NEW TENDENCIES OF ECONOMIC-GEOGRAPHIC EXPERIMENTATION: FROM ECONOMIC-FINANCIAL TOOLS TO SUSTAINABLE LOCAL TERRITORIAL DEVELOPMENT

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1. Introduction

The experimentation in applying typical business techniques and methodologies to territory and its articulation is a topic that is gaining more and more importance in cultural and academic debates (Bencardino, Napolitano, 2003), but also in actual governmental action in territory, in view of the increasing weight that territorial development policies have assumed in economic and social growth processes at all administrative levels: from communal to provincial, regional to national.

This experimentation was conceived with the goal of identifying, in a synthetic manner, the coherence between tools regarded as useful and to correctly apply those that have always been strictly business methodologies to the “product” territory.

The experimentation in progress, not new in the international context but certainly in the national one, finds its justification partly from the increase in competition and partly from the raised awareness of the importance of satisfaction of various actors/clients of territory. Competition between territories and geographic areas into which they have been divided and managed (INU, 2003) is the triggering cause of an experimentation that sees in the dialogue and multidisciplinarity an unavoidable need for defining new territorial planning models that give value to geographic areas at varying degrees.

2. Territorial competition

The economic landscape of recent decades has been characterized by important changes in the world economy: the growing integration of industrialized countries, the birth of a global market, the narrowing of physical and intellectual distances, technological advancements pervading everyone and everything, the increased attention to the environment, the problem of non-renewable resources, etc. These developments have seriously challenged the order and equilibrium that nations, strongly protectionist, had at the beginning of the century.

The experience in the 1950s and 1970s in many American cities demonstrated how, lacking political barriers, the evolution of technology and market structures determines processes of either strong territorial decline or development, oftentimes sudden.

Among the challenges industrialized nations have found themselves facing in the Twentieth century, internationalization of enterprises and the development of economic and political integration have represented the main causes for the intensification of competition between territorial environments.

The search for the best economic conditions in the management of production activities has encouraged many industrial entities to localize themselves as a result of the opportunities that various geographic areas, not only nationally, offer with respect to the characteristics of a given production need. As characteristics intrinsic to territorial areas assume importance, it becomes apparent that all territories are not equal; territory, as seen by economists, in its multiple facets, transcends the conception of isomorphic and isotropic space. The strengthening of the local area, which is not the same as localism, becomes part of the globalization process of production sectors and enterprises.

The integration between nations involves an obvious reduction of influence by the central state on specific territorial areas: possibilities for a state to preserve specific protections are reduced in favor of the economic system of local areas. States have been seeing their direct control over macroeconomic policies diminishing at the expense of supranational institutions (such as WB, WTO, IMF) (Mondragone, 2003).
Local governments, specularly, have been seeing a significant increase in their degree of responsibility in the economic development of their territories as well as in their autonomy in area promotion: cities and urban areas are being called upon to act more and more entrepreneurial.

Territory has assumed a leading role in competitive dynamics and is regarded as the driving element for the convergence process that is in progress in modern economic systems (Neapolitan, 2003). This is evident, for example, in the increasing importance of territory and its material and immaterial infrastructures in European policy for the economic-social convergence of member states (Structural Funds).1

In this new landscape, distances between geographic areas decrease and the mobility of factors of production increases (human, economic, material and immaterial resources). Factors of production, shared at a global level by an ever-increasing number of actors, circulate at an increasing speed.

States, at various territorial-dimensional levels, have been trying with growing attention to work toward the achievement of strategies designed to bring out the present and potential vocations of the aforementioned territories: strategies that can bring about the diversification of competing areas. It is an effort to create better conditions to attract economic activities that produce new wealth or that favor the development of those which already exist.

The various reasons for this evolution in the economic landscape can be summarized as:

- the growing decentralization of political and administrative power that has increased local government influence over direct management of its territory;
- raised awareness, at the European Community level, of evident difficulties found in the management of centralized actions to decrease unemployment has oriented the European Union to support local intervention in politics;
- the need for every area to establish its own “competitive space” and to define conditions for attracting those categories of users considered functional and instrumental to the growth model; and
- the failure of top-down economic/territorial development policies.

