

**External territorial marketing**  
(exchanges with external markets and networks)

Past (the area's history its cultural and environmental heritage)

**THE AREA CAPITAL**  
(**tangible and intangible**)

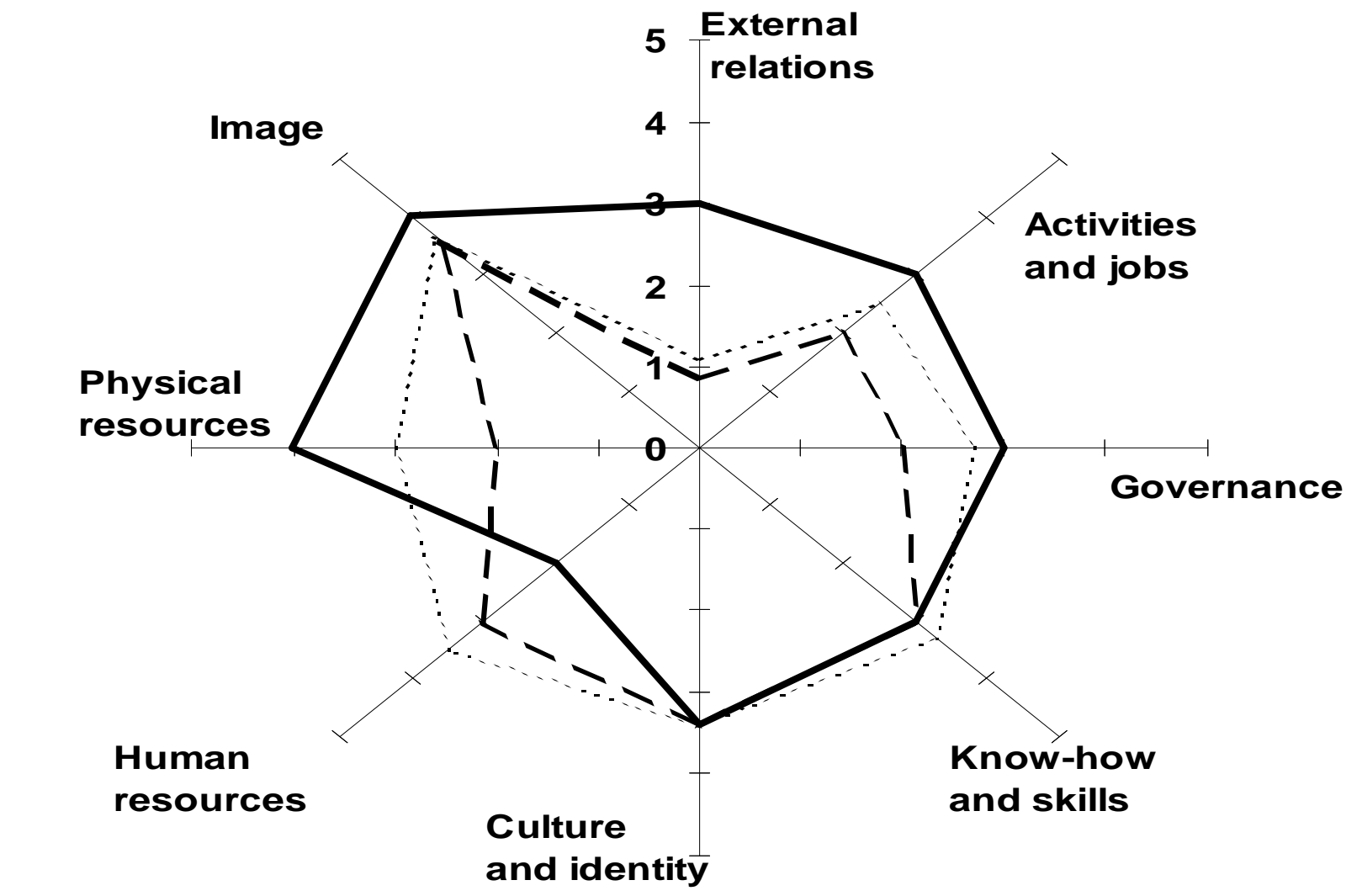
Future (the stock of shared and agreed projects)

