

# TERRITORIAL MARKETING BASED ON CULTURAL HERITAGE

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## **Abstract:**

*Territorial marketing could be an effective strategy leading to economic development. Considering the developments in contemporary society and economy, it has become a necessity. Successful territorial marketing could lead to place branding, with many long-term benefits for a region, its constituents and stakeholders. The process of developing and implementing a territorial marketing is multifaceted. The present paper makes a brief investigation on the conceptual background to better understand this process. The paper presents the steps of designing such a strategy and the accompanying challenges. It also investigates to what extent it is possible to put culture at the core of a territorial marketing strategy. Two models of territorial marketing based on heritage are succinctly presented: cultural districts and cultural routes.*

**Keywords:** territorial marketing, place branding, destination marketing, cultural tourism, cultural resources, cultural districts, cultural routes

## **Introduction**

Regions are no longer autarchic, no matter how many resources they may have. They depend increasingly more on national and international developments, on their inner dynamics, on their stakeholders' involvement, as well as on their external relationships. In order to develop, regions have to promote themselves externally, both as a unique compound and a mosaic of individual offers. Territorial marketing is increasingly more important in the modern economies and societies, considering the globalization, the increased connections and interdependencies between regions, the growing tourism activities as well as the developing economic needs.

Territorial marketing is a strategy that aims the development of a certain region. It has become a natural element to be incorporated in the economic development of regions (Rainisto, 2003, p.14). It integrates activities of developing key assets of an area, as well as of promoting them outwards. The main results are the attraction of investments (not just in tourism or other commercial endeavors, but also in cultural and social

domains), the development of an appealing image, as well as increased internal cohesion and economic functionality.

Designing and implementing a territorial marketing strategy implies a complex set of initiatives, involving a broad number of public and private stakeholders gathered in a network system which is gradually more coherent. The general framework might vary from region to region, taking into account local variables, such as the development level, types and characteristics of stakeholders, involvement of local communities, political and cultural settings etc. All these aspects have to be considered in the planning of a territorial marketing strategy. The territorial marketing strategy should be based on local policies, but in order to be successful, they must include an innovative dimension of governance. At the core of this governance is a strategic alliance with all the main stakeholders. The proposed strategies are implemented through an array of instruments of various kinds, such as strategic plans, territorial marketing plans, urban, environment and tourism projects etc. Appropriate planning

should be proposed in terms of information, training and consensus building.

In order to ensure the efficiency of the policies and strategies set, a territorial marketing model should consider the following main stages: defining key partners, designing key activities, identifying resources, suggest the value proposition, plan customer relationships, segment the market, set communication channels and budget design. All these will generate value to all those associated with a territory, would give identity and attraction power to that territory generating sustainable development in the long term.

Special attention should be given to the resources of the region. The mainstream approach is to stress some aspects, in many cases valorizing the key asset(s) of the region (tourism-related in some cases, industry-related in others). A complex territorial marketing strategy should consider all the development opportunities, valorizing them on different markets. For instance, natural resources could be exploited industrially, commercially or in a leisure context, as well as socio-culturally. Local traditions could be valorized both in a tourism setting and/or in a socio-cultural one. Heritage properties could be considered as investment attractions both for businesses and for nonprofits, considering not only commercial but also socio-cultural usage.

Culture is increasingly more important in contemporary society, for the wide audience, for public administration, for nonprofit organizations, as well as for diverse businesses. It is more and more taken into account when developing place marketing strategies or place brands. In order to design an effective territorial marketing strategy not just the processes associated with this concept have to be understood, but also how culture could add value to it. The present paper aims to investigate in what extent culture supports effective territorial marketing strategies and which are the elements to be considered in this process.

## **Methodology**

The first part of the paper is a theoretical study to clarify the main concepts and processes considered by the academic literature. The main elements that could successfully impact a territorial marketing strategy are presented: place branding, destination marketing, place identity, place experience, and stakeholders. The role of culture in relation with all these concepts is analyzed. The next section of the paper gives special attention to strategies of territorial marketing, pointing out the main challenges in order to understand how to successfully design a fruitful strategy. The perspective is two-folded. A review of the key factors and stages to design a territorial marketing strategy is undergone. The examination of the literature is complemented by an empirical review aiming to identify the role of culture and cultural resources in designing a successful territorial marketing strategy. The last part of the paper looks into the practical sides, presenting two models of territorial marketing strategy based on cultural heritage.

## **What is the theoretical background?**

The literature referring to sustainable development considers several frameworks. The most widespread approaches are related to place branding (Anhold, 2002; Dinnie, 2003; Govers & Go, 2009) or to destination marketing (Pike, 2008; Cai et al., 2009, Hailin et al., 2011), putting focus on the aspects related to tourism. The literature in the field of territorial marketing tends to related it especially with attracting investments and tourism development from the perspective of the local public administration (Temperini et al., 2012, p.655). In order to have an effective territorial marketing strategy, not just the concepts of place branding and destination marketing have to be considered, but also others – such as place experience or place identity. As

previously showed, territorial marketing strategies are not effective without the cooperation of relevant stakeholders. Therefore they have to be properly identified and involved (Park et al. in Cai et al., 2009, pp.75-86).

