tr>
<tr>
<td>η\textsubscript{3} → η\textsubscript{5}</td>
<td>η\textsubscript{4}</td>
<td>β\textsubscript{53} + β\textsubscript{43} * β\textsubscript{54}</td>
</tr>
<tr>
<td>η\textsubscript{4} → η\textsubscript{5}</td>
<td>-</td>
<td>β\textsubscript{54}</td>
</tr>
</tbody>
</table>

Note: γ = gamma, path coefficient; β = path coefficient of independent variable

4.9 Operationalization of Constructs

This thesis involves the development of a conceptual model which comprises of five constructs or dimensions which are place attachment, place sustainability, place competitiveness, place satisfaction, and place loyalty in explaining sustainable competitive places. This section describes the operationalization of all the key constructs, such as their nature as reflective or formative constructs (Henseler, Ringle, and Sinkovic, 2009). The constructs are operationalized to follow very close to their
original items/indicators. In operationalizing the constructs, the items that build the constructs are chosen based on best suitability to measure the constructs.

Figure 4.3 Conceptual Model and Hypotheses


Note: SD = Sustainable Development, PC = Place Competitiveness, PS = Place Satisfaction, PL = Place Loyalty, PA = Place Attachment

The operationalization of complex constructs (place sustainability and place competitiveness) is carried out through rigorous checking and intensive review of the literature. The hardest challenge in operationalizing these two constructs is that studies or guidelines on the general components of these two aspects are usually overlapping. The decision is also difficult whether to consider sustainability components prior to
competitiveness. Numerous researchers (e.g. Crouch and Ritchie, 2003) tend to use components of sustainability to explain competitiveness, and vice versa. Addressing the issue, the researcher prioritises the objectives of the study, and considers the conflicting opinions of components that make up competitiveness as is evident from previous studies. Sustainable constructs are operationalized prior to competitiveness constructs due to their well-established dimensions i.e. social, economic, environmental, and institutional. Competitiveness constructs are considered second to sustainability construct based on the researcher’s judgment for the emphasis on place sustainability for this thesis. Moreover, this decision is based on the researcher’s understanding that place sustainability influences place competitiveness. More specifically, the operationalization of competitiveness constructs follows Straub (1989). First, the domain for the construct is specified. Items that are deemed suitable are developed based on established guidelines and references relevant to the construct. However, the most suitable items are selected based on previously defined concepts for the thesis in order to ensure that the items represent the construct. Churchill (1979) suggests that from the process which he refers to as pooling, items are selected based on different, yet related shades of meaning.

Guidelines for constructing formative indicators consider ideas from Diamantopoulos and Winklhofer (2001:271-272), who suggest four important issues in constructing formative indicators. These are: content specification (specify the domain of content the construct is intended to capture), indicators specification (items used as indicators must cover the entire scope of the latent variable as described under the content specification), indicator collinearity (assessment of indicators multicollinearity), and the assessment of external validity. The basic idea in operationalizing the constructs for
this thesis follows Straub, Boudreau, and Gefen’s (2004:5) views of valid measures for positivist research - “valid measures represent the essence or content upon which the entity or construct is focused. They are unitary. They are not easily confused with other constructs. They predict well. If they are supposed to manipulate the experience of the subjects, they do so.”. Intensive pretesting of the instrument is also conducted through open-ended interviews to refine the items and to increase the reliability of the measurement. Further explanation on the pretesting is discussed in the following chapter.

The first construct, place attachment is operationalized by three dimensions based on Halpenny’s (2006) study. These are: place dependence, place identity, and place affective. Each dimensions are made up of a number of indicators as follows: place dependence (6 indicators), place identity (6 indicators), and place affective (4 indicators). Five indicators from Williams (2000) are also included to fall into any of these three dimensions. The wordings of the items or the indicators are adapted to suit this thesis. For example, “Didim” which is a place in Turkey which Halpenny (2006) uses for her study is changed to “Kuching/Kota Bharu”. The original place attachment scale consists of 61 place attachment items developed by Williams and colleagues (Williams et al., 1995; Williams et al., 1992). However, numerous studies (e.g. Brocato, 2006; Halpenny 2006) use six place dependence and six identity items, resulting in reliable outcomes. The refined scaling or versions to fit specific studies on place attachment are used on studies of host communities (Jurovski, Uysal and Williams, 1997), rail trail users (Moore and Graefe, 1994), and attitudes of local residents to resource management (Vorkinn and Riese, 2001). Further, the development of indicators for this construct is double checked with previous studies from Warzecha
and Lime (2001), Williams et al. (1992, 1995), Lee (2001), Brocato (2006), Kyle et al. (2004), and Yuksel et al. (2010). For this construct, the dimensions reflect the outcomes of place attachment.

The second construct, place sustainability is operationalized by four dimensions (economics, social, environmental, and institutional). These four dimensions, through their specific indicators, build on place sustainability. All indicators for these dimensions come from various sources or previous studies of Lee (2002), UN (1996), UTF (2005), Lee (2005), Roberts et al. (2000), Hemphill et al. (2003), Ng’s (2004) study on sustainable urban regeneration, Portney’s (2001) study on resident’s seriousness in relation to sustainability, Kenworthy’s (2006) assessment of eco-city, and Yuan et al.’s (2003) study on public participation in sustainability. The indicators are thoroughly checked with other relevant previous studies such as Xing et al. (2009), UNDESA (2007), Power (2004), Bramley et al. (2006), and the MURNINET (Malaysia Urban Network). The indicators are chosen to suit the thesis purposes. For this construct, the direction of the relationships stems from the construct’s dimensions, which explains the sustainability of places in relation to the four identified dimensions.

Moreover, similar to place sustainability, the third construct, place competitiveness, is operationalized through four dimensions which are infrastructure, human capital, quality of life, and governance. Similarly, these four dimensions, through their specific indicators extend the parameters of place competitiveness. Indicators for this construct are based on sources or previous studies of the Global Competitiveness Report (2008-2009:40-41), IMD (2010), MQOL (2004), Huovari et al. (2001), Webster and Muller (2000), and Zenker et al. (2009). Similar to indicators for place sustainability,
indicators for place competitiveness are cross examined with other relevant studies of Florida (2003), Crouch (2006), March (2004), Lengyel (2007), So and Shen (2004), and Ni and Kresl (2010). Where appropriate, Florida’s (2003, 2008) elements of creative cities and regional development are considered. All indicators are chosen based on their suitability with the study setting. For this construct, the direction of the relationships heads from the dimensions to the construct, which explains the competitiveness of places as involving the four identified dimensions.

The fourth construct, place satisfaction, is based on Yuksel et al.’s (2010) satisfaction construct. Indicators for this construct are thoroughly checked with relevant sources or previous studies such as Oliver’s (1997) universal scale, Del Bosque and Martin (2008), and Yoon and Uysal (2005). The indicators used from previous studies are chosen based on their suitability with the study context. The indicators reflect the outcomes of place satisfaction, and therefore, are expected to show significant covariation. The construct is specified as reflective, and the direction of the relationships between the construct with the indicators are outward.

Finally, the fifth construct place loyalty is based on Yuksel et al.’s (2010) construct for place loyalty. The construct, which is operationalized through three dimensions are cognitive loyalty, affective loyalty, and conative loyalty. They form a hierarchical construct that explains place loyalty. Indicators for each dimension reflect the outcome of their dimensions and are specified as reflective. Further, the indicators for this construct are also thoroughly checked with the relevant sources or studies of Yoon and Uysal (2005), Chi and Qu (2008), Yuksel et al. (2010), Back (2005), and Back and Parks (2003). The indicators for this construct are chosen based on their suitability for
the study context. All the dimensions of this construct reflect the outcomes of place loyalty, and therefore, are expected to show significant covariation. The construct is specified as reflective, and the direction of the relationships this construct runs from the construct to the respective indicators. The operationalization of the measurement scales for use in this thesis is illustrated in Figure 4.4. For detailed reference to measurement scales, please refer to Appendix 4.

4.10 Malaysia as the Empirical Context

4.10.1 Introduction

Malaysia is built on two islands, the Malay Peninsula, and the Borneo. The country consists of 13 states and three federal territories. Malaysian cities development is only evident after the 90s’. However, the existence of city development in Malaysia can be traced back after the country’s independence. Kuala Lumpur, the capital city, is the gateway to other destinations (coastal and rainforest areas) in the Malay Peninsula (Opperman, 1992). The government directed that the capital city dominate activities and it became the formal area, which left other parts of the country to be explored by explorers and drifters (Opperman, 1993). An awareness of urban conservation in the 80s saw the government shift focus from marketing not only Kuala Lumpur but also other potential cities. Thus, cities with historical and cultural values like Penang and Malacca were marketed to domestic and international tourists. Though the image of Malaysian cities has been added to shopping, theme parks, events tourism, and MICE, the focus on cities as heritage and cultural attractions dominates product planning.
4.10.2 Sustainable Competitive City Growth and Potential

Malaysia is actively involved in the implementation of Local Agenda 21 (LA 21) in relation to sustainable development and other agreements and conventions. In the year 2000, the government called for implementation of Local Agenda 21 at four local authorities: Miri City Council, Petaling Jaya City Council, Kerian District Council, and Kuantan Municipal Council (Awang Kipli, 2006). The plan to implement LA 21 for all local authorities takes effect during the 9th Malaysian Plan (EPU, 2006). However, the LA 21 project tends to be site specific. It is focused on solving problems related to environmental issues, such as solid waste reduction and management, environmental pollution, and social problems (Awang Kipli, 2006).

An additional drawback in achieving sustainable city development through LA 21 is political intervention. For example, Nasution (2002) claims that political commitment makes Penang lag behind in its attempt to become a sustainable city development. Accordingly Cruz (2003), states that even though the call for sustainable city development has been adopted by the Malaysian government in the country’s master plan, local level understanding of the principles is still low. Tourism Malaysia (2008) reports that shopping in cities was the most popular activity for tourists in 2007, and shows that cities are the main areas of activity in Malaysia. This situation reflects the need for the Malaysian government to demonstrate more commitment to sustainable city planning. In addressing and managing environmental issues with regard to the cities, there must be a way for city planners and managers to understand the issues, concerns, limits and opportunities afforded by the environment.
Figure 4.4 Conceptual Model and Measurement Scales


Note:
\(\lambda\) = lambda, factor loading
\(x_i\) = exogenous manifest variables
\(y_i\) = endogenous manifest variables
\(\pi\) = pi, factor loading plus factor weight
In an effort to promote sustainable cities, the Malaysia Department of Environment, in collaboration with the Ministry of Housing and Local Government and other government agencies and community based organisations, launched the Sustainable City Environment Award. The effort acknowledges Malaysian cities for their overall commitment and efforts towards sustainability. Evaluation criteria for winners of this award are based on five aspects outlined by the Malaysia Department of Environment (2006:13). These are:

1) Physical Environment:

Elements that relate to this criterion are based on the extent of improvements made to the surrounding physical environment for the benefit of the urban area. Initiatives taken into account among others are: improved air quality, improved water quality, and reduction of noise levels.

2) Ecological Initiatives:

Elements that relate to this criterion are: protection of the natural environment; biodiversity-related or habitat enhancement initiatives; environmentally-friendly innovations such as energy saving, energy efficiency and reduction of heat in the built environment; innovative practices like solar lighting, pedestrian malls, and bicycle lanes among others; and new technological and experimental practices such as the use of alternative fuels and the development and usage of other environmentally-friendly products.

3) Urban Services:

Initiatives that inculcate the practice of reducing, reusing and recycling of waste, as well as an improvement in the transport management system, will be recognised. Other elements that relate to this category include water and
materials efficiency, clean-up projects, and sanitation and waste effluent management.

4) Environmental Governance:
This criterion recognises leadership in environmental sustainability. Elements that relate to this category include incorporation of policies, practices and procedures that promote accountable and transparent governance, two-way communication with the community, including the extent to which issues such as public complaints are addressed; inculcation of stakeholder and community support; and the quality of environmental management training.

5) Education and Awareness:
This criterion encompasses the area of education or communication that contributes to enhancing public awareness and understanding of environmental issues and initiatives. Elements that relate to these principles include the relevance and impact of communication, target audiences and the effectiveness of communication mechanisms, whether individually, or in collaboration with other organisations.

However, studies on the competitiveness of cities are very rare in Malaysia. A study that addresses city competitiveness is of Jusoh and Abdul Rashid (2008). The authors relate urban governance to competitiveness in the city of Kuala Lumpur. This study is limited to the aspect of urban governance and the country’s capital city, Kuala Lumpur. Other studies that relate to competitiveness are only focused on the quality of life aspect (e.g. Azahan, Jamaludin, Kadaruddin, and Kadir, 2009; Lazim and Abu Osman, 2009; and Omar, 2009).
4.10.3 Place Marketing in Malaysian Contexts

The marketing of places in Malaysia such as nations, regions, cities, and towns is controlled by the government. Malaysia links their place marketing efforts with economic development. The efforts are facilitated by the following agencies: Malaysia Development Institute (MDI); Malaysia Industrial Trade Institute (MITI); and Malaysia Industrial Development Agency (MIDA). Efforts on regional economic developments and place marketing are achieved through new government projects such as ECER (East Coast Economic Region) and SCORE (Sarawak Corridor of Renewable Energy). Whereas the marketing of Malaysian states, cities, towns, and districts is done at their respective levels. All cities and towns are responsible for indirectly marketing their places in conjunction with upholding their main responsibilities of maintaining, planning, and developing.

Further, there is no effort to rank Malaysian cities and towns with regard to their competitiveness. The researcher believes that such effort is not attempted by the Malaysian government or other relevant agencies because of the complex characters of the places which may lead to possible conflict of the findings. The purpose of this thesis is limited to an assessment of the competitive attributes of the cities with regard to place marketing. The country’s developing stage of economic development is believed to influence Malaysia’s place marketing practices.

4.11 Summary

This chapter has documented related concepts and factors relevant to determining sustainable competitive places. Various studies and concepts that shed ideas for the sustainable competitiveness factors are discussed. As such, the assessments of
sustainability factors are found to be related to economic, social, environmental, and sometimes institutional components. The criteria for competitiveness factors are more diverse or differently interpreted and sometimes overlap with sustainable factors. Based on thorough investigations of the dimensions and indicators of competitiveness, the competitiveness factors are identified. These are: human capital, infrastructure, quality of life, and governance.

The discussions are presenting various studies and assessments on place sustainability, place competitiveness, place attachment, place satisfaction, and place loyalty which are the base factors for this thesis. As the review progresses towards its conclusion, the broad and disparate strands of literature are pulled together to highlight a gap in the knowledge relating to factors that influence sustainable competitive places, particularly from a customer oriented approach.

The development of the research hypotheses, the conceptual model, and the operationalization of the model constructs are explained. In this chapter, factors determining sustainable competitive places from customer perspectives, particularly relating to residents, are explained. Finally, the following chapter presents the methodology and the research approach that make the thesis possible.
Chapter 5

METHODOLOGY AND RESEARCH APPROACH

5.1 Introduction

UNDESA (2007) admits that the established sustainable development factors are subject to review process through continuous research. The organisation maintains that standard guideline on such factors (economic, social, environmental, and institutional) may be inappropriate for use in all sustainable development assessment contexts. There are instances of overlapping evident amongst the indicators. In addition, Crouch (2009) suggests that evaluation of place competitiveness is subjective. He claims that the effort to assess competitiveness by organization such as WEF is reasonable. The previous chapter discussed the factors that influence sustainable competitive place. Vigorous discussions of those factors are presented to highlight the relevancy to the concept of sustainable competitive place. However, knowledge of the factors for sustainable competitiveness is fragmented and requires further investigation. This chapter addresses in particular the research questions by explaining the research methodology and approach. The chapter begins with the discussion of the philosophy of the research followed by several sections of the research paradigms. The purpose of the discussion is to understand the characteristics of the available paradigms for use in the thesis. The discussion leads to the justification of selected research paradigm. It further concentrates on the philosophy of qualitative and quantitative research which leads to the survey approach as a method for data collection. The discussion proceeds to a number of sections that deal with the research design and quality. These are: sampling, target population, sampling unit, sampling frame, survey location, sample size, and
procedures for data collection. Then, aspects of the questionnaire layout and design are addressed to detail the formulation of the questionnaire. The issue of measurement scale reliability and validity is detailed to show the emphasis placed on this consideration. The pre-testing of the survey instrument is presented to show reliability and validity of the instrument. Further, the discussion is focused on data analysis with justification of the data used in this study. Malaysia as the research setting is also highlighted. Ethical considerations are discussed to show the emphasis of the issue in relation to ethics in research. Finally, the chapter summary is presented. Figure 5.1 shows the structure for this chapter.

Figure 5.1 Organizational Structure of Chapter 5
5.2 Discussion of the Research Problem

The importance of sustainable competitive considerations has started to gain attention from various researchers (e.g. Dwyer and Kim, 2003, Crouch and Ritchie, 2003, Hassan, 2003). Though this issue has been raised it is to-date not been fully addressed. Knowledge of sustainable competitive place is necessary. This thesis is therefore designed to address the issue and to contribute to place marketing, planning, and development. The perspective of the vital stakeholder, i.e. the resident, is stated following suggestions from various researchers (e.g. Campbell, 1996; Conroy, 2003) of their role in sustainable planning. Furthermore, the medium-sized city context is examined to understand place target markets and to better respond to globalization. The review of literature from chapter two to chapter four shows that there is imperative need for a study that extends the knowledge of sustainable competitive places. Drawing on relevant studies of place sustainability, place competitiveness, place attachment, place satisfaction, and place loyalty, a systematic conceptual model is developed. There are many different factors which determine sustainable competitive places, and the challenge is to bring these together in a framework sufficiently structured to have solid meaning. So far research in the field of place marketing has never attempted to develop a conceptual model on which the stated aspects are based. With regard to place context, no studies have focused on medium sized cities, with specific focus on customers.

The use of established guidelines and various literatures as references is advocated. This practice facilitates the establishment of elements constituting factors of sustainable competitive places. As stated above, it is the purpose of this chapter to outline the research approach employed for this thesis. The research objectives stated in chapter 1 require the use of appropriate statistical techniques for analysing the research data. The
use of reliable and valid research instruments through primary data collection is emphasised. In developing a research method to answer the research hypotheses formulated in chapter four, the challenge of developing constructs for place sustainability and place competitiveness is addressed. This chapter details the methodology and responds to the research questions and objectives. Prior to discussing the technicalities of the methodological aspects of this thesis, it is important to reflect on the philosophy of research and the paradigm which underpins the research.

5.3 Research Philosophy

According to Sarantakos (1998:15) “the driving force behind any type of social research is its philosophical framework”. He further asserts that researchers choose various aims which are influenced by their “theoretical orientation of the framework that guides the research”. However, he claims that general aims of social research are based on the following criteria. These are:

1) **to explore social reality for its own sake or in order to make further research possible**;

   *to explain social life by providing reliable, valid and well-documented information*;

   *to evaluate the status of social issues and their effects on society*;

   *to make predictions*;

   *to develop or test theories*.

2) **to understand human behavior and action**.
3) **to offer a basis for a critique of social reality;**

**to emancipate people,**

**to suggest possible solutions to social problems;**

**to empower and liberate people.**

Being more specific, “all research work is based on a certain vision of the world, employs a methodology, and proposes results aimed at predicting, prescribing, understanding, or explaining” (Girod-Seville and Perret, 2001:13). According to Easterby-smith et al. (1991) clarification of the philosophical stance is important and helpful to researchers at the outset of every research study. They outline three main reasons for the need of clarifying philosophical stances which are meant to assist the researcher with the “knowledge of philosophy,” “research design”, and “researcher abilities”.

Another aspect that encourages a researcher’s understanding at the beginning of his or her research work is related to the term “philosophy”. As Morse (1994:137) suggests it is “made of ontology and epistemology”. The term ontology according to Easterby-Smith (2008:60) et al. is “philosophical assumptions about the nature of the reality” and the term epistemology is “general set of assumptions about the best ways of inquiring into the nature of the world”. They note that the choice of ontology precedes epistemological decisions. Carlson et al. (2001:6) view ontology as the “nature of being/nature of the world, reality” and epistemology as “grounds of knowledge relationship between reality and research”. Creswell (2007:24) claims the ontology question is “what is the nature of reality?” and the epistemology question is “what is the relationship between the researcher and that being researched”. The aspect that
relates closely to these two philosophical propositions is a methodology. Easterby-Smith (2008:60) defines methodology as a “combination of techniques used to enquire into a specific situation”. According to Sarantakos (1998:32), a methodology is a “model which entails theoretical principles as well as a framework that provides guidelines about how research is done in the context of a particular paradigm”. Methodology is defined as the “focus of research, role of researcher, and techniques used by the researchers” (Carlson et al., 2001:6). Creswell (2007:24) relates methodology to the question of “what is the process of research?” The discussion on the school of thought above suggests numerous researchers generally tend to have similar views of the terms ontology, epistemology, and methodology. The discussion of the philosophical propositions leads to the issue of research paradigms.

5.4 Research Paradigm

5.4.1 Introduction

An early attempt to define a paradigm is given by Kuhn (1970:175). According to him a paradigm is “the entire constellation of beliefs, values, and techniques which is shared by members of a given community, and it denotes one sort of element in that constellation, the concrete puzzle-solutions which, employed as models or examples, can replace explicit rules as a basis for the solution of the remaining puzzle of normal science”. Guba and Lincoln (1994:107) regard paradigm as the “basic belief system based on ontological, epistemological, and methodological assumptions”. Denzin and Lincoln (1998) support this view of paradigm. Sarantakos (1998:31) refers to the definition of paradigm by Patton (1990:37) who suggests that paradigm means “set of propositions that explain how the world is perceived; contains a world view, a way of breaking down the complexity of the real world, telling researchers and social scientists
in general what is important—what is legitimate—what is reasonable”. According to Hussey and Hussey (1997) research paradigms are a continuum between the positivism paradigm at one end of the scale and phenomenological/interpretive at the other. Jennings (2001) claims that rarely research projects in the social sciences adhere strictly to the principles of both extreme, and many employ mixed methods approaches. She argues that “the argument should not be about which paradigm is superior, but rather what is the best means to achieve the aims of the research” (Jennings, 2001:135). A paradigm is an overall conceptual framework that guides researchers in their research work. Various researchers have reviewed and interpreted research paradigms according to what they consider to be appropriate. It is not possible to look at each of the contesting paradigms. For the purpose of this thesis, this section addresses research perspectives of four commonly used paradigms. These are: positivism, post-positivism/realism, constructivism, and critical theory.

5.4.2 Positivism Perspective

Positivism relates to the study of social science using the principles, procedures and ethos of natural sciences, and the application of these same methods to behavioural studies (Kolakowski, 1993; Von Wright, 1993). “Positivism dominated for the largest part of the history of social science; where as a philosophical perspective it is a school of thought that for some social scientist means ‘it currently holds intellectual sway within the domain of social research though, these days, this hold is weakening, sometimes significantly” (Sarantakos, 1998:35). According to Easterby-Smith (2008) the essential view of positivism is that social world exists ‘outside’, and assessment of this world must be done objectively without the interference of human judgment. Ontologically, this view is parallel with the real and true reality which is governed by unchangeable natural law (Guba and Lincoln, 1994). Sarantakos (1998) and Easterby-
Smith (2008) highlight that positivism is the oldest metatheory in social science and is encapsulated by the writings of the French philosopher, Auguste Comte during the nineteenth century. Sarantakos (1998) states that Comte believes social investigators must look at society itself and its structure of social relations in order to explain a social problem. This calls for the use of scientific methods as tools for assessment. Positivism seeks causal explanations and fundamental laws. Guba and Lincoln (1994) claim that positivists interpret natural and social sciences as an assessment of independent facts about an apprehensible reality built from distinct nature that can be known and grouped together. Measurement and analysis of relationships between variables from various times and contexts under controlled conditions dominates the objectives of the research inquiry. Positivism calls for primary data collection techniques that involve controlled experiments and sample surveys. This statement implies that positivism is outcome oriented and beholds natural laws and mechanisms, which is at par with theory-testing or deduction. Punch (1998) states that methods for positivism are mainly quantitative. Questions or hypotheses are usually collected in a controlled manner without researcher’s intervention in the phenomenon of interest and seeking for value free theory testing. Clarification of the social phenomenon is required (Denzin and Lincoln, 1998). This condition according to Guba and Lincoln (1994) fits as a ‘one way mirror’. Positivists believe in separating themselves from the world they study, while researchers within the three other paradigms acknowledge being part of the world they study to better understand emerging measures and attributes (Denzin and Lincoln, 1988). A genuine positivist view best explains natural science phenomenon. Easterby-Smith et al. (1991) suggest that positivism provides wide coverage of a situation, is fast and economical, and draws from large samples; however, the methods used are inflexible or artificial which is ineffective for understanding processes, generating
theory, and planning for the future. Accordingly, positivism involves research methods such as experiments and questionnaires, and types of data analysis normally relating to regression, likert scaling and structural equation modeling (Gephardt, 1999). Hammersley (1995) states that though this research paradigm is the oldest of the social sciences, it still can serve as the primary paradigm.