**Internal territorial Mkt**  
(type and degree of interactions between local stakeholders, institutions and businesses)

## Graphical representation of the eight components of an area's capital



	<b>Environment Competi- vness</b>	<b>Social competiti- veness</b>	<b>Economic Competiti- veness</b>	<b>Positioning in the global context</b>
<b>Physical resources</b>	X		X	
<b>Human resources</b>	X	X		
<b>Culture/Identity</b>		X		
<b>Know-how/skills</b>		X	X	X
<b>Governance and financial resources</b>		X	X	X
<b>Activities/ business firms</b>			X	
<b>Markets/External relations</b>	X		X	X
<b>Perception/Image</b>	X			X



- Today**
- - Ten years ago**
- ..... LEADER's contribution**

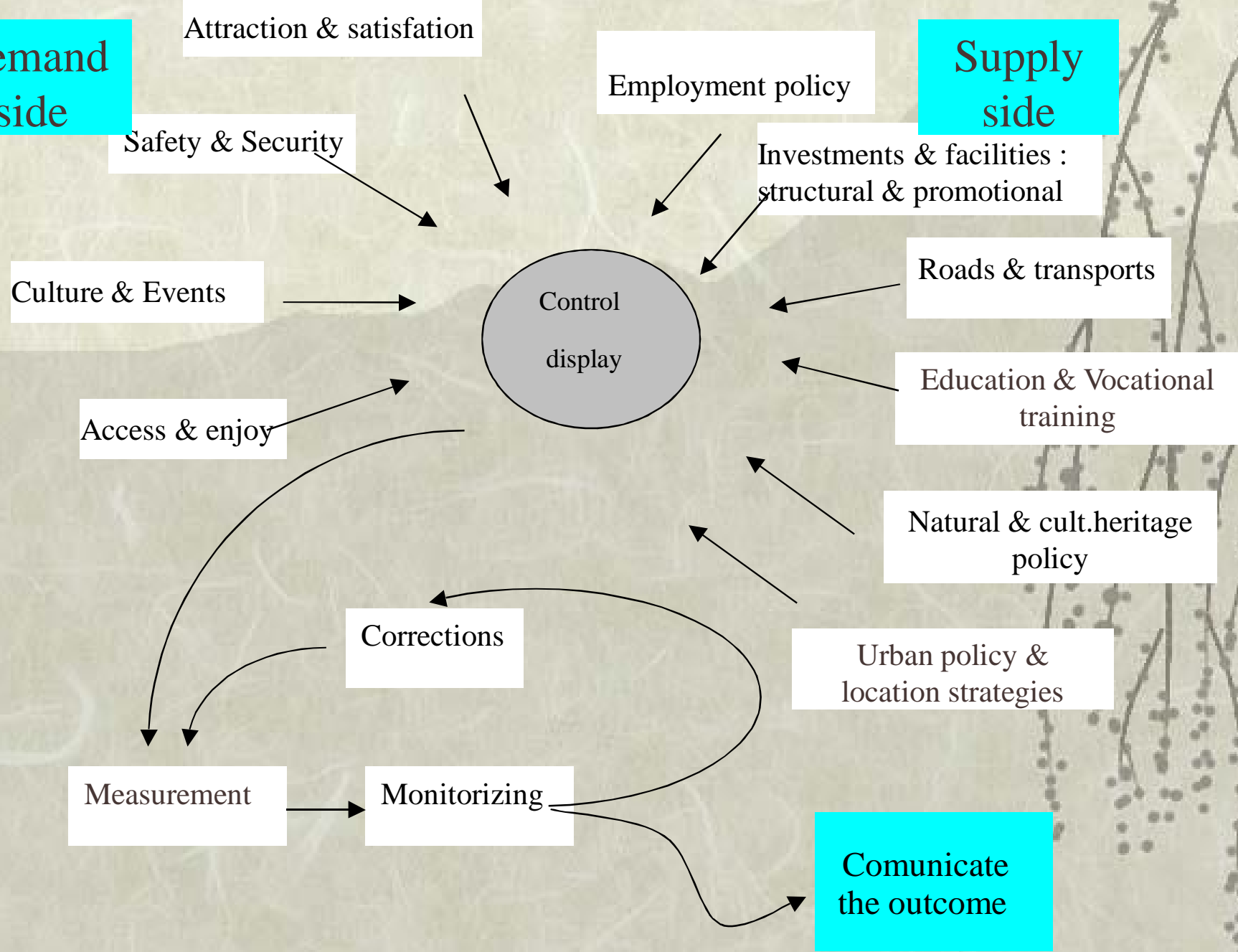
**Results of the working group "From the Rhön Region – For the Rhön Region " regarding hotel offer in a Biosphere Reserve  
Before (1992) and after (1997) the action (European structural funds)**

