CHAPTER 1

INTRODUCTION

1-1.   Research background and motivation

Over the past decade, Korean popular culture has spread vigorously throughout the world.   The term "Korean wave" has been used to describe this rising popularity of Korean popular culture.   The Korean wave exploded in the media across the world, generating a ripple effect.   The Korean government took full advantage of this national phenomenon and began aiding Korean media industries in exporting Korean culture. This global expansion has contributed to enhancing South Korea's national image and its economy and has been seen as a tool for public diplomacy. The Korean wave has had a strong innovative effect in other locations. In this point, we need to think about Korea having Seoul as the innovative capital of Korea as representative of the entire country.

Seoul and Korea are known for their compressed growth in the latter half of the twentieth century. Seoul, with a population of more than 10 million people, is a dynamic city and has a long history. It began as a capital of the Jo-Seon Dynasty, which lasted from 1392 to 1910. Seoul was relatively a small city with a population around 200,000 during the dynasty. But its centrality in the political order of those days was unchallengeable. The spectacular growth of Seoul began since the 1960s when Korea adopted an export-oriented development strategy. Seoul was the center of Korea's modernization drive and as such it acquired an enormous momentum for growth and structural transformation. As a result, Seoul commands the Korean political economy while accounting for one-fifth of Korea's population. What transpires from the remarkable growth of Seoul in a short period of time is an explosive dynamism.

With the advance of a knowledge-based economy, most countries recognize the value of culture in the urban and national economies.   Seoul and Korea are not an exception to this culture-based economic development campaign. The marriage of culture with the multimedia industry is a new trend and it applies well to the case of Seoul. Looking at the changing profile of cultural industries in Seoul between 1996 and 2000, we can discern a remarkable growth in the game and software industry, followed by film production and distribution (Figure 1.1). The traditional art activities such as performance and visual arts remain a small proportion of the total cultural industries.

Year	1996				2000			
	Whole Country		Seoul		Whole Country		Seoul	
Industries	Est.	Employees (persons)	Est.	Employees (persons)	Est.	Employees (persons)	Est.	Employees (persons)
CoreArts Industries	1,245	7,303	452	3,162	1,261	10,870	464	3,893
Performance Activities	374	3,924	139	2,260	544	6,158	217	2,473
Museum, Gallery, etc.	158	2,072	25	295	307	3,873	66	993
Individual artists	713	1,307	288	607	410	839	181	427
Other Cultural Industries	73,397	250,166	20,899	115,013	60,579	219,658	17,928	107,179
Film Production & Distribution	3,592	15,518	1,335	9,218	5,444	25,753	2,162	15,857
Music Production & Distribution	4,226	13,848	1,323	6,665	3,587	11,419	1,275	5,736
Broadcasting	902	27,790	175	15,835	1,214	26,812	271	12,478
Publishing	15,831	122,362	6,166	63,773	9,748	89,210	4,494	55,096
Photography	12,287	24,097	3,215	7,954	12,912	24,966	3,243	7,843
Renting of Books & Other Recording	36,559	46,551	8,685	11,568	27,674	41,498	6,483	10,169
Related Industries	61,513	253,824	18,703	130,248	115,579	380,627	31,703	182,002
Game and Software	49,249	128,837	13,579	58,276	101,654	285,440	25,557	127,549
Advertisement	4,429	28,677	1,940	17,348	4,588	31,971	2,231	20,077
Specialized Design	7,835	96,310	3,184	54,624	9,337	63,216	3,915	34,376
Total of Cultural Industries	136,155	511,293	40,054	248,423	177,419	611,155	50,095	293,074
Share of Cultural Industries(%)	4.85	3.65	5.72	6.14	5.89	4.49	6.96	8.20
Total of Whole Industries	2,807,802	14,006,754	699,797	4,045,537	3,013,417	13,604,274	719,536	3,574,824

Figure 1.1 Cultural Industries in Korea and Seoul, 1996 & 2000[1]

(Source: Korea National Statistics Office. Online database)

[1]. http://kosis.nso.go.kr/cgibin/WS_1020.cgi?KorEng=1&A_UNFOLD=1&TableID=MT_CTITLE&TitleI D=K&FPub=3 [March 2002]. Seoul Metropolitan Government. 1997. Report on the Census on Basic characteristics of Establishment 1996.

The Korean cultural industry has a core factor to develop their culture rapidly: the cultural district is an important factor that can make Korea's cultural industry growth rapidly increase.

Using the generic definition of cultural district, one may find such agglomerations in several places of Seoul including Insadong, Daehagno, Gwanghwamoon, Hongdaeap, Chungmuro, Cheongdamdong, and Apgujeongdong. There are other smaller scale cultural places such as Sagandong (where galleries are concentrated) and the Seoul Arts Center. These cultural streets and districts have different origins in time and place but the process governing the formation of them is fundamentally the same. Market demand and supply determine the formation and transformation of cultural districts and streets. Consumers' taste and preferences, which determine market demand, shape the form and function of those districts and streets. Producers, by their cultural competence, play a certain role in shaping the cultural contents and activities of those cultural districts. Through these functions, cultural districts strongly impact the Korean cultural industry.
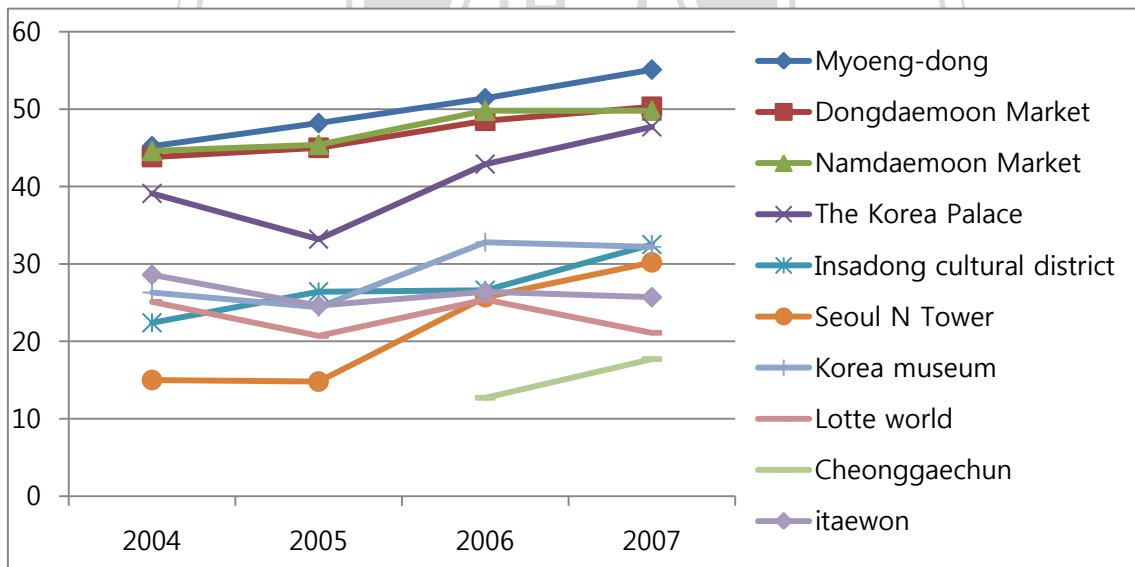

Figure 1.2 The top 10 places visited by tourists in Korea

(Source: Korea Tourism Organization, 2008)

Among these cultural districts, there are unique features and images that can make valuable places. Specifically, Insadong Cultural District impresses a distinct image on visitors. However, the other cultural districts do not have enough to satisfy some people who visit their cultural district. About this point, I find some questions regarding which

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factors can make some places suitable candidates for becoming a cultural district. Is there a special way to develop a cultural district? And what are the factors that determine a successful cultural district? I will try to find answers to these questions through this study.

1-2. Research purpose and question

1-2-1. Purpose

This study argues that a successful cultural district increases the attractiveness and value of a place. The theoretical framework of the study makes an effort to integrate various success factors for innovation in the context of city cultural district development. No general definition for "success" in a Seoul cultural district can be made, and there is no absolute success, the notion of success being always contextual. The theoretical framework tries to give leverage to existing capabilities for places and to systematize the marketing efforts for a more effective process approach. In this study, a theoretical framework for "cultural policy and innovation focused" cultural districts will be developed, to be applied in the empirical research.

Based on the factors mentioned above, the main purpose of this study is to examine the innovative strategy of the cultural district and the role of cultural policy in the development of a vibrant innovative plan and cultural area through visitor awareness and perspectives, the experts' perspectives and entrepreneurial prospects, and expectations for innovative marketing strategies. The role of place marketing will also be revealed. Historical, social, and unique factors and events that may have contributed to the designation of Insadong as a cultural district in a context of rapid development and innovation are also investigated. The direction of change and implications for the future of Taiwanese cultural districts will be discussed and implications for a cultural district strategy will be suggested. With these points in mind, I will focus on the three cases of Insadong, Daehagro, Samcheongdong for an in-depth analysis.

1-2-2.Questions to be answered

Questions that will be addressed in the study are as follows
1) What are the differences of tourists' place images among different types of cultural districts?
2) Which are the influencing factors of tourists' place image in a cultural district?

CHAPTER 2
LITERATUE REVIEW

2-1. Cultural District

2-1-1. Definition of Cultural District

Before defining the term 'cultural District' it should be noted that cultural cluster, cultural quarter and cultural route are used with analogous meanings in this paper. Cinti(2008) asserted that there is no terminological difference in the use of the terms 'cluster', 'district' or 'quarter'. The term 'district' is mostly used in the USA and in Italy, whereas the rest of Europe tends to use the term 'cluster'. However, according to another definition, there is a substantial difference between a quarter and a district, since the first has a commercial dimension, being mainly intended for tourist consumption and entertainment, while the latter has a stronger artistic dimension, being aimed at the production and export of cultural goods and activities (OECD, 2005). In Korea, quarter or sector is generally used to refer to the broader concept and it is one particular dimension of a region which is comparatively small, rather than a district which is an area in the city designated by municipal law. However, in this paper, the terms quarter and district will be used interchangeably.

There are a number of possible definitions for a cultural district. One of the most cited and well known definitions is by Frost–Kumpf: 'a well-recognized, labelled, mixed-used area of a city in where a high concentration of cultural facilities serves as the anchor of attraction. Typically, the area is geographically defined and incorporates other land uses, but the defining characteristic is the concentration of cultural facilities and related activities' (1998, p10). Another short definition of cultural district by Gibson and Freestone (2002) describes it as 'one particular spatial dimension of the cultural economy of cities' whereas Lazzeretti (2003) put the focus on 'high-cultural local system' in his definition.

ICOMOS (May, 2003) developed a definition of cultural routes emphasizing the cultural dimension as follows: a cultural route is a land, water, mixed, or other type of route, which is physically determined and characterized by having its own specific and historic dynamics and functionality; showing interactive movements of people as well as multi-dimensional, continuous, and reciprocal exchanges of goods, ideas,

knowledge and values within or between countries and regions over significant periods of time; and thereby generating a cross-fertilization of the cultures in space and time, which is reflected both in its tangible and intangible heritage.

However, such routes commonly extend beyond the confines of individual cities and commonly refer to such phenomena as the Silk Road or the Inca Trail. The International Scientific Committee on Cultural Routes (CIIC) was created in order to promote, consistent with the aims of ICOMOS international co-operation, the identification, study and enhancement of cultural routes and their significance in relation to their main value as a whole, and in connection with the protection, maintenance and conservation of their monuments, groups of buildings, archaeological remains, cultural landscapes and sites, as they are connected through cultural values and historical links (ICOMOS, 2003). While it is possible to recognize cultural routes with cities and, indeed, their development may be important for the purposes of tourism development and interpretation, they are likely to be of much shorter length than those that have attracted the attention of ICOMOS.

In this paper, the definition of cultural cluster will be used as „that geographical area that contains the highest concentration of culture and entertainment in a city or town" (Wynne, 1992: 19) with cultural consumption and production activities.

2-1-2. The Types of Cultural Districts

In the context of urban regeneration, culture can refer to anything from architecture, heritage buildings and attractions, to the visual and performing arts, festivals and events, to entertainment and leisure complexes, as well as culture as the way of life (Hitters & Richards, 2002). Currently, culture is widely being used as a tool in tourism planning to enhance economic revitalization in cities (Smith, 2007). The designation of cultural clusters and districts has speeded up in recent years and has, ideally, they have taken on the role of being an alternative "source" for urban development (Cinti, 2008). For example, in the USA, interest in cultural districts has been increasing with, as of 1998, more than 90 cities having developed or in the process of planning cultural districts as a means for revitalizing their downtown areas (Frost-Kumpf, 1998). As a type of arts-based development project, cultural districts were expected to have a multiplier effect, attracting interest in and revenue to the city.

Porter (1998) asserted that the key requirement for success for the constitution of a

cultural district is distinctiveness, with the character of the cluster being created from the local resources. Frost-Kumpf (1998) also emphasized that each cultural district should be unique, "reflecting the specific cultural, social, and economic needs of its city" (1998, 33). These unique characteristics become the cultural resources for different activities in the cultural district which, in turn, may be used to define different types of cultural districts.

A large number of studies of cultural clusters and districts often tend to group them according to particular variables and characteristics, bypassing the broad definition (Cinti, 2008). Cinti (2008) stressed that it is important to establish which activities are carried out in the cultural districts. Frost–Kumpf (1998) categorized cultural clusters into arts district, arts and entertainment districts, art and science districts, cultural districts, artists‟ quarters, museum districts and theatre districts.

The model proposed by Santagata (2005) proposed the following typology of cultural districts:

1) A 'date of birth' district (specified by law together with property rights); since the product derives from local tradition and is socially recognized.

2) The 'museum cultural district'; museum network or an art community that already exists in the historical centres of art cities.

3) Industrial cultural district: district specialized in the production of culture-based goods.

4) The metropolitan cultural district which is fostered by institutions specifically devoted to cultural activities where libraries, museums, theatres, art centres and the like are concentrated in the so–called districts. (Cinti 2009, p74)

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┌──────────┐      ┌──────────┐          ┌──────────────┐
│ Cultural │─────▶│ Traditional│────────▶│ Date of Birth │
│ District │      │ Cultural │          │ Cultural District│
│          │      │ District │          └──────────────┘
└──────────┘      └──────────┘          ┌──────────────┐
     │                                  │ Museum        │
     │                                  │ Cultural District│
     │                                  └──────────────┘
     │            ┌──────────┐          ┌──────────────┐
     │            │ Modern   │          │ Industrial    │
     └───────────▶│ Cultural │─────────▶│ Cultural District│
                  │ District │          └──────────────┘
                  └──────────┘          ┌──────────────┐
                                        │ Metropolitan  │
                                        │ Cultural District│
                                        └──────────────┘
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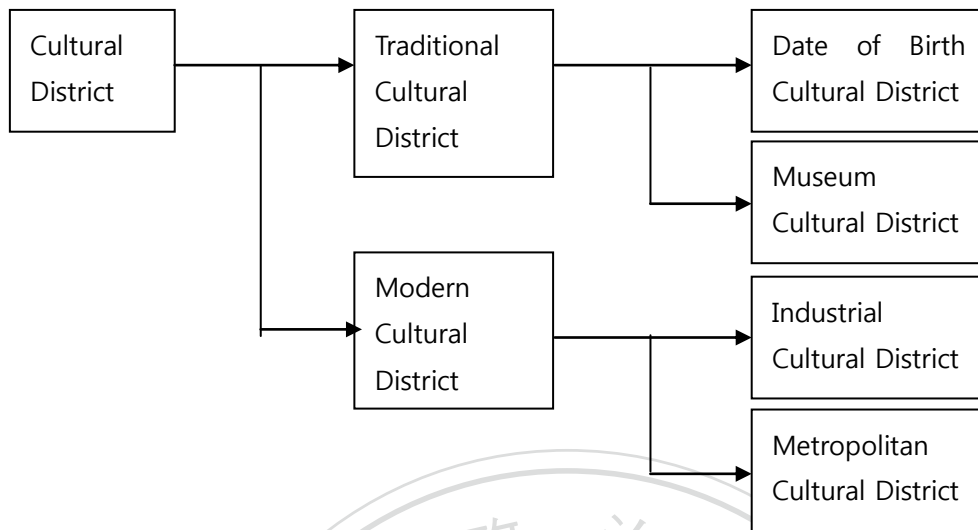
Figure 2.1 The Types of Cultural Districts (Source: Santagata, 2005)

The industrial cultural district is a type of cultural district with geographical clustering of the organization of cultural production within that area. This type of district is also called a 'cultural-industrial' district (OECD, 2005) and a notable example is the Hollywood movie industry. The key element in the success of these clusters is the distinctiveness which arises from the use of unique and local resources (Porter, 1998). This type of district is associated with economic activity and multiple products created in the district. Wynne (1992) stressed that role of the cultural industries in urban regeneration is reflected in the emergence of 'cultural quarters' as important growth engines in a number of cities.

The museum districts are very common and the most well-known type of cultural clusters in Europe. Jansen-Verbeke and Van Rekom (1996) asserted that museums are considered to be a core element in the urban attraction and a crucial element in generating a "high-quality" urban environment in many tourism marketing plans. Cultural tourists visit the local museums with interest in the wide range of cultural heritage which a city has to offer.

Within the museum clusters, examples of good practice in several countries are Museum plein in Amsterdam, the Museum insel in Berlin, and the Museums quartier in Vienna, Rotterdam"s Museni park etc. (Tien, 2010). The potential synergism between museums, located within each other"s district, and the possible advantages of a common marketing strategy look very promising and strongly inspire the current

marketing strategy of developing and promoting the museum park as a key attraction of the urban tourism product (Jansen-Verbeke & Ashworth, 1990). Therefore, museum clusters can be seen as being catalysts for the development of the cultural tourism industry.

According to Santagata's model, a good example of a "date of birth" district is Insadong cultural district in Seoul which is based on long-standing historic traditions. Insadong cultural district is designated by law to give recognition to the historic value of the street. The district was associated with the production of objects that have both an artistic and a commercial dimension, such as Korean traditional arts and crafts. Carta (2004: 47) said such districts should be defined „within local systems and make explicit the active and prospective valorization of cultural heritage". Currently, Insadong is such a cultural district which is focused on art galleries and souvenir shops in the downtown of metropolitan city.

2-1-3. The Type of Cultural district in Seoul

Since it is difficult to precisely define what constitutes cultural streets and districts, we adopt here a generic definition. A cultural district refers to a place wherein we find a noticeable agglomeration of cultural consumption and production activities in a limited geographical area (usually within walking distance) with distinct (KCPI 1999). Agglomeration and identity are two major qualities, which define a cultural district. It is, however, still ambiguous on what culture properties constitute cultural districts. If we focus on the agglomeration of cultural activities or facilities, we may classify cultural districts into three broad types. The first type is a place where cultural facilities such as museum, gallery, exhibition halls, performance centers are concentrated. The third type is a place where cultural and culture-related industries are concentrated. On the other hand, if we focus on economic properties and institutional dimensions, we may come up with different models of cultural districts as Santagata(2002) discusses.

Using the generic definition of cultural district, we may find such agglomerations in several places of Seoul including Insadong, Daehakro, Gwanghwamoon, Hongdaeap, Chongmuro, Cheongdamdong, Apgujeongdong, and so forth. There are other smaller scale cultural places such as Sagandong (where galleries are concentrated) and Seoul Arts Center. Although not strictly cultural, Dongdaemoon Fashion District is a place where fashion-related shopping culture is appreciated. These cultural street and

districts have different origins in time and place but the process governing the formation of them is fundamentally same. Market demand and supply determine the formation and transformation of cultural districts and streets. Consumers' taste and preferences are important determinants. Producers, by their cultural competences, play a certain role in shaping the cultural contents and activities of those cultural districts. The public sector is not a leader in the cultural arena but it can facilitate the information and transformation of such districts. Citizens and NGOs are another actor that can affect the contour of cultural landscape in the city. Thus, cultural districts should be understood within a larger context of social and economic development of the city. With these points in mind, it will focus on the following three areas for an in-depth analysis: Insadong, Daehakro, Samcheongdong.

Since 2002, several cultural districts have been designated by local government in Seoul. The first purpose of designation of cultural district is more focused on the preservation of historic assets than urban revitalization. However, the purpose of designation of cultural districts has evolved into preserving the distinctive artistic factors in a certain area and promoting cultural activities and the cultural contents of the area. The designation is also intended to assist in the building of a cultural network within the area for the encouragement of the consistent development of culture in the city. Before this municipal designation, the Ministry of Culture, Sports and Tourism provided guidelines consisting of the six key elements that constitute a cultural district:

1: Public services: information, communication facilities, management, assistance, advertising

2: Tangible environment: street, square, park, garden, architecture etc.

3: Cultural resources: historic event, place, memory, food, local product

4: Accommodation and entertainment: restaurants, hotels, exhibitions, experience, involvement

5: Historic information: ethnicity, religion, architecture, tradition, history

6: Events: festivals, performances, planning, exhibitions

(Source: Ministry of Culture, Sports & Tourism, 1996, p29)

These guidelines emphasized the synthesis of cultural activities and substantial infrastructure and land uses to form a cultural district. Cultural districts have gained fame as tourism destinations and have generated synergistic effects from the economic

point of view, but the policy of designation has raised critical issues for maintaining cultural facilities and the possible loss of cultural traditions.

2-2. District Innovation as a kinds of managerial innovation

An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method in business practices, workplace organization or external relations. The minimum requirement for an innovation is that the product, process, marketing method must be new (or significantly improved) to the firm. Innovation activities are all scientific, technological, financial and commercial steps which actually, or are intended to, lead to the implementation of innovations. Innovation activities also include R&D that is not directly related to the development of a specific innovation.

Table 2.1 The Types of Innovation

The type of Innovation			
Technological Innovation		Managerial Innovation	
Product Innovation	Process Innovation	Organizational Innovation	Marketing Innovation

(Source: Oslo, 3rd edition)

Recent research indicates that the rate of production and adoption of managerial innovations is increasing and the life cycle of each innovation is decreasing (Carson et al, 2000).   More recent managerial innovations also tend to be broadly based, often organization-wide, and so implementing them has become more costly and disruptive of the organization in question (Rigby, 2001).   These developments have prompted greater scrutiny of how and why managers cause their organizations to adopt innovations.   These derive from a variety of concerns, including managers striving to be fashion setters and facing difficulties both in selecting from the increasing choice of innovative tools and techniques, and in implementing their selections. The aim of the research reported in this paper is to explore the complex phenomenon of the adoption of managerial innovations by organizations.   Using a case study approach, the rationales that Sturdy (2004) posited for the adoption of managerial innovations are subjected to empirical inquiry.   In particular, the research sought to illuminate how

these rationales may relate to important characteristics of the adoption process, namely, the timing of adoption in the life cycle of the innovation and how long the process of adoption take.

2-2-1. Sources of Managerial Innovations

Abrahamson (1996) proposes the notion of fashion setters, who seek to produce and shape innovations. He identifies management gurus, business schools, mass media and management consultant firms as typical fashion setters. He also asserts that rather than ideas for improved practices arising spontaneously, "they [management fashions] are cultural commodities deliberately produced by fashion setters in order to be marketed to fashion followers (i.e. those who take up the fashions in question)" (1996, p. 263). Williams (2004) also identifies management consultants as being "involved in the production and engineering of management fashions, fads, buzzwords, buzz phrases and acronyms" (2004, p. 775), and in the selling of management change ideas and their successive application.

2-2-2. Four Perspectives on Managerial Innovation

Proponents of the institutional perspective take a macro level and comparative approach to make sense of the institutional and socioeconomic conditions in which particular managerial innovations emerge. For example, Guille´n (1994) examined the impact of seven sets of institutional factors on the introduction of new managerial ideologies and techniques across four countries; Cole (1985) focused on how the balance between labor market incentives that are mostly set by the state, the relative strength of industry associations, and the predisposition of organized labor influenced the introduction of small-group activities in different countries; and Kossek (1987) examined industry- and firm-level influences on the emergence of human resource management innovations. Normative beliefs about what is progressive may drive management innovation, but those beliefs are also subject to long Kondratieff waves of economic change in which new technologies occur and create performance gaps that then necessitate management innovation (Abrahamson, 1997; Barley & Kunda, 1992). The institutional perspective measures innovation in terms of the discourse around particular ideologies and also at the level of specific practices or techniques. It gives no

direct consideration to the role of human agency in shaping the process; instead, it focuses on the preconditions in which an innovation first emerges and then the factors that enable industries to adopt such innovations.

The fashion perspective focuses on how management innovations emerge through the dynamic interplay between the managers who use new management ideas and the "fashion setters" who put forward those ideas (Abrahamson, 1991, 1996). This perspective provides a wealth of insight into how management fashions take shape, including a detailed understanding of the typical attributes of managers who buy into these fashions (Gill & Whittle, 1993; Huczynski, 1993; Jackson, 1986), as well as the ways in which fashion setters shape incipient demand for their ideas (Benders & van Veen, 2001; Clark, 2004; Kieser, 1997; Mazza & Alvarez, 2000). However, it has little to say about the true origins of management fashions, or why certain innovations become fashions while others do not. The fashion perspective spans the macro and micro levels of analysis, with a concern both for the industry that supplies new management ideas and for the behavioral reasons why individual managers choose to buy into those ideas. Management fashions can exist as abstract ideas or rhetorics, or as specific practices or techniques.