5.4.3 Critical Theory Perspective

This paradigm involves human evaluation to uncover social findings. Critical theorist researchers include Marxism and feminism (Sarantakos, 1998). Ontologically, researchers make the assumption that external realities are not apprehensive, but do exist and are knowable (Guba and Lincoln, 1994). Critical theorists aim at criticising and changing social, political, cultural, economic, and ethnic and gender values gathered over time in a real and historic structure (Perry et al., 1999). They deny virtual reality for explaining social reality. Epistemologically, assumptions by critical theorists are subjective and their findings are based on social and historical routines which would be value-dependent (Guba and Lincoln, 1994). Methodologically, research of this sort often involves long-term ethnographic and historical studies of processes and structures of social change. Critical theorists employ data collection techniques to facilitate change and disconnect participants’ from their false reality. Guba and Lincoln (1994) suggest that this paradigm is suited for marketing research if the researcher wishes to be a “transformative intellectual” who discloses myth and illusions to people and frees them from their historic mind, emotional and social order. This paradigm approach is therefore not appropriate for use in this thesis since the research objectives are not associated with historic facts.
5.4.4 Constructivism Perspective

According to Denzin and Lincoln (1998) constructivism embraces relativism ontology. Constructivists believe that realities are understandable multiple realities which are socially and experientially based, are intangible mental constructions of individual persons, and local and specific in nature. The authors believe that truth is constructed by particular belief systems held in a particular context. Easterby-Smith (2008:59) suggests that a constructivist idea holds that “reality is determined by people rather than by objective and external factors….social scientist….should appreciate the different constructions and meanings that people place upon their experience. .....try to understand and explain why people have different experiences”. Perception of meaning is more important than measurement. The description of a constructivist approach for knowledge best describes the work of a psychologist. Epistemologically, constructivists are subjectivists and they enquire about the ideologies and values which lie behind a finding. Meanings of constructed knowledge are done through dialectic and hermeneutic techniques, while the main value of the findings depend on the personal interaction between interviewer and respondent, the researcher being a “passionate participant” (Guba and Lincoln, 1994). Methodologically, constructivists aim at generating consented construction. They use hermeneutic and dialectic methods which are qualitative involving semi-structured and unstructured interview techniques for data collection. Hunt (1991) claims that constructivist approaches are suited for some social science research regarding religion, beauty or prejudice because the approach excludes economic and technological dimensions of business. The constructivism paradigm approach is not at par with the objectives of this thesis.
5.4.5 Post-Positivism/Realism Perspective

Johnson and Duberley (2000:148) suggest that this paradigm transpires from positivism’s belief of “foundational-absolute stance and postmodernism’s antithesis of chaotic relativism”. This paradigm is synonymous with realism or critical realism. According to Trochim (2002) post-positivists claim to study external reality whilst accepting that all observation is subject to error and theories are open to further improvisation. Ontologically, the assumptions of the post-positivists are that there is a “real” world to discover even if it is only imperfectly and probabilistically apprehensible (Guba and Lincoln, 1994). Post-positivism perspectives suggest that the world can be pictured through multiple perceptions. These perceptions must be triangulated to obtain a view of the true reality. Furthermore, post-positivists consider that objectivity can best be achieved through a collective critique of others’ work, rejecting the positivist notion that individual researchers can attain objectivity. According to Johnson and Duberley (2000:175) the pragmatic-critical realist argues that “the purpose of social scientific inquiry into management or whatever is to produce causal explanations which can guide, and may be evaluated through, efficacious human interventions into our social worlds”. Particularly important to critical realism is the concept of inference to the best explanation (Clayton, 1997). He suggests that although it is not possible to state that data corresponds in any straightforward way to reality, a variety of explanations of the data can nevertheless be taken into account in order to elicit the most viable explanation.

Epistemologically, objectivity is the main aim for post-positivists. They believe that the findings are probably true, but are subject to falsification (Guba and Lincoln, 1998). This findings’ issue is discussed by Easterby-Smith (2002:34). He states that “the
assumed difficulty of gaining direct access to reality means that multiple perspectives
will normally be adopted”. Guba and Lincoln (1998) claim post-positivists employ
triangulation methods for their research. They note that post-positivists employ
multiple methods of inquiry (qualitative + quantitative) or (quantitative + qualitative).
Primary data collection involving surveys with structured or semi-structured interviews
are the preferred technique of this paradigm. According to Healy and Perry (2000) post-
positivists view is that though reality is imperfect and vague, moving closer to reality
and truth is through the development of models from existing theories. Detailed
discussions of these paradigms can be found in Easterby-Smith et al. (2008); Guba and
Lincoln (1994); Creswell (2003); and Denzin and Lincoln (1998). Overviews of
philosophical assumptions that support these four paradigms in the field of social
science are summarized in Table 5.1. The perspective of this paradigm is almost
similar to positivism paradigm. It is very difficult for the researcher to disregard this
paradigm’s perspectives as the research objectives are at some degree related to this
paradigm.

5.5 Justification of Positivism as Research Paradigm

According to Hammersley (1995) despite some weakness of the positivism paradigm it
is still a useful paradigm for explaining social research. He argues that the work of the
positivist is important based on the following arguments (p: 18):

1) The degree to which positivist address the difficulties which their work raises,
and to clarify and seek to resolve those difficulties; indeed substantially to
change their position if this proved necessary.

2) Other paradigm approaches are to some degree influenced by the idea of
science.
3) Danger of excessive inclusion of scientific politics into social research, and should retain the principle of value neutrality without assuming that value judgements are irrational.

4) The importance of clarity of expression: a concern to define terms where this is necessary, and to make relevant distinctions.

5) Philosophy must not be seen as superordinate to empirical research.

Schrag (1992:6) claims that “despite the attacks leveled against it, the positivist paradigm is hard to avoid”. Easterby-Smith et al. (1991) elaborate on the nature of the positivism paradigm and emphasize the paradigm as a basis for other recent paradigms. The researcher considers that this assumption of the positivism paradigm is the proper one to make in the compilation of this thesis. Gephardt (1999) presents another good explanation of the positivism paradigm which supports the use of the paradigm for this study context. His suggestion is that the goal of positivism as revealing the truth and facts through quantitatively specified association among variables match with the intended research objective of this study.

The positivism criteria for assessment of research which is through prediction and explanation, and the rigor of the assessment through internal and external validity and reliability relates to the context of this study. The researcher’s intention to explain the research phenomenon using quantitative approach matches the positivism paradigm. More specifically, the nature of its reality, the required relationship between reality and the researcher, and the associated methodologies supports the positivism paradigm. Bryman (2004) refers a paradigm to a “cluster of beliefs” which suggests that the researcher influences the nature of the study, the study process, and the interpretation of the study.
findings. The discussions justify the positivism paradigm approach as coherent for this thesis. Moreover, the researcher acknowledges the significance of post-positivism paradigm to this thesis. By following a passive approach to choice of paradigm for this thesis, positivism paradigm is justified rather than post-positivism based on the absence of a distinct triangulation as the method of enquiry in this thesis. Triangulation as a method of enquiry is established practice in post-positivism paradigm. The indicators of sustainable competitive place factors are borrowed and adapted from previous research works and guidelines.

5.6 Philosophy of Qualitative and Quantitative Research

The choice of research categories, either qualitative or quantitative, depends on the nature of the study and the research inquiry. Because they are both useful, Best and Kahn (1989) suggest that they can both be used in a single study. In investigating new social phenomenon social scientists opt for qualitative research approaches such as in-depth interviews to gain comprehensive understanding and to explore the phenomenon (Carson et al., 2001). Hammersley (1990) characterizes qualitative research as verbal illustration, new insight, and explanation through the employment of uncontrolled forms of data collection, such as interview and observation over quantitative means and numeric statistical analysis.
### Table 5.1: Philosophical Assumptions According to Paradigms

<table>
<thead>
<tr>
<th>PHILOSOPHICAL ASSUMPTIONS</th>
<th>ONTOLOGY</th>
<th>EPISTEMOLOGY</th>
<th>METHODOLOGY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STANCE</strong></td>
<td>The reality that the researcher investigates; asks what is reality and what is it that we know.</td>
<td>The relationship between reality and the researcher; asks what constitutes knowledge or science.</td>
<td>The technique used by the researcher to investigate that reality; asks how do we gain knowledge.</td>
</tr>
<tr>
<td>Positivism</td>
<td><strong>Naïve Realism:</strong> Reality is real and apprehensible; true nature of reality can be discovered; governed by the unchangeable natural law.</td>
<td><strong>Dualist/Objectivist:</strong> Findings true</td>
<td><strong>Experiments/Surveys:</strong> Verification of hypotheses; mainly quantitative methods</td>
</tr>
<tr>
<td>Realism/Post-positivism</td>
<td><strong>Critical realism:</strong> Reality is “true” but only imperfectly and probabilistically apprehensible; triangulation from many sources is required to try to understand it.</td>
<td><strong>Modified dualist/Objectivist</strong> (subjective knower and objective world); findings probably true; distance and impartiality.</td>
<td><strong>Case studies/Convergent interviewing:</strong> Triangulation, interpretation of research issues by qualitative and quantitative methods such as structural equation; deductive (researchers test on a prior theory).</td>
</tr>
<tr>
<td>Critical Theory</td>
<td><strong>Critical/Historical realist:</strong> “Virtual” or multiple reality coexist; knowable; shaped by social, economic, ethnic, political, cultural, and gender values, crystallized over time in real and created historic structures.</td>
<td><strong>Transactional/Subjectivist:</strong> Value mediated findings.</td>
<td><strong>dialogical/dialectical:</strong> Researcher is a “transformative intellectual” who changes the social world within which participants live; any with a critical stand.</td>
</tr>
<tr>
<td>Constructivism</td>
<td><strong>Critical Relativism/Relativist:</strong> Reality is relative; multiple local and specific; constructed in people mind according to what people believe in.</td>
<td><strong>Transactional/Subjectivist:</strong> Created findings; closeness</td>
<td><strong>Hermeneutical/Dialectical:</strong> Researcher is a “passionate participant” within the world being investigated; primarily qualitative method; inductive (theories build up and generalizations).</td>
</tr>
</tbody>
</table>

Source: Adapted from Perry, Alizadeh and Brown (1996); Guba and Lincoln (1994); Denzin and Lincoln (1998); Sarantakos (2004); Creswell (2007).
This approach aims to explore the possible details of interesting or illuminating social phenomenon from small number of incidents or occasions and achieve detailed knowledge rather over superficial knowledge (Blaxter, Hughes and Tight, 2001). Sherman and Webb (1988:5) identify six characteristics of qualitative research. These are:

1) Events can be understood adequately only if they are seen in context. Therefore, qualitative researchers immerse themselves in the settings of their research;

2) The contexts of inquiry are not contrived; they are natural. Nothing is predefined or taken for granted;

3) Qualitative researchers want those who are studied to speak for themselves, to provide their perspectives in words and other actions. Therefore, qualitative research is an interactive process in which the persons studied teach the researcher about their lives;

4) Qualitative researchers relate to the experience as a whole, not as a separate variable. The aim of qualitative research is to understand experience as unified;

5) Qualitative methods are appropriate to the above statements. There is no one general method;

6) For many qualitative researchers, the process entails appraisal about what was studied.

Moreira (1994) suggests that qualitative researches are mostly linked with social processes, which explain the means of qualitative research as understanding the most probable detailed experience that participants feel or dwell in (Sherman and Webb, 1988:7). Quantitative research as Horne (1994) suggests are characterized as utilization of flexible numerical data methodologies stemming from natural science deductive
logic to explain social reality or facts from large samples. More specific, the flexible data permits comparative and statistical analysis which means increased study reliability. Numerous researchers provide useful insight into the understanding of the qualitative and quantitative research approach. Their views are generally similar and mostly complement each other’s. However, a comprehensive comparison of features for qualitative and quantitative research is presented by Sarantakos (1998). He simplifies the essential features into a comparison in Table 5.2.

Table 5.2: Quantitative and Qualitative research features—Comparison

<table>
<thead>
<tr>
<th>QUANTITATIVE</th>
<th>QUALITATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Its purpose is to explain social life</td>
<td>Its purpose is to understand social life</td>
</tr>
<tr>
<td>Is nomothetic—interested in establishing law-like statements, causes, consequences, etc.</td>
<td>Is idiographic—describes reality as it is</td>
</tr>
<tr>
<td>Aims at theory testing</td>
<td>Aims at theory building</td>
</tr>
<tr>
<td>Employs an objective approach</td>
<td>Employs a subjective approach</td>
</tr>
<tr>
<td>Is etiological—interested in why things happen</td>
<td>Is interpretive—interested in how</td>
</tr>
<tr>
<td>Is ahistorical—interested in explanations over space and time</td>
<td>Is historical—interested in real cases</td>
</tr>
<tr>
<td>Is a closed approach—is strictly planned</td>
<td>Is open and flexible in all aspects</td>
</tr>
<tr>
<td>Research process is predetermined</td>
<td>Research process is influenced by the respondent</td>
</tr>
<tr>
<td>Researcher is distant from respondent</td>
<td>Researcher is close to the respondent</td>
</tr>
<tr>
<td>Use a static and rigid approach</td>
<td>Uses a dynamic approach</td>
</tr>
<tr>
<td>Employs an inflexible process</td>
<td>Employs a flexible process</td>
</tr>
<tr>
<td>Is particularistic, studies element, variables</td>
<td>Is holistic—studies whole units</td>
</tr>
<tr>
<td>Employs random sampling</td>
<td>Employs theoretical sampling</td>
</tr>
<tr>
<td>Places priority on studying differences</td>
<td>Place priority on studying similarities</td>
</tr>
<tr>
<td>Employs a reductive data analysis</td>
<td>Employs an explicative data analysis</td>
</tr>
<tr>
<td>Employs high level of measurement</td>
<td>Employs low level of measurement</td>
</tr>
<tr>
<td>Employs a deductive approach</td>
<td>Employs an inductive approach</td>
</tr>
</tbody>
</table>

Source: Sarantakos (1998:55)

Table 5.2 shows both research approaches have their own merits. More specifically, research either qualitative or quantitative is appropriate whenever the issues such as
research inquiry correspond with the essential features from either approach. However, it must be noted that both research approaches have their strengths and weaknesses. Researchers (e.g. Sarantakos, 2004; Bryman and Bell, 2007) explore the criticisms of these approaches. Their discussions mostly show that weaknesses from each approach are normally overridden by other research approach. Bryman and Bell (2007) identify criticisms of qualitative research in the relation to subjectivity, replicability, generalizability, and transparency. They highlight these criticisms as the main preoccupations for a quantitative research approach. Accordingly, Finn et al. (2000) assert that quantitative research involves bigger number of respondents compared to qualitative research which tend to make researchers oversimplify reality. Though researchers explore complex realities in qualitative research, they are at a disadvantage due to the limited number of respondents involved in a study. A quantitative research approach is aimed at testing earlier theories and unveiling the relationships between the constructs that make up the theory, which actually match the objectives of this thesis. The use of a high level of measurement in testing the relationships of the constructs of theories increased the researcher’s confidence in arriving at a fuller explanation of social life. The quantitative research approach mainly dominates this study due to matched features such as the aims of theory testing and the employment of high level measurement. It is noted that quantitative research is not necessarily superior to the qualitative research approach. Both research approaches complement one another. Some researchers (e.g. Ryan, 1995; Veal, 1997; Decrop, 1999; Finn et al., 2000) suggest a combined use of the two approaches to strengthen the final outcome. Specific to this thesis, a quantitative approach is selected which matches the research objectives.
A research strategy is considered for this thesis. According to Saunders et al. (2000) the research strategy will be a general plan of how the researcher will go about answering the identified research questions. Yin (2003:5) claims that in deciding the appropriate strategy for a research, three conditions must be present. These are:

1) The form /type of research problem and questions to be asked.
2) The extent of control the researcher has over behavioral events; and
3) The degree of focus on contemporary as opposed to historical events.

For the purpose of this thesis, the residents’ perspectives from two cities with different backgrounds, yet similar character, are identified as a research strategy. The use of multiple cases improves the robustness of the research (Denzin and Lincoln, 1994). Yin (2003:97) emphasizes that “evidence from multiple cases is often considered more compelling, and therefore the overall study regarded as being more robust”.

5.7 Research Design

5.7.1 Introduction

According to Bryman and Bell (2007:40) a research design “provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process”. Emory and Cooper (1991) claim that research design is a framework for achieving research objectives and for answering research questions. Iacobuchi and Churchill (2010) suggest a research design as the blueprint for researchers to follow in order to complete their study. Yin (2003) suggests that a research design is linked to the collected data. This understanding is referred to in the conclusion to the research questions established earlier in the study. Sarantakos (1998) claims that the research design is the most significant element of the research process encompassing matters of selecting sampling
procedures, selecting methods of data collection, selecting methods of data analysis, and administering procedures required for the study. The discussion implies that research design involves setting up a basic plan for research to gather information that helps answer the research questions and objectives. This section discusses the research design relevant to this thesis.

5.7.2 Sampling Method

Researchers regard sampling as the process of selecting units such as individuals, groups, or organization from a specific population, the collection of study data from those selected units, and the generation of universal results from that data to relate to that specific population (Sekaran, 2000; Zikmund, 2003; Neuman, 2003). Sampling is understood in the research process as involving parts of the population to represent the whole population. Asking every individual in the population is by all means appropriate, but costly expenses may make the practice unachievable. Sampling is therefore regarded as good practice. According to Aaker et al. (2001) the sampling process involves various steps. These are: identifying a target population, determining a sampling frame, selecting a sample procedure, and determining the relevant sample size. Iacobuchi and Churchill (2010) add another two steps for compiling the sample process which are selecting the sample elements, and collecting the data from the sample elements. Moreover, Sekaran (2000) identifies two types of sampling, which are probability sampling and non-probability sampling. According to him, with regard to probability sampling, researchers are aware of the sampling frame. They are able to estimate any biases related to the sampling procedure. On the other hand, in non-probability sampling, the sampling frame is omitted. The result of this type of sampling method is open to the risk of hidden biases. Generally, social researchers tend to choose probability sampling because they believe that the results generated from this
sampling are highly reliable, have a high degree of representativeness, and display high
generalizability.

Sarantakos (2004) considers that the decision to choose types of sampling methods
depends on the nature of the study. The lack of information on resident profiles and
the complex characteristics of Malaysian cities force the researcher to adopt a non-
probability sampling for this thesis. Thus, a combination of purposive and quota
sampling is deemed appropriate. The nature of this thesis involves judgment on
various sample groups of place marketing target markets. According to Sarantakos
(1998) researchers’ judgment is more important than obtaining a probability sample.
With that understanding, purposive sampling which involves the researcher’s opinion of
a relevant sample for this thesis is adopted. Quota sampling, as Hair et al. (2003) claim
that quota sampling is adopted to guarantee the inclusion of the required number and
correct sub-groups in the survey. Bernard (2000:175) regards this type of sampling as
“an art that often approximates the results of probability sampling at less cost and less
hassle than strict probability sampling”. To avoid the problem of hidden biases from
non-probability sampling procedure, the sampling frame is identified. The application
of probability sampling will be addressed through thorough examination on the aspects
of the sampling procedure, such as sample size and survey location. The combination
of purposive and quota sampling is employed based partly on the researcher’s personal
constraint.

5.7.2.1 Target Population

Iacobuchi and Churchill (2010) define target population as the whole occurrence that
matches the prespecified criteria of the sample. Sekaran (2000) suggests that the target
population or the study population is the specified group as a whole as identified by the research aims and objectives. Tull and Hawkins (1993:537) detail the population as comprising of elements, sampling unit, extent, and time. As indicated earlier in the previous chapter, this thesis aims at investigating the roles and the relationships between place competitiveness, place sustainability, place satisfaction, and place loyalty at Malaysian medium sized cities from the perspectives of its residents. To relate to Tull and Hawkins’s (1993) idea, and the context of this thesis, the target population of is identified as all residents of the two selected Malaysian cities.

According to Bryman and Bell (2007:182) the term sampling frame refers to “the listing of all units in the population from which the sample will be selected”. As this thesis involves a non-probability sampling, the sampling frame is not applicable. The target population for this study involves the population parameter of all residents of two Malaysian cities, namely Kota Bharu and Kuching. More specifically, the choice of the study location is selected on a similar basis to practices of experimental study. They reflect the criteria and problems acknowledged in the underlying conceptual framework (Yin, 2003). These two cities are identified due to their criteria of a medium size cities (i.e. 100,000 - 500,000 population range) which in the researcher’s judgement best illustrates the requirements of the research objectives.

5.7.2.2 Sample Unit

According to Sekaran (2000) the sample unit or the unit of analysis is the level of aggregated data resulting from subsequent steps of data analysis. Accordingly, the sample unit for this thesis is identified as the working residents having a minimum qualification of a bachelor degree at medium sized cities in Malaysia. The sample unit
includes working residents who hold at least a bachelor degree from the two selected Malaysian cities. This particular group is identified on the basis that their views on place sustainability, place competitiveness, and place loyalty can be used by the place marketers to understand this particular group and place target markets in general. Kotler et al. (1993) combine residents and employees into one group of the target market. However, Braun (2008) and Rainisto (2003) suggest that this combination is inappropriate due to the different nature of each consumer group. Considering the research objectives and context, this thesis considers both views which lead to the selection of residents who are working. Taking into consideration of Florida (2003) work on creative class requirements for place competitiveness, the consumer group selected for this study is working residents with a minimum qualification of a bachelor degree. However, it must be noted that the consideration of creative class for this study is to support the nature of the human capital factor in explaining competitiveness of places. The researcher is aware that not all cities attract residents with similar socio-demographic backgrounds and interests. Following Rainisto (2003) view of the importance of the gender and the age group, this thesis determines the age of the sample unit as the minimum 20 years. Age difference is segregated into two sample group of 20-40 years old and 40-60+ years old. Sample unit is differentiated based on gender difference. Other market groups are deemed crucial, but because of the study boundaries, they are not investigated in this thesis. Hair et al. (2009) highlight the researcher’s intuition, desire, and knowledge influence the choice of sampling units. They further noted that the sampling approach and the researcher’s skill in monitoring and performing the selection process influence the representativeness of the sampling unit of the target population. The types of residents are described earlier in chapter 2.
5.7.2.3 Research Setting

The decision on the means and location for administering the questionnaires is made with regard to the characteristics of the locations that relate to the study context. The locations of the two selected cities are shown in the map of Malaysia (see Figure 5.2).

Figure 5.2 Map of Malaysia-Cities As Research Setting


a. Kuching

The city is the capital of the East Malaysian state of Sarawak situated on the island of Borneo. It is the most populous city in the state of Sarawak, with a population of 579,900 people, and a population density of 322 square kilometres (834/sq. mi.). The
city of Kuching is located in the Kuching Division covering an area of 1,863 square kilometres (719 sq. mi.), and is one of the three districts within Kuching Division. The district of Kuching is administered and divided into three local governments. These are: DBKU (Kuching North City Hall), MBKS (Kuching South City Council) and MPP (Padawan Municipal Council). The area north of the Sarawak River, parts of Old Kuching, Satok and the western Central Business District (CBD) is within the jurisdiction of (Kuching North City Hall) covering an area of 369.48 square kilometres (142.66 sq mi). Kuching North City Hall is directly under the supervision of the Chief Minister of Sarawak. The area south of the Sarawak River, eastern CBD and towards the South China Sea is within the jurisdiction of (Kuching South City Council), covering a smaller but more densely populated area of 61.53 square kilometres (23.76 sq. mi.). The third local government, Padawan Municipal Council, formerly known as the Kuching Rural District Council (Majlis Daerah Luar Bandar Kuching), administers the rural areas within Kuching district, Batu Kawa, Kota Sentosa and Third Mile. It covers a large portion of Kuching district with an area of 1,431.82 square kilometres (552.83 sq. mi.). According to the National census (2006), the urban population of 579,900 is made up of (Kuching City South - 143,500 people; Kuching City North - 133,600 people; Padawan- 302,800 people). The ethnic groups consist of Chinese (220,400), Malays (207,000), Ibans (58,100) and others. The main religions of the citizens are Christianity, Buddhism, Taoism and Islam. The city is voted one of the cleanest cities in Malaysia (Malaysia Sustainable City Award), it won an Asean Sustainable City Award, and was voted as one of the world's healthiest cities by the United Nations (UN) and the World Health Organisation (WHO). The city is also a place for higher education and has more than 10 local and private institutions. Since the city is located in the island of Borneo (East Malaysia), the city is connected to Kuala
Lumpur only by air served by Kuching International Airport. The city is also served by several major bus companies, and water transportation (express boats) to provide links to other cities in the state. Some general facts and figures of Kuching are shown in Table 5.3.

Table 5.3 Facts and Figures of Kuching

<table>
<thead>
<tr>
<th>FACILITIES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government health facilities</td>
<td>50</td>
</tr>
<tr>
<td>Police stations</td>
<td>18</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>15</td>
</tr>
<tr>
<td>Places for religious worship</td>
<td>60</td>
</tr>
<tr>
<td>Number of schools</td>
<td>120</td>
</tr>
<tr>
<td>Number of teachers</td>
<td>4,000</td>
</tr>
<tr>
<td>Number of private and public institutions</td>
<td>25</td>
</tr>
<tr>
<td>Number of accommodations/rooms</td>
<td>120/5,000</td>
</tr>
<tr>
<td>Length of State Roads/Federal roads</td>
<td>102km/30km</td>
</tr>
</tbody>
</table>

Source: calculated and estimated from Sarawak Facts and Figures (2009)

a. Kota Bharu

The city is the state capital and is a Royal City of Kelantan, in the most northern east state of West Malaysia. The total city area is 394 square kilometres (152.1 sq. mi.). In 2009, the total city population was 577,301 people with a population density of 1,465 square kilometres (3,794.3/sq. mi.) making it the most populous town on the east coast of Peninsular Malaysia (http://mpkb.gov.my, accessed on April 10, 2010). The city is close to the Thai border. Furthermore, the distance from the city to Kuala Lumpur is approximately 600km. Connections to the capital city are possible by way of roads, the National Malay Train Line, and by air through the national airport located in the nearby town of Pengkalan Chepa. Kota Bharu is known as the Islamic City which represents the city’s great emphasis on Islamic principles in every aspect of daily life. The city is
also influenced by the state’s government conservative Islamic party (PAS), which is the federal government’s opposition party. Moreover, the city’s administration and operation is overlooked by the local authority known as the Kota Bharu Municipal Council. According to data facts from the Kelantan state planning unit (2007), Kota Bharu has two industrial areas (Pengkalan Chepa 1 and Pengkalan Chepa 11) of 567,000 acres. Further details of Kota Bharu as confirmed by facts from this unit are illustrated in Table 5.4.

Table 5.4 Facts and Figures of Kota Bharu

<table>
<thead>
<tr>
<th>FACILITIES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government health facilities</td>
<td>79</td>
</tr>
<tr>
<td>Police stations</td>
<td>9</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>11</td>
</tr>
<tr>
<td>Places for religious worship</td>
<td>159</td>
</tr>
<tr>
<td>Number of schools</td>
<td>135</td>
</tr>
<tr>
<td>Number of teachers</td>
<td>3,883</td>
</tr>
<tr>
<td>Number of private and public institutions</td>
<td>11</td>
</tr>
<tr>
<td>Number of accommodations/rooms</td>
<td>96/8,080</td>
</tr>
<tr>
<td>Length of State Roads/Federal roads</td>
<td>275km/125km</td>
</tr>
</tbody>
</table>

Source: Adapted from Kelantan State Planning Unit (2007)

The city is registered to MURNINET, the Malaysian Urban Network which establishes indicators for sustainable city development. The administrative council attaches great importance to ensuring the city’s cleanliness through city campaigns (MPKB, 2010). The discussion on this section reflects the evaluative nature of the selected cities. It is argued that the background of the cities represents criteria that may be of value to the study. This could be replicated in other situations such as in different countries and in different cities.
5.7.2.4 Sample Size

Determining the right sample size is not an easy task. There is no correct answer to the right sample size as it involves numerous issues (Bryman and Bell, 2007). They identify the influencing issues as the difference between absolute and relative sample size, time and cost, non-responses, heterogeneity of the population, and kind of analysis. Veal (1997) also notes that sample size is often compromised by cost, time and the desired accuracy for most research projects. Researchers present various views of the acceptable sample size. For example, Settle and Alreck (1995) suggest that the minimum sample size common to researchers is 100. Hair et al. (1998) suggest that a sample size of 200–500 respondents is sufficient for use in data analysis. Akis, Peristianis, and Warner (1996) note that an approximate sample size of 400 is needed to reach the desired 95% confidence level and a sampling error of 5% for probability sampling. Accordingly, De Vaus (1996) claims the acceptable sample size for a heterogeneous population with a sampling error of 5% is 256 respondents. Neumann (2000) proposes a 1% of sample size for a population over 100,000 people. However, obtaining small samples from large populations is still acceptable since larger samples do not mean a significant increase in confidence intervals (Veal, 1997). Sarantakos (1998) asserts that sample size is only one of the factors among several other factors that determine research quality. He identified several ways in determining sample size which involve statistical estimations, non-statistical estimations, and use of tables.