	<b>1992</b>	<b>1997</b>
<b>Percent quota of regional dishes on the menu</b>	<b>10%</b>	<b>50%</b>
<b>Percent quota of regional products in total foodstuffs (catering)</b>	<b>20%</b>	<b>52%</b>
<b>Total Rhön Region</b>	<b>4%</b>	<b>10%</b>
<b>Percent quota of tourists without car</b>	<b>1%</b>	<b>7%</b>
<b>Change in guest composition (average age )</b>	<b>58 years</b>	<b>43 years</b>
<b>Spending behaviour (average expenditure per visit )</b>	<b>22 DM</b>	<b>39 DM</b>
<b>Bed occupancy rates</b>	<b>28%</b>	<b>35%</b>

# Territorial Marketing Management Device

**Demand side**

**Supply side**



# Territorial governance graph

## Local Institutions

MUNICIPALITIES

DISTRICT

PROVINCE

## Labour & Enterpr.

INDUSTRY

COMMERCE

HOTEL & CATERING

AGRICULTURE

SERVICES

ARTISANS

PROFESSIONS

Control  
cab

## Educational Syst.

SCHOOLS

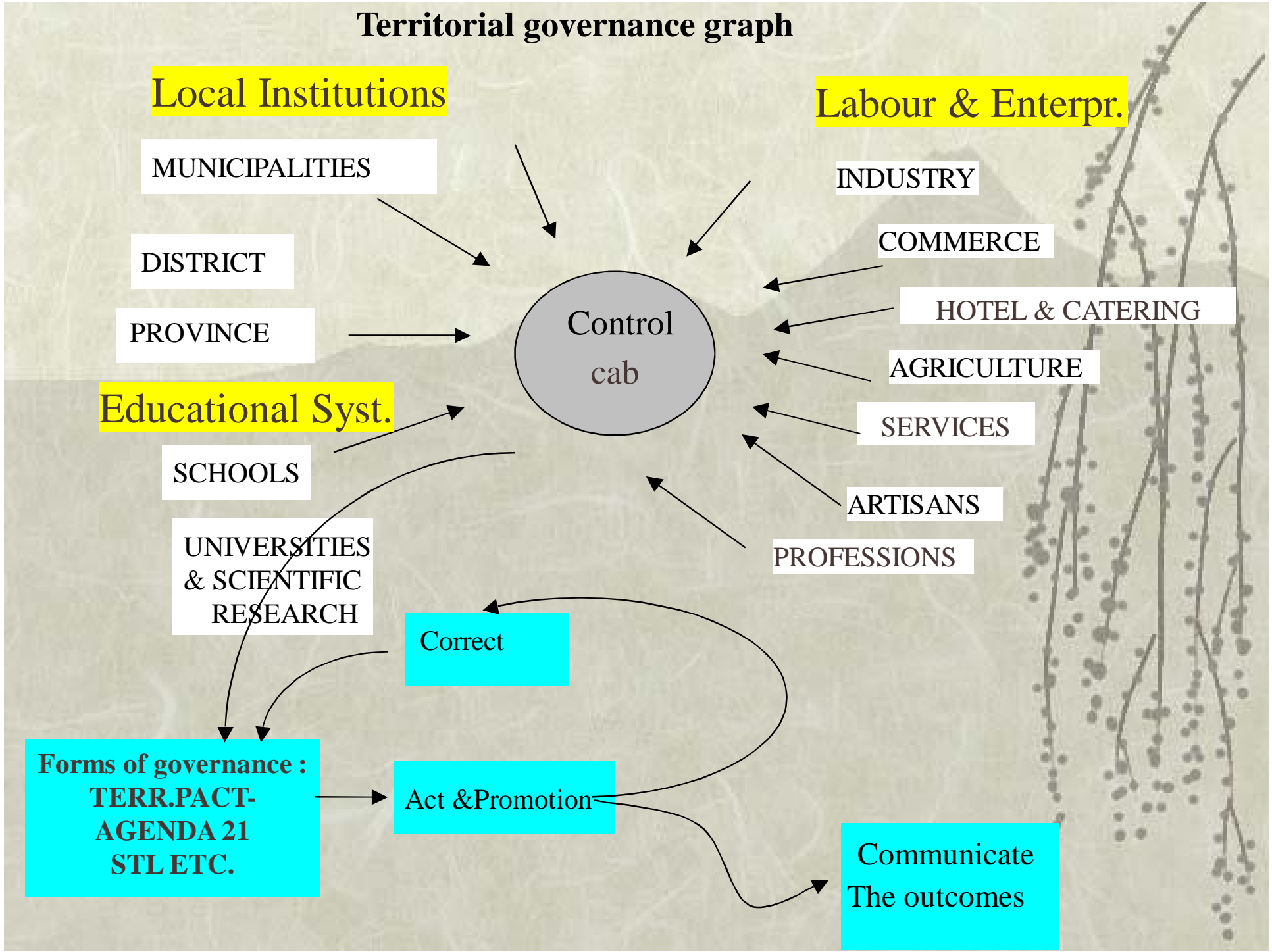
UNIVERSITIES  
& SCIENTIFIC  
RESEARCH

Forms of governance :  
TERR.PACT-  
AGENDA 21  
STL ETC.

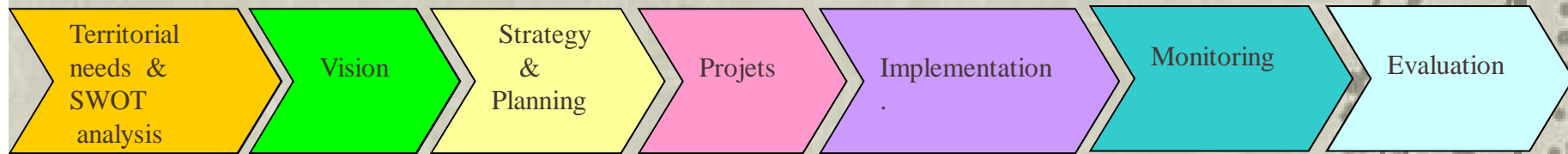
Correct

Act & Promotion

Communicate  
The outcomes

