

Project
“Adriatic Danubian Clustering”

The ADC Territorial Marketing Strategy

Maribor Development Agency

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1. Introduction

The territorial marketing can be understood as a set of marketing activities undertaken by cluster supporting organisations within the framework of the process of strategic planning.

The purpose of this paper is to explain the concept of the ADC Cluster Network marketing as well as to present the state of implementing the network marketing in the ADC area and the tendencies that can be recognised in this area.

This Territorial marketing strategy for the ADC cluster network lays out what partners will do to improve the networks image among key audiences whose perceptions, and the choices they make as a consequence, have a significant impact on the health of the economy. There is a tremendous will in the ADC area to do something about clusters image challenge and, increasingly, recognition that this image need to concern us. In the end we need our own response to the challenge which is set out in this document.

The document was elaborated on the basis of regional marketing plans of individual project partners as well as based on outputs of several meetings of project working groups and sectoral working groups. One of the main guidelines for elaboration of the document were also the opinions expressed by individual cluster managers and cluster members that participated in the ADC project implementation.

The ADC network is representing an excellent example of mobilising support for entrepreneurial cooperation in the strategic productive sectors of South East Europe. The ADC cluster network objective is to go beyond the existing similar productive specialisation among companies in the Adriatic–Danubian area and to strengthen the territorial marketing of the Adriatic – Danubian compound in the global economy by realizing more of its productive skills through the establishment of sectoral cluster networks, suitable to enhance the effective integration of the more competitive transnational value chains and to reduce regional disparities, also by fostering the attractiveness of the area for FDI. Furthermore, the aim of the network is to enhance the knowledge on the potential for transregional cooperation and to promote it, granting greater visibility of clusters in the area.

2. Vision of the ADC marketing strategy

The Multiannual Financial Framework (MFF) of the European Union focuses *inter alia* on the need of further internationalization of SMEs and of connecting Europe in more effective and sustainable terms of reciprocal visibility and accessibility.

Still a substantial contribution is expected from clustering approaches and from Local Productive Systems (LPS) shaping cluster assets for the sake of strengthening their role as drivers of smart specialization and building blocks to foster regional development and also rural innovation. Clusters are expected to implement their full potential as *triple helix* laboratories and to assess their capacity to shape a winning dimension for the place based cohesion policy. In so doing clusters of excellence already showed the ability of redirect, at least partially, the distortive concentration of foreign direct investments into mostly central capital assets.

The context analysis performed by the partnership of ADC project and the actions implemented along the project time span until the recent data collected for the purpose of this marketing strategy of the Adriatic – Danube Clusters confirm the importance of foreign trade relationship in the region, but also their difficulties in recovering the dynamics recorded “before Lehman”. Even, both the productive and services integration achieved until the first half-year 2008 and the migration flows that are feeding the common culture and fate of Central and Southern Europe are structurally in place, whereas new opportunities of common growth are arising from newly wide spread factors like the upgrading of the ICT infrastructure or of the tourism landscape, the technology jump forced by the challenge of climate change and the slow but standing improvement of the transport infrastructure.

While national policies are discussing the models of economic recovery, firms and employment remain under scrutiny, it is not justified the somewhat minor attention paid to the global competitiveness of this region encompassed by the Adriatic Sea, the basin of the Danube and the Black Sea, which includes new member states, EU potential entrants of South Eastern Europe and also countries of the New Eastern Neighbourhood. The impressive upsurge of the past years in trade and financial flows, direct investments, labour movement and a certain coordination of strategic infrastructures substantially deserves a rejuvenation of strategic attention. While striving for the economic recovery, the conditions for the resurgence of growth are coming to the forefront particularly for the possible role of this European region in the global economy.

Central and South Eastern Europe has been a thriving area during the period 1994 through 2008 for the European Union, but particularly for neighbouring countries like Germany, Austria and Italy. Will be the Region able again to generate growth rates of 5% and more, as in the recent past? Under which conditions? What has to be done to contain the decline and to restart growth in the changed scenario of the global economy? Was convergence delivering a real development going to overcome the regional dualism, or was it just the transient result of a larger process of financial integration? Can the Region rely on stronger domestic growth factors, or do its growth perspectives hinge only on the revival of global demand?