Various ways in calculating samples have been proposed by numerous researchers. For example Tull and Hawkins (1993) calculate sample size for simple random samples based on three factors. These are: the allowed error (determined by the researcher), the confidence interval (determined by the researcher), and an estimate of standard
deviation for the population. There is no agreement of the right sample size particularly in the case of a non-probability sampling. This thesis is inspired by De Vaus (1996:79), who remarks that “...decisions about samples will be a compromise between cost, accuracy, the nature of the research problem and the art of the possible”. It is expected that there will be difficulties in determining the required sample size for the research. According to Chin and Newsted (1999) the heuristic sample size minimum of 10 times the largest number of structural paths directed at any of the constructs is sufficient for using the Partial Least Square method. However, in an attempt to achieve a reliable and valid study that is representative of the population, a sample size of at least 400 respondents is determined. The accepted proportion of at least 200 respondents from each city is targeted. This thesis targets each prospective respondent in order to obtain a sufficiently large sample within time and budgetary limitations. Based on factors such as accessibility to the respondents, maximum target achieved, and time constraints; the expected sample size determined for this thesis is detailed in Table 5.5.

<table>
<thead>
<tr>
<th>TYPE OF RESIDENTS</th>
<th>MALE (N)</th>
<th>FEMALE (N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-40</td>
<td>35</td>
<td>50</td>
</tr>
<tr>
<td>40-60+</td>
<td>45</td>
<td>70</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>120</strong></td>
</tr>
</tbody>
</table>

The rationale for each quota for the selected sample unit is based on the Malaysian Ministry of Higher Education census of 2009. The emphasis on age group and gender takes into consideration Rainisto’s (2003) suggestion of the importance of these considerations in explaining place marketing. The quota sample has an equal probability to provide the same accuracy of result when compared to a random sample of a same size (Corlett, 1996). This method is utilised in large gerontological studies.
(Fennell, 1990). Quota sampling method is employed based on its popularity, and is being employed in the United Kingdom and most European countries (Taylor, Harris, and Associates, 1995).

5.7.2.5 Procedures for Data Collection

There are many ways that researchers can use in collecting their data. Some popular methods for data collection include participant observation, telephone interviews, face to face interviews, mail, and self-administered surveys (Sekaran, 2000; Aaker et al., 2001; Zikmund, 2003). With the advance of technology, the internet method is being used (Bryman and Bell, 2007; Dillman, Smyth and Christian, 2009). Babbie (1990:40) remarks on a survey as a research method that “if you fully understand the logic and skills of survey research, you will be excellently equipped to learn and to use other social research methods”. He is suggesting that a researcher can use a combination of these methods. Nevertheless in choosing the research instrument the personal approach should be considered. Sarantakos (1998) suggests that survey is the most common research approach used in social science. Questionnaire is the survey instrument that many social researchers employ. Many explanations can be given as the reasons for using survey research methods, specifically self-administered. For the purpose of this thesis, the researcher chooses a self-administered questionnaire as the instrument because this method best gathers the information needed for the accomplishment of the established research objectives. The use of a self-administered questionnaire is appropriate as this thesis involves gathering information from a large number of respondents or place customers. The type of data from this survey method is appropriate for explaining sustainable competitive factors that are identified in chapter 4 of this thesis. The nature of the study and the researcher’s practical constraints also
lead to the decision to use a questionnaire as the instrument for data collection. According to Tashakkori and Teddlie (2003) a questionnaire can be explained as an instrument that obtains self-report data which a participant fills out when involved in a research study. This self-report data may contain information on participants’ behaviours, perceptions, experiences, attitudes, and personalities (Johnson and Christensen, 2004). Furthermore, the use of questionnaires offers advantages in terms of costs, speed, sample size, time and communication (Oppenheim, 2001). Aaker et al. (2001) provides a good guide to be followed in developing questionnaires as research instruments. According to them, researchers need to follow particular steps in developing questionnaires such as planning what to measure, formulating questions to obtain the required information, deciding on the order and wording of questions and on the layout of the questionnaire, using a small sample and testing the questionnaire for omissions and ambiguity, and correcting problems that may arise (and pre-test again, if necessary). However, a more detailed procedure that suggests steps for developing a questionnaire is given by Iacobuchi and Churchill (2010). These are:

1) Specify what information will be sought,
2) Determine the type of questionnaire and the method of administration,
3) Determine the context of individual questions,
4) Determine the form of response of each question,
5) Wording of each question,
6) Sequence of questions,
7) Physical characteristics of questionnaire,
8) Re-examine steps 1-7 and revise if necessary,
9) Pre-test the survey, revise where needed.
However, a simple yet precise instruction or rules for the format of a questionnaire is given by Johnson and Christensen (2004), Sarantakos (2004), and Dillman et al. (2009). The researcher develops the questionnaire based on the guidelines for questionnaire format and constructions as identified by Johnson and Christensen (2004), Sarantakos (2004), Dillman et al. (2009), and Iacobuchi and Churchill (2010). In developing the questionnaire, the researcher considers several aspects. These are: understanding the research participants, using simple, natural and familiar language, writing clear, precise, and relatively short questions, keeping the questionnaire size to the minimum, and giving clear instructions regarding the manner of answering questions. Since the researcher enthusiastically embraces the need for a useful and reliable questionnaire for use in this thesis, the importance of examining the strengths and weaknesses of a comprehensive self-administered questionnaire is recognised. The purpose of the examination is to counter check and probably decreases the deficiencies or weaknesses that must be expected when using a questionnaire a survey method.

5.8 Questionnaire Design and Layout

According to Zikmund (2003) the aim of designing a correct questionnaire is to obtain accurate data, minimize respondent fatigue, increase completion rates, and keep respondents interested throughout the survey administration. The questionnaires design must be brief, neat, attractive, and easy to follow. Motivating respondents to participate and complete the survey can be done by using a simple and easy to follow design layout (Salant and Dillman, 1994; Malhotra et al., 1996). Accordingly, Dillman et al. (2009) provide a comprehensive detail in designing a questionnaire. The author highlights a process which consists of three important steps together with the principles for implementing each step. These are:
Step 1. Define a desired navigational path for reading all information presented on each page of the questionnaire.

Step 2. Create visual navigational guides that will assist respondents in adhering to the prescribed navigational path and correctly interpret the written information.

Step 3. Develop additional visual navigational guides, the aim of which is to interrupt established navigation behavior and redirect respondents.

Various researchers present different, but almost similar guidelines for designing questionnaires. Dillman (2007) proposes implementation principles for the questionnaire design. His ideas are presented in Table 5.6.

Table 5.6 Implementation of the Questionnaire Design Principles

<table>
<thead>
<tr>
<th>PRINCIPLES FOR IMPLEMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Write each question minimizing the need to reread portions in order to comprehend the response task</td>
</tr>
<tr>
<td>2. Place instructions exactly where that information is needed and not at the beginning</td>
</tr>
<tr>
<td>3. Place items with the same response categories into an item-in-a-series format</td>
</tr>
<tr>
<td>4. Ask one question at a time</td>
</tr>
<tr>
<td>5. Begin asking questions in the upper left quadrant, place any information not needed by the respondent in the lower right quadrant</td>
</tr>
<tr>
<td>6. Use the largest and brightest symbols to identify the starting point on each page</td>
</tr>
<tr>
<td>7. Identify the beginning of each succeeding question in a consistent way</td>
</tr>
<tr>
<td>8. Number questions consecutively and simply, from beginning to end</td>
</tr>
<tr>
<td>9. Use a consistent figure/ground format to encourage the reading of all words</td>
</tr>
<tr>
<td>10. Limit the use of reverse print to section headings and/or question numbers</td>
</tr>
<tr>
<td>11. Use dark print for questions and light print for answers choices</td>
</tr>
<tr>
<td>12. Place instructions in similar instruction book or in similar section with the questionnaire</td>
</tr>
<tr>
<td>13. List answer categories vertically rather than horizontally</td>
</tr>
<tr>
<td>14. Place answer spaces consistently to either left or right of the category labels</td>
</tr>
<tr>
<td>15. Use numbers or simple answer boxes for recording answers</td>
</tr>
<tr>
<td>16. Avoid double or triple banking of answer choices</td>
</tr>
<tr>
<td>17. Maintain spacing between answer choices that is consistent with measurement intent</td>
</tr>
<tr>
<td>18. Maintain consistency throughout a questionnaire in the direction scales</td>
</tr>
<tr>
<td>19. Use shorter lines to prevent words from being skipped</td>
</tr>
<tr>
<td>20. Consistently and sparingly visualise words and phrases that introduce important, but easy to miss changes in respondent expectations</td>
</tr>
</tbody>
</table>

Source: Adapted from Dillman (2007:96-134)
Based on the process/steps identified by Dillman et al. (2009), the researcher has designed the questionnaire by following the guidelines stated in Table 5.6. The overall questionnaire design rules and principles discussed in the previous section are also referred to. As a result, the questionnaire layout has:

1) **Attractive cover page**

The cover page briefly explains the nature of the survey. The importance of the survey and its social significance is clearly highlighted to encourage respondents to respond genuinely to the questions asked. Further, the assurance of anonymity and confidentiality of respondents’ responses is emphasized. The name of the university the author represents and the author’s academic advisors are featured on the cover page, to highlight the study’s importance and encourage participation. Cohen et al. (2000) suggests that participants’ identity is assured through a promise of anonymity.

2) **Synchronized questions layout**

Frazer and Lawley (2000), discuss characteristics and socio-demographic questions. The parts of the questionnaire which are of lesser importance are placed at the end, giving way to more important parts (place attachment, place sustainability, place competitiveness, place loyalty, and place satisfaction) which should be placed at the beginning of the survey to maintain respondents’ interest. Johns and Lee-Ross (1998) suggest that placing the demographic questions at the end helps to improve the response rate.

3) **Provision of specific sections**

Each section or part of the questionnaire is divided with different headings: A, B, C, D, E, F, and G. The questions for each part belong only to its specific section or part. The
purpose of this practice is to make the number of questions appear fewer than they really are, and to encourage higher completion rates (Grossnickle and Raskin, 2001).

4) **Appropriate timing for questionnaire completion**

During the pre-test, the questionnaire is assessed on the time required to complete the survey. The average time taken to complete the questionnaire is noted as 10 to 15 minutes.

5) **Minimal respondent’s fatigue**

To minimize respondent’s fatigue in completing the questionnaire, the questions or items presented to the respondents are carefully synthesized and screened for relevancy and usability. More specifically, the chosen questions will be significantly related to the objective of the study.

The questionnaire is divided into seven sections which are sustainability, competitiveness, attachment, satisfaction, loyalty, general information, and demographics. The questions are based, adapted, and modified from several successful studies and prominent organizations of relevance to this thesis. Accordingly, Gorard (2001) claims that using previous instruments and questions brings advantage to the researcher as the items have already been used, they have gone through the required process to make them credible, and are probably out of the researcher’s conceivable boundary. The details of the questionnaire’s design and their measurement are justified. These are:

1) In section A, respondents are asked to evaluate sustainability aspects by circling the most appropriate number from an attitude scale. Responses are measured using a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5) along with 0 (don’t know) to assess respondents’ agreement with the
statements. The respondents are asked to circle the number that represents the sustainability attributes, which generally involves statements on environmental, social, economics, and institutional factors. The aim of this part is to measure the attitude of the respondents in relation to a sustainable city attributes.

2) Similarly, in section B, respondents are asked to respond to a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5) along with 0 (don’t know) which assesses respondents’ agreement with the statements regarding the competitiveness aspects. The respondents evaluate competitiveness attributes which involve statements on infrastructure, human capital, quality of life, and governance as related to the competitiveness of cities. The aim of this part is to measure respondents’ attitude on attributes that contribute to city competitiveness.

3) Section C is intended to examine respondents’ evaluation of the place attachment concept. The respondents are asked to respond to a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5) along with 0 (don’t know) which assesses respondents’ agreement with the statements regarding the attachment aspects of a place. The statements for this part involve place dependence (the functional association individuals perceive themselves with a place or group of places) and place identity (the emotional and symbolic feelings with a given place that an individual associates with) that make up place attachment. The aim of this part is to measure respondents’ attachment to the city.

4) For the satisfaction element which is in section D, the respondents are asked to respond to a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5) along with 0 (don’t know) which assesses respondents’
agreement with the statements regarding their satisfaction with a place. The aim of this part is to measure respondents’ satisfaction during their visit to the city.

5) In section E respondents evaluate destination loyalty aspects. The respondents are asked to respond to a 5-point Likert type scale ranging from strongly disagree (1) to strongly agree (5) along with 0 (don’t know) which assesses respondents’ agreement with the statements regarding their loyalty to a place. The statements for this part involve cognitive, affective, and conative loyalty.

6) Section F is presented to the respondents to identify some general characteristics of the respondents related to their city, such as reasons for living in the city, frequency of spending time out in the city, and places of interests. Respondents are presented with the list of answers, and they are asked to mark the provided boxes with appropriate answers.

7) In section G the demographic profile of the respondents is assessed. Information obtained in this section includes gender, marital status, highest educational level, nature of occupation, and total household income. Respondents are presented with the list of answers, and are asked to mark the provided boxes with appropriate answers.

All statements for the first five sections are placed randomly to reduce common bias. To maximize the probability of information sourcing, both open-ended and closed questions are used. For example, when the answers are not listed or not appropriate, allocated spaces will be provided for respondents to write appropriate or additional information. Previous research or sources used to develop the scale measurements report reliability with their measurement scales. The measurement scales for this thesis are discussed in the next section.
5.9 Measurement scales

Aaker et al. (2001) define measurement as a “standardized process of assigning numbers or other symbols to certain characteristics of the objects of interest, according to some pre-specified rules” (p.255). The numbers are chosen to ease the performance of statistical analyses. For the measurement purpose of this thesis, all objects of interests are assigned with numbers from attitude scales to easily perform the statistical analyses. The measurement scales are normally classified into four types which are: nominal, ordinal or rank order, interval, and ratio (Sarantakos, 1998; Zikmund, 2003). Accordingly, Settle and Alreck (1995) suggest that scaling is the process where respondents’ attitude towards a particular subject is represented in a category or along a continuum of agreement to disagreement. For the context of this thesis, quasi-interval scales are mostly used for measurement purposes. This scale will be used in measuring attitudinal aspects of place attachment, place sustainability, place competitiveness, place satisfaction, and place loyalty. Furthermore, a five point Likert type scale (ranging from Strongly disagree = 1 to Strongly agree = 5, and 0 = Don’t Know) is applied in this thesis based on its popularity, high reliability, and suitability. Rossiter (2002) suggests the inclusion of “0 = Don’t Know” in the scale to avoid a major problem with Likert scale measurement. This would lose the psychological zero or neutral point because “‘neither agree nor disagree’ cannot signify the same neutrality in both versions. Further, the choice of a five point scale is used to follow the original version of the scale. Rossiter (2002) argues that five to seven categories best fit the number of psychological discriminations that most consumers can make with regard to an attribute. The nominal scale which is usually used to group and differentiate between groups is used for the assessment of general information and demographics.
Most researchers support the use of a likert type scale in social research. For example, Sarantakos (2004) claims that this scale has been very popular among social scientists for so long because of its high degree of validity regardless of the few items used, the possibility to produce single scores from a set of items, it is highly reliable (a score of 0.85 to 0.94), the possibility for ranking by possible respondents, and the fact that it is very easy to construct. Similarly, Zikmund (2009) suggests that the scale is easily administered. Since this study is using a self-administered survey, the statement that most closely relates to the use of a Likert type scale for this study is: “Likert type scales are best suited for research designs that use self administered surveys, personal interviews, or most online method” (Hair et al., 2009:424). Though a Likert type scale is highly desirable, researchers do notify the drawbacks of this scale technique. Zikmund (2003) highlights the issue of the single score means referral and the generation of the same total scores caused by numerous types of response to various questions. In addition, the middle choice meaning and the difficulty in achieving equal items in the scale are the aspects that make a Likert type scale undesirable (Kimmon, 1990; Rossiter, 2002). This thesis relates to Grossnickle and Raskin’s (2001) major areas of study data. These are:

1) **Attitudinal** (data on respondents’ opinions, preferences, and perceptions that help the researcher understand subtle issues that influence respondents’ behaviour.

2) **Behavioural** (data that characterised various topics that relate to the respondents’ habits and past actions).

3) **Classification** (data that consists of respondents’ personal attributes, such as demographic, socioeconomic, and psychographic factors).
The measurement scales identified in this thesis are developed from various reviews of the literature and relevant theories in order to ensure the usefulness and the potential reliability and validity of the scales. The author adapts some of the measurement scales to better suit the thesis context. Details of the development of the measurement scales or the indicators used in this thesis are described in chapter four (operationalization of the constructs). The next section addresses the reliability and validity of the measurement scales.

5.10 Reliability and Validity of Measurement Scales

The listed measurement scales are subject to reliability. Kinnear and Taylor (1996) note that research findings would be reliable if they are consistent, accurate and predictable. The concept of reliability involves two dimensions. These are: the stability of the measures and internal consistency. According to Aaker et al. (2001) the stability of measures is concerned with repeat assessment by using the same instrument and the same respondents. The result must be correlated at two points in time. Internal consistency is an independent measure of the same concept. It is illustrated by the respondents’ attachment of the same overall meaning to each item presented. Test and retest reliability and parallel form are used to test the stability of measure. On the other hand, inter-item consistency reliability and split-half reliability are used for testing internal consistency measures (Sekaran, 2000). In addition, he adds that in certain cases such as testing the internal consistency and reliability of different items measuring the same variables, Cronbach Alpha coefficient is used. For the scales to be consistent and stable, the Alpha value must be 0.70 or more (Nunnaly, 1978). Lower Alpha values suggest that the variable is unreliable, and requires further examination. Reliability is associated with the measurement scale’s freedom from random error which comes from
sources such as insufficient items sampling, and inconsistent timing for administration of the instrument (Gable and Wolf, 1993).

According to Aaker et al. (2001) measurement scales are valid if it measures what it is supposed to measure. They identify the validity concept encompassing three basic criteria. These are: face validity, criterion validity, and construct validity. Firstly, face validity is the commonly used method in marketing research and is a subjective judgement of the appropriateness of the measurement. The measurement scale shows face validity if the scale measures the concept ‘on the face of it (Sarantakos, 1998:79). De Vellis (1991) suggests that the issue with this validity is the difficulty of determining the potential scale. Secondly, criterion validity is empirical evidence that other criterion variables are correlated with the attitude measure. This type of validity can be further divided into two areas: concurrent validity and predictive validity. Bryman and Bell (2007) suggest that for concurrent validity, researchers should use a different but relevant criterion to the measurement concept. For predictive validity, they suggest that the researcher employs a future measure. Lastly, construct validity is achieved after the presentation of a logical argument to defend a certain measure. This validity can be accessed through testing results against well established theories (De Vaus, 2002). Alternatively, De Vaus suggests that assessment can be done through its subtypes which are convergent and discriminate validity. He also explains that for convergent validity to be applicable, the degree of correlation (value) between two different items measuring the same concept must be 0.3 and lower. On the other hand, for discriminant validity to be applicable, the degree of correlation (value) of two different variables measuring a different concept must be 0.3 and bigger. With the combination of these two specified scores, the construct validity can be achieved. De
Vaus (2002:27) suggests that in ensuring the validity of any measure, researchers must consider three conditions. These are: “a measure in itself is neither valid nor invalid, the validity of a measure depends on how the concept is defined, and validity will also be context-dependent”. He states that validity is subject to argument. Accordingly, Trochim (2002) refers convergent validity as the degree to which the concepts are theoretically related and interrelated in reality; and discriminant validity as the degree to which the concepts are theoretically related but not interrelated in reality (Trochim, 2002). He suggests that convergent and discriminant validity be accessed through a correlation matrix to examine convergence (scales that should be related are related) and discrimination (scales that should not be related are not related).

5.11 Pretesting of Survey Instrument

A pilot study is conducted to test the questionnaire before it can be used for data collection. According to Settle and Alreck (1995) a pilot survey is a good option to get feedback on key variables that are in doubt in respect of questionnaire. Confidence in the instrument is augmented by tabulating for degree of variance and confidence levels. Zikmund (2003) suggests that the sample for a pre-testing sample can be selected on a convenience basis and is closely similar with the actual sample. The selected respondents for the pre-testing consist of both residents from the two selected Malaysian cities, and preferably Malaysians or non-Malaysians living in Stirling. The pre-test also includes research colleagues in Stirling University. The reasons behind the choice of the respondents for the pre-testing are to meet the objectives of the research, and to get a pre-test result that closely represents the actual survey. The original questionnaire is proof read by experts and colleagues. With such practice, the researcher has the opportunity to discover any possible errors in design or unclear wording in the
questions. This practice is in accords with Dillman et al.’s (2009) ideas of pre-testing. These are: questionnaire review by knowledgeable colleagues, analysis where knowledgeable people provide answers to entire questions, the possibility of eliminating some of the questions, the possibility of comparing responses to census data, and the merits of modifying categories compared to keeping the originals. Specific to this thesis, the purposes of the pilot study is established. These are:

1) To check if the questionnaire can hold the respondents’ interest throughout the process of answering the questions.

2) To ensure that the instructions used are precise and appropriate.

3) To check if there should be other important variables and questions to be included in the questionnaire.

4) To detect the reactions of respondents towards the questionnaire, and other unexpected situations that might occur during the real data collection.

5) To check for reliability and validity of the variables used in the questionnaire.

6) To address any confusions that respondents might face.

The pre-testing then proceeds to the stage of conducting extensive personal interviews on the developed questionnaire. Five respondents are interviewed. These selected respondents are permanent residents from the Malaysian cities temporarily staying in the city of Stirling, Scotland for the maximum period of four years. The purpose of the personal interviews is to observe the process during which respondents answer the questionnaires, and to get feedback regarding any issues related to the questionnaire. The researcher and the respondents thoroughly examine the questionnaire in great detail by each sentence, section, and page. Respondents are asked about their feelings and understanding of each word in the questionnaire. Emphasis is given to respondents’
understanding of the items and the simplicity of the English language used, since this version of the questionnaire is in English.

From the first personal interview, comments/feedback from the respondents are incorporated into changes to the questionnaire. The revised questionnaire is then circulated to 15 respondents and further feedback is incorporated into the questionnaire which is pre-tested to other respondents. Feedback from this stage is also accounted for, and several changes are made to the questionnaire. The pre-testing process took place in the one month. As a result of the pre-testing, the items that are not understood or confusing to respondents are eliminated; the number of items per section are reduced to seven or smaller; questionnaire pages are cut-down from 15 pages to 9 pages; technical terms are made simpler or avoided, and words are made clearer. Several suggestions from the respondents such as placing the demographic information in the section as a possible practice in a Malaysian context, is not considered due to the researcher’s view that the less important sections should be placed at the end of the questionnaire to tackle the issue of respondents’ attention span, which decreases as the questionnaire progresses (Dillman et al., 2009). Suggestions for improvement during the pre-testing are taken seriously and are incorporated in refining the questionnaire. Like the real data collection, statistical analysis needs to be carried out on the result, for the pre-testing to be functional. Thus, before the final version of the questionnaire is decided, the data from the pre-testing is analyzed using SPSS for reliability. Cronbach’s Alpha score for scale reliability shows a high reliability of above 0.8 (Nunnally, 1978). Factor analysis is also relevant to the data. The final version of the questionnaire is determined due to its validity and reliability for use in data collection.
5.12 Overview of Data Analysis

5.12.1 Introduction

According to Marshall and Rossman (1999:150) data analysis is “the process of bringing order, structure and interpretation to the mass of collected data”. Accordingly, the process involves “examining, categorizing, tabulating, or otherwise recombining the evidence to address the initial propositions of a study” Yin (1994:102). Aaker et al. (2001) note that conversion and preparation of the raw data for analysis affects the quality of the statistical analysis and its interpretation. Moreover, Cooper and Schindler (2001) suggest that decisions on how to treat the data prior to data analysis are necessary for reducing the chances of data collection problems and inaccurate findings from the data. Thus, the collected data for this thesis was screened and examined thoroughly for errors and missing values before data entry. Then, factor analysis using the SPSS program was employed to reduce the variables from the proposed model into a smaller number of factors (Hair et al., 2009). The data analysis for this thesis involves the descriptive data on demographic question, inferential statistic on all variables, and reliability and validity analysis. Settle and Alreck (1995) suggest that frequency and percentage distributions be reviewed. The data is analysed for reliability and Cronbach’s Alpha was determined. The data is deemed reliable if the Alpha score is 0.70. For validity, the data is analysed using a correlation matrix. Data distributions that show the measures of central tendency (mean, median, mode); measures of dispersion (range, standard deviation and coefficient of variation) and measure of shape (skewness and kurtosis) was emphasized. These measures are important in reporting the data findings. Besides the stated measures, frequency distribution can show the number of responses for each question and detect the empirical distributions. This study employs variance based Partial Least Square (PLS),
a branch technique of Structural Equation Modelling for data analysis. According to Chin (1998) SEM techniques are widely used to perform both covariance based and component based analysis. Accordingly, Hair et al. (1998) support that SEM is popular and regarded as the advancement tool of analysis techniques, such as multiple regression, because of its flexibilities. Partial Least Square (PLS) is employed in testing the conceptual model developed for this thesis. According to Barclay, Higgins, and Thompson (1995) PLS involves a simultaneous testing of the measurement model (which assesses the relationship between the observed indicators and the underlying ‘latent’ construct), and the structural model (which assesses the relationship between constructs and the model). Vinzi, Chin, Henseler and Wang (2010) notes that PLS put minimal demand on sample size for testing structural models with relatively small sample sizes. As such, a goodness of fit index and R square will be assessed. To test for path significance, a bootstrapping procedure was applied. Structured steps and various statistical tests are meticulously planned for data preparation, data checking, and data analysis in order to ensure that the accuracy, reliability, and validity of data are achieved. The reason for choosing Partial Least square is discussed in the next section.