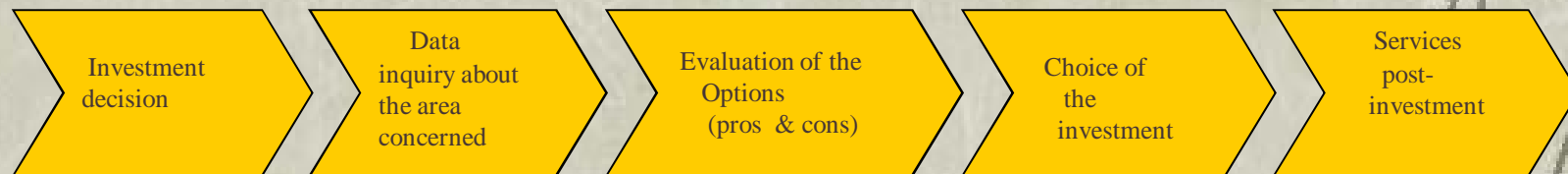


## flow chart of the “internal” territorial marketing





## Flow chart of the òexternalòterritorial marketing (geomarketing & location strategies):



# *The area product*

❖ The term *area product* indicates a complex system of organised factors, both tangible and intangible, made available by the territory to enhance its identity or local resources with the ultimate aim of increasing its attractiveness.

# *The area product: components*

❖ The tangible, or *õhardö* components of the area product are:

-Infrastructure

-The structures of offer, hospitality and tourist facilities

-The natural resources and, in general, the activities present in the reference area

-The intangible or soft components of the area product are:

-Image

-Marketing

-Access to information

-Services to business and entrepreneurship

-Know-how, skills, professional preparation and quality of management

-Relational skills

-Degree of uniqueness

-The soft component can play a major role in setting apart an area's offer from its competitors and in increasing its competitive edge.