The more recent records of 2nd half-year 2011 show that the tightening of European Monetary Union negatively affects the CEE and SEE exports, but the economy and the industrial production hold; also the bank deleveraging is softer as in 2008 – 09, even if the credit liquidity relies only to domestic deposits; anyway the portfolio investments are still 60% of capital inflows and highlight the standing attractiveness of the productive assets of the Region.

To increase the potential of a region that is already so integrated across borders needs to account of the differences that still remain. Now that the transition to the market economy is over, policies and institutions are required to make sure that the region will be fitted to compete in the global economy. To address these benchmarks there are many areas of intervention: the conditions of the labour markets; the development of human resources; the state of logistics and accessibility within the territory; the entrepreneurial culture; the degree of research and the ability for technology transfer; the scope and effectiveness of local governance; the deployment and implementation of EU's horizontal principles. All these conditions are strategic for repositioning of the region in the global economy.

The material basis for catching-up is within the growth factors that stand up during the period 1999 - 2008. Productivity indexes were prompted by the European industry policy and the opening up of the domestic markets. The economies of the Region were driven and at the same time contributed to the EU growth. Strength and weakness of the area before the crisis blended into anyway upper degrees of socio-economic integration. Long transnational supply-chains, featuring cluster economies besides of their institutional organization and social awareness fitted their spatial patterns. Income structure, trends and income distribution changed the household consumption.

The development of trade between the EU15 and its Eastern neighbours (and within Italy, Austria and Germany and the Central and South Eastern region in particular) performed over the rates of trading with other regions of the world economy (i.e. Eurozone – USA - Chindia). Notwithstanding of this, the existing gaps in the *per capita* export rate, by country and by sector, witnesses of a market failure in the more effective economic integration of the Region and of an unexploited potential of further “regional” increase of exchange of goods.

The domestic factors of competitiveness are now coping with new arrangements on the global market. The impact of EU and national industrial policies in the region are no longer self-sustained by the opening up of their markets themselves. A new degree of implementation of the freedoms of the EU Internal Market is needed, by overcoming hidden technical barriers and sharp discrepancies in the application of EU Directives. Business demography and business mobility are fading.

Hence the business environment and the regional systems of firms need a renewed input of policy briskness: clusters and industrial districts have a future only with a substantial public support, mostly in pure regulatory terms, to their innovative approaches and opportunities. Here is the well for the evolution of inter-business relations into cross-cutting, structured business networking for the repositioning of the LPS in the international division of labour. These way new economic relations with the BRICs and with other producers of raw materials

and semi-finished products and components, including Africa, can support the global competitiveness of the region and prompt the incoming of non-EU FDI.

The Adriatic – Danube – Black Sea region is still strategic for the EU only if it is integrated and competitive as such in the new global economy: but new lines of governance by sector and by topic are needed. These dynamics deserve to manage the relationship between turnover and trends of productivity indices for the competitiveness of various productive sectors, of country-systems and of wider sub-regional areas, based on different aggregation levels between firms, sectors, clusters, local networks and transnational companies. Low wages are no longer a structural asset. For all countries growth is increasingly related to the development of new technologies, new products and to the formation of human capital, prompted also by the application of higher standards of products and consumption. Crucial is the relation between knowledge policy and intellectual property.

Yet a number of issues remain open to innovative policy approaches like:

- the connection between R&D and financial institutions;
- the importance of a public climate friendly to education and innovation;
- the enforcement of competition rules for the growth of smaller dynamic firms size;
- the support to SMEs and start-ups for the access to international trade;
- the accessibility of a wider and improved technology basis.

The recent trends in international trade signal the need to develop internationalization strategies based on original combinations of cost, productivity and the quality and sustainability of the product. New approaches are needed to single out the relation between and among LPS', clusters' and firms' strategies, industrial dynamics and the comparative/competitive advantages of countries on international markets. Also the understanding of the relationship between the competitive dynamics on financial markets and the division of labour among firms under outsourcing are highly relevant for the effectiveness of marketing strategies.