#### *Place branding*

Place branding helps countries / cities / regions to promote themselves from being mere suppliers of goods without a well-defined brand to owners of their own brands and branded destinations (Anholt, 2002, 2009). It could be considered a strategic development of the place marketing, consolidating it and ensuring its success (Kavaratzis & Ashworth, 2008).

The core of a place brand may come primarily from economics, politics or cultural assets. Place branding is a process more complex than branding a product since more independent entities are involved (Middleton, 2011). Even if it proved to be useful, the concept of place brand has its limits, some of them related with better defining it, others to its interdisciplinarity (Go & Gover, 2010, pp.xxiv-xxv).

Building a place strategy on a strong brand can develop profitable relationships and long-term growth. A strong economy is reflected in the brand value of the place, so that a region with a positive reputation can communicate more easily and can attract the respect and attention of investors, tourists and other potential consumers at the expense of the regions that have a weak or negative brand.

The advantages of a place brand could be diverse: credibility, investment attraction, tourism development, increased political influence, attraction of global partnerships for local research and educational organizations, or "region of origin" effect (Middleton, 2011). The positive effects are not just external, but also internal. For instance it could lead to a stronger community, could increase the civic pride and participation.

The place brand affects all decisions taken in relation to a territory, whether it's an individual's decision to undertake a journey or an investment decision of a

company. The place brand is used for specific purposes, mainly economic and political. Cultural aspects are not to be ignored, both when designing the place brand, and when considering its impact. Place branding influences individual perception and cognitive processing of information as well. Therefore, place branding is a very complex, multidimensional endeavor. According to Pike (2008) the most important issues to be considered are: the diverse interests of stakeholders; the politics involved (pondered in a wide variety of contexts – economic, political, cultural, ethnic etc.); the need for consensus amongst all the actors involved; difficulty in applying the concept of brand loyalty in a globalized and competitive world; and limited funding.

In order to better understand the processes involved in place branding, it is important to deconstruct them. Govers and Go (2009) start this process considering the list of the levels of meaning a brand has, according to Kotler (2000): attributes, benefits, values, culture, personality and consumer. All these are related to and evaluated based on the place identity and the actual place image. In the case of destination branding, Hosany et al. (2007) reveal a set of affective attributes that customers consider when evaluating the place personality: sincerity, excitement, and conviviality. As Govers and Go (2009) show the place branding strategy results in a projected place image through the use of planned marketing and communication. Thus meaning is created. Nowadays the Internet has a vital role in the process, not just by providing support for information, but also by generating virtual experiences. Globalization is another factor that influences the image of a place as well as its economic appeal (Bagautdinova et al., 2012, p.180).

Integration of organizations and interests is at the core of place branding. Considering the evolutions in the contemporary society and the drive towards knowledge economy, proper management of place branding involves

interaction (Go & Gover, 2010, pp.xxviii-xxx; Kavaratzis, 2012).

Considering the importance of culture for the contemporary society, the branding process could heavily rely on cultural characteristics. Nevertheless, regions are very complex, with many treats and resources. Generally a brand integrates culture with some other aspects. See, for example, the case of Greece – highly appreciated for its history and culture – branded based on its classical antiquity and appealing seaside (Kouris in Cai et al., 2009, pp.161-175). Countries are complex entities. The smaller the region, the more suitable it is for a branding stressing on culture, mainly because the other resources are not appealing enough. More examples of place branding emphasizing culture could be found in the context of city branding: Anseong in South Korea (Lee in Cai et al., 2009, pp.211-214) or New Orleans in The United States (Kolb, 2006, pp.77-78). Sometimes, the brand concentrates on a specific cultural trait. For instance the area between Sweden and Finland has been relatively recent branded as a "food archipelago", stressing their food culture (Tellstrom, 2011). Nevertheless, in most cases, culture is just a part of the brand personality even in the case of small regions or cities. In some cases it could be an important part of the brand. For instance, this is the case for San Diego – the city of arts and sunny beaches (Kolb, 2006, pp.13-14).

City branding based on culture is stimulated mainly by tourism. Gârbea (2013) stresses that the more diverse the offer and the more specialized districts a city poses (such as business area, cultural area, entertainment area and others), the more attractive it is and better chances to promote itself. The diversity of approaches is endless, but the most successful ones incorporate in a creative way the cultural background of the place (for a series of city branding strategies see Dinnie, 2011). Even if tourists could significantly contribute to the wealth and success of some cities, they should be just a segment of the public targeted by a

city branding strategy valorizing cultural heritage. City branding is not just about attracting tourists and investors; it is equally for creating community involvement and development (Pînzaru, 2012, p.37).