# *The area product: a driver of local development*

- ❖ Once identified and implemented, an area product becomes:
  1. **õA promoter and guarantorö** of local development focused on goods and services embodying the values and craftsmanship of a territory.
  2. **õA local magnetö** able to attract long-term capital flows and investments to the local area.
  3. **õSpinoff creatorö** insofar as it promotes the birth, development and/or conversion of business activities associated with the area product, either directly (transport services, environmental optimization and enhancement of cultural assets, accommodation and hospitality facilities) or indirectly (suppliers of ancillary goods and services linked to the provision of area product services).
  4. **õA lever for tourist developmentö** able to promote the local area as a tourist and excursion destination. Flow volumes, organization and types of enjoyment must be compatible both with tourist optimization goals and with environmental and cultural protection requirements.
  5. **õActivity organizerö** ensuring coherent and tightly knit offer, consistent with:
    1. Available natural and human resources
    2. Environmental protection requirements
    3. Market demand (ensuring feasibility and sustainability of the area product)

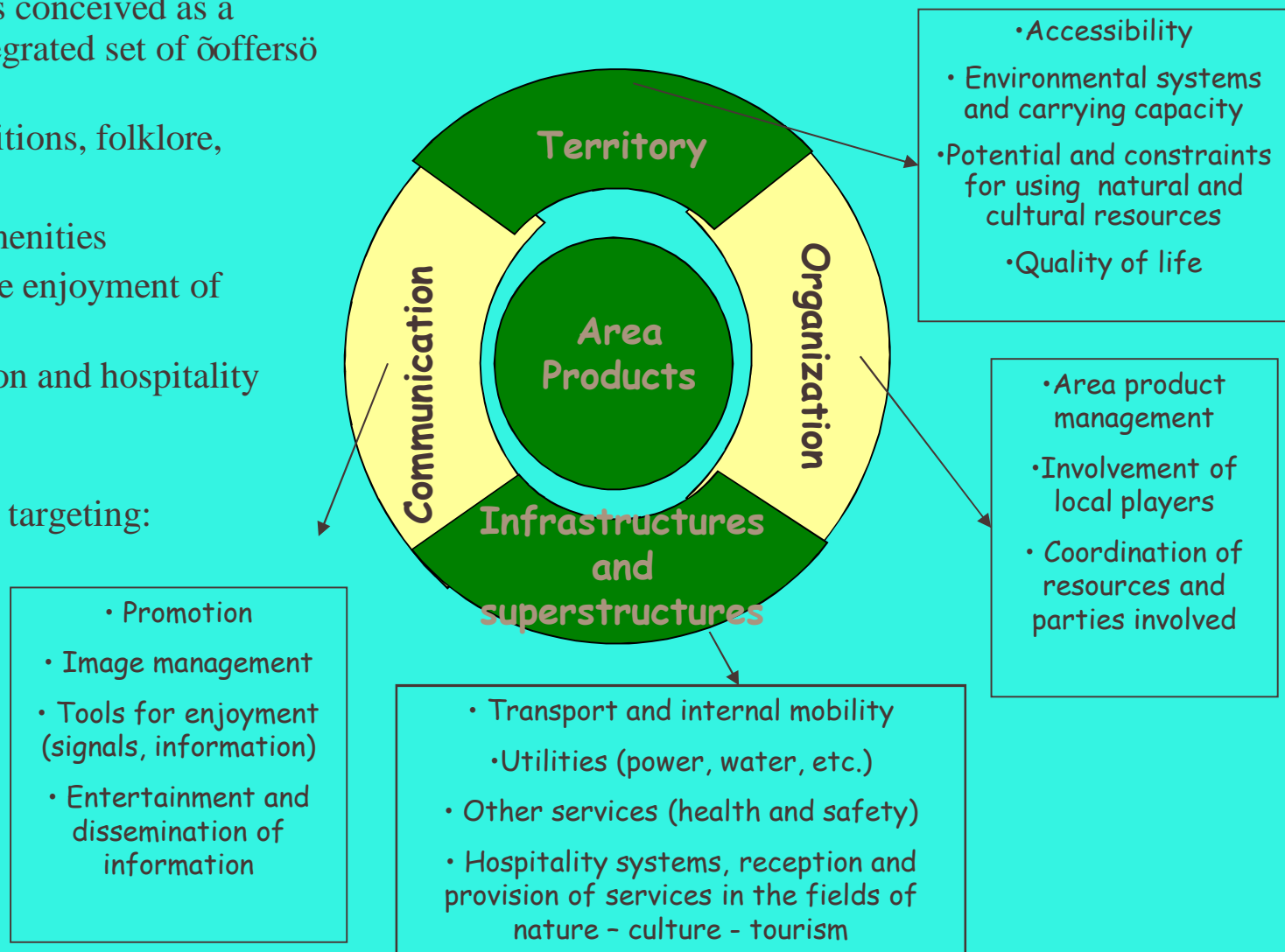
# A strategic model for an area product system

