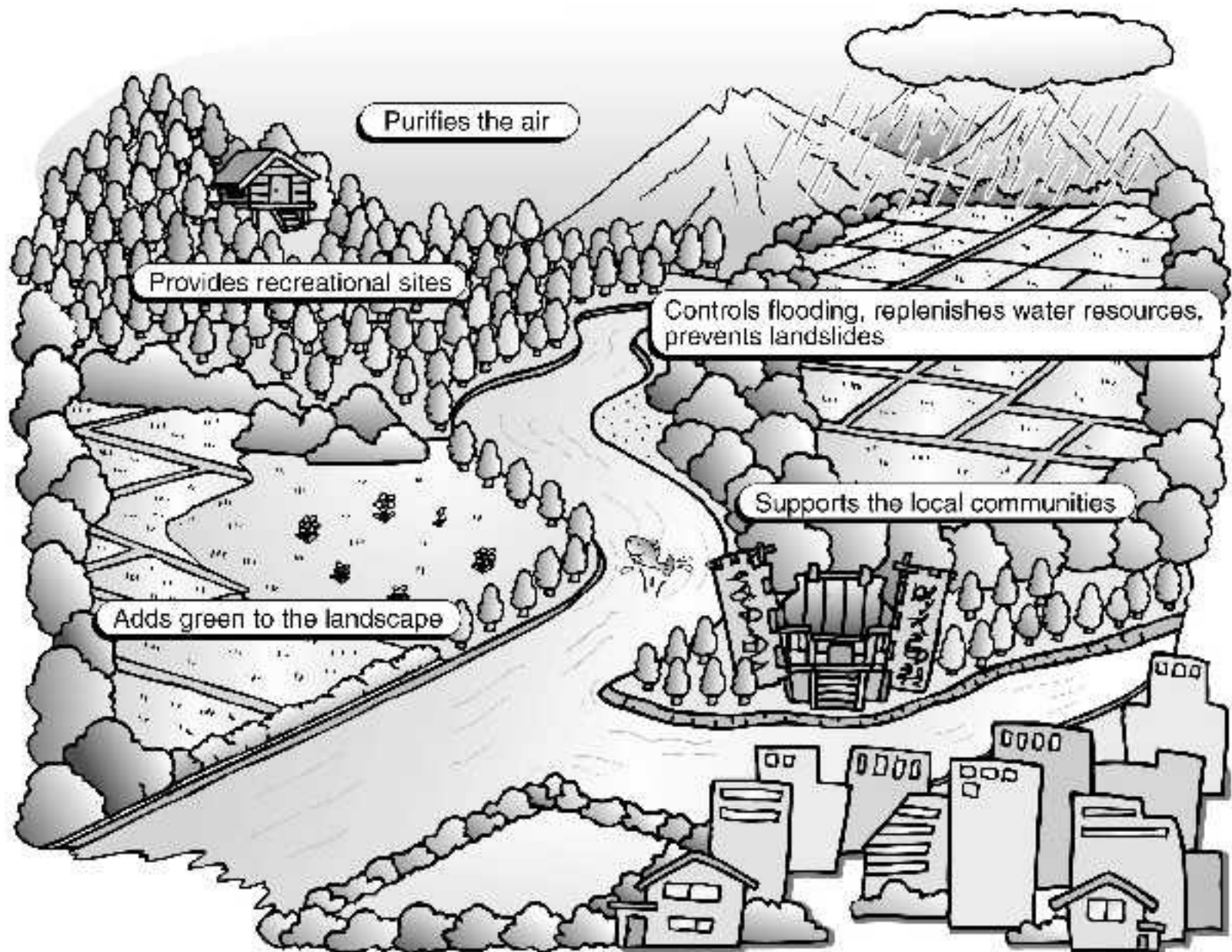


Communication

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MULTIFUNCTIONALITY OF THE TERRITORY



Components of a territory

Components of an area's capital according to LEADER EO (1999)	Factors of territorial capital according to OECD (2001)
• Physical resources • Human resources • Culture and identity • Institutions and governance • Know-how and skills • Activities and business firms • Markets and external relations • Image and perception	• Geographical location and size • Climate and natural conditions • Factor of production endowment • Agglomeration economies, business incubators, industrial districts, business networks • Traditions, understandings, customs, informal rules, “untraded interdependencies”, solidarity, mutual assistance, co-opting of ideas (social capital) • Combination of institutions, rules, practices, producers, researchers, policy-makers

Source: Tóth, Balázs, 2017/01/01, Territorial capital – a fuzzy policy-driven concept: context, issues, and perspectives
DOI - 10.7163/Eu21.2017.33.1

Implementing the promotion policy

The territorial and tourist promotion needs upgraded skills for the approach to the marketing at any level of intervention and mainly on:

- political and administrative **commitment**;
- elaboration of a **strategic** plan capable to individuate priorities, human capital, financial capital, cultural heritage enhancement, organization of new and frequent events, improving of hospitality services;
- **coordination** of all the involved actors in the promotion of tourism, private and public level;
- opportunity of **building** of dedicated structures, agencies and body of tourism promotion;
- operative plans of **communication**, adv, promotion, for different types of tourism, family, cultural, individual, thematic, sport, leisure;
- operative plans of **internal marketing** aiming at the involvement of the resident population and private businesses;
- creation of **new enterprises** for tourism, hospitality, and leisure

The destination must communicate to be
visible out of its boundaries and build
sharing within the same boundaries:

“what it is and can do, its qualities and its value”

helping in improving transparency

that means to consider the communication as strictly
descending from the placement strategy, linked to
the rest of strategic decisions

A destination communicates in order to:

- obtain a strategic and economic credibility, that means **trust and legitimacy**
- correspond to the expectations of residents and guests (**insiders and outsiders**)
- be efficient in satisfying the **differentiated** and multi-dimensional needs of the **civil** actors and **policymakers**, who control and put resources in the policy

The communication policy can be dividend in **two main** activities:

- Actions toward the focusing among actors the **placement** of the area and underline the **differentiating** characters in comparison to the competing geographical areas
- Actions to enlighten the **opportunities** and the actual reasons of **advantages** (convenience) of an area

Which are the tools?

First we must say that the communication is NOT the main element of the TM and DM

- Even though over the last decades Communication has actually been the most practiced tool
- Adv and publicity has for long time the **SOLE** used tools

The destination communication strictly depends on:

- the strategic placement of the area
- decisions of Marketing Mix

Always tell the truth

THE MOST POWERFUL ELEMENT IN ADVERTISING IS THE TRUTH.

