



AGORA international scientific workshop
"New economic approaches in forest goods and services marketing"
 Fez, Morocco; 12-15 September 2011

Research approaches in forest products marketing

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Outline

1. Introduction: the market context in Med region
 - 1a. Mass products
 - 1b. Specialities
 - 1c. Complementary products and services
2. How to research the ongoing conditions and potentials of the forest P&S markets?
 - 2a. Livelihood conditions and households economy
 - 2b. Value chain
 - 2c. Territorial marketing



**1. Introduction:
the market context
in the Mediterranean
region**

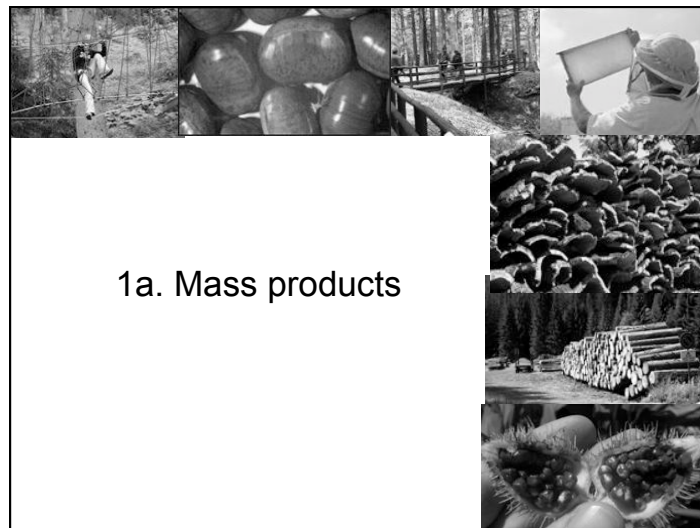


Marketing strategies for the Mediterranean region

Are there any common driving factors, problems, solutions?

It may be useful to refer to a distinctions among:

- mass products
- specialities
- complementary products and services



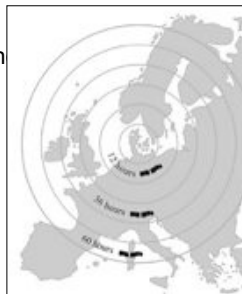
Mass products – mass markets

- production of large amounts of standardized products (scale economies) for a large number of consumers
- competitive factors: reducing production costs → relatively low prices
- capital intensification, land and labour estensivation
- vertical integration
- high risks (market instability-biological risks)

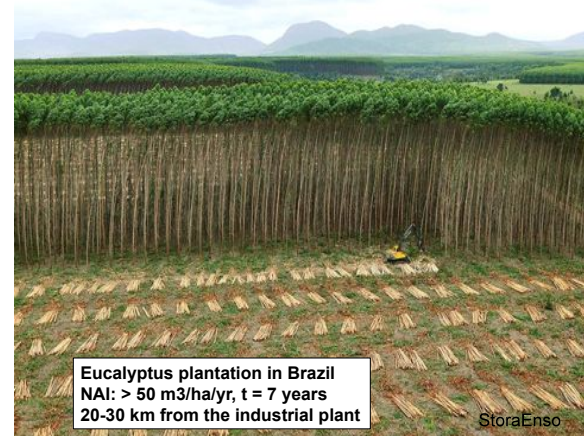
Which marketing mix?

