

1st EFIMED Seminar  
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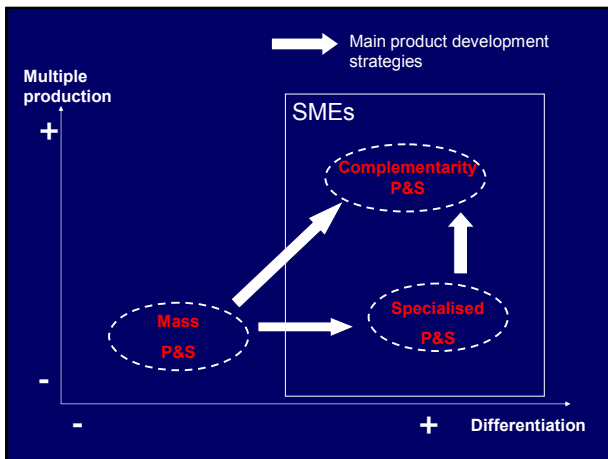
## THE ROLE OF NETWORKS IN NWFP&S MARKETING

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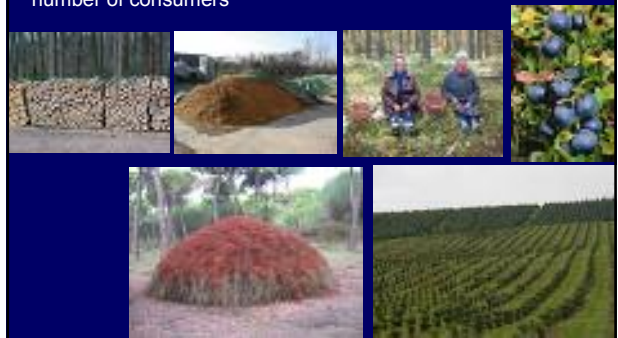
## Outline

- NWFP&S classification:
  1. Mass products and services
  2. Specialized products and services
  3. Complementary products and services
- The role of networks in complementary NWFP&S: a conceptual framework
  - 3 network typologies
- Conclusions



## 1. Mass products and services

Products and services that are **not differentiated**, for a large number of consumers



Which marketing mix?

- 4 Ps
- Products: quality assurance, standardization
  - Place: logistic (JiT), packaging
  - **Price: cost minimization**
  - Promotion

- 2P
- Political power
  - Public support/participation



## 2. Specialized products and services

Typically products and services **well differentiated**, often available in relatively **limited quantities** (e.g. specialties like truffles) for a target market.

Which marketing mix?

- 4 Ps
- **Products:** quality assurance, certification, packaging, links with a territory or/and a local tradition
  - Place
  - Price: selling system
  - **Promotion:** e-marketing

- 2P
- Political power
  - Public support/participation

## Some examples: certified chestnuts

marron from Castel del Rio, marron from Mugello, chestnut from Monte Amiata, chestnut from Montella

### Certification under EU regulations

- Registration of Protected Designation of Origin (PDO) (Reg. 2081/92)
- Protected Geographical Indication (PGI)
- Traditional Speciality Guaranteed (TSG) (Reg. 2082/92)



### Organic production (Reg. 2092/91 and IFOAM)

Marron from Mugello-Fano in Garfagnana



**850 grammi a 52000 US\$**  
notizie del 12/11/2004

Barbieri di Mugello (Firenze).  
Tra i cibi italiani più famosi al mondo per il suo gusto, marron (castagne)  
Se li cogliessero un ristorante di lusso che era in competizione con uno di New York.  
Il prodotto della vendita andranno in beneficenza  
Un tubero bianco toscano da 500 grammi è stato venduto per 52 mila dollari, record mondiale, a un ristorante  
londinese che si chiama "Giffoni".  
La corsa al rublo è stata entusiasmante, con il colosso americano via azzolito con il ristorante "The Italian Wine  
Merchant" di New York.  
L'asta ha avuto il patronato della Regione Toscana, dell'omonimo toscano e delle province di Arezzo, Firenze, Grosseto, Pisa e Siena.  
In tutto sono stati raccolti 200.700 dollari che andranno all'Ospedale pediatrico Meyer di Firenze, alla fondazione  
inglese Children in Crisis di Savoy Park e alla fondazione Franklin di New York.  
Fonte: Il Corriere della Sera

## Canopy forests



Hübner, L.; Lässig, R., 2005. Im Erlebnispark Wald die Vielfalt von Holz und Natur erfahren.  
- Wald Holz 86, 10: 45-48

## Art exhibitions in forest areas



Arte Sella  
([www.artesella.it](http://www.artesella.it))

## Ecological burial services and memorial forest parks



## Specialized products and services

→ good income opportunities for a single enterprise  
(= they give the possibility of premium prices)

Sometimes good links with a local natural resources, but often:

- seasonality
- exogenous investment
- no relevant impacts on the local economy
- specialized use of the forest resources (limited multi-functionality)

### 3. Complementary products and services

= those specialized NWFP&S that can be sold and used in strict association with other, due to the synergies deriving from their **conjoint marketing**.

Different links among products and services.



A crucial role of networks

"Network: a mode of organization that can be used by managers or entrepreneurs to position their firms in a stronger competitive stance"

### Network definition in relation to time and place

#### a. Time:

- "Short-term" (opportunistic) network
- "Strategic" networks: long-term, purposeful arrangements among distinct but related organizations that allow those firms to gain or sustain competitive advantage vis-à-vis their competitors outside the network (Carlos Jarillo, 1988).

#### b. Place

- Not territory-based networks (e.g. national association of beekeepers)
- Territory-based networks = networks among producers having a specific common territory (e.g. a valley, a municipality, a region)

→ new branch of marketing: **territorial marketing**.