The issue of connecting/accessing infrastructures is still an important challenge to be faced by the European Union. To increase Europe's accessibility while limiting the social, energy and environmental pressures caused by transport challenges at the same time the regional economies and their transport systems, still in the need of better integration. The objectives of an international strategy of infrastructural accessibility are a lever for connecting the territories of the Adriatic – Danube – Black Sea region by reinforcing sustainable mobility. Achieving a logistic balance between mobility, accessibility, energy saving and environmental impact still proves to be a difficult task.

The endeavours of the partners of ADC project to assess the current trends of economic performance of their clusters context prove furthermore the need for a better fine-tuned system of development indicators on the regional processes of growth and innovation in order to allow to measure research, technology transfer and human capital evolution.

3. Definition of the Territory



13 partner regions from 9 different SEE countries have established the Adriatic Danubian cluster network. A short description of EU 25 partner regions is given below.

Veneto Region

Territory

The Veneto Region measures 18,379 square kilometers and is the eighth largest in Italy. In 2010, the Veneto, with 268 inhabitants per km² is located at 4th place ranking of the European NUTS-2 population density.

Economic profile

The Veneto is a region rich economically, ranking on levels of European countries with the highest GDP per capita. Veneto region also holds the same position for the indicator of disposable income per capita.

The Veneto region is one of the most internationalized of Italy and the EU, thanks to the results obtained in the exchange of goods and services, in direct investment abroad and in the number of Veneto-based multinational companies. The main exports sectors are industrial machinery, metals and metal products, electrical appliances, precision instruments, clothing and food.

In 2011 the number of active enterprises was 455.927. The industry in Veneto is dominated by small-medium companies (almost 90% have up to 5 employees) specialized in the food, textile, footwear and furniture.

The Venetian production system is characterized by excellence in innovation and technological knowledge. Significant is the emergence and development of several centres of research in view of a dialogue with the high-tech companies.

Friuli Venezia Giulia Region

Territory

Friuli-Venezia Giulia is an autonomous region with special statute, constituted by the two historic regions of Friuli and Venezia Giulia, comprising German and Slovene minorities.

The Friuli Venezia Giulia region covers an overall surface of 7844,32 km² and is divided into the four provinces: Trieste (capital of the Region), Udine, Pordenone and Gorizia. The structure of the territory is: mountain 42.6%, hill 19.3% and plain 38.1%. The regional population amount to 1,236,000 people.

Economic profile

Friuli Venezia Giulia is one of the most developed areas of Northern Italy and has contributed, together with other Regions of the Triveneto area, to establish the so-called “North-East model”, characterised. The model is characterised by the presence of industrial districts, areas where businesses specialised in the various phases of single productions are concentrated and integrated. Consolidate districts: in Manzano (Udine) for the chair, Brugnera (Pordenone) for furniture, Pordenone for thermodynamics and components, Maniago (Pordenone) for cutlery, San Daniele del Friuli (Udine) for food and, in particular, the production of ham.

There are other emerging districts, in the sectors of technologies and advanced services: electronics/telecommunications, bio-nanotechnologies, naval-mechanics, logistics, insurance. The production system of the region Friuli Venezia Giulia mainly consists of small and very small sized enterprises (the average size in is about 4.1 employees) and, in 2010, the number of “operating” companies was 98.464.

The European market is absorbing about 74.6 % of the total exporting in the Region FVG. After the crisis the Region is increasing very slowly the level of export and in the first 6 months of 2011 the regional export registered better performance than national data, +19,3% against +18,4%..

Emilia Romagna Region

Geographic Position

Emilia Romagna is situated in the centre of northern Italy. The regional territory extends over an area 22.124 km² and the population of the region is 4.275.843 inhabitants (2008).

The territory is administrated by the Emilia Romagna Region and 9 provinces which are Bologna, Ferrara, Forlì-Cesena, Ravenna, Modena, Parma, Piacenza, Reggio Emilia and Rimini which have been subdivided in 341 local councils.

Economic profile

The productive system is characterized by the dominance of small and medium size enterprises. In fact, the over 430,000 enterprises in the region give evidence a formidable entrepreneurial attitude. Individual dynamism is combined with spirit of association and co-operation; there is a high rate of business association's membership of firms, as a high participation of workers to trade unions. There is also a very important co-operative movement that plays a crucial role in some specific sectors: agriculture and agro-food industry, construction, retail, transport, other services. The enterprises are organized in well structured supply chains, business networks and relevant industrial clusters. Despite this productive structure based on SMEs, the region had a strong development in the last decades keeping high level of competitiveness and wealth both the national and European level, based on very strong export propensity and innovation dynamism. Actually, the export propensity of the Region is over 34% of GDP, and the average number of industrial patents per million inhabitants is the highest in Italy. It means that there is a strong relationship between innovation capacity and exports.