5.12.2 Justification for the Use of Partial Least Square

According to Henseler, Ringle, and Sinkovics (2009) PLS popularity particularly in empirical research of international marketing shows an increased interest in the application of PLS distinctive methodological features. They highlight that as of March 2008, international marketing sees over 30 PLS based articles in its field published in reviewed journals. As stated by Chin (1998) SEM involves covariance based and variance based approach. The author decides the use of variance-based approach (PLS) for this thesis. This approach was originally introduced by Wold (1975) under the name NIPALS (nonlinear iterative partial least squares), and aimed to maximize the
variance of the dependent variables explained by the independent ones rather than to replicate the empirical covariance matrix (Haenlein and Kaplan, 2004). Accordingly, Henseler et al. (2009) state that the wide usage of PLS path modelling among scientists and practitioners is due to four prominent criteria. These are:

1) PLS path modelling algorithm to compute both cause and effects relationships for both reflective and formative measurement models.

2) PLS path models can still be estimated when sample sizes are small.

3) PLS path models accommodate very complex models (application of large number of latent and manifest variables).

4) PLS path modelling is methodologically useful with the expected occurrence of non-convergent results.

Hulland (1999) highlights PLS nature in overcoming many theoretical and estimation problems inherent in some of the well known structural modelling programs, such as LISREL and AMOS. However, the discussion of the difference between PLS and Covariance Based Structural Equation Modeling (CBSEM) made Chin and Newsted (1999) highlight the justification for the use of PLS for this thesis. Chin and Newsted (1999) compare PLS and CBSEM in nine aspects. These are: objective, approach, assumption, parameter estimates, epistemic relationship between a latent variable and its measures, implication, model complexity, and sample size. Chin and Newsted’s (1999) comparison is visualized in Table 5.8.

According to Temme, Kreis and Hildebrandt (2006) various software packages are available for use in path modelling of variance-based structural equation models such as VisualPLS, PLS-Graph, SmartPLS, and SPAD-PLS. This thesis employs the software
SmartPLS 2.0 (Ringle, Svende, and William, 2005) for all SEM related calculations due to the availability of resources during data analysis, the sample size, level of measurement, and assumptions as explained by Chin and Newsted (1999). Furthermore, this thesis is built upon previous knowledge in explaining place marketing for sustainable competitive places through development of research hypotheses.

Table 5.7 Comparison of PLS and CBSEM

<table>
<thead>
<tr>
<th>CRITERION</th>
<th>PLS</th>
<th>CBSEM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>Prediction oriented.</td>
<td>Parameter oriented.</td>
</tr>
<tr>
<td>Approach</td>
<td>Variance based.</td>
<td>Covariance based.</td>
</tr>
<tr>
<td>Assumptions</td>
<td>Predictor specification (non parametric).</td>
<td>Typically multivariate normal distribution and independent observations (parametric).</td>
</tr>
<tr>
<td>Parameter estimates</td>
<td>Consistent as distribution and sample size increase (that is consistency at large).</td>
<td>Consistent.</td>
</tr>
<tr>
<td>Latent variable scores</td>
<td>Explicitly estimated.</td>
<td>Indeterminate.</td>
</tr>
<tr>
<td>Epistemic relationship</td>
<td>Can be modelled in either formative or reflective mode.</td>
<td>Typically only with reflective indicators.</td>
</tr>
<tr>
<td>between a latent variable and its measures</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implication</td>
<td>Optimal for prediction accuracy.</td>
<td>Optimal for parameter accuracy.</td>
</tr>
<tr>
<td>Model complexity</td>
<td>Large complexity (that is 100 constructs and 1000 indicators).</td>
<td>Small to moderate complexity (that is less than 100 indicators).</td>
</tr>
<tr>
<td>Sample size</td>
<td>Power analysis based on the portion of the model with the largest number of predictors. Minimal recommendation range from 30 to 100 cases.</td>
<td>Ideally based on power analysis of specific model. Model-minimal recommendation range from 200 to 800.</td>
</tr>
</tbody>
</table>

Source: Chin and Newsted (1999:314)

Due to the constraint of achieving large sample sizes and the distribution assumptions, this thesis utilizes the variance-based PLS approach for estimating factor weights and path coefficients. This thesis is in line with the methods and findings of various researchers, especially in the field of marketing that turned to variance-based models for analysis, in order to overcome various restrictions of the CBSEM approach.
To describe the stages in the path modelling, Sanchez (2009:5) presents PLS path modeling algorithm consists of three stages. These are:

1) Stage 1 is an iterative procedure which aims to obtain what are called the *outer weights*. These weights are the coefficients of the manifest variables that are used in the linear combinations to obtain the latent variable scores.

2) The second stage seeks to obtain the path coefficients of the structural relations.

3) Finally, the loading coefficients are obtained in the third stage.

Haeinlein and Kaplan (2004) suggest that the most important task in PLS analysis is the prediction of the weight relations. According to Gefen, Straub, and Boudreau (2000) PLS involves the assessment of measurement and structural models. In terms of analysis, Vandenbosh (1999) emphasize for separate analysis of both models. He suggests that the measurement model requires assessment before moving on to the interpretation of the structural model. Accordingly, Chin (1998) proposes a two-step process, encompassing (1) the assessment of the outer model and (2) the assessment of the inner model in the evaluation of PLS path model.
5.12.3 Assessment of Measurement Model

Henseler et al. (2009) highlight that measurement models consists of reflective models and formative models. They suggest that for an assessment of measurement models of reflective construct, both reliability and validity aspects are important. For formative construct, validity is the important aspect. Further, they suggest that a reliable and valid reflective measurement and a valid formative measurement of latent variables should meet all the criteria as stated in Table 5.8.

Rossiter (2002) highlights that assessment of validity for formative indicators must start with theoretical background and expert views. Then, the next step for formative assessment can proceed to statistical analyses of the construct and the indicator (Henseler et al., 2009). Chin (1998) remarks that the examination of correlations and internal consistency for formative construct is illogical because the correlations amongst indicators are not relevant for estimation purposes.
Table 5.8 Reliability and Validity for Types of Measurement Model

<table>
<thead>
<tr>
<th>REFLECTIVE CONSTRUCT</th>
<th>FORMATIVE CONSTRUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composite reliability ($\rho^2$) $\rho^2 = (\sum \lambda_i)^2 / [(\sum \lambda_i)^2 + \sum \text{var}(\varepsilon_i)]$, where $\lambda_i$ is the outer (component) loading to an indicator, and $\text{var}(\varepsilon_i) = 1 - \lambda_i$ in case of standardized indicators. The composite reliability is a measure of internal consistency and must not be lower than 0.6.</td>
<td>Nomological validity The links between the formative index and other constructs in the path model, which are sufficiently well known through prior research, should be strong and significant.</td>
</tr>
<tr>
<td>Indicator reliability Absolute standardized outer (component) loadings should be higher than 0.7.</td>
<td>External validity The formative index should explain a big part of the variance of an alternative reflective measure of the focal construct.</td>
</tr>
<tr>
<td>Average variance extracted (AVE) $\text{AVE} = (\sum \lambda_i^2) / [\sum \lambda_i^2 + \sum \text{var}(\varepsilon_i)]$, where $\lambda_i$ is the component loading to an indicator, and $\text{var}(\varepsilon_i) = 1 - \lambda_i$ in case of standardized indicators. Used to measure the percentage of explained variance by indicators relative to measurement error. The average variance extracted should be higher than 0.5. The square root of AVE must be greater than the corresponding correlations among the latent variables.</td>
<td>Significance of weights Estimated weights of formative measurement models should be significant.</td>
</tr>
<tr>
<td>Fornell–Larcker criterion In order to ensure discriminant validity, the AVE of each latent variable should be higher than the squared correlations with all other latent variables. Thereby, each latent variable shares more variance with its own block of indicators than with another latent variable representing a different block of indicators.</td>
<td>Multi-collinearity Manifest variables in a formative block should be tested for multi-collinearity. The variance inflation factor (VIF) can be used for such tests. As a rule of thumb, a VIF greater than ten indicates the presence of harmful collinearity. However, any VIF substantially greater than one indicates multi-collinearity.</td>
</tr>
<tr>
<td>Cross-loadings Cross-loadings offer another check for discriminant validity. If an indicator has a higher correlation with another latent variable than with its respective latent variable, the appropriateness of the model should be reconsidered.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from Henseler et al. (2009:300-302), Chin (1998)
5.12.4 Assessment of Structural Model

Once the appropriateness of the measures is confirmed, the structural aspect of the model which demonstrates evidence to support the theoretical model follows. This process which is the core part of PLS involves variance explained ($R^2$) and the establishment of significance for all path coefficients (Chin, 2010). An overall comprehensive assessment for structural models is made by Henseler et al. (2009). From review of various related structural model assessments, they provide the criteria for structural model assessment, as in Table 5.9.

<table>
<thead>
<tr>
<th>CRITERION</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>R^2 of endogenous latent variables</td>
<td>R^2 values of 0.67, 0.33, or 0.19 for endogenous latent variables in the inner path model are described as substantial, moderate, or weak</td>
</tr>
<tr>
<td>Estimates for path coefficients (standardized betas $\beta$)</td>
<td>The estimated values for path relationships in the structural model should be evaluated in terms of sign, magnitude, and significance (the latter via bootstrapping).</td>
</tr>
<tr>
<td>Effect size $f^2$</td>
<td>$f^2=\left(\frac{R^2_{\text{included}}-R^2_{\text{excluded}}}{1-R^2_{\text{included}}}\right)$; values of 0.02, 0.15, and 0.35 can be viewed as a gauge for whether a predictor latent variable has a small, medium, or large effect at the structural level.</td>
</tr>
<tr>
<td>Prediction relevance ($Q^2$ and $q^2$)</td>
<td>The $Q^2$ is calculated based on the blindfolding procedure: $Q2=1-\frac{\sum_D\text{SSE}<em>D}{\sum_D\text{SSO}<em>D}$. D is the omission distance, SSE is the sum of squares of prediction errors, and SSO is the sum of squares of observations. $Q^2$-values above zero give evidence that the observed values are well reconstructed and that the model has predictive relevance ($Q^2$-values below zero indicate a lack of predictive relevance). In correspondence to $f^2$, the relative impact of the structural model on the observed measures for latent dependent variables can be assessed: $q^2=\frac{Q^2</em>{\text{included}}-Q^2</em>{\text{excluded}}}{1-Q^2_{\text{included}}}$.</td>
</tr>
</tbody>
</table>

Source:  Henseler et al. (2009:303)

According to Chin (2010) goodness of fit indices and Chi square statistics are not key criterions in PLS analysis because models with good fit indices still rely on other measures such as the R Square and factor loadings. He further suggests that the fit measures do not show how accurately the latent variables or indicators are predicted, but they indicate how well the parameter estimates are able to match the sample
covariances. The important aspect in the assessment of structural models is to demonstrate strong loadings, significant weights, high R square, and significant structural paths (Chin, 2010).

5.13 Ethics

According to McPhail (2000) ethics in research are necessary during the whole research process to ensure that the study findings correspond with the relevant situation. Emory and Cooper (1991) add that the basic aim of research ethic is to ensure that participants and organization are protected from any negative effects pertaining to the research. The consequential negative effects that research participants must be protected from includes physical harm, deception, discomfort, pain, embarrassment, and privacy (Cooper and Schindler, 2001). The ethical considerations are relevant not only to research participants, and the researcher, but also sponsors (Neuman, 2003; Zikmund, 2003). As such, the researcher has followed the guidelines based on the references above in protecting the sponsor, the researcher, and the survey respondents. These are:

1) Participants are presented with clear details about the research topic and research purpose of the survey (Cooper and Schindler, 2001).

2) Confidentiality is highlighted to all research participants as is the use of research data for research purposes only (Zikmund, 2003).

3) Enumerators are trained to acquire participants through informed consent and to avoid any types of harassment.

4) Caution is taken to ask questions only relevant to the research objective (Iacobuchi and Churchill, 2010).

The researcher has attached great emphasis at all stages of the research design and process to minimize all possible ethical issues that may result from this thesis. The
researcher assumes ethical integrity and responsibility for the study to be conducted in a professional manner.

5.14 Summary

This chapter describes the methodological aspects of this thesis. The research approach such as research philosophy and research paradigms are discussed in detail. The research nature and design are carefully addressed. The chapter also details the methods and the instruments for data collection. The survey approach chosen for the study involves quantitative methods which suitably fit with the proposed research objectives. Further, the scope of this thesis is restricted by its location (Malaysia) and to the cities of Kuching and Kota Bharu. However, it is argued that the cities background represents the criteria that may be of value for the study to be replicated in other situations such as different countries and different cities. Finally, ethics in research are discussed in detail to avoid any possible pitfalls pertaining to this study. This chapter has discussed the methods and strategies that are employed for this research in determining factors for sustainable competitive places. These are:

1) A choice of a positivism paradigm as an appropriate match with the nature of the research.
2) A questionnaire technique as the research instrument.
3) Application of Partial Least Square for testing the conceptual model.
4) A determined sample size of a minimum of 130 respondents from the two Malaysian cities.
5) Pre-testing as emphasis in developing a valid and reliable measurement scale.
The methodological aspects for this thesis are based on the research aims and objectives. The researcher’s limitations with regard to financial, time, and resource factors are expected. In addition, the proposed theoretical construct is tested before it used in the real study to avoid future problems regarding the suitability of the measurement scales. The thesis expects to provide wider implications for the study such as to assist place managers, place planners and place marketers in their subjective areas, to stimulate further research into this area, and expand understanding of sustainable competitive places. The thesis continues in the next chapter by examining the characteristics of the sustainable competitive places based on the primary data collected. The characteristics of the sustainable competitive places are regarded as the basis for explaining the findings of factors determining sustainable competitive places in the remaining chapters.
Chapter 6
RESULTS AND DISCUSSIONS

6.1 Introduction

Various approaches are possible in acquiring knowledge for this thesis. However, the chosen research approach must meet the requirement of the research objectives (Sarantakos, 1998). The author chooses the positivism approach with the employment of survey methods to gather information on factors determining sustainable competitive places. This approach is appropriate for this thesis as the nature of acquiring the type of knowledge matches the research objectives and purposes. Previous chapters have detailed the focus of this thesis such as phenomenon, aims and objectives, theoretical concepts, and method and approaches. This chapter presents analysis of the data on factors influencing sustainable competitive places as outlined by the research methodology and approach in chapter 5. The purpose of this chapter is twofold: (1) to examine the main factors for consideration and (2) to draw findings on factors of sustainable competitive places. As mentioned earlier in the methodology chapter, this thesis involves the research settings of two Malaysian cities (Kuching and Kota Bharu). The data for each Malaysian city is analyzed separately. However, the results are discussed together starting from the demographic characteristics of the sample and their general behaviour pertaining to the cities. These descriptive statistics highlight various characteristics of the residents; the targeted sample. The chapter proceeds to the major discussion of model assessment through employment of Partial Least Square (PLS). Assessment of the model involves examining the reliability and validity of the measurement model and the structural model. Detailed analysis is conducted to test the
formulated hypotheses, and statistical comparison of both cities is highlighted. This chapter presents the findings of the relationships between the factors of sustainable competitive places. To highlight the findings of this thesis with previous researches, the chapter discusses the new findings of this thesis. Finally, the chapter ends with the summary of the data analysis and findings. The structure of the chapter is illustrated below in Figure 6.1.

Figure 6.1 Organizational Structure of Chapter 6

6.2 Data Collection and Pre-analysis

6.2.1 Introduction

The survey is self-administered to the respondents. Representatives are selected for each city to administer and coordinate the survey. These representatives are well trained and well informed about any aspects regarding the survey administration. The
process is undertaken over one month in the summer of 2010. The enumerators are asked to conduct the survey throughout the week including weekends. Respondents are approached and contacted based on their background and their proficiency in the English language. The probability of obtaining responses with this survey administration technique is expected as slow and limited in number. To increase the response rate, to solve the problem of time limitation, and to utilize the availability of reasonably cheap internet services that allow for data collection and analysis through the internet, the researcher administered the survey through the internet by sending emails to known contacts who qualify as the intended sample.

6.2.2 Data Coding and Screening
The collected questionnaires go through the process of coding and screening before the process of data entry. In the coding and screening process, each questionnaire is marked by certain numbers. Each item in the questionnaire is given a code to facilitate data entry in the software program SPSS 18.0. The data is then checked for frequency, missing values, and outliers. Cases with missing values are evaluated for elimination following the 10% rule of missing information. Finally, results are processed into a sample size of n=135 for Kuching, and n=152 for Kota Bharu.

6.2.3 Response Rate
As indicated earlier, this thesis employs self-administered and internet methods to a few selected respondents for data collection. However, as expected, the internet strategy does not greatly support the survey administration process. Specific to Kota Bharu, of all respondents (n=135) only two respondents (n=2) participate by way of the internet. While for Kuching, the number is slightly higher (n=37) of the total n=152. Thus, the researcher admits a slower and lower participation rate for an internet method for this thesis. However, the expected quotas for the pre-determined groups are achieved.
Comparison of the expected samples and the achieved samples shows small differences. Furthermore, the researcher is aware of a non-response bias as a potential limitation of paper-based questionnaire research, even if the response rate is relatively high. A possible test for non-response bias is the comparison of early and late respondents. As such, a test for non-response bias is conducted in order to ensure that the collected data is representative of non-respondents. The test is conducted by examining the data of the first 30 respondents that answer the questionnaire, and the last 30 respondents. The difference between these two groups is tested using independent sample $t$-test with randomly chosen place factors. The test reveals that out of the 83 indicators presented in the questionnaire, only 13 indicators are significant at 0.05 levels. Thus, it can be concluded that the two groups of respondents do not differ, and that non-response bias is not a problem for the data (Armstrong and Overton, 1977).

**6.2.4 Exploratory Factor Analysis**

This type of analysis is considered of no great importance for this analysis as the sustainable competitiveness model mainly involves formative constructs which are not subject to exploratory factor analysis (Jarvis et al., 2003). More specifically, for these constructs the researcher has decided to use the factor mean score for analysis in the Smart PLS (Ringle et al., 2005). However, place attachment as a reflective construct is subject to exploratory factor analysis and considered for this analysis, though the researcher has decided to use the average mean score of all factors to represent the indicators. Other reflective constructs (place satisfaction and place loyalty) are dismissed from the exploratory factor due to the very small number of indicators of the constructs and the established literature on these indicators. As expected, the exploratory factor analysis of the place attachment factors shows that the indicators belong to the domains that they are assigned to with KMO (Kaiser Meier Olkin) of >
Moreover, factor analysis on constructs such as place satisfaction and place loyalty shows the suitability of the indicators for use in the thesis.

### 6.3 Descriptive Statistics

#### 6.3.1 Introduction

This section discusses the demographic background of the sample, information on general behaviour, and assessment of the measurement and structural model. Results from Kota Bharu are explained based on 152 usable surveys. Meanwhile, results from Kuching are based on 135 usable surveys. The difference of the sample size is justified for Kuching which received smaller numbers despite an extended time frame given for data collection.

#### 6.3.2 Sample Characteristic

The demographic characteristics of the sample are summarised in Table 6.1. As expected, the largest age group of the sample for both cities was the age group of 20-40 year olds at 84.2% (n=152) for Kota Bharu, and 77% (n=135) for Kuching. A higher number of females in Kota Bharu at 59.9% and Kuching at 48.1% participated in the survey. A fair distribution is achieved in terms of marital status in Kota Bharu with the largest sample group reported as single at 44.1%. For Kuching the largest sample group was married with children at 52.6%. As expected, a large number of respondents held a bachelor degree at 48% (n=73) in Kota Bharu and at 54.8% in Kuching, this being the highest category of professionals and semi-professionals for both cities. The largest total monthly household income for both cities falls in the group of smaller than RM 10,000 which explains the average monthly salary of less than RM 2,000 for degree holders in Malaysia. The geography of the sample indicates the majority of samples
originate from the cities. The remaining samples originate from other cities in the country or are non-Malaysian.

Table 6.1 Sample Characteristics

<table>
<thead>
<tr>
<th></th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Frequency</strong></td>
<td><strong>Percent</strong></td>
<td><strong>Frequency</strong></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 - 40 years</td>
<td>128</td>
<td>104</td>
</tr>
<tr>
<td>41 – 60+ years</td>
<td>24</td>
<td>31</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>61</td>
<td>65</td>
</tr>
<tr>
<td>Female</td>
<td>91</td>
<td>70</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>67</td>
<td>52</td>
</tr>
<tr>
<td>Married without children</td>
<td>29</td>
<td>11</td>
</tr>
<tr>
<td>Married with children</td>
<td>51</td>
<td>71</td>
</tr>
<tr>
<td>Divorced with children</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Highest Education Level</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor degree</td>
<td>73</td>
<td>74</td>
</tr>
<tr>
<td>Master degree</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>PhD</td>
<td>12</td>
<td>0</td>
</tr>
<tr>
<td>Professional degree</td>
<td>27</td>
<td>13</td>
</tr>
<tr>
<td>Professional certificate</td>
<td>8</td>
<td>13</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td><strong>Working Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managerial</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>Professional/semi-professional</td>
<td>71</td>
<td>53</td>
</tr>
<tr>
<td>Executives</td>
<td>34</td>
<td>43</td>
</tr>
<tr>
<td>Self employed</td>
<td>14</td>
<td>5</td>
</tr>
<tr>
<td>Trainees</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td><strong>Total Household Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt;10K</td>
<td>122</td>
<td>83</td>
</tr>
<tr>
<td>10K - 20K</td>
<td>25</td>
<td>20</td>
</tr>
<tr>
<td>&gt;20K - 30K</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>&gt;30K - 40K</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>&gt;40K - 50K</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>&gt;50K</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td><strong>Origin</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>This city</td>
<td>89</td>
<td>89</td>
</tr>
<tr>
<td>Local</td>
<td>51</td>
<td>42</td>
</tr>
<tr>
<td>Foreigner</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>
6.3.3 General Behaviour Information

6.3.3.1 Introduction

The information on the sample’s behaviour measured in this survey is to identify the behavioural patterns of the respondents. This information explains the respondents’ behaviour towards the cities in general. It is measured via the duration of living in the city, main reasons for choosing the city as the place to live, frequencies of spending time out in the city, favourite places to be in the city, membership to any community club, primary sources of information about the city, the nature of the city in future, and willingness to pay to make the city sustainable and competitive.

6.2.3.2 Duration of Living in the City

This section refers to the first question of general behaviour section. Table 6.2 illustrates the information on duration of living that respondents have lived in the cities.

Table 6.2 Duration of Living in the City

<table>
<thead>
<tr>
<th>City</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year of Living</td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>&lt; 5 years</td>
<td>41</td>
<td>27.0</td>
</tr>
<tr>
<td>6 - 10 years</td>
<td>44</td>
<td>28.9</td>
</tr>
<tr>
<td>11 - 15 years</td>
<td>14</td>
<td>9.2</td>
</tr>
<tr>
<td>&gt; 15 years</td>
<td>53</td>
<td>34.9</td>
</tr>
</tbody>
</table>

The majority of the respondents report living in Kuching city for more than fifteen years. The result suggests the samples’ association with the city as the place for living and working. A fair distribution of duration of living in Kota Bharu suggests that the city is starting to attract people to live and work there. This situation is attributed to many new development projects in the city for the last several years such as mega markets (Tesco, Billion, KB Mall), big hotels (Renaissance, Diamond Puteri), and University Malaysia Kelantan.
6.2.3.3 Main Reasons for Living in the City

New project developments in the city suggest job opportunities for the sample in Kota Bharu. However, that aspect is not among the three main reasons for the samples to live in the city. The concern is illustrated in Table 6.3.

Table 6.3 Main Reasons for Living in the City

<table>
<thead>
<tr>
<th>Main Reason</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td>Family commitment</td>
<td>85(55.9%)</td>
<td>67(44.1%)</td>
</tr>
<tr>
<td>Job opportunities</td>
<td>71(46.7%)</td>
<td>81(53.3%)</td>
</tr>
<tr>
<td>City lifestyle</td>
<td>83(54.6%)</td>
<td>69(45.4%)</td>
</tr>
<tr>
<td>Educational system</td>
<td>67(44.1%)</td>
<td>85(55.9%)</td>
</tr>
<tr>
<td>Cost of living</td>
<td>83(54.6%)</td>
<td>69(45.4%)</td>
</tr>
<tr>
<td>Quality of life</td>
<td>36(23.7%)</td>
<td>116(76.3%)</td>
</tr>
<tr>
<td>Others</td>
<td>1(0.7%)</td>
<td>151(99.3%)</td>
</tr>
</tbody>
</table>

The largest three reasons for living in Kota Bharu are family commitment at 55.9% (n=152), city lifestyle at 54.6%, and cost of living also at 54.6%. Job opportunities at 46.7% and the educational system at 44.1%, which are tied to new project developments, come later. The respondent’s personal values to commit to the family, together with the city's well known low cost of living, and relaxed environment influence the respondent’s choice. As for Kuching, the three main reasons of living in the city, family commitment at 72.7% (n=135) followed by job opportunities at 52.6%, and quality of life at 27.4%, suggests the respondent’s choice to commit to the family’s origin having consideration for job opportunities and quality of life. Evidently, most respondents from both cities are tied to their birthplace for living and working.
6.2.3.4 Primary Sources of Information Influenced Choice of Living in the City

This information documents the types of information that respondents refer to in making decisions about living in the cities. Table 6.4 summarizes this aspect.

Table 6.4 Primary Sources of Information

<table>
<thead>
<tr>
<th>Sources</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Innate</td>
<td>22</td>
<td>14.5</td>
</tr>
<tr>
<td>Commercials</td>
<td>43</td>
<td>28.3</td>
</tr>
<tr>
<td>Public</td>
<td>21</td>
<td>13.8</td>
</tr>
<tr>
<td>Experiential</td>
<td>20</td>
<td>13.2</td>
</tr>
<tr>
<td>Personal</td>
<td>46</td>
<td>30.3</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The majority of respondents from Kota Bharu report referring to two main sources of information. These are: personal i.e. family and friends at 30.3% (n=152) and commercial i.e. websites, newspapers at 28.3% in making decisions about living in the city. In this case, word of mouth and mass media play important roles in the respondent’s choice. Meanwhile, innate sources at 45.9% followed by personal sources at 30.4% are the primary sources of information in making decisions about living in Kuching. The result suggests the influence of place of origin for living in the city.