### Territory = "common denominator"

- to create a consistent portfolio of products and services
- to bundle marketing efforts for their coordinated promotion

Very common tools for linking various products and services are trails, roads, itineraries or pathways which go across a territory (e.g. "Strada del fungo porcino" – the stone mushroom road; "Strada della castagna" – the chestnut road).

### An example of territorial marketing: Umbria region and the black truffle



Willingness to cooperate among private operators

Private/public partnership in promotion

The basic idea: we sell the product, but also the associated history, monuments, events, farm tourism, ...

<http://www.umbriadoc.com/eng/prodotto/picco/generale/prodotto/picco-ortufo.htm>

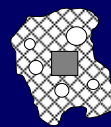
**Törggelen holidays: few days-one week holidays based on**

- roasted chestnut +
- walnut +
- new red wine tasting +
- speck and the meat

organized in South Tyrol

[http://www.wanderhoteleuropa.com/it/wandern/angeb01\\_05.html](http://www.wanderhoteleuropa.com/it/wandern/angeb01_05.html)

### Main typologies of networks in NWFP&S marketing



(a)

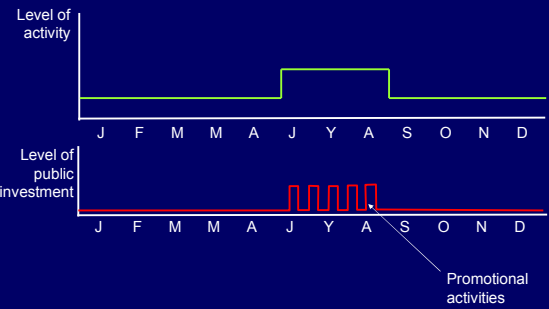
Concerts organized in a forest

- = the territory
- ● = NWFP&S / products and services from other sectors
- ■ = marketable / non marketable products and services
- ■ ■ = size connected to no. of consumers or level of sales (profit)

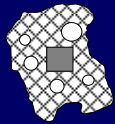
## Concerts in forest



Concerts of classical, ethnic, etc. music by famous national and international artists organized in July and August in the Trentino region.

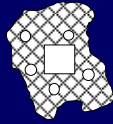


## Main typologies of networks in NWFP&S marketing



(a)

Concerts organized in a forest



(b)

Forest adventure park



= the territory



= NWFP&S / products and services from other sectors



= marketable / non marketable products and services

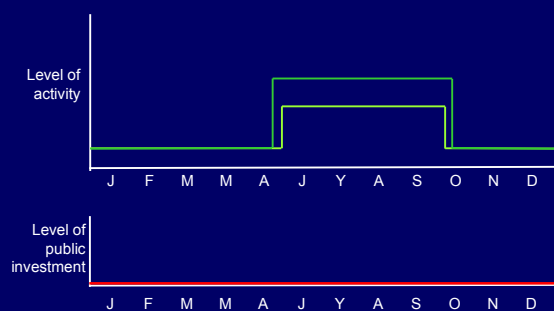


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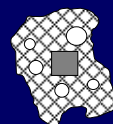
## Forest adventure parks



[www.jungleadventure.it](http://www.jungleadventure.it) / [www.sellaneveaparco.it](http://www.sellaneveaparco.it)



## Main typologies of networks in NWFP&S marketing



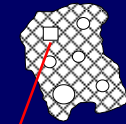
(a)

Concerts organized in a forest



(b)

Forest adventure park



(c)

"the Valditaro Boletus mushroom"

NWFP = a "imago" product for the territory



= the territory



= NWFP&S / products and services from other sectors



= marketable / non marketable products and services



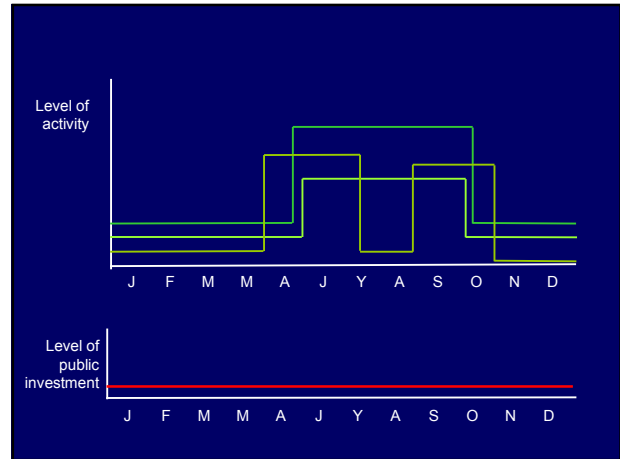
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<http://www.fungodiborgotaro.com/default.htm>

<http://www.fungodiborgotaro.com/default.htm>

**Daily permit: 15 Euro (for 3 kg max)**



	From complementary	to specialized	and	to mass NWFP&S	
<b>Type of links</b>	Main role of trust-based links	contractualization	Vertical and horizontal integration	consolidation	One/few large companies
<b>Role of the territory</b>	Strong dependence		Dependence		Relative independence
<b>Local people engagement</b>	Social capital playing a major role		Intermediate conditions		Predominant role of exogenous financial and entrepreneurial inputs
<b>Innovation policy</b>	imitation, learning by doing, adaptive innovation		Intermediate conditions		Structured R&D, patent seeking innovation

## Conclusions

Network and complementary NWFP&S: which marketing mix?

**4 Ps**

- **Products:** strong links with a territory or/and a local tradition; a good "basket" of different products and services
- Place
- Price
- Promotion

**2P**

- **Political power:** partnership (Leader approach)
- **Public support/participation:** social capital (i.e. the capacity to cooperate among private and public actors)

A reference model for rural development policies aimed to a multifunctional use of forest resources and to community stability.