• BILL BERNBACH •



Think small.

Ten years ago, the first Volkswagens were imported into the United States.

These strange little cars with their beetle shapes were almost unknown.

All they had to recommend them was 32 miles to the gallon (regular gas, regular driving), an aluminum air-cooled rear engine that would go 70 mph all day without strain, sensible size for a family and a sensible price-tag too.

Beetles multiply; so do Volkswagens. By 1954,

VW was the best-selling imported car in America. It has held that rank each year since. In 1959, over 150,000 Volkswagens were sold, including 30,000 station wagons and trucks.

Volkswagen's snub nose is now familiar in fifty states of the Union: as American as apple strudel. In fact, your VW may well be made with Pittsburgh steel stamped out on Chicago presses (even the power for the Volkswagen plant is supplied by coal from the U.S.A.).

As any VW owner will tell you, Volkswagen service is excellent and it is everywhere. Parts are plentiful, prices low. A new leader, for example, is only \$2175.* No small factor in Volkswagen's success.

Today, in the U.S.A. and 119 other countries, Volkswagens are sold faster than they can be made. Volkswagen has become the world's fifth largest automotive manufacturer by thinking small. More and more people are thinking the same.

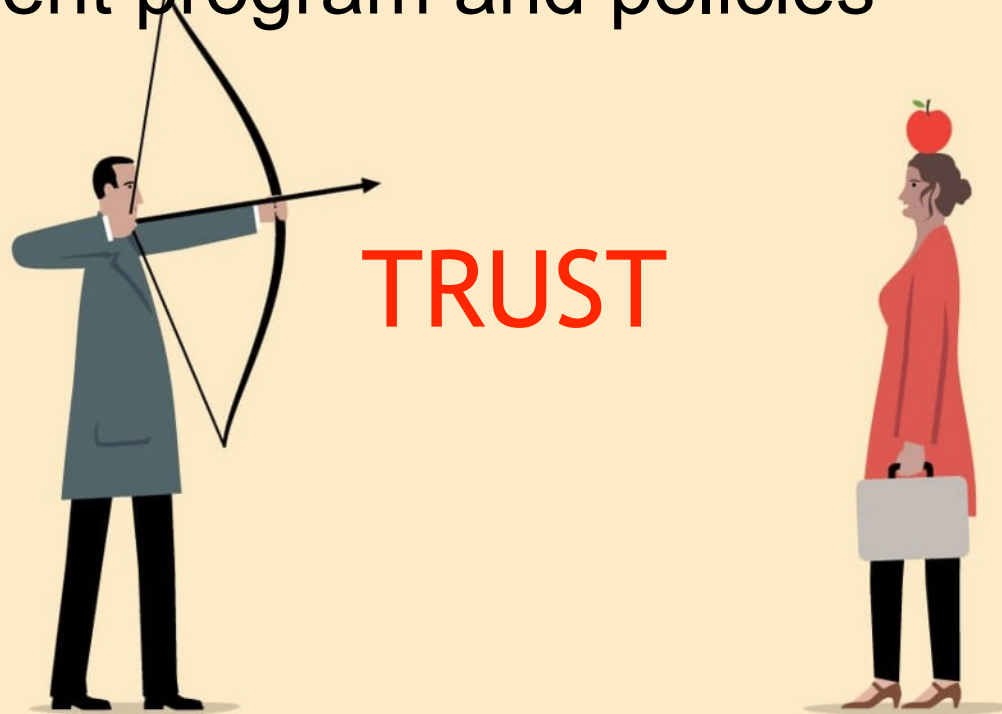


*Suggested retail price.

wak



In any case the Communication has the **strategic** aim to implement of the local development program and policies



Also in the business the main role of communication is to develop the **trust** as a resource

TRUST



Trust!

"It takes years to build trust,
and a few seconds
to destroy it"

Trust is a particular shape of social **relationships** and is studied by different sciences, sociologists, anthropologists, politics studies

Today also by economists and **marketers**

The notion of trust is not so easy to be studied in the empirical field because it is not so easy to quantify (**measurable objects**)

To understand the role of trust you must consider that it is important both in technical environments and in the organizational ones, where the **HUMAN FACTOR** is **fundamental**

Humans are essential in the organization of **work groups**, and in general in the **markets** and in the relations between companies and customers

Trust is the voluntary exposition to the willing of another person, thinking there are no bad intentions

Trust is worth in interpersonal relationships

“People trust in people, non in technology” (Friedman *et al.*, 2000).

“Trust is an expression of confidence in a system of organized exchange leading to cooperative behavior among individuals and groups within and between organizations” (Jones and George, 1998).

Trust is an expectation for the future:

“...a confidence in the reality of one person or a system about a set of results or events, when this confidence expresses the belief in the correctness of another person, on in abstract principles.” (Giddens, 1990)

TRUST

In a globalized world trust depends **no** more exclusively on the **local** community—in well known traditions—and within interpersonal relations, but even more in the **abstract capabilities of modern institutions**

TRUST

In modern economies you can identify three forms

- **Experiential:**

trust is based on past relations or expectation on future exchanges

- **Characteristic:**

trust is related to the qualities of a person

- **Institutional:**

trust is induced by a formally organized company

TRUST as a MODEL OF KNOWLEDGE

Immediate - relational - personal

Mediate - institutional perspective and impersonal

TRUST IS A MODEL OF KNOWLEDGE

TRUST

Trust is an alternative model of knowledge for the acquisition of knowledge capable of reducing **uncertainty** within and during the relation between customer and territorial offer

Vicari (1992):

“a form of knowledge that allows to use a smaller number of data necessary to make any kind of choice”

TRUST – IMAGE – SIGNAL

the sense of being a cognitive model trust is strictly linked to the image of the territory

Place image:

“Set of believes, ideas, impressions, information **more or less mediated** that the public has of a place”.

(Kotler, Haider, Rein, *Marketing Places*, Free Press, 1993, NY)

“Symbolic concept, existing only when an individual has attributed a certain meaning to a subject jointly to other objects”.

(Nielsen, L., *Branding Britain. A global tourism branding strategy*, 2001).

A mental construction based on several elements, influencing its **perception**

TRUST-IMAGE-SIGN-SIGNAL

Brands and Branding are tools for launching **signal to the audience and then to consumers**

A brand is a name, sign, symbol, slogan or anything that is used to identify and distinguish a specific product, service, or business.