Table 6.5 Time Out

<table>
<thead>
<tr>
<th>Regularity</th>
<th>Kota Bharu(n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Everyday</td>
<td>21</td>
<td>13.8</td>
</tr>
<tr>
<td>Once a week</td>
<td>37</td>
<td>24.3</td>
</tr>
<tr>
<td>Few times a week</td>
<td>56</td>
<td>36.8</td>
</tr>
<tr>
<td>Once a month</td>
<td>14</td>
<td>9.2</td>
</tr>
<tr>
<td>Few times a month</td>
<td>20</td>
<td>13.2</td>
</tr>
<tr>
<td>Few times a year</td>
<td>4</td>
<td>2.6</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
The majority of respondents from Kota Bharu spend time out in the city a few times a week at 36.8% (n=152). The respondents would have time out in the city at least a few times a year. The frequency of spending time out in Kuching is evenly distributed. Most respondents report spending their time out mostly everyday or at least once a week.

6.2.3.5 Favourite Places to be in the City

The time out reported by the sample is highly linked to the favourite places that the respondents like to be in the cities. This section documents the three most favourite places in the cities that the samples like. The information on this aspect is summarized in Table 6.6.

Table 6.6 Favourite Places to be in the City

<table>
<thead>
<tr>
<th>Venue</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td>Shopping places</td>
<td>126(82.9%)</td>
<td>26(17.1%)</td>
</tr>
<tr>
<td>Dining places</td>
<td>95(62.5%)</td>
<td>57(37.5%)</td>
</tr>
<tr>
<td>Public parks</td>
<td>80(52.6%)</td>
<td>72(47.5%)</td>
</tr>
<tr>
<td>Historical heritage</td>
<td>42(27.6%)</td>
<td>110(72.4%)</td>
</tr>
<tr>
<td>Public meeting places</td>
<td>23(15.1%)</td>
<td>129(84.9%)</td>
</tr>
<tr>
<td>Community centre</td>
<td>43(28.3%)</td>
<td>109(71.7%)</td>
</tr>
<tr>
<td>Event places</td>
<td>28(18.4%)</td>
<td>124(81.6%)</td>
</tr>
<tr>
<td>Others</td>
<td>0(0%)</td>
<td>0(0%)</td>
</tr>
</tbody>
</table>

The respondents from both cities report the three most favourite places as shopping, dining, and public parks. This result suggests the respondents’ preference for leisure activities at places like shopping, dining or public parks.
6.2.3.6 Interesting Aspects about the City

This question provides information on the aspects that the respondents view as attractive about the cities. The three main aspects that respondents view as attractive in the cities are presented in Table 6.7.

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social diversity</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>67(44.1%)</td>
<td>85(55.1%)</td>
</tr>
<tr>
<td></td>
<td>64(47.4%)</td>
<td>71(52.6%)</td>
</tr>
<tr>
<td>City cleanliness</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>25(16.4%)</td>
<td>127(83.6%)</td>
</tr>
<tr>
<td></td>
<td>60(44.4%)</td>
<td>75(55.6%)</td>
</tr>
<tr>
<td>Landscape</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>45(29.6%)</td>
<td>107(70.4%)</td>
</tr>
<tr>
<td></td>
<td>26(19.3%)</td>
<td>109(80.7%)</td>
</tr>
<tr>
<td>City atmosphere</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>34(22.4%)</td>
<td>118(77.6%)</td>
</tr>
<tr>
<td></td>
<td>17(12.6%)</td>
<td>118(87.4%)</td>
</tr>
<tr>
<td>Environmental protection</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>24(15.8%)</td>
<td>128(84.2%)</td>
</tr>
<tr>
<td></td>
<td>14(10.4%)</td>
<td>121(89.6%)</td>
</tr>
<tr>
<td>Residential environment</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>30(19.7%)</td>
<td>122(80.3%)</td>
</tr>
<tr>
<td></td>
<td>26(19.3%)</td>
<td>109(80.7%)</td>
</tr>
<tr>
<td>Amenities</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>11(7.2%)</td>
<td>141(92.8%)</td>
</tr>
<tr>
<td></td>
<td>12(8.9%)</td>
<td>123(91.1%)</td>
</tr>
<tr>
<td>Accessibility</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>44(28.9%)</td>
<td>108(71.2%)</td>
</tr>
<tr>
<td></td>
<td>25(18.5%)</td>
<td>110(81.5%)</td>
</tr>
<tr>
<td>Cultural identity</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>89(58.6%)</td>
<td>63(41.4%)</td>
</tr>
<tr>
<td></td>
<td>44(32.6%)</td>
<td>91(67.4%)</td>
</tr>
<tr>
<td>Safety</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>58(38.2%)</td>
<td>94(61.8%)</td>
</tr>
<tr>
<td></td>
<td>31(23.0%)</td>
<td>104(77.0%)</td>
</tr>
<tr>
<td>Historical heritage</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>27(17.8%)</td>
<td>125(82.2%)</td>
</tr>
<tr>
<td></td>
<td>20(14.8%)</td>
<td>115(85.2%)</td>
</tr>
<tr>
<td>Others</td>
<td>Yes n(%)</td>
<td>No n(%)</td>
</tr>
<tr>
<td></td>
<td>0(0%)</td>
<td>3(2.2%)</td>
</tr>
<tr>
<td></td>
<td>3(2.2%)</td>
<td>132(97.8%)</td>
</tr>
</tbody>
</table>

All the listed aspects are considered interesting by respondents from both cities. Cultural identity at 59.6% (n=152) is the largest aspect that the respondents consider interesting in Kota Bharu. Social diversity at 44.1% and safety at 38.2% follows. The largest choice for cultural identity for Kota Bharu is the idea of the state’s Islamic party for maintaining Islamic identity. In Kuching, the most interesting aspect is social diversity at 47.4% (n=135), followed by city cleanliness at 44.4%, and cultural identity at 32.6%. This result concurs with the city’s background of having various ethnic backgrounds and a unique cultural identity. City cleanliness suggests a feature of the city upheld by the fact that it is the holder of an ASEAN Sustainable City Awards.
Amenities which are at 7.2% in Kota Bharu and at 8.9% in Kuching is the least attractive aspect of the cities.

6.2.3.7 Membership to Community Group

This information documents the willingness of the respondent to become involved with the community and the cities. Table 6.8 illustrates the results.

<table>
<thead>
<tr>
<th>Table 6.8 Membership to Community Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
</tr>
<tr>
<td>Status</td>
</tr>
<tr>
<td>Yes</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Not sure</td>
</tr>
</tbody>
</table>

The majority of respondents from both cities report as not members of community groups. However, larger Kuching samples at 28.1% (n=135) are members of community groups compared to Kota Bharu at 19% (n=152). Most respondents from Kota Bharu at 17.1% are not sure about their membership status compared to Kuching at 7.4%.

6.2.3.8 Hope of Future City

The question regarding this aspect seeks the respondents’ response for the status of the cities in the future. A small majority of the respondents from Kota Bharu at 30.3% (n=152) hope that the city will be fair-industrial-cultural. This choice is linked to the hope of maintaining the city's unique culture while making further industrial developments. A similar result is shown for Kuching. However, a small majority of respondents at 31.9% (n=135) hope that the city will be fair-cultural-environmental. This result suggests the respondents’ hope to maintain the city’s cultural diversity and environment. Though mixed feelings about the nature of the city’s future is evident,
respondents’ from both cities choose a sustainable component as crucial for the cities. Table 6.9 illustrates the respondents’ hope for the cities’ future.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Industrial</td>
<td>19</td>
<td>12.5</td>
</tr>
<tr>
<td>Cultural</td>
<td>12</td>
<td>7.9</td>
</tr>
<tr>
<td>Environmental</td>
<td>21</td>
<td>13.8</td>
</tr>
<tr>
<td>Industrial / cultural</td>
<td>46</td>
<td>30.3</td>
</tr>
<tr>
<td>Cultural / environmental</td>
<td>26</td>
<td>17.1</td>
</tr>
<tr>
<td>Industrial / environmental</td>
<td>28</td>
<td>18.4</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

6.2.3.9 Willingness To Pay

The information provided by the respondent groups in this section helps determine the respondents’ willingness to sacrifice monetary value to make their cities sustainable and competitive. Table 6.10 below presents the respondents’ willingness to pay.

<table>
<thead>
<tr>
<th>Range</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percent</td>
</tr>
<tr>
<td>Below RM100</td>
<td>48</td>
<td>31.6</td>
</tr>
<tr>
<td>RM101-RM200</td>
<td>50</td>
<td>32.9</td>
</tr>
<tr>
<td>RM201-RM300</td>
<td>33</td>
<td>21.7</td>
</tr>
<tr>
<td>RM301-RM400</td>
<td>11</td>
<td>7.2</td>
</tr>
<tr>
<td>RM401-RM500</td>
<td>2</td>
<td>1.3</td>
</tr>
<tr>
<td>&gt; RM500</td>
<td>8</td>
<td>5.3</td>
</tr>
<tr>
<td>Others</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The majority of respondents from both cities are willing to pay RM200 or less to make their cities sustainable and competitive. Small number of respondents from Kota Bharu at 5.3% (n=152), and from Kuching at 7.4% (n=135) are willing to spend more than RM500 for their cities. This result suggests that most respondents are willing to spend some amount of money to make their cities sustainable and competitive. The mixed
results suggest that the amount of money that the respondents are willing to pay varies across the sample.

6.4 Measurement Model Evaluation

6.4.1 Introduction

As discussed earlier, Partial Least Squares (PLS) software is employed for testing the proposed models in this thesis. The testing starts with measurement of the model for its goodness-of-fit. Both reflective and formative measurement models are assessed through measurement of reliability and validity. For reflective constructs, both reliability and validity is of high importance. For formative construct, validity which is measured through convergent and discriminant validity is of high importance. Henseler et al. (2009) suggests that convergent validity represents a set of indicators of one underlying construct demonstrated through their unidimensionality, while discriminant validity represents two conceptually different concepts exhibiting sufficient difference (non-unidimensional). This section discusses the assessment of the measurement model starting with the descriptive statistics.

6.4.2 Descriptive Statistics for Indicators/Constructs

Model parsimony is an important aspect in model development (Diamantopoulos and Siguaw, 2006). As indicated earlier, this thesis involves the use of a very large number of indicators which risks the model parsimony. To generate a parsimonious model, this thesis uses the mean score of the respective items as constructs of place sustainability, place competitiveness, and place attachment. It is argued that the use of the mean score adhere to the established guidelines of the components that make up the constructs. In addition, the mean score is used to link items to their respective indicators due to content validity. However, another two constructs, place satisfaction and place loyalty,
are used at their original point. Summary of the indicators, the mean score, and the standard deviation of all indicators is illustrated in Table 6.11.

Table 6.11 Descriptive Statistics for Indicators/Constructs

<table>
<thead>
<tr>
<th>City</th>
<th>Kota Bharu (n=152)</th>
<th>Kuching (n=135)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Items</td>
<td>Mean</td>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Sustainable Place (Formative)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>6</td>
<td>3.852</td>
</tr>
<tr>
<td>Economic</td>
<td>6</td>
<td>3.839</td>
</tr>
<tr>
<td>Environmental</td>
<td>7</td>
<td>3.521</td>
</tr>
<tr>
<td>Institutional</td>
<td>5</td>
<td>3.445</td>
</tr>
<tr>
<td>Competitiveness (Formative)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>6</td>
<td>3.998</td>
</tr>
<tr>
<td>Human capital</td>
<td>6</td>
<td>4.067</td>
</tr>
<tr>
<td>Quality of life</td>
<td>7</td>
<td>3.745</td>
</tr>
<tr>
<td>Governance</td>
<td>6</td>
<td>3.547</td>
</tr>
<tr>
<td>Place Attachment (Reflective)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Place identity</td>
<td>6</td>
<td>3.984</td>
</tr>
<tr>
<td>Place affective</td>
<td>6</td>
<td>3.985</td>
</tr>
<tr>
<td>Place dependence</td>
<td>8</td>
<td>3.917</td>
</tr>
<tr>
<td>Place Satisfaction (Reflective)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Place Loyalty (Reflective)</td>
<td>2</td>
<td>4.089</td>
</tr>
</tbody>
</table>

6.4.3 Validation of Reflective Constructs

Following guidelines by Henseler et al. (2009), an assessment for reflective constructs was conducted on the reflective constructs (place attachment, place satisfaction, and place loyalty). As shown in Appendix 2 (Table 5 and Table 8), minimum composite reliability scores of 0.933 for Kota Bharu and 0.939 for Kuching suggests internal consistency for the constructs. Further, minimum Cronbach’s alpha scores of 0.892 for Kota Bharu and 0.902 for Kuching add to the internal consistency aspect. Outer
loadings on indicators of all three constructs from both cities are high, and are well above the acceptable scores of 0.7 which reflects the indicators’ reliabilities (refer to Table 6 and Table 10 in Appendix 2). More specifically, a convergent validity for all reflective constructs is achieved. The percentage of explained variance by indicators relative to measurement error measured by AVE scores fulfilled the minimum requirement of 0.5 for both cities.

According to Chin (2010) most researchers either compare the square root of AVE to construct correlations or compare the average variance extracted with the squared correlations among constructs to show discriminant validity. He claims that presenting AVE with squared correlations offers better intuitive interpretation as it shows the percentage overlap (i.e., shared variance) among constructs and construct indicators which make it easier to highlight the differences. As shown in Table 6.12, the AVE scores of the reflective constructs are higher than the squared correlations with all other constructs. Each reflective constructs from both cities share more variance with its own block of indicators than other constructs represented by different block of indicators. This condition fulfils the Fornell-Larcker Criterion and indicates discriminant validity.

Another check for discriminant validity by the cross-loadings of the constructs’ indicators further confirms the constructs’ validity. As shown in Table 6.13, indicators of each constructs from both cities show higher correlation within their respective constructs compared to other constructs. Collectively, the findings in this section suggest adequate convergent and discriminant validity for the reflective constructs.
Table 6.12 Squared Correlations of Constructs

<table>
<thead>
<tr>
<th></th>
<th>Sustainable</th>
<th>Attachment</th>
<th>Competitiveness</th>
<th>Loyalty</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attachment</td>
<td>0.412</td>
<td>0.823*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitiveness</td>
<td>0.673</td>
<td>0.464</td>
<td></td>
<td>0.271</td>
<td>0.920*</td>
</tr>
<tr>
<td>Loyalty</td>
<td>0.322</td>
<td>0.601</td>
<td>0.198</td>
<td>0.424</td>
<td>0.846*</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.207</td>
<td>0.572</td>
<td>0.198</td>
<td>0.424</td>
<td>0.846*</td>
</tr>
</tbody>
</table>

KUCHING

<table>
<thead>
<tr>
<th></th>
<th>Sustainable</th>
<th>Attachment</th>
<th>Competitiveness</th>
<th>Loyalty</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attachment</td>
<td>0.251</td>
<td>0.837*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitiveness</td>
<td>0.635</td>
<td>0.309</td>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Loyalty</td>
<td>0.110</td>
<td>0.679</td>
<td>0.144</td>
<td>0.948*</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.139</td>
<td>0.601</td>
<td>0.170</td>
<td>0.618</td>
<td>0.923*</td>
</tr>
</tbody>
</table>

*bold, construct AVE, *shaded columns are formative constructs with no AVE score

6.4.4 Validation of Formative Constructs

The assessment of reliability and validity for formative constructs is different compared to reflective constructs (Henseler et al., 2009). In this thesis, place sustainability and place competitiveness are defined as formative constructs. Table 6.14 shows that three indicators from Kota Bharu (social, institutional, and human capital) and three indicators from Kuching (human capital, institutional, and infrastructure) show low outer weight scores and are not significant at a 0.05 level. Following Bollen and Lennox (1991), these indicators are retained to avoid changing the constructs’ structures and contents. According to Chin (1998) only indicators’ weights are assessed in the measurement model because they indicate the relative importance of indicators to latent constructs similar to regression. For both cities, competitiveness constructs are largely explained by quality of life indicators. Different results are shown for sustainability constructs and the least explained constructs from both cities. More specifically, the
sustainability construct for Kota Bahru is largely explained by economic indicators. Kuching’s is explained by social indicators.

Table 6.13 Cross Loading of the Constructs

<table>
<thead>
<tr>
<th>KOTA BHARU</th>
<th>SUST.</th>
<th>ATTACH.</th>
<th>COMPETE</th>
<th>LOYAL</th>
<th>SATISFY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction 1</td>
<td>0.430</td>
<td>0.703</td>
<td>0.411</td>
<td>0.580</td>
<td>0.909</td>
</tr>
<tr>
<td>Satisfaction 2</td>
<td>0.462</td>
<td>0.732</td>
<td>0.453</td>
<td>0.624</td>
<td>0.958</td>
</tr>
<tr>
<td>Satisfaction 3</td>
<td>0.359</td>
<td>0.651</td>
<td>0.362</td>
<td>0.592</td>
<td>0.891</td>
</tr>
<tr>
<td>Loyalty 1</td>
<td>0.564</td>
<td>0.776</td>
<td>0.534</td>
<td>0.963</td>
<td>0.657</td>
</tr>
<tr>
<td>Loyalty 2</td>
<td>0.523</td>
<td>0.708</td>
<td>0.462</td>
<td>0.956</td>
<td>0.589</td>
</tr>
<tr>
<td>Place dependence</td>
<td>0.545</td>
<td>0.914</td>
<td>0.586</td>
<td>0.705</td>
<td>0.705</td>
</tr>
<tr>
<td>Place identity</td>
<td>0.597</td>
<td>0.924</td>
<td>0.636</td>
<td>0.711</td>
<td>0.748</td>
</tr>
<tr>
<td>Place attachment</td>
<td>0.606</td>
<td>0.882</td>
<td>0.632</td>
<td>0.694</td>
<td>0.600</td>
</tr>
<tr>
<td>Economic</td>
<td>0.905</td>
<td>0.592</td>
<td>0.699</td>
<td>0.557</td>
<td>0.418</td>
</tr>
<tr>
<td>Environment</td>
<td>0.897</td>
<td>0.556</td>
<td>0.806</td>
<td>0.470</td>
<td>0.559</td>
</tr>
<tr>
<td>Institutional</td>
<td>0.732</td>
<td>0.500</td>
<td>0.556</td>
<td>0.391</td>
<td>0.400</td>
</tr>
<tr>
<td>Social</td>
<td>0.365</td>
<td>0.208</td>
<td>0.316</td>
<td>0.200</td>
<td>0.181</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>0.674</td>
<td>0.617</td>
<td>0.868</td>
<td>0.481</td>
<td>0.384</td>
</tr>
<tr>
<td>Governance</td>
<td>0.676</td>
<td>0.450</td>
<td>0.729</td>
<td>0.329</td>
<td>0.312</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.495</td>
<td>0.451</td>
<td>0.641</td>
<td>0.346</td>
<td>0.304</td>
</tr>
<tr>
<td>Human capital</td>
<td>0.322</td>
<td>0.370</td>
<td>0.463</td>
<td>0.235</td>
<td>0.238</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KUCHING</th>
<th>SUST.</th>
<th>ATTACH.</th>
<th>COMPETE</th>
<th>LOYAL</th>
<th>SATISFY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction 1</td>
<td>0.404</td>
<td>0.742</td>
<td>0.433</td>
<td>0.766</td>
<td>0.961</td>
</tr>
<tr>
<td>Satisfaction 2</td>
<td>0.349</td>
<td>0.761</td>
<td>0.394</td>
<td>0.763</td>
<td>0.977</td>
</tr>
<tr>
<td>Satisfaction 3</td>
<td>0.320</td>
<td>0.732</td>
<td>0.362</td>
<td>0.736</td>
<td>0.943</td>
</tr>
<tr>
<td>Loyalty 1</td>
<td>0.367</td>
<td>0.803</td>
<td>0.398</td>
<td>0.973</td>
<td>0.752</td>
</tr>
<tr>
<td>Loyalty 2</td>
<td>0.279</td>
<td>0.802</td>
<td>0.341</td>
<td>0.974</td>
<td>0.778</td>
</tr>
<tr>
<td>Place dependence</td>
<td>0.464</td>
<td>0.921</td>
<td>0.558</td>
<td>0.750</td>
<td>0.689</td>
</tr>
<tr>
<td>Place identity</td>
<td>0.419</td>
<td>0.922</td>
<td>0.479</td>
<td>0.777</td>
<td>0.653</td>
</tr>
<tr>
<td>Place affective</td>
<td>0.489</td>
<td>0.901</td>
<td>0.487</td>
<td>0.735</td>
<td>0.782</td>
</tr>
<tr>
<td>Economic</td>
<td>0.877</td>
<td>0.441</td>
<td>0.691</td>
<td>0.317</td>
<td>0.318</td>
</tr>
<tr>
<td>Environment</td>
<td>0.841</td>
<td>0.381</td>
<td>0.682</td>
<td>0.266</td>
<td>0.353</td>
</tr>
<tr>
<td>Institutional</td>
<td>0.692</td>
<td>0.299</td>
<td>0.582</td>
<td>0.168</td>
<td>0.313</td>
</tr>
<tr>
<td>Social</td>
<td>0.878</td>
<td>0.465</td>
<td>0.697</td>
<td>0.280</td>
<td>0.307</td>
</tr>
<tr>
<td>Quality of Life</td>
<td>0.698</td>
<td>0.532</td>
<td>0.915</td>
<td>0.348</td>
<td>0.406</td>
</tr>
<tr>
<td>Governance</td>
<td>0.685</td>
<td>0.453</td>
<td>0.836</td>
<td>0.330</td>
<td>0.312</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.662</td>
<td>0.333</td>
<td>0.731</td>
<td>0.230</td>
<td>0.289</td>
</tr>
<tr>
<td>Human capital</td>
<td>0.559</td>
<td>0.428</td>
<td>0.729</td>
<td>0.283</td>
<td>0.306</td>
</tr>
</tbody>
</table>

* Shaded columns represent formative constructs
The sustainability construct for Kota Bharu is least explained by social indicators, but for Kuching the construct is least explained by institutional indicators. Whereas for competitiveness constructs, Kota Bharu is least explained by human capital indicators, Kuching is least explained by infrastructure indicators. Human capital indicators and infrastructure indicators for Kuching shows very little difference. Overall, nomological validity is fulfilled for the formative constructs. Correlations of both formative constructs with other constructs from both cities are well below 0.9 (refer to Table 7 and Table 9 in Appendix 2). This condition suggests that discriminant validity is fulfilled. Variance inflation factor (VIF) values below 10 for all indicators of formative constructs from both cities reflect no serious problem of multicollinearity among the indicators (refer to Table 1-Table 4 in Appendix 1). All correlations between independent variables below 0.70 further supports that multicollinearity is not a serious data problem. Overall, the assessments of the measurement models show that the models are of good fit to proceed to evaluation of the structural model.

Table 6.14 Outer Weights for Formative Constructs

<table>
<thead>
<tr>
<th>City</th>
<th>Kota Bharu</th>
<th>Kuching</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct</td>
<td>Sustainable</td>
<td>Competitiveness</td>
</tr>
<tr>
<td>Economic</td>
<td>0.489</td>
<td></td>
</tr>
<tr>
<td>Environmental</td>
<td>0.393</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>0.143</td>
<td></td>
</tr>
<tr>
<td>Institutional</td>
<td>0.209</td>
<td></td>
</tr>
<tr>
<td>Human capital</td>
<td>-0.004</td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.331</td>
<td></td>
</tr>
<tr>
<td>Quality of life</td>
<td>0.569</td>
<td></td>
</tr>
<tr>
<td>Governmental</td>
<td>0.405</td>
<td></td>
</tr>
</tbody>
</table>
6.5 Assessment of Structural Model

6.5.1 Introduction
Following Henseler et al. (2009), guidelines for assessment of structural models, this thesis evaluates the goodness of fit of the structural model by the $R^2$ value of endogenous latent variables, estimates for path coefficients and the t-statistics, and predictive relevance ($Q^2$ and $q^2$) and effect sizes ($f^2$). In this analysis, the respective t-statistics are based on a bootstrapping resampling procedure (Henseler et al., 2009). The discussion begins with an assessment of the $R^2$ value, which represents the percentage with which the independent variables explain the variation in the dependent variable (Chin, 2010). The discussion on this section focuses on Figure 6.2 which presents results of the analysis for the structural model including the magnitude and significance of inter-construct relationships.

6.5.2 $R^2$ Value
The $R^2$ values from the PLS analysis are interpreted in the same manner as those obtained from multiple regression analysis. Overall, $R^2$ values from both cities range from 0.318 to 0.673, are significant at $p <0.05$ and suggest a satisfactory fit of the model to the data. For both cities, the $R^2$ values are lowest in place attachment which provides a moderate explanation of variation for the construct. High and close to high $R^2$ values for both cities on place competitiveness, place satisfaction, and place loyalty suggest that the model largely explains the variation of these three constructs. Though the largest $R^2$ for Kota Bharu is explained by the variation of place competitiveness, and the largest $R^2$ value for Kuching is explained by the variation of place loyalty, both values are substantial and close to one another. This result suggests that the model is largely explained by variations in both place loyalty and place competitiveness. According to Anderson and Fornell (2000) $R^2$ values also suggest nomological validity.
The results of the $R^2$ values from both cities suggest that the structural model has explanatory significance. It must be noted that since no similar studies exist with regard to this prospect, no comparison is made of the $R^2$ values for testing their strengths.

Figure 6.2 Structural Model of Sustainable Competitive Places

![Structural Model](image)

*Note: Values outside the bracket are path coefficients for Kota Bharu and values inside the bracket ( ) in bold are path coefficients for Kuching.