#### *Destination marketing*

Destination marketing refers to a strategic approach of place development, considered in the framework of tourism. In this context, economic and cultural interests of local communities, local businesses and tourists are considered. The actors involved are also very diverse. Destination marketing could lead to the development of a strong destination brand (Kolb, 2006). The difference between destination branding and place branding in this context is that in the first case the branding process is related with tourism and aims to make that region more appealing specifically for tourists and tourism industry.

Not just the administrators of a territory and the tourism agents are involved in the process of tourism branding, even if they would be the main promoters of this activity. Local communities and other types of stakeholders might also be involved in a relevant way (Cai et al., 2009, pp.80, 149-160; 191-203). The optimist discourse promotes the idea that tourism development would lead to overall economic growth and would support the development of the local communities (Baker & Cameron, 2008). Despite this scenario, there are actual situations when tourism is not in conjunction with other economic, social and cultural activities (Figueredo Molina, 2003). A lot of challenges occur, that are related not just with the tourism offer, but also with the involved local stakeholders and working networks. The existing local networks are vital, generally considering the development of a territorial marketing strategy (Bagautdinova et al., 2012, p.181).

To ensure general development, tourism / destination marketing should be integrated into a wider strategy of place marketing (Baker & Cameron 2008). And

this place marketing strategy should be correlated with the territorial marketing strategy of the wider region and various components of its management (see Bagautdinova et al. 2012, p.182).

Govers and Go (2009) specify that various actors, public or private, create the 'promise of value' and the 'worthwhile experiences' at location. Many of these organizations do not necessarily aim the benefit of the region/destination, but their own benefits. Secondly they would aim benefits for the region as a whole and to all stakeholders involved. Therefore, the organization – in most cases governmental – which designs and implement a destination marketing / branding strategy has to consider this aspect, as well as that the actual success of the strategy greatly depends on all these other independent actors and stakeholders. A key element in destination branding is to find the destination uniqueness, which appealingly differentiates it (Blain et al., 2005).

It also has to be considered that destination marketing involves managing a wide variety of interactions of a destination with its environment, investment and trade, social and media issues. When considering destination marketing not just the promotional component has to be considered, but also a wider strategy to attain competitive advantage (Baker & Cameron, 2008).

Cultural tourism could offer a wide variety of options. More recently, creative tourism has a high potential not only to increase the attractiveness of a region, but also to contribute to a more complex local development (Richards, 2009), being *"driven by factors emanating from the sphere of consumption and from the production side. These include the increasingly skilled nature of consumption, the growing importance of experiences and the greater role for intangible and everyday culture in tourism"*.

The destination marketing strategy is coordinated by a destination management organization. A study of Blain et al. (2005) reveals that these organizations consider

that destination branding is a vital process for the economic success of a region, and they identify several key elements to be aimed: image, recognition, differentiation, consistency, brand messages, emotional response, and expectations. They also face important challenges from the lack of resources to mobilizing a wide variety of stakeholders (Elbe et al., 2009; Kavaratzis, 2012). Part of the strategy in this context is for organizations to legitimate themselves. Constantinescu and Nistorescu (2013) investigate another key element in the activity of these organizations: the destination management system. Such a system is based on various platforms of communication and distributing the offer associated with a destination. Nowadays the Internet has an increasingly more important function.

*Place identity* indicates the set of ideas that are generally accepted when referring to a region. The concept is very important in diverse domains, such as tourism, public administration, urban planning etc. A positive and unique place identity would give a competitive advantage to the processes related to place or destination marketing / branding. An important part of the place identity is given by culture (both in terms of material assets and immaterial heritage). The DNA of place identity is given by location (geography and climate) and history (roots). To these, other elements add, such as landscape, infrastructures, and territory planning. Place identity has a strong impact on the investments and investors in a certain region.

Place identity is not a matter of actual features of a region, but rather a matter of image. It strongly influences the attractiveness of a region both for tourists (Balogly, 1997), as well as for business investors. The processes related with the formation of the destination image are complex, having both a cognitive and an affective component (Baloglu & McCleary, 1999; Hosany et al., 2007). A destination is not a mere geographical location, and different persons perceive it distinctively (Buhalis, 2000). In time, a strong image

leads on the long run to the crystallization of a specific and hopefully appealing place identity. For this, the image associated with a place identity has to be consistent at least in the mind of the potential consumers if not in the actual (tourism) product offered or the place experience (Blain et al., 2005).