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

- 2P**
- Political power
 - Public support/participation



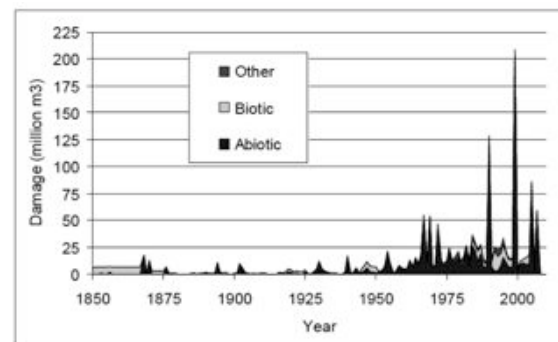
Mass products – some examples



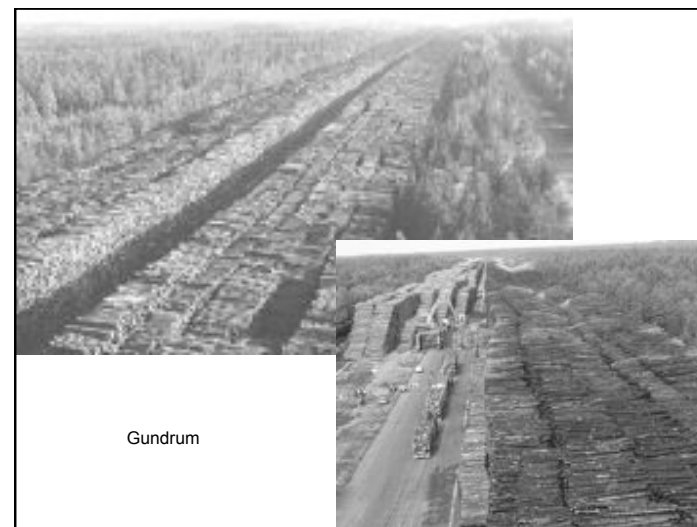
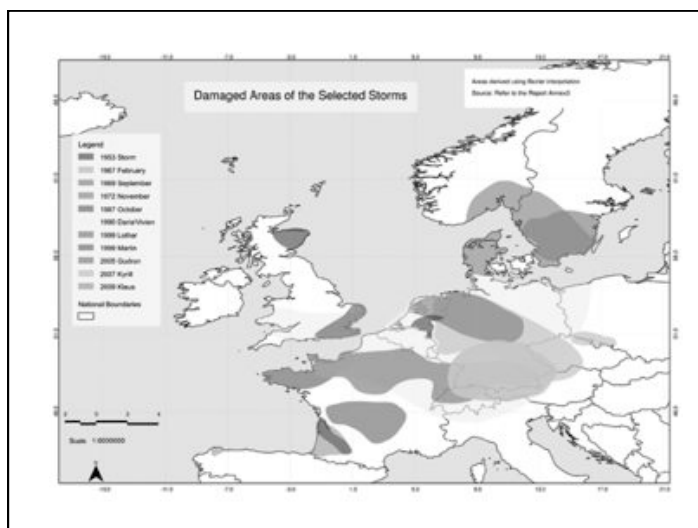
"...From Chile to Portugal, from Brazil to Indonesia, from Uruguay to Spain, from South Africa to New Zealand, from India to Thailand, people are organizing to oppose what they have called tree deserts, green cancer, green invading army, selfish trees or socioeconomic deserts..." (www.wrm.org.uy)



Main large damage event (storms, fires, insect attacks, ...) to European forests



Schelhaas, 2008



Gundrum

Not only industrial timber

By: CHUN BAO
 Diggins: Supply dry edible and dry chrysanthemum CHUN BAO FOODSTUFFS SHENZHEN CO., LTD
 Email: 274896291@163.com / 136745202
 Email: chunbaofu@163.com

7/8 August, 4:58 PM (Reply) (Share)

Dear Sir/Lady,

Good day! This is Peng Lin writing from Chun Bao Foodstuffs (Shenzhen) Co., Ltd to see whether you need dry boletus edulis and other dry mushrooms.

Our company, Chun Bao Foodstuffs (Shenzhen) Co., Ltd. has our own factories across the mainland of China. From its foundation more than 30 years ago, we are specialized in producing series of quality dried mushroom products, which are mainly sold to countries of Europe and Japan. Now we can supply a series of dried Boletus edulis and other dried mushroom products, with different specifications. Part of current available products list as follows:

S/A Category Class Specification (Grade)
 1 Dry Boletus Edulis (gourmet) A: 1st Yunnan, China
 2 Dry Boletus Edulis (gourmet) B: 1st Yunnan, China
 3 Dry Boletus Edulis (gourmet) C: 1st Yunnan, China
 4 Dry Boletus Edulis (gourmet) D: 1st Yunnan, China
 5 Dry Boletus Edulis (gourmet) A: Small Yunnan, China
 6 Dry Boletus Edulis (gourmet) T: Small Yunnan, China
 7 Dry Boletus Edulis (gourmet) A: 1st Fujian, China

We also sell dry shiitake, white, sword or top cultured. Our product specification is more than 100. If you need a complete product list, we welcome your inquiry.

Based in Foshan, Yunnan, Shanxi, Hebei, Fujian, and Zhejiang of China, our company would sincerely like to build a cooperation relationship with your business, and supply you with the very products and prices you just need.

If you are interested in us, please feel free to contact either through E-mail or telephone or fax we provide below. We can send you further information in the form of brochure and CD disc of product photos. If you want to know more about our products, there are three ways we can offer: 1. getting CD disc of product photos to your physical address; 2. sending sample products to your physical address; 3. you are also very welcome to our factory in Shenzhen, which is located in Southern China, to have a first look, with the introduction of our team.

Our contact info:
 Telephone:
 UK: Peng Lin: +86 13671000400 or +86 13671000004 (currently in China and thus available)
 China: Zhen Lin: +86 6675 2555555
 Japan: Tan Lin: +81 45 450 1000

E-mail:
 chunbaofu@163.com

China: 50-80 752888219
 Factory address:
 West: 1st Floor, Building 2
 Southern Avenue Industrial Zone
 Guangzhou North Road, Lushu District
 Shenzhen, Guangdong Province
 P.R. China

Best regards!

Sincerely yours,

Peng Lin



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Pine Nuts (Pignolias)

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... from Nevada (USA)

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PINE NUTS: JUMBO NEVADA SOFT SHELL, RAW, WILD HARVEST
 Fresh 2011 American pinon pine nut harvest. Jumbo size. Super soft shell preserves full flavor (crack with fingers). Amazing. Wild. Fair-trade. 100% natural - straight from the tree, nothing added. Ships early October 2011. Preorder now and lock in the stunning low price of \$9.96 per lb. Thank you for supporting our American forests! Stock up now! Price will be much higher in October.

\$9.96 per lb

Quantity: 1 lbs

BUY NOW

PINE NUTS - 4 OZ SAMPLE PACK \$4.99
 Are you new to American Pine Nuts? Or just need a smaller quantity? We offer inexpensive 4-oz packs of our legendary Jumbo Nevada Soft Shell, raw, wild harvest pine nuts. Fresh 2011 American pinon pine nut harvest. Please enjoy and come back for more!