Another cause which, over the years, has fuelled the comparison of various territorial contexts is the rapid evolution of technology characterizing many industrial sectors; the remarkable changes many industrial fields have endured over the course of the last quarter of the century have had a significant effect on differences among urban areas of industrialized countries. The localization of enterprises in more mature industrial fields (iron metallurgy, mechanics, textiles, etc.) has inevitably followed the structural crisis of such sectors.2

The diversity of phenomena has accelerated the mobility of real investment, and material, immaterial and human resources. At the same time, interaction opportunities among various territorial contexts have increased. Consequently, the productivity status of an individual territory tends to become less stable: new territorial contexts have greater difficulty catching up and maintaining a status of “excellence” due to the continuous competitive pressure coming from other areas. In fact, the establishment of socio-economic-political conditions fitted to production development in new territorial areas represents a “threat” to the leadership of industrialized countries, thus global market competition of economic-productive territorial areas is born.

The reasons for this change are various but all began with the advent of a new competition that has substantially modified the rules of the game both for enterprises as well as for territories.

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1 Structural Funds constitute the tool with which the European Union pursues its own communitarian politics of economic and social cohesion between regions of member states; it is a financial mechanism which supports the actions of single countries geared toward the reduction differences between development levels of several European regions.

2 In a few years, investments and occupations in these areas have heavily decreased, giving way to a constant and deleterious decline. In Europe, this phenomenon began in the Seventies and lasted until the middle of the Eighties in some historically important British cities such as Liverpool, Manchester, Sheffield and Birmingham.
In the last few decades, the experimentation of management models and typical business tools at the international level began with the renewed sensitivity toward territorial competition\(^3\). In Italy as well, although a bit behind other western countries, attention to territory and its specificities and the importance of small enterprises has increased. An example of this is the renewed debate over districts which have been given, for some time now, scarce attention, emphasis being placed on the small enterprise and ignoring the fact that its relative success was the consequence of agglomeration and the capacity to rebuild advantages of scale from outside the privately-owned structure.

This problem of scale economies and advantages of dimension becomes one of the central factors when reference is made to the market size increase. When the market dimension grows, the concept of scale economies and net effects (benefits that go to the heart of the territorial area considered) becomes, once again, important. All this becomes relevant, above all, when one starts to realize that the underlying benefits are not enjoyed only by the production but by the entire “resident” community in the territory: also because the territory, with its vertical and horizontal relationships, produces and enjoys at the same time in a virtuous circle of external economies, real and positive externalities.

3. **Actors of territory and knowledge**

Inside a territory, various actors (private and public, institutional or similar), common in that they each bear an interest (personal or similar) in the considered territory, move and have various relationships.

On the basis of the nature of underlying interests, subject bearers of relevant interests (stakeholders) become distinguished from those who are definable clients-markets, those who, in the end, govern the territory (policy makers).

Stakeholders can be subdivided into at least two main categories:
- working and non-working residents and non-residents; and
- enterprises settled in the territory.

The majority of clients are internally a diverse group; nevertheless, it is possible to identify a generalized category which allows us to see beyond the specificities of single individuals. Such a category undergoes greater attraction from the territory; the more attractive a territory is, the better able it is to converge a more diverse external clientele.

Contextually, it is possible to distinguish at least three main categories of clients-markets:
- users of goods and offered services from different territories: tourists, visitors on business or for shopping;
- investors who bring together not only capital but also non-financial resources; and
- potential new residents and new enterprises that may decide to settle.

Then there is a third category of territorial interest-bearing actors, a category represented by the public administration, the actor that would have to plan and manage the territory on behalf of relevant stakeholders.

Local agencies, regions and functional autonomies are living an evolution geared toward assuming a markedly stronger role in sustainable local development. Such dynamic is closely correlated to the change of the mechanism of electoral legitimacy of their leaders. Mayors and provincial and regional presidents, because they are elected directly by the people, are brought to develop structures more and more directed towards increased responsibility and engagement in the direction of development and satisfaction of their communities.

