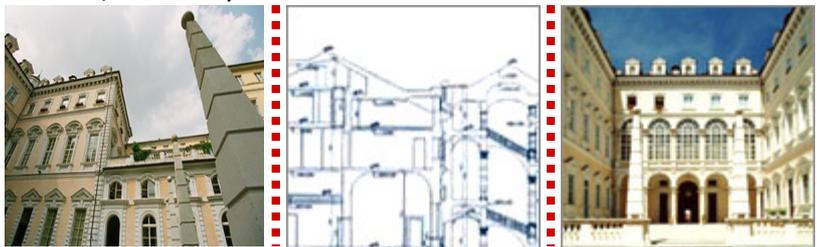


INTERREG III B ALPINE SPACE - "NENA" - Network Enterprise Alps

A Marketing Strategy for the Alpine Space – WP8
SYNOPSIS

Torino, February 25th 2008



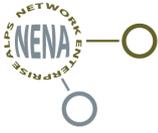
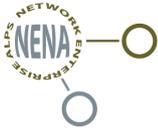


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1. INTRODUCTION

The main goal of the NEnA project (Network Enterprise Alps) is to **implement actions favouring the establishment of co-operation models between innovative SME's** (Small and Medium Enterprises) and their clusters of reference located in the Alpine regions.

In essence, this means for NEnA to succeed in providing a platform of interaction between SMEs and enabling policies and **actions allowing companies to build real co-operation on the base of mutual technology exchange and system integration.**

Without the possibility of injecting robust added value into its business **any perspective limited by a simple "commercial" view is simply hopeless.** This accounts for all the failures and difficulties in having companies interested in initiatives which cannot clarify this relation and are built on simple product-purchase approaches.

The point for a marketing strategy ("this" marketing strategy) in this context is to make pertinent to companies' interests the rationale laying at the base of any action provided/envisaged by projects such as NEnA as this is clearly stated by the Interreg IIIb Alpine Space 4th Call from which NEnA depends.

2. MAIN GOALS OF WP8

Building a marketing strategy means to follow a well-defined procedure which takes the shape of a plan detailing a series of complex tasks. These can be categorised into four genders:

1. Analysis and definition of context/s (macro/micro)
2. Elaboration of objectives (effects achievable in real)
3. Processing of ideas (rationale for action)
4. Definition of actions (technical/creative)

At the base of the work is the ability to reach two goals:

- Creation of an **overall frame strategy capable of shaping single sub-strategies** designed to address the specific needs of single sectors/segments
- **Allow the sub-strategies to rely on the main one** (the frame strategy) as the setting of reference capable of putting them together in a coherent vision

More specifically the main goals of WP8 as defined by NEnA are:

- Provision of the most effective support for marketing/positioning on markets of choice
- Creation of a shared strategy strengthening impact and effectiveness of market presence
- Differentiate actions for internal/external targets, by cluster profile, trans-sector co-operation and commercial potential

- Define a common marketing communication strategy for Clusters
- Provide an integration marketing frame for actions from other WPs under a synergistic approach
- Provide communication guidelines per sector addressing industry-specific marketing needs

3. PROCESS ACTIONS AND SYSTEM ACTIONS

The key to success of a marketing strategy is **the ability to implement actions responding to two different layers of intervention: enterprises-based and business/local environment oriented**. We will then distinguish between **Process Actions and System Actions**.

The first set of actions takes place at the enterprises (private interest) level. It is then required to implement actions – **Process Actions** - which **focus on single enterprises and start-up companies of highly competitive and relational potential in order to favour the creation of imitative behaviour and the extension of the clusters interactions on the base of co-operative exchange in/of technologies**. This is an essential precondition to found a virtuous cycle of relations based on actual benefits for the enterprises.

On the other hand, **System Actions take place at the public interest level**. These are focussed on laying the foundation for collaborative competition and the creation of a “chain of innovation”. These can be obtained through:

- **Targeting the cluster/district activities to the selection of technologies, applications, industry segments and previously unexplored new product categories and industry segments, which are on a growing wave of interest and attention from the market and with regards to which the single region, sub-regional area or cluster already possesses the base of knowledge** or the key know-how to rapidly build the needed competencies reasonably easy.
 - *The tools: Long term research projects, technology development-aimed partnerships between enterprises, co-operation with the research and science world...*
- **The increase of the specialisation level of the enterprises on specific single phases of the innovation process aimed at enhance the degree of excellence of competencies about the market and the technology.**
 - *The tools: provide resources to access research, identify new market opportunities, segmentation of geographical area of excellence complementary to the local ones.....*
- **The development of information exchanges and the spill-over internal to the cluster.**
 - *The tools: create information exchange places (organisations, offices, task forces...), multiply opportunities for meeting and confronting ideas, organise information channels with contribution from technology top-*

players, source and access top-rank information from inter-European centres of excellence and knowledge....