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Ordering info

Mass products – mass markets

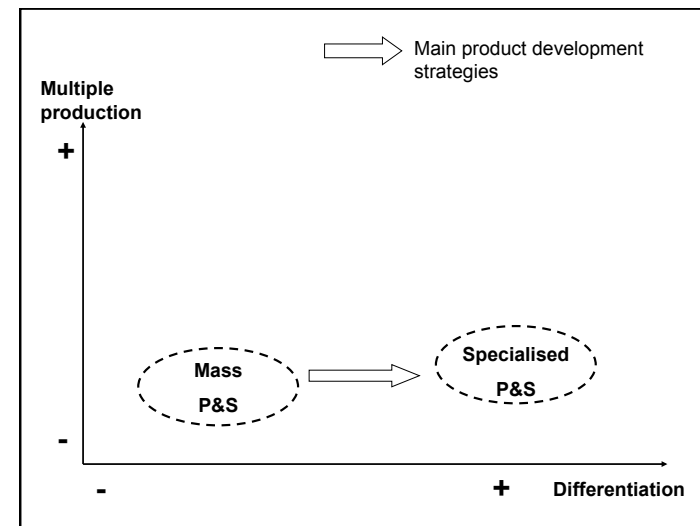
- production of large amounts of standardized products (scale economies) for a large number of consumers
 - competitive factors: reducing production costs → relatively low prices
 - capital intensification, land and labour extensification
 - vertical integration
 - high risks (market instability-biological risks)
- in many Med rural areas this is not a winning strategy for promoting sustainable local development, added value, employment, multifunctionality

Alternative strategies based on strengths and constraints of the Med region (“competitive advantages”)

- A long tradition of multifunctional forest management systems
- No much space for very extensive forest investments
- A high quality landscape
- A territory rich of culture, traditions, biodiversity
- Presence of highly educated young people (→ entrepreneurial competences?)
- Good connections with the more advanced economies (demand for tourism)
- Rather positive external socio-economic conditions: funding (remittances), innovation spreading, greening of the policies (CAP)

2 alternative strategies

- Specialities: e.g. high AV niches products
- Complementary products & services: synergies with other products/services (tourism, recreation), i.e. with other economic operators





1b. Specialities

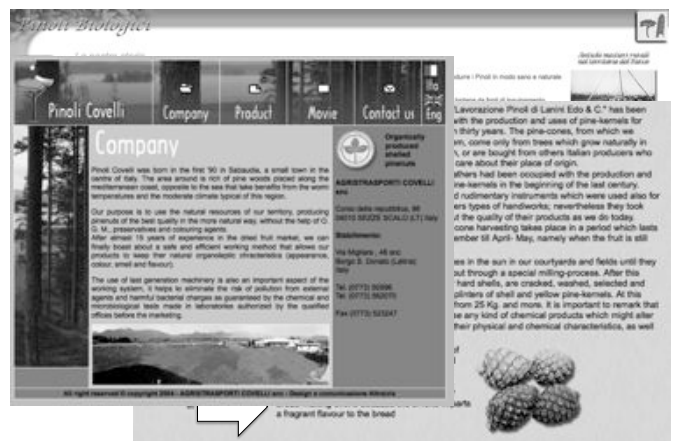
Specialized products and services

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:** direct sales
 - **Price:** selling systems
 - **Promotion:** local association, e-marketing
- +
- 2P** {
- Political power
 - Public support/participation

... getting back to the pine kernel case...
specialities: organic-certified kernel (or from a protected area)

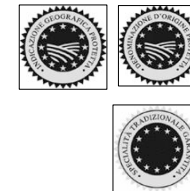


Differentiation: certified chestnuts

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)

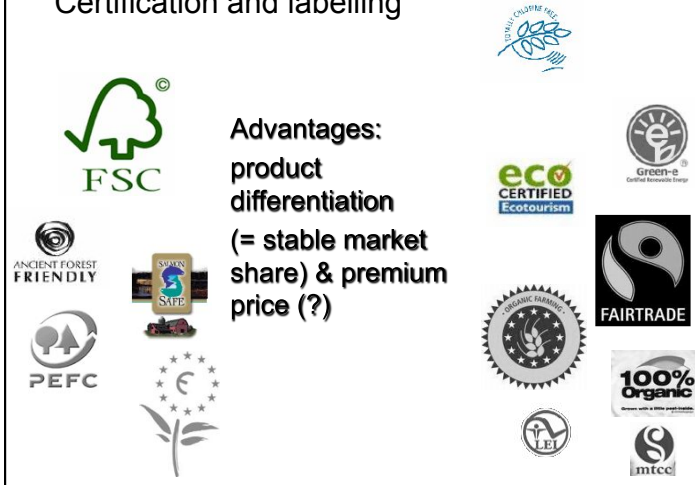


Organic production (Reg. 2092/91 and IFOAM)

Marron from Mugello-Fano in Garfagnana



Certification and labelling



Advantages:
product
differentiation
(= stable market
share) & premium
price (?)