Note: SD = Sustainable Development, PC = Place Competitiveness, PS = Place Satisfaction, PL = Place Loyalty, PA = Place Attachment

### 6.5.3 Path Coefficient and T-Value

The path coefficients of the structural model for both cities are shown in Figure 6.2. All but few path coefficients in the model from both cities are of expected levels. Through the observation of the t-values, all but few of the path coefficients are statistically significant at $p<0.05$. The t-values for each path coefficient are obtained through the resampling technique of bootstrapping. According to Tenenhaus et al. (2005) the technique reveals confidence intervals of the path coefficients and their statistical
inference. In this thesis, the resampling technique of 1000 samples is used. Each path coefficients represents a hypothesis and according to Chin (1998), the t-values express the relation between the measurement variables and their corresponding latent variables. In this thesis, each hypothesis is assessed through examination of the signs and statistical significances of the T-values for the corresponding paths. As shown in Figure 6.2, place sustainability has very significant positive effect on place competitiveness (0.820, \textit{0.797}), p<0.05 for both cities, which supports H7 (place sustainability positively effects place competitiveness). However, path coefficients of place competitiveness \rightarrow place satisfaction, (-0.174, \textit{-0.022}), p<0.05 and place competitiveness \rightarrow place loyalty (-0.150, \textit{-0.060}) p<0.05 show unexpected signs and these are insignificant. These results do not support both H5 (place competitiveness positively effects place satisfaction) and H4 (place competitiveness positively effects place loyalty for both cities). For Kuching, the unexpected signs and insignificances further extended to path coefficients of place sustainability \rightarrow place loyalty (-0.059), p<0.05, and place sustainability \rightarrow place satisfaction (-0.006), p<0.05, which does not support H3 (place sustainability positively effects place satisfaction). Surprisingly, the path coefficient from place satisfaction \rightarrow place loyalty for Kuching shows a significant sign (\textit{0.363, t=4.099}), p<0.05 while the path from Kota Bharu with a bigger number of cases shows insignificance. However, the path coefficient from Kota Bharu for place sustainability \rightarrow place loyalty (0.229, t=2.444), p<0.05 again shows an expected sign and significance. The t-values for all path coefficients for both cities are presented in Appendix 3 (Table 11 and Table 15). The t > 1.96, and p<0.05 is referred to in this thesis. Overall, the assessments of the structural model suggest that the model shows explanatory significance.
The data is also assessed for total effects which are summarized in Table 6.14. As shown in the table, place sustainability has a significant positive total effect on place loyalty for both cities (0.511**, 0.348**), p<0.05, though it does not show a significant effect on place satisfaction and direct effect on place loyalty. This result suggests that place sustainability affects the residents’ loyalty indirectly through mediation of place competitiveness, place attachment, and place satisfaction. This finding supports H10 (place sustainability positively effects place loyalty). Moreover, place competitiveness also shows a significant positive total effect on place loyalty (0.228**, 0.451**), p<0.05 for both cities despite negative direct effects on place loyalty. Place competitiveness indirectly effects residents’ loyalty through place attachment and place satisfaction. This finding supports H9 (place competitiveness positively effects place loyalty).

In addition, the results show that place attachment has both a significant positive direct effect and total effect on place loyalty. Both cities show the highest total effects for these relationships. These results further suggest that place attachment greatly effects the residents’ loyalty either directly or indirectly. As such, H8 (place attachment positively effects place loyalty), is supported. As shown in the Table 6.14, place satisfaction positively effects place loyalty for both cities, but is not significant for Kota Bharu. However, this thesis refers to the previous studies of similar perspectives and accepts results from Kuching. Thus, the result supports H6 (place satisfaction effects place loyalty).
Table 6.15 Total Effects of the Structural Model

<table>
<thead>
<tr>
<th>Effect</th>
<th>Mediator(S)</th>
<th>Calculation (Direct+ Indirect Effects)</th>
<th>Total Effect Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \xi_1 \rightarrow \eta_5 )</td>
<td>( \xi_2, \eta_3, \eta_4 )</td>
<td>( \gamma_{52} + \gamma_{21} + \gamma_{32} \cdot \beta_{53} + \gamma_{41} \cdot \beta_{54} + \gamma_{31} \cdot \beta_{43} \cdot \beta_{54} )</td>
<td>0.511**(0.348)**</td>
</tr>
<tr>
<td>( \xi_2 \rightarrow \eta_5 )</td>
<td>( \eta_3, \eta_4 )</td>
<td>( \gamma_{51} + \gamma_{32} \cdot \beta_{53} + \gamma_{32} \cdot \beta_{43} \cdot \beta_{54} + \gamma_{42} \cdot \beta_{54} )</td>
<td>0.228**(0.451)**</td>
</tr>
<tr>
<td>( \eta_3 \rightarrow \eta_5 )</td>
<td>( \eta_4 )</td>
<td>( \beta_{53} + \beta_{43} \cdot \beta_{54} )</td>
<td>0.748**(0.893)**</td>
</tr>
<tr>
<td>( \eta_4 \rightarrow \eta_5 )</td>
<td>-</td>
<td>( \beta_{54} )</td>
<td>0.141/n.s (0.363)**</td>
</tr>
</tbody>
</table>

** p<0.05, n.s (not significant)

6.5.4 Analysis of Predictive Relevance

An important aspect of PLS is its prediction accuracy, which suggest the prediction or reproduction of the endogenous latent variables constructed by the model (Chin, 2010, Henseler et al., 2009). For the purpose of this thesis, the accuracy is measured with the non-parametric Stone-Geisser-Test criterion (Stone, 1974; Geisser, 1975) through the application of blindfolding procedures (Tenenhaus et al., 2005). The \( Q^2 \) value above zero suggests that the model has prediction accuracy, but a value above 0.5 is desirable (Chin, 2010). Following the suggestion of Ringle et al. (2005), a blindfolding procedure using an omission distance of 7 is performed. As shown in Table 14 and Table 18 of Appendix 3, all \( Q^2 \) values are above the required zero-level for both cities. The highest prediction accuracy in the structural model for both cities is presented by place loyalty. The \( Q^2 \) values support the assumption that all endogenous constructs from both cities are almost equally well predicted throughout the structural model. The overall prediction accuracy of the whole structural model is achieved. In summary, various assessments of the models confirm that they both possess the goodness of fit in relation to both the measurement model and the structural model. Findings of the research hypotheses are presented in the next section.
6.6 Discussion of Hypotheses Findings

As revealed in the previous sections, analysis of the proposed model of this thesis in Figure 6.2 suggests that the model possesses goodness of fit. The analysis which employs PLS structural equation modelling shows that most of the research hypotheses are supported. The findings are discussed within the context of both Kota Bharu and Kuching cities. By looking at the ten hypotheses derived from the proposed model, the following section elaborates on the findings from the analysis. First, it is investigated if empirical evidence support the idea that place attachment positively effects place satisfaction (H1).

Finding 1: Place attachment has a positive and significant direct effect on place satisfaction to a high degree in both cities.

The empirical results confirm that place satisfaction is hugely influenced by place attachment. This finding supports theoretical notion of researchers (e.g. Wickham, 2000; Halpenny, 2006; Scott and Vitardas, 2008) that place satisfaction is linked to the level of attachment to the places. The relationship between place attachment and experience evaluations, and the influence of place attachment on people’s satisfaction with their recreation setting, suggested by Mowen et al. (1997), is replicated in the field of urban setting. In this case, place attachment influences residents’ satisfaction with their cities. This idea is rationalized by large quantities of information in making decisions about living in the city as innate or living in the cities themselves. Experience evaluations influence the residents’ sense of belonging and their choice in making decisions about places to live. In practice, good leisure experiences such as shopping, dining, and visits to public parks lead to residents’ satisfaction with their cities. Furthermore, the empirical results imply that place satisfaction which involves...
judgment on multidimensional summaries of perceived quality of a particular location (Stedman, 2002) is influenced by people’s attachment to their places. This doctoral thesis argues that place attachment also positively effects place loyalty (H8). Empirically, the findings related to place attachment further confirms that:

**Finding 2:** *Place attachment positively and significantly effects place loyalty directly and indirectly through place satisfaction.*

The findings support previous studies that place attachment significantly predicts place loyalty or higher attachments, means higher degrees of loyalty (Brocato, 2006; and Simpson and Siguaw, 2008). In this context, the residents’ high attachment to their cities translates into their higher degrees of loyalty. This loyalty to their cities is either caused by the residents’ satisfaction which leads to the loyalty, or simply because they are attached to their cities. Furthermore, the findings validate Iwasaki and Havitz’s (1998) conceptual process that both place attachment and customer satisfaction significantly and positively influence destination loyalty. Alegre and Juaneda (2006) argue that emotional attachment to places influences repeat visits. In this case, the loyalty or form of repeat visitation relates to the residents’ conative loyalty i.e. the intention to live in the cities. Association to place of origin such as family commitment enhances the residents’ attachment to their cities and their decision to live in the cities for more than fifteen years. This explanation directs to the positive and significant total effects of the relationships between place attachment and place loyalty. To better explain place attachment for this thesis, the link between place attachment and place sustainability is investigated. As such, place sustainability is believed to positively effect place attachment (H2).
Finding 3: Place sustainability positively and significantly effects place attachment directly or indirectly through place competitiveness.

While place attachment effects other constructs (place satisfaction and place loyalty), it is highly affected by other constructs such as place sustainability. This result implies that the residents are sensitive to aspects of sustainable development in their cities. More specifically, sustainability directly influences the residents attachment to their cities or alternatively, by way of the cities’ competitiveness. Practically, the reason associated with this finding is that sustainable development in cities represents a less polluted place to live and work for the long term. The findings support Hou et al.’s (2002) study that place attractiveness and place involvement facilitate the formation of place attachment and cultural identity. In this case, the attractive aspect of the sustainable development of cities forms the residents’ attachment to their cities. The findings further extend previous researches of Williams et al. (1992) and Pratt (1998) that those aspects of sustainability influence attachment to places.

Thus, place customers’ attachment is a crucial element in planning, developing, and marketing sustainable competitive places. The strongest predictive relationships are place attachment to place satisfaction, followed closely by place loyalty which demonstrates the significance of this aspect. The discussion on place attachment is the central requirement in determining sustainable competitive places because of its influence on all aspects concerned. The effect of place attachment to sustainable competitiveness of places is proven substantial. Further, this thesis argues that place sustainability positively effects place satisfaction (H3).
Finding 4: Place sustainability negatively or weakly effects place satisfaction directly; but positively and significantly effects place satisfaction indirectly through place attachment only.

The empirical findings imply that aspects of sustainable development in cities do not directly influence the residents’ satisfaction with their cities. The residents’ satisfaction with their cities with regards to sustainability aspects, however, is also influenced by the residents’ attachment. This finding confirms Kyle et al.’s (2004) study that environmental surrounding, through place attachment, helps increase satisfaction to a place. The finding implies that Ikeshoji et al.’s (2005) study on the influence of sustained economic growth on customer satisfaction may partly be influenced by the customers’ attachment. A non-significant positive direct effect on place satisfaction, and a non-significant positive indirect effect through place competitiveness, is rationalized as the residents’ sensitivity or affection to their cities. This is a significant influence in determining their satisfaction. Moreover, the relationship between place sustainability and place competitiveness has been investigated. This thesis argues that place sustainability positively effects place competitiveness (H7). The results obtained strongly support the hypothesis.

Finding 5: Place sustainability has positive and significant effects on place competitiveness, to the highest degree.

The results support Yuen’s (2007) finding that place sustainability or place cultural identity plays a role in increasing Singapore’s competitiveness. In this case, city sustainability influences the residents’ evaluation of the city’s competitiveness. On a practical basis, residents view aspects such as cultural identity, social diversity, safety, and city cleanliness as important by contributing to the city’s quality of life.
Furthermore, the finding replicates Barney’s (1991) linkages between valuable resources and competitive advantage. In this context, the city’s sustainable component, principally economic and social factors, increase the city’s competitiveness mainly in term of quality of life. Once the relationship between place sustainability and place competitiveness is established, place loyalty merits investigation. The thesis argues that this aspect is positively is effected by place sustainability (H10).

**Finding 6:** Place sustainability positively and significantly has indirect and direct effects on place loyalty for Kota Bharu; and negatively affects place loyalty for Kuching.

Positive significant total effects on constructs for both cities suggest that the results support previous research of similar perspectives (e.g. Guest and Lee, 1983; Hartz et al., 2001). Furthermore, the findings suggests that place loyalty is influenced by the place’s sustainable development. The influence is either direct or also determined by other factors of place attachment, place competitiveness, and place satisfaction. More specifically, the influence of the cities’ sustainability on residents’ loyalty is only confirmed when the sustainability component is combined with other components such as place attachment, place competitiveness, and place satisfaction. The results highlight the importance of other aspects in establishing relationships between place sustainability and place loyalty. This explanation rationalizes the residents’ length of stay for more than 15 years in a city. Yet, the negative direct associations between place competitiveness with place satisfaction and place loyalty, place sustainability and place satisfaction, and place sustainability and place loyalty for Kuching, should be taken into account when considering cities’ sustainability as a means to increase residents’ loyalty. The negative direct effect on the relationship between place sustainability and place
loyalty only for Kuching is rationalized as the prospect of the city as a place for securing jobs. Altogether, the results show that all components are collectively positive and significant, largely influenced by place attachment, which suggests place loyalty. With respect to the relationship between place sustainability and place loyalty, the result highlights the great importance of a sense of belonging experienced by the residents. As the result suggests, place competitiveness indicates conflictive relations with other components through negative direct effects on place loyalty and place satisfaction. The discussion above presents the unique nature of this thesis compared to similar studies such as Guest and Lee (1983) and Hartiz et al. (2001). Furthermore, review of the literature argues that the aspect of place competitiveness positively effects place attachment (H4). The influence of place attachment is further substantiated.

Finding 7: Place competitiveness positively and significantly affects place attachment. Positive results for this relationship suggest the influence of place attachment on other relevant constructs in the model. The findings further strengthened Turok’s (2004) findings that place offerings influence place attachment. Similarly, the findings sustain Tuhkunen’s (2007) study that youthful northern European migration to a new place is influenced by the sense of the new place. The findings support previous studies on the effect of place competitiveness in establishing sense of belonging to places. Translated into an urban context, the cities’ competitiveness, particularly the quality of life factor, increases the resident’ sense of belonging to their cities. It must be noted that since residents view quality of life as the main factor for cities’ competitiveness, entertainment and leisure places in the cities such as shopping, dining and public parks are important to them. The residents’ commitment to their families is further enhanced by quality of life attributed to the cities. Such findings on the effects of place
competitiveness on place attachment leads to the rationale that place competitiveness positively effects place satisfaction (H5).

**Finding 8:** Place competitiveness has indirect positive and significant effects on place satisfaction through place attachment, but directly negatively effects place satisfaction.

As expected, place competitiveness significantly determines place satisfaction. However, the effect is influenced by place attachment. This influence is explained by the combination of the positive impacts of place competitiveness and place attachment, and place attachment and place satisfaction. The result implies that competitiveness alone does not contribute to people’s satisfaction with places. This finding confirms general views of previous research (e.g. Rogerson, 1999; Lengyel, 2007; Zenker, 2009) that quality of life influences residents’ satisfaction. Contrary with these previous researches, the finding of this thesis shows that the relationship between place sustainability and place satisfaction is influenced by an element of attachment. In this case, the residents’ satisfaction with their lives in the cities means the cities’ offerings such as job opportunities, quality of life, and infrastructure enhance the residents’ sense of belonging which further suggests satisfaction with their cities. This finding supports Taylor (1998) and Abercrombie (1998). Similar to previous understanding, this relationship notes the great influence of the residents’ attachment on other sustainable competitiveness constructs in the model. Since place competitiveness is highly associated with place satisfaction, the effect is similarly assumed for place loyalty, whereby place competitiveness positively affects place loyalty (H9).
Finding 9: Place competitiveness has indirect positive significant effects on place loyalty through place attachment, but directly negatively effects place loyalty.

Similar to previous findings, the total effects of place competitiveness on place loyalty is found to be positive and significant, but only through the influence of place attachment and place loyalty. The result is contrary to previous researches e.g. Oliver (1999). The positive effect is influenced by positive relationships between place competitiveness and place attachment, and place attachment and place satisfaction. The influence of place attachment is noted in both relationships. This finding implies that competitiveness factors, mainly quality of life, creates a sense of belonging for residents to their cities, increases their satisfaction with their lives there, and encourages them to live there for more than fifteen years. Negative direct relationship between place competitiveness and place loyalty suggests that residents’ attachment and satisfaction is determining the effect of the cities’ competitiveness on their loyalty to the cities. The cities’ competitiveness alone does not ensure the residents’ intention to live in the cities or make the cities as their top list for places to live. This finding supports Brady et al.’s (2005) study that service quality, satisfaction, and service value directly influences behavioural intention or conative loyalty. The finding replicates previous competitiveness and satisfaction studies in hospitality and tourism (Taylor and Baker, 1994; and Baker and Crompton, 2000). With respect to the influence of place attachment to the relationship, Lee’s (2003) study is supported. The findings highlight a common relationship between place satisfaction and place loyalty. Further, this doctoral thesis postulates that place satisfaction positively effects place loyalty. As the results demonstrate, this notion is supported.
Finding 10: Place satisfaction positively effects place loyalty for Kuching and Kota Bharu, but is only significant for Kuching. This finding suggests that place satisfaction precedes place loyalty, and confirms previous notions by Sui and Baloglu (2003) and Lee (2003). Furthermore, the finding replicates the findings from previous studies (George and George, 2004; Alexandris et al., 2006; Yuksel, 2008; Yuksel et al., 2010) in the urban context. In this case, the finding rationalizes the residents’ satisfaction with their experience living in the cities as influencing their decisions on places to live; and the possibility of them living in their cities for more than fifteen years. Further, the insignificant result for Kota Bharu is rationalized by the more significant relationship between place attachment and place satisfaction compared to the similar relationship for Kuching. On a practical basis, the influence of residents’ attachment to Kota Bharu on their satisfaction affects the influence of their satisfaction to the city’s loyalty. As compared to previous studies stated above, this thesis reveals that there is a probability that unexplained aspects influence the relationship between place satisfaction and place loyalty.

It must be noted that all the hypotheses are supported through indirect relationships, which are explained by place attachment. This doctoral thesis is consistent with almost all previous research related to the relationships between the sustainable competitiveness constructs. However, inconsistent findings are found when direct effects for place competitiveness and place satisfaction, place competitiveness and place loyalty, place sustainability and place satisfaction, and place sustainability and place loyalty are observed. The inconsistent findings are linked to the influence of place attachment on these relationships.
6.7 Summary

This chapter has elaborated on the analysis and findings that this doctoral thesis has proposed. Earlier parts of this chapter explain the demographic background and the sample’s general behaviour information. The Partial Least Square result is elaborated in explaining the assessments of the measurement model and the structural model. The validity and reliability assessments of the measurement and the structural models show that the model proposed by this thesis possesses goodness of fit and is appropriate to explain sustainable competitiveness of places. Model assessments from both cities (Kota Bharu and Kuching) show almost similar general findings. This idea further suggests the proposed model’s explanatory power and predictive capability for explaining sustainable competitiveness of medium sized cities. Moreover, the findings from this thesis indicate that few of the developed hypotheses are indirectly, but not directly, supported.

The rationale behind all explanations is highlighted by the influence of place attachment on other constructs. This thesis notes the importance of place attachment in determining sustainable competitive places. The findings point to the inconsistency of the findings from this thesis with previous studies that do not involve the aspect of attachment. As the findings from this thesis are substantiated, a conclusion is drawn to highlight the significance of the thesis. The next chapter discusses the overall findings or conclusion of this doctoral thesis.
Chapter 7
CONCLUSIONS

7.1 Introduction

There are numerous factors in the literature that explain sustainability and competitiveness. Researchers from various fields of knowledge (e.g. Webster and Muller, 2000; Portney, 2001; Lee, 2002; Crouch and Ritchie, 2003; Yuan et al., 2003; Xing et al., 2009) understand and use these factors differently. However, the factors of sustainable competitive places have not been identified. The findings from the data analysis of factors influencing sustainable competitive places in chapter 6 reveal that the sustainable competitive factors identified by this thesis are useful. This argument is supported by the appropriateness of the conceptual model in explaining sustainable competitive places.

From the literature review in chapter four, the author concludes that the factors of sustainability and competitiveness are extensive, due to the availability of previous studies in measuring these two aspects. Previous empirical researches describe the factors of sustainability or competitiveness by the area of study. This situation highlights the measurement problem in explaining factors influencing sustainable competitive places. For the purpose of this thesis, the author assumes that theories and empirical research on sustainability or competitiveness have been established.

The preceding chapter has described the analysis and findings of this thesis. The hypotheses formulated for this thesis are supported and the empirical findings support
the explanation of sustainable competitive places. This section outlines the conclusions for the study. Discussion on this matter is believed to provide clear understanding of the relationships between the main subjects under study, and what this thesis has achieved. The section presents conclusions of the research findings, research contributions, the practical implications, research limitations, and the future research agenda. Discussion on this subject is believed to further extend the understanding of the research related to sustainable competitive places. The structure of the chapter is illustrated in Figure 7.1.

Figure 7.1 Organisational Structure of Chapter 7

### 7.2 Summary of Research Findings

#### 7.2.1 Introduction

This thesis is an exploratory study within a relatively small place context i.e. medium-sized cities. Nevertheless, the findings are remarkable in explaining the roles of sustainable competitive place factors. The aims and objectives of the study which were
organized through the research questions are achievable. The conceptual framework which demonstrates the idea of the thesis proves useful as a new reference for understanding sustainable competitive place. This section of the chapter summarizes the findings that emerge throughout the thesis. As the hypotheses findings have been discussed at the end of chapter 6, this section is limited to explaining the overall findings from the thesis.

7.2.2 The Influence of Place Attachment

This thesis seeks to investigate the importance of place attachment to sustainable competitive places. This is is considered to be important but is missing in studies such as Turok (2004), Halpenny (2006), and Brocato (2006). Analysis associated with place attachment reveals remarkable findings. This aspect shows a significant positive influence on most relationships in the sustainable competitiveness model, through mediating effects.

As the findings demonstrate, resident attachment to places influences all other aspects in the model. It is evident that all of the three dimensions (place identity, place dependence, and place affective) proposed by Williams et al. (1992) describe place attachment. The findings imply that the biggest influence on sustainable competitive places on place customers is place attachment. More specifically, place customers’ satisfaction and loyalty to sustainable and competitive places are largely determined by their sense of belonging to the places. Empirical findings show that place attachment is related to place competitiveness and place sustainability. Place competitiveness is the better predictor to place attachment than place sustainability. This new finding provides insight for place planners and place marketers on the relative importance of
these aspects. The significance of negative effects of place competitiveness on other place aspects (loyalty and satisfaction) without the influence of place attachment, suggests that place competitiveness requires the influence of place customers’ attachment to their places. The finding from Zenker et al.’s (2009) study on the quality of life effects on place customers’ satisfaction is further open to an explanation of place attachment and the influence on place customers. Previous studies (e.g. Brocato; 2006; Halpenny, 2006; Yuksel et al., 2010) on the relationships between the constructs do not suggest place attachment is an influencing aspect. Conclusively, place attachment plays a significant role in the making of sustainable competitive places as place customers’ attitude is strongly affected by their sense of belonging.

7.2.3 The Influence of Place Sustainable Development

This empirical study shows the significance of sustainable competitive place explained by the WCED’s established factors of sustainable development (economics, social, environmental, and institutional). More specifically, place sustainability, which is explained by the sustainable development factors proposed by this thesis, is influenced by sustainable place development. Factors of sustainable development in places are viewed by place customers as influencing the places’ competitiveness. It can be highlighted that the more sustainable the place, the more competitive the place becomes to people. The more sustainable the places, the more attached the place customers become to their places. The aspects of sustainable development determines the residents’ loyalty through the influence of the residents’ sense of belonging, evaluations of the cities’ competitiveness, and satisfaction with their lives within the cities. The findings lead to the conclusion that place sustainability is an important aspect for place customers and that place customers embrace the WCED’s sustainable development
components of economics, social, environmental, and institutional. The residents view maintenance for the future as promising aspects of places to live and work.

7.2.4 The Relationships between Place Sustainability and Place Competitiveness

As the findings reveal, place customers regard these two aspects as influencing their attachment, satisfaction, and loyalty to places. The two aspects are also closely associated to each other, with place sustainability as the best predictor for place competitiveness. The strongest predictor to place attachment is observed by a combination of place sustainability and place competitiveness. This finding reveals that both sustainability factors and competitiveness factors considered together are the best predictor in determining place customer’s sense of belonging to places. Furthermore, place sustainability which shows economic and social factors as the main indicators successfully explains sustainable competitive places. The same situation is evident with place competitiveness which shows the quality of life factor as the main indicator to explain sustainable competitive places. Essentially, these two factors are relevant to place customers.

Place customers associate place sustainability with their satisfaction and loyalty to their places. This association functions through their attachment to the places. The assumption suggests that in marketing, planning, and developing sustainable competitive places for place customers, the place sustainability aspect is insufficient without place attachment. Place competitiveness which is approached as complementary to place sustainability shows significant relevance to the sustainable competitiveness model. Related findings of this aspect direct to the influence of place competitiveness factors, as explained by infrastructure, human capital, quality of life,
and governance. The empirical study shows that competitiveness alone is insufficient in planning, developing and marketing sustainable competitive places. The findings suggest that place customers identify with the competitiveness factors and they embrace the importance of competitiveness factors as crucial to determining sustainable competitiveness of places. It can be concluded that the influence of this aspect when combined with place customers’ attachment is worth examining in determining place customers’ satisfaction and loyalty.

### 7.2.5 Community Awareness

The finding from this thesis indicates that the community are slightly aware of the importance of sustainability. This finding is rationalized by the willingness of some residents from both cities to contribute at least RM300 in making their cities sustainable. Furthermore, this idea is maintained by the residents’ membership of their community. Though the membership numbers are not high, it shows that some of the residents’ are committed to their communities and are aware of the need for a sustainable place. In this case, the residents’ main interests in the sustainability aspects such as cultural identity, social diversity, city cleanliness, and safety, are linked to their sense of belonging to the cities which further extends to their satisfaction. The awareness of the community of sustainable competitive concept is associated with the residents’ hope for a mix of sustainable development and competitiveness for their cities.

### 7.2.6 The Measurements’ Challenge, Scope, and Approach

This thesis is established from multi-disciplinary disciplines such as urban studies, geography, and marketing. Extant literature has reported a wide variety of measures
from various fields of knowledge for the sustainable competitive factors. The attempt to establish measures for sustainable competitive factors was a great challenge as the measures originate from different research contexts. However, measures for factors of sustainability, competitiveness, attachment, satisfaction, and loyalty for this thesis are based on the author’s knowledge through detail examination of the factors. These measures are the result of intensive preliminary research by the author. Other measures are viewed as relevant, yet have been omitted due to the limitations of the study boundaries. The author implies that other measurement scales that are missing from this thesis may provide an explanation of the roles of the sustainable competitive place factors.