- **The creation of a set of financial tools with the help of banks, funds and venture capital operators.**

Therefore, **all the strategy takes the form of a selective and personalised approach, starting with the identification of the most promising local players in terms of capabilities, business plans, market opportunity, on whom to invest with a customised and specialised mix of actions:** this will extend the effect of the strategy well beyond the results of an improved business and competitive performance of the single enterprise as this allows a truly effective process of international/over-the-Alpine-Space networking.

In fact this apparently easy to achieve result cannot be under any terms or conditions obtained if not on the base of **a sound and in-depth knowledge of the potential and needs of each one of the enterprises which can be – and ought to be - “accelerated” immediately to bring substantial benefits to the local system (economy-society-environment-individuals).**

4. THE ALPINE SPACE: A MARKETING DEFINITION

The boundaries of a marketing definition of the Alpine Space can be outlined through the re-grouping and summary of the main elements affecting/influencing the ability to operate – with special regards to innovation introduction and implementation/development - of the enterprises located in the Alpine Space, as they can be evinced by the WP5 Marketing Analysis report:

- **Products and services**
- **Organisations and employees**
- **Research and development**
- **Co-operation and networking**
- **Market and customers**
- **Marketing and distribution**

The overall results of the analysis – **research findings as well as perceptions of the interviewed** – are available in the Marketing Strategy master document.

5. KEY ASSETS AND VALUES

The following tables summarise the main assets for each sector considered (see following pages):

“Renewable Energy” assets

Strong image towards residents and foreign public	High demand of qualified and skilled workforce	High demand of partnership to carry out R & D projects
Open to both local and international co-operation	High standards of living in the Alpine Space	Demand for exploration of external markets

“Value added chain of wood” assets

Fast and strong growing industry	Supply of innovative and sustainable building materials	High demand of qualified and skilled workforce
Demand of partnership to carry out R & D projects	Growing specialisation in Renewable Energy	High standards of living in the Alpine Space