Molise Region

Geographical features

The territory of Molise extends over an area of 4.437,62 square km, equally divided in mountain area (55, 3% of territory) and hilly area (44,7% of territory), with an average altitude of 631 meters. The flat Areas are very small. To the east it overlooks Adriatic sea, with a low and sandy coast along 35,4 km. Along The Coast There are some flat sections, no more than few wide.

Economy

Molise economy is not much developed compared to the other Italian regions also because of its demographical dimension. Agriculture has an important role for occupation. Industry has started to develop, with a structure based on little hand-craft companies, active above all in agro-food, clothing, engineering and building. There is a lack of real specialized clusters. Industries are grouped in industrial units in Termoli, Campobasso, Boiano and Venafro-Pozzilli. The largest industrial area is that of Termoli where there are industries such as "Fiat Powertrain" and the "Zuccherificio del Molise". Other important industrial is the industrial area of Pettoranello del Molise. The tertiary sector, which absorbs the absolute majority of the workforce in the region (61,4%), is concentrated on the public administration

rather than other activities. As concerns tourism, Molise region has different potentialities thanks to its landscape and environmental integrity. It is inserted in the memorable National Park of Abruzzo, Latium and Molise; there are sites of historical importance. Export activities rest in general low compared with the national export.

The building sector is not developed also due to the long period of flexion of public works in Molise.

A comparison with most developed Italian and European regions which appear similar for productive structure and socio-economic conditions shows that the growth and the competitiveness of local economic system have been stopped by the inadequate resources in research and development and by the reduced use of high qualified staff in the productive system.

Hungary

Geographical features

Hungary is a landlocked country with strategic location astride main land routes between Western Europe and Balkan Peninsula as well as between Ukraine and Mediterranean basin. The north-south flowing Duna (Danube) and Tisza Rivers divide the country into three large regions. The terrain is mostly flat to rolling plains, hills and low mountains on the northern border. Natural resources are bauxite, coal, natural gas, fertile soils, and arable land.

Hungary's labour force of about 4.2 million is highly educated and highly skilled. About two-thirds of the work force has completed some form of secondary, technical or vocational education. Total population is 9,96 million (2011).

Economy

Hungary has become one of the most attractive investment destinations in the region. Over the past few years Hungary is steadily placed among the countries with relatively high FDI performance and high FDI potential.

Slovenia – Podravje Region

Geographical features

Podravje is one of the 12 statistical regions of the Republic of Slovenia and situated in the north-east part of the country bordering to the neighbouring Austria in the north and Croatia on the southern side. On 2170 square kilometers, which is about 10% of the total slovenian surface there are about 320.000 inhabitants which represents 16,2% of the total slovenian population

Economy

The Podravje region still contributes about 13% of the Slovenian GDP and is thus on the second within all Slovenian statistical regions. On the other hand the GDP per capita was 83% of the Slovenian average and 57% of the EU average. The structure of the added value is similar to the one of the overall Slovenian economy which means that the services contribute up to 60% of the GDP.

Slovenia – Primorje Region

Geographical features

The 43 kilometers long coastline of Slovenian Istria has numerous peninsulas and bays such as Piran peninsula and Gulf of Piran, Gulf of Koper and Ankaran peninsula on which is at the same time one of only two nature reserves on Slovenian coast. The inner part of the region is hilly, with various types of landscape, including the most known karst landscape in the Kras region.

Economy

Primorska region is the second most prosperous region in Slovenia after Central Slovenia. The two most important economic branches are transport and tourism, followed by services and industry.

The Port of Koper is the only international port in Slovenia and one of the largest in the Adriatic Sea. It is considered as one of the strategically most important firms in Slovenian economy.