Chestnut

Adopt a chestnut tree:
75 €

Adotta un castagno Garfagnana

I vantaggi di adottare un castagno in Garfagnana:

- 10 Kg di frutto fresco selezionato
- 2 Kg di frutto essiccato
- 2 Kg di farina di nocce DOP
- 1 Carnet con lo sconto del 15% per 14 pernottamenti (7 pernottamenti per 2 persone) presso le strutture agrituristiche delle aziende situate nell'area (secluso i mesi di Luglio e Agosto)
- 3 buoni sconto del 20% sull'acquisto dei prodotti dell'Associazione Castanicoltori nei negozi che aderiscono all'iniziativa
- 1 buono sconto del 20% sul menù degustazione con piatti tipici a base di farina di castagne valido per due persone nei ristoranti e agriturismi che aderiscono all'iniziativa.
- 1 buono per l'assistenza e la guida per la visita al bosco di Cerasa, al mulino e al mulino e al mulino
- Per le nuove adesioni: Pacco di benvenuto con:
- 1 Confezione di prodotti tipici a base di castagne (biscotti, miele, confettura e pasta)
- Il grembiule per la raccolta delle castagne.

Chestnut: networking

Fairs, exhibitions, ...



... restoring old building ...



... research:

- diseases, cultivation, graft and crown care
- recovering of old chestnut orchards and transformation of chestnut coppice
- harvesting techniques

...museums,



...Sharing the experiences: a
network of local municipalities
(the Italian Associazione
Nazionale Città del Castagno)



New selling systems

- Direct sales: **“Pick-up your chestnuts”**: selling directly to the consumers the right to collect chestnut for a fixed rate or in relation to the weight of collected fruits
- **“Adopt your own chestnut tree”**: chestnuts picking and organised picnics under the chestnut tree
- **e-business**:
 - B2B: fresh chestnuts, semi-finished products, ...
 - B2C: jams, dried nuts,...

E-marketing

News > Cronaca > Il tartufo da 900 grammi a un magnate cinese per 330.000 dollari

La cifra record in beneficenza

Il tartufo da 900 grammi a un magnate cinese per 330.000 dollari



ultimo aggiornamento: 27 novembre, ore 18:42
Roma - (Adikronos/Ign) - Stanley Ho si porta a casa il tartufo toscano più grande del 2010 e uno molisano da 350 grammi. Ha superato ogni offerta ma l'Italia "si è battuta bene". L'evento all'hotel Cavalieri Hilton in collegamento satellitare con Londra e Macao (FOTO). All'asta il tartufo più grande dell'anno. Divisi in Parlamento, uniti a tavola. Sul tartufo l'accordo è bipartisan



Product development



Dried soft chestnut

Package for making the traditional *castagnaccio* cake (based on chestnut flour, pine seeds, raisins)

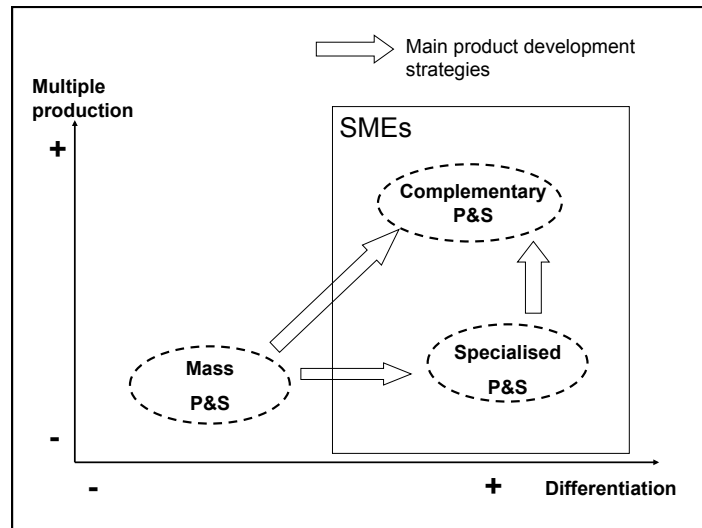


Specialized products and services

→ 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)



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)

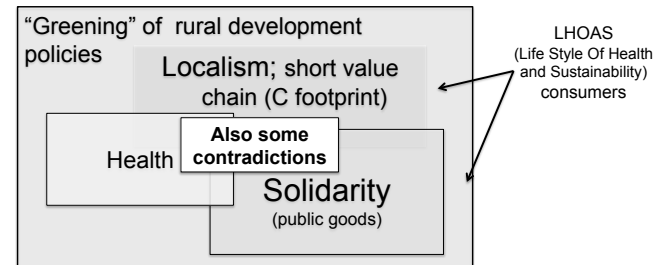
→ new branch of marketing: **territorial marketing**.

... getting back to the
pine kernel case...

complementary
products & services:
offering the kernel
within a larger set of
products and services



New trends in marketing of food and, in general, products and services from rural areas



Some examples:

- Farmers market (O.F. also)
- Purchasing solidarity groups (O.F. and F.T. also)
- Shops and markets selling only local food (O.F. also)
- Fresh milk automatic dispensers (O.F. also)
- "pick up your... (berry)", "rent a tree... (nuts)", "buy an ... (animal)" associated to agro-tourism" (O.F. also)

O.F.: organic food
F.T.: fair trade products

Sharing values →

Sharing vision
("social economy",
cooperative
movement, "de-
growth" movement,
...)