The trade relations that a territory establishes with these actors can generate either satisfaction or dissatisfaction. Within satisfactory relationships, trust is the most important

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\(^3\) Territorial competition has always existed with different levels of awareness on the part of political-economic actors: entrepreneurs, policy-makers, institutional actors and other stakeholders. Policies of fiscal and financial boosting have been implemented, not only in recent times, to attract investment in a given geographic area; the same can be said of processes of conventional infrastructure development (roads, ports, railroads, schools, etc.) aimed at increasing the externality for enterprises, economic workers, and resident and non-resident citizens.
resource for the development of a territory, an element of vital importance for the activation of the virtuous circle: satisfaction-confidence-attractiveness-new value (Figure n. 1.).

Fig. n. 1: The virtuous circle of territorial competition

![Diagram of the virtuous circle of territorial competition]

Trust and knowledge bring back the fundamental role of immaterial resources in the economy of the third millennium, in line with what happens in industrial marketing, the marketing of territory takes on a connotation about knowledge and experimentation. In the post-Ford economy, the new source of competitive advantage of economic, social and territorial systems is being manifested in the individual as well as collective ability to access, use and develop knowledge. Within the differentials of knowledge, differences of competitiveness of enterprises and territories can be identified. It is toward the reduction of these differentials that marketing strategies of territory must be directed.

4. Demand and offer of a new product: territory

Growing attention toward the dynamics of territorial development in a globalizes and competitive economic context entails the need to experiment with marketing and its techniques on a complex “product”: territory.

In light of the fact that this transposition from business reality to territorial development in marketing had begun to proliferate in Italy when it was erroneously believed (and is still believed) that one could apply the same techniques of consumer marketing to territorial development without taking into account that “territory” is not a homogenous, distributable “product”; it is differentiated from consumer products which are standardized in quality and characteristics⁴.

That which can be defined as territorial marketing is what originates from the territory, intended as the sum of society, economy, environment, and vertical and horizontal relationships between bearers of various interests (those who have been defined as territorial actors). It is from these different entities who demand territory to satisfy their own interests that effective and efficient territorial marketing intervention must begin to be built.

The demand for territory is a demand:
- non-homogenous, inasmuch as it is composed of various actors; and
- non-uniformly localized, inasmuch as it attracts external actors to their territorial environments (departing point).

Given these characteristics, demand can be divided into two categories: *internal demand* and *external demand* of territory.

Those who constitute the internal demand can be characterized as:
- those who use territorial products and services: residential, public (residents and non-residents), and localized (local enterprises and traders);

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⁴ Territorial competition has always existed with different levels of awareness on the part of political-economic actors: entrepreneurs, policy-makers, institutional actors and other stakeholders. Policies of fiscal and financial boosting have been implemented, not only in recent times, to attract investment in a given geographic area; the same can be said of processes of conventional infrastructure development (roads, ports, railroads, schools, etc.) aimed at increasing the externality for enterprises, economic workers, and resident and non-resident citizens.
- those who own land, real estate and infrastructures, whose property value depends on the degree of economic-social development in the considered area; and

- those who, from the development of the considered area, draw competitive benefit from their own direct (industry, trade, handicrafts, etc.) and/or indirect activities (middlemen, etc.).

External demand, here defined as potential, is represented by the large category of potential new residents, new enterprises and new commercial activities that may decide to settle in the considered territory. Territory is, in fact, in a position to bring together a more ample and qualified clientele and external entities (qualitatively) as a result of being attractive, that is, it can satisfy specific requirements for different publics. Today we have a territorial market dominated by the user.

The increase in competition on the part of new geo-economic areas and new towns is determining an increase in the offer of useful territory for new takeovers and productive relocalization. We are not speaking of a generic offer of physical space, but rather an offer characterized by settlement factors and conditions. The fact is that, today, the facility with which capital, technology, know-how and professional technical competence can be moved from one side of the planet to the other, makes it possible for new-comers to present themselves as countries suitable for investment, even in technologically-advanced sectors, and in much shorter periods (Varaldo, 2000, p. 9).

All this determines what is defined as “territorial hypercompetition” (Valdani, Ancarani, 2000, p. 15) which imposes the adoption of competitive logic and tools that can be synthesized in territorial marketing.