*Place experience* is a complex concept referring to the actual interactions of a visitor with a place. The setting is important, as well as the interaction with all sorts of other people (tourists, guests, services providers and such). Even if place experience is a concept related with the actual visit in a place and it takes place during the trip, it is strongly related with mental and personal processes prior the visit. Place experience is vital for successfully promoting a place, both in context of tourism or other domains (investments for instance). Since it cannot be tested prior to the actual contact with the place, place identity and image are vital to promise a certain place experience. The Internet is a convenient tool to give an insight, to generate "reality-like" experiences. Other media useful in this context, which also contribute to a place image, are movies, music, television shows, events, literature and other forms of popular culture.

Part of the creation of the place experience expectation is the heritage and cultural image of a place. Individuals in contemporary society, either tourists or travelers with various agendas, are increasingly more interested in heritage-related experiences, which led to the development of creative tourism (Richards, 2009). Therefore, the management of heritage assets has to consider attracting not just locals but also outsiders, including by offering specially designed creative services and programs. Those who develop territorial marketing strategies have to consider the already implemented management strategies of the heritage owners.

A *stakeholder* is a person, a group of individuals, or an organization that has interests or concerns about the local development. A stakeholder can affect or

be affected by the actions and strategies related to territorial marketing. Stakeholders are vital for the sustainable development of a region. They actively participate to the creation and management of a place brand (Kavaratzis, 2012, p.15).

In order to develop a proper marketing strategy they have to be identified, interviewed and understood so as to integrate their perspective into the strategy. The marketing strategy developed in this way focuses not only on the objectives of the organization(s) for which it is developed, but also designs a value proposition and fulfills the expectations of various stakeholders.

The stakeholders in the case of a territorial marketing strategy are many entities, both formally associated / organizations and individuals / communities. Here is an non-exhaustive list: communities, nonprofit associations, public administration, businesses, heritage owners, tourism operators, constructors and real-estate agents. In the case of the regions benefiting from cultural resources, the owners and managers of heritage become relevant stakeholders. All stakeholders, including businesses, take into consideration the place brand or territorial marketing strategy in their operations (Temperini et al., 2012). Even more, businesses are willing to assume the development of the image / brand of a region if that suits them (for instance that is the case of Bucharest where the public administration is not active enough in this respect – see Pînzaru, 2012, pp.35, 38-39). Therefore, there is a tight dependency amongst all these bodies.

Alexandre Fontes Correia (2011) shows that the relationships with various organizations and the numerous interactions taking place could be more relevant than the actual resources and material components. Therefore special attention should be given to designing networks including all the significant stakeholders. The views on the nature of territory itself have evolved in this context from considering it a product towards

contemplating various relationships and interactions in the process of designing territorial marketing strategies (Temperini et al., 2012, p.656).

### **Strategies of territorial marketing – focusing on the cultural dimension for sustainable development**

As Melanie Smith (2007) shows, culture could be an important component of the complex (urban) regeneration processes. In this process, a paradox might emerge: even if the strategy of territorial development seems to concentrate on culture, the imperatives it follows are more likely economic and business in nature. The links between culture and economy are increasingly more tight and complex. Culture generates profits and could have a significant economic impact due to the evolutions in the contemporary society. Richards and Wilson (2006) remark that *“the idea of a culture economy stems from three sources: the changing nature of post-industrial, consumer capitalism; economic development policies; the growth of regionalism as a global phenomenon. Culture has become a crucial resource in the post-industrial economy, as reflected in the use of cultural heritage in the development strategies of the European Union and other bodies”*. Therefore it is quite natural that regions possessing cultural resources to valorize them at the most in the context of territorial marketing strategies.

#### ***Principles of territorial marketing***

Marketing involves designing and implementing processes and strategies concerned with finding out what audiences (consumers) want, and then providing it for them. This primarily involves four key elements, which are referred to as the marketing mix or the 4P model: product, placement, price and promotion. In the case of territorial marketing the 4P model might not be valid as such, but the aim still remains: the optimal satisfaction of consumers (in this case being local communities and various organizations). In order to be effective,

territorial marketing has to follow some basic principles, which are the cornerstones of strategic planning. We highlight the main principles that should be considered:

- *Sustainable development*: This principle ensures not just the economic development of territory, but provides long-term opportunities for progress. The resources of a territory have to be used in order to primarily meet human needs – both of present and future generations –, as well as to guarantee the protection of the environment. Thus responsibility is a vital issue in territorial marketing strategies. Sustainable development implies the involvement of all entities, both public and private, as well as integration of all the resources and territorial contexts (Temperini et al., 2012, pp.656-657). Some researchers question the ability of place (city) branding to ensure long-term sustainability (Kavaratzis & Ashworth, 2006) therefore risk management is part of designing and implementing territorial marketing.

- *Community oriented*: In order to protect and promote local interests, a territorial marketing strategy has to be concerned with the values, needs and wants of local communities. Ideally it will stimulate the engagement of the local communities (in most cases manifest through their representatives and active members organized as nonprofit associations). In order to achieve these goals, consultation has to be a common practice in the processes of designing and implementing and territorial marketing strategy. Accountability has to characterize the attitude of the organizations involved.