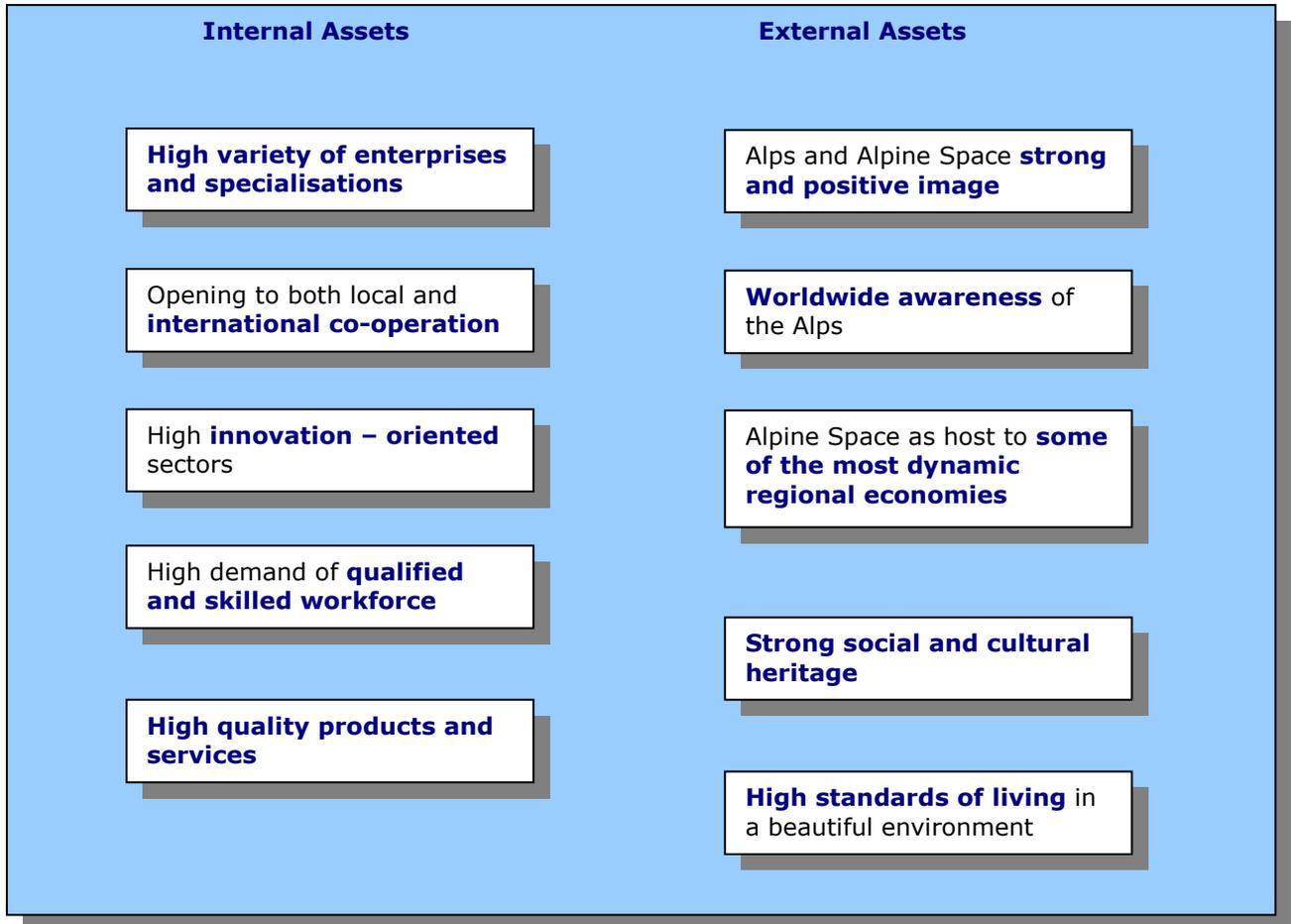
“Passive House” assets

High variety of enterprises and specialisations	High demand of qualified and skilled workforce	Awareness of R & D importance to gain
Open to both local and international	High innovation – oriented sector	High quality products and services

From the matching of the key elements of this tables and the recurrence/ overlapping of some of them, it is possible to **define a “package” of assets which is essential to the lay the base of the overall strategy as the cornerstone on which to build it.**

This “package” provides a distinction between internal assets (summarised in the three tables above) and external assets (**assets not directly linked to the industry-specific characteristics but linked to the Alps and Alpine Space environment**).

Internal and external assets



6. MARKET TARGETING: IDENTIFYING OUR TARGET GROUPS

Main target segments

Who	Why	For doing what
Institutions	As institutions act as regulators especially on energy issues they have a big stake on the subject. Moreover, most of the enterprises interviewed stated they would welcome an increasing involvement of institutions.	Institutional actions are demanded to simplify the legislative framework and help the enterprises of Alpine Space to deal with European programmes and EU funding.

Who	Why	For doing what
Residents	Territory belongs to residents and citizens - they are interested by policies aimed at enhancing the local identity and strength.	Residents agreement and awareness is crucial , especially when a territory tries to promote itself outside of its boundaries.
Local Public	A number of enterprises have an interest in establishing local co-operation and partnership agreements.	Developing and carrying out joint R&D activities, extending local co-operation in order to face the impact of global competition.
Foreign Business Communities	A number of enterprises have an interest in establishing local co-operation and partnership agreements many of them looking for profitable investments (Foreign Direct Investments)	Supply of global distribution of energy – related products / solutions. Attracting enterprises and investments in the Alpine Region.
Universities / Research Centres	Skilled and highly qualified workforce is crucial to ensure momentum to the local development and attractiveness to foreign investors. Relations with research centres could contribute also to carry out R&D project.	Training and recruiting qualified workforce , especially in “renewable energy” sector. Carrying out R&D activities.

This primary five target segments are then subdivided in sub-clusters specifying the audiences groups in further detail:

- **Institutions** – Regional Governments, Municipalities, Utilities (water, gas, energy companies), Chambers of Commerce, Professionals and Associations.
- **Residents** – Citizens, Residents Associations, Communities.
- **Local Public** – Potential dealers, retailers, suppliers, potential partners.
- **Foreign Business Communities** – Potential dealers, retailers, suppliers, potential partners.
- **Universities/Research Centres** – Local Universities, Laboratories and Research Centres, Innovation Relay Centres, Technical and Technological Institutes.