→ Structured networks



2. How to research the ongoing conditions and potentials of the forest P&S markets?

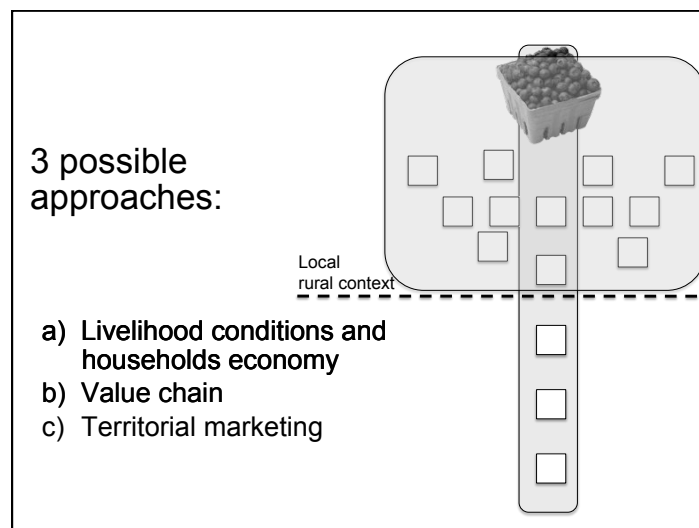


3 possible approaches:

	Research questions	Methods	Tools	Examples
– Livelihood conditions and households economy				
– Value chain				
– Territorial marketing				

3 possible approaches:

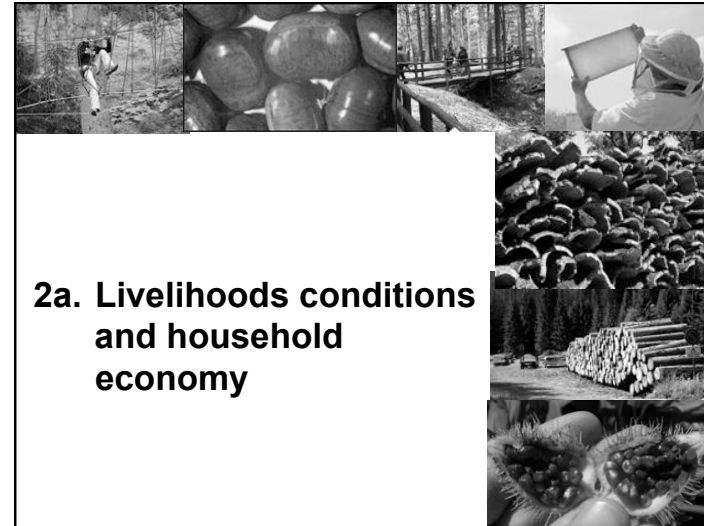
	Research questions	Methods	Tools	Examples
– Livelihood conditions and households economy	...	Accounting Budgeting, CBA	...	Wong
– Value chain	...	Supply chain management, value-chain anal.	...	Wong
– Territorial marketing	...	Network analysis, Social capital theory	...	Pettenella



Not mutually excludible



Conceptual framework showing the relationship between different data collection and analysis tools required in identifying constraints and opportunities for NTFP commercialization (Marshall et al., 2006)



Research questions

the role of forest products harvesting:

- ... in income generation (opportunity costs, time schedule, ...)
- ... in HHs food provision
- ... in forest management (Best Management Practices)
- ... in social structure organization
- ... in forest ecosystem services offer

... and related governance problems

Here the term governance is used to capture the decision-making structure, the level of accountability, transparency and verifiability associated with the different mechanisms

- PP's regulations
- .. and the cost for implementing them and maintaining the system (transaction costs)
- Costs and benefit sharing among the local actors
- Gender aspects
- ...

Methods and examples

Jenny Wong's paper

Livelihoods and NTFP-based enterprise development

Tools

Forest products commercialization research methods:

- Practical Tools for Researching Successful NTFP Commercialization: A Methods Manual. Marshall E. et al. 2006
- Commercialization of non-timber forest products: factors influencing success. Methodological procedures. Kate Schreckenberg et al., 2006
- Commercialization of non-timber forest products. Factors influencing success. E. Marshall et al., 2006
- NTFPs - income from rural population or not? E. Wollenberg B Belcher 2001. ETFRN News 32.

Forest services evaluation (a very limited list!):

- To See the Forest for the Trees: A Guide to Non-Timber Forest Benefits: J.A. Lampietti and J.A. Dixon 1995
- Assessing the Economic Value of Ecosystem Conservation. S.Pagiola et al., 2004
- Valuing Forest A Review of Methods and Applications in Developing Countries. J.T.Bishop (ed.) 2004

Forest accounting:

- Manual of forest accounting. H.A.Jobstl 2009.



2b. Value chain

Research questions

- Economic actors, prices, added values, profits → typologies of entrepreneurs
- Market access, market power distribution (bottlenecks), trade flows, asymmetric information
- Contractual agreements; vertical and horizontal integration; transaction costs of different market structures
- Institutions and their regulative instruments (command and control vs. voluntary instruments)
- Marketing tools (packaging, standards, labels, brands, certifications, promotion, e-marketing, "domestication", pricing policies: segmentation & differentiation, ...)