- *Heritage promotion*: Heritage is an important part of modern society. It is not relevant just for cultural elite, but also for local communities. Heritage could be the base for sustainable development; it supports social reflection and intercultural dialogue. In most cases, heritage promotion is coordinated by the heritage management and/or by those designing the territorial marketing strategy.



An important factor in the success of any campaign promoting the heritage or territorial marketing strategy that valorizes local (material) culture is the heritage management. Not just heritage assets are valuable. Some other cultural aspects could be considered: history, gastronomy, music, arts and crafts, or traditions. Especially in the specific case when an important part of the resources of a region are heritage related, heritage management is vital for a proper development of a territorial marketing strategy. Heritage management, from a wider, territorial perspective, has to be approached at two levels: regional and specific.

The first one is considered by the public authorities / those implementing the territorial marketing strategy and offers a framework of reference for heritage owners and other stakeholders interested in the state and evolution of the heritage. Heritage is consequently related with an authorized discourse, with some specific usage and cultural processes (Smith, 2006). All these factors generate some experiences considered and promoted by the territorial marketing strategy.

The second one is designed and implemented by the owners of each heritage asset. The approaches could vary a lot, from commercialization of the heritage purely for financial profits, to the free offer of cultural products based on heritage properties. All these approaches have to consider not only the aims of the owner, but also the specific territorial situation, the local and national stakeholders, as well as all the economic and socio-cultural processes instated through the territorial marketing strategy associated with that region. Taking into account this framework, heritage owners/managers set specific missions and the most appropriate strategies, in the context of a complex network (Harrison, 1994).

Many options of valorizing the heritage properties are available to their owners / managers. As Howard (2003) mentions: *"People who are prepared to devote time, money and effort to heritage*

*want different things from it, including legitimization, cultural capital, identity and, sometimes, financial reward or just a living... As long as someone is having an interest to invest their labor or their capital in the conservation and promotion of the heritage, then it can be seen as the result of a marketing process, and usually one that is multi-sold, that is the same product has a variety of markets"*.

One can consider the heritage a unique source of revenues. In this context, it could be sold or hired as individual residence or as business offices. It can be used as luxury hotel, as high-class conference center or as stylish business headquarters. The heritage properties could also be considered community centers, places of cultural enhancement or of social improvement. They could be cultural landmarks for local communities and used as such (heritage sites or museums). Based on a heritage asset many other products and services could be offered, both locally or outside the envisaged region.

- *Economic stakeholders involvement*: Effective local development means sound economic development. Thus economic organizations are vital stakeholders in this process. Without their involvement long-term development and competitive offer are impossible to achieve. The developer of a territorial marketing strategy has to take into account that the interests of economic agents vary a lot and are self-oriented. Intangible factors, such as the relationships with economic organizations or informal networks developed amongst them, are a more influential element in the context of territorial marketing than the actual material resources involved (Alexandre Fontes Correia, 2011).

*Identifying opportunities and trends: a territorial marketing perspective*

An effective strategy has to start with the thorough examination of the present situation. SWOT analysis is the basic investigation to be considered. The general framework and the place image have to be also taken into account. Not just the macro-economic situation has to



be considered, but also sectorial trends. Based on a complex analysis, strategic directions of development are to be identified. Some opportunities that could be valorized are based on trends manifest in various domains: economic, political, social or cultural.

Trends have to be studied, both in the investigated territory, but also at wider scale. Regions benefiting from significant cultural resources, both material and immaterial, have to put a special stress on the investigation of the cultural context. Opportunities could be based on valorizing the cultural strengths the region benefits of, but also on carefully evaluating and taking advantage of the trends manifest worldwide as well as at national level. Some of the trends to be considered in the context of territorial development are:

- The increased cultural tourism worldwide. This evolution sets a positive context for attracting visitors to heritage assets.

- The "heritagisation" which characterizes the present society. For instance industrial sites have become part of the heritage, or specific landscapes are increasingly more considered as part of the local inheritance. Heritage has become a cultural construction, increasingly more appealing not just for those who produced it (Salazar & Porter, 2004).

- The growing appeal of various services, especially when considering the cultural and creative industry-related ones. The mentalities and habits of the present society positively impact the service provision sector. Therefore investments in services are increasingly more appealing to businesses.

Besides positive trends, opportunities have to be also considered while designing a territorial marketing strategy. Opportunities are specific to each territory considered. It is difficult to give general examples, therefore some specific situation are to be evaluated in the case of each territory.

### *Objectives*

In the case of territorial marketing strategy, a mission could be designed in order to better focus the proposal – to ensure a suitable vision of the processes. Mission refers to the main matter that is expected to be achieved, that articulates all strategies and takes into consideration the interests of all the parties involved. It offers the "reason of being" for the strategy proposed.