Romania

Geographical features

Romania is situated south-east of Central Europe in the north of the Balkan Peninsula, at half the distance between the Atlantic Coast and the Urals, inside and outside the Carpathians Arch, on the Danube lower course (1075 km) and is bathed by the Black Sea. Total area of the country is 238.391 km². The main features of the relief units are proportionality (31% mountains, 36% hills and plateaus, 33% plains and meadows) and the concentric display of the major relief levels. Population is 21431298 inhabitants (2010).

Macroeconomic Background

Since 2001 there has been an impressive year on year growth in GDP per inhabitant. The increase was driven by strong activity volume, especially in the services, industry and construction sectors. The main factor supporting economic growth was domestic demand, with an average yearly increase of 11.6%, based on both consumption and investments.

In common with other Member States, economic growth in Romania is predominant driven by small and medium sized enterprises. During the period 2000-2005 the overall number of active SMEs grew by 130,432 enterprises (40.7%).

According to the 2011 EU Report on Industrial Policy, manufacturing plays a much bigger role for Romania than for the EU in total (25% vs. 15% of total value added in 2009). As a consequence, Romania ranks among the EU Member States with the highest share of manufacturing in GDP and the lowest share of market services. At the detailed manufacturing industry level, Romania is highly specialised in labour-intensive industries (preparation and spinning of textile fibres, sawmilling, wearing apparel and accessories), as well as in capital-intensive industries (cement), and marketing-driven ones (value-added only; footwear). At the more aggregated sector level, Romania features specialisation in low innovation and education sectors (wearing apparel, leather), but also in medium-high innovation sectors (textiles, basic metals).

Romania's R&D intensity considering its industrial structure is below average and its position on the quality ladder is far below the EU average.

Enlargement of the network

The further development of the network is planned after the project conclusion with enlargement to regions and clusters in already participating countries as well as to new regions, especially to Austria, Slovakia and Greece.

Planned enlargement process will happen separately within the approach of individual 4 networks / selected priority sectors.

4. ADC Cluster Network as a Product

The ADC cluster network is packed and sold as a special kind of commodity. In the case of cluster marketing we must treat the product as so-called megaproduct that consists of many particular material and immaterial subproducts.

One of the criteria for de-composing a megaproduct is represented by the functions that the cluster network performs, so it is possible to separate the 4 networks / selected priority sectors.

The product is also a result of connection of two mentioned types of subproducts: functional (investment) and spatial (elementary region's units). The complexity of megaproduct usually increases with the territorial and administrative size of the network, which consists of more number and more differentiated subproducts.

The product as a whole is usually the generalisation of characteristics of particular subproducts. Standardisation of transregional offer and imitation in order to increase the network's attractiveness diminishes the level of differentiation and enlarges the substitution and competition among the regions. The mega product structure should be optimal in order to achieve the best possible profit for the transnational region.

4.1 Propulsive economic cluster networks on the territory

The ADC Network intends to provide the cooperation in the Adriatic-Danubian area companies and/or clusters that are already formed or are about to be formed – with activities in the following sectors of common interest for all the partners in the project:

1. **The sector of “Food:** processing, preservation and packaging of food products and related technologies;
2. **The sector of “Moder housing”:** this sector includes a multitude of activities meant to create healthy and comfortable living spaces, namely: ecological building materials (“green houses”) and building technologies, technologies for renewable energy sources, electronic household appliances, furniture etc;
3. **The sector of “Logistics”:** storage, packaging, related transport and technologies, ITC applications in the mentioned fields;
4. **The sector of “Mechatronics”:** manufacturing of engines, generators, electric transformers, control systems for industrial processes, mechanical instruments, pumps, compressors, air processing systems and other thermo-mechanical devices, bio-medical technologies, technologies for processing and packaging of textiles, leather, wood; industrial robots and antennae manufacturing etc, added to which are mechanical parts produced by smaller suppliers, specialized, however, in the mentioned fields.