In recent years, the number of competitors confronting each other in the market has increased to the point of including macro-organizations, systems-countries, their regional expansion as well as individual city entities (individual citizens). Such tendency seems ascribable to the increasing association between the concept of territorial area and that of the economic pole of attraction, that is, of independent entities with their own product, more distinguished with respect to others, offered in various markets and to specific clients, such as potential investors. This widens the competitive vision, introducing new levels of competition between institutions and authorizing (as already observed) the application of new forms and modalities of strategic management and trade of the territory as a product.

This said, it is easily understood how the offer of territory is, like the demand, heterogeneous and satisfies the requirements of those defined as internal clients of territory, attracting new entities in search of alternative territories for their productive-residential localization. The non-homogeneity of the offer is certainly tied to the various characteristics that a territory encompasses, socio-economic-environmental characteristics that identify the strengths and weaknesses of a territory, points that can be included in the concept of “vocation of territory”.

A territory is described and characterized by endogenous resources (internal to the local territorial system), and exogenous resources (external to the local territorial system). Included in the first category are those defined as tangible and intangible factors of territory (Figure 1.), while the latter comprises exportation and network economies. When speaking of territorial development and marketing as a tool to pursue this end, endogenous characteristics of territory are the propulsive motor of whichever territorial system.

Tangible endogenous factors of territory can be listed as:
- public infrastructures (ways of communication, telecommunication networks, industrial areas, etc.);
- geographic position and morphologic characteristics;
- public utility services system;
- cultural heritage;
- local production networks;
- local market dimensions and characteristics;
- urban planning structures (in the case of cities and urban areas).
Figure 1. Tangible and intangible elements of the “product” territory.

The intangible elements, that represent the immaterial aspects of the territory and that help the valorization of the material ones (tangible), are often specific elements of a territory which are difficult to reproduce in other spatial contexts, they are the:
- “look” of the territory;
- “spirit” of the place;
- civic and social value system;
- competence level of production and social networks;
- quality of human resources;
- intensity of cultural and economic trade with the outside;
- economic or cultural leadership;
- degree of social maturation;
- level of well-being and its distribution.

The tangible and intangible elements that make a territory unique, perhaps similar but not equal to others, a product that for its development and promotion demands ad hoc policies and territorial marketing that starts from the territory itself with its characteristics and vocations.

5. From the promotion to the marketing of a territory

The resource to territorial promotion applied to strategies of development of cities and urban areas is not a new element, the use of technique to the promotion of local entities, way before the Twenty-first century, finds confirmation in the economic history of many countries and towns. Beginning in the colonial period, European newspapers publicized the great economic potential and social well-being in new lands offering new offered opportunities to investors and residents. Since the middle of the Nineteenth century in some eastern regions of the United States, there has been evidence of municipalities conducting promotional activities designed to attract new capital. Tax exemptions, low-rate loans and reductions in the cost of labor were the tools most frequently used.

In Europe, the first experiences of this embryonic form of territorial promotion occurred toward the middle of the 1800s in the tourist industry with the rush of many regions promoting their resources internationally. These experiences had a limited duration, though, because state governments granted insufficient autonomy to local authorities in the action of territorial promotion.

In the 1970s, it became apparent that simple territorial promotion could be implemented and supported by applying other tools and techniques already being widely used in the
business sector (marketing, SWOT analysis, benchmarking, etc.). Territorial marketing is a collection of co-ordinated activities that, beginning with the analysis of the requirements for socio-economic development of an area and the needs of those who live (or could potentially live) in the territory, leads to the definition/valuation of an offer an package able to satisfy the interests of various territorial actors. Territorial marketing must then, in the Italian case, come about as a result of the local development model characterized in the plans and defined programs at the to communal, provincial, or even regional level, to formulate an offer a package that responds, as much as possible, to the requirements of local actors.

The interests of policy makers, entrepreneurs, traders, workers and individual citizens must, in marketing actions, be able to find a perfect synthesis for reaching a suitable territorial offer which includes and satisfies them, in view of a coordinated and strategic plan (fourth-generation planning). Certainly this is not easy to achieve, above all considering the heterogeneity of interests involved in a territory, at times conflicting, which necessitates a common will to reach a compromise for the common good; local sustainable development must originate from the desire of those who live in the given territory. Among the tools for achieving this purpose, the ‘governance’ has created a path which is a useful tool for sustainable and shared economic-social development that begins at the foundation.