Aaker, David (1991). Managing Brand Equity.



TRUSTABILITY OF THE OFFER

The material offer must be confirmed by the trust of its brand

We must care the brand **notoriety (reputation)** does confirm the *trustability* of the relations company - customer

**THIS IS THE STARTING POINT OF THE
RELATIONSHIP PERSPECTIVE OF MARKETING**

Relationship vision of the marketing

Whether transactions between a company and customer is successful due to the **voluntary matching** between two actors it may be that this will happen again in the future

During the transaction are created:



Offer is not the single good but the **complex and coordinated set of tangible and intangible components**, each being has a different degree of direct and indirect services

The value of the offer is bigger than the singular values of any component (**tangible and intangible**)

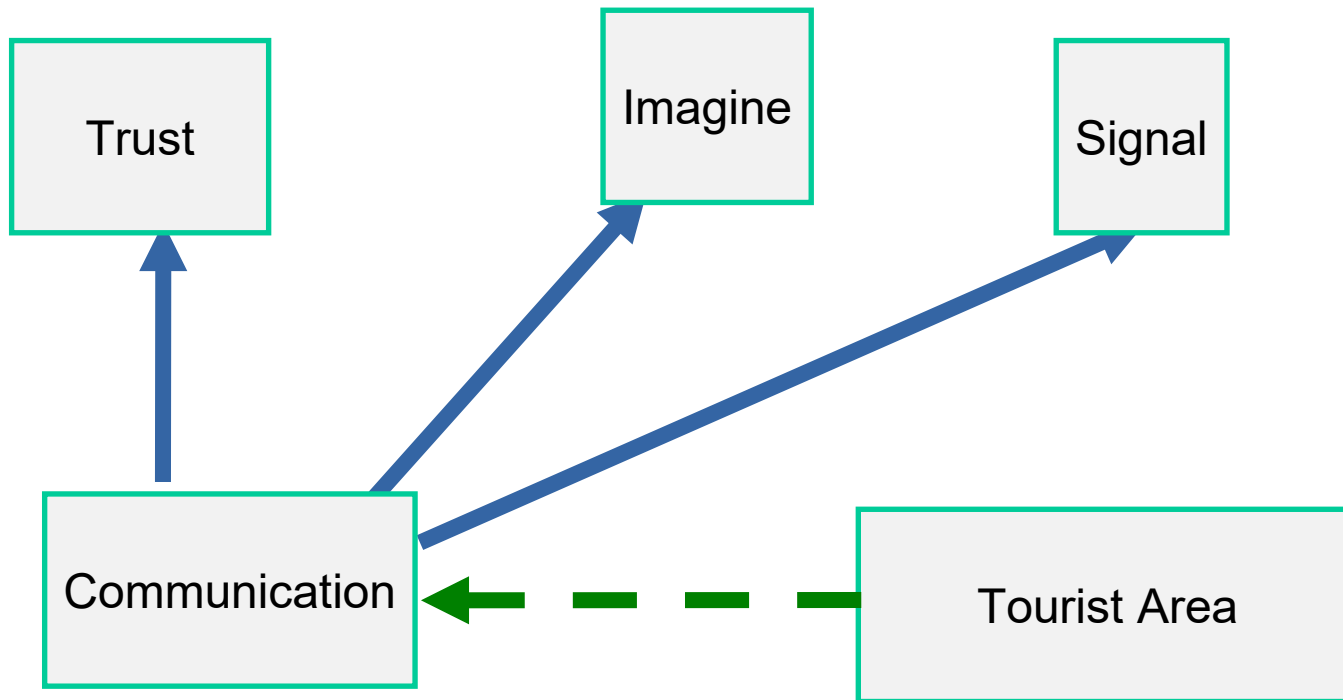
Offer is a system: a set of many intertwined services and goods in which relations are fundamental

The supplier-customer **transaction must have a time horizon of at least a medium-long** lasting

The customer is an active actor (**active role**) capable to condition the productive structure of the supplier

Often, during that relation many other **relations among** different actors do intervene, preceding, accompanying and follow the same transaction

We can argue destination marketing must have the same characteristics



For the destination a feasible communication is far more important than for companies

In a company the **RELATIONS** with the customer aim at building the business image and the **STORY** of all the business behaviors do have influence on the **Trust (reputation)** that customers have

TRUST-IMAGINE-COMMUNICATION

For a company

Any stable and any new connection between a company and a customer produces stable TRUST and even creates a new one

For the tourist area

The diffusion and stabilization of relations is true also for a territory which can relate to customers because in it people have continuous and repeated relation with the component of the place offer

Tasks of COMMUNICATION

MAIN TASK

Foster and sustain the minor frequency of repeated contacts (relations) with the external customers (buyers) in order to develop the perceived image and for the creation TRUST as a resource

The territory must supply the customers **quantitative and qualitative informations on its own characteristics**

No information no purchase

IMAGINE ASSET

Communication contributing the territorial image helps the **accumulation** an image **asset** which gives value to the singular component of the territory

- improves the quantity and quality of **perception** of any singular issue
- the value depends on the **perception** of the territory characteristics

The importance of the image asset is clearly due to:

- the development in the potential users of a positive sensibility towards the territory and its differentiated offers
- the spontaneous attitude of **internal** actors as being ambassadors and testimonies toward the external actors
- Communication produces the asset of image revealing and diffusing the so called

SPIRIT OF PLACE (GENIUS LOCI)

http://en.wikipedia.org/wiki/Spirit_of_place

SPIRIT OF PLACE

It is the **intangible** mode through which the place voices its vocation

- result of history of tangible and intangible issues over time in a place, and depends on the local development features managed **by local authorities and any other involved actors**

- communication **cannot** create the spirit of any place

- its task is to foster as much as possible the **perception** of this spirit **inside** and **outside** a place, underlining the best coherent aspects with the chosen strategic placement

SPIRIT OF PLACE

To **communicate** the spirit of place:

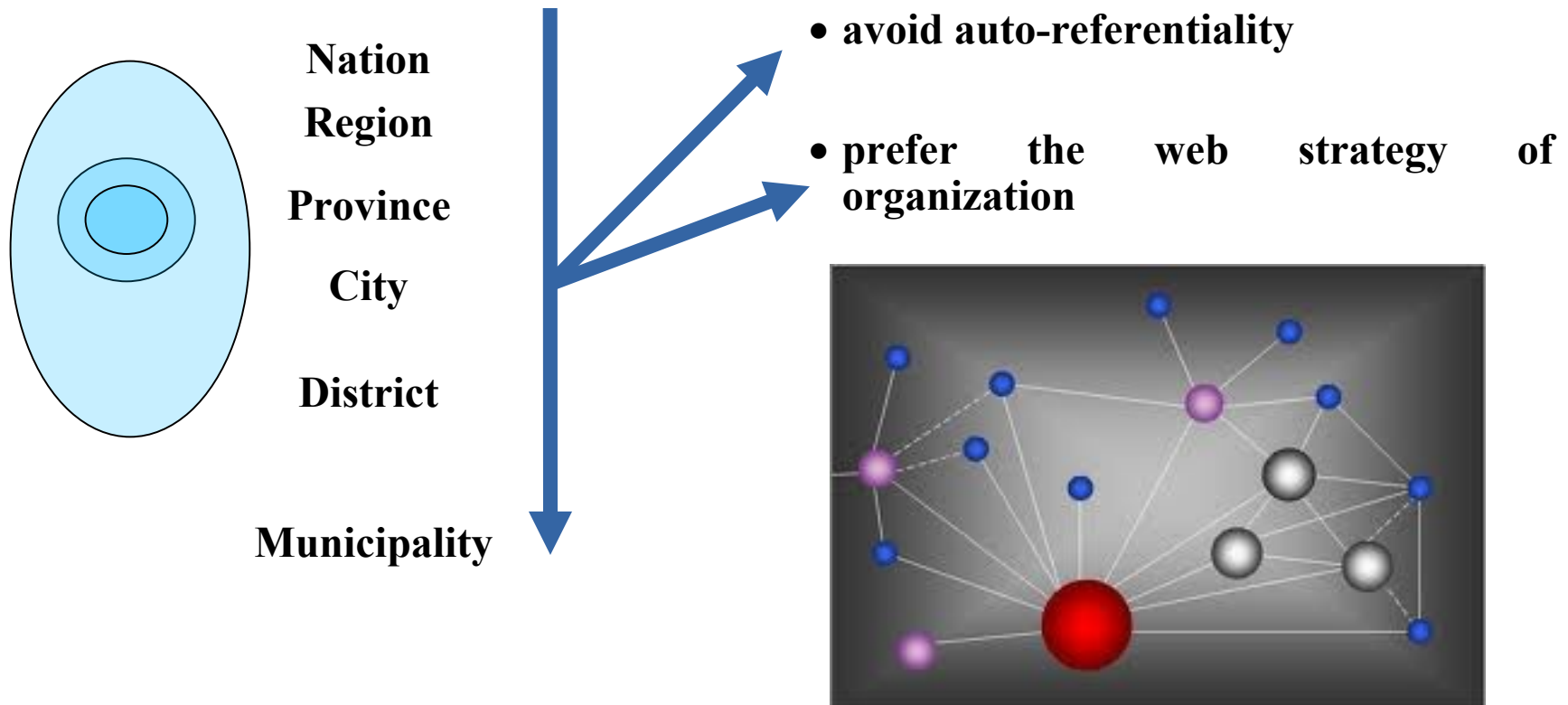
- plays the service to make visible and known those features which are **attractive and unique in comparison to competitors**
- is useful to spread among the current and potential audience the **awareness** of fundamental values which characterize the way of life and work in the area
- favors the enrichment of tangible components of the 'product-territory' with an ideal aspect (**suggestive, intangible**) which can become the successful key of the territory

Vertical Dimension of the Territorial Offer

Levels of **territorial** offer hierarchy

NATIONAL, REGIONAL, PROVINCIAL, CITY AND DISTRICT

The levels are **concentric** and the hierarchy cannot be avoided in defining features and dimension of the territory offer



SOURCES OF TERRITORIAL COMMUNICATION

SOURCES OF TERRITORIAL COMMUNICATION

DESTINATION (TERRITORY) AS A PRODUCT: **set** of intangible and tangible elements

Two sources of communication

- Responsible **Agency** of Communication Marketing
- Govern **Authority**

plus others:

Responsible Persons of singular components (industry, agriculture, tourism, etc.)