4.2 The mechatronic cluster network

The establishment of the Adriatic Danube Agro-food Cluster with the Agreement signed in Bologna on 26th of October 2011 is aimed mainly to:

- improve know-how in the Mechatronics sector;
- contribute to the integration of the supply chain
- encourage public in investment through public-private partnership;

Mechatronics cluster network has been shaped and developed by gathering different sub-sector or sector specialization in order to provide the widest range for transnational cluster cooperation. Mechatronics sector encloses specialization in Mechanics, Electronics, electrotechnics engineering /equipments Machine building, Power engineering, Control systems, Packaging, Bio-medical technologies, Thermo-electro-mechanics, Heating and Cooling systems

The large extent of subsectors and specialization in Mechatronics sector allow several cross sector linkages and represents a real added value of ADC transnational cooperation. In particular, through Mechatronic cluster network, ADC would like to:

- raise up the visibility of the SEE clusters and emerging clusters landscape for sharing good practices in particular in the fields of improving quality standards and of enhancing sustainable production techniques;
- improve the accessibility and use of Knowledge Based Services (KBS);
- promote SEE technology transfer systems for better sharing innovation sources & RTD results in the Mechatronics;
- ease import & export ties of standardized products between Internal Market, Accession Countries and Central European Free Trade Agreement (CEFTA) member in particular;
- foster the cross-sectoral match-making between potential partners of different specialisations, also for their cooperation in the global market;
- encourage the joint participation in projects financed/co-financed by the EU and by other donors
- support the Centre of Innovation technology in order to strengthen the Mechatronics supply chain and also to enable greater contact between Centres of excellence in the SEE area;
- promote and develop the Intellectual Propriety Right (IPR) among the clusters and companies, safeguarding the inventors;

The ADC Mechatronics Partnership Agreement has been signed by almost 20 companies, cluster organization, public institutions and agencies.

Future network activities will be coordinated by the Regione Emilia Romagna, especially in the first two years of start-up cycle of the network. The coordinator will be responsible for promotion of the network, information exchange, update of information on web platform and promotion of network activities / events.



Bologna 2011: Company visit during the SWG event

4.3 The modern housing cluster network

The establishment of the Adriatic Danube Modern Housing with the Agreement signed in Maribor on 31st of May 2011 is oriented mainly to:

- match the interests for growth of modern housing clusters
- achieve a transnational competitive cooperation between enterprises
- the transfer of know-how and the exchange of best practices
- the provision of technical education & life-long learning on sustainable building and quality for the standing development of human resources;
- the awareness of the importance of a standing innovation process and the functioning of proactive technology transfer systems;
- the awareness of public decision makers towards green housing support policy;
- the improvement of the environmental sustainability of building industry.

ADC Modern Housing Network is intended to support the transnational competitive integration between cluster companies. Here by it is providing clusters and their members a platform for the cross-sectoral match-making between potential partners of different specializations, also for their cooperation on the global market;

Future network activities will be coordinated by the Maribor development Agency, especially in the first two years of start-up cycle of the network. The coordinator will be responsible for promotion of the network, information exchange, update of information on web platform and promotion of network activities / events.



Banja luka 2011: Conference at the occasion of modern housing SWG meeting

4.4 Agro-Food Cluster Network

The establishment of the Adriatic Danubian Agro-food Cluster Network, with the Agreement signed in Sofia on 15th of June 2011, is aimed mainly to:

- matching the interests for growth of agro-food clusters;
- establishing new commercial connections across the SEE Countries;
- providing a platform for the cross-sectoral match-making between potential partners of different specialisations, also for their cooperation in the global market;
- fostering the capacity building of sector-specific territorial governance in the frame of rural innovation policy for branding the production of integrated compounds;
- contributing to the best practice exchange and mutual learning on food security and quality standards;
- increasing food production sustainability.

The aim of the ADC Agro-food Network is to support the transnational competitive integration between cluster companies in order to overcome the lacking reciprocal knowledge of the possibilities of entrepreneurial cooperation, as far as access to innovation, human capital development, supply chain exchange, phase specialization and joint initiatives on global market are concerned.

Future network activities will be coordinated by the Bulgarian Economic Forum (BEF), especially in the first two years of start-up cycle of the network. The coordinator will be responsible for promotion of the network, information exchange, update of information on web platform and promotion of network activities / events.