Methods: Supply chain management

= the path that a product or service follows from raw materials, through manufacturing and distribution to the final consumer

The main goal of supply chain management to create a value for final consumer, while satisfying the needs of all actors in the chain (Vorst, 2000).

Focus on actors/economic agents

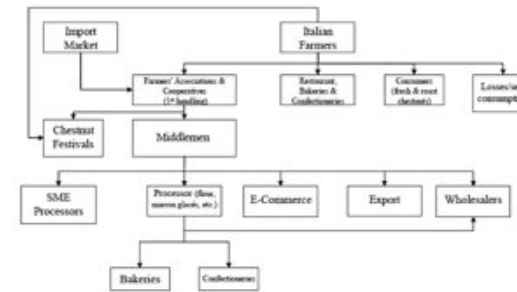
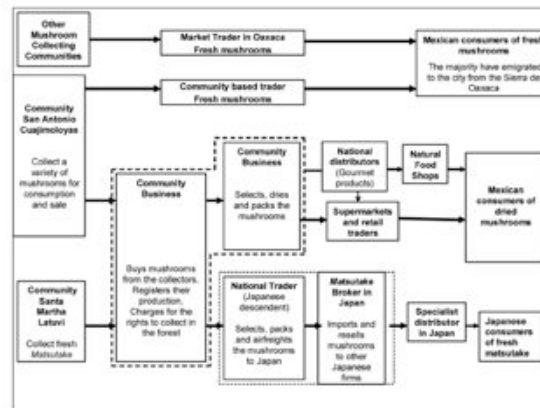


Figure 4. The chestnut Filiera.

Pierrettori e Venzi, 2009



Schreckenberget al., 2006

Focus on the steps in the value chain

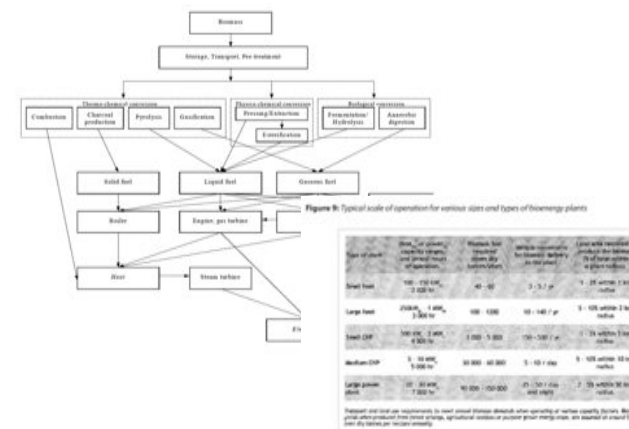


Figure 3b Typical scale of operation for various sizes and types of biomass plants

Plant size	Small (10-20 MW)	Medium (20-50 MW)	Large (50-100 MW)	Very Large (100-200 MW)
Feedstock	Wood chips, agricultural waste, municipal waste	Wood chips, agricultural waste, municipal waste	Wood chips, agricultural waste, municipal waste	Wood chips, agricultural waste, municipal waste
Feedstock cost	10-20 €/t	10-20 €/t	10-20 €/t	10-20 €/t
Feedstock capacity	100-200 t/day	200-500 t/day	500-1000 t/day	1000-2000 t/day
Plant capacity	10-20 MW	20-50 MW	50-100 MW	100-200 MW
Plant cost	10-20 M€	20-50 M€	50-100 M€	100-200 M€
Plant life	10-20 years	10-20 years	10-20 years	10-20 years
Plant efficiency	10-20%	10-20%	10-20%	10-20%
Plant output	10-20 MWh/day	20-50 MWh/day	50-100 MWh/day	100-200 MWh/day
Plant output value	10-20 M€/day	20-50 M€/day	50-100 M€/day	100-200 M€/day

Examples

Jenny Wong's paper

NTFP value chains and incentives for sustainable harvesting

Tools

VCA-SCM:

- Participatory value chain analysis for pro-poor enterprise development. Mayoux L., 2003
- Value chain analysis for policy makers and practitioners. Institute of Development Studies
- Making value chains work better for the poor – a toolkit for practitioners of value chain analysis. Van de Berg et al., 2007.
- Koen Kusters and Brian Belcher Forest products, livelihoods and conservation. Case studies of Non-Timber Forest products Systems.

SWOT analysis:

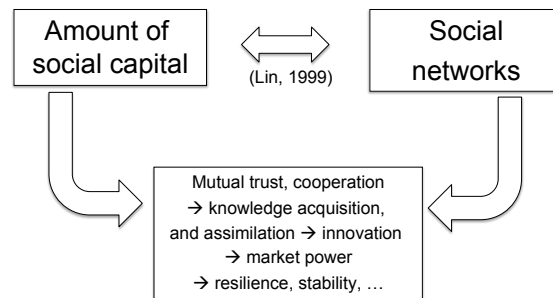
- A knowledge-based SWOT-analysis system as an instrument for strategic planning in small and medium sized enterprises. G.Houben et al., 1999
- Business models that are inclusive of small farmers. B.Vorley et al., 2008



Research questions

The same as 2b., but with a focus on inter-sectoral networking, social capital, common goods regulations/governance, equity and benefit sharing