SOURCES OF TERRITORIAL COMMUNICATION

Clear identification of sources and division of tasks

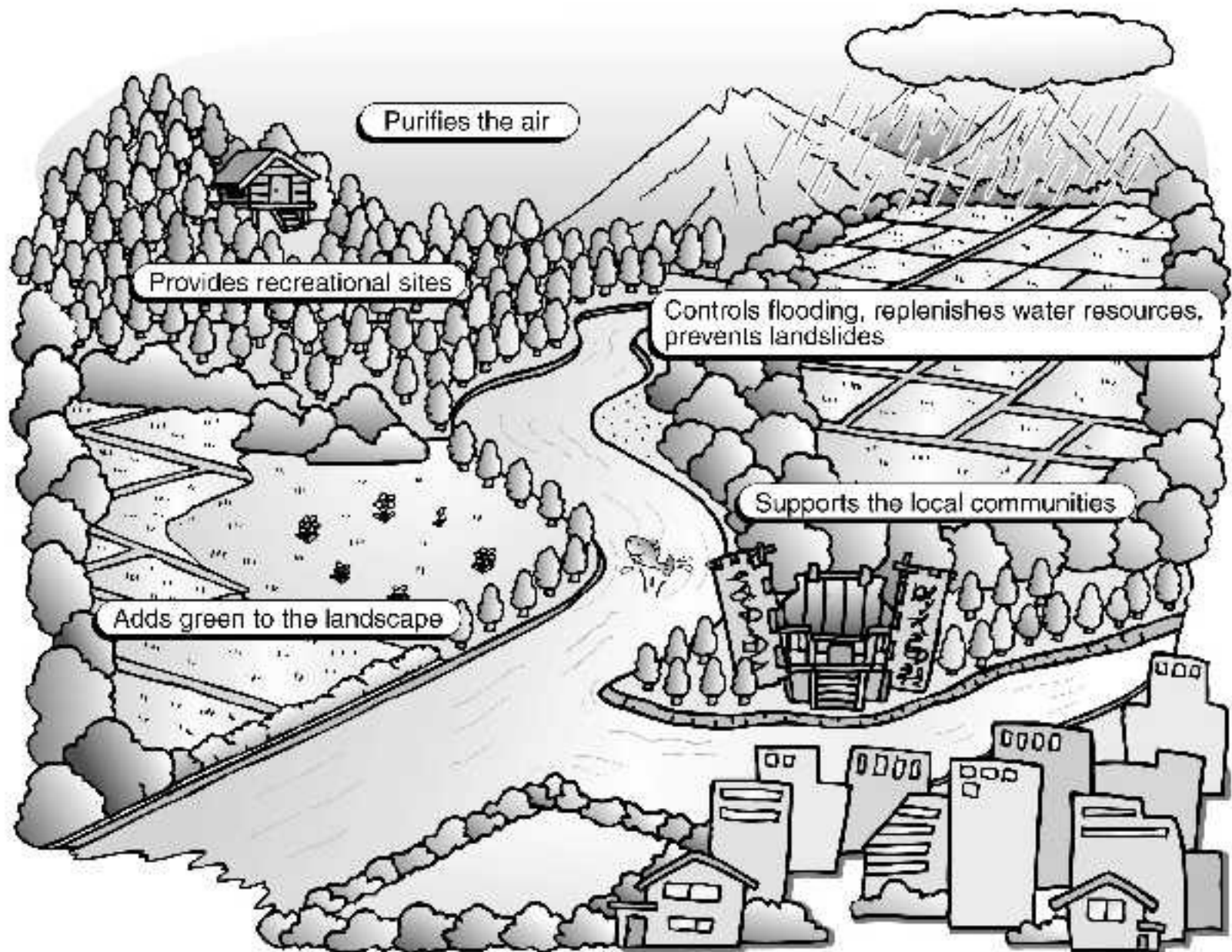
AGENCY OF TERRITORIAL COMMUNICATION

Communication toward the general audience of the area to develop the perception of the positioning (**placement**) or re-positioning of the area (**image**)

GOVERNMENT OF THE AREA

Communication to **all the actors** responsible of the singular component of the territory aiming to promote all the components within **the unique image** of the territory

MULTIFUNCTIONALITY OF THE TERRITORY



MULTIFUNCTIONALITY OF THE TERRITORY

The offer is **heterogeneous** for the multiple use functionalities

The territory is capable of satisfying multiple needs of very different users

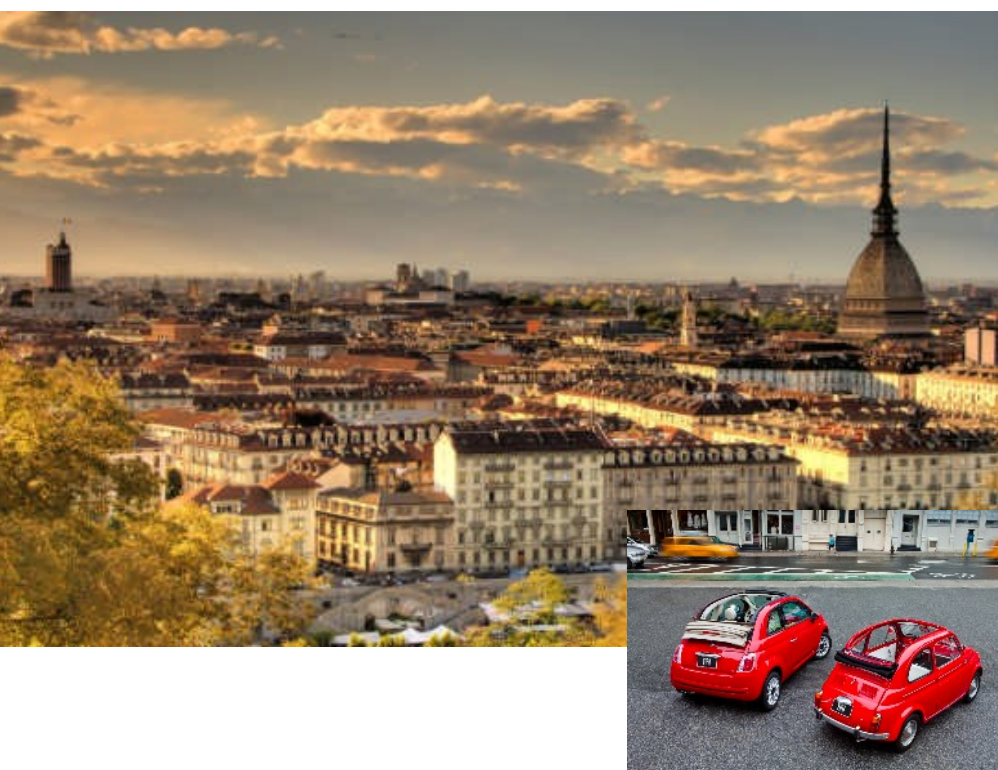
The image must be perceived as different by different users (demands)

DIFFERENT PERCEPTION IN RELATION TO DIFFERENT USES

TOURIST IMAGE

PLACE FOR WORK

ARE THIS TWO IMAGES CONFLICTING?



ARE THIS TWO IMAGES CONFLICTING?



ARE THIS TWO IMAGES CONFLICTING?



STRATEGY OF COMMUNICATION

Efficacy of communication is based both on:

GENERAL LEVEL

Target: develop a global positive perception of the place, the singular component and the products of all the productive sectors

DIFFUSION OF THE AMPLEST TRUST ON POTENTIALITIES

OPERATIVE LEVEL (ANY OF THE FUNCTIONS OF USE)

Target: valorization of a well defined function of use toward selected categories of users interested in specific elements

NEED OF A STRONG COORDINATION

VERTICAL, the image must be at least coherent to the principal features of the territorial offer

HORIZONTAL, the singular images of the components must be coordinated

STRATEGY OF COMMUNICATION

CONCEPT AND IMPLEMENTATION MUST BE COORDINATED

If the offer is extremely diversified you may face two order of problems

1. **PROBLEM**: which is the **boundary** of the territorial image?