❖ The area product is conceived as a coordinated and integrated set of offers comprising:

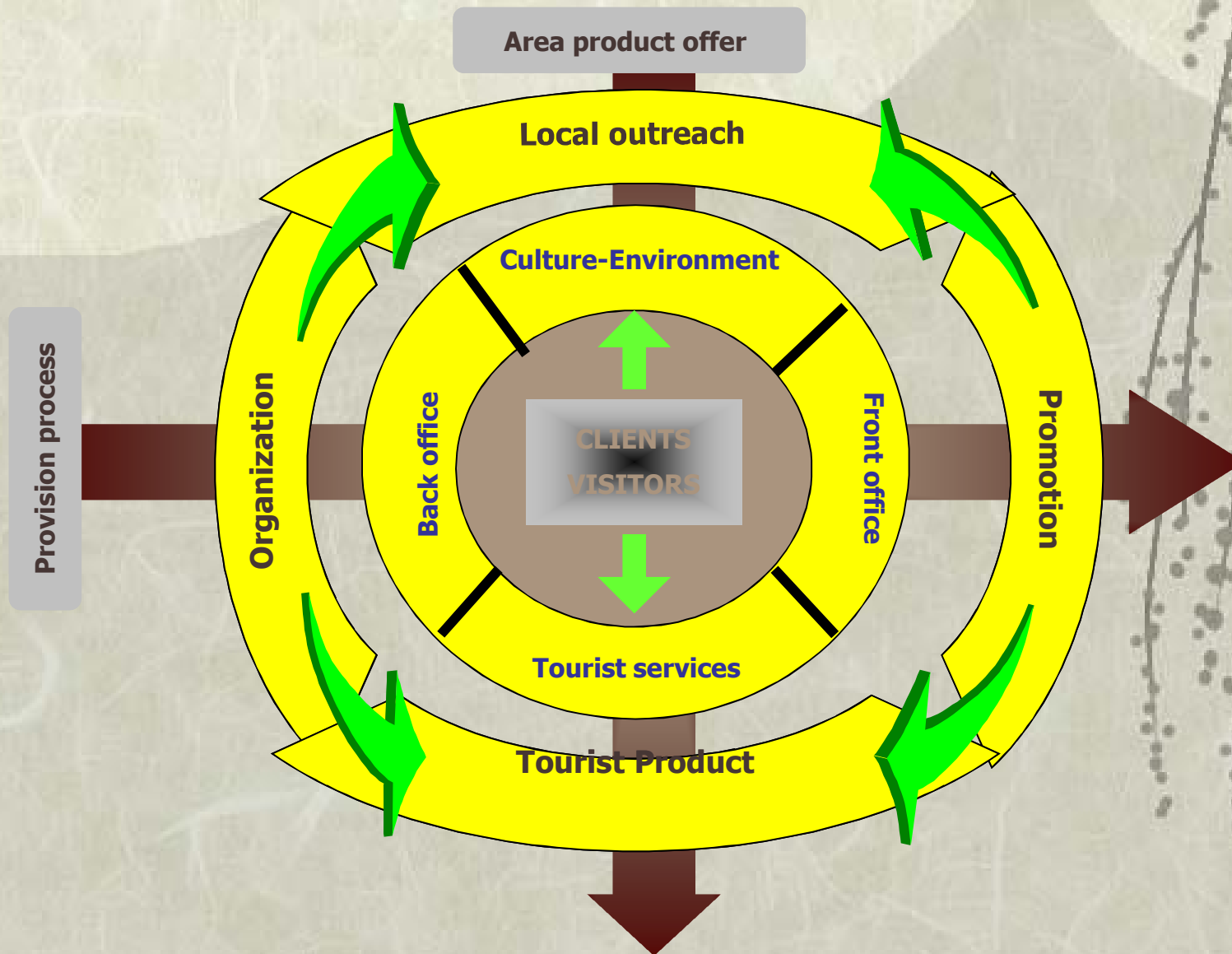
- ✓ Territory (traditions, folklore, landscape...)
- ✓ Culture and amenities
- ✓ Services for the enjoyment of amenities
- ✓ Accommodation and hospitality services