7. FROM LOCAL INITIATIVES TO A COMPREHENSIVE MARKETING UMBRELLA

From the innovation and high-tech point of view, **the Alpine Space can be interpreted as an area characterised by the existence of an articulated system of organisational resources of pretty dynamic entrepreneurial spirit and decidedly promising in terms of territorial and local development.**

However, the way through which most of the economic/industrial growth and development takes place needs some re-thinking and adjusting primarily in terms of business models with special regards to "mature" segments such as wood or building construction industries not to mention some ICT sectors. In fact, **these are often weakly equipped to cope with the speeding up of market and technology changes.**

In fact, the Alpine Space region SME's on the one hand tend to adopt very different approaches:

- Some implement **innovation without a clear understanding of the market dynamics**
- Many are "**micro-enterprises**"
- Many use most of their resources to finance debt for credit (thus **limiting the availability of resources to invest in innovation**)
- Co-operation and **relations with universities and research institutes are scarce**
- **Added value per employee tend to decrease in time** more often than expected
- Most of them **operate almost exclusively in a "domestic" (local) market**
- Some are experiencing **networking/clustering around some core technologies**
- Pretty **few are used to contacts** with potential investors

8. TOOLS AND MEANS TO ACT EFFECTIVELY

In order to implement an effective action, these are the key actions which each NEnA partner should implement as its own when acting on a local strategy level:

1. Get to **perfectly know the industry segments dynamics** and local SME's at regional level by operating in-depth analysis and research
2. Identify and select groups of **companies particularly innovative and high-tech driven**
3. Create a **co-ordinated programme of acceleration actions** to favour districts and clusters groups of selected enterprises
4. **Extend the local network of regional stakeholders** and enhance local co-operation between institutions

5. Establish and **boost functional and scientific co-operation with local universities**, post-graduation educational bodies, top-end research and science organisations

The knowledge of the local entrepreneurial system and its real needs is key to the design and engineering of support initiatives able to ensure results beneficial to the local SME's and sustainable for them and the local socio-economic environment as well.

This means to get to a superior knowledge and understanding of the market demand either explicit as well as implicit and the ability of the territory to provide through its SME's innovative technological answers.

Entrust a focussed-scope body

It is here suggested that the action of the local partner takes place through the form of **an organisation to be specifically founded to carry out the task of reinforcing the innovation rate in the region's SME's.**

This proposal is based on some cases of best practises and **successful models of clusters acceleration** implemented in some of the most advanced regions of Europe. This task-specific body (a so-called "district agency") will act through:

- Design, planning and operation of **financial tools for supporting enterprises acceleration**
- Know-how and **technology transfer to enterprises**
- **Technology exchange and integration** between Alpine partner clusters/districts
- **Monitoring of results of technical and financial actions** to selected enterprises and clusters

The **monitoring action is critical to the success of the entire project. The monitoring action allows the redefinition of the map of competencies and needs of the clusters-companies-market as they will change over time as the consequence of the marketing strategy action.**

The cross-matching of the data obtained from the analysis of the evolution of the available know-how's and the response of the market in terms of the demand modulation will constitute **the base for the further enhancement and improvement of the project.** The availability and distribution of in-progress checks and monitoring **will also facilitate the birth of a circular system of relations between the institutional organisations and actors** (universities, entrepreneurial organisations, industry associations, local bodies...) **with respect to whom the "district agency" will act as a co-ordination organ.**

9. MARKETING GUIDELINES PER SECTOR

By definition, a guideline is any document that aims to **streamline particular processes according to a set routine.** Following a guideline is never mandatory ("protocol" would be a more precise term for a mandatory procedure).

Therefore, the guidelines are built on those topics specific to each sector which are relevant to marketing purposes and then defined in their essential assets and values for the local action to get inspiration and reference from.

Marketing guidelines - "Renewable Energy"