5.1 Territorial marketing tools: benchmarking

A good way to promote effective change is by comparing the experiences of others. Benchmarking is a way of learning through research and comparison of the best performances (cases of excellence) of various actors in one’s own field of activity as well as in other fields.

Benchmarking, a powerful business management ‘tool’ based on comparing business experiences of other organizations and aimed at increasing productivity and continuing improvement, can certainly be applied to the “product” territory or, better, to its managerial processes.

Toward the end of the Eighties, David Kearns of Xerox, the pioneer enterprise and then symbol of benchmarking, defines benchmarking as a continuous process of measuring products, services and processes by comparing best performers; benchmarking implies looking outside traditional sector borders in an innovative way; taking another look at business activities through the process lens; and aiming toward best performers (R.C. Camp, 1996, p. XIX).

Here the first point for reflection is introduced: unguided and little rationalized observation brings about a literal replica of behaviors that, alone, do not assure competitive success. The imitator, by definition, follows but does not excel, because those who excel are the ones being imitated; in dynamic contexts, then, the winner is the one who leads, not the one who follows. The comparison between contenders goes beyond problematic ethics and objective methodological difficulties that pose a risk to produce a replication of homologous behaviors that can block, in substance, a real learning process that places at its center the experimentation of new ways to do business or resolve relevant problems.

Benchmarking has two dimensions along which to develop itself: one is performance measurement; the other is identifying best practices. The first is geared toward emphasizing the performance gap between the enterprise (territorial system/cultural heritage) and the best performers with respect to various managerial processes, allowing management to identify possible processes in which to take part to improve business performance. The second, the comparison dimension, is aimed at explaining the differences in performances and, therefore, to identify the path that a business (territorial system) must take to achieve the desired improvement. These two complementary dimensions should not be transformed into occasional activities. Benchmarking, in its most meaningful experiences, has generated the best results when it has been inserted as an important element in the managerial process.

The recent transposition of such a trend towards learning has proven to bear fruit also in terms of territorial programming and marketing; as never before, in a management activity of a particularly non-standardized “product” like territory, it tries to identify in cases of excellence those elements that, transposed with reference to territory, can make the difference at the levels of attractiveness and territorial clients/users satisfaction.
Benchmarking tends, therefore, to assume a leading role in the territorial strategic planning sector, highlighting peculiar aspects, such as cultural, intended in the wider sense of the term; in fact, the growing awareness of public administrations and private groups towards a new cultural dimension of territory has induced many nations to adopt this tool which, in the international circuit, particularly in the European Union, has assumed and continues to assume increasing strategic relevance and importance.

Passing from business management to territorial management and promotion, the goal of benchmarking does not change; it still means learning from those who do better than others and it still aims toward “overcoming” the notion that it is not possible to learn from others” (Camp, 1996, pag.14). This scope can be accomplished through a series of activities:

- Analyze the characteristics of the territory. Policy makers responsible for conducting territorial benchmarking analyses must evaluate the strengths and weaknesses of their territorial offers; analyze the satisfaction of their residents and listen to their needs; identify possible areas of participation to improve their offer; and meet the market demand.

- Know the territorial leaders and contenders. Benchmarking must help identify the best of the best; and identify those territories which constitute the so-called best performers.

- Incorporate the best. Territories conducting benchmark analyses must learn from the best, not only to discover what they are doing, but also to understand the direction in which they are going; they must identify cases of excellence and the reasons for their success at being able to extract the methodology and techniques of the territorial intervention undertaken, and then transfer them with success into their own operations.

- Achieve excellence. Territories conducting benchmark analyses must try to transform themselves into cases of excellence as compared with the points of reference from other territories.

5.2 Territorial marketing tools: SWOT analysis

During the process of defining territorial marketing plans, an important element for understanding the potentialities that can derive from undertaking a determined development path is represented by SWOT analysis. This type of analysis, borrowed from the business sector, has now become a typical marketing tool in such a context and certainly represents an important tool for understanding territorial position and competitiveness with respect to other territorial competitors.