Based on this mission, various objectives are further considered. In the case of territorial marketing strategy, objectives are generally related with sustainable local development. Some general objectives that might be considered in most cases are: to ensure a competitive environment to stimulate local development; to stimulate investments; to engage relevant stakeholders; to develop place brand; or to attract tourists.

Specific objectives are set for each territory considering the local specificities and stakeholders.

### *The publics: target, key partners and stakeholders*

The attainment of the set objectives depends on the publics involved, which influence both the strategies proposed and the results of their implementation. All publics have to be understood and involved. Most relevant in this context is the nature of their motivation.

Key partners are the organizations directly involved in the implementation of a territorial marketing strategy. They offer various types of resources and expertise, which are vital for the success of the strategy. They also could perform some key activities. Key partners could be both public and private entities, commercial or nonprofit organizations. In most cases, key partners are also relevant stakeholders. In order to ensure the long-term reliability of the partnerships, a network of relationships should be developed. Several types of partnerships have to be considered (OECD, 2009): joint ventures including public organizations as the main body, cooperation among private entities, as

well as facilities and stimulus provided by public bodies to stimulate development.

As previously discussed, the involvement of stakeholders is vital for successful territorial marketing strategy. Some stakeholders are low profile, while others are high profile. The later group is highly influenced of or able to significantly influence the implementation of a territorial marketing plan. Therefore, special attention should be given to them, being of special concern in the context of a marketing strategy. Their identification is vital for designing such a strategy.

When considering the target of a territorial marketing strategy, various groups could be considered, they could become clients / beneficiaries of the strategy. These "customers" of a territorial marketing strategy have to be evaluated and segmented. For instance some local communities, particular types of investors or groups of tourists could be considered. After segmenting them and choosing the target, the relationships with each category have to be considered. The perspectives to be considered are: the evolution of this relationships, their impact in a wider context, and the resources necessary to establish and develop them. These relationships have to be integrated with the strategy and its specific activities.

Ways of reaching these publics have also to be considered and designed. Another issue to be well thought out is how to integrate everything in a cost-effective way. This depends on the insights on the situation and the mechanisms planned to be set in motion thought the territorial marketing strategy.

The publics that are related with culture and heritage are increasingly more varied. Nevertheless, Salazar and Porter (2004) draw the attention on the political construction of culture and heritage, and some problematic aspects in a multicultural society. Another important aspect is the heritage is fragmented and managed by various types of organizations and even individuals with their own agendas. Therefore the organization managing a territorial marketing strategy has to equally

cooperate with all of them. It cannot be achieved without a proper relationship network, based on a firm strategy of pragmatic and moral legitimacy (Elbe et al., 2009).

#### *Mechanisms and value proposition – the heritage core*

In order to have a competitive strategy, a sustainable competitive advantage has to be considered. It refers to a strategic advantage given by certain characteristics and resources of the territory that makes it more appealing than the competition. In many cases, heritage plays an important role in defining the competitive advantage of a territory (see also OECD, 2009). This advantage is at the core of the value proposition. It has to ensure that the appealing benefits and experiences promised by the value proposition are to be achieved.

Analyzing the competitive advantage, as well as the characteristics of the publics considered, a valuable insight should be singled out. This refers to the triggering point that should be pushed when implementing a territorial marketing strategy in order to obtain the desired reaction. This insight is effective especially when considering the relationships between the actors involved.

The process of singularizing a competitive advantage is not simple, since places are complex and dynamics entities. Warnaby and Medway (2013) draw the attention on the narratives of a place, which is tightly entangled with its cultural background and production. Pînzaru (2012) also stresses the tight relationship between storytelling and the development of a place brand.

The mechanisms set in motion, the complexity of the strategy and its efficiency also depend on the resources used. Resources could be owned or attracted. They could innovatively be valorized, thus increasing their attractiveness (Gârbea, 2013). Not just the potential is important, but also the way it is valorized in the context of a place-offer.

When developing the value proposition, three important aspects might be considered. First the specificity of the cultural background of the territory has to be analyzed. Then, the strategies and development plans in other sectors connected to culture have to be evaluated in order to find support in actual development of various activities to valorize the cultural and heritage assets. These could thus become complementary resources which could be associated with the cultural core in order to set a broader, more appealing and more effective value proposition. We refer mainly to: tourism and territorial planning, infrastructure, industry and services, as well as the administrative systems. In setting a value proposition, the profile and interests of potential investors also have to be considered. Heritage has value in itself and it is of great significance for local communities. To become the core of a territorial marketing strategy it has to become of interest for investors, too.