Proponents of the cultural perspective attempt to understand how management innovation shapes, and gets shaped by, the culture of the organization in which it is being implemented. It operates at the meso level of analysis by looking at how individual attitudes toward management innovation interact with the organization level introduction of the innovation. One strand of this literature takes a critical perspective (Knights & McCabe, 2000; McCabe, 2002) while the other adopts an intraorganizational process perspective (Stjernberg & Philips, 1993; Zbaracki, 1998), but both share some common themes: a recognition that established organizations do not change easily, that management innovation has both rhetorical and technical components, and that the outcome of the introduction of a management innovation is rarely what was intended by the senior executives who introduced it. Unlike the two previous perspectives, the cultural perspective provides some insight into how management innovations are implemented, though primarily from the point of view of those who are being asked to participate in the process, rather than those who are driving it. The outcome of management innovation according to this perspective is typically a reinforcement of the status quo (McCabe, 2002). This perspective does not deny that changes can occur as a result of management innovation, but the forces at

work in large organizations typically dampen its impact.

The rational perspective builds on the premise that management innovations are introduced by individuals with the goal of making their organizations work more effectively. According to this perspective, an individual puts forward an innovative solution to address a specific problem that the organization is facing, and he or she then champions its implementation and adoption (Burgelman, 1983; Howell & Higgins, 1990). Some studies from this perspective have favored a case study methodology (e.g., Chandler , 1962; Tichy & Sandst rom, 1974) , whereas others have used large-sample quantitative approaches (Damanpour, 1987; Kimberly & Evanisko, 1981), but all studies span the micromacro levels of analysis by focusing on the actions of key individuals within an organizational and environmental context. There is also a subtheme within this perspective concerned with the links between management and technological innovation, which suggests that they may coevolve (Damanpour & Evan, 1984; Ettlie, 1988; Georgantzas & Shapiro, 1993).

2-3. Marketing Innovation of Cultural District

The Cultural District can achieve   the innovation through the managerial innovation process . the managerial innovation is the important factor to develop a oganization and marketing strategy.

Organisational innovations refer to the implementation of new organisational methods. These can be changes in business practices, in work place organisation or in the firm's external relations. Marketing innovations involve the implementation of new marketing methods. These can include changes in product design and packaging, in product promotion and placement, and in methods for pricing goods and service.

A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

Marketing innovations are aimed at better addressing customer needs, opening up new markets, or newly positioning a firm product on the market, with the objective of increasing the firm sales. The distinguishing feature of a marketing innovation compared to other changes in a firm's marketing instruments is the implementation of a marketing method not previously used by the firm. It must be part of a new marketing concept or strategy that represents a significant departure from the firm existing

marketing methods. The new marketing method can either be developed by the innovating firm or adopted from other firms or organizations. New marketing methods can be implemented for both new and existing products.

Place Marketing

The essence of professional marketing is not always understood correctly, even in many corporations that are regarded as experts in marketing. Contemporary marketing is a holistic process, and should have presence in all the functions of the organization. The core of the marketing concept is understanding customer needs and wants (Gummesson 1999: 8; Rainisto 2000b). Marketing's contribution is to organize effectively the use of the resources to achieve the overall targets. The basic idea in all marketing is to solve customers´ problems by producing added value, while the creation of the customer satisfaction should be the responsibility of the whole organization (Weilbacher 1993: 43, 189; also de Chernatony 2000: 4, 8-9; Kotler 1997). Firms compete with services, not physical products (e.g. Grönroos 2000).

It is a very important strategic decision for a place to start systematic place marketing. This is also a matter of resources, because there must be sufficient organising capacity. In a city-region there are often numerous communities, which have their own individual place marketing practices. Then a decision to create a common regional marketing program requires that all parties can agree about the common goals, not conflicting with the individual place marketing programs of these locations. In place marketing, the place product must be adapted to fit the needs of place customers. The overall targets of a place can be reached only when this task has been fulfilled. Each place should define and communicate its special features and competitive advantages effectively. Places must find ways to differentiate and position themselves for their target markets (Kotler et al.1999: ix, Nasar 1998; Krantz & Schätzl 1997; Kotler & Gertner 2002). Segmentation is a core task in the place marketing to decide about the targeted customers. The four main target markets of place marketing, illustrated in Figure 2.2, are visitors, residents and employees, business and industry and export markets (Kotler et al. 1999). The visitors market consists of two broad groups, namely business and non-business visitors. Within these groups there are sub-target groups that need to be carefully prioritized.
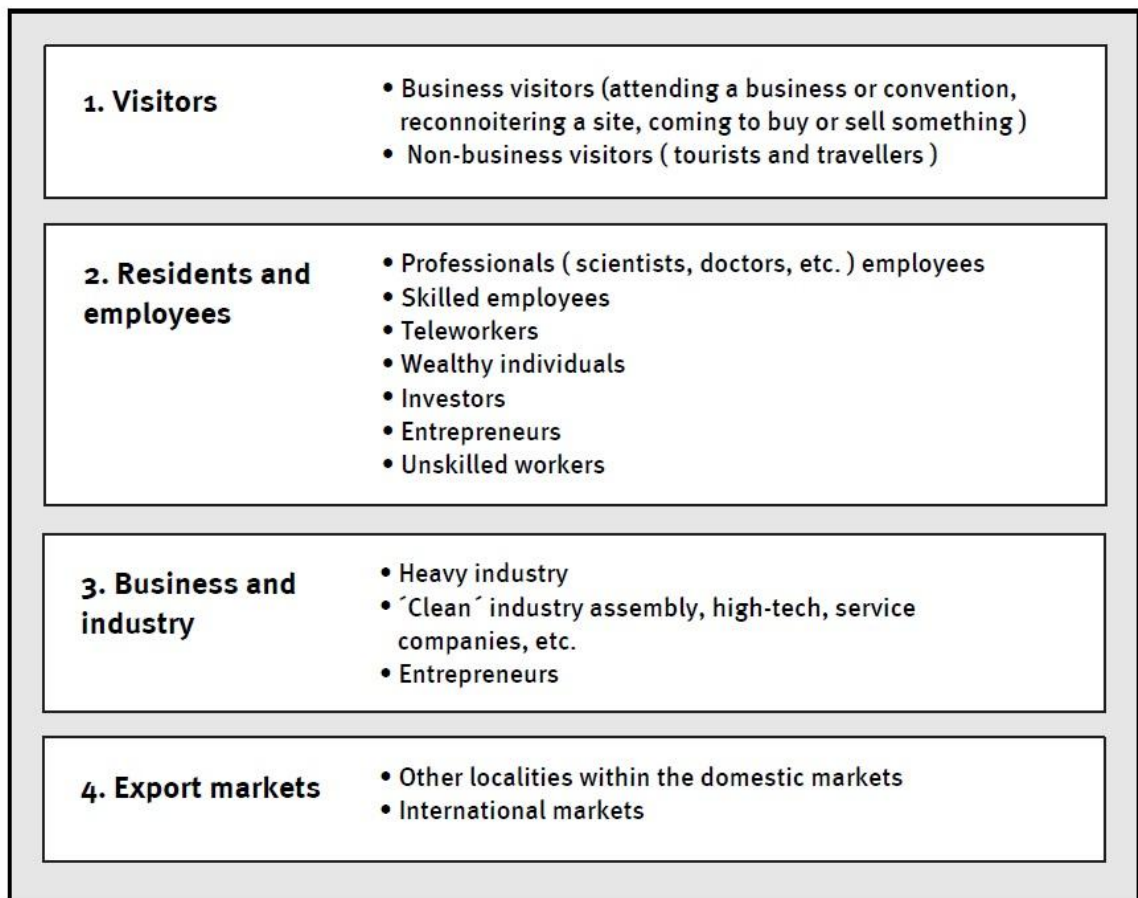
Figure 2.2 Place Marketing Target Markets (Source: Kotler et al. 1999)

The business, industry and economic investment category has the longest tradition in Europe[2]. Businesses are becoming increasingly professional in their place hunting. However, places often do not define their target groups, leading to an unclear focus that reflects on the marketing message (Kotler et al. 1999).

Export markets means the ability of a place to produce more goods or services that other places, people and business firms are willing to buy, and many places have developed a strong export image. Public and private sector players can develop cooperation that strengthens the image of the place on the export market. This is called co-branding (Kotler et al. 1999: 50). The existence of ready business acts as a driver for a firm to consider whether to locate an office or production plant in the target

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[2] With almost 20 million unemployed within the EU it is logical that the business and industry target market has received so much attention (Kotler et al. 1999: 40).

location instead of the export activity.3

2-3-1. Place Marketing Process

A process is simply a set of activities designed to produce a specified output for a particular customer or market. It has a beginning, an end, and clearly identified inputs and outputs. A process is therefore a structure, for how work is done. (Davenport 1994: 13). The (place) marketing process consists of analyzing marketing opportunities, developing marketing strategies, planning marketing programs, and managing the marketing effort (Kotler 1997: 90). The process of place marketing starts with the strategic analysis of the place (Kotler et al. 1999, 2002; Berg et al. 1993; Rainisto 2001; Duffy 1995; Killingbeck & Trueman 2002), together with the work of the vision and mission statements. No development can succeed without prior analysing work. Figure 2.3 presents the "Elements in a place marketing process" framework, where the elements are divided into three perspectives: producers, market and consumers. The process elements consist of resources, product, marketing strategies and measures, customer populations, segmentation and strategies. Each of the elements is different from those in traditional marketing[4]. These differences determine the distinctive character of place marketing that is more than a simple transfer of techniques (Ashworth & Voogd 1994).

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[3] Interview in MIPIM, Cannes, 6 March 2003 with Dr. P.W. Anderson, President P.W. Anderson & Partners, Inc., Virginia. Anderson has acted as a localisation consultant for Scandinavian locations (e.g. the Helsinki Region) in the USA.

[4] Kotler 1986: " Marketing is a process of planning and movement of a product from the supplier to those who are to use it…, and the marketing process in incomplete unless all of its functions are performed".
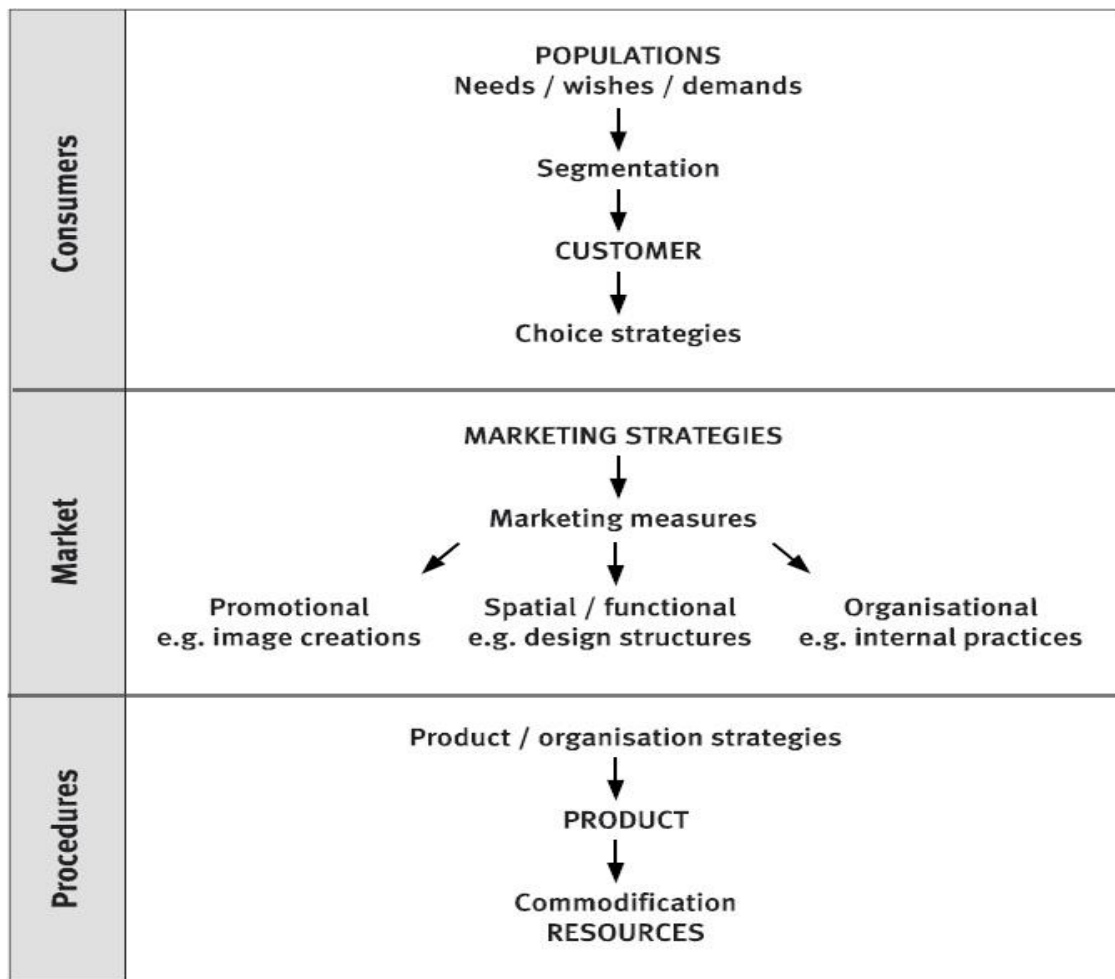
Figure 2.3 Elements in a Place Marketing Process (Source: Ashworth & Voogd 1994: 43)

Place marketing can contain the selling of a selected package of facilities or the selling of the whole place through images associated with it. Places are "multisold" as products to many different groups of consumers and customers for different purposes. Public, semi-public and private organisations can be producers of a place product. The place customers are free to choose between comparable products on the place market. The intangibility of nonbusiness[5] products, the nonmonetary price of purchase, the extreme lack of frequency of purchase, the lack of behavioural reinforcers, the need to market to an entire but heterogeneous market, and the extreme levels of involvement[6]

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[5] " Nonbusiness" is used in this study in the same meaning as "nonprofit", "public" (organisation or sector), is the opposite of "business", "profit" or "private" (organisation or sector).

[6] Involvement emerged during the 1970s as a popular construct which was hypothesised as acting as a mediating variable in learning, information processing, attitude change, and behaviour development. A major contribution of

(Rothschild 1979: 178-1887) are features of a place product. The political element is strongly involved in the place's decision process. There can also be a gap between the realities of a place as a product and its marketing communication. (Rothschild 1979: 178; Ashworth & Voogd 1994). A place can make various investments to improve liveability, investability and visitability of the place product, which comprises four components (Kotler et al. 1999: 125), namely: 1) Place as character. Aesthetic urban design reveals a great deal of "the sense of the place", and makes a statement about a place, because it reflects how values and decision-making combine on issues affecting development. 2) Place as a fixed environment. A compatible basic infrastructure with the natural environment makes the urban design possible, but cannot guarantee a place's growth, although its absence is a serious liability. Strategic market planning must deal intelligently and creatively with the various infrastructured proposals. Also, infrastructure development needs to be adjusted to the overall place development priorities. 3) Place as a service provider. Like place design and infrastructure, successful places demand good public services, which can also be marketed as a place's primary attraction and product. Programmes for improving security, education and attractions8 need to be developed. 4) Place as entertainment and recreation. The traditional institutions serving this function are the restaurants, parks, zoos, sports arenas, and more complex combinations of attractions are emerging.

The major actors in the place marketing process are presented in Figure2.4. It is critical to find solutions as to how to motivate and co-ordinate the various stakeholders for the regional interests. (See Rainisto 2001, 2000; Berg et al. 1993; Braun 1994). The actors in place marketing consist of local, regional, national and international players.

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this construct may lie in its value in nonbusiness situations. It seems that a range of involvement becomes more extreme in both the very high and very low ranges, and, therefore, information processing, decision-making, and communications effects may differ dramatically. (Source: Rothschild 1979: 180).

[7] Rotschild (1979) discusses marketing in "nonbusiness situations", utilised, for example, by government, education, health and social services, charity and "many other type of nonbusiness (public and nonprofit) organisations". Marketing places, however, was not mentioned by name in his early article.

[8] Attractions cover physical features and events that appeal to citizens, new residents, visitors, businesses and investors (Kotler et al. 1999: 140).

Regional actors	• Regional economic development agencies • Local and state government • Regional tourist boards
National actors	• Political heads of government • Inward investment agencies • National tourist boards
International actors	• Embassies and consulates • Inward investment agencies • Economic development agencies with a specific link to a region or a city • International enterprises with a placebound link

Local actors

Public sector actors	Private sector actors
• Mayor and/or city manager • Business development department in the community • Urban planning department of the community (transport, education, sanitation, etc.) • Tourist bureau • Conventions bureau • Public information bureau	• Individual citizens • Leading enterprises • Real estate developers and agents • Financial institutions (banks and insurance companies) • Electricity and gas utilities, telecommunications companies • Chamber of commerce and other local business organisations • Hospitality and retail industries (hotels, restaurants, department stores, other retailers, exhibition and conventions centres) • Travel agencies • Labour market organisations • Architects • Transport companies (taxi, railway, airline) • Media (newspaper, radio, TV)

Figure 2.4 Major Actors in Place Marketing Process (Source: Kotler et al. 1999)

When practicing place marketing, "cross marketing" is useful in the process. Cross marketing means continuously marketing between and among place players. In cross marketing, all the parties can be winners and benefit from each others´ possibilities. For instance, visitors are not only tourists but are also potential links to firms and investors in their home areas, and can influence their employers, for example, to arrange an international meeting in the location (Haider, 2002). A place can be marketed in different ways to different place consumers through its fragmented images (e.g. Gilbert 1988; Lynch 1960; Nasar 1998; Kotler & Gertner 2002).

2-3-2. Place Branding

Places can be branded like products and services (e.g. Kotler et al.1999; Keller 1998: 19; Killingbeck & Trueman 2002; Hankinson 2001). Place branding in place marketing aims especially at increasing the attractiveness of a place. There is no one accepted definition of a brand. Relevant areas of study regarding place branding have been urban planning, retail marketing and tourism marketing (Hankinson 2001: 128-129; Morgan et. al. 2002). Place branding brings added attraction to a place, the central issue being to build the brand identity of a place (Rainisto 2001).When geographical locations are branded like products and services, the brand name is then often the actual name of the location. A branded place makes people aware of the location and connects desirable associations (also Keller 1998:19). Places comprise many components, such as name, symbols, packaging and reputation (Shimp 2000).

Successful branding requires an understanding of how to develop a brand identity, a brand differentiation9 and a brand personality (also Aaker 1996). It is difficult to create the illusion of value difference for almost identical brands. Brands are widely interchangeable in corporate marketing and customers often do not perceive them as being at all unique (also Weilbacher 1993: 108-140). Joachimsthaler & Aaker (1997) studied alternative brand building approaches, without using mass media, and found that three guidelines to build a successful brand should be tied with the core identity. These issues are: 1) senior managers should be carefully involved with branding efforts, 2) the importance of clarifying the core brand identity, and 3) all efforts to get visibility should be tied to the core identity. Core identity is also a central driving force in place branding, including the major elements of place attraction (see Keller 1998; Duffy 1995; Duncan & Moriarty 1997; Idvall & Salomonsson 1996; Kapferer 2000; Kotler et al. 1999).

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9 Differentiation is the act of designing a set of meaningful differences to distinguish the company´s offering from the competitors' offerings (Kotler 1997: 282). It is desirable to distinguish brands as much as possible (Keller 1998: 439).

In Figure 2.5 some place marketing campaigns and slogans are presented. (Adapted from: Kotler et al. 1999).

Stockholm: Inspired in Stockholm	Chicago: Business Capital of America
Singapore: Live it Up Singapore!	Glasgow: An Arts Capital of Europe
Hannover: The City of International Fairs	Budapest: a City with a Thousand Faces
Scotland: Silicon Glen	Amsterdam: Capital of Inspiration
Helsinki-Region: Europe´s Magnetic North	Spain: Everything Under The Sun
Berlin: Capital of The New Europe	Copenhagen: Wonderful Copenhagen
St Petersburg: Gateway to the West/East	Hong Kong: City of life / Asia´s Word City
Munich: Insurance City Number One in Europe	

Figure 2.5 Place Marketing Campaigns and Slogans (Source: Kotler et al. 1999)

In the global market, more products are introduced with a clear place-brand origin. A well-chosen place brand makes the product more identifiable for the place buyer, and brings added value. A co-branding strategy is frequently used in corporate marketing (e.g. Bacardi & Coca- Cola), as well as in places. Examples of such place origins are "Swiss quality watches", "German cars", "Italian leather goods", "Genevan Rolex", "Dublin Guinness beer", "Paris Channel perfume", and "Swedish Absolut vodka"(Kotler et al.1999: 243-246). Some nations have a strong export-driven image like the Netherlands, Belgium, Denmark and Sweden.10 Some regions create their image on the basis of images of particular companies and products. Transferring image on Branding is also a potential option for places to establish a place with desired

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10 Examples of places with a strong export brand are Hamburg, Ile de France, Darmstadt, Greater London, Bremen, Oberbayern, Stuttgart, Lombardia, Valle d´Aosta, Groningen or Luxembourg. There are successful examples of small places, such as the North Italian community of Agordo (famous for exclusive glasses), Swedish Södertälje (known for Scania), German city Herogenaurach (location for Adidas, Puma), and the Aran Islands off the coast of Ireland famous for woollen sweaters (Kotler et al. 1999). The Island of Harris off the coast of Scotland is famous for its tweed cloth (Roderick Dixon).

associations. Successful places attract new investment and create a positive success circle. Another object is the base for sponsoring utilisation. It is possible to use a positive image of a region and transfer it on regional products (French wine).

More emphasis also needs to be placed on brand identity than earlier (also de Chernatony 1999: 172-173), as the identity is the starting point for attraction building by uniting the most important attraction factors in one marketing message, the place's identity. Although cities are becoming more powerful, a city cannot escape the "trademark" of its nation (Kotler et al. 1999). Moreover, part of a city's potential competitiveness can depend on the image of its home country. Some well-known examples of country of –origin image associations are presented in Table 2.2.

Table 2.2 European Country of Origin Images

Country	First five images
Belgium	Brussels, chocolates, Tintin, beer, *capital of Europe*
Denmark	Vikings, Hans Christian Andersen, *Copenhagen*, Lego, football
Germany	Beer*, Berlin*, motorways, Goethe, serious
Spain	*Barcelona*, bullfighting, paella, art, Juan Carlos
France	*Paris*, wine, Gérard Depardieu, food, fashion
Ireland	Green, the Irish pub, James Joyce, Celtic design, U2
Italy	*Rome*, pasta, art, shoes, Pavarotti
Luxembourg	Castles, banks, small court of justice, the Echternach dancing
The Netherlands	Van Gogh, tulips, drugs, *Amsterdam*, flat
Austria	*Vienna*, Klimt, Sissi, skiing, Mozart
Portugal	Port wine, the cock of Barcelos, Lisbon, explorers, Algarve
Finland	Lapland, Santa Claus, forests, saunas, telecommunication
Sweden	Blondes, cold, Nobel prize, Ingmar Bergman, Pippi Longstocking
United Kingdom	Shakespeare, *London*, BBC, The Royals, Beatles

(Source: Kotler et al. 1999)

Research shows (e.g. de Chernatony 1993; Keller 1998; Aaker & Joachimsthaler 2000; Caller 1996; Duncan & Moriarty 1997; Kapferer 2000; Loden 1992) that

successful brands satisfy functional and emotional needs. A place brand is successful when a place is "augmented" in such a way that the place buyer perceives a relevant advantage, and feels that the unique added values of the place match the needs closely. Successful place brands make a clear statement to the target groups. Moreover, place brands are only built by being persistent over the long run. (de Chernatony; Aaker 1996). There are several strategic decisions in the branding process for a place. Beginning branding can be a good starting point for place marketing (Seppo K Rainisto,2003). (1) The choice of the brand name is often obvious and the name of the city situated in the centre of the region is most often selected. (2) Brand positioning is a fundamental strategic decision and a place should position its unique attraction 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 programme - objectives, strategies and tactics – is derived from brand positioning (also Loden 1992: 57; Weilbacher 1993; Trueman et al. 2001; Randall 1997; Loden 1992).

It is necessary to also analyze the customers' reasoning through very concrete benefits. What kind of brand relationship do the target groups have with our place? The issues of the personality and unique sales propositions of the location must be studied in comparison with the competitors (Murphy 1998: 144-145; McLeish 1995; Know & Maklan 1998). A place has its arguments, which should be refined further to customer benefits and added value. A place's brand image needs both the tangible "service" characteristics and the brand´s personality, like corporate brands.

2-3-3. Success Factors of Place marketing

Success factors try to explain "why" place marketing practices are successful or unsuccessful while assessment criteria are goals to assess the degree of success in place marketing practices. A specific success factor represents the ability and capacity of a location to take the respective issue into consideration in the place marketing practices of a location.

2-3-3-1. Planning Group

Planning group means an organ responsible for the process of planning and

executing the place marketing practices of a location[11] (Seppo K Rainisto, 2003).

The common European model is to organize a planning group[46] of local and regional officials. The group can be supported by an external consultant and also by representatives from the local business community (Kotler et al. 1999: 25-28). The findings of the pilot study (Rainisto 2001) of this dissertation also indicated the importance of the planning group, although initial problems were found in practice, mostly related to the fragmented internal political decision system in the region. In international practice, the use of a special planning group in place marketing is recommended (Kotler et al. 2002a: 45-46; Asplund 2002; Kotler et al. 2002b). This planning group must identify the major strengths and weaknesses of the place, as well as the major opportunities and threats, and develop a vision on long-term possibilities based on this diagnosis. The planning group should also design an action plan for the next 10-15 years. The role of place management in coordinating place marketing activities is crucial for the success of this process (Kotler et al. 2002b; Berg et al. 1990; Harvey 1989c; Jensen-Butler et al. 1997).