Cheese production in Veneto region

4.5 The logistic cluster network

The establishment of the Adriatic Danube Clustering Logistics Network - with a letter of intent to be signed in Budapest on 23rd of February 2012 - aims to fulfil the expectations and to match the interests for growth of Logistics clusters and company networks, their stakeholders and the companies therein by providing facilities to:

- the establishment of new trading connections across the SEE Countries;
- increase the visibility of the SEE clusters and emerging clusters landscape for sharing good practices in particular in the fields of improving quality standards of services;
- promote technology transfer for better sharing innovation sources & RTD results in the Logistics;
- support the co-operation in the Internal Market, Accession Countries and Central European Free Trade Agreement member, in particular the cross-sectoral match-making between potential partners of different specialisations, also for their cooperation in the global market;
- foster the participation in projects financed/co-financed by the EU and by other donors;
- create and update a common web platform supporting logistics co-operation (all partners should provide necessary information on a regular basis), which contains information about the recently available exact co-operation opportunities.

The ADC Logistics Network is intended to support the transnational competitive integration between cluster companies. It is providing clusters and their members a platform for the cross-sectoral match-making between potential partners of different specializations, also for their cooperation on the global market.

Future network activities will be coordinated by the Hungarian Investment and Trade Agency (HITA), especially in the first two years of start-up cycle of the network. The coordinator will

be responsible for promotion of the network, information exchange, update of information on web platform and promotion of network activities / events.



Budapest 2012: Signature of the Letter of intend for logistice SWG

5. The territorial marketing

5.1 Application of the marketing tools on the Territory

The analysis of the ADC Cluster Network permits the sector opportunities to be identified to be able to attract new projects and investments into the ADC area and to aggregate and strengthen the clusters already present in the territory. Therefore, it is necessary that project partners are orientated towards the business cooperation, developing a clear strategy with clear milestones and able to manage the problems and rapidly supply information/solutions.

In this context, the marketing strategy must promote the image of ADC network making it visible and exploiting the quality factors of the offered services with the objective of attracting the business cooperation and directing it towards the trans-national opportunities of the ADC cluster network.

The main task from this point of view can be assigned to the promotional body that can act as a centre for collecting and broadcasting the trans-national cooperation opportunities.

5.2 Success factors for the ADC cluster network development

The variety of cluster types and the framework conditions for their transnational cooperation make it clear, that there is no unified cluster development concept. However some fundamental success factors of cluster network development can be defined:

- involvement of all relevant stakeholders - multiple levels of government and public agencies, companies, educational and research organisations (triple helix) and facilitates personal relationships and mutual trust as a precondition for successful cooperation;
- common vision and strategy must be shared by all stakeholders.
- specific barriers of companies must be addressed as well as focus on most promising international technology and market development perspectives,
- development and implementation of adequate and concrete actions must be provided, providing a clear value added for all stakeholders, especially for the companies;
- the strategic capabilities of main regional actors must be in line with the cluster strategy,
- promotion of the network by an experienced coordination with professional competences shows high transparency, clear communication and efficient and effective governance;

Initiatives that don't take into account these success factors usually face the problem of sustainable cluster network development. The following general failures mistakes in the area of cluster policies should also be mentioned:

- relying on the past success and disregarding changes in the technological, socio-economic and political environment,
- strong reliance on public funds and disorientation towards market.

5.3 Co-operation between Cluster Companies

Co-operation between cluster companies operating in the same industry is strongly supported. The exchange of know-how between cluster members should be undertaken including common activities like workshops targeting cluster managers should be carried out. An internet based platform was also developed to facilitate mentioned activities as well as to facilitate networking and matchmaking for cluster companies.

Within the short time of its existence, ADC network has established itself as a prominent cooperation channel for European cluster regions and many new partners are interested to join the network.

6. Objectives

The objectives of the the ADC cluster network marketing strategy should generally be the following:

- increasing the level of internationalisation and competitiveness of economic structure (clusters, companies, research sector)
- establishment of an effective transregional network and cooperation between clusters themselves as well as with regional players
- to provide a long term support for cluster and new cluster initiatives
- to promote the network of clusters, SMEs and R&D in the SEE area
- supporting the growth of cluster exports
- creating regions with economic sustainability

7. Deliveries

Within the ADC transnational strategy there are the following essential outputs expected:

- the plan in the participative process
- development of offer of selected cluster networks (and their members)
- evaluated possible scenarios of marketing for selected cluster networks
- plan of communicating actions
- identified marketing tools
- necessary operative actions

8. The network of regional offices

The identification of regional institutions that will be involved in the network of transregional ADC offices and will perform the marketing strategy is necessary. The territory namely needs organisations that will provide detailed and integrated data about the cluster network to the potential business partners and investors and perform also other functions necessary for the smooth functioning of the ADC cluster network marketing.