Often the same boundary of a territory is confused

You must delimitate the boundaries of the communicated territory

(receptivity-image)

Rimini-Romagna

Sicily-Taormina-Palermo

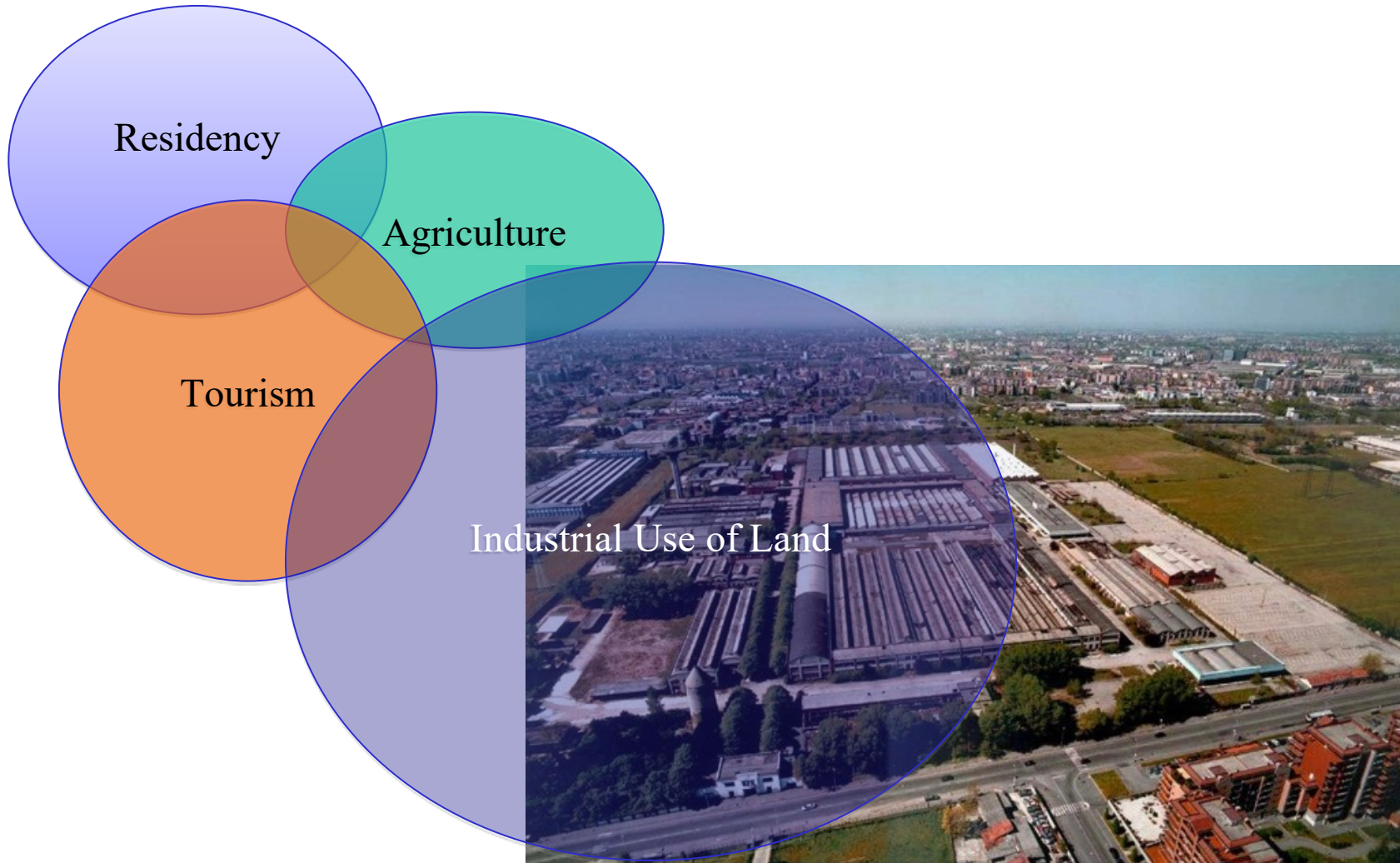
Dolomiti-Alto Adige

2. **PROBLEM**: reciprocal **OBSCURING** of industries (activities) and territories

CONCEPT AND IMPLEMENTATION MUST BE COORDINATED

A product-territory (industry) may **overwhelm** another product-territory (residence)

Shadow Effect: obscuring one another due to different perceived image



SHADOW EFFECT

Positive: the favorable image of one component induce a global positive image of the other ones

Negative: the unfavorable image of a component depress the rest of the territory components

Florence



SHADOW EFFECT

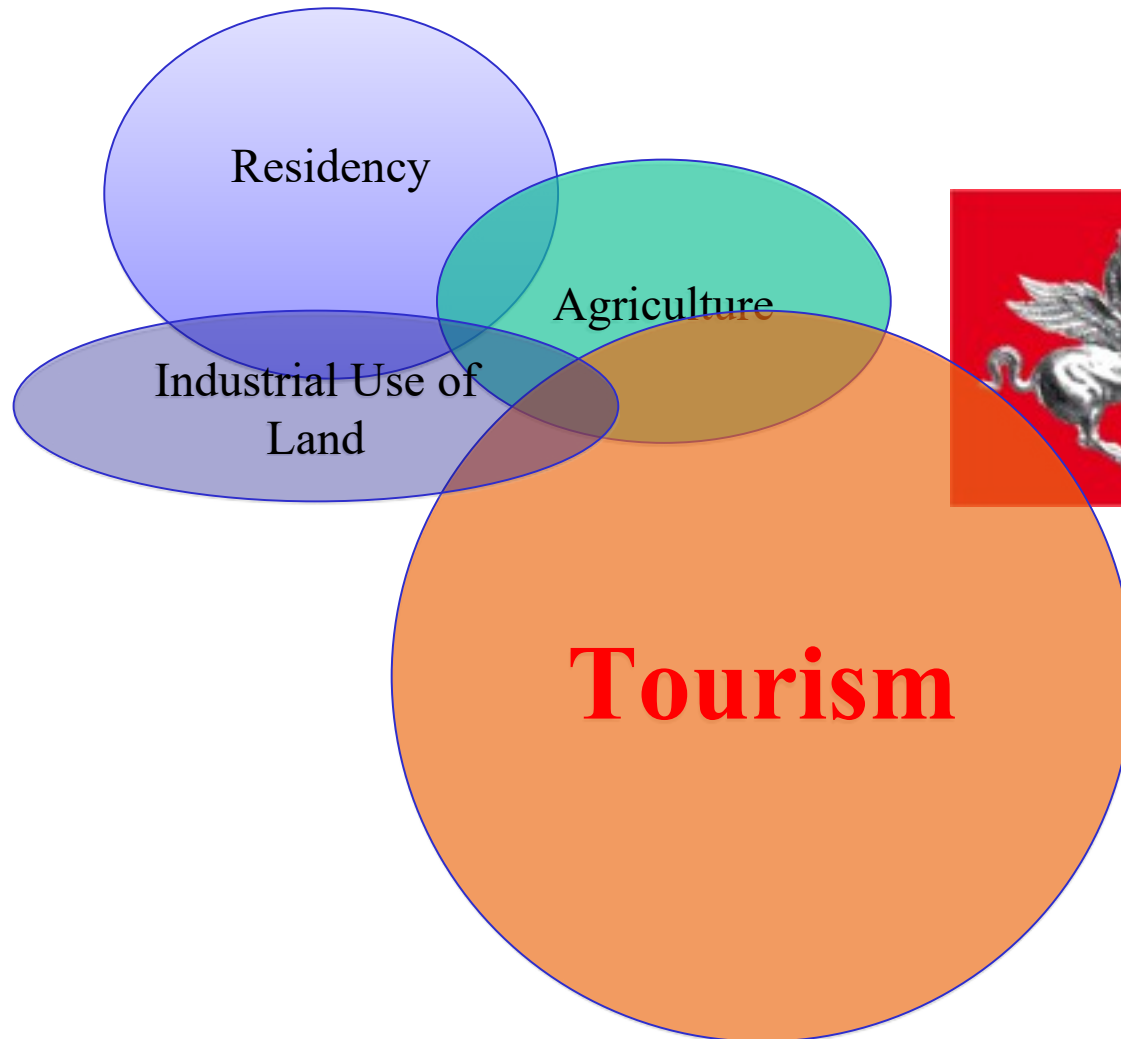
Positive: the favorable image of one component induce a global positive image of the other ones