A planning group's responsibilities are (Kotler et al. 1999):

• Defining and diagnosing the place's condition, using, for example, the SWOT-analysis

• Developing a vision for a place, based on realistic assessment and analysis

• Developing a long-term action plan for investment and transformation (the value-added process).

The place's ability to use all available players in place development and place marketing, to generate new ideas, develop and implement the policy for the place, has been also called the "organising capacity" (Berg et al. 2001). The organising capacity also comprises the issues of the maintenance of the vision(s) and strategic work, the level of public-private partnerships and the quality of leadership (Berg et al. 2001: 7-10). Through the coordinating role of the planning group, called in some locations a management group, the issues of cooperation and partnerships can be carried out effectively, when there is one responsible organ in charge.

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[11] Local business people in Europe are less frequently involved in the regional planning process than in the American model. In the USA, a mix of public and private representatives has existed for decades. (Kotler et al. 1999: 26).

2-3-3-2. Vision and Strategic Analysis

Vision means the profound intuition and insight of the owners and management about the entirety of the competition situation and their own possibilities. Vision in place marketing is the profound intuition and insight of the place about its future long-term position in the place market. Mission is the basic task domain of a place, defining the utmost ground for the place existence. (Rainisto 2000b).

Strategy means the way in which an organization takes care of its core tasks. Strategic analysis is a detailed examination of the elements of strategic information for this purpose. (Rainisto 2000b).

Strategy can also be seen as a pattern in a stream of decisions (Mintzberg & Waters 1982). The way decisions are made, or the structure of the decision process itself, may mould decision outcomes and strategies that organisations follow (Cray et al. 1986). The value of strategic planning is often already in the process rather than the plan (e.g. Bryson & Bromiley 1990: 334). Managing strategic market planning is more difficult for public communities and regions than for private companies (Kotler et al. 1999: 106). Strategic market planning cannot succeed in places where consensus building does not work.

In strategic planning it is important to prepare strategic plans for the uncertain future of a place. To enable planning, the place marketing management of a place must build systems to gather the market information, plan the market activities, and carry out the implementation and control of the place marketing process, always based on the resources and targets. (Kotler et al. 1999, Kotler 1997). Also, the changing competition and markets must be followed and its opportunities and threats analysed. In this way unique selling propositions, by focusing on certain selected attractions, can be created for a place (also Kotler et al. 1999: 106-107; see Scott 2001; McLeish 1995; Duffy 1995). For each alternative strategy, the planning group must also investigate if there are the necessary resources – organising capacity – to carry out these plans. First, it is important to decide correctly about the business where the place wants to participate. This desired business scope for the place product area should be defined matching the customer needs and the place's capacity to satisfy these needs. The correctly defined business can be crucial to success, as all the strategies will be based- if made professionally - on that particular competition perspective dominant in the chosen business. Different market segments lead naturally to different marketing strategies and

activities.

Major essential elements suggested in the literature, concerning the vision and strategy work in place marketing are presented below. Unfortunately, places often, however, do not completely succeed in managing this quite standard marketing practice (also Kotler et al. 1999: 118-120; Aaker 1996: 190):

• A clear understanding of what is wanted. The vision should be established together with stakeholders, and a broad agreement on a long-term vision is needed. The short-term and long-term goals, as well as the operational consequences of the visions, need to be understood and defined.

• Place product must be adapted to customer's needs, and benefits to customers must be described honestly in concrete terms. Reality and created expectation must meet. Confused messages weaken the arguments.

• The competitors must be known, as should the choice of customers. A competition analysis is needed.

• A real point of difference, the unique selling point, must be created.

This explains why target groups choose to come to the place and not to another location. Attraction factors of a place can be divided into hard and soft factors. These are shown in Table 2.3.

Table 2.3 Place Marketing Attraction Factors

Hard factors	Soft factors
• Economic stability	• Niche development
• Productivity	• Quality of life
• Costs	• Professional and worldwide competencies
• Property concept	
• Local support services and networks	• Culture
• Communication infrastructure	• Personnel
• Strategic location	• Management
• Incentive schemes and programmes	• Flexibility and dynamism
	• Professionalism in contact with the market
	• Entrepreneurship
	• Unexpected relevances

(Source: Kotler et al. 1999)

Hard attraction factors alone like infrastructure will no longer be able to build a unique competition advantage. Combinations of these individual factors should be used, because it is not possible to use many of them to maximum efficiency. Soft attraction factors, like entrepreneurial climate and knowledge, are becoming more valuable with the sophistication of the place package and its offering. Many places can show great buildings, but these are more easily imitated than soft factors. Physical elements of the place, like city architecture, cannot alone form the whole identity message and immaterial brand associations are needed in addition such as a favourable image. (See Ashworth & Goodall 1990). The physical part of place attraction is not enough to make a brand. Physically focused thinking has been easier for places to adapt, because much focus has been placed on buildings, architecture and landscape (Gold 1994; Ashworth & Voogd 1994).

2-3-3-3. Place Identity and Place Image

Place identity and place image appear in the framework to form an entity for the aspect of place branding. Few have examined place as a brand, with some exceptions, mainly the tourism industry (e.g. Kotler et al. 1993) or related countries as a brand (Kotler & Gertner 2002). It is not possible to create any image for a place without a strategic decision on the contents of the place's identity. When the place has created a clear concept of its desired identity, the foundations of its image have been established. If place marketing communication in place marketing practices is successful, the place can expect that its future image will be just as desired by the place marketing planning group the members of which are place strategists.

Place Identity

The place identity is how the place is wanted to be perceived. The place identity is a unique set of place brand associations that the management wants to create or maintain. The associations represent what the place stands for and imply a promise to customers from the place organisation. (Modified from Aaker 1996). Identity is the active part where a place can exercise some influence, and image is the passive process outcome of the marketing communication and even of the process coincidences, without which a place can influence a specific image outcome. A place's

identity, as with corporate identity, is a sum of characteristics that differentiate the place from other places.

Therefore, the identity is a result of planned activities within the place marketing project and is the objective state, the image being the subjective. The chosen attraction factors of a place are communicated to the selected target groups, which represent the present aspect of the place's choices in place marketing. A place needs not only the umbrella brand, but also sub-brands, for each sub-market and the business fields where the place considers itself unique. The brands each need a different strategy. Marketing communications in its various forms, such as direct marketing or exhibitions, can be used in the place marketing practices as a connecting bridge between the identity and the image of the place. Social responsibility will be a new competition tool and presents a strong argument in marketing and branding. The organisation behind the brand should give a holistic signal to the customers about social responsibility. (Economics 2000; also Kapferer 2000; Keller 1998). Brands make fun and choices easier, and they also guarantee quality. A brand which offers less of a product, and more of a way of life will better satisfy changing needs (Economics 2000).

Place Image

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. (Kotler et al. 1999). While the brand identity is the active element in a place's marketing process, making use of integrated marketing communication, for example, brand image is its passive counterpart, without which a place cannot decide on its exact form of outcome (e.g. Keller 1998). The management of place marketing can only hope that the real image will follow in accordance with the desired identity communicated by the place. The image of a place is a result of complex long-term activities, which can build the unique character of the place. Therefore, image is not easy to copy, like many activities of the operative marketing mix. 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. Image differs from stereotype in that a stereotype suggests a widely held image that is highly distorted and simplistic, and carries either a favourable or unfavourable attitude toward the place. An image, on the

other hand, is more personal perception of a place that can vary from person to person. (Kotler et al.1993).

2-3-3-4. Public-Private Partnerships

Public-private partnerships 12 mean cooperation between the public sector and private sector's players (PPP) (Seppo K Rainisto.2003).

PPPs have presumably not been as distinct in earlier (European) frameworks of place marketing studies. The development in places is now confronted with new challenges that require participation and cross marketing between, for example, the public place, private businesses and the university communities. When comparing European and American practices in place marketing, it becomes apparent that local business in Europe is less frequently involved in the regional planning process. A mix of private and public representatives has already existed in the USA for decades. (Kotler et al.1999). Organizing capacity can be a bottleneck at all levels of place marketing and for the whole local place development. The administration in many metropolitan areas is not always able to deal effectively with bottlenecks and large projects, and existing partnerships often miss the authority to get to the necessary things done (Berg et al. 1993). Successful cooperation with private firms and institutions gives the place more critical mass and also new organizing capacity. The term "governance" is also sometimes used instead of organizing capacity to signify the merging of the public and private in loose partnerships (see Scott 2001: 22). Local partnerships with business and political leaders are a critical success factor for a place to survive in the place war (Kotler et al. 2002b). The success in public-private partnerships together with leadership in place management form the top priority challenges in future place marketing. Cities try to differentiate themselves using entrepreneurial thinking in market planning, like private firms, and try to create conditions which appeal to private investors (also Berg et al.1993: 1-3).

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12 Kotler et al. (2002: 419) discuss public-private partnerships. They emerged in the 1960s and 1970s in the U.S. In Asia, a genuine cross-sector approach at the local and regional levels began to appear in the early 1990s. Kotler´s defines partnership marketing (Kotler 1997: 49): The company works continuously with the customer to discover ways to affect customer savings or help the customer perform better.

2-4. Cultural policy

2-4-1. Definition of Cultural Policy

UNESCO in 1967 held a 24-nation Round Table Conference and since then, it takes a minimum definition of cultural policy: "Cultural Policy" should be taken to mean "the sum total of the conscious and deliberate usage, action or lack of action in a society, aimed at meeting certain cultural needs through the optimum utilization of all the physical and human resources available to that society at a given time". In Europe, many nations such as Austria use "Cultural Land" as propaganda. As early as in 1987, Germany unfolded the notions of Kulturstadt (Culture City) and Kulturstaat (Culture State) and took these principles to develop cultural tourism.

Cultural policy, in the contemporary sense, consists of two different manifestations: The descriptive course/ model and prescriptive course/ model. In Hong Kong, cultural policy tends to be clearly legitimated, defined, described and prescribed by the ruling government, "the first structure/ tier" and its statutory bodies, "the second structure/ tier", while it is observed and modified theoretically by a civic society.

2-4-2. The cultural policy in Seoul

2-4-2-1. The definition of designated "Culture District"

The Culture District under the CULTURE AND ARTS PROMOTION ACT is the district introduced to support the business related to the history and culture and also to create culture facilities. The prototype of Culture District was the culture street promoted in Seoul, Gwangju, Busan and other cities under the support of the central government in 1990s. Afterwards, the post evaluation on the culture street suggested an institutional strategy in regard to designation of the Culture District. Consequently, the partially revised CULTURE AND ARTS PROMOTION ACT ensured the legal basis with the title of 'the designation and management of the culture district' in 2000. The Culture District selects the area in which the culture spontaneously formed has created its own cultural characteristics and plans to manage such area to keep and develop the life of culture within the area. In other words, if spontaneous culture and arts resources including culture and arts facilities or related businesses are concentrated in a certain

area, we need to conserve and develop the cultural characteristics not from the 'development' standpoint, but from the 'conservation' point of view. The Culture District is the system introduced as related institution, which mainly focuses on control, has a limit in promoting such cultural industry and activity mentioned above. For this reason, the purpose of this Culture District is to enable non-government organizations to protect and promote regional cultural and arts resources and create appropriate cultural environments by providing financial supports including a reduction in taxation or their share.

Insadong was the first district designated as the Culture District (in April, 2002) to conserve and use the traditional arts resources such as art museum, gallery, and antique shop and the tradition related business including Korean traditional restaurants as resources of the culture tourism. Henceforward, Daehakno, in which the performing arts are concentrated, was added to protect the theater and to improve the performing arts environment (in May, 2004). Area around Hongik university is also under consideration for designation as the Culture District. But it has not designated yet because the Culture District recognizes only the limited type of culture and it is difficult to set up the spatial range of Hongik university area, where various creative cultures including a publishing company, art institute, gallery, and underground club culture, in institutional aspects.
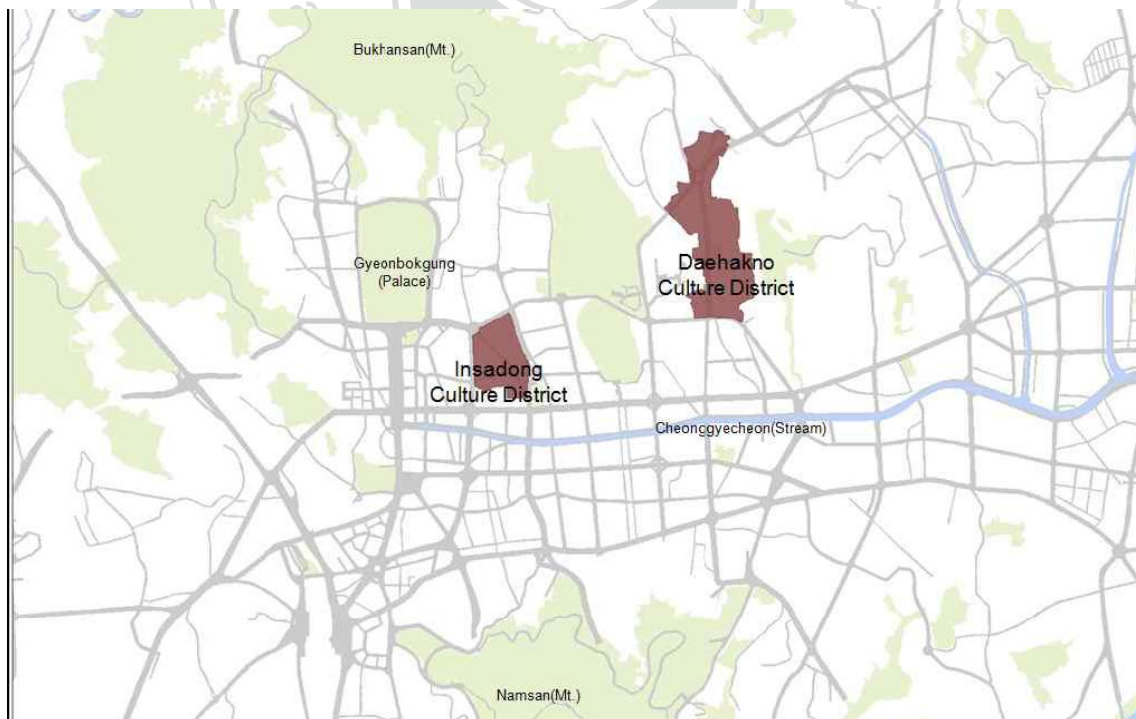

Figure 2.6 Culture Districts in Seoul city (Source: Seoul Development Institute, 2003)

2-4-2-2. The definition of "District Unit Plan Zone"

The District Unit Plan Zone is the district that realizes the district unit plan, a kind of the urban management plan, under the NATIONAL LAND PLANNING AND UTILIZATION ACT. It draws up active guidelines for development within the district to reinforce the characteristics of target district in which people experience everyday life and to implement as desirable place.

This District Unit Plan Zone was triggered by integration of the urban design system and the detailed planning system. The urban design system was first introduced in 1980 to intervene the urban development. This urban design system, which was legalized by 'the special regulation on the architecture in the city' of the BUILDING ACT, spread quickly as beautiful urban landscape and environmental reform became an object of attention ahead of international events such as Asian game in 1986 and Olympic game in 198813. Though Seoul city made the urban design plan for Hanok area, Bukchon in 1985 and the urban design plan for Insadong in 1987, it could not actualize these plans as they did not carry legal binding force14.

In 1991, the detailed planning system was introduced to supplement shortcomings of the urban design system via revision of the CITY PLANNING ACT. While the urban design was mainly about restrictions on the architecture, the detailed planning system dealt with details of the urban plan including the designation and revision of land use zones/district and arrangement and size of facilities. Despite of differences in principle and different mother law, these two system caused confusion as they did not have much difference in contents of the plan15. The detailed planning system was not applied to any case with the purpose of the historic cultural landscape management.

The CITY PLANNING ACT was revised in 2002 and consequently, the urban design system and the detailed planning system were integrated into the district unit plan system. As the NATIONAL LAND PLANNING AND UTILIZATION ACT, which integrated the CITY PLANNING ACT and the LAND USE MANAGEMENT PLAN was established in 2002, the District Unit Plan Zone was institutionally settled.

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13 Urban Design Institute (2005), p.10.

14 Seoul Development Institute (2005), p.103.

15 Ibid. 56, pp.10 ~ 11

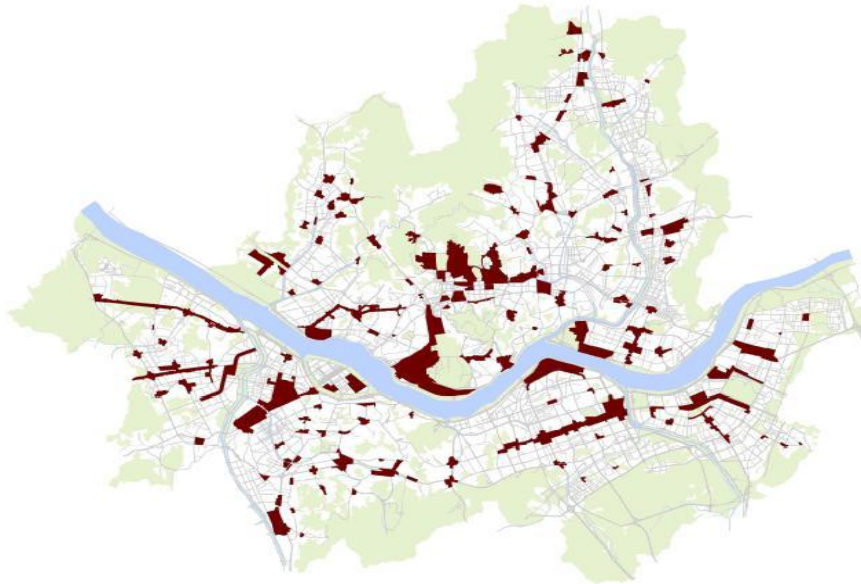By 2009, Seoul city has designated 247 District Unit Plan Zones and established the plans (Figure 2.7).

Figure 2.7 District Unit Plan Zones of Seoul city

(Source: Seoul Development Institute, 2005)

Table 2.4 History of the District Unit Plan Zone

Year	Contents
1980	Introduced the urban design system via legislation of the urban design articles in the BUILDING ACT - Established the urban design plan for Bukchon in 1985: not executed - Established the urban design plan for Insadong in 1987: not executed
1991	Introduced the detailed planning system via revision of the CITY PLANNING ACT
2000	Introduced the District Unit Plan Zone, which integrated the urban planning system and the detailed planning system via revision of the CITY PLANNING ACT
2002	Embodied in the NATIONAL LAND PLANNING AND UTILIZATION ACT, which integrated the CITY PLANNING ACT and the LAND USE MANAGEMENT PLAN

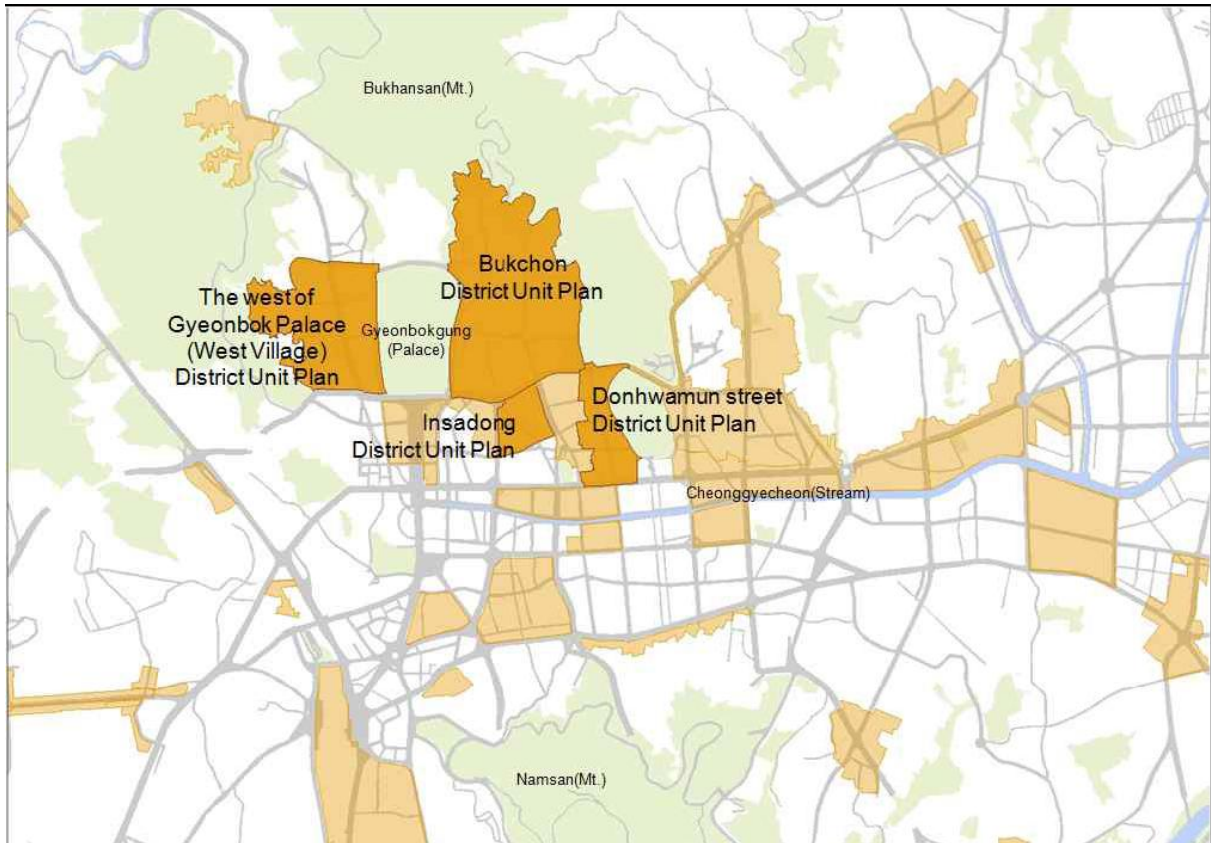(Source: Seoul Development Institute, 2005)

Figure 1.8 District Unit Plan Zones for the conservation of historic cultural characteristics of the district in Seoul city (Source: Management System of Historic Cultural Landscape, 2011)

Recently, Seoul city is reorganizing the District Unit Plan Zone, which recognizes the value of the historic cultural characteristics of the district. Insadong was the only district that focused on the historic cultural characteristics until a recent day. However, the district has been extended to four (Figure 2.8) as of 2010 and such increasing trend is expected to be continued. Seoul has been continually promoting 'Bukchon Regeneration Project(북촌 가꾸기)' with the subject of Bukchon district, the representative historic cultural district and has also established the district unit plan to maintain the systematic management. It also reorganized the district unit plan for Insadong, which was established in 2002, to reflect changes. In addition, Seoul city has established the district unit plan for creating Hanok village and reinforcing the historic identity in the west side of Gyeongbok palace of which the historic identity has been overlooked so far. It also reorganized the district unit plan for Donhwamunro with an

aim of recovering the historic location and recreating the district as the traditional culture center.

CHAPTER 3
RESEARCH METHOD

3-1. Research framework

For the analysis of Seoul cultural district at district level, the successful factors of marketing strategy in each district are selected. With the point of view that realize the selected elements as concrete standard, and comparitive analysis of place marketing are focused, the place marketing strategy is classified into related government regulation.

The 'cultural district Regulation' means the government designated a cultural district that support special district residents to perform cultural events. A critical analysis of the framework can clearly making sense of the correlation between the cultural district designation and location marketing. So this study is to discover whether place marketing strategy-level and cultural district designation in the cultural district places appear within the place image effect to the analysis framework or not.

That is to say, marketing strategy-level, cultural district designation, are selected as the analysis framework in the comparative study of cultural district of the Seoul city. Even though the statue of place value and other successes factor that are operated for each cultural district are discriminative, since the process and the method of analysis is not distinctive, they are compared and analyzed at the same status (Table 3.1).

Table 3.1 The analysis framework of Place marketing and cultural district policy

1 step	District Innovation	
2 step	Managerial Innovation and Cultural Policy	
3 step	Cultural Policy	Marketing Innovation
4 step	Designation of Cultural District	Place Marketing Strategy
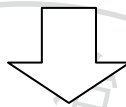
		Designation of Cultural District <Designation of Culture District>	
		Yes	No
Marketing Innovation <Place Marketing>	High	"Designated Culture District" "High Place Marketing"	"Non-designated Culture District" "High Placed Marketing"
	Low	"Designated Culture District" "Low Place Marketing"	"Non-designated Culture District" "Low Place Marketing"

3-2. Selection of Cases

According to previous references (Table 3.2), this research focused on the cultural district of nation's capital. The type of Seoul cultural district isdiversified. One uses a logical method to select some districts that will be compared by framework of this study.

Table 3.2 The list of Cultural District in Seoul

Area	The name of cultural district
Seoul metropolitan city	Insadong, Hwanghak, Hongik, Shinchon, Apgujeong, Samcheongdong, Myeongdong, Bukchon, Wolmido, choongmuro, Sunsa, worldcup stadium, cheongarchon, Daehakro, dongdaemoon.

One looked into general contents about a cultural street at the front. First of all, one studied for situation of cultural district in Seoul metropolitan city.

This study analyzed the understanding reason why they need to compare with.

Table 3.3 Chracteristic type of cultural district

Characteristic type	Representative case of cultural district			
Tradition	Insadong	Hwanghak	Samcheongdong	Bukchon
Mordern	Hongik	Shinchon	Daehakro	Choongmuro

This research is divided into two parts that is traditional district and another is the modern district. Traditional type has a valuable place image that contains historic story in the specific area. Historic place value is core factor in place marketing strategy. After classifying the type of cultural district, next is to follow the standard that is from the framwork of cultural district in this study. There are two kinds of classifications. First is the level of place marketing another is the designation of cultural district. These elements are important factors to influence a cultural district.