Employing strategic decisions, the majority of enterprises have been using SWOT analysis for some years now with success, thus a transposition at the territorial-area level can reap the benefits of identifying the elements, the so-called strengths, toward which marketing actions must be aimed; and the so-called weaknesses, in which intervention is necessary to increase attraction and satisfaction of the considered area.

The term SWOT stands for the English words: Strengths, Weaknesses, Opportunities, Threats. Therefore, this analysis applied to territory is none other than the analysis of the strengths, weaknesses, opportunities and threats that a territorial area presents.

In the business sector, such analysis helps to identify the positioning of various products with respect to competitors; in the territorial sector, it can be used equally well to identify and understand endogenous elements (strengths and weaknesses), as well as exogenous elements (opportunities and threats) which characterize a determined territory with respect to competitors.

SWOT analysis represents a tool for monitoring the complex competitiveness of the territorial offer. Thanks to the use of this analysis, it is now possible to identify: the elements (tangible and intangible) which can be promoted as factors of attraction to potential new “clients” chosen as targets; the weaknesses of given territorial offers that need qualitative and quantitative adaptations, again with respect to competitors; and possible paths of development, starting from the given infrastructure, for the candidacy of territory as an area of excellence.

5.3 Instruments of territorial marketing: project financing

The use of tools such as benchmarking and SWOT analysis allow identification of a series of useful interventions so that a territory of reference can compete in the market and hope to
become a case of excellence. A series of interventions is necessary to intensify the value of a territory with the goal of increasing its attractiveness and competitiveness, interventions that demand financial availability to activate the process of economic development of a territory.

The problem concerns the need or opportunity of finding the financial means necessary to achieve the anticipated investments, or the necessity/opportunity to carry out effective, efficient and transparent interventions at the least possible cost.

The dimensions reached by public debt and the consequent crises of Italy’s finances created the need to turn to alternative modalities for the funding of public utility works; the reinforced need in the Nineties from the paralysis of the public contracts system as a result of the inquiries of the magistracy identified the degree of inefficiency and corruption.

In view of this, a wide debate has recently developed in Italy over the role of project financing as a mode for funding projects of great dimensions, looking for the right balance between public interest (centered on the social utility of the project) and private interest (historically profit-driven).

This tool born in the United States for the financing of private plans has, in recent years, seen a diffusion on an international scale in relation to the funding of public-interest infrastructures and introduces aspects as to make its application in Italy interesting.

Defining project financing is not simple, for the term frequently indicates various specially structured operations in function of the specific project it intends to achieve: operations undergoing project financing are, by their nature, operations unique to the projects they intend to finance.

However, project financing can be defined as an operation of funding in which a certain investment initiative, usually achieved by more than one sponsor, is evaluated by the shareholders and banks financing it, mainly for its ability to generate revenue and for the cash flow to cover and remunerate the invested capital.

5.4. Territorial marketing tools: the business plan

The business plan is a strategic planning tool for income assessment, relative to the plan defined and written up, in the case of project financing, by the SPV; a document in which the project company describes the initiative of the investment with the intent of emphasizing and analyzing the critical factors of success, following standard reference outlines.

From an operating point of view, the term ‘business plan’ assumes two significant implications. In the widest sense, it is a complete document that covers all aspects related to the realization of the plan, including evidence of its technical feasibility. In the narrower sense, the business plan only illustrates the economics of the project on the basis of the calculated or proposed data, highlighting for the pre-chosen time-frame the economic account forecasts, the statement of assets and liabilities, the financial statement and the cash flows available for the project, as well as the calculation of profit indices such as VAN (actual net value) or TIR (internal rate of productivity), for example.

In a highly competitive global market it is necessary for sponsors and backers to have at their disposition a tool capable of highlighting (approximately) the opportunities and risks of the project. Under many aspects, the business plan satisfies the same requirements of a feasibility study, distinguishing itself in that the business plan contains more information about sponsors while the feasibility study deepens the technical feasibility of the plan.