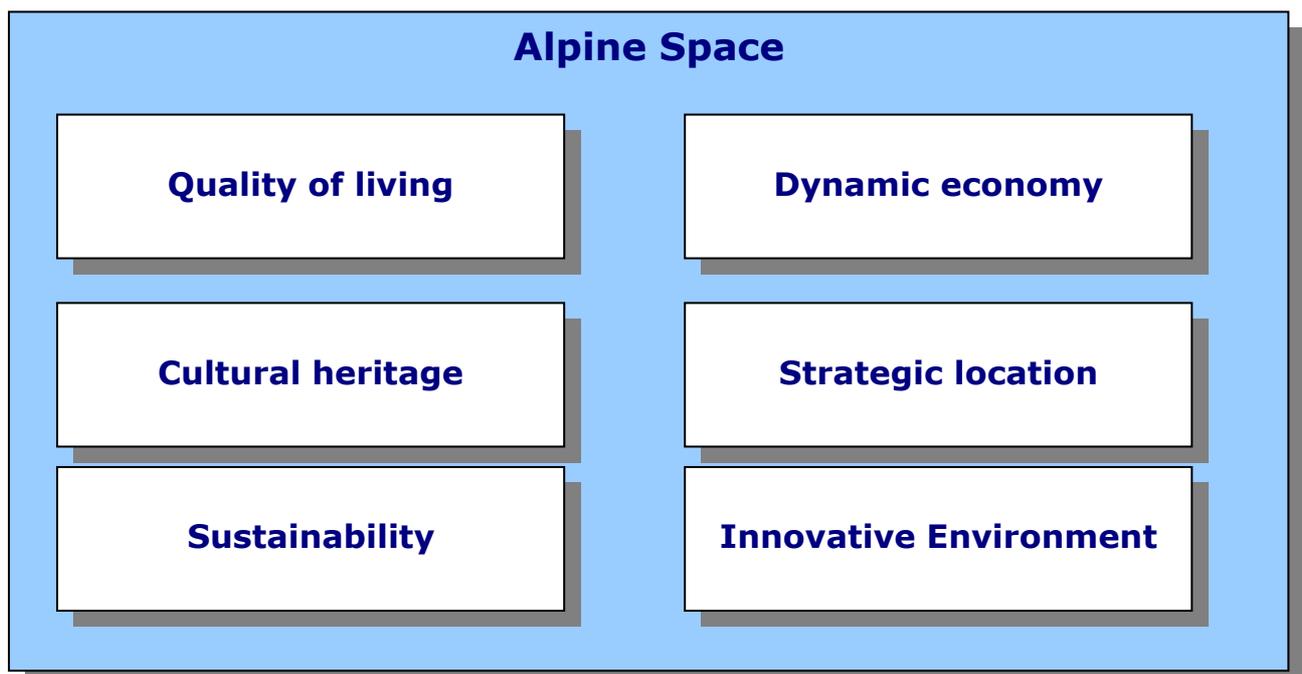
- **Sustainability** – There are many kinds of energy, but only renewable energy has a stake in shaping the idea of sustainability. Stressing the concept is highly recommended in particular towards the private customers and public bodies. Renewable energy takes advantage of a very positive perception among markets and individuals, therefore it is fundamental to insist to stress this point in order to outline and strengthen enterprise positioning.
- **High Quality and Innovation** – As reported in WP5 document, customers expect innovative products with good quality. These expectations find in the renewable energy sector a natural response, due to the fact that enterprises operating in this market are all about innovation and high – quality products (they ought to be!). It has to be stressed that this usually applies to both public and private market.
- **Variety of choice** – A powerful asset is represented by the variety of energy sources that are included in the definition of renewable energy. For instance, the WP5 document identifies seven categories (hydro – power, biomass energy, solarthermic, photovoltaic, geothermic, wind power, heat pump). This element is particularly important to be taken into consideration thinking about a marketing campaign towards private customers.
- **Support** – Renewable Energy is not a field like others. In some cases especially when products and services are low-profile and mass-consumed not much effort is spent in outlining the importance of support and aftercare. The story is different in the field of energy; private customers have to deal with non-traditional types of energy and devices, therefore it's necessary that every service sold benefits from strong and reliable support system in order to make the experience of customers easy and worry-free. All of this is even more important in the case of public bodies and governmental institutions; they have to be assured that using renewable energy is not only desirable but also convenient and trustworthy.
- **Certification** – *"More than 50 % of the companies are member of a label or certification. These companies declared that being a member of a label is very useful in dealing with customers and that customers do want these labels."* This is another fundamental asset in dealing with the customers in order to gain a competitive advantage: being member of a label or possessing a certification (quality, efficiency, and so on...) constitute a fil-rouge between market and enterprise. A fil-rouge based on loyalty, trust and a proved competence and reliability in the sector.
- **Location** – Most of the enterprises interviewed for WP5 research have a regional or local dimension. From a regional point of view, being known as a part of local renewable energy sector could result in a capital of trust from regional customers; **being part of a territory and being already known is a competitive advantage to be used for maintaining market shares and defending a position acquired. From an international perspective, instead, it can be stressed the image of an enterprise based locally but able (due to its skills and competences) to be a player also inside global markets.** The result of such a strategy points to strengthen the basis for the company to compete on innovation and to expand its perspectives outside regional boundaries.