Table 3.4 The framework of Cultural Districts

		Designation of Cultural District < Cultural policy>	
		Yes	No
Place Marketing <Marketing Innovation>	High	Insadong Culture District	Samcheongdong District
	Low	Daehakro Culture District	None

This framework are formed by two kinds of factors that are related in comparative study. First factor is the cultural policy in Seoul. Seoul metropolitan have some kinds of the cultual policy. When I made this framework I found the designation of culture district policy. The main purposes of this policy are to preserve and promote traditional culture-related business, to restrict the invasion of commercialization and promote Insadong as

a heritage tourism destination (Seoul Development Institute, 2008). I researched this policy with refernces. In result, there are two cultural districts, Insadong and Daehakro cultural distric, have been desinated this policy by Seoul metropolitan. So to make comparative framwork, I divided cultural district to compare by culture district policy

The second factor is the high and low place marketing. there are many kinds of marketing strategy in culturla district. but I focused on the place marketing. because all of the cultural districts have the history that is unique factor to differetiate to other districts. History power are made by place image. So the place marketing is so important to make place image to visitors. But it is not east to define the high and low place marketing place. I found some factors that can be defined the level of place marketing strategy. These are "branding place symbol" and "historic product and haritage". Through this two kinds of factor, I found some cultural districts, high place marketing cultural district is Insadong and Samcheongdong and low place marketing is Daehakro cultural district. based on these two kinds of factors I made this faramework to analysis for place image.

3-3. Introduction to the study area

The research examines the place marketing impacts on the traditional cultural district in Insadong, which was the first cultural district designated by municipal government and is one of the most representative cultural districts in Seoul, Korea. This district has a long history of formation as an historic traditional area and it has now become a famous tourism destination to both local and international tourists. In terms of historic identity attractions, the renowned attraction of Insadong is a traditional cultural street with a concentration of shops related to traditional visual arts and Korean-style restaurants. For this study of historic area impacts and cooperation stakeholders in the cultural district, Insadong was chosen because it has a representative traditional cultural district with heritage resources located in the middle of the downtown of a capital in Korea   city.

Daehakro (literally University Street) is perhaps the first cultural street built by the city government. When Seoul National University moved to another site in 1975, the area stretching for 1.1 km from the Hyehwa Rotary to the Ehwa crossroads gradually became a street of cultural and artistic activities. As the name symbolizes, it represents the culture of youth. Currently, there are two major cultural institutions (the Korean

Culture and Arts Foundation and the Federation of Artistic and Cultural Organizations of Korea), 14 galleries, 44 theatres, and 2 cinemas as of 2001.

Samcheongdong, the residential area for high circles constructed during the Joseon Dynasty which had not changed very much until the 1920s, changed its urban construction to the modern style in the 1930s. Housing operation companies bought large lots, forests and fields in Samcheongdong and constructed hanoks of medium and small scale in this place.
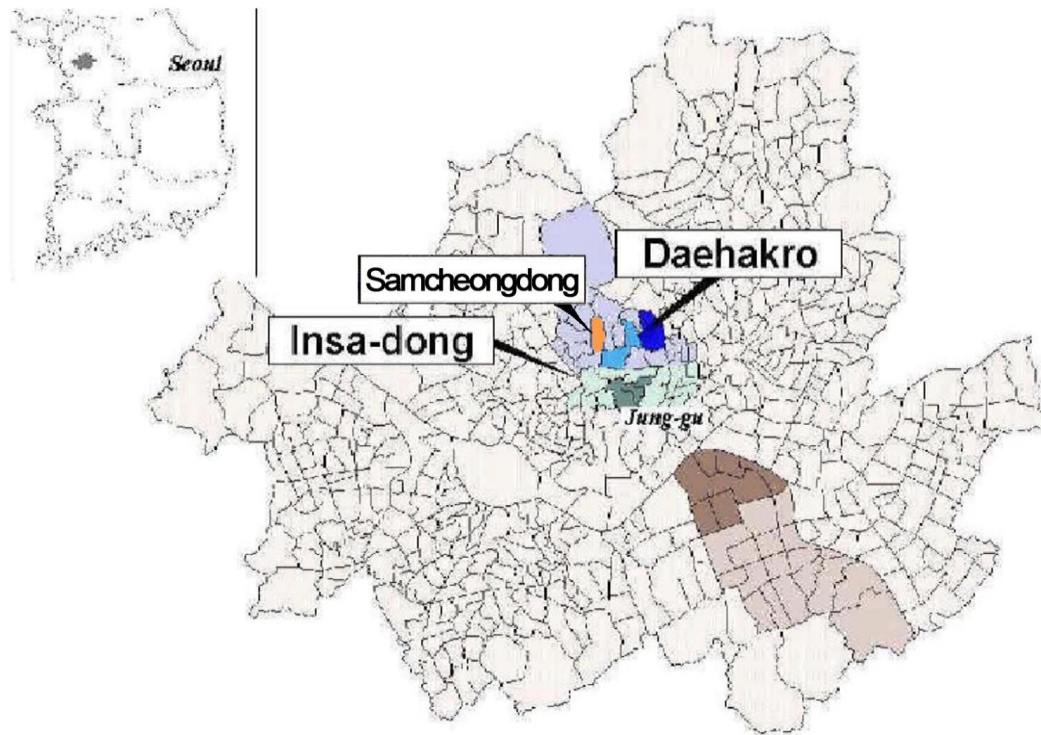

Figure 3.1 Location of Seoul in Korea (Source: http://www.mapsofworld.com/south-korea/map)

Figure 3.2 The location of Insadong, Daehakro, Samcheongdong (Source: Kim &Yoo, 2002)

3-4. Research Method

In this study, the data-collection process was performed by using qualitative research. As Babbie (2001) mentioned qualitative field research is well suited to the study of social process over time, it is suitable method for understanding of the process of place marketing of a cultural district and a impact in cultural district. Interviews with key informants were selected as the main qualitative data and the researcher's observation were used to provide complementary information.

Through in-depth discussion, interviews can provide valuable data. In this research, these structured interviews were employed to explore government', vendors', and NGO' perspectives on cultural district. In addition, using the comparative analysis we can find the result of successful cultural district. Cultural district comparison is a central part of the research method. By examing differences and similarities among three kinds of Korea cultural district, the study is able to draw out some insight on successful factors of a cultural district. Although the research was restricted mainly to government designated cultural district where located in Seoul, there is enough variety to make

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meaningful comparison of important evidences on factors that contribute to enhancing the place marketing impact, the role of a cultural policy and local specific district.

3-4-1. Interviews

In this research, ten interviews were conducted during field research with stakeholders. Four key-informant interviews, averaging about one hour each except for one interview with the Director of Insadong Cultural Preservation Association (the organization of vendors) which was shorter. These included one official researcher, one professor and the Director of the Vendors" association. Also, six interviews with vendors were undertaken. These averaged about 20 minutes in length.

3-4-1-1. Interviews with government officials

The goal of interviews with officials is to investigate the government's policies, goals, and support for place marketing development of cultural district as Insadong cultural district. In addition, possible future directions of management of district are also discussed.

Current cultural policy officials in the Jongro-Gu district were interviewed. They had been involved in the cultural policy of the designation of 'Insadong and Daehakro Planned Unit Development District' for the Jongro area in 2002. These interviewees provided government's perspectives which were an indispensable part of the research.

Table 3.5 Details on the government officials' interviews

Position	Work
Jongro-Gu District government officials	Insadong, Daehakro cultural district officials: - Managing facilities of Cultural District - Supporting events in Cultural District - Benefit tax & loan

The in-depth interviews were conducted to find out as certain the process of place

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marketing strategy in Insadong, the existing problems in the district, the policy, planning, regulations and management for promoting cultural district development and preserving traditional culture, and the views of participants on what had been achieved. The special events, incidents in the district and suggestions for future developments were also explored.

The interview with the researcher from the government officials lasted around 30minutes. They addressed how cultural district has developed in the past, how it was designated as a cultural district, how policies of the Korea government for cultural district were implemented, etc.

3-4-1-2. Interview with NGO

In addition to government officials, The key-actor NGO (Insadong, Daehakro, Samcheongdong district), were also interviewed. The interviews with the Director lasted more than an hour. These interviews were not only an additional source of information and also providing a more detailed picture of the situation. They also provided some perspectives that were different from the government officials. These Organizations played a key role in revitalizing each district and in preserving the unique traditional and cultural atmosphere. Prior to conducting the interviews with the Director of the NGO, they had completed an questionnaire. Authors also had read some references that their association had written in 2009 and addressed their experiences of with various initiatives in cultural district over the previous ten years. Based on this information, it was possible to probe deeply to acquire information and to learn about interviewees' experiences.

Table 3.6 Details on NGO interviews

Interviewee	Position
Insdong Tradition Culture Association (ITCA) Won, Han	Insadong Tradition Culture Association: Policy chief
Dahakro Development Institution Choi, Yoon-woo	Korea small theater association Policy chief
Samcheongdong Promotion Center Kim, Sung-Bae	General Affairs of Samcheongdong Promotion Center General manager

3-4-1-3. Interviews with vendors

The structured interviews of vendors of business focus on the economic impacts of place marketing development in district, and their experience of current problems and suggestions for solving the problems. Six vendors were interviewed who operated a diversity of businesses in cultural district. The following topics were addressed in these interviews: the duration of business; the reasons for opening the business in Insadong; the changes that have occurred in Insadong after its designation as a cultural district; opinions and complaints ; the ways in which they could be involved in decision making; the rewards and challenges of innovation in cultural district; and suggestions for future developments. Details of these interviews are listed in Table 3.7.

Table 3.7 Details Interviews with the Vendors

Business Types	Location	Duration of Business
Traditional Pottery Shop	Insadong C.D	20 years
Gift and Souvenir Shop	Insadong C.D	5 years
Traditional Tea house	Insadong C.D	10 years
Modern Restaurant	Daehakro C.D	4 years
Small Theater	Daehakro C.D	10 years
Korean traditional restaurant	Samcheongdong	15 years

3-4-2. Survey

One researched some statistics about the place image of cultural district though survey methods
and at three destinations(Insadong: 62 people, Daehakro: 61 people, Samcheongdong: 42 people).
There were multiple and random selections to ask answered question. After surveying procedure, one made comparative analysis for this study. The structured survey was focued on the place image and the successful factors for a cultural district. Place image section was created from literature that is the place marketing strategy which mentioned the successful factors of place marketing. When one selected answered people, they answered the perception of both Insadong and Daehakro cultural district.

3-4-3. Comparative analysis

Through the interview information and data research, one did a comparison of three cultural districts with analysis information that based on research framework.

There are four kinds of place marketing successful factors that consist of;

1) Planning group

2) Vision and Strategic Analysis

3) Place identity and place image

4) Public-private partnership

This comparison includes both place marketing and cultural policy sections for finding the successful cultural district. The cultural policy section classfied two parts that are based on the designation of cultural district. Place marketing section is operated at a level of place marketing. From these data, comparing process will find success factors and successful cultural district that are based on place marketing and cultural policy.

Table 3.8 The analysis framework of Cultural Districts

		Designation of Cultural District <Cultural Policy>	
		Yes	No
Place Marketing <Marketing Innovation>	High	Insadong Culture District	Samcheongdong District
	Low	Daehakro Culture District	None

3-4-4. Other methods

During the field research, street maps, brochures and the list of the reputable traditional houses in the cultural district suggested by the local district administration were collected at the Tourist Information Center and private association office. Other important statistics also were obtained, including "External assessment reports on cultural district" (undertaken in 2003, 2005, 2008, 2009),　District Unit Plan (2002) and on "Dahakro cultural district" undertaken in 2008 by Seoul Development Institute for collecting deeper knowledge for Korean cultural district.

On-site observation was undertaken to observe and record the current atmosphere of

the research site and to find out what kind of cultural impact in place and how it is distributed in local cultural district. The author also observed the place marketing activities of cultural district, whether they were domestic or foreign, the approximate ages of visitors, the price of restaurant and tea shop, the types of performance and festivals and the items that were for sale. Many pictures and notes were taken to demonstrate the place image value of the area. Also several informal chatting about the feeling of the street with visitors were conducted. In these ways, a first-hand impression of the cultural district development status was acquired.

3-5. Questionnaire

The questionnaires made for this study includes first, a short-answer question, and the second is the open-ended question. Short-answered question was made by the successful factors of place marketing. The purpose of this question is to know the place image that can influence to visitors in cultural district. And another style is in-depth interview that depends on the interviewee there will be changed the questions that is appropriate situation for that time. Because this is the qualitative research study, I met to three cultural district officials to interview about the story of cultural district in Seoul.

3-6.   Research Procedure

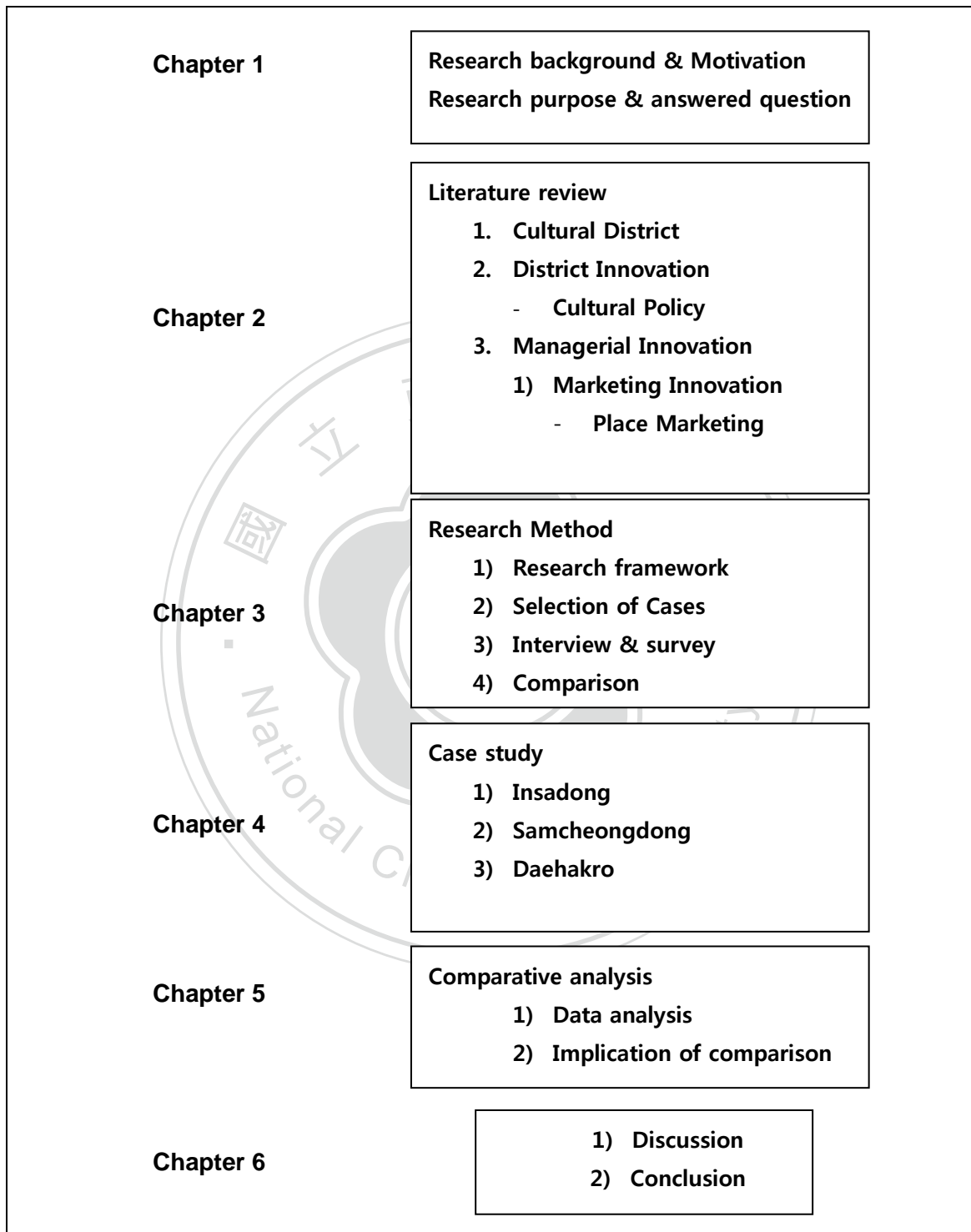| Chapter 1	**Research background & Motivation** **Research purpose & answered question**

Chapter 2	**Literature review**
	  1. **Cultural District**
	  2. **District Innovation**
	    - **Cultural Policy**
	  3. **Managerial Innovation**
	    1) **Marketing Innovation**
	      - **Place Marketing**

Chapter 3	**Research Method**
	  1) **Research framework**
	  2) **Selection of Cases**
	  3) **Interview & survey**
	  4) **Comparison**

Chapter 4	**Case study**
	  1) **Insadong**
	  2) **Samcheongdong**
	  3) **Daehakro**

Chapter 5	**Comparative analysis**
	  1) **Data analysis**
	  2) **Implication of comparison**

Chapter 6	1) **Discussion** 2) **Conclusion**

Figure 3.3 Research structure

The research began with a review of academic articles, government documents,

newspaper reports and online information. In this way, knowledge of relevant concepts and some understanding of current key issues in Insadong were acquired prior to entering the field. Based on this information, interview questions and a field research plan were designed and discussed with the help of the author's supervisor.

Research interview and survey procedure
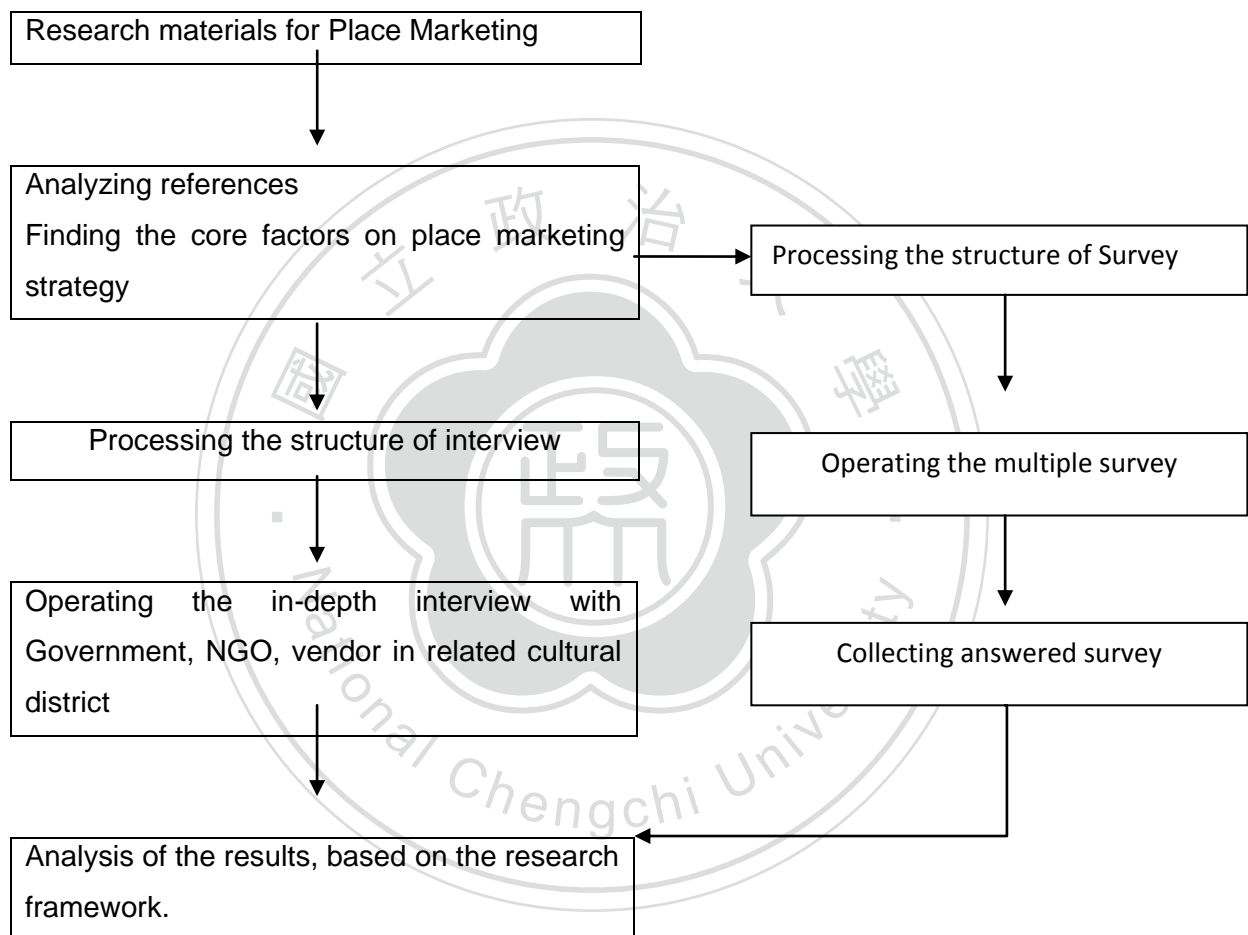
Figure 3.4 the procedure of research interview and survey

The procedure of interview and survey was operated by same analyzing tool to make a relation in the result. First step is the analyzing literatures to find the core factors on place marketing. After this step, is divied two kinds of processing ways that depend on the feature of research purpose. The following structure of researching tool, there is a same result analyzing section that is based on the research framework. In the framework, these data are analyzed with the current environment of cultural district.

CHAPTER 4
CASE STUDIES

4-1. Insadong

4-1-1. Introduction

Insadong is a small, square-shaped area composed of one main street that stretches about 690 meters from Angookdong Rotary to Tapgol Park and approximately 375 meters east-west from the Gongpyong Building to Nakwon Shopping Street. "Dong" is the name of an administrative unit in Korea. The area Insadong district covers is 175, 743m2 and it is bordered by six dongs including Insadong, Gwanhundong to the north, Nagwondong to the east, Jongro-2ga and Jeokseondong to the south, and Gngpyeongdong to the west.

As shown in Figure 4.1, there is a main traditional street that is connected to a multitude of alleys that lead deeper into the district. This district is a renowned place where both Koreans and foreigners experience Korean tradition and culture. It is a unique area whose atmosphere combines both historical and modern features. There is also a concentration of shops related to the visual arts such as galleries, picture-mounting shops (for Korean paintings and calligraphy works) and writing-brush shops. Many of the restaurants, galleries, souvenir shops and antique shops are located within the alleys. Today, Insadong is well-known for sightseeing and is one of the best places in Seoul to purchase traditional handicrafts and souvenirs. Insadong is also a place that has been visited by foreign dignitaries including Queen Elizabeth II and the princes of Spain and the Netherlands (Chung, 2005).

4-1-2. The history of Insadong

Prior to its designation as a cultural district in 2002, the area was classified as a commercial zone according to the city plan. The northern part of the area was designated under the Insadong district unit plan, while the southern part was Gongpyong Urban Renewal District. There are estimated to be about 3,000 persons working in the area while the number of visitors is about 50,000 during week days, 70,000 during the weekends, and about 100,000 during the days when the main street

is designated a vehicle–free street (Kim & Yoo, 2002) .

The attractions of Insadong have changed with changing times. During the early period of the Joseon Dynasty (1392-1910), Insadong and the surrounding area involved the residences of Joseon Dynasty officials, extended royal families, and the yangban aristocratic class (Korea Tourism Organization). Also, the area was a dynamic commercial place geographically located in the centre of Seoul. During the Japanese Colonial Period (1910-1945), antique art shops were established when the former collapsed privileged class sold everyday items to gain cash. This activity inspired Insadong's current image as a traditional art street. In the 1930s, the area became a centre of traditional book stores and antique shops that displayed and sold such things as old paintings, ceramics, woodenware, metal ware, old furniture and many other old items (Korea Tourism Organization). During the late 1960s and early 1970s, art galleries began to coalesce in Insadong following the founding of the Hyundai Gallery, the first western gallery in Seoul, and this strengthened the area's image as a place for fine art. Accordingly traditional brush shops and picture-mounting shops were increased in number. Insadong's image as a street of traditional culture was strengthened in the 1980s when the number of traditional craft shops, ceramics stores, and Korean-style stationery shops increased. Compared to its image in the 1970s, Insadong appealed to the public more intimately, and traditional cafes and bars were popular in the street. Also, with the urban redevelopment of Insadong's neighbouring areas, traditional Korean-style houses were demolished and new high- rise buildings appeared. In the 1990s, the area began to take on a more commercial appearance when restaurants, tea houses, and cafés grew rapidly with tourism development initiatives; Insadong became a famous tourism attraction. The area today is an appealing place where tourists can purchase cheap traditional souvenirs and experience Korean food.