❖ Ancillary services targeting:

- ✓ Information
- ✓ Access
- ✓ Enjoyment



# *THE OPERATIONAL MODEL*



# AREA PRODUCT IMPLEMENTATION PROCESS

## ACTION PLAN

### INVESTMENT PLAN

Hard and soft investments planned for the creation of the area product with regards to the tourist, environmental and cultural component

### ECONOMIC PLAN

Assessing economic and administrative sustainability

### INCENTIVE PLAN

Tapping into instruments offered by local and tourist development policies

### TOURIST PRODUCT IMPLEMENT. & MANAGEMENT

Company selection, guaranteeing quality, consistency and local uniqueness; agreements.

### COORDINATION / BACK OFFICE

Relations with partners, resource management, activity coordination, networking.

### PLANNING OFFER PACKAGES

Designing, planning and implementing packages.

### PROMOTION / FRONT OFFICE

Marketing plan, image management, branding policy, communication, co-marketing and sponsorship.



# ORGANIZATIONAL ASPECTS OF INTEGRATION

## ❖ Requirements for setting up a collaborative organizational model:

❖ *Autonomy*: the parties must be *autonomous* and *independent* as regards their statutory and basic activities.

❖ *Collaboration*: management of individual projects **revolves** around the activity/ies covered by the joint venture agreement.

❖ *Preliminary definition of obligations and rights of each party in the framework of the joint venture*

❖ *Conditions of collaboration*: the public and private players involved may be on an equal footing; alternatively, one of them may take on a leading role (taking into account statutory requirements for the various parties)

❖ *Degree of coordination among parties*: mutual adaptation (very risky and ineffective), planning of a programme (indicating roles, functions, responsibilities and methods of implementing each party's assigned activities), standardization.



## *SEVEN MONITORING STEPS*

❖ With regards to the above mentioned approach, checklists may be prepared (internal audit) in order to monitor the integration process. They can be used before, during and after the actions, and provide data for fine tuning and ongoing improvement. This is an important condition for success and the achievement of project objectives. The list below summarises the proposed monitoring system. It consists of sections, each of which will have its own detailed checklists, covering six monitoring steps:

### **1. Objectives**

Degree of definition  
Coherence  
Feasibility  
Measurability

### **2. Product**

Degree of:  
-Compatibility with available natural and human resources  
-Agreement with local protection needs  
-Agreement with the market  
-Attractiveness  
-Coordination  
-Uniqueness  
-Recognition  
-Accessibility  
-Usability  
-Originality

### **3. The reference market**

-Amount  
-Accessibility  
-Competition  
-Growth potential  
-Degree of penetration

### **4. Services**

-Quality of services offered  
-Amount of services available  
-Localisation  
-Coherence  
-Available information  
-Hospitality culture  
-Tourist services  
-Accommodation

### **5. Marketing strategy**

- Defense  
- Attack  
- Penetration  
- Divided into segments  
- Lack of differentiation  
- Niche  
- Differentiated  
- Trademark policy

### **6. Human resources**

- Professional skills  
- Know-how  
- Training  
- Readiness to welcome tourists  
- Openness

### **7. Economic resources**

-Product consistency  
-Management consistency  
-Marketing consistency