Marketing guidelines - "Wood"

- **Relationship with renewable energy** – An important part of WP5 document says: *"It is clearly visible, that the produced amount of renewable energy is increasing in the last years. Strongly correlated to this, the production and bringing of wood in the field of renewable energy is also increasing."* The link between the wood sector and renewable energy is strong as it has also been confirmed by analysis and it is advisable to invest on it for marketing purposes.
- **Relationship with eco-efficient building** – It is true that there is a relationship between wood sector and renewable energy, but it is also true that a relationship of the same kind exists with eco-efficient building. This could represent a big opportunity for enterprises to penetrate in new markets and to differentiate their offer and supply. Moreover, it is important to consider that efficient building is a field that requires a certain amount of innovation, therefore enterprises should evaluate the possibility to invest in R & D.
- **Defending a mature market** – Wood sector is a mature market, deeply rooted in the Alpine Space. On the one hand this means that it is necessary to defend it, but on the other it is also fundamental to be open to innovation and cross-sector activities. In this perspective, the hybridising process with efficient building it's useful to stimulate competitiveness on the global market. Another quotation from WP5 document explains the concept: *"A big potential is not only seen in the producing sector, but also in increments of houses, energy-saving modernisation and also in social aspects concerning children, handicapped people, or old people connected with the natural material wood."*

10. THE ALPINE SPACE AS A COMMON AND SHARED VISION

The core of the brand identity



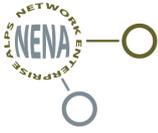
- **Quality of living** – It is no wonder that the Alpine Space is largely seen across Europe as one of the best places in terms of life quality. **This powerful image perceived by the audience has to be recalled and implemented in every marketing campaign.**
- **Cultural heritage** – Cultural heritage is one of the strongest asset of the Alps, as this region has been the theatre of many major historical events since the ancient times. People and countries in **the Alps have developed communities, social and cultural systems and have contributed significantly to the enrichment of the European context.**
- **Sustainability** – Regions and countries of the Alpine Space have experienced a long tradition in dealing with environmental issues before other nations in Europe. As recalled by WP5 document Austria, Switzerland and Germany have developed upfront strategies in favour of a sustainable growth, especially in the fields of building and energy production / consumption. **Sustainability represents a strong point and it should be a fundamental feature of the Alpine Space vision** (because of its importance this concept is dealt with in the Conclusion chapter of this document too)
- **Dynamic economy** – If the Alpine Space is deemed as a space of good living, **it should also be considered that the region is home to some of the most dynamic regions and cities in Europe** – its GDP accounts for a significant part of the overall's in Europe. Just to name a few: South Germany (Bayern and Muenchen), Eastern France (Lyon and the Rhone – Alps), Northern Italy (Torino and Piemonte, Milano and Lombardia). These economies are in a close relationship with the heart of the Alps.
- **Strategic location** – The Alpine Space is located right in the heart of Europe. Despite the geographical conformation, the Alpine Space is connected with the main European routes and it is easily accessible via automobile, train or airplane. Its major value is that of an ideal place where the confluence of the factors described up to now creates a unique and distinct environment for the growth of ideas, innovation and creation supported by a well-balanced and efficient quality of living.
- **Innovative environment** – A vision for the Alpine Space must stress the concept and the message of an ideal environment for the location, development and attraction of innovative enterprises, business and initiatives. Several are proving that starting with the number of highly innovative ventures in any field that are hosted in the cradle of the Alpine Space.

11. SUSTAINABILITY, THE UNIFYING CONCEPT FOR THE ALPINE SPACE

Even though the assets of Alpine Space regions are many, so as the points of strength, the message sent to the audience must be simple and clear and **it should be shaped around the pivot-concept of sustainability.**

Sustainability is a strong concept that better than others synthesises the core essence of the Alpine Space and it also constitute a base for the partners on which to build their own local “version” of sustainability and what is their way to it (and on which assets they rely).

In Alpine Space terms, “Sustainability” means:



- Development tuned with quality of life;
- Innovation and research as a different entrepreneurial way to wealth;
- Pointing at business models (industries organisation) putting human being at their centre;
- Innovation and research in fields related to impacts optimisation and "saving" practises;
- Creating conditions for a balanced growth (not anymore that of unlimited exploitation);
- Aiming at products and results of processes which allow improvement of life;
- To concentrate on European Commission policies for the next programming period (2007-2013).

All these elements contribute to define a single word which Alpine Space can be represented by:

Alpine Space – ness

This word stands for "the essence of Alpine Space" and must be the first thing that comes in the audience's mind when referring to the Alps.