#### *Strategies of territorial marketing*

As we stressed when considering the principles of an effective territorial marketing strategy, the planning has to be long-term oriented. A holistic approach of the strategy is also recommended considering the complexity of the territory and its stakeholders. At the core of the strategy is the positioning of that region / settlement. A set of principles related to cultural planning should be followed. We mention just some of them: community-orientation and local participation, bottom-up approach, multi-stakeholder approach, emphasis on the quality of life, cultural diversity to be considered, access to public spaces, and creative development (see Smith, 2006; Richards & Wilson, 2006).

A territorial marketing strategy has three main directions of action. An important part is tourism-oriented. Attracting tourists could lead to complex local development. The correlation between culture and tourism is increasingly more important (OECD, 2009); therefore special attention should

be given to the cultural resources. Richards (2010) recommends a positive synergy between tourism and culture, which depends on the other resources of a certain region and its organizational capacity. The second direction is related to attracting investors and professionals. This also hangs on the complex resources of a region, on its infrastructure and organizational aptitude. The third direction of action is inner-oriented. Local communities and organizations, including various businesses, have to be part of the planning. This is no simple aim, since each entity and stakeholder has its own goals and agendas.

In this context, the strategy proposed has to be checked in order to be feasible, to have the ability to attract support and to be sustainable.

A strategy proposes several activities. Considering the complexity of a territorial marketing strategy, actions have to be designed and developed in close cooperation with key partners and stakeholders. Actions mainly consist in the offer design and communication. They have to be audited according to available resources and territory context.

As previously explained, relationships with economic organizations and key stakeholders are vital for a strategy to be successful; therefore a specific policy should be designed to develop them. In the case of territorial marketing, stakeholder relations are extremely important – sometimes even more important than that with tourists or other types of "consumers". The difficulty consists in harmonizing all the interests and involving the stakeholders into action. Part of the territorial marketing strategy aims at making stakeholders understand the strategy, accept the proposals and act accordingly. Sometimes, more structured alliances are needed, in order to mobilize the resources of stakeholders to benefit both the territory and the actors involved (Elbe et al., 2009).

Other important and meaningful relationships designed by the territorial marketing strategy aim consumers (for instance tourists), as well as other target-

publics (for instance investors). A territorial marketing strategy has to consider a wide variety of investors and should create a favorable context for their long-term attraction. When culture is at the core of the proposition value of a strategy of territorial development, several types of investments could be considered: cultural tourism, festivals and events, real-estate investments, heritage-sites management, architecture, business facilities and incubators, crafts and others. Therefore, the typology of investors may vary a lot, from large multinational corporations to small local NGOs. The more likely investors in heritage could be, but are not limited to: travel agents, culture and arts providers, event organizers, architecture bureaus, restoration businesses, real estate agencies, food-service providers, hotel industry, educational centers, and research institutes.

In order to attract investors and consumers to a territory (might be a large area, or just a city), its designed strategy should be consequently pursued. Several tactics could be adopted. For instance, in the case of larger regions a model could be the cultural district approach, adopted in Italy. In the case of cities, Melanie Smith (2007) identifies the main options: development of cultural or ethnic quarters; set up festivals; and encouragement of culture-led communities.

So as to be implemented, the strategy has to be transferred into plans and incorporate budgetary aspects.

This brief presentation of the process of developing and implementing a territorial marketing strategy could leave the impression that it is simple to follow. Various unsuccessful campaign of place branding show quite the contrary. Moilanen and Rainisto (2009, pp.30-76) draw the attention on several risky aspects: content approval and priority agreement are hard to obtain, criticism undermines the legitimacy and lowers credibility, local and global pressures might be different and hard to placate, unclear organizational structures and roles, and others.

## **Models of territorial marketing strategy based on cultural heritage**

### ***Cultural districts***

The cultural district model refers to horizontal integration (cooperation and ensured complementarity amongst organizations belonging to different value chains and domains) that leads to culture-driven forms of local economic and social development (Le Blanc, 2010). The primary role of a cultural district is to act as a catalyst mechanism between economic objectives related to territorial development and the valorization of cultural heritage. The conditions necessary to develop such a district are a clearly defined place identity and a significant local community concerned with its own cultural traditions. In some cases cultural districts are top-down generated, in others are bottom-up made entities. No matter its characteristics, a cultural district should primarily play the role of a tool facilitating the cooperation between a wide variety of public and private organizations, in order to reach an agreement on common values and achieve the sustainable development of a territory.

In Italy cultural districts are legally supported and regulated. The first cultural district in Italy was created in 2004. It aimed to foster the preservation of cultural heritage though tourism development in South-East Sicily. This district supports local socio-economic development mainly through the promotion of the architectural heritage and of the local crafts (Le Blanc, 2010). Inside this cultural district, towns cooperate so as to better compete globally. Other successful cultural districts are those supported by the Fondazione Cariplo in Lombardy. Some guidelines concerning possible administrative organization models, preservation recommendations, as well as directions of valuation were provided to better support and to stimulate such initiatives. Marketing plans were implemented, based on the following core principles (Fanzini & Rotaru, 2012):

- sustainability understood as a balanced proportion between various strategic lines of development (infrastructure, production, tourism);

- territorial identity as fundamental pre-condition for any self sustainable development model;

- valorization of the economic activities through production of related goods and constitution of complex channels that qualify a productive identity and contribute to sustainable long term growth;

- territorial and settlements' quality as a system generating new territoriality that introduces new variables and limits into the architectural, urban, territorial and socio-economic projects resulting per se in high environmental quality settlements.