The institutions which will be implementing the marketing strategy and marketing plan of the network can be already the existing ones and just these competences are added to the current activities. On the other hand new agencies for the purpose of the ADC cluster network marketing can be established which are not necessary large organisations, they will just have to perform the expected coordination of activities of regional players.

Mentioned services should be provided either by a single institution or within a regional network of different institutions whereas they should provide their services in a tight cooperation.

Beside the institutional activities mentioned above there are another two important activities of ADC local offices:

- the promotion of the network and its products/services and
- the business cooperation activities (including the attraction of investments).

Promotion of the ADC cluster network will be based on the communication plan and guidelines for events and meetings with the transregional players.

The following services have been agreed as common framework within the ADC cluster network:

- transnational ADC information platform (web supported, transn. cluster database)
- partner search activities for international clusters & SMEs the region/country
- organisation of individual partner meetings
- partner search activities for regional clusters & SMEs on EU and international markets
- organisation of international business cooperation events
- participation at international business cooperation events

- organisation of fairs and exhibitions
- participation on international fairs and exhibitions
- organisation of cluster / company visits
- organisation of study trips for clusters / cluster members
- participation in EU programs:
- partner search,
- development of project ideas,
- project applications,
- support in implementation of projects
- organisation of training and education events
- information & advice concerning the legislation
- e-newsletter, printed newsletters
- signposting (helping SMEs/investors to find relevant supporting institution)

The local offices will support the activities of all four selected sectorial networks. The activities in 2012-2013 will be oriented towards new network members (increasing the size of network) in existing and new regions as well as towards the development of high quality services on the network.



Maribor 2011: Modern housing B2B meetings

9. Marketing and Communication Strategy

The goals of proposed communication activities are:

- to communicate to cluster managers, regional and national authorities about the best practice tools for managing clusters and their networking;
- to inform companies in the clusters about the ADC network activities and get them involved;
- to attract new partners to join the network;

Due to the specific nature of the project which is concentrating on cluster networking activities, most of the communication activities will be carried out through non-media channels such as different events, meetings and direct contacting by e-mail. Media activities will also be used to reach decision makers and wider audiences.

9.1 Communication Activities and Marketing Tools

Marketing tools mainly include the communication tools which we can divide in accordance with the main phases of the execution of the marketing strategy of the ADC territory.

In the above sense partners will use the institutional meetings, public conferences, newsletters and website-platform in the phase of implementation of the marketing strategy. The implementation of the transregional marketing strategy itself will require the following communication tools: periodic reports (six months), yearly reports, the branding tools (logo, flag, specific colours etc.), exhibitions, special events, catalogues, bulletins etc

For the implementation of the marketing strategy there will be a structured communications plan, (shared by partners in selected sectors) as an instrument able to unite strategies, objectives, addressees, actions, and communication tools according to an organic and rational design. Communication plans can be developed by different solutions for individual sectors, whereas the pilot activities can be compared after the first year of operation and the best practice models used by all partners. Communication within the ADC territory will be capable of exploiting the territorial cluster development potential of each country partner, but must above all stimulate interaction between the businesses of the partner countries.

Plan can be structured in two stages:

- first year after project finalisation (intense communication)
- from the second onwards period communication (counting on the already tested communication system)

10. Conclusions

We can say that globalisation makes the territorial cluster marketing an essential tool. Together with the traditional competition between the companies a new one between the clusters has been grown up. Their operative scales are the transregional and regional level and it is aimed to attract mainly new cooperation to the selected territory.

From the traditional competition between the companies it is taking over one well known tool – territorial cluster marketing is more and more becoming the way to communicate the cluster networks to the global world.

On the other hand we must also underline that formula for effective territorial cluster marketing does not exist. We can only quote some very important features of the cluster region that can be considered as the drivers of the successful transregional marketing. These are:

- a dynamic and structured entrepreneurial system with highly specialised and flexible clusters and SMEs
- knowledge and R&D as the new strategy to manage the complexity on the global business competition
- increased level of internationalisation and competitiveness