The business plan must emphasize the characteristics and advantages of the products and/or services offered, analyzing the variables that influence operation results through a careful examination of the technology on which the product is based, eventual patents or licences, and the quality and distinguished or innovative elements of the product; and through analysis of the enterprise’s strengths with regard to its client base, the resources and technologies available, advantages in terms of cost and ability of key persons, describing in an objective way the strengths and weaknesses of the main territorial area competitors (to achieve similar infrastructure).

Considering the decision-makers who examine the demand for financing have little time to decide whether or not to distribute it, the synthesis and clarity of the writing and presentation of the business plan are fundamental.
In general terms, the content of a business plan can be identified from the sections highlighted in Table 1. Sections of the Business Plan (Gore, 2000, p. 123).

Section 0  Project summary  
Section 1  Introduction to the business  
Section 2  Nature of transaction  
Section 3  Benefits for the community  
Section 4  Sponsors  
Section 5  Marketing  
Section 6  Legislation, security, health and environment  
Section 7  Planning and time & cost scheduling  
Section 8  Role of financial agencies  
Section 9  Finance  
Section 10  Cash flow and feasibility appraisal  

6. Conclusions

Good territorial marketing demands the presence of a clear, well-defined model of local development from which to start. If the development model is not clear or tries to pursue contrasting goals, the marketing will not have stable points with which to work and, in the end, will just lead to the definition/implementation of little-effective marketing actions.

Territorial marketing must, therefore, be distinguished from territorial management. The management of territory, geared toward the attainment of sustainable development combined with other social cohesion objectives, environmental sustainability and economic competitiveness, finds marketing to be a useful tool toward achieving such goals (Prizes 2003). Marketing, beginning from the indicated goals to the planning level, takes care of all interventions concerning the members of a territory to achieve the predicted results from the plan itself: urban and real estate development; attainment/improvement of infrastructures, strengthening of public services, regulations of private activities, support of economic activities, etc. The distinction between territorial marketing and action of local development does not mean separation.

The marketing program is bound, in certain aspects, by local development policies; but for other aspects it has a meaningful impact on their direction and on the possible results, in view of mutual “influence” (see figure below).

Where the influence of local development policies on marketing is concerned, three fundamental aspects have emerged:
- marketing has substantially assumed as a given the components of the present territory due to past territorial development policies;
- is “bound” by social cohesion objectives and environmental sustainability and is geared mainly toward rendering maximum economic competitiveness of territory; and
political and institutional conditions of territory constitute, for marketing action, a source of all possible external ties or opportunities.

With regard to the impact of territorial marketing on local development policies, three important points have emerged:

- territorial management and territorial marketing are joined by a methodological viewpoint: both share a strategic and pluralistic approach in pursuit of their goals;
- marketing must be considered a major component in managing local territories. Such a function influences local governing at several levels: firstly, by directing interventions in the territory; secondly, it can be viewed as an immaterial resource derived from integrated knowledge and a catalyst which attributes value to the different characteristics of the given territory;
- territorial marketing supplies some specific competencies useful for rendering the territory more competitive in its entirety as compared with other competing territorial areas. It contributes to rendering the territorial offer, which is derived from local development policies, the as competitive as possible with respect to demand needs.

Thus we have emphasized how territorial system competitiveness is doubly-bound at the levels of infrastructural equipment, quality-quantity of usable services, organization of public structures, and environmental quality, without neglecting the enterprise system structure or its degree of integration with regard to home and external markets (Prezioso 2003). One can therefore say that socio-economic development of territory is based on programs able to attract and develop initiatives and projects which enhance the value of possibilities of the territorial areas under examination.

Territory has assumed a centrality new in competitive dynamics as the driving force in the convergence process underway in modern economic systems; thus is born the need to integrate and implement benchmarking, SWOT analysis, and the marketing of those tools useful for a sustainable, shared and bottom-up territorial development.

Geography must be measured, as has been shown, with a new global landscape dominated by a “territorial hypercompetition”. Hypercompetition can be managed by moving from geography towards the definition of a “science of territory” where “territorial marketing”, with its tools, becomes a crucial figure of import-export trade with territorial policies.

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