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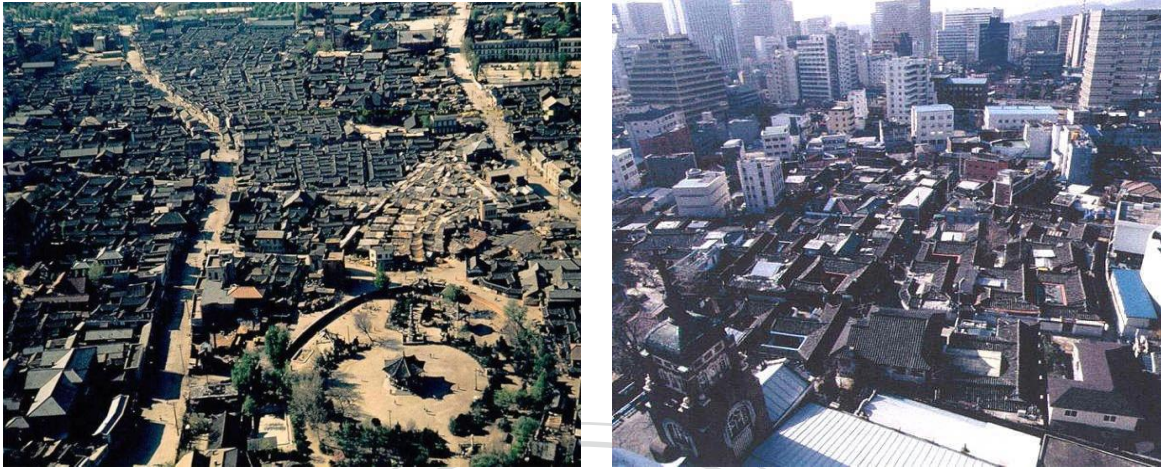
Figure 2 1950s vs. early 2000s of Insadong
(Source: http://www.hkip.org.hk/CI/powerpoint/Elise%20Youn.pdf)

In April 1997, the City of Seoul made the main street a vehicle-free street every Sunday to facilitate the performance of festivals and parades (Kang & Kang, 2001). Since the "Insadong traditional cultural festival", organized by the Insadong Traditional Cultural Preservation Association and held in 1998, festivals and various performances have become main features in creating a lively atmosphere and promoting the area as a cultural tourism district. Against the commercialization of Insadong, many citizens and professionals criticized modern initiatives and mobilized to preserve traditional assets

4-1-3. Place marketing of Insadong

4-1-3-1. Planning group

4-1-3-1-1. Government
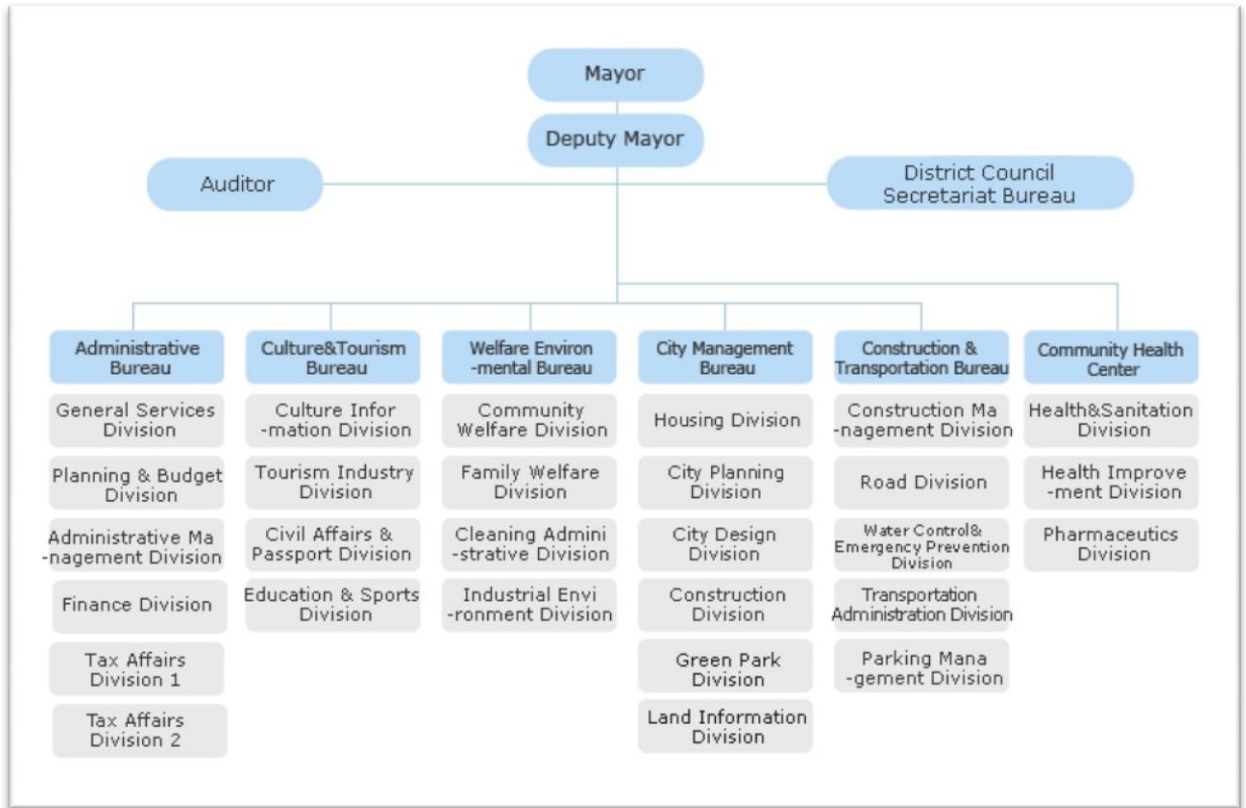
Figure 4.2 The organization of Jongro-Gu office

Table 4.1 The division of Insadong Cultural District

Culture information division	Culture & Art Team
	Managing Insadong Cultural District
	Culture Business Team
	Cultural assets Management Team
	Cultural facilities Management Team
	Public Information Team

(Source: Jongro-Gu office website)

The Seoul metropolitan area is divided into 25 districts. Among them, Jongro-Gu Office manages several that comprise the center of the area's cultural industry. The

office focuses strongly on their culture-related business plans. They have a special organization system because of their unique focus on modern culture and heritage sites.

"Insa-dong belongs to Jongno-Gu, a district of culture. In Jongno-Gu Office, there is an organizer of cultural affairs who is officially in charge of Insadong cultural district. He manages all the administration for Insadong that is related to event support and relationships with private organizations. Each organizational structure of a district office may be different depending on their situations. Our division takes charge of two cultural districts. This program is an important plan for Jongno-Gu Office. Therefore we implement a management system for this cultural district to improve the place's unique value." (interview with Jongno-Gu official, 2012)

4-1-3-1-2. Private Group

Table 4.2 the performance of planning group in Insadong

Group		Performance
Private Group	Insadong Tradition Culture Association (ITCA)	Consists of all merchants In Insadong Almost all merchants join in. Plan traditional festival for Korean culture in Insadong.
		<Original Insadong St Assocoation> Original Insadong street has Korean traditional art places. To preserve Korean traditional art they established an education center to proliferate traditional art and hand-craft.
Public-Civic partnership	Temporary group for making traditional culture district	Consists of Jongro-Gu mayor, city manager, architecture manager, city planner, culture development official, district deputy, district representative and 7 residents. When they need to change some regulation of the cultural district, this group temporarily organizes to negotiate with stakeholders.

(Source: Interviewed research with Insadong cultural district)

Most of the private institutions in the area existed before Insadong's designation as a Cultural District. Their purpose is to make the place one of traditional culture and

manage this area for historic preservation.

"Insadong cultural district is mostly managed by the *Insadong Tradition Culture Association (ITCA)*. Our Institution usually operates with the Government in planning national events and traditional festivals. Jongno-Gu Office gives our institution the financial support and facilities in accordance with the regulation of cultural districts. Our institution can decide to plan some events in Insadong that need to cooperate with government. They can give us opinions that can help to plan Insadong events. But we have a right of decide whether these suggestions will be implemented or not. Our institution was established in 1987. We have operated the traditional events in Insadong Cultural District for 25 years. There are many kinds of events related to traditional culture. Through these experiences, we cultivated the image of a traditional district and tried to preserve our traditional culture. Our main purpose in protecting traditional culture is to define Korean traditional culture and establish the unique image of Insadong." (interviewee: policy chief of Insadong Tradition Culture Association)

4-1-3-2.   Attraction factor

Table 4.3 the attraction factors of Insadong cultural district

Hard factors	Soft factors
Productivity Incentive schemes and programs Property concept	Culture Personality Professional and worldwide competencies

(Source: Interviewed to Jongro-Gu Official and NGO manager, 2012)

Through In-depth interviews and materials analysis I make some points of Insadong's attraction factor. Respondents chose six key attractive factors. Among them, they highlighted the following three main attractive factors: 1)Incentive schemes and programs 2) Property concept 3) Culture.

"Insadong cultural district doesn't have more kinds of private organizations than other districts. Although our communities are not diverse, we are so active and systematic. When the government wants to have events that are related to national events, they need to find a suitable place. Our district has unique personality, and that stems from our traditional culture and products. Our strong image activates the Insadong Cultural District. I think this is the main reason why the government wants to designate cultural

districts. Central Seoul city has already disappeared as a traditional place through images of commercialization.

Insadong cultural district maintains a strong will to preserve traditional cultures. However, there is a new phenomenon in Insadong C.D. Specifically, some places are starting to dynamically converge traditional arts with modern arts. This is the innovation of Insadong. "Ssamjigil" is a good example of the innovation of Insadong.

Besides there are many visitors who come to see the traditional culture and architecture that is concentrated in this area. Insadong Cultural District has a growing number of people coming to visit. Because of the innovative cultural changes, the number of youth is growing rapidly. This is a big development recently."(Interviewee: vendors and Insadong Tradition Culture Association)

Heritage in Insadong

There are many types of heritage sites in Insadong, ranging from religious places to more modern heritage sites like an assembly place for the 3.1. Independence Movement against Japan. Nine places are registered with the government as National Cultural Properties (Table 4.4).

Table 4.4 The list of heritage in Insadong

Specification	Number	Name	Types of Building
National treasure	No. 2	Onegasaji 10 seok top	Tower
Treasure	No.3	Onegaksabi	Tower
Historic place	No. 213	Woojungchongkuk	Post Office
Historic place	No.257	Unhyungung	Palace
Historic Place	No354	Topgolgongwon	Park
Tangible cultural properties	No.36	Chundokyojunganggongone	Religion Church
Tangible cultural properties	No.73	Topgol gongwon pakackjung	Structure
Registered heritage	No. 15	The House of Ickdoo Min	The house
Registered heritage	No. 18	The site of Youngho Park's house	The formal house site

(Source: 2008 Insadong cultural district assessment report)

In addition, there are cultural treasures including historic temples, towers, parks and houses, as well as the first western-style theatre, "Jang-An-Sa", the first newspaper building, the first civil park and the first department stores. Korean traditional houses originally comprised a village but only one traditional Korean house (The house of Ickdoo Min) has been preserved as a heritage site. The author visited seven of these places during field research.

4-1-3-3.　　　　　Place identity & place image

Table 4.5 The Identity of Insadong

	Insadong
Place Identity	Traditional Culture District place
	Convergence art place
	Antique Street place

(Source: Interviewed to Jongro-Gu Official and NGO manager, 2012)

Table 4.6 Perception on Insadong(2012)

Perception of Place	Insadong	Cultural image	Insadong
Cultural place	4.16	Culture and arts	3.97
Commercial place	3.40	Traditional culture	4.02
Place for leisure & rest	3.23	Commercial culture	3.60
Creative place	3.53	Civic culture	3.13
Heritage place	3.85	Youth culture	2.92

The total number of respondents was 62 and some answered the score (maximum score 5 point).

(Source: My reseach survey for place image of Insadong, 2012)

Through the survey, I researched the image of Insadong cultural district. Respondents include 62 people randomly chosen on location. Regarding the image of the area, many people answered that Insadong cultural district is cultural place and heritage place. Additional survey questions probed more deeply about the area's image as a cultural place. The highest scored image is that of a traditional culture place (rather than the modern arts). The Insadong Traditional Culture Association (ITCA) might

influence these results, as that is the stated purpose of the establishment. From the survey, I found an interesting trait about vendors in Insadong. They have strong self-confidence related to Insadong's designation as a cultural district. The title of cultural district appeals to vendors' minds positively.

4-1-3-4.   Public-Private Partnership

Table 4.7 The event in Insadong cultural district (2012)

Date	Event	Government	Civic group
Every Thu~Sat 9月~11月	Korean Traditional wedding	Jongro-District	Insadong Tradition Culture Association (ITCA)
Every Sat 10月~11月	Paramita festival	Jongro-District	Paramita Association
Every Sat,Sun	A vehicle-free street	Jongro District	Insadong Tradition Culture Association (ITCA)
9月	古GO Jongro, Culture Festival	Jongro-District	Insadong Tradition Culture Association (ITCA)
5月	Lantern Festival	Jongro-District	Buddhist Association
4月	Insadong Traditional Culture Festival	Jongro-District	Insadong Tradition Culture Association (ITCA)
10月	Insadong Korean Food Festival	Jongro-District	Insadong Tradition Culture Association (ITCA)

(Source: 2012 Insadong cultural district assessment report)

Insadong cultural district has many events each year. Most are related to culture and traditional events. Through these events, Jongno-Gu Office plans to preserve the traditional culture and attract foreign tourists. Regarding most of these needs, Insadong cultural district has played an important role. For instance, Jongno-Gu Office plans

events that need the cooperation of the Insadong Traditional Culture Association (ITCA). The most famous event is "Insadong Traditional Culture Festival".

This festival is a chance to popularize Insadong traditional shops which have played a key role in making Insadong a prestigious cultural district and introducing the cultural features of Insadong as an important zone of Korean traditional culture and fine art.

The 2011 Insa Art Exhibition organized by the traditional shops in Insadong runs from June 7th throughout Insadong street. It offers exhibitions of antique, modern art and craft, a demonstration of Pyogu, a public appraisal of the value of antiques, and various hands-on programs.

Program schedule

Table 4.8 the program schedule of Insadong Traditional Culture Festival (2011)

Date	Event	Location
1st Day	Art exhibitions	Galleries in Insadong
2nd Day	Antiques, paintings, crafts, frames, traditional stationary etc.	
3rd Day	Gugak favorites Korean traditional music'Gugak'	All of the area in Insadong
4th Day	Opening Ceremony The mayor of Jongro-Gu office	South- Insa Madang
5th Day	Congratulatory Performances	South- Insa Madang
6th Day	Pyogu Demonstration Experience of Making traditional books Traditional Tea experiences Korean traditional tea and making teas	North- Insa Madang
7th Day	Symposium Discuss about the way of Insadong C.D in the future	Central headquarter of Cheondogyo

(Source: 2012 Insadong cultural district assessment report)

4-2. Samcheongdong

4-2-1. Introduction

Samcheongdong, the residential area for elites constructed during the Joseon Dynasty had not changed very much until it updated its urban construction to the modern style in the 1930s. Housing companies bought large lots, forests and fields in Samcheongdong and constructed hanoks of medium and small scale in this place. All of the residential area of hanoks are located at 11, 31, 32 of Gahoe-dong, 35 Samcheong-dong, and 135 Gye-dong, where hanoks are standing closely together. Hanoks[16] in Samcheongdong, which are called "reformed hanoks" since they are equipped with glass gates in daecheong (wooden-floored hall), have been equipped with new materials such as shades of galvanized steel sheets on the eaves.

Figure 4.3 The Korean traditional houses in Samcheongdong
(Source: http://bukchon.seoul.go.kr/town/town_intro.jsp)

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[16] Hanok is a term to describe Korean traditional houses. Korean architecture lends consideration to the positioning of the

house in relation to its surroundings, with thought given to the land and seasons.

Figure 4.4
The road map
in Samcheongdong

(Source:
http://bukchon.seoul.go
.kr/road/road01.jsp)

Hanoks in Samcheongdong were built using standardized plans supplied by timber mills since they had to be constructed in large quantities.

There are two chief characteristics of hanoks in Samcheongdong: they employ the "evolved structuring method" and emphasize "the trend of decorative work."

Over the past 10 years, Samcheongdong area has nurtured more than 80 cultural facilities including galleries. Museum have also moved into Samcheongdong area. This entails an eye-catching speed of cultural district development, considering Samcheongdong area is in downtown Seoul. Also, Samcheongdong area is one of the most famous districts where Korean traditional houses (called "Hanok" in Korean) remain in the center of a city. The concentration of traditional houses makes for a unique landscape, and this area has historical significance during Joseon Dynasty. Samcheongdong is part of Bukchon (northern village), so named because it lies in the north of the stream. The residents in this area are mainly descendants of Yangban (powerful noble families and royal clan members). But recently groups of artists, artisan, and designers are moving into this area.

4-2-2- Regulation of Samcheongdong District

As the representative traditional residential area of Seoul city, Samcheongdong has arrived at its

present system after undergoing many trials and errors in conservation since the late 1970s. Samcheongdong forms a unique historic cultural landscape with Hanok, which has been collectively conserved. The systems and plans related to Samcheongdong, which have been promoted since the late 1970s, concentrate on conserving Hanok in Bukchon and creating Hanok suited to the surrounding landscape. Samcheongdong— located between Gyeongbok palace and Changdeok palace—is a place with old associations. Samcheongdong has special street

characteristics like alleys and lots shaped according to topographical characteristics, and various historic cultural heritage sites and major public facilities are distributed in Samcheongdong since Bukchon has been the main stage of several historic events.

Therefore, Samcheongdong, which used to be the residential area of influential men since the Joseon dynasty era, not only has value as a traditional residential area but it is also an important recipient of cultural tourism resources as a museum in the middle of the city. Furthermore, Samcheongdong has value in aspects of

  landscape as the low-rise Hanok-lined road adapting itself to natural ground shows the humane scale all together with Korean sentiment. Recently, the economic value of Hanok in Samcheongdong is also increasing as the housing in the center city along with sentimental and landscape values.

Type		Number
Nation-designated cultural heritage	Historic sites	6
Seoul city-designated cultural heritage	Tangible cultural heritage	2
	Folklore resources	4
	Cultural heritage resources	2
Registered cultural heritage assets		5
Natural Monuments		3

Figure 4.5 Historic cultural properties of Samcheongdong

(Source : Bukchon Network, http://bukchon.seoul.go.kr)
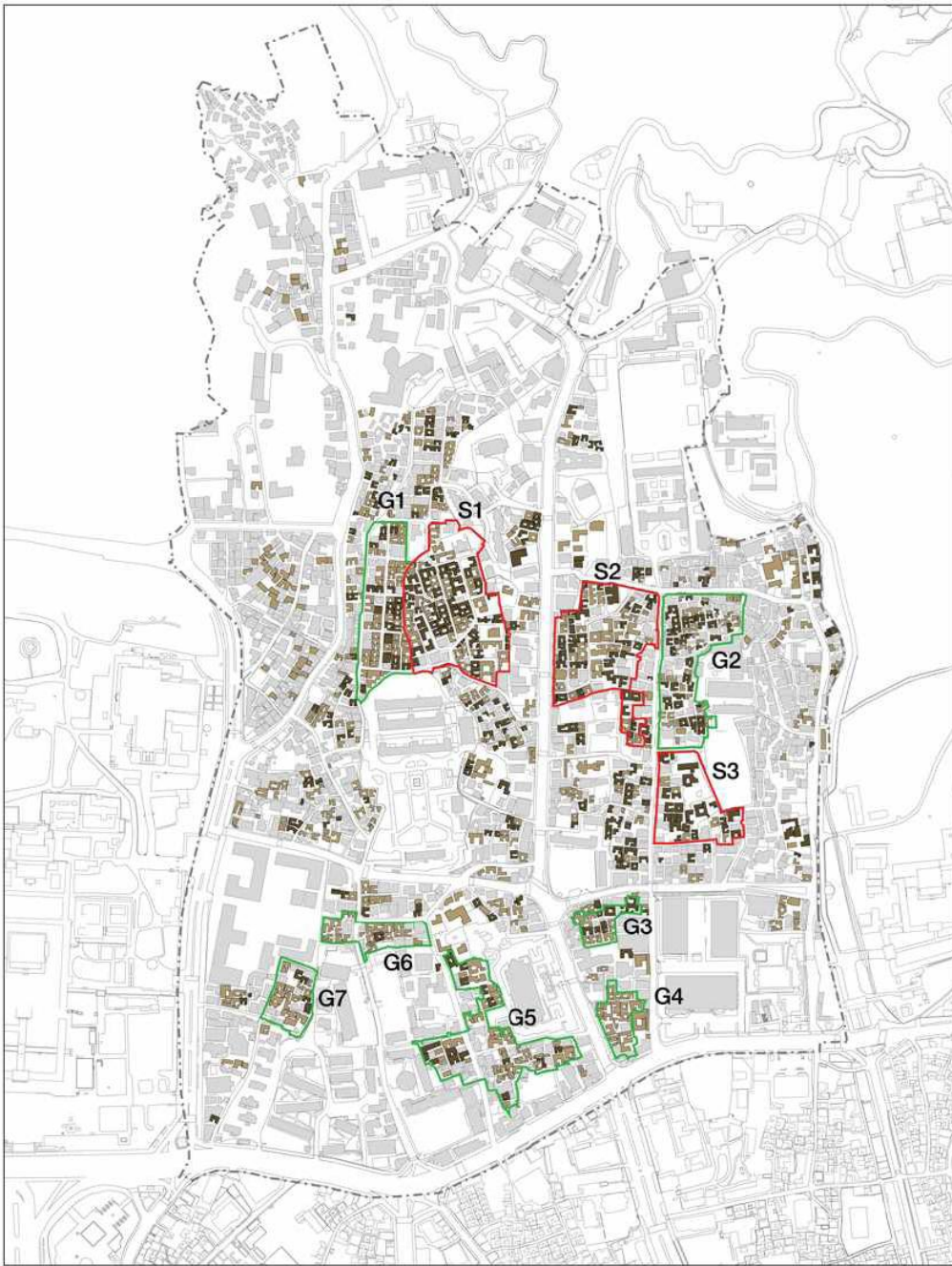
(A detached palace site of Joseon dynasty, major government office sites, housing site of main figures, memorial site of the March First Independence Movement, etc.)

Figure 4.6 Hanok distribution condition in Bukchon

(Source: Seoul Metropolitan (2010), Bukchon district unit plan)

Thereby, Seoul city was designated "the fourth type of aesthetic district" (at present, the "historic cultural aesthetic district") to conserve our traditional architectural style and

maintain the beauty of the housing environment and also to propose an institutional system for full-scale Hanok conservation. In 1984, Seoul city proposed the regulation of 'the restriction on construction in specific areas' within the fourth type of aesthetic district. This architectural guideline restricted a detached house, an apartment house, and a commercial building to be less than one-story, two -stories and three-stories respectively and also prohibited buildings to be constructed with foreign styles such as Mansard or pend roof. However, since the management of one-sided restrictions under this architectural guideline is largely monolithic and could not include specific plans for the area, Seoul city designated "the expected area for urban design" in 1984 and established "the urban design plan of Hanok district (한옥지구 도시설계) (1985)," it could not execute the plan53).

Because strict restrictions caused the resistance of local people, Seoul city made "the executing plan for restoring and improving the traditional culture area (전통문화지대 복원정비 실시계획안) (1990)" and "the maintenance plan for Hanok conservation district (한옥보존지구 정비계획 방침) (1990)," but it could not execute either of them as the local people rose up in major opposition.

The system, which contains regulation without any support, caused a movement of antagonism toward such systems by the local people and Seoul city eventually gave up the conservation of Hanok in 1991 and proposed new goal of creating an environment suitable for housing. It relaxed the restrictions on houses from one-story to three-story and also the maximum height from ten meters to sixteen meters (five-story) in 1994. Accordingly, this accelerated the loss of Hanok and new types of modern architecture dominated the landscape. In addition, Jongno-Gu established "the validity of the urban plan and proposed an improvement plan for Samcheongdong village, Jongno-Gu (종로 북촌마을 도시계획 타당성 및 정비계획안) (1997)" and proposed the plan to develop Samcheongdong with modern high-class houses and create a special traditional street. However, Seoul City deferred the permission for this plan after completing "the central Seoul fundamental planning scheme (서울시 도심부 관리계획)." Moreover, due to the abolition of architectural guidelines within the aesthetic district under the revised ENFORCEMENT DECREE OF BUILDING ACT in 1999 and a grace period of one year until 2000, new frameworks for the management of Samcheongdong were urgently

called for. A new era of Samcheongdong conservation started as the local people, who experienced the loss of Hanok and a vicious cycle of development thoughtless for the environment due to the relaxation of regulation in 1990, requested the re-creation of Samcheongdong village in 1999. The request of the local people, who used to desperately oppose the conservation policy of Seoul, brought about a huge incentive for Seoul government to promote the policy. As Seoul executed a systematic analysis on the present condition of Hanok and Samcheongdong through "the Master Plan for Bukchon Regeneration Project (북촌가꾸기 기본계획) (2001)", it established the framework for sustaining Samcheongdong in the urban planning dimension concentrating on remodeling support, purchase, and utilization of the Hanok based on the Hanok registration system. This plan was not about one-sided regulation; it was based on the voluntary participation of the local people. It intended to support remodeling of Hanok so that Hanok can keep their original beauty and adapt to modern living conditions at the same time. For this, Seoul city established the SEOUL METROPOLITAN GOVERNMENT ORDINANCE ON SUPPORT FOR HANOK in 2002. After that, Seoul city conducted "an interim appraisal of the Bukchon regeneration plan (북촌가꾸기 중간평가 연구) (2005)" and "the long-term Bukchon regeneration plan (북촌장기발전구상) (2006)" as a part of the continuous promotion of the Bukchon Regeneration Project. "The long-term Bukchon regeneration plan" proposed the establishment of a district unit plan for the long-term conservation and management of Bukchon beyond the Bukchon Regeneration Project, the temporal project. Thereby, Seoul city has moved from the conservation policy focusing on Hanok loss prevention and established "the district unit plan for Bukchon (2010)", the systematic management plan for the entire Bukchon area including Hanok and other general buildings.