Many researchers consider aspects of sustainability as one dimensional (e.g. Hassan, 2000; Crouch and Ritchie, 2003; Xing et al., 2009). They examine aspects of sustainability or competitiveness separately by using standard measures to refer to both aspects. The author reasons that measures of sustainability and competitiveness must be separated as some of the measures are not identical. The findings show that these two aspects are worth examining separately through proper screening of the measurement scales that makes up the factors. It is recognized that sustainable competitive measures are subject to further debate. However, the findings from this thesis demonstrate that factors of sustainability, competitiveness, attachment, satisfaction, and loyalty explain sustainable competitive places. The nature of this thesis is multi-disciplinary and the findings are applicable to relevant fields of knowledge.
7.3 Research Contributions

7.3.1 Introduction

As the knowledge gap of previous studies is addressed, and new findings are suggested, this thesis contributes to the knowledge on sustainable competitiveness relevant to place marketing in particular. Theoretical and methodological contributions are discussed to highlight the significance of this thesis to the general knowledge. This section details the contributions of this thesis.

7.3.2 Theoretical Significance

This thesis contributes to theory building from multi-disciplinary areas by innovating, integrating, and extending well-accepted concepts on sustainability, competitiveness, attachment, satisfaction, and loyalty. The idea of sourcing the role of these distinct yet interrelated theories in explaining sustainable competitive places has proved to be manageable.

7.3.2.1. The Development of a Sustainable Competitive Concept

This thesis is undertaken to contribute to the current literature on place marketing by concomitantly assessing the relationships of factors that influence sustainable competitive places. Through the assessment of the relationships amongst the factors of place sustainability, place competitiveness, place attachment, place satisfaction, a sustainable competitive place concept is established. These sustainable competitive factors are taken from different disciplines through thorough investigation of the factors and their components. As this study is designed to contribute to the process of model building, a conceptual model is developed based on various study areas, such as Webster and Muller (2000:43), Williams (2000:4), Huovari et al. (2001), Portney (2001:34), Yuan et al. (2003:258), MQOL (2004), Halpenny (2006:61), Kenworthy
This conceptual model demonstrates the interrelationships of these factors in explaining sustainable competitive place, particularly in the field of place marketing. The conceptual model has proven to be reliable through rigorous testing of the survey data. This marks a new reference for understanding the concept of sustainable competitiveness which is applicable not only to place marketing, but also to other fields. The sustainable competitive conceptual model indicates that the concept is best explainable through simultaneous associations of the influencing factors. This condition suggests that sustainable competitive place concept resulted from the effects of relationships amongst the influencing factors.

7.3.2.2 The Advancement of Place Attachment Studies

Previous studies in the area of place attachment (Williams et al., 2000; Kyle et al., 2005; Halpenny, 2006; Brocato, 2006; Yuksel et al., 2010) have identified the importance of this aspect in human-place relations. The findings from this thesis further support the great effects of place attachment on other aspects, such as satisfaction and loyalty. This thesis presents the indirect relationships that are missing from previous studies. Previous studies i.e. Mowen et al. (1997), Wickham (2000), Stedman (2002), Halpenny (2006), and Scott and Vitardas (2008) on the constructs of place attachment and place satisfaction, are mostly limited to direct relationships. Indirect relationships between these two constructs are missing in these studies. Further, previous studies like Iwasaki and Havitz (1998) indirectly investigate place attachment with place loyalty. As compared to this thesis, their effort further explains
the indirect effect of place attachment on place loyalty through the influence of place sustainability and place competitiveness. As compared to previous studies (Williams et al., 1992; Pratt, 1998; Hou et al., 2002) this thesis reveals the effect of place sustainability on place attachment through place competitiveness, which these studies do not address. This thesis extends the investigation of the effects of place sustainability to place satisfaction, since place attachment is found to highly influence place satisfaction.

This thesis also contributes to the identification of the place attachment dimension as overlapping with loyalty dimensions. Past research (e.g. Yuksel et al., 2010; Halpenny, 2006; Brocato, 2006) has applied the three dimensions of place attachment (place identity, place dependence, and place affective) alongside the three place loyalty dimensions (cognitive, affective, and conative). These studies failed to recognize the multi-collinearity problems between attachment and loyalty. The findings from this thesis indicate that the three dimensions of place attachment overlap with the dimensions of place loyalty except for conative loyalty. This thesis contributes to the understanding of the relationships between place attachment theory and loyalty theory.

7.3.2.3 The Advancement of Place Sustainability and Place Competitiveness Studies

This thesis adds new information to the current knowledge of place sustainability and place competitiveness. It links these two aspects into the concept of sustainable competitive place. Previous studies (e.g. Ikeshoji et al., 2005; Lengyel, 2000; Baker and Crompton, 2000; Hartiz et al., 2001) have failed to describe the relationships between place sustainability and place competitiveness to place satisfaction and place loyalty through place attachment. The relationships between these aspects are detailed in the
findings of this thesis. As compared with previous studies of Kyle et al. (2004) and Ikeshoji et al. (2005), this thesis shows that aspects of place sustainability and place competitiveness do not determine place satisfaction and place loyalty if attachment to the place is not present. Studies by Barney (1991) and Yuen (2007) when compared to this thesis are limited in place context. Yuen’s (2007) scope of study is limited to the Singapore cultural identity. Barney’s (1991) study is limited to specific country resources. Nevertheless, this thesis involves wider aspects of place competitiveness (human capital, infrastructure, quality of life, and governance). Hence, consistency is found between this thesis and previous research that link place sustainability to place competitiveness. Place sustainability is identified as a root factor in determining the sustainable competitiveness of places. The findings from this thesis also shed light on previous notions of sustainability. Hou et al. (2005), Kyle et al. (2004), Yuen (2007), Guest and Lee (1983) fail to realize the effect of place attachment on satisfaction, loyalty, and competitiveness in their study findings. When compared to the studies by Turok (2004) and Tuhkunen (2007), this thesis attaches stronger support to the relationship of place competitiveness and place attachment. Further, the influence of place competitiveness on place attachment is widened through this thesis.

7.3.2.4 The Advancement of Place Satisfaction and Place Loyalty Studies

The discussion on the findings related to place satisfaction also verifies the importance of this aspect in the sustainable competitiveness model. As this aspect is prominent in previous literary studies (e.g. Oliver, 1999; Lee, 2003; Sui and Baloglu, 2003), the findings from this thesis further support the influence of place satisfaction on sustainable competitive places. Furthermore, the importance of place satisfaction, the predictor to place attachment, as argued by many researchers (Halpenny, 2006;
Stedman, 2002; Wickham; 2000) is supported by this thesis. A very strong relationship between these two aspects suggests that place satisfaction is highly associated with place attachment. More specifically, place customers’ satisfaction to places occurs when the place customers’ are highly attached to their places. It must be noted that the direct influence of the sustainability and competitiveness factors do not influence place customer’s satisfaction. In planning, developing and marketing sustainable competitive places, place customers’ attachment is crucial in determining the market’s satisfaction. Place satisfaction influences place loyalty, which suggests the existing notion of satisfaction precedes loyalty. Place customers’ satisfaction with their experience directly determines their loyalty to their places. As the discussion progresses, place satisfaction is important in describing sustainable competitive places.

The findings from this thesis indicate that place loyalty is vital in discussing sustainable competitive places. The most interesting part of the findings indicates that sustainable competitiveness of places is largely explained by this aspect. The significance of this aspect to the proposed model is accounted for. Like place satisfaction, this aspect is largely described in previous research, and this thesis details the discussions of this aspect to support the previous findings of Cronin and Taylor (1992), Pedersen and Nysveen (2001), Halpenny (2006), and Insch and Florek (2008). However, as these authors generally find that place loyalty is described by cognitive, affective, and conative dimensions, the findings from this thesis reveals that place loyalty is best described only by conative dimensions when tested alongside place attachment. Place loyalty predicted by combinations of place sustainability, place competitiveness, place attachment, and place satisfaction reveals the aspects concerned are important in developing, planning, and marketing sustainable competitive places. Place customers’
loyalty to sustainable competitive places is described by all the factors concerned. Place customers’ attachment is the best predictor to their loyalty. Through their attachment, place customers’ show their loyalty to both places that are sustainable and competitive. However, place sustainability has more influence on place loyalty than place competitiveness, even without the place customer’ sense of belonging. This finding explains the significant influence of place sustainability, after place attachment, to place loyalty. The significance of place customers’ loyalty to sustainable competitive places is noted. This thesis presents a detailed explanation of the relationship between place competitiveness and place satisfaction/place loyalty considerations from previous studies (e.g. Moore and Graefe, 1994; Lee, 2003; Brady et al., 2005, Insch and Florek, 2008).

7.3.3 Methodological Significance

The aims and objectives of this thesis are made possible by appropriate selection of a research methodology and approach. The choice of research methodology and approach resulted from thorough review of these aspects informed by research scholars such as Sarantakos (2004), Guba and Lincoln (1994), Hammersley (1995), and Gephardt (1999). Ontological, epistemological and methodological review of the scholars’ works influenced the researcher’s reasoning for positivism as the most appropriate paradigm for the thesis. This thesis contributes to the methodological perspective. These are:

7.3.3.1 Research Design

Considering the nature of the study, the research justifies positivism paradigm as the most appropriate approach for the thesis. Based on a theoretically supported conceptual model, the research is designed to involve a survey-based data collection technique.
The survey is designed through review of works such as Iacobuchi and Churchill (2010) and Dillman (2007) on format and constructions; and Diamantopoulos and Siguaw (2005); Rossiter (2002); Churchill (1979); and Jarvis et al. (2003) on scale developments. The sampling method employed for this thesis describes the demographic factors of the participants. The study sample is based on the combination of purposive and quota sampling with at least a Bachelor degree holder justifying one of the Florida (2004) requirements for competitive city. The sampling technique fits the administration of an English version questionnaire; and general knowledge about sustainable competitive factors. The research approach and methodology supported by this thesis helps explain the proposed sustainable competitiveness model for understanding place customers’ attitude. So far no similar approach has been applied, and the prospective of sustainable competitive places has been neglected in previous research. The research approach and methodology justify the research philosophy and the quality of the research design. The testing of the inter-relationships amongst sustainable competitive factors on each other marks a new design approach for place marketing studies. So far, this thesis is the only recent attempt to explain the roles of factors in explaining sustainable competitive places. The design approach of this thesis provides empirical evidence on sustainable competitive factors in an emerging markets context.

7.3.3.2 The Development of Sustainable Competitive Measurement Scales

In order to empirically test the significance of sustainability and competitiveness of places on place customers’, these two constructs (place sustainability and place development) are developed based on guidelines and relevant studies to suit the place customers’ context. The newly developed scales proved reliable and valid, is a
foundation to the field which can subsequently be used for future research of similar strands. Future research can replicate the scales of these two aspects to different settings for validations. In addition, the measurement scales (of place attachment, place satisfaction, and place loyalty) are proved applicable for use in determining sustainable competitive places. As the research constructs operated by this thesis are drawn from the literature originated from either European or American context, and developed Asian countries like China and Korea, this thesis contributes to further validation of these constructs and their associated items and scale for an eastern or Malaysian context as the measurement scale validity and reliability is confirmed. The choice of two Malaysian cities (Kuching and Kota Bharu) as the research setting also contributes to the sound approach adopted by the thesis. Put simply, this decision allows descriptive comparison of findings from the two cities that help in the conclusion of the general findings. As expected, the choice of the research setting helps explain nearly consistent general conclusions from these two different cities. The findings show that the conceptual model of sustainable competitive place can be transferred and applied to the western context. More specifically, as the research in sustainable competitive place studies is rare from the context of western countries, the measurement scales developed in this thesis can be used by similar research from the western place context.

7.3.3.3 Applicability of Statistical Technique
The firm choice of using PLS as the statistical tool after reviewing Chin and Newstedt (1999) is justified by the close similarities in criteria between PLS and this thesis compared to variance based SEM. The use of the software and method of analysis produces useful information in evaluating the model at all levels of assessments. With referral to Henseler et al. (2009), the researcher is able to assess goodness of fit of the
model which reveals the model’s explanatory power and predictive capability. The researcher also takes note of extensively addressed issues on the usage of component based PLS (SEM) to covariance based Structural Equation Modelling (SEM), which has been extensively addressed by researchers (e.g. Chin and Newstedt, 1999; Henseler et al., 2009; Ringle, Gotz, Wetzel, Wilson, n.d). The author uses similar data from the PLS analysis on software program AMOS 18. As expected, the overall results on the goodness of fit of the model suggest that the proposed sustainable competitiveness model is appropriately developed. The author concludes that using either statistical analysis produces close results that are important for the sustainable competitive place study. Thus, the employment of Partial Least Square to predict sustainable competitive aspects contributes to an understanding of the applicability of this statistical tool in a multi-disciplinary context, and in particular, place marketing.

7.4 Practical Implications

7.4.1 Introduction

Implications for managerial practice from this thesis are largely related to the proposed sustainable competitiveness model. The findings on the roles and the relationships between the constructs in the model provide interesting insight into practice related to sustainable competitive places, and in particular, place marketing. This section discusses practical implications and is associated with the findings of this thesis.

7.4.2 Formulation of marketing strategies

Place marketers are challenged to efficiently target the needs and wants of the various market groups such as visitors, residents, and business and industries (Kotler et al. 1993). The needs and wants of these place target markets require a variety of marketing
approaches. The findings from this thesis reveal that place customers’ sense of belonging to their places is significant in influencing their satisfaction and loyalty. These findings establish the basis for creating strategies for marketing sustainable competitive places. It must be noted that other aspects in the model are similarly important. Various researchers (e.g. Hassan, 2000; Crouch and Ritchie, 2003; Dwyer and Kim, 2003) maintain that competitive place development strategies are related to marketing concepts and activities.

Place planners, place developers, and place marketers must work in synergy to address the influence of place customers’ attachment in their future actions related to places. In formulating marketing promotions for a city, place marketers can explore the place customers’ emotions, identity and dependence to the city. The development of marketing communication strategies should enhance the importance of attachment values to customers. It is a guide that rightly delivers the content of the message and is appealing to place customers. As Florida (2004) works suggest that retention of highly talented people is important for enhancing place competitiveness in the global market, place marketers must address the issue of sustainable competitive places to attract these talented workers to their places. It is doubtful that the issue of place customers’ attachment has received much attention in previous years from place marketers. Tuhkunen (2007) finds that people are attracted and become attached through place offerings. The place offerings relevant to place customers’ sensitivity can be manipulated. To strategically deal with place customers’ attachment to their places, place marketers can address the sensitivity of this market group to matters like commitment to families, cost of living, quality of life, and job opportunities. Insights
into the different personal attachment to places provide a basis for place marketers to segment the place markets according to aspects of attachment to places.

### 7.4.3 Sustainable place management

Management of sustainable place is not an easy task. Various aspects are involved in managing sustainable place (Camagni et al., 1998; Haughton and Hunter, 2003). This thesis demonstrates that sustainable development is important to place customers. Thus, place managers must address aspects of sustainable development in enhancing the competitiveness of their places as these aspects are significant in influencing place customers’ perceptions. Furthermore, the proven predictive capability of all sustainable competitive factors indicates that place managers need to optimize the development of sustainable competitive place concepts for the needs of place customers. With place loyalty as the most explained factor in the conceptual model, place managers must embrace sustainable competitiveness in retaining their place customers. This management practice is not limited to the policy decision makers of small sized places like cities. It extends to managers of larger places like regions, counties, and countries. Managing the development of resources and attractions for competitiveness purpose must be accompanied by well-planned conservation programs taking into consideration the aim of achieving sustainable competitive place.

### 7.4.4 Knowledge transfer

Academic researchers and professionals are important in the development of sustainable competitive places. The findings from this thesis are basically exploratory and require insight from academic researchers. Additional studies from academic researchers from various field of knowledge are warranted to validate the conclusions drawn from this
thesis. Other factors of sustainable competitive factors that are relevant with the researchers’ academic background would offer potential implications for place marketers, planners and developers. The information benefits students and future researchers for further advancement of knowledge in the area. This thesis can serve as a manual for future researchers as it details the explanations of the sustainable competitive place factors which are not discussed in previous studies. This model can be a guideline for future researchers to develop a better understanding of the roles of sustainable competitiveness factors through the assessments of the relationships between the relevant factors.

7.4.5 Planning and development of sustainable competitive places

The planning and development of competitive places are subject to development impacts (Green and Hunter, 1992). Kunzmann (2010) highlights that the local community must be equipped to face their future, and their developmental concern must be addressed. Grant et al. (1996) asserts that commitment from the local community and their attitude towards the development of sustainability is vital for place planners. The understanding of the key aspects of sustainable competitiveness from this thesis helps place planners and developers identify main factors that place customers regard as contributing to sustainable competitive places such as economics, social factors, and quality of life. It is recommended that they concentrate on these factors at their places, and make further improvement if necessary. As the place customers are attracted to sustainable factors that are unique to places such as social diversity, cultural identity, cleanliness, and safety, policy decision makers can regard these factors as a comparative advantage to their places and increase further effort to safeguard these factors. Quality of life is important for place competitiveness (Rogerson, 1999; Zenker
et al., 2009). With respect to place competitiveness, place planners and developers can consider enhancements in quality of life of people by offering opportunities for leisure and entertainment which place customers regard as relevant to their places. In particular, they can provide and enhance places such as shopping and dining facilities, and public parks that people view as exceptional to their places (Teller et al., 2010).

The importance of place sustainability and place competitiveness to place customers, as highlighted from the findings, assists place planners and developers to understand the significant co-existence of these two aspects to place customers’ satisfaction and loyalty. As these two key aspects are negative and insignificant to place satisfaction without the effect of place attachment, this issue is of great importance when implementing strategies for place planning and development. It is suggested that place planners and developers should aim to satisfy people and encourage customer loyalty through the understanding of customers’ sensitivities to place offerings, which subsequently contributes to the sustainable competitiveness of places. By understanding the roles of the sustainable competitive factors detailed in this thesis, place planners and developers can acquire knowledge to compete with their rivals and gain competitive advantage.

7.4.6 Local community educational

The local community plays a vital role in the process of sustainable planning and development (Campbell, 1996; Conroy, 2003). As this thesis reveals that the level of city residents’ awareness of the need for sustainable competitive place is mediocre, there is a need for further effort to educate people on the importance of sustainable competitive place. Respondents indicate that they acquire knowledge about the cities
through mass media. Thus, the mass media can play a critical role in educating the local community about their importance in the development and the planning of sustainable community and in particular sustainable competitive places.

7.5 Research Limitations

This thesis involves some limitations which are addressed and noted in the research process. Though every effort is made to ensure that the conceptual and methodological approach is as precise as possible, the findings and its implications are subject to certain constraints. As far as the author is concerned, these limitations present opportunities for future research. The limitations of this thesis are discussed to create boundaries rather than to question the research findings. These are:

1) Sample unit

This thesis uses a non-probability combination of purposive and quota sampling techniques. This technique involves only residents of two Malaysian cities with at least a bachelor degree qualification. Arguments can be raised if this selected sample unit is representative of other place customers such as visitors, businesses and industries, and export markets. Inclusion of all these target markets will allow for cross comparison between the place customers.

2) Sample size

The sample sizes for this thesis are small. Put simply, the sample size for Kota Bharu is only n=152, and for Kuching it is only n=132. Although the sample sizes are sufficient for analysis with PLS, bigger numbers are desirable for further analysis. Bigger samples will allow for analysis of split or counter groups.
3) Research setting and survey administration

Due to budgetary constraints and time limitations, the chosen research settings for this thesis are limited to medium sized cities in Malaysia. Place customers’ from other place contexts such as capital cities, small cities, and metropolitan areas, may have different attitudes towards sustainable competitive places. Similarly, place customers from other developing countries, cultures or developed countries may also have a different attitude regarding this matter. A cross section data and a panel data are useful in investigating place customers’ loyalty. A longitudinal study that involved an interval of for example one year or five years for the same respondents may reveal the extent of place customers’ loyalty to their places. It relates to the fundamental nature of the thesis (quantitative survey based only approach) and the probability that the self-reported behaviours have been inaccurately recalled by the respondents. More specifically, there is a possibility that some respondents may describe some behaviour that they think appropriate or the questionnaire expected. A qualitative research approach, such as an interview technique, is an approach for collecting detailed descriptions and analysis that lie behind the unusual finding of this thesis.

4) High Alpha and Construct Validity

The results from data analysis of some reflective constructs (place satisfaction and place loyalty) show high Alpha and construct validity. This type of results attracts further debate on the reliabilities and validities of these constructs and their indicators. The existence of multi-collinearity problem on some indicators for place sustainability and place competitiveness construct, though is not serious may attract further debate if these two constructs be considered separate. However, these constructs are retained in the conceptual model based on the justification that they are proved reliable and valid for
use by previous research (e.g. Lee, 2003; Yuksel et al., 2010) and established by notable bodies i.e. United Nations.

5) Application of multi-group analysis

This thesis employs PLS software program for testing the sustainable competitive place model. Multi-group analysis on the samples for both cities to identify sample difference is not done as the PLS software does not allow for such analysis. This thesis is limited in explaining the sample difference.

7.6 Future Research

The roles of the factors influencing sustainable competitive places is an area worthy of further research. However, these factors are subject to further modification if similar research in a different context is intended. A number of research areas could be developed from this research, particularly to test the identified factors in other research areas. Unusual findings from this current study can be retested, and further findings may support the findings on factors of sustainable competitiveness. The previous section has identified the limitations inherent to this thesis. Therefore, the future research agenda is explicit in addressing the limitations of the thesis and presentation of relevant ideas. The agenda for future research emerged from this thesis. These are:

1) Preferences for sustainable competitive attributes

This thesis has established the factors and their roles in influencing sustainable competitive place. A further approach is to identify the attributes that place customers like most and the attributes that place customers are willing to trade off as acceptable. This approach allows for combinations of the attributes that place customers perceive as maximising their needs. Further research is intended to include the employment of
choice based modelling which reveals the place customer’ valuation of sustainable competitive place attributes.

4) Detail investigation of place attachment

The findings have revealed that place attachment is prominent in the interpretation of sustainable competitive places. Further research is intended to investigate the effect of this consideration. This construct which was originally proposed by Williams et al. (1992) has been applied in many different settings. The influence of place attachment on place competitiveness is vague (Turok, 2004). Predictive accuracy of this aspect can be extended to the study of the influence of workers’ or expatriates attachment to place competitiveness. The attachment of expatriates to sustainable competitiveness with regard to their home country is an avenue for future research.

5) Investigation of diverse factors

Numerous factors are used in explaining sustainability and competitiveness. This thesis is limited to analyzing the roles of the identified factors to sustainable competitive places and testing of the relationships among the key constructs. The future direction of research is intended to test other factors that are not investigated in this thesis. By using a similar study approach, other factors that are omitted by this thesis can be investigated. Evaluation of these factors can be accessed from different target markets. Another approach involves combining both place sustainability and place competitiveness into one construct. This process involves juggling the factors selected for the new constructs, and the results from this combination are then compared to the current results. As this thesis uses a first order factor for model parsimony, an employment of a second order factor will allow for comparison of results.
6) Segmentation of the place customers

A proper direction for future research is to investigate the place customers in different target markets or segments. This thesis is limited to assessing working city residents with a bachelor degree. Investigation of other target market groups is an approach that allows for comparison of these market perceptions. The investigation of the current samples does not allow for segmentation of place customers. The next step for this thesis would be to address the segmentation issue more rigorously as the findings from this process is valuable for various groups. An employment of response based segmentation, Finite Mixture (FIMIX), allows for segmentation of the target groups. This approach integrates customer segmentation through analysis of path models based on partial least square.

7) Investigation of moderating effects

This thesis is limited to explaining the roles of the sustainable competitive factors and testing of the relationships among the key constructs. The future direction of research should focus on a variety of moderating variables that enrich the thesis’s content. For example, variables such as demographics, psychographics, and behavioural studies may shed light on the strength of the key constructs on the different groups of place customers. Investigating more moderating relationships would provide insight into the criteria that influence sustainable competitive places. This process will allow for further refinement of behavioural aspects related to sustainable competitiveness.

8) Different place context

The scope of this research is limited to medium-sized cities. Other place contexts are omitted due to time limitations and personal constraints. Future research could involve different types of place context such as small cities, economic regions or developed countries.
9) Specific Research Areas

This thesis has advanced our understanding of sustainable competitive places through the development of the proposed model. Throughout the research this thesis has identified some areas of concern. These are:

a) Place attraction

Place customers’ attitude to sustainable competitive places is unique to the places themselves. The unique character of the places also influences the place customers’ choice for places to live and work. Further research that explains the significance of these place unique characters to place customers is worth examining. The findings suggest that there is a significant difference with the direct effect of place sustainability on place loyalty of Kota Bharu and Kuching. The specific nature of the city or the residents’ background may have influenced this result. Further investigation is required to explain this unusual finding.

b) The willingness to pay

The finding shows that residents from both cities are willing to spend a large amount of money for sustainable competitive purposes. A detailed explanation of the residents’ willingness to pay can be explained by employment of a Contingent Valuation Method (CVM) approach. The question of willingness to pay is relevant but not well discussed in this thesis. Further investigation of this issue is merited.

c) Branding of sustainable competitive place

This thesis is limited to identifying influencing factors of sustainable competitive places and their roles to the proposed concept. The next step in describing sustainable competitive places is the branding aspect. Further research related to this aspect is an avenue for future research.
7.7 Summary

This chapter has discussed the conclusions that are evident from the findings. This chapter addresses the conclusions drawn with respect to the key aspects of the proposed sustainable competitiveness model. The discussions focus on the significance of each aspect of the model and new findings related to the aspects. The findings lead to the conclusions that all the key aspects that make up the sustainable competitiveness model are crucial in explaining sustainable competitive places. These key aspects allow for explanation of place customers’ satisfaction and loyalty to place sustainability and place competitiveness. Place attachment is concluded to be the great mediator on most relationships within the sustainable competitiveness model.

This thesis presents explanations of the research problems. Empirical testing reveals the appropriateness of the sustainable competitive place model to address the research problems. The research questions raised during the discussion of research problems earlier in chapter 1 are answered. Furthermore, conclusions are drawn in relation to the achievement of research objectives. The findings from this thesis lead to the conclusion that all research objectives are achieved. The achievement of the research objectives is attributed to the proposed sustainable competitiveness model which acts as a working compass to the researcher. The conclusions made are related to research approach and methodology.

Relevant findings from this thesis indicate that the research approach and methodology adopted by the researcher for this thesis greatly influences the success in developing the sustainable competitiveness model. The choice of research philosophy and research designs contributes to the achievement of the overall thesis. Particularly, the use of
PLS as a statistical tool supports the testing of relationships among factors of sustainable competitive places. The conclusions from this thesis are drawn to highlight the significance of the thesis.