The Italian cultural districts are not mainly tourism-focused since the concentration on tourism may provide good results on short term, but this strategy is not sustainable on a longer term. The Italian cultural districts focus on the capacity to experience cultural goods and services, supporting the qualification of businesses and cultural workers so that to offer a large variety of choices. As Fanzini and Rotaru (2012) conclude: *"In Italy at a national level, the main innovation brought by the cultural districts was the advancement from the initiatives triggering only the internal evolution of the field of cultural goods to the ones that, based on heritage valorization, support the sustainable development of the whole local system. Thus, if correctly applied, they primarily represented an efficient mechanism enabling the sustainable capitalization of cultural heritage (of international, national, regional or local relevance). They promoted a positive synergy between various economic sectors with particular interest for culture perceived in a broader understanding (including material and immaterial elements)"*.

### **Cultural routes**

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 cultures in space and time, which is reflected both in its tangible and intangible heritage"* (Puczko & Ratz, 2007).

The advantage of this approach consists in linking several attractions, some of them of high profile, while others of lesser appeal. Cultural routes could be developed in partnership with other regions, even with other countries. Several examples could be given in this context: Via Carolingia, Via Francigena, the Way of St. James, the Mozart way, or the Central European Iron Trail (more details are available on the website of the European Institute of Cultural Routes - <http://www.culture-routes.lu>).

By setting and promoting cultural routs, some local unique cultural resources are put under light and attract more attention. The advantages offered by establishing a cultural route are (OECD, 2009):

- *Presents what is outstanding in the region.*

- *Identifies the region and characterizes it through its traditions, customs, daily activities and sites.*

- *Reflects the traditional culture of the region and gives the visitors an opportunity to use it.*

- *Is based on the regional products and services which are easy to identify and distinguish.*

- *Comprises not only the tradition and past of the region but also its contemporary image, transformation and character.*

- *Allows for the creation of the desired image of the region.*

The establishment of cultural routes generates increased tourist circulation. It improves the "transparency" of a region, meaning it becomes better known and generally is more appealing (Puczko &

Ratz, 2007). It also leads to an increase in the number of local events and businesses. These are further catalysts for local development. These routes are a means to spread the tourism fluxes and investments on a wider territory (Richards, 2010) and to deviate the main traffic to secondary ways (Puczko & Ratz, 2007). Still the dimension of the social, economic and cultural impact of various cultural routes are hard to estimate and further research is needed (Mariotti, 2012).

Designing and operating a cultural route is a complex issue, involving diverse resources and organisms (Puczko & Ratz, 2007). Its role is not only to attract tourists, but also to increase local commitment and identity. Equally important is to inform a wider public on the opportunities offered. The new technologies offer new, dynamics and interactive ways to do this (Emmanouilidis et al., 2013).

Due to complex financial and organizational aspects involved, public organisms mainly set cultural routes. In some cases, the establishment of such a strategy does not involve a huge financial effort, benefiting from already existing heritage, mechanisms and networks. Nevertheless the long-term contributions and support of the businesses are very important (Puczko & Ratz, 2007).

### Conclusions

Culture could support in various ways local development, especially considering the increasingly important role of culture in contemporary society and tourism developments. In this context, culture becomes a relevant part of a strategy of territorial marketing and

could lead to appealing and efficient place branding. Since a complex territorial marketing strategy relies on several resources, further research would be beneficial to understand the relationships between cultural assets and other values a region possesses, especially considering that in most cases regions do not rely only on their cultural heritage. This would help better choose the key core elements proposed to the wider public, both internal and external.

The process of developing an efficient territorial marketing strategy is not simple. It depends not just on the strategy itself, but also on the networks it creates or it relies on. Partnerships are increasingly more important, even more significant than resources. Stakeholders and local dynamics are highly influential. Moral legitimacy is also a key factor. Culture could be a catalyst considering all the factors mentioned before. Nevertheless, in case of multicultural regions, it could also provide some risks. Case studies referring to these situations could reveal not only specific challenges, but also offer principles to better strategy development.

Considering the context, as well as the stakes of the process, in most cases public administration is the initiator and the manager of a strategy of territorial marketing. Nevertheless, public-private partnerships are essential for the implementation of the process and in order to ensure its success. A long-term strategy has to be considered to obtain suitable sustainable effects. There are several options, varying in size and complexity, but no model can be considered without being personalized to local contexts.

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