In other words, as the local people requested Seoul metropolitan government to conserve and sustain Bukchon after experiencing the loss of Hanok and a vicious cycle of development thoughtless for the environment, Seoul city has continuously promoted "the Bukchon Regeneration Project" policy since 2001. So far, the Bukchon Regeneration Project focuses on Hanok loss prevention and conservation, and about 1,200 Hanok(s) have been conserved for eight years since 2001. In 2010, Seoul conducted the systematic management plan for the entire Bukchon area through the district unit plan for Bukchon.

4-2-3. The history of Samcheongdong.St

4-2-3-1. The formation & change of Samcheongdong

Surrounded by Gyeongbokgung (Palace), Changdeokgung (Palace) and Jongmyo Royal Shrine, Samcheongdong is a residential area in Seoul with countless hanoks (traditional Korean houses). Samcheongdong is also called "the street museum in the urban core," having many historical spots and cultural heritage sites.

Since it is located in the northern part of Cheonggyecheon and Jongno, people named this area Samcheongdong, which means northern village. In the village, there are Gahoe-dong, Songhyeon-dong and Samcheong-dong, whose names evoke affection in all Seoulites.

In the late Joseon Dynasty, the large-scaled land was partitioned into small-sized building sites for social and economic reasons. It is assumed that the hanoks located closely together in the village were rebuilt around 1930. The change in the form of the hanok reflects the increasing density of the society due to the beginning of urbanization happening at that time in Korea. Samcheongdong's historic sites and cultural heritages from the Joseon Dynasty to modern times tell visitors the history of this area.

4-2-3-2. Samcheongdong during the Joseon Dynasty: The village of high circles

One of Samcheongdong's main characteristics is its topography - the shape of land and watercourses. It has lowlands in the south but the level of the land becomes higher and steeper in the north. And it has four valleys. As water flows along with the valleys, the main roads of this area run parallel with the watercourses. So the roads tend to stretch from the north to the south.

Even today you can witness this on streets like Samcheongdong-gil, Gahoe-ro, Gyedong-gil and Changdeokgung-gil. During the Joseon Dynasty, Samcheongdong was the town of the high circles of society because of its geographical features.

The village was the heart of Hanyang (Seoul's former name) between Gyeongbokgung (Palace) and Changdeokgung (Palace), and it is located on the south side of the mountains stretching from Bugak to Eungbong. According to a census in 1906, 43.6 percent of the 10,241 (or 1,932 households) in Samcheongdong were from

noble families or high-ranking officials. From this, we can see that the upper class gathered in Samcheongdong at that time.

Table 4.9 History of plan related to Bukchon[17]

Year	Plan	Remarks
1985	The urban design plan of Hanok district	Conservation and management of the traditional architecture within the district
1990	The executing plan for restoring and improving the traditional cultural region	Regeneration and maintenance of the traditional cultural region in the middle of the city
1990	The maintenance plan for Hanok conservation district	Proposed the architectural guidelines for selective conservation and management
1997	the validity of the urban plan and proposed improvement plan for Samcheongdong village, JongnoGu	Proposed the full-scale redevelopment for creating high-class residential area
2000	The central Seoul fundamental planning scheme	Suggested the policy for conserving the historicity of Samcheongdong and Hanok in good condition as a part of the systematic management for the city center
2001	The Master Plan for Bukchon Regeneration Project	Established the framework in the urban planning level and proposed the details of the system and policy
2004	The development plan for the city center of Seoul	Proposed to recreate Samcheongdong as a cultural center and emphasized the need to consistently promote the Bukchon Regeneration Project
2006	The long-term Bukchon regeneration plan	Found the problem in Bukchon Regeneration Project of supplementing resources for conservation of Bukchon in the long-term
2010	Bukchon district unit plan	Established the urban management plan in institutional level

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[17] (Source: Ahn, In-Hyang (2008), / Seoul Metropolitan (2010), Bukchon District Unit Plan)

Figure 4.7 The Traditional and modern environment of Bukchon District

(Source: http://bukchon.seoul.go.kr/intro/history.jsp)

In the 2000s, Samcheongdong transformed into a place where contemporary society and tradition coexist. During this time, people added modern architectural elements to the traditional hanoks in Samcheongdong.

Moreover, people started new kinds of businesses such as cafeterias, restaurants, boutiques and galleries in hanoks. This change started especially in Samcheong-dong and spread gradually through the whole Bukchon

area.

Figure 4.8 The Korean traditional house street

(Source: http://bukchon.seoul.go.kr/intro/wculture.jsp)

Nowadays Samcheongdong is one of the leading and most loved cultural places in Seoul with its unique image that comes from the stark contrast between reinterpreted hanoks made of steel and glass and ultra-modern minimal buildings. Moreover, Samcheongdong is a favorite spot in Seoul for youth; indeed, it is common to see young couples on dates in hanok-style restaurants.

4-2-4. Place marketing of Samcheongdong.St

4-2-4-1. Planning group

Private Group

Table 4.10 The performance of planning group in Samcheongdong

Related Groups	Performance
The Bukchon Preservation Group	Bukchon is the historical, cultural and traditional village of Seoul. About five hundred people and residents of Bukchon who were heartbroken because of its destruction and desolation through Korea's waring periods, formed the Bukchon Preservation Group.
Samcheongdong tradition development institution	Built by residents of the area for the development of Samcheongdong district. The group hosts culture festivals and events in Samcheongdong district.
The Hanok Village Keeper Group (Hanjiyeon)	The Hanok Village Keeper Group is a group of residents in Hanok Village in Gahoe-dong. It was organized in June 2002 for the purpose of making Gahoe-dong into an elegant hanok village – a vital residential area where tradition and history can be felt. Sixty-five houses between 31 and 33 Gahoe-dong participate in this organization.

(Source: Interview with Samcheongdong district 2012)

Samcheongdong district is included in the Bukchon district that is famous for its Hanok village.

The planning groups of Samcheongdong district consist of three main domain groups: 1) The Bukchon Preservation Group, 2) Samcheongdong tradition development institution, 3) The Hanok Village Keeper Group. They have the same purpose of preserving traditional culture and developing the regional character. I had an interview with an official of the Samcheongdong tradition development institution. He said "Samcheongdong has more than 80 cultural facilities, including galleries, and museums

have been moved into Samcheongdong area. It means that Samcheongdong District is an important place for Korean traditional culture. We want to revitalize the cultural environment. Our community has a strong bonding power in Samcheongdong. We have many kinds of events to foster relationship-building and preserve the unique traditional heritage and traditional culture with our community. This is the purpose why this association was established."

4-2-4-2. Attraction factor

Table 4.11 The attraction factors of Samcheongdong district

Hard factors	Soft factors
Incentive schemes and programs	Culture
Property Concept	Personality

(Source: Interview with Jongro-Gu official and NGO manager, 2012)

Through In-depth interviews and materials analysis, I make some points about Samcheongdong's attraction factors. Respondents chose three key attractive factors: 1) Incentive schemes and programs, 2) Property Concept, 3) Culture. The official of Samcheongdong tradition development institution said that "Samcheongdong forms a unique historic cultural landscape with Hanok that have been collectively conserved. The systems and plans related to Bukchon district, which have been promoted since the late 1970s, concentrates on conserving Hanok in Bukchon and creating Hanok suited to the surrounding landscape. Hanok is an example of beautiful architecture in the world. We will preserve this feature to make a brand image that could make tourists visit the Samcheongdong district."

4-2-4-3. Place identity & place image

Table 4.12 The Identity of Samcheongdong

	Samcheongdong
Place Identity	Concentrated place of antique Korean houses
	Heritage place

(Source: Interview with Samcheongdong tradition development institution)

Table 4.13 Perception of Samcheongdong (2012)

Perception of Place	Samcheongdong	Cultural image	Samcheongdong
Cultural place	3.76	Culture and arts	3.48
Commercial place	2.74	Traditional culture	3.57
Place for leisure & rest	3.10	Commercial culture	3.14
Creative place	3.07	Civic culture	3.14
Heritage place	3.57	Youth culture	2.93

The number of respondents who scored the above factors was 42 (maximum score: 5 points).

The total number of respondents was 61 for Samcheongdong.

(Source: My reseach survey for place image of Samcheongdong, 2012)

Through surveys, I researched the place image of Samcheongdong district. Forty-two randomly chosen people on-location participated in this survey. Regarding the survey results about place image, many people answered that Samcheongdong district is a cultural place and a heritage place. Both results earned almost the same number of responses. But the district is not an attractive sight for some visitors. Additional survey questions inquired about the area's image as a cultural place. Respondents gave high scores supporting Samcheongsong's image as a traditional culture place. The activities of the Samcheongdong tradition development institution might influence these results, as that is the purpose of the establishment. During the survey, I spent a long time researching in Samcheongdong. Because visitors didn't understand this place as well, some people asked me for answers to the survey questions. Residents have a strong self-confidence in their identity as a heritage district, but they don't want to open their community freely.

4-2-4-4. Public-Private Partnership

Table 4.14 The events in Samcheongdong cultural district (2011)

Date	Event	Government	Civic group
10月	Samcheongdong Cultural Festival	Supporting role - Jongro Culture Institution	Samcheongdong tradition development institution

(Source: Interviewed to Samcheongdong tradition development institution, 2012)

Samcheongdong district is not a designated Cultural District, so there are no supporting regulations for developing cultural events. They have a community that is established to preserve Samcheongdong traditional places. This private community has no cooperation with government to support the Samcheongdong district. It is not easy to manage Samcheongdong district development. There is only one event every year that is open to visitors interested in Samcheongdong traditional culture.

4-3. Daehakro

4-3-1. Introduction

Daehakro (literally University Street) is perhaps the first cultural street built by the city government. When Seoul National University moved to another site in 1975, the area stretching for 1.1 km from the Hyehwa Rotary to the Ehwa crossroads gradually became a street of cultural and artistic activities. As the name symbolizes, it represents the culture of youth. Currently, there are two major cultural institutions (the Korean Culture and Arts Foundation and the Federation of Artistic and Cultural Organizations of Korea), 14 galleries, 44 theatres, and 2 cinemas as of 2001.

Table 4.15 Building Uses in the Daehakro Area

Classification	Uses	1985		1995		1999	
		No. of buildings	Percent	No. of buildings	Percent	No. of buildings	Percent
Cultural, education, and office	Exhibition	3	5.1	8	4.2	6	2.6
	Theater	2	3.4	16	8.5	20	8.5
	Public cultural use	2	3.4	2	1.0	2	0.8
	Private teaching	1	1.7	16	8.5	17	7.2
	Office	4	6.8	28	14.8	34	14.4
	Subtotal	12	20.3	70	37.0	79	33.5
Residential	Housing	32	54.2	20	10.6	23	9.7
	Subtotal	32	54.2	20	10.6	23	9.7
Commercial	Restaurant	9	15.2	46	24.3	61	25.8
	Coffee & snack	0	0.0	10	5.3	13	5.5
	Café	2	3.4	13	6.9	13	5.5
	Karaoke	0	0.0	2	1.0	6	2.5
	Others	4	6.8	28	14.8	41	17.4
	Subtotal	15	25.5	99	52.4	134	56.8
Total		59	100.0	189	100.0	236	100.0

(Source: Shim, 1999)

4-3-2. The history of Daehak.St

The dynamics of Daekakro in the past two decades reveal tension between commercialism and cultural activities. The beginning of the cultural street was closely linked with the construction of the Munye Theater in 1981. This facility was built near the Korean Culture and Arts Foundation as part of the central government's cultural infrastructure expansion policy in the early 1980s. The location of the Munye Theater in Daehakro drew many theatrical groups and activities into the area. The concentration of small theaters was also encouraged by changes in performance related acts in 1982, including a provision for small theaters to be built without government permission. Place-making efforts of Daehakro began in earnest in 1985 when the Seoul city administration paid attention to the potential of the street as an arts and culture street. The core of public intervention in place-making of Daehakro was a ban on cars during weekends. However, this no car policy did not last for long and was abandoned in 1989 due to the complaints from the residents and the student associations of universities located in the area. Another factor contributing to the abolition of the no car policy was the frequent use of the street by students and citizens for protests and demonstrations against the government during 1987 when the democracy movement was at its peak in

Korea (Shim 1999).

Figure 4.9 The Munye Theater (Source: Photo taken by the author)

During the four-year period from 1985 to 1989, Daehakro experienced significant growth in the number of theaters and galleries. Many small theaters were newly opened and some moved in from other parts of Seoul. There were also substantial shifts in the composition of space use in the area during the period. The share of culture and education activities increased from 13.2% to 18.4%. A rapid increase was also seen in commercial uses such as restaurants, cafes, and bars. These increased shares of space use by cultural and commercial activities were at the expense of residential use of space in the area (Shim, 1999; SMG, 2001).

Figure 4.10 Fast food restaurants and cafes surrounding a small theater
(Source: Photo taken by the author)

After the abandonment of the no car policy in 1989, Daehakro underwent another transformation. The city government designated Daehakro as a cultural street in 1990. This was part of a nation-wide campaign to secure cultural spaces for cultural promotion. Given limited support from the central government, place-making works were delegated to the Jongro Ward Office, which was directly responsible for public services in the area. Without a thorough inventory taking and coherent strategy for development, the efforts by the Ward Office were limited to the operation of an outdoor stage at the Marronier Park, holding several cultural events, and the installation of street fixtures such as information posts and ticket boxes. Even though the intention of the Ward Office was to preserve an image of Daehakro as a cultural street utilizing the existing cultural resources in the area, it was not supported by sufficient financial resources and strategic ideas. Furthermore, the Office did not have any control over the use of space. Hence, the image of Daehakro changed gradually from a theater street to a street of performance arts and to a street of conspicuous consumption. Even the content of theaters degenerated into more commercially-oriented plays including

porno-type adult theaters (Shim, 1999).

During the 1985-89 period when the "no car on street" policy was implemented, the number of visitors, especially young students, increased drastically. As a consequence, commercial facilities expanded greatly and in turn drove up the prices of land and building rents. Obviously, small theatres running on the rental basis in the Daehakro area could not afford to pay high rents. As a result, most of them moved to cheap storage buildings in back alleys or underground floors. As a matter of fact, 31 out of 38 theatres in the area currently occupy the underground floors with poor conditions (SMG, 2001).

Moreover, these small theatres have been facing problems of profitability in their operation. According to the survey results of 1999, which was the worst year after the 1997 Korean financial crisis, all 15 small theatres experienced deficit in their operations (KCPI, 1999). The average deficit of 3.76 million won (around US$3000) for 15 theatres raised the question of whether these theatres could continue to operate in the Daehakro area. Such a situation did not improve much after the recovery of the Korean economy in 2001. More importantly, these theatres have faced a serious problem of declining numbers of theater viewers due to the spread of Internet and the shift of viewers to movies. Given the experimental nature of small theatrical performances, it is impossible to expect them to stand alone without subsidies. The central government has been providing indirect assistance to the performing arts community through enabling viewers to buy tickets at discounted prices.[18] These subsidies, however, are not sufficient enough to continue performances of small theatrical companies. In fact, the National Theater Association of Korea expects that the government at both central and local levels will provide more direct and indirect support for the performing arts.

In addition to government subsidies, however meager they are to the theatrical community, other indirect supports include lump sum subsidies earmarked for particular cultural events in the Daehakro area. The Daehakro Culture Festival is a typical case; the semi-government organization Korea Culture and Arts Foundation supports this event. Another one is the Seoul International Theater Festival, from which the National Theater Association of Korea—a non-profit professional organization—obtains support. A non-governmental organization called the Young Korean Academy

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[18] Viewers can purchase tickets by discounted prices (which is called "Sarang" ticket) and theatres can reclaim the discounted portion from the Korea Culture and Arts Foundation. Small theatres can redeem 1,000 won per ticket since April 2000.

(the headquarters of which is located in Daehakro) has been involved in place-making through organizing the Daehakro Youth Festival. The main concern of the organization is the promotion of sound youth culture.

These organizations, although interested in preserving the identity of Daehakro and promoting cultural activities for culture's sake, do not have substantial expertise in place-making. Holding cultural events is therefore the most commonly adopted strategy of these organizations. We need to remember that cultural events, if they are not closely associated with local arts and cultural activities, tend to be short-lived.

4-3-3. Place marketing of Daehak.St

4-3-3-1. Planning group

4-3-3-1-1. Government

Table 4.16 The division of Daehakro Cultural district

Culture information division	Culture & Art Team
	Culture Business Team
	Managing Daehakro Cultural District
	Cultural assets Management Team
	Cultural facilities Management Team
	Public Information Team

(Source: Interviewed Jongro-Gu office, 2012)

"Daehakro cultural district belongs to Jongno-Gu, a district of culture. In Jongno-Gu Office, there is an organization of cultural affairs and an official in charge of Daehakro cultural district. He manages all the administration of the Daehakro festival support and relationships with private organizations.

Each organization of a district office could be different depending on their situations. Our division is in charge of Daehakro Cultural District. This program is an important plan for Jongno-Gu Office. Therefore, we have a management system for cultural districts to improve their place's unique value." (interview with Jongno-Gu official, 2012)

4-3-3-1-2. Private Group

Table 4.17 the performance of planning group in Daehakro

Related group	Performance
Korean small-theater association	Managing small-theaters that cannot be managed by themselves and doing some cultural festivals to revitalize the small-theater acts. The image of Daehakro street is that of a vibrant youth culture supported by the Korean small-theater association.
Daehakro development institution	Established for developing Dahakro cultural district in accordance with Seoul cultural policy. They usually have discussions with the government regarding regional development decisions and consultations.
Seoul drama association	Korean-wave Drama is responsible for a large part of the craze. Theater association that has numerous plays throughout South Korea joining in activities.
Daemyeong St. Tradition association	In the past, Daehakro was named "Daemyung-Geri" and was created to preserve the traditional culture association. Responsible for many roles in preserving traditional culture through regional festivals.

(Source: Seoul Metropolitan, Donhwamunno District Unit Plan, 2010)

Daehakro private associations in the cultural district were established after the 1980s. At that time there were new cultural waves that started from university. This culture is related to art and music that goes against government policy. Daehakro district has a strong image of cultural revolution.

I had an interview with one association official in Daehakro. He had worked almost 14 years in Daehakro and studied there as well. "Daehakro Cultural District has many kinds of private associations. Our association is one of them. We usually operate to support small-theater development. For example, we make a festival that is focused on the small-theater to promote more visitors and foreigners. Recently, the number of foreigner is increasing. But our theaters don't have programs only for foreigners. We

will make some improvements for them. We also have connections with government plans, but it is an indirect way to cooperate with some of their programs. Jongno-Gu Office gives our institution the financial support and facilities that are allowed for by the regulation of cultural districts. But it is not enough to improve our district.

"Our institution was established in 2000. We helped manage small-theaters that cannot be managed by themselves, and we do some cultural festivals to revitalize the small-theater acts. The Daehakro street image is one of street youth culture in partnership with the Korean small-theater associations." (interviewee: Policy chief of Korea small-theater Association)

4-3-3-2. Attraction factor

Table 4.18 The attraction factors of Daehakro cultural district

Hard factors	Soft factors
Property Concept Communication infrastructure	Culture Flexibility and dynamism Professionalism in contact with the market Personality

(Source: Interviewed to Jongro-Gu Official and NGO manager, 2012)

Through In-depth interviews and materials analysis I make some points about Daehakro's attraction factors. Respondents chose three key attractive factors: 1) Communication infrastructure 2) Flexibility and dynamism 3) Culture.

Daehakro cultural district has the unique feature of live performances in Seoul city. During the making of the cultural image in this place, one area that has an important role is communication infrastructure. This is the Munye park. The beginning of the cultural street was closely linked

with the construction of the Munye Theater in 1981. This facility was built near the Korean Culture and Arts Foundation (now Korea Arts Council) as part of the central government's cultural infrastructure expansion policy in the early 1980s. In particular, the location of the Munye Theater in Daehakro drew many theatrical groups and activities into the area. The concentration of small theaters was also encouraged by changes in performance related acts in 1982, including the provision that small theaters could be built without government permission. Place-making efforts of Daehakro began

in earnest in 1985 when the Seoul city administration paid attention to the potential of the street as an arts and culture street.

"There are many visitors that come to see the live performances that are concentrated in this area. Daehakro cultural district has a growing number of small-theaters. Because of the Korean-waves, the number of Korean young people who want to be artists is growing rapidly. Our association will have a big supporter in improving the Daehakro cultural district to make for a great communication area." (Interviewee: policy chief of Korea small-theater Association)

4-3-3-3. Place identity & place image

Table 4.19 The Identity of Daehakro

	Daehakro
Place Identity	365 days non-stop acting place
	150 small theaters district place
	Korean-wave human resource place

(Source: Interviewed to Korea Small-Theater Association, 2012)

Table 4.20 Perception of Daehakro (2012)

Perception of Place	Daehakro	Cultural image	Daehakro
Cultural place	4.30	Culture and arts	4.23
Commercial place	2.70	Traditional culture	2.75
Place for leisure & rest	3.98	Commercial culture	3.46
Creative place	3.72	Civic culture	3.48
Heritage place	2.56	Youth culture	3.98

The total number of respondents was 61 and some scored the factors above (maximum score: 5 points).

(Source: My reseach survey for place image of Daehakro, 2012)

Through surveys, I researched the place image of Daehakro cultural district. Respondents include 61 people randomly chosen on-location. Regarding survey results of place image, many people answered that Daehakro cultural district is a cultural place and a heritage place. Both results received almost the same number of responses. The visitors feel that Daehakro cultural district is a creative cultural place.

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Additional survey questions asked about Daehakro's image as a cultural place. It received high scores for its image as a culture and arts place. The purpose of the Daehakro Korea small-theater association might influence these results because fostering this image is the purpose of establishment. During the survey, same as in Insadong cultural district, I found that residents have strong self-confidence in their designation as a cultural district. However, they are a decentralized community district so they have different purposes and visions.

4-3-3-4. Public-Private Partnership

Table 4.21 The events in Daehakro cultural district (2011)

Date	Event	Government	Civic group
4 月	Seoul Act Festival	Seoul Metropolitan	Seoul Act Association
10 月	Daehakro Culture Festival	Jongro-District	Daehakro Culture Association - Daehakro Culture Development - Daemyong St. Tradition Culture Association
10 月	Daemyong St. Traditional Culture Festival	Jongro-District	Daemyong St. Tradition Culture Association
11 月	D.FESTA	Jongro-District Ministry of Culture & Tourism	Korea Small-Theater Association

(Source: Interviewed to Jongro-Gu Official and NGO manager, 2012)

These private associations located in Daehakro cultural district have different purposes that are all aimed at the survival and development of the cultural district. Most programs are related to live performance events. Through these events, Jongno-Gu Office plans to revitalize the cultural district and live performance industry. To achieve their purpose, Daehakro cultural district has played an important role. Jongno-Gu Office plans the events that need to cooperate with Daehakro private associations. The

most famous event is "D.FESTA". This program is a chance to popularize Daehakro live performance theaters which have played a key role in making Daehakro's cultural image. The 2011 D.FESTA was organized by the small-theaters in Insadong. It offers indoor and outdoor live performances, modern music, and handcrafts.

4-4. Cultural policy in Seoul

4-4-1. The designation of "Cultural District"

Insadong was designated as a "Cultural District" pursuant to the Culture and Arts Promotion Law, clause 6:3 in April 2002. The implementation of the vehicle-free program resulted in the following important changes:

1) Increase of domestic tourists and a shift in the visitor profile (from the middle-aged, high-taste customers of traditional arts to the younger-aged, ordinary-taste consumers)

2) Decline of the traditional culture-related businesses

3) Destruction of traditional buildings through rebuilding and expansion of the number of stories

4) Trading of cheap souvenirs in the street and shops.

The designation of Insadong as a cultural district was the first such designation by SMG. The main purposes were to preserve and promote traditional culture-related business, to restrict the invasion of commercialization, and to promote Insadong as a heritage tourism destination (Seoul Development Institute, 2008). SMG introduced guidelines for the maintenance and management of Insadong Cultural District. The main contents of the guidelines include financial support for (culture-related) businesses, the formation and maintenance of cultural space, subsidies for culture-related programs or events, and the formation and support of a residents' committee. Table 34 describes the guidelines in more detail.

In this policy, SMG defined three categories of businesses: appropriate business, partially-appropriate business, and restricted business, according to the extent of their relationship to traditional culture; these distinctions guided the allocation of financial assistance, such as tax incentives and subsidy programs. The appropriate businesses include five core activities related to the sales of antiques and traditional craft items, such as mulberry paper, calligraphy brushes, galleries, and wooden products. Four activities, such as traditional tea shops, traditional clothing, picture-mounting shops,

and restaurants serving traditional Korean food, were defined as partially-appropriate businesses. On the other hand, five categories of activities including game rooms, fast-food stores and bakeries, beer outlets and western bars, cafes and karaoke rooms, were explicitly defined as restricted businesses to be strictly controlled according to the Seoul cultural district management and law.

Table 4.22 The guidelines for Insadong cultural district planning and management

Planning	Provision	Contents
Financial assistance for appropriate businesses	Tax exemptions (50%)	-property acquisition tax exemptions -registration tax exemptions -property tax exemptions
Financial Support (within $50million)	- providing loans for minor repairs or maintenance of buildings - providing loans for vendors	
Assistance for appropriate business initiatives	-culture-related business	
Formation or maintenance of cultural space	Restriction of types of business	-restriction for district unit plan -restriction for cultural district -change of space use
Management of signboards	-signboards on exterior of buildings -signboard on the main street -signboards off the main street	
Subsidy plans for programs or events	Traditional craftsmanship Experts'shop	-designation and management of masters' shops
Festival and events	-subsidy for festival -restriction of one- time events	
Formation and support of residents' committee	Residents' committee	-designation of residents' committee -the duty of the residents' committee -support of the residents' committee

(Source: Seoul Development Institute, 2008)

In order to preserve the impression of a cultural street, this policy also indicated that only traditional and cultural businesses are to be permitted on the first floor of buildings, and, from the second floor, only traditional tea shops, traditional Korean restaurants and traditional bars are permitted along the main street. However, many traditional shops have set up improvised stands selling cheap souvenirs outside of their store fronts (author's observation). These souvenir stands are everywhere on the street and obscure the shops' traditional contents, creating visual chaos. Incongruously, they have become a symbol of the cultural district today.