This chapter highlights the practicality of sustainable competitive place to various levels of places and is not limited to small places, such as cities. The explanation to the policy decision makers relates to the findings from the roles and the relationships of the sustainable competitive place factors. The chapter elaborates the outlook for future research which the researcher intends to pursue, and it is proposed that other researchers consider this as future research agenda. The success in explaining factors of sustainable competitive places despite certain limitations on various aspects is considered to be a significant achievement for the researcher.

The understanding of the factors particularly in a place marketing context provides insight into further research in sustainable competitiveness. As the investigation of the factors is based on multi-disciplinary studies, the research approach has contributed to the comprehensiveness of the literature in the sustainable competitiveness of places applicable to various fields of knowledge. Finally, the significant knowledge within the thesis confirms its contribution to theoretical, methodological, and practical/managerial environments.

The use of the term “sustainable competitiveness” is belligerent especially when familiar practice would be to use one of the words to describe both ideas. The combination of these two aspects into one expression is questionable because of the indistinguishable nature of both aspects. Empirical findings from this thesis have
supported the researcher’s intention to use the term “sustainable competitiveness”. This is a complex prefix as both aspects are distinguishable in explaining people’s attitude to places. Despite a fear to describe the aspects alongside, factors from both sustainability and competitiveness are predictors to place customer’s attachment, satisfaction, and loyalty. Empirical findings from this thesis suggest that through the influence of place attachment, these aspects are significant to place customers. A consistent assumption of this research involves taking the best of the different aspects advocated by various interests and working out new ways for both aspects to co-exist. In this way, “sustainable competitiveness” is a process of negotiation and compromise.

This thesis presents a scholarly response to the research statement and the research questions. Moreover, it explains the roles and the relationships between the aspects of sustainable competitiveness that have never been considered by previous researchers. Indeed, it is the first in-depth empirical study that details the influences of sustainable competitiveness factors to place customers.
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Place Marketing and the Antecedents of Sustainable Competitive Places


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Ward, S.V. (1994) Time and Place: Key Themes in Place Promotion in the USA, Canada and Britain since 1870s. In: Gold, R. J., and Ward. V. S. (Eds). *Place Promotion, the Use of Publicity and Marketing to Sell Towns and Regions*. Chichester, John Wiley & Sons Ltd.


## APPENDICES

### Appendix 1 Multicollinearity Testing

Table 1 Linear Regression Competitiveness Indicators-Kuching

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Appendix 2 PLS Results

Table 5 Kota Bharu Model Overview

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Table 6 Outer loadings for Kota Bharu

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Table 7 Construct Correlations-Kota Bharu

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### Table 8  Kuching Model Overview

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### Table 9  Construct Correlations-Kuching

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### Table 10 Outer Loadings for Kuching

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Appendix 3 PLS Results 2

Table 11 Path Coefficient T- Values for Kota Bharu

| Construct Relationship | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR|) |
|------------------------|---------------------|-----------------|-----------------------------|------------------------|-----------------|
| Sustainable -> attachment | 0.2548 | 0.2656 | 0.1079 | 0.1079 | 2.362 |
| Sustainable -> competitiveness | 0.8202 | 0.8131 | 0.0324 | 0.0324 | 25.3154 |
| Sustainable -> loyalty | 0.2294 | 0.2201 | 0.0939 | 0.0939 | 2.4441 |
| Sustainable -> satisfaction | 0.0606 | 0.0729 | 0.0729 | 0.8317 |
| Attachment -> loyalty | 0.63 | 0.6254 | 0.1123 | 0.1123 | 5.6074 |
| Attachment -> satisfaction | 0.8359 | 0.831 | 0.0611 | 0.0611 | 13.6864 |
| Competitiveness -> attachment | 0.4721 | 0.4713 | 0.1104 | 0.1104 | 4.2747 |
| Competitiveness -> loyalty | -0.1595 | -0.1508 | 0.0915 | 0.0915 | 1.7435 |
| Competitiveness -> satisfaction | -0.1739 | -0.1719 | 0.0909 | 0.0909 | 1.9139 |
| Satisfaction -> loyalty | 0.1411 | 0.1471 | 0.0975 | 0.0975 | 1.4463 |

Table 12 Overview of Total Effects for Kota Bharu

| Construct Relationship | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR|) |
|------------------------|---------------------|-----------------|-----------------------------|------------------------|-----------------|
| Sustainable -> attachment | 0.6421 | 0.6519 | 0.0657 | 0.0657 | 9.7727 |
| Sustainable -> competitiveness | 0.8202 | 0.8124 | 0.0307 | 0.0307 | 26.6995 |
| Sustainable -> loyalty | 0.5672 | 0.5737 | 0.0716 | 0.0716 | 7.924 |
| Sustainable -> satisfaction | 0.4547 | 0.4627 | 0.082 | 0.082 | 5.5414 |
| Attachment -> loyalty | 0.7479 | 0.7383 | 0.0658 | 0.0658 | 11.3616 |
| Attachment -> satisfaction | 0.8359 | 0.835 | 0.063 | 0.063 | 13.2744 |
| Competitiveness -> attachment | 0.4721 | 0.4793 | 0.1118 | 0.1118 | 4.2224 |
| Competitiveness -> loyalty | 0.1691 | 0.1911 | 0.1407 | 0.1407 | 1.2016 |
| Competitiveness -> satisfaction | 0.2207 | 0.2348 | 0.1429 | 0.1429 | 1.545 |
| Satisfaction -> loyalty | 0.1411 | 0.1358 | 0.1093 | 0.1093 | 1.2912 |
Table 13 Total Effects for Kota Bharu

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Table 14 Blindfolding for Kota Bharu

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Table 15 Path Coefficient T-Values for Kuching

|                      | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR|) |
|----------------------|---------------------|-----------------|-----------------------------|-------------------------|----------------|
| Attachment -> loyalty| 0.6058              | 0.5881          | 0.1085                      | 0.1085                  | 5.5854         |
| Attachment -> Satisfaction | 0.7907         | 0.7924          | 0.0654                      | 0.0654                  | 12.0905        |
| Competitiveness -> Attach | 0.4289        | 0.4303          | 0.1175                      | 0.1175                  | 3.6498         |
| Competitiveness -> loyalty | -0.0603       | -0.0785         | 0.0577                      | 0.0577                  | 1.0447         |
| Competitiveness -> Satisfaction | -0.0217    | -0.0848         | 0.0624                      | 0.0624                  | 0.3481         |
| Satisfaction -> loyalty | 0.3631         | 0.377           | 0.0886                      | 0.0886                  | 4.0989         |
| Sustainability -> Attach | 0.159          | 0.1861          | 0.1068                      | 0.1068                  | 1.4892         |
| Sustainability -> compete | 0.7969         | 0.7923          | 0.0333                      | 0.0333                  | 23.9333        |
| Sustainability -> loyalty | -0.0592        | -0.0778         | 0.0583                      | 0.0583                  | 1.0142         |
| Sustainability -> Satisfaction | -0.0063       | -0.0814         | 0.0629                      | 0.0629                  | 0.0997         |
### Table 16 Overview of Total Effects for Kuching

| Construct                          | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (|O/STERR|) |
|-----------------------------------|---------------------|-----------------|----------------------------|------------------------|---------------------|
| Attachment -> Loyalty             | 0.8928              | 0.8876          | 0.0457                     | 0.0457                 | 19.539              |
| Attachment -> Satisfaction        | 0.7907              | 0.7907          | 0.0675                     | 0.0675                 | 11.7203             |
| Competitiveness -> Attachment     | 0.4289              | 0.4337          | 0.1187                     | 0.1187                 | 3.6133              |
| Competitiveness -> Loyalty        | 0.3148              | 0.3276          | 0.1472                     | 0.1472                 | 2.1387              |
| Competitiveness -> Satisfaction   | 0.3174              | 0.3188          | 0.1287                     | 0.1287                 | 2.4656              |
| Satisfaction -> Loyalty           | 0.3631              | 0.3765          | 0.095                      | 0.095                  | 3.8227              |
| Sustainability -> Attachment      | 0.5008              | 0.5158          | 0.0685                     | 0.0685                 | 7.3148              |
| Sustainability -> Competitiveness | 0.7969              | 0.7882          | 0.0371                     | 0.0371                 | 21.4523             |
| Sustainability -> Loyalty         | 0.3314              | 0.3536          | 0.074                      | 0.074                  | 4.4764              |
| Sustainability -> Satisfaction    | 0.3724              | 0.3922          | 0.0871                     | 0.0871                 | 4.2748              |

### Table 17 Total Effects for Kuching

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<td>Loyalty</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Satisfaction</td>
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<tr>
<td>Sustainability</td>
<td>0.5008</td>
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</tbody>
</table>

### Table 18 Blindfolding for Kuching

<table>
<thead>
<tr>
<th>Total</th>
<th>SSO</th>
<th>SSE</th>
<th>1-SSE/SSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment</td>
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<tr>
<td>Competitiveness</td>
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<tr>
<td>Loyalty</td>
<td>270</td>
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<td>0.7029</td>
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<tr>
<td>Satisfaction</td>
<td>405</td>
<td>180.505</td>
<td>0.5543</td>
</tr>
</tbody>
</table>
Appendix 4 Scale Development


Local community in Kuching/Kota Bharu plays a key role in policy decisions.
Kuching/Kota Bharu preserves its historical cultural heritage.
Kuching/Kota Bharu maintains its regional cultural identity
Population density (crowding) in Kuching/Kota Bharu is appropriate.
Kuching/Kota Bharu has high level of social welfare.
Kuching/Kota Bharu residents come from various social mixes.
Kuching/Kota Bharu demonstrates good economic performance.
There is productive employment creation in Kuching/Kota Bharu.
Kuching/Kota Bharu emphasizes balanced economic development.
Kuching/Kota Bharu demonstrates strong global economic partnerships.
Kuching/Kota Bharu has strong economic structure.
Kuching/Kota Bharu demonstrates economic efficiency and benefit.
Kuching/Kota Bharu practices efficient planning in land use.
Kuching/Kota Bharu employs efficient waste management.
Kuching/Kota Bharu operates efficient transportation planning.
Kuching/Kota Bharu effectively manages pollution.
Kuching/Kota Bharu maintains urban ecology.
Kuching/Kota Bharu employs “smart growth” activities (i.e. eco-village, targeted economic development, etc.).
Kuching/Kota Bharu practices efficient energy management system.
Nonprofit agencies in Kuching/Kota Bharu are also responsible for implementing sustainability.
Kuching/Kota Bharu makes sustainable effort as part of a citywide comprehensive plan.
Kuching/Kota Bharu city council is involved in sustainability effort.
Business community (e.g. Chamber of Commerce) in Kuching/Kota Bharu is a part of the sustainability effort.
General public in Kuching/Kota Bharu is involved in the city’s sustainable initiatives (public hearings, neighborhood group or associations, etc.)

Kuching/Kota Bharu has quality basic infrastructure (water, energy, transportation). Capital availability (banks, intermediate credit organization) in Kuching/Kota Bharu is satisfactory.

Kuching/Kota Bharu has quality scientific infrastructure (R & D, scientific research, knowledge transfer, innovation).

Kuching/Kota Bharu offers attractive information communication technology (coverage, cost, capacity, reliability).

Kuching/Kota Bharu provides good health infrastructure.

Kuching/Kota Bharu has quality education.

There are experts in information communications technology in Kuching/Kota Bharu.

Kuching/Kota Bharu has health experts (specialist doctors).

Kuching/Kota Bharu has highly educated labor market.

There are finance experts in Kuching/Kota Bharu.

Kuching/Kota Bharu labor forces are flexible and adaptable.

There are workers aged between 20-64 years in Kuching/Kota Bharu.

Kuching/Kota Bharu demonstrates attractive urban environment.

Kuching/Kota Bharu provides a wide range of cultural activities (theatre, nightlife, etc.).

Kuching/Kota Bharu makes available a variety of recreational facilities (shopping, catering, etc.).

Kuching/Kota Bharu provides a number of nature parks and open spaces for people.

Kuching/Kota Bharu offers a wide range of outdoor-activities.

Kuching/Kota Bharu provides cost-efficient lifestyle.

There are good-job opportunities and promotion in Kuching/Kota Bharu.

Kuching/Kota Bharu authorities implement attractive tax charges.

Kuching/Kota Bharu authorities offer political stability.

Kuching/Kota Bharu authorities are of champion, trustworthy institutions and individuals.

Kuching/Kota Bharu authorities establish good social/institutional networks with local, national, and international bodies.

Kuching/Kota Bharu authorities offer transparency of its policies.

Kuching/Kota Bharu authorities demonstrate controlled bureaucracy.
PLACE ATTACHMENT CONSTRUCT: Halpenny (2006:61); Williams (2000:4)

Living in Kuching/Kota Bharu says a lot about who I am.
Living in Kuching/Kota Bharu make others see me the way I want them to see me.
I identify strongly with Kuching/Kota Bharu city.
I feel Kuching/Kota Bharu is part of me.
I feel I can really be myself when I am in Kuching/Kota Bharu.
Kuching/Kota Bharu means a great deal to me.
I feel strong, positive feelings for Kuching/Kota Bharu city.
I really miss Kuching/Kota Bharu when I am away too long.
I feel relaxed when I am in Kuching/Kota Bharu.
I am fond of Kuching/Kota Bharu.
I feel happiest when I am in Kuching/Kota Bharu.
Kuching/Kota Bharu is my favourite place to be.
I get more satisfaction out of living in Kuching/Kota Bharu than any other city.
The things I do at Kuching/Kota Bharu I would enjoy doing just as much at a similar site.
I wouldn’t substitute any other city for doing the types of things I do in Kuching/Kota Bharu.
Kuching/Kota Bharu is the best place for what I like to do.
Kuching/Kota Bharu plays a central role in my lifestyle.
I find that a lot of my life is organized around Kuching/Kota Bharu city.
Most of my friends are in some way connected with my stay in Kuching/Kota Bharu.
I identify with the physical landscape of Kuching/Kota Bharu.

PLACE SATISFACTION CONSTRUCT: Yuksel et al (2010:279)

I am happy about my decision to stay in Kuching/Kota Bharu.
I believe I did the right thing when I chose to live in Kuching/Kota Bharu.
Overall, I am satisfied with decision to live in Kuching/Kota Bharu.
PLACE LOYALTY CONSTRUCT: Yuksel et al (2010:279)

If I am given a chance, I intend to live in Kuching/Kota Bharu forever.
I consider Kuching/Kota Bharu as my first choice for place to live.

Appendix 5: Functional Key Terms

**Competitiveness**: National concern for economic, social, and cultural with the ultimatum for improved income to the society which translates into human development, growth, and improved quality of life (Dwyer and Kim, 2003; Newall, 1992)

**Sustainable development**: “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (in Mieczkowski, 1995). Development must improve economic efficiency, protect and restore ecological systems, and enhance the well-being of all people. The concept of sustainable development integrates a balance among the economic, social, and environmental factors (IISD, 1993).

**Sustainable city**: People and businesses constantly improve their natural, built, and cultural environments while supporting the goal of global sustainable development (Haughton and Hunter, 2003)

**Place attachment**: Emotional linkages to place, attitudes and behavior, environmental sensitivity, place values, and the link to self identity (Tuan, 1974; Relph, 1976; and Steele, 1981).
**Place Competitiveness:** Place’s ability to create and integrate value-added products that sustain its resources, increase national wealth, integrate economic and social model, while maintaining market position relative to competitor (Hassan, 2000; Crouch and Ritchie, 2000)

**Place Loyalty:** Place customers’ deep commitment to re-patronize a preferred place consistently in the future, thereby causing repetitive visit despite situational influences and marketing efforts of possible switching destination behavior. Higher loyalty means higher place attachment (Brocato, 2006; Oliver, 1997)

**Place Satisfaction:** A multidimensional summary judgment of the perceived quality of a specific location which involves the functionalities of places to fulfill important needs ranging from sociability to services to physical characteristics. (Stedman, 2002).

**Place Customers:** Potential and existing visitors, residents and employees, business and industry, and export markets (Kotler, 1993).

**Place development:** “To develop for a place a systematic and long-term marketing strategy directed towards nurturing and developing the natural and potential attributes of an area or region” (Kotler et. al, 2002:57).
Appendix 6  Sample Questionnaire

**Version B (KOTA BHARU)**
Date:
Time:

**RESIDENT SURVEY**

| PLACE MARKETING: FACTORS DETERMINING SUSTAINABLE |

This is a PhD study aimed at investigating the above issue. The findings will provide guidelines to place planners and place marketers for proper marketing, management and planning. All information from this survey is deemed crucial and will be kept confidential. The study is supervised by: Dr Christoph Teller and Professor Leigh Sparks.

Contact Details: NORIZAN JAAFAR
PhD Student
Division of Marketing
University of Stirling, Scotland
United Kingdom
Email: norizan.jaafar@stir.ac.uk

*Please answer all questions.*
START HERE

SECTION A - SECTION E relates to your overall feelings towards Kota Bharu City. Please rate your degree of agreement or disagreement to each of the statements from each section by CIRCLING THE NUMBER ranging from 1 (strongly disagree) to 5 (strongly agree) that best describes your opinion, and 0 (for no opinion).

A. SECTION A.

The following statements ask your opinion about SOCIAL CHARACTERISTICS of Kota Bharu.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local community in Kota Bharu plays a key role in policy decisions.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu preserves its historical cultural heritage.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu maintains its regional cultural identity</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Population density (crowding) in Kota Bharu is appropriate.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu has high level of social welfare.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu residents come from various social mixes.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

The following statements ask your opinion about ECONOMIC CHARACTERISTICS of Kota Bharu.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kota Bharu demonstrates good economic performance.</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>There is productive employment creation in Kota Bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu emphasizes balanced economic development.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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</tr>
<tr>
<td>Kota Bharu demonstrates strong global economic partnerships.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu has strong economic structure.</td>
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<td>4</td>
<td>3</td>
<td>2</td>
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<tr>
<td>Kota Bharu demonstrates economic efficiency and benefit.</td>
<td>5</td>
<td>4</td>
<td>3</td>
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The following statements ask your opinion about **ENVIRONMENTAL CHARACTERISTICS** of Kota Bharu.

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<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don't Know</th>
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<tbody>
<tr>
<td>Kota Bharu practices efficient planning in land use.</td>
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<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu employs efficient waste management.</td>
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<td>3</td>
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<td>1</td>
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<tr>
<td>Kota Bharu operates efficient transportation planning.</td>
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<td>4</td>
<td>3</td>
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<td>1</td>
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</tr>
<tr>
<td>Kota Bharu effectively manages pollution.</td>
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<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu maintains urban ecology.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu employs “smart growth” activities (i.e. eco-village, targeted economic development, etc.).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu practices efficient energy management system.</td>
<td>5</td>
<td>4</td>
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<td>1</td>
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The following statements ask your opinion about **INSTITUTIONAL CHARACTERISTICS** of Kota Bharu.

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<tr>
<th>Statement</th>
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<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonprofit agencies in Kota Bharu are also responsible for implementing sustainability.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu makes sustainable effort as part of a citywide comprehensive plan.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu city council is involved in sustainability effort.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Business community (e.g. Chamber of Commerce) in Kota Bharu is a part of the sustainability effort.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>General public in Kota Bharu is involved in the city’s sustainable initiatives (public hearings, neighborhood groups or associations, etc.)</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
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</tbody>
</table>
SECTION B.
The following statements ask your opinion related to FEATURES OF INFRASTRUCTURE of Kota bharu.

<table>
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<tr>
<th>Description</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kota bharu has quality basic infrastructure (water, energy, transportation).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Capital availability (banks, intermediate credit organization) in Kota bharu is satisfactory.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu has quality scientific infrastructure (R &amp; D, scientific research, knowledge transfer, innovation).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu offers attractive information communication technology (coverage, cost, capacity, reliability).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu provides good health infrastructure.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu has quality education.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
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</tbody>
</table>

The following statements ask your opinion related to HUMAN CAPITAL of Kota bharu.

<table>
<thead>
<tr>
<th>Description</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>There are experts in information communications technology in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu has health experts (specialist doctors).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu has highly educated labor market.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>There are finance experts in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu labor forces are flexible and adaptable.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>There are workers aged between 20-64 years in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
### The following statements ask your opinion related to QUALITY OF LIFE in Kota Bharu.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kota Bharu demonstrates attractive urban environment.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu provides a wide range of cultural activities (theatre, nightlife, etc.).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu makes available a variety of recreational facilities (shopping, catering, etc.).</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu provides a number of nature parks and open spaces for people.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu offers a wide range of outdoor-activities.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu provides cost-efficient lifestyle.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>There are good-job opportunities and promotion in Kota Bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
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</tr>
</tbody>
</table>

### The following statements relates to the CRITERIA OF GOVERNANCE of Kota Bharu.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kota Bharu authorities implement attractive tax charges.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu authorities offer political stability.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu authorities are of champion, trustworthy institutions and individuals.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu authorities establish good social/institutional networks with local, national, and international bodies.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu authorities offer transparency of its policies.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota Bharu authorities demonstrate controlled bureaucracy.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
### SECTION C.
The following statements relate to Kota bharu and your identity

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living in Kota bharu says a lot about who I am.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Living in Kota bharu make others see me the way I want them to see me.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I identify strongly with Kota bharu city.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I feel Kota bharu is part of me.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I feel I can really be myself when I am in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu means a great deal to me.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

The following statements are connected to your love towards Kota bharu

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don't Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I feel strong, positive feelings for Kota bharu city.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I really miss Kota bharu when I am away too long.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I feel relaxed when I am in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I am fond of Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I feel happiest when I am in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu is my favourite place to be.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
The following statements reflect your dependence on Kota bharu

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I get more satisfaction out of living in Kota bharu than any other city.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>The things I do at Kota bharu I would enjoy doing just as much at a similar site.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I wouldn't substitute any other city for doing the types of things I do in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu is the best place for what I like to do.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Kota bharu plays a central role in my lifestyle.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I find that a lot of my life is organized around Kota bharu city.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Most of my friends are in some way connected with my stay in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I identify with the physical landscape of Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

SECTION D. The following statements relates to your SATISFACTION with Kota bharu.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am happy about my decision to stay in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I believe I did the right thing when I chose to live in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Overall, I am satisfied with decision to live in Kota bharu.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

SECTION E. The following statements concerns your future actions regarding Kota bharu

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neither agree nor disagree</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>If I am given a chance, I intend to live in Kota bharu forever.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>I consider Kota bharu as my first choice for place to live.</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
SECTION F: The following questions ask general information related to you and Kota bharu.

Q1. How long have you lived in Kota bharu city?
**MARK (X) in ONLY ONE appropriate box.**
- Less than five years
- 5-10 years
- 11-15 years
- More than fifteen years

Q2. What are the MAIN REASONS for you to live in Kota bharu?
**MARK (X) to UP TO THREE appropriate boxes.**
- Family commitment
- Job opportunities
- City lifestyle
- Cost of living
- Quality of life
- Others: Please specify______________________________

Q3. Which is the SOURCE that contributes to your understanding about life in Kota bharu?
**MARK (X) in ONLY ONE appropriate box.**
- Innate Sources (living in the city itself since birth)
- Commercial sources (advertising agencies, salespersons, travel planners, etc.)
- Public sources (mass media: includes internet, magazines, etc.)
- Experiential sources (visiting the city)
- Personal sources (family, friends, etc.)
- Others: Please specify______________________________

Q4. How often do you spend time out in Kota bharu city with family and friends?
**MARK (X) in ONLY ONE appropriate box.**
- Everyday
- Once a week
- Few times a week
- Once a month
- Few times a month
- Others: Please specify______________________________

Q5. Where are your most favourite places to be in Kota bharu city?
**MARK (X) to UP TO THREE appropriate boxes.**
- Shopping places
- Dining places
- Public parks
- Historical heritage places
- Event places
- Others: Please specify______________________________
6. What are the most interesting things about Kota bharu city?

**MARK (X) to UP TO THREE appropriate boxes.**

- Social diversity
- City cleanliness
- Landscape
- Amenities
- Accessibility
- Cultural identity
- Safety
- Historical heritage
- Others: Please specify ____________________________

Q7. Are you a member of any community or environmental group?

**MARK (X) in ONLY ONE appropriate box.**

- Yes
- No
- Not Sure

Q8. What do you hope to see Kota bharu city to be in the future?

**MARK (X) in ONLY ONE appropriate box.**

- Industrial
- Cultural
- Environmental
- Fair-Industrial-Cultural
- Fair-Cultural-Environmental
- Fair-Industrial-Environmental
- Others: Please specify ____________________________

Q9. How much money yearly are you willing to pay to make Kota bharu sustainable?

**MARK (X) in ONLY ONE appropriate box.**

- Below RM 100
- RM 101 – RM 200
- RM 201 – RM 300
- RM 301 – RM 400
- RM 401 – RM 500
- More than RM 500
- Others: Please specify ____________________________
Demographic Information

B. The information provided will be kept confidential and be used for research purpose only.
FOR EACH QUESTION, MARK (X) in ONLY ONE appropriate box.

Q1. What is your age group?
   - [ ] 20-40 years old
   - [ ] 41-60 years old
   - [ ] 61 and above

Q2. Are you?
   - [ ] Male
   - [ ] Female

Q3. What is your marital status?
   - [ ] Single
   - [ ] Married without children
   - [ ] Married with children
   - [ ] Divorced with Children
   - [ ] Others: please specify______________________

Q4. What is your highest level of education?
   - [ ] Bachelor degree
   - [ ] Master degree
   - [ ] PhD
   - [ ] Professional degree (doctor, lawyer, etc.)
   - [ ] Professional certificates (accountant, engineering, etc.)
   - [ ] Others: please specify______________________

Q5. What is the nature of your current working status?
   - [ ] Managerial
   - [ ] Professional/semi professional (teacher, lecturer, etc...)
   - [ ] Executives/officers
   - [ ] Self employed
   - [ ] Trainees
   - [ ] Others: please specify______________________

Q6. Please indicate the category of TOTAL MONTHLY INCOME FOR ALL PEOPLE IN YOUR HOUSEHOLD.
   - [ ] Below RM 10,000
   - [ ] RM 10,001 – RM 20,000
   - [ ] RM 20,001 – RM 30,000
   - [ ] RM 30,001 – RM 40,000
   - [ ] RM 40,001 – RM 50,000
   - [ ] More than RM 50,000

Q7. Where are you originally from?
   - [ ] This city
   - [ ] Local (please specify your previous town, state): _________________
   - [ ] Foreigner (please specify your country of origin): _________________
THANK YOU FOR YOUR TIME. YOUR CONTRIBUTION IS OF GREAT IMPORTANCE TO US AND VERY MUCH APPRECIATED