Methods: Social Capital Theory



Social Capital definitions

Author	Definition
Adler (1988, p. 95)	'obligations and expectations, information channels, and social norms'
Coleman (1989, p. 304)	'social organization constitutes social capital: facilitating the achievement of goals that could not be achieved in its absence or could only be achieved at a higher cost'
Putnam (1993, p. 167)	'features of social organization, such as trust, norms and networks that can improve the efficiency of society'
Fukuyama (1997, p. 378-379)	'the existence of a certain set of informal rules or norms shared among members of a group that permits co-operation among them. The sharing of values and norms does not on itself produce social capital, because the norms may be wrong ones [...] The norms that produce social capital [...] must substantively include virtues like trust telling, the meeting of obligations and reciprocity'
Knack and Keefer (1997, p. 1201)	'trust, co-operative norms, and associations within groups'
Nerayan and Pridemore (1999, p. 872)	'the quantity and quality of associational life and the related social norms'
Putnam (2000, p. 19)	'connections among individuals - social networks and norms of reciprocity and trustworthiness that arise from them'
Ostrom (2000, p. 176)	'the shared knowledge, understandings, norms, rules and expectations about patterns of interactions that groups of individuals bring to a recurrent activity'
Walidam (2000, p. 635)	'Three families: 1) the ability of [an individual] to work voluntarily together with others of [a population]; 2) the quantity of trust [an individual] has in other members of [a population]; 3) the amount of benefits the individual can draw on his goodwill'
Whitley (2000, p. 450)	'the willingness of citizens to trust others including members of their own family, fellow citizens, and people in general'
Woodcock (2001, p. 13)	'the norms and networks that facilitate collective action [...] it is important that any definition of social capital focus on the sources rather than consequences [...] this approach eliminates an entity such as 'trust' from the definition of social capital'
Lin (2001, p. 24-25)	'resources embedded in social networks and accessed and used by actors for actions. Thus the concept has two important components: 1) it represents resources embedded in social relations rather than individuals, and 2) access and use of such resources reside with the actors'
Knack and Keefer (2002, p. 42)	'trust, concern for one's associates, a willingness to live by the norms of one's community and to punish those who do not'
Knack (2002, p. 139)	'circumstances in which individuals can use membership in groups and networks to achieve secure benefits'
Purcell and Falchamps (2004, p. 5)	'A feature that generates positive externalities for member of a group [...] that are achieved through shared trust, norms and values and their consequent effects on expectations and behavior [...] shared trust, norms and values arise from informal forms of organizations based on social networks and associations'
World Bank (2005)	'norms and networks that enable collective action'
Groot et al. (2006, p. 1)	'Social capital includes all factors that foster social relations and social cohesion'

Social capital typologies

Social capital	Link structure	Determinants	Impacts
Bonding	Among actors of the same group	Family, cultural, professional links	Strong identity, cooperation attitude, IK sharing
Bridging	Among actors of different groups	Links among actors with different socio-economic background but (occasionally) involved in the same activity	Mutual trust, less transaction costs (financial risks), knowledge sharing
Linking	Among private actors and public institutions	Links with political and public institutions	Good governance

Methods: Social Network Analysis

(source: R. Da Re, 2011)

- Actors connected by using different types of multiple relationships
- Social networks provide ways for companies:
 - to gather and share information
 - to compete in a fair way (imitation)
 - to coordinate their policies, investments, and other actions

We live in a connected world



"To speak of social life is to speak of the association between people – their associating in work and in play, in love and in war, to trade or to worship, to help or to hinder. It is in the social relations men establish that their interests find expression and their desires become realized"

Peter M. Blau. Exchange and Power in Social Life, 1964

Make our 'social space' visible



"If we ever get to the point of charting a whole city or a whole nation, we would have ... a picture of a vast solar system of intangible structures, powerfully influencing conduct, as gravitation does in space. Such an invisible structure underlies society and has its influence in determining the conduct of society as a whole."

Jacob L. Moreno. New York Times, April 13, 1933

76

History and applications

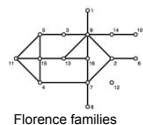
Information Networks

Social Networks (people and interactions)

Technological Networks

Biological Networks

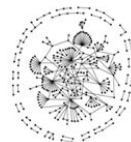
...



Florence families



Friendship network



Yeast protein interactions

Definition

An application of SNA to public decision makers

A Social Network is a social structure,

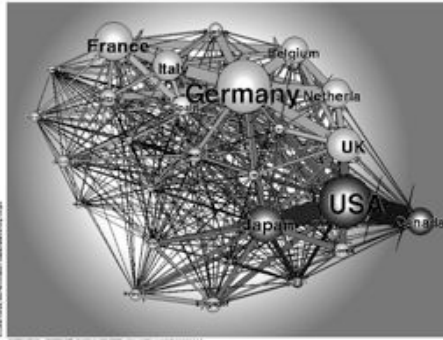
made up of individuals (or organizations) called "nodes",

which are tied (connected) by any kind of relationships



Source: J.Rayner, A.Buck, P.Katila, 2010

... Trade (market) networks



OECD
Trade Flows
1981-1992

Source: Lothar Krempel <http://www.mpi-fg-koein.mpg.de/~lk/netvis.html>

Definition

Social Network Analysis (SNA), developed in '30, is a technique to map and measure relationships among actors

The nodes in the network are the people and groups

The links show relationships or flows between the nodes.