The financial program for the vendors who run appropriate businesses is ineffective. The planned annual rate of loan is set at 4% which is higher than the current bank loan rate. Practically, vendors do not think that the government wishes to assist culture-related businesses financially. The owner of a traditional ceramics shop, one of the twelve small shops in front of the craft market, said the following: "There is no tax subsidy program for us, those who sell only one traditional item. We requested one from Jonogu (district office) several times, but nothing was changed." (Interview with a vendor, 2012)
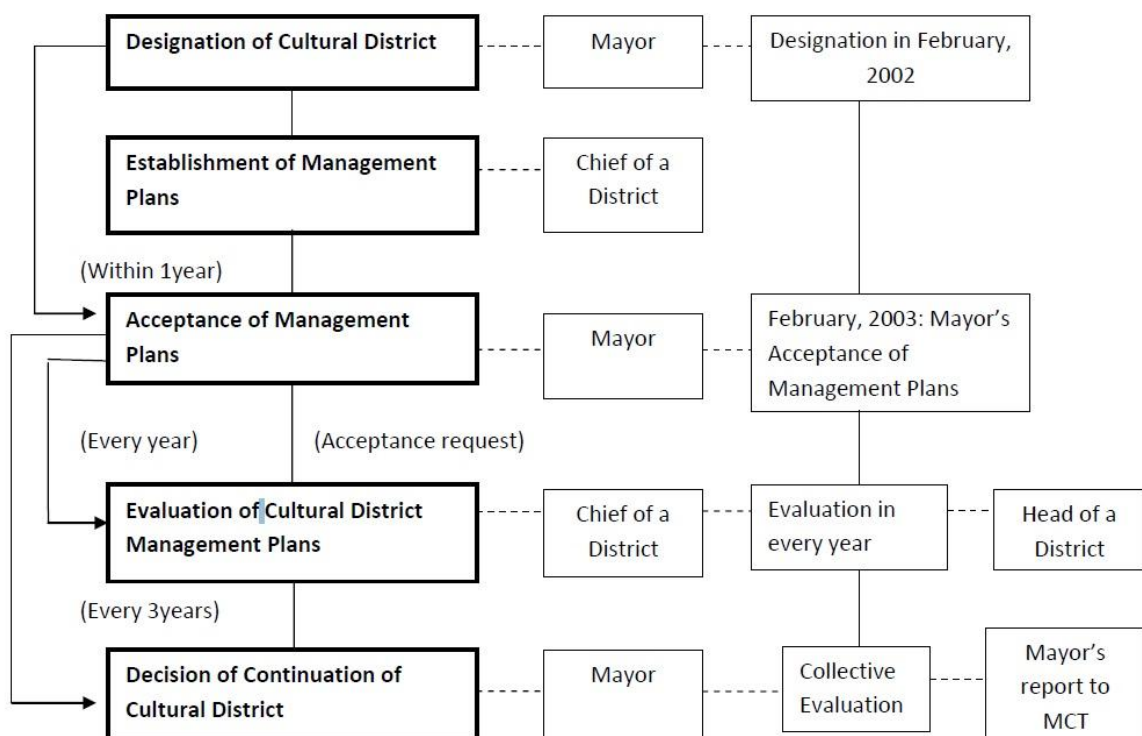

Figure 4.11 The Assessment system of cultural district's management and operation

(Source: Seoul Development Institute, 2005)

Following the designation of the cultural district, assessment and analysis have been conducted every three years. According to the Culture and Arts Promotion Law, clause 10, the MCT and mayor can provide funds to promote the cultural district and this has been done with striking results following designation. In addition, according to the Cultural district management ordinance of the city of Seoul, clause 3:4, the mayor has the authority to determine the continuation of the cultural district designation based on tri-annual research on present conditions and effectiveness. According to Figure 4.11, the district authority has to research and evaluate the current situation of the cultural district but, in fact, (Jongro-Gu) district passed on the responsibility for the assessment and evaluation of Insadong to SDI. The Jongro-Gu administration is focused on festivals and events rather than the overall monitoring of policy.

4-4-2. The designation of "district unit plan"

The government set up three detailed guidelines: first, defining the distinctive character of cultural districts and the making of plans to reinforce them; second, providing guidelines for the building code for reconstruction; and last, introducing urban planning provisions and the formation of a public place. The details of the district unit plan are: 1) the release of a redevelopment plan for the streets in the district unit plan; 2) to improve the pedestrian environment; 3) to build public amenities like a parking lot and open space (park) for Min's heritage site; 4) to preserve traditional houses and install a fire protection system; and 5) to maintain the environment of alleys with residents' involvement.

Table 4.23 The tasks of the district unit plan and cultural district plan

Plan	District unit plan	Cultural district plan
Task	1) To preserve small stores and Korean traditional houses 2) To preserve alleys and street culture 3) To foster traditional cultural businesses	1) To preserve culture-related business 2) To create a better Insadong 3) To preserve the image of a cultural street 4) To promote residents' involvement

(Source: Seoul Development Institute, 2005)

In the district unit plan, the district is divided into five areas and the use of space and business types are restricted based on these five sections. While the designation of the cultural district is focused on the conservation of culture-related business (software), the district unit plan is a more comprehensive management system concerning the landscape and environment of the district (hardware). The Table 4.23 indicates the distribution of tasks between the two policies.

According to the assessment conducted from 2008 to 2010 by SDI and from my observations, some parts of district unit plan have not been implemented. Most plans related to the promotion of tourism—like improving the pedestrian environment, building public amenities like a parking lot, and maintaining the environment of alleys—have been carried out, but the plans for the conservation of cultural assets—like the creation of an open space (park) for Min's heritage site and the preservation of Korean traditional house—have not been implemented effectively. In the following section, the current situation and key actors' perspectives will be examined.
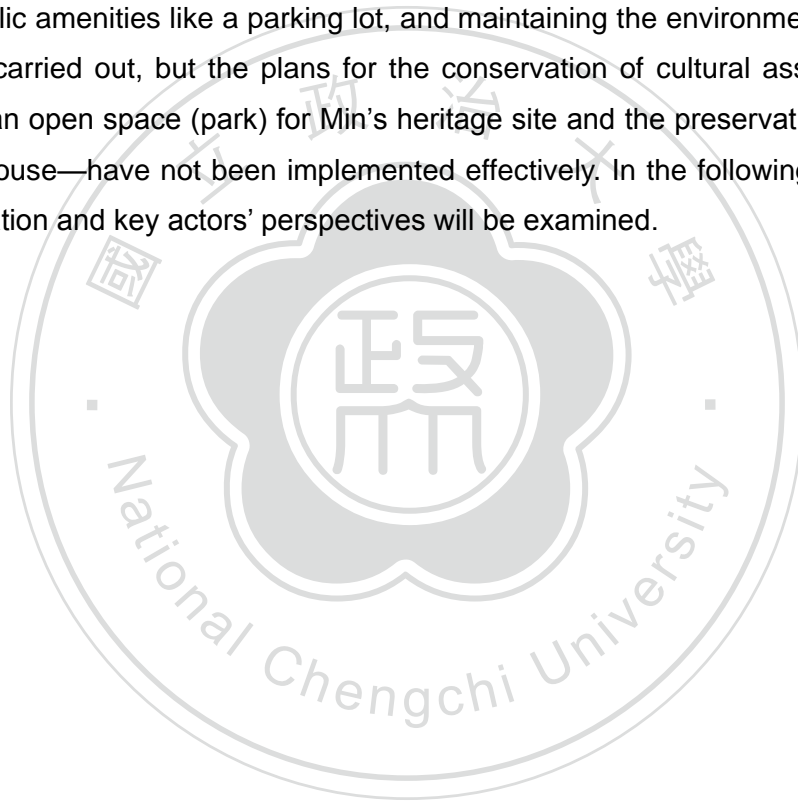
CHAPTER 5
COMPARISON & DISCUSSION

Comparative analysis of Seoul Cultural Districts

5-1. Comparison between designated C.D and non-designated C.D: Cultural Policy

5-1-1. Planning group

Table 5.2 A comparison of planning groups between Insadong and Samcheongdong

	Designation of Culture District (Insadong C.D)	Non-Designation of Culture District (Samcheongdong)
Civic Group (NGO)	1. Insadong Tradition Culture Association (ITCA)	1. The Bukchon Preservation Group 2. Samcheongdong tradition development institution
Government Division	Culture information division Culture & Art Team - Managing facilities of C.D - Supporting events in C.D - Benefit tax & loan	None

Insadong cultural district is mostly managed by *Insadong Tradition Culture Association (ITCA)*. This institution usually operates with the government planning national events and traditional festivals. Jongno-Gu Office gives the institution the financial support and facilities that is afforded by the regulation of cultural districts. The main purpose is to protect traditional culture, define Korean traditional culture, and make the unique image of Insadong.

The planning groups of Samcheongdong District consist of three main domain groups: 1) The Bukchon Preservation Group, 2) Samcheongdong tradition development institution, 3) The Hanok Village Keeper Group. They have the same purpose of

preserving traditional culture and developing the regional character. Samcheongdong has more than 80 cultural facilities, including galleries, and a museum has been moved into the Samcheongdong area which means that the district is an important place for Korean traditional culture. They want to revitalize the cultural environment. Their community has a strong bonding power in Samcheongdong. They have many kinds of events to build relationships and preserve traditional unique heritage sites and traditional culture within the community.

5-1-2. Place Identity

Table 5.3 A comparison of place identity between Insadong and Samcheongdong

	Designation of Culture District (Insadong C.D)	Non-Designation of Culture District (Samcheongdong)
Place Identity	1. Cultural District place 2. Convergence art place 3. Antique Street place 4. Traditional place	1. Concentrated place of Antique Korean houses

The place identity of Insadong and Daehakro are researched by the planning group. An official of Insadong Tradition Culture Association said, "the image of a cultural and traditional place existed a long time ago, but the image of a convergence art place was formed after our designation as a cultural district. Our district continuously evolves from a traditional district to a convergence district that has the image of a traditional and modern cultural place" (interviewed the official of ITCA).

Samcheongdong district is famous for its Korean traditional housing district. The planning group wants to preserve the traditional image that was inspired by the natural environment. This planning group has a strong conservative system that is not easily changed by cultural trends.

5-1-3. Public-Private Partnership

Table 5.4 A comparison of the number of public-private partnership activities between Insadong and Samcheongdong

	Designation of Culture District (Insadong C.D)	Non-Designation of Culture District (Samcheongdong)
Activity	1. Korean Traditional wedding 2. Paramita festival 3. Vehicle-free street 4. 古 GO Jongro, Culture Festival 5. Lantern Festival 6. Insadong Traditional Culture Festival 7. Insadong Korean Food Festival	1. Samcheongdong Culture Festival

Public-private partnership can be explained as the number of events that are operated by both government and private groups. Insadong cultural district has many events each year. Most are related to culture and traditional events. Through these events, Jongno-Gu Office plans to preserve traditional culture and attract foreign tourists. Jongno-Gu Office plans the events that need to cooperate with Insadong Tradition Culture Association (ITCA). The most famous event is the "Insadong Traditional Culture Festival".

Samcheongdong district has just one event because they have no supporting regulations for developing cultural events. They have a community that is established to preserve Samcheongdong traditional places. This private community has no cooperation with government to support the Samcheongdong District. it is not easy to manage Samcheongdong District development; there is only one event every year that is open for visitors to enjoy Samcheongdong traditional culture.

5-2. Comparison between High P.M and Low P.M: Place Marketing

5-2-1. Planning group

Table 5.5 The comparison of planning group between Insadong and Daehakro

	High Place Marketing Insadong	Low Place Marketing Daehakro
Civic Group (NGO)	Insadong Tradition Culture Association (ITCA)	Korean small-theater association Daehakro development institution Seoul drama association Daemyeong St. Tradition association
Government Division	Jongro-Gu Office Culture Information division Culture & Art Team - Managing facilities of Insadong - Supporting events in Insadong - Benefit tax & loan	Jongro-Gu Office Culture Information division - Culture Business Team - Managing facilities of Daehakro - Supporting events in Daehakro - Benefit tax & loan

Again, the planning group of Insadong cultural district is *Insadong Tradition Culture Association (ITCA)*. This institution usually operates with the government planning national events and traditional festivals. Jongno-Gu office gives the institution the financial support and facilities that are afforded by the regulation of cultural districts. Similarly, Daehakro cultural district also belongs to Jongno-Gu; it is another district of culture. In Jongno-Gu Office, there is an organization of cultural affairs with an official in charge of Daehakro Cultural District. It manages all the administration of Daehakro festival support and fosters relationships with private organizations. Insadong and Daehakro cultural districts have a relationship with government policy that allows cultural programs to revitalize each district.

5-2-2. Place Identity

Table 5.6 A comparison of place identity between Insadong and Samcheongdong

	High Place Marketing (Insadong C.D)	Low Place Marketing (Daehakro C.D)
Place Identity	1. Cultural District place 2. Convergence art place 3. Antique Street place 4. Traditional place	1. 365 days non-stop acting place 2. 150 small theaters district place 3. Korean-wave human resource place

The place identity of Insadong and Daehakro are researched by their respective planning groups. Again, the official of Insadong Tradition Culture Association said, "the image of a cultural and traditional place existed a long time ago, but the image of a convergence art place was formed after our designation as a cultural district. Our district continuously evolves from a traditional district to a convergence district that has the image of a traditional and modern cultural place" (interviewed the official of ITCA).

The Daehakro Cultural District has strong and unique place identities, including: 1) 365-day non-stop acting place, 2) 150 small theaters district, 3) Korean-wave human resource sites. Because of these identities, they have the strong place image of a cultural district.

5-2-3. Public-Private Partnership

Table 5.7 A comparison of the number of public-private partnership activities between Insadong and Samcheongdong

	High Place Marketing (Insadong C.D)	Low Place Marketing (Daehakro C.D)
Activity	1. Korean Traditional wedding	1. Seoul Act Festival
	2. Paramita festival	2. Daehakro Culture Festival
	3. vehicle-free street	3. Daemyong St. Traditional Culture Festival
	4. 古 GO Jongro, Culture Festival	4. D.FESTA
	5. Lantern Festival	
	6. Insadong Traditional Culture Festival	
	7. Insadong Korean Food Festival	

The number of events conducted through public-private partnerships shows an active operating system. Insadong Cultural District and Daehakro have many events each year. Most are related to characteristic events that make their district stand out as a cultural district. Through these events, Jongno-Gu Office plans to preserve unique culture and attract foreign tourists and visitors. Jongno-Gu Office plans the events that need to cooperate with Insadong Tradition Culture Association (ITCA) as well as several performance art associations in Daehakro.

Daehakro has different kinds of players that work together in live performance associations. Through these associations, Jongno-Gu Office plans to revitalize the cultural district and live performance industry.

The most famous event is "D.FESTA" that was organizaed by the small-theater in Insadong. It offers indoor and outdoor live performances, modern music, and handcraft.

5-3. An explanation of the comparative analysis

5-3-1. Cultural Policy

There are differentiations among the results regarding cultural policy. Specifically, place image and public-private partnerships have a remarkable impact among the three districts. I found that these conditions of cultural policy can influence the development of cultural districts. Cultural districts need to be protected by cultural policies. This implies that cultural districts have no power to compete with other districts that have robust commercial initiatives. Cultural districts also need to be commercialized in order to revitalize traditional districts that have a lot of historic value. Otherwise, the leaders in these places must think about preserving the area's unique cultural image. In other words, they have to face a contradictory, or paradoxical, situation. It is not an easy problem to solve in cultural districts. Therefore they need to solve these problems with the government through the development of cultural policies.

Insadong and Samcheongdong districts have centralized organization systems and Daehakro has a decentralization system. For achieving good partnership between government and private groups, a centralized system is better than another system. According to the comparative results, it can be shown that the largest number of events were the byproduct of cooperation between government and private groups. Insadong has more events than other districts. Therefore, regarding the importance of cultural policy, centralized systems can make for high cooperation in public-private partnerships.

5-3-2. Place Marketing

Place marketing strategy makes little difference among the results in the cultural districts. PPP (public-private partnership) has differentiation in three cultural districts. In the case of Daehakro, they have a weak tie with government. There are few events that cooperate with government. Almost all events are organized by private groups that have their group's purposes in mind. Whenever and wherever there are cultural events and art performances in Daehakro, they are not the result of a cooperative processing system. So each group has limitations in making a unique image for the area. They also have less events than Insadong, with its centralized system.

Important factors in place marketing include place identity and image. In the research results, there are almost the same results between high place marketing districts and low place marketing districts. Therefore, marketing innovation doesn't make a big difference between the two kinds of cultural districts. I found that place marketing doesn't influence the cultural district's image very much.

5-4.   The results of this study

5-4-1. The place image comparison based on cultural policy

Table 5.8 A comparison of place image between Insadong and Samcheongdong

	Designation of Culture District (Insadong C.D)	Non-designation of Culture District (Samcheongdong)
Place Image	Cultural place(4.16) Heritage place(3.85) Creative place(3.53) Commercial place (3.40) Place for leisure & rest (3.23)	Cultural place (3.76) Heritage place (3.57) Creative place (3.07) Commercial place (2.74) Place for leisure & rest (3.10)

Through these research results, I found out about the place image of Insadong Cultural District. Respondents include 62 people randomly chosen on location. Regarding the survey results about place image, many people answered that Insadong Cultural District is a cultural place and a heritage place. Analyzing the place identity of Insadong, both results garnered the same level of response. The visitors feel that Insadong Cultural District is cultural heritage place. In addition, th survey also asked about Insadong's image as a cultural place. It scored high with respect to its image as a traditional culture place. I researched the place image of Samcheongdong District. Respondents include 42 people randomly chosen on location for this survey. Regarding the results about place image, many people answered that Samcheongdong District is a cultural place and a heritage place. The highest scored image is that of a traditional culture place.

5-4-2. Comparison based on Place Marketing

Table 5.9 A comparison of place image between Insadong and Daehakro

	High Place Marketing (Insadong C.D)	Low Place Marketing (Daehakro C.D)
Place image	Cultural place(4.07) Creative place(3.53) Commercial place (3.49)	Cultural place (3.89) Creative place (3.37) Commercial place (2.96)

Insadong cultural district is defined high marketing strategy through the cultural symbolic character and the heritage. But Daehakro cultural district doesn't have two kinds of factors or little. This comparative analysis is based on the level of place marketing strategy. The place image factor include in survey that is operated to visitors in Seoul. Insadong cultural district have higher score than Daehakro cultural district in place image. In place image, there are three kinds of factors that are related in marketing factors. In this result, Insadong(high place marketing) is stronger place image than Daehakro (low place marketing).

5-4-2-1. Attractive factors

Table 5.10 A comparison of attractive factors between Insadong and Daehakro

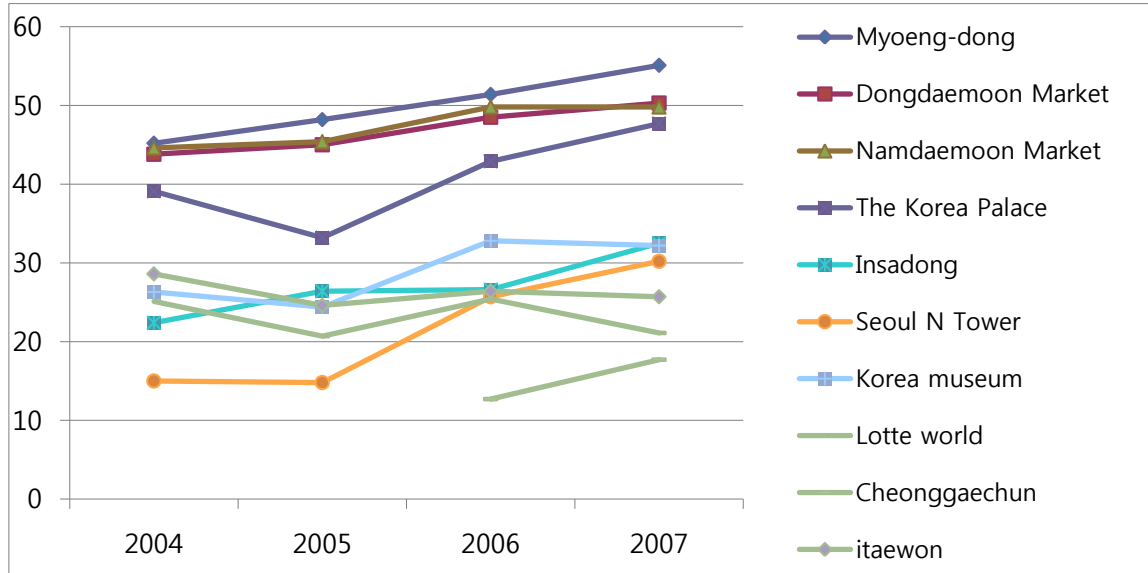|	Insadong	Daehakro
Cultural place	Programs(3.66) Unique location(3.66) Heritage(3.85)	Programs(3.28) Unique location(2.84) Heritage(2.56)
Creative place	Personality(3.89) Product(3.66)	Personality(3.84) Product(3.16)
Commercial place	Price (3.71) Diversity Market(3.4)	Price(3.51) Diversity Market(3.2)

The place images have attractive factors that can influence to the image of visitors in cultural district. there are three kinds of section (cultural place, creative place and commercial place) that are divided by place image style. Cultural place image of Insadong have high score than Daehakro. because Insadong have historic place

features that are heritage place and loyal family place. But Daehakro is the modern place to create new art and performance. And also Insadong have higher score than Daehakro. Creative factor and commercial factor are important factors to revitalize cultural district. Insadong cultural district originally is traditional place but now they have been moving to modern creative art place. They have mixed cultural places to make new cultural idea. Through this mixed cultural place image many visitors go to Insadong to enjoy the cultural contents and buy some products that are made by cultural contents. Hence Insadong creative place image improved to Insadong commercial place image directly. These factors are not in dependent operating system. In the case of Insadong cultural district, place image is high valued factor to revitalize the cultural district.

5-4-2-2. The top 10 places for tourists to visit

Table 5.11 The top 10 places visited by tourists in Korea

Rank	Visited place	The rate of visit (%)			
		2007	2006	2005	2004
1	Myoeng-dong	55.1	51.4	48.2	45.2
2	Dongdaemoon Market	50.3	48.5	45.0	43.8
3	Namdaemoon Market	49.8	49.8	45.4	44.6
4	The Korea Palace	47.7	42.9	33.2	39.1
5	Insadong	32.5	26.6	26.4	22.4
6	Seoul N Tower	30.2	25.7	14.8	15.0
7	Korea museum	32.2	32.8	24.4	26.3
8	Lotte world	21.1	25.4	20.7	25.1
9	Cheonggaechun	17.7	12.7	-	-
10	itaewon	25.7	26.4	24.6	28.6

(Source: Korea Tourism Organization, 2008)

According to the report of Korea tourism organization, there are some statistic results of the top 10 places for tourists to visit in Korea. In this report, Insadong cultural district rapidly increased from 2004 to 2007. During that period, there are some unique events(designation of culture district by Korea tourism ministry, and constructed ssamjigil modern art building) in Insadong. These kinds of cultural contents are able to

give visitors impression of Insadong cultural district. In 2008, Insadong cultural district was located at top 5 the tourist to visit. This result is important thing that can be explained the relationship between place image and the tourist visit place by place marketing. Insadong cultural district is unique district that has a partnership of government and private group. Through this partnership, they have unlimited possibility for making place images.

Discussion

5-5. The meaning of comparative analysis on district innovation

5-5-1. Centralized and decentralized planning groups

The planning groups of cultural districts are divided into two kinds of organizational structure. First is a centralized structure and another is a decentralized structure. Insadong and Samcheongdong has a centralized structure, but Daehakro has a decentralized structure. Each structure has pros and cons for development and innovation in the cultural district. Planning groups can also include a lot of different management styles, depending on the type of structure in cultural districts. Cultural district management is formed appropriately through these two kinds of structures that comprise the core factors to develop a cultural environment.

In light of the data, the centralized structure of this comparative analysis has many advantages for cultural district innovation; it has a positive role in innovative cultural district management.

5-5-2. Relation with place image and identity

Cultural district place marketing is one of the marketing strategies that appropriately informs the people. In this research, I conclude that the impact of place marketing is more powerful in cultural districts. Insadong is a high-level place marketing strategy cultural district, and Daehakro made a successful district through cultural content marketing (for example, K-POP, drama, and entertainment content that is called "Korea-wave").

They have different kinds of strategies for improving cultural districts.

Place marketing strategy has the most powerful impact to the image of a cultural district. Regarding place image, Daehakro achieved lower scores than Insadong Cultural District.(see table 5.8). Hence, place marketing can be an important factor in developing cultural districts. This is just a more innovative cultural district development strategy. Through enhancing this strategy, there can be absolute elements for improving the image of cultural districts locally

5-5-3. Strong ties of public-private partnership

Government and private organizations are related within the cultural policies of partnership. Cultural policy makes for an active environment to revitalize each district. Innovative government cultural policy requires vigorous commercial efforts that support cultural districts in economically sustainable development. Innovation with government that has strong ties and weak ties is an important element in enabling the cultural district's success.