Negative: the unfavorable image of a component depress the rest of the territory components

Florence



PROMOTING THE ATTRACTIVENESS OF A PLACE MEANS ENPHASIZE SOME AREAS AND HIDE SOME OTHER ONES



Regione Toscana



STRATEGIC COMPETITION

The shadow effect strikes even the neighboring areas

The strategic communication must consider the actions of neighbors

Rimini-Senigallia

Marche-Romagna

Marche-Abruzzo

Marche-Toscana

Positive: positive image of neighbors help the close territories

Negative: the opposite (obscuring affect)

The communication chooses to **emphasize** the components capable of valorizing the image following the strategic vision

(image as a cognitive drive for the purchase)

TARGETED EFFECT OF COMMUNICATION

(image as a cognitive drive for the purchase)

- **Identification**
- **Adhesion**
- **Action**

Identification effect

Are necessary: disposability of a SET of information on the tangible and intangible of the territorial offer.

- **Notoriety**, fame and placement on the Target Demand
- Major or minor attitude to the **placement** toward a demand
- **Perception** of the target demand of components (intangible and tangible)

Search on **key-informants** (*Audit*):

*Identification of qualitative **dimension** of the audience on the place image definition of extreme conditions*

*Definition of a qualitative **rating scale** for assessing the value of the perception by audience on any of the image dimension*

*Survey of the target audience **perception** using questionnaires and stats (variation) of answers*

Mean = average of data

Variance = dispersion index, distance of data from the mean, assesses the focusing degree of the measured dimension. Low variance (**means are feasible**)

Identification effect

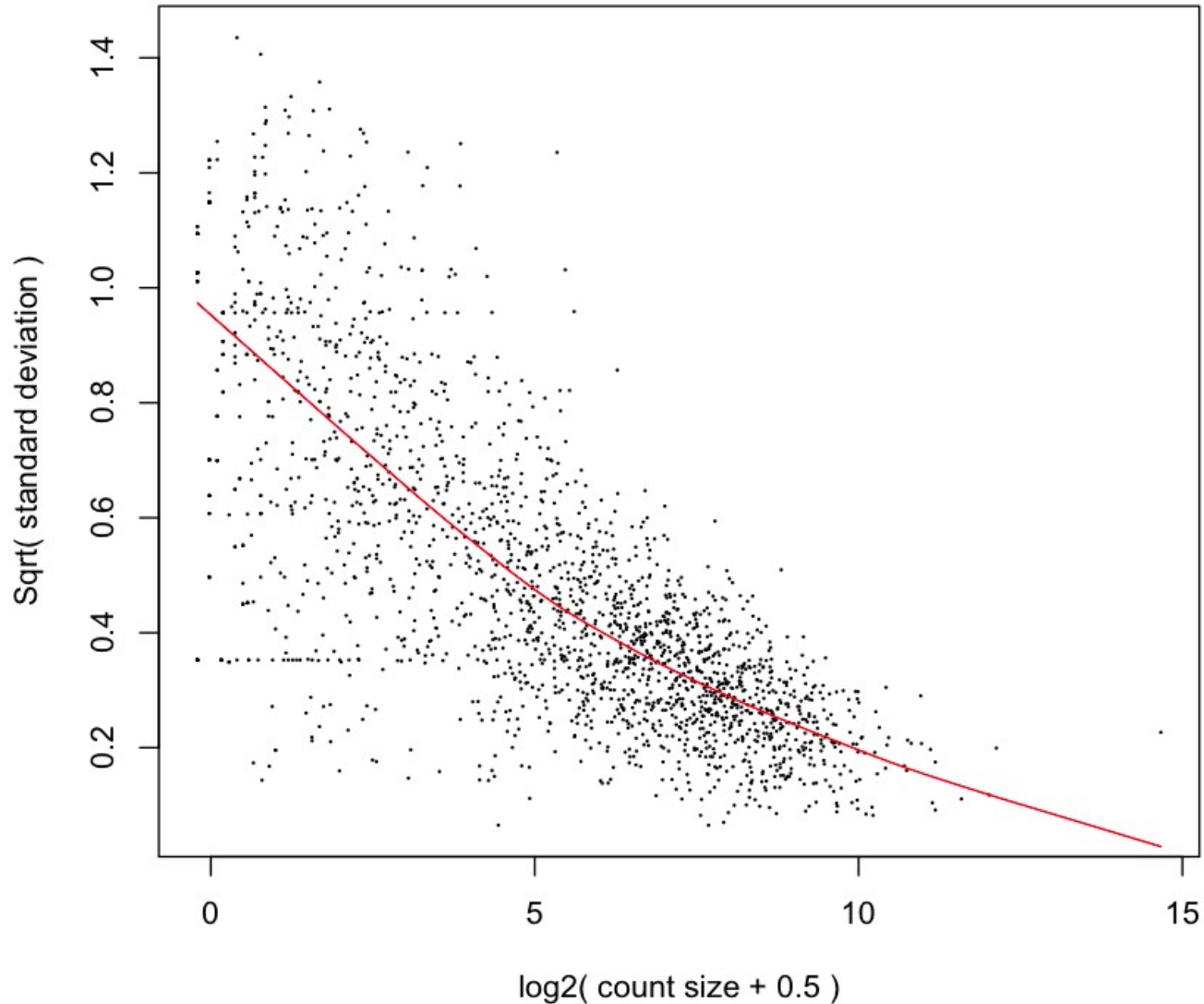
Place Image

	1	2	3	4	5	
Innovative					*	Traditional
Fashion	*					Discreet
Young				*		Family
Exspensive		*				Cheap
Glaring					*	Sober
Amusing				*		Relaxing
Artificial					*	Natural
Elegant			*			Simple