Therefore, private groups and government should make active strategies that push to get close relationships continuously.

5-5-4. Similarity and differentiation

Through comparative analysis of three different cultural districts, it is not possible to analyze which cultural district is a success or not. They have unique cultural colors that cannot be evaluated by the standard of theoretical tools.

But there are similarities among these cultural districts, and also dissimiliarities. The cultural district is a valuable place. Analysis of similarities and dissimilarities helps determine the factors that can make cultural districts more active and find their potential development capabilities.

5-5-4-1. Similarity

  I used a survey that is related to the evaluation of visitors in cultural districts. I classified the answers of visitors that took the survey. The similar factors of cultural districts are "personality," "culture," and "property concept". They have a unique personality that couldn't be seen other places. If the local personality combines with cultural sources, the value of each cultural district can surely increase by the fusion effect. Cultural districts are known to have a distinctive personality that can be representive of the community. "This is a cultural district" might be an important factor to determine whether sustainable development can be possible or not.

  When this concept creates a distinct cultural district property, its image is further reinforced by the property concept. For example, France is a representative of art and architecture. Paris's Eiffel Tower makes a strong image that suggests the most artistic architectural city in the world.

5-5-4-2. Differentiation

5-5-4-2-1. Insadong
1) Centralized system
2) Productivity
3) Incentive schemes and programs

5-5-4-2-2. Samcheongdong
1) Conservative cultural district

5-5-4-2-3. Daehakro
1) Decentralized system
2) Communication infrastructure
3) Flexibility and dynamism
4) Professionalism in contact with the market

5-6. The implications of comparative analysis

5-6-1. The implications of cultural policy in cultural districts

Cultural policy is a very important element of the cultural district. It has a role that makes an appropriate environment in which to develop a cultural district. Because of this benefit, there are big differences between the designated cultural districts and those without this designation. In the research results, cultural policy is a necessary factor for the revitalization of cultural districts. To achieve the revitalization of the cultural district, there needs to be interaction between cultural policy and a cultural district plan.

5-6-2. The implication of place marketing in cultural districts

Cultural district place marketing is one of the marketing strategies that appropriately informs the people. In this research, I conclude that the impact of place marketing is not important for cultural districts.

Insadong is a high-level place marketing strategy cultural district, and Daehakro made a successful district through cultural content marketing (for example, K-POP, drama, and entertainment content that is called "Korea-wave"). Regarding place marketing, Daehakro has lower-level place marketing, but the place image level achieves the same scores as Insadong. Hence, place marketing can be an important factor, but it is not a necessary one to develop cultural districts. This is just one cultural district development marketing strategy. However, it can be no absolute elements for improving the image of cultural district locally, it will be affected.

5-7. Two key issues

5-7-1. A vehicle-free street program- Place Marketing

This program intensified the issues between conservation of traditional urban areas and cultural infrastructure and development of market places to serve as a cultural attraction to international tourists.

The background of the program

A vehicle-free street program was introduced in Insadong on April 13, 1997. It was one of the most important factors that brought change to the district with both positive and negative outcomes. The main actor that stimulated the introduction of this program was the Insadong Traditional Culture Preservation Association (ITCA) which was organized by vendors on June 1, 1987 (Choi & Kim, 2009). Following its inception, ITCA held various events and festivals related to tradition every year in order to promote the image and economic revitalization of Insadong. However, until 1997, the members of ITCA congregated only once a year when festivals were held and the role of association was more focused on friendship (Choi & Kim, 2009).

With the expectation that a large number of international visitors would come to Seoul for the 1998 Seoul Olympic Games, ITCA was reinforced as a representative vendors' group by a new young representative. Then the association endeavoured to make Insadong a famous traditional tourist attraction and proposed to SMG a vehicle-free street program and designation as a "Special Culture District" with the introduction of some incentives to support "cultural" activities and facilities while discouraging the establishment of "non-cultural" activities and facilities in the area (Kim & Yoo, 2002). However, there was no precedent or policy for "Special Culture Districts" in Korea at that time, so the plan was rejected although the vehicle-free street program received consideration as a possibility (Choi & Kim, 2009). ITCA made efforts to accomplish the plan with the support of media and, eventually, a vehicle-free street program was introduced in 1997 by local administration. The City of Seoul also focused on revitalizing Insadong as a symbolic traditional street and announced the "designation of a vehicle-free streets plan in Seoul" whereby certain streets would become pedestrian areas on Sundays (Choi & Kim, 2009).

Figure 5.3 A vehicle-free street day: The parade and performance of people with the traditional police costume of the Josen Dynasty on the main street (Source: Photo taken by the author)

After this vehicle-free program was started, more than 100,000 visitors came to Insadong every Sunday (Kim & Yoo, 2002). At the beginning of the implementation of this program, ITCA held a cultural market on the main street every Sunday: The market was composed of three components: special performances, cultural events, and a cultural market. ITCA had authorization to allow street hawkers to sell items at the culture market on Sundays. However, many of the items for sale were similar to those made available by permanent outlets in Insadong district (Kim & Yoo, 2002). Many vendors blamed the ITCA for introducing this competition. Some vendors argued that Insadong, as an historic place, was not a suitable location for a cultural market and that the latter would tarnish its image. The vendors complained about ITCA's authoritarian one-way policy and that they had failed to gather the opinions of the permanent vendors. As a result, the culture market was prohibited in July 1998 (Choi & Kim, 2009).

The following is interviews with permanent vendors about street hawkers that were cited by Choi & Kim (2009, p29).

"This program is not related to the inner system of Insadong and this program provides only an instant event. The permission of street hawkers destroys the image and quality of this district and this is only ITCA's decision " (Vendor, July, 1998).

"The cheap items sold in the street are made in foreign developing countries. ITCA only focuses on events and performances instead of promoting cultural issues. I do not like this so I close the business on Sundays" (Vendor/Sindonga, April 2012).

Figure 5.4 Closed stores in Insadong (Source: Photo taken by the author)

The program impacted the vendors differently depending on their types of business. The program benefitted tea houses, boutiques and restaurants, but it did not bring benefits to galleries and antique stores. Many antique shops closed on Sundays because few visitors were interested in purchasing antique items, which are of high value, but only viewed the items, while regular customers did not come to the crowded places.

5-7-2. The "Twelve small shop restoration campaign" cultural policy

5-7-2-1. Background

Another significant event in Insadong was the "Twelve small shop restoration campaign" which was conducted from 1999 to 2000. From 1997, large-scale redevelopment rapidly occurred in the Insadong area and twelve small traditional shops were faced with redevelopment (Figure 5.3). The site was composed of twelve shops as follows: a traditional Korean restaurant, craft shop, gallery, traditional ceramic shop, wood craft shop, metal craft shop, traditional tea house, writing-brush shop, traditional art shop, and three picture-mounting shops (for Korean paintings and calligraphy works).

These buildings had been built on the largest plot of land in Insadong, which also fronted on the main thoroughfare in the centre of the district (Bae & Jung, 2004). These small shops made a substantial contribution to the formation of the special character and renowned attraction of the area to foreigners (Choi & Kim, 2009).

Figure 5.5 The site of the twelve small shops before reconstruction

(Source: Kim & Yoo, (2002))

In November, 1999, the landlords of the twelve shops sold the site to a developer and the proprietors of the twelve shops were required to evacuate their premises by March 2000. The owners of the twelve businesses and an NGO (called Urban Coalition and that had already carried out diverse programs and events to preserve the identity of Insadong) launched a campaign to protect these shops from demolition. A signature campaign was organized for Sundays. The campaign attracted growing attention from the public and the media. On 1 December, 1999, 261 professionals from diverse fields such as urban development, art, and religion, issued a statement entitled "Insadong small shops restoration" and collected 15,131 signatures of citizens on a petition that was forwarded to the Mayor of the City of Seoul, the Minister of Culture and Tourism, and the President of Korea (Choi & Kim, 2009). Then, the owners of the twelve shops, Urban Coalition, ITCA, and concerned culture and art professionals organized a demonstration to save the twelve shops. They held a rally on 8 December, 1999 at the Youngbin garden on the site of the twelve shops. This meeting was attended by the Deputy Mayor of the City of Seoul and the chief of the district (Jonogu) (Bae & Jung, 2004). According to Choi & Kim (2009), the state and local governments promised to intervene to help to solve the problem in response to the campaign.

5-7-2-2.　Conflicts

Eventually, on 22 December 1999, the City of Seoul and Jonogu intervened in this conflict, imposing an "act of restriction on new construction permits" (Jonogu notice, 199-359) to designate Insadong as a cultural district to preserve and promote traditional culture and planned development (Bae & Jung, 2004). However, the landlords in Insadong district organized to protest against this policy in order to protect the value of their assets. They criticized the City of Seoul for making a decision without consulting with or considering the opinions of the landlords. With this dynamic situation Urban Coalition recognized the limitation of the campaign and demonstration and the need for professional involvement. Hence, Urban Coalition organized the committee called "Insadong Gihikdan" (later the name was changed to Insadong Sarangbang) with 14 professionals from the fields of urban planning, architecture, etc., on 20 January, 2000.

On 25 February, 2000, in response to the landlords' persistent complaints, the City of Seoul announced a revision to the "act of restriction on new construction permits" by

adding a new sentence authorizing the reconstruction of four buildings whose landlords had acquired permission in advance of the introduction of the act (Jonogu notice, 2000-39; Bae & Jung, 2004). With the revision to the act, Urban Coalition with the professional committee petitioned the mayor of the City of Seoul for stopping the "revised the act of restriction on new construction permits". With the dynamic change of the policy of the city, the developer could not find an acceptable solution to this conflict and a way to make a profit, so he sold the site of the twelve small shops to a new owner (Choi & Kim, 2009).

The new owner, the S entrepreneur, who had a record of success in cultural marketing, took over the site of the twelve shops and had a meeting with the shop owners through an arrangement with the NGO (Urban Coalition). This effort resulted in a positive outcome: the new owner agreed to accommodate the operation of the twelve shops in a new building and to maintain a garden and alley. Moreover, the citizens' voices were heard by the city government (Kim & Yoo, 2002) and, in December 1999, the City of Seoul announced a two-year moratorium on the policy allowing new construction in the northern part of Insadong until a new detailed plan for the district could be established. Also the city introduced some restrictions on the use of space in new buildings in the southern part of Insadong where urban renewal was taking place (Kim & Yoo, 2002).

Figure 5.6 The inside of the new craft building built on the site of the twelve shops
(Source: Photo taken by the author)

Figure 5.7 The outside of new craft building built on the site of the twelve small shops
(Source: shopshttp://www.google.ca/images)

5-7-2-3. Outcomes

With respect to the properties themselves, redevelopment occurred in the form of a newly created craft market which greatly expanded the number of vendors, creating an expanded tourism attraction and shopping opportunities in a four-story building (Figures 5.4 and 5.5). This new building provides space for over seventy boutiques, restaurants, cafes, craft shops and art galleries. In fact, this has now become one of the most visited attractions in Insadong. While the original stories have been greatly modified, the presence of small businesses was maintained on the main street. However, the appearence of the building on the upper levels has little relationship to traditional Korean architectures.

Figure 5.8 Modified twelve small shops on the main street

(Source: Photo taken by the author)

On the main street itself there is a veranda and walkway which gives customers the opportunity to view the activities below the main street and utilize a span of space while possibly consuming snacks and beverages. Sometimes the inside space of the building (Figure 5.4) is used for events and performances. At the same time, part of the upper level of the building is a wall which few people will likely find appealing. According to the government official (interview with the head researcher from SDI, 2010) the building meets the requirements of the building code which restricts construction to four stories and enhances the number of venders and the volume of business activity, but at the cost of a greatly modified landscape. Again, the outcome reflects a compromise between development and cultural authenticity with the former being dominant in this case.

CHAPTER 6
CONCLUSION

6-1. Questioned answers

1) What are the differences of tourists' place images among different types of cultural districts?

Successful cultural districts have unique features that impact other places. These major differences are analyzed by cultural district policy and place marketing. From the point of view of cultural policy, government plans the policy with positive impacts on the success of cultural districts. In this study, I defined two categories of impacts: policy impact and marketing impact. First, policy impact is a supporting tool defined by the extent of local cultural districts' ability to allocate financial assistance, such as tax incentives and subsidy programs. Cultural policy includes five core activities related to the sales of antiques and traditional craft items such as mulberry paper, calligraphy brushes, galleries, and wooden products. Four activities, including traditional tea shops, traditional clothing, picture-mounting shops, and restaurants serving traditional Korean cultures, were developed and have gradually increased. The Korean government helps cultural districts to grow continuously through cultural policy. The designation of cultural districts and the district unit plan programs will enforce the place image of cultural districts.

Second, organizational impact implies that successful cultural districts can solve problems through public-private partnerships. Before government policy is implemented, there may be some conflicts among stakeholders. To solve these conflicts, the government and private groups have to cooperate through debates that are attended by professionals. The case of Insadong is the best example of solving a conflict between Jongro-Gu district and Insadong private groups.

The Jongro-Gu district intervened in this conflict, imposing an "act of restriction on new construction permits" to designate Insadong as a cultural district and to preserve and promote traditional culture and planned development. However, the landlords in Insadong district organized to

protest this policy in order to protect the value of their assets. They criticized the City of Seoul for making a decision without consulting with or considering the opinions of the landlords. With this dynamic situation, Urban Coalition recognized the limitations of campaign and demonstration and recognized the need for professional involvement. Hence, Urban Coalition organized the committee called "Insadong Gihikdan" with 14 professionals.

On 25 February, 2000, in response to the landlords' persistent complaints, the City of Seoul announced a revision to the "act of restriction on new construction permits" by adding a new sentence authorizing the reconstruction of 4 buildings whose landlords had acquired permission in advance of the introduction of the act. With the revision to the act, Urban Coalition with the professional committee petitioned the mayor of the City of Seoul to stop the "revised act of restriction on new construction permits". With the dynamic change of the policy of the city, the developer could not find an acceptable solution to this conflict and a way to make a profit, so it sold the site of the twelve small shops to a new owner.

Insadong cultural district has a dynamic power to change the current policy through public-private partnerships. By contrast, Daehakro's lack of public-private partnerships cannot bring about similar results as Insadong Cultural District. This highlights in two kinds of ways the importance of considering the possibilities of policy.

Third, a successful cultural district employs many kinds of marketing tools and has a high place image from visitors. In the case of Daehakro, many visitors come to see the Daehakro cultural district with its many kinds of performances. Daehakro cultural district was managed diversely by place marketing and other marketing initiatives. For example, there are many kinds of associations in Daehakro. They have unique performances that cultivate a cultural image. Cultural content marketing is one of Daehakro's cultural marketing strategies. Also, place marketing is the most important marketing strategy in cultural districts. Through these marketing tools, a cultural district can achieve their main purpose of matching both place image and identity. Place marketing improves the place image to reinforce place identity that enforces the cultural image in cultural districts.

These two kinds of innovations, cultural policy and marketing innovation, are not independent elements. They are dependent on each other. In the case of the reconstruction of the "Ssamji-gil" building, through interaction between two innovations, the cultural district realized the synergy effect. This campaign started from a cultural policy plan. Regarding this policy, there was a big problem related to stakeholders. They faced a conflict that threatened to cancel this policy in Insadong Cultural District. However, the planning group solved this problem through the public-private partnership. After solving this conflict, the big issue in this district served as a model to others that faced the same as the Insadong problem. Because of this issue, the Insadong Cultural District story got spread to other places and many people knew the place image of "Ssamji-gil". In this case, we can understand the connection between cultural policy and place marketing. This is an interesting result of this study: cultural policy can initiate marketing innovation through conflict. These two kinds of innovation were showed as interdependent interactions.

2) **Which are the influencing factors of tourists' place image in a cultural district?**

Cultural district success factors help to improve the cultural image in the growth of the cultural district. In three case studies are analyzed the elements of success in cultural districts: 1) place identity, 2) centralized planning groups, 3) public and private partnership. The planning group has a decision about what is the place identity of a cultural district. The place identity is how the place wants to be perceived. The place identity is a unique set of place brand associations that the management wants to create or maintain. The associations represent what the place stands for and imply a promise to customers from the place organization (modified from Aaker, 1996). Cultural district image identity is one of the core factors that can influence a successful cultural district in which a lot of other factors influence image. Cultural identity could be successful in creating the place image and making other required elements.

The planning group is also a core factor for successful cultural districts.

Planning groups are classified into two kinds of organizational structures; centralized and decentralized. In this study, I can say that the centralized structure can solve problems easier and faster than the other structure. They can make an acceptable point through communication with stakeholders. This structure is able to show flexibility in unexpected situations. Cultural districts should sensitively respond to cultural trends. Hence, the centralized planning group is a suitable structure for flexible performance in unexpected situations.

Finally, public-private partnership supports internal sources and external sources. The government provides the cultural policy that assumes the role of hardware that is tax incentive and comprised of cultural facilities. Private groups produce cultural content that plays the role of software in many programs to improve the cultural district image.

Therefore the relation between government and private planning groups can make cultural districts be examples of sustainable development. The innovation with public-private partnership that has strong ties and weak ties is an important element in enabling the development of cultural districts. The private group and government should make active strategies that push to get close relationships continuously.

6-2. Conclusion

This study argues that successful cultural districts increase the attractiveness and value of a place. The theoretical framework of the study makes an effort to integrate various success factors into an innovative strategy in the context of city cultural district development. The success factors are different for each cultural district in this comparative study. Specifically, place image and public-private partnership have a remarkable gap among the three districts. In this study result, cultural policy can influence the development of place marketing because cultural districts need to be protected by cultural policy and also the government needs to develop special districts.

Marketing innovation can revitalize the cultural district and combine with cultural policy and place marketing. Cultural policy's role is to connect to

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place marketing. In the case of Insadong's "Twelve small shop restoration campaign", this program can help us to understand the relationship between cultural policy and place marketing and the way they interact.

During this procedure, there were many kinds of problems that were incurred by stakeholders. Insadong Cultural District could solve these problems through public-private partnership. Marketing innovation is an important factor in decreasing the conflict with stakeholders.

An important factor of cultural districts is their place image. According to the research results, place image can explain the place marketing level. The result of this study says a differentiation of place image between high place marketing districts and low marketing districts, because a cultural district's place image is the dependent factor that is related to place marketing. In the case of Daehakro cultural district, they have impressed place images that are not from place marketing strategy. This place image was from cultural content marketing. There are many kinds of marketing strategies. However the place marketing strategy is more innovative tool to enhance the place image of cultural district.

In this comparative study of Seoul cultural district, we understand the role of managerial innovation on cultural districts. The two kinds of innovation, cultural policy and marketing innovation, interact to effect and overcome the limitations of cultural image in cultural districts. This virtuous cycle will improve cultural district innovation.

6-3. Research contribution and limitation

6-3-1. Contribution

Different from successful district factors, district innovation requires cultural policy and place marketing through an innovative managerial strategy. In this thesis, we address the core factors of successful cultural districts. I provide the comparative data to understand cultural district development procedures, issues, and the solutions of conflict.

My research builds on previous and ongoing work on cultural policy and place marketing of cultural districts. Rather than simply looking at the

cultural district for success factors, our approach is focused on marketing innovation in this area by reasoning about all the different kinds of dependencies that relate to each component of cultural districts. In addition, through explaining district innovation, our framework is prepared to deal with completely successful cultural districts that are only known at the local district level.

In this thesis, we present cultural districts with successful management and describe the successful case of Insadong Cultural District through comparative analysis. The latter was managed successfully in several private group systems and in a centralized system. This demonstrates the effectiveness of our approach in improving the district innovation of component-based systems with respect to dynamic place image, reliability, and innovative   district management.

6-3-2. Limitation

1. In the study of innovative districts, there are many kinds of innovative cultural district development, but my research started from the perspective of cultural policy and place marketing research papers.

2. Most references and data are from their Korean versions. I spent much time translating material. This language barrier presented certain problems in executing qualitative and quantitative methods that can make an in-depth comparison between the two parts of the study.

3. My study uses only Korean cases that are focused on Seoul district. It cannot be representative of cases of cultural districts throughout the world. This research has been conducted in the area of South Korea and is therefore limited.

6-4.　**Suggestion**

Concerns and suggestions for the development of successful cultural districts such as Insadong will be now discussed in the context of cultural policy and place marketing. This will facilitate appreciation of the innovative district situation from a Korean perspective.

6-4-1. Policy implication

This study explored outstanding events and local governments' policies in pursuit of promotion of tourism based on the conservation of cultural assets. The policies of designation of a cultural district and district unit plan for cultural districts resulted in successful districts. From a positive point of view, place image and the cultural policy and marketing innovation of the district were maintained. Some core culture-related factors were retained. These things contributed to the creation of a special atmosphere that is different from that of surrounding areas. The number of visitors expanded greatly and Insadong became a new tourist attraction in the center of Seoul. However, as Insadong became attractive to more visitors, it also became more commercial.

Innovative activity is needed to meet the interests of both vendors and tourists, ideally with the involvement and consent of public-private partnerships. Governments and private groups do currently play a strong role in administering and managing the problems in cultural districts. Conscious efforts are required in cultural districts to produce an appropriate blend of cultural policy and place marketing in the cultural district through initiatives aimed at preserving and developing a cultural district as an Innovation district.

6-4-2. Practical implications

This study explored outstanding events and local government's policies in pursuit of improvement of place image based on the conservation of place marketing strategy. The policies of designation of a cultural district and

district unit plan for Insadong resulted in mixed success. From a positive point of view, key traditional district sites and some of the structure of the district were maintained. Some core culture-related attractive factors were retained. These things contributed to the creation of a special atmosphere that is different from that of surrounding areas. Specifically, the number of tourists expanded greatly and Insadong became a new tourist attraction in the centre of Seoul. However, as Insadong became attractive to more tourists, it also meant that it was easy to change the place image of the cultural district.

It is not possible to freeze an area, preventing all change, and still retain a vibrant atmosphere. A mix of activity is needed to meet both vendors' and tourists' interests, ideally with the involvement and consent of stakeholders' partnership. Governments and stakeholders do not currently play a strong role in administering and managing problems except in Insadong, although they acknowledge that the cultural district has been highly commercialized. Conscious efforts are required to produce an appropriate blend of cultural content in a cultural district. Initiatives aimed at preserving and developing Insadong makes this a successful cultural district.

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Appendix A: Interview questions (English Version)

Government official

1. How long have you been working in government office? In point of government view, what is the Insadong's value and meaning?

2. What is the meaning of cultural district policy?

3. For designating cultural district what kind of requirement they need? If they are designated the cultural district which benefit they will have?

4. What is the process of the cultural district designation?

5. After designating cultural district what kind of problems are occurred?

6. Do you have a business plan that collaborates with civic groups? If you have what is your role in this plan?

7. How do you think about the future of Cultural district?

NGO

1.   How long have you been working in NGO office?

2. When did this NGO be established in Insadong? Why did you establish this NGO?

3. In point of NGO view, what is the Insadong's value and meaning?

4. How do you think about the role of this NGO in Insadong cultural district?

5. After designated cultural district, what is the most impact of this change?

6. Do you have a business plan that collaborates with government office? How

many times you have annually?

7. How do you think about the future of Cultural district? What is your plan for developing cultural district?

Vendor

1. How long have you been working in (Insadong/Daehakro/Samcheongdong)?

2. What kind of product you sell? why did you open store (Insadong/Daehakro/ Samcheongdong) District?

3. After designated cultural district, what is the most impact of this change?

4. During work in (Insadong/Daehakro/Samcheongdong), what is the problem?

5. Dose this Cultural district policy help you business in (Insadong/Daehakro/ Samcheongdong)?

Appendix B: Survey Questionnaire in Seoul (English Version)

(Insadong/Daehakro/Samchengdong) District

Dear. Sir and Madam,

  The purpose of this survey researching the (Insadong/Daehakro/Samchengdong)' visitors and residents for their place image perception needs. Each of the following questions provide a feel for the (Insadong/Daehakro/Samchengdong) district. This survey information, place marketing strategies will be written only as a reference in the analysis. Thanks for taking the time busy.

Age:_____ Job:_____ Residence:_____

Please answer the following questions.

(Very agree:5, Agree:4, normal:3, Don't agree:2, Absolutely not:1)

Q1:. Please answer about Insadong how it felt for the image. (Related Place Image of District)	5	4	3	2	1
1. (Insadong/Daehakro/Samchengdong) is the place of culture					
2. (Insadong/Daehakro/Samchengdong) is the place of shopping					
3. (Insadong/Daehakro/Samchengdong) is the place of play & rest					
4. (Insadong/Daehakro/Samchengdong) is the creative place					
5. (Insadong/Daehakro/Samchengdong) is the place of heritage					

Q2. Please answer about Insadong how it felt for the image. (Related District Culture Image)	5	4	3	2	1
1. (Insadong/Daehakro/Samchengdong) is the Art place					
2. (Insadong/Daehakro/Samchengdong) is the Traditional place					
3. (Insadong/Daehakro/Samchengdong) is the commercial culture place					
4. (Insadong/Daehakro/Samchengdong) is the civic cultural place					
5. (Insadong/Daehakro/Samchengdong) is the youth cultural place					

Q3. Please answer personal thoughts about the (Insadong/Daehakro/Samchengdong) (for vendor and private group)	5	4	3	2	1
1. Economic stability					
2. High productivity					
3. Low price					
4. Quality of local support services and networks					
5. Various incentive schemes and programs					
6. Property concept					
7. Cultural strategic location					
8. Good quality of life					
9. Professional and worldwide competencies					
10. High culture image					
11. Unique personality					
12. Efficiency management					
13. Flexibility and dynamism					
14. Professionalism in contact with the market					
15. Strong entrepreneurship					