Rating scale for the assessment of the perceived place image of a destination

Mean = average of data

Variance = dispersion index, distance of data from the mean, assesses the focusing degree of the measured dimension. Low variance (**means are feasible**)



Design of a communication plan for the **Identification** of a place

After the analysis of the **wanted** image you can design a communication in order to make the place identifiable (globally or per any component)

COMMUNICATION DILEMMA:

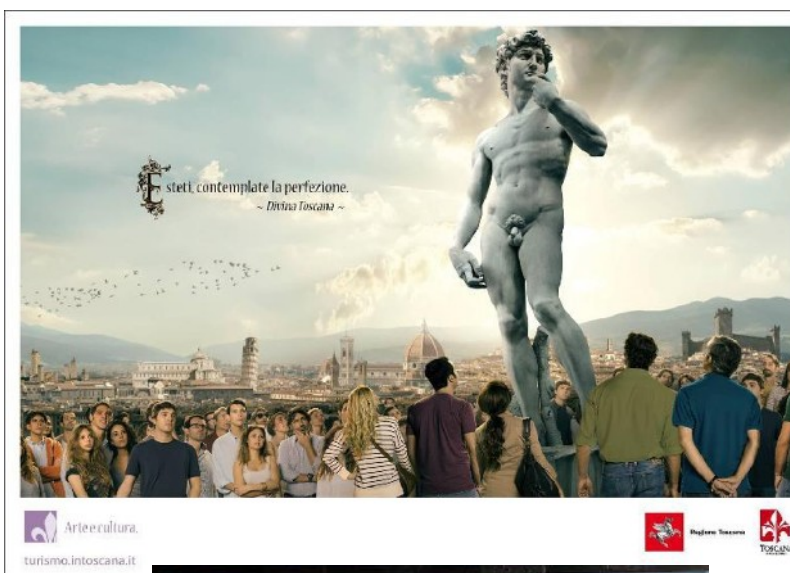
To give **information**: Many news, probably low attention and suggestion

To **suggest**: Few news and a lot of suggestion

The message must be adapted to the chosen and used media



PIEMONTE
NUOVO, DA SEMPRE.



Adhesion Effect

For the consumer to adhere means having a substantial **agreement between his/her needs and the material and immaterial components** of the territorial offer

You must communicate the consonance between **expectations** and **contents**

You can gain adhesion if the communication:

- a. is **linked** to the spirit of place and the material elements of the offer
- b. these elements are soundly **credible** and valuable
- c. says **few** things
- d. communicates **differences**, peculiarities, making the territory unique (**uniqueness**) for the distinction from other competing areas
- e. can have an **emotional** grasp

Adhesion Effect: Uniqueness and Unique Selling Proposition

Your business must possess a **simple**, unmistakable mission, and stand out from other competitors

Your customers can ask you: **Why** should I do business with you, instead of any and every other option available, including that of doing nothing at all? And, what do you uniquely guarantee?

Your answer is your **uniqueness**, so that your value it must be so clear and focused and almost impossible to misunderstand it. It's what you bring to the table that no other business does, or even can.

Your first step in identifying your **Unique Selling Proposition** is to answer these questions:

- Why should I read or listen to you?
- Why should I believe what you have to say?
- Why should I do anything about what you're offering?
- Why should I act now?

Action

That is the final **goal** of the **communication** and depends on the effectiveness of identification and adhesion effects

Then, if identification and adhesion have worked well the action may be:

1. **direct** purchasing of the territory (ex. Decision to traveling or a stay in a destination);
2. starting an **actual relation** between offer and the singular actors of the territorial components (ex. actual assets of tourist hospitality)

Action descends from a **wish** (toward and object which has been recognized and provoked adhesion) becoming willing and avoiding the market alternatives (switching behavior)

Switching behavior vs Territorial Brand Commitment

Action: switching behavior

Consumer-**switching** behavior refers to customers abandoning a product or service in favor of a competitor's.

For example, a customer might move funds from one bank to another if she is dissatisfied with the customer service at the first.

Consumer-switching behavior is an ever-present danger for a business—if you don't keep your customers happy, your competitors might directly benefit.

Boredom: In some cases, customers switch simply because of boredom or a desire for something **new**.

Dissatisfaction: Another pervasive driver of consumer switching behavior is dissatisfaction. A customer may find a product or service **inferior** or inadequate in meeting his goals.

Action: brand loyalty and consumer's commitment

Brand loyalty is when a person buys products from the same manufacturer repeatedly rather than from other suppliers

Brand loyalty, consists of a consumer's **commitment** to **repurchase** or otherwise continue using the brand and can be demonstrated by repeated buying of a product or service, or other positive behaviors such as word of mouth advocacy.

Relationship Marketing

Trust: a concept related to a customer's willingness to rely upon a firm's actions and behavior in the future.

Commitment: a concept mostly related to a relationship where two parties will be loyal and will show stability to each other.

Relationship: a concept related to the types of relationships that might exist between a buyer and a seller.

Action

The choice become definitive when:

1. The offer of the territory must be perceived as **superior** by a sufficiently big segment of consumers
2. The offer of the territory must be **loved** by customers (focused interest)
3. The offer of the territory must be **integrated** in a social net
4. The territory has a clear **willingness to invest resources to create some tribes of fans**

Communication Tools

1. advertising: impersonal presentation of the territorial offer made through a paid identified subject (TV, newspaper, radio...)
2. commercial: communication tools which tell the territorial image in a short way (claim, visual symbols, people...)
3. public relations: planned activities creating knowledge, trust, lobbying, press agency
4. direct marketing: direct contact to potential customers, if *one-to-one* relations are possible
5. events, mega events, flagship events...