SNA provides both a visual and a mathematical analysis of human relationships.

Definition

Aims:

To study the whole network or an ego-network.
To find actors and ties.

- i) Graphic analysis
- ii) Relations' structure analysis (density)
- iii) Unite prestige analysis
- iv) Cluster analysis
- v) Relations' symmetry and reciprocity analysis

It's different because...

... unit is not more the individual (attributes), but the tie (relations)

Key concepts

Actor: entities (people, HHs, NGOs, countries ...)

Tie: connections among actors

Relation: relationships at a whole (friendship, financial exchange, dislike, kinship, information flows, beliefs,...)

Dyad: a couple of actors and their ties

Triad: a sub-group of actors and their ties

Sub-group: a set of actors and their ties

Attributes: actor's characteristic

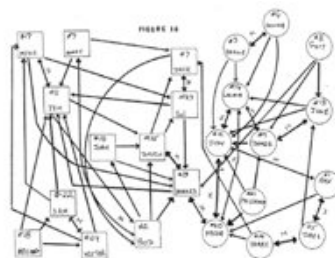
History and applications

Started in 1920s,

Jacob L. Moreno pioneered social network analysis for his "psychodrama" therapy.

sociomatrices and
hand-drawn sociograms

to display children's likes and dislikes of classmates
as directed graphs



History and applications

'30: in sociology

→ groups dynamics and cliques

'50: in antropology (Manchester School)

→ ego-networks

'70: structural mathematical models (Harvard researchers)

→ "Getting a job", Granovetter, for weak and strong ties.

...now, overall applications, softwares, conferences, professional organizations...

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History and applications

Network applications appear in diverse substantive fields of mostly social sciences – anthropology, management, political science, public health, sociology, economics

Studies span micro- meso- macro-levels of analysis:

- personal social & health support systems
- children's play groups, high school cliques
- employee performance
- neighboring behavior, community participation
- work teams, voluntary associations, social movements
- military combat platoons, terrorist cells
- corporate strategic alliances, board interlocks
- international relations: trade, aid, war & peace

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Data analysis

Relational Data:

Binary– Numeric

1 → 2
For instance: person 1 likes person 2

Oriented– Not oriented

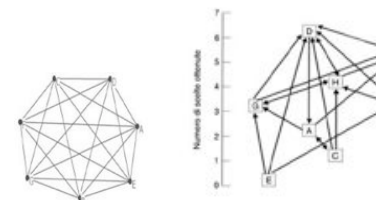
1 ↔ 2
Person 1 likes 2, 2 likes 1

Symmetrical by choice or by definition

1 ↔ 2
Person 1 is married to 2

Representation:

- Moreno Sociogram
- Graph Theory (nodes, arcs, ...)
- Matrix...



Data analysis

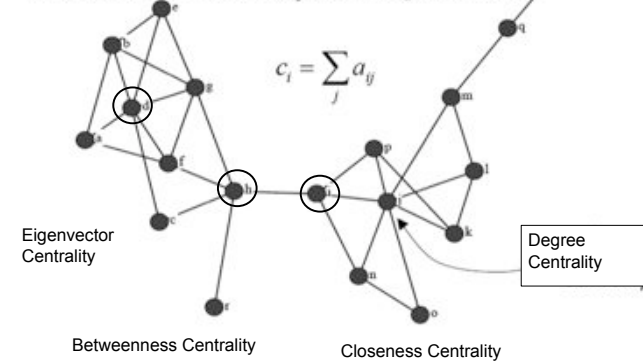
Adjacency
and
Incidence Matrix

	E1	E2	E3	E4	E5	E6	E7	E8	E9	E10	E11	E12	E13	E14
EVELYN	1	1	1	1	1	1	0	1	1	0	0	0	0	0
LAURA	1	1	1	0	1	1	1	1	0	0	0	0	0	0
THERESA	0	1	1	1	1	1	1	1	1	0	0	0	0	0
BRENDA	1	0	1	1	1	1	1	1	0	0	0	0	0	0
CHARLOTTE	0	0	1	1	1	0	1	0	0	0	0	0	0	0
FRANCES	0	0	1	0	1	1	0	1	0	0	0	0	0	0
ELEANOR	0	0	0	1	1	1	1	0	0	0	0	0	0	0
PEARL	0	0	0	0	0	1	0	1	1	0	0	0	0	0
RUTH	0	0	0	0	1	0	1	1	1	0	0	0	0	0
VERNE	0	0	0	0	0	0	1	1	1	0	0	1	0	0
MYRNA	0	0	0	0	0	0	0	1	1	1	0	1	0	0
KATHERINE	0	0	0	0	0	0	0	1	1	1	0	1	1	1
SYLVIA	0	0	0	0	0	0	1	1	1	1	0	1	1	1
NORA	0	0	0	0	0	1	1	0	1	1	1	1	1	1
HELEN	0	0	0	0	0	0	1	0	1	1	1	1	1	1
DOROTHY	0	0	0	0	0	0	0	1	1	1	0	1	0	0
OLIVIA	0	0	0	0	0	0	0	0	1	0	1	0	0	0
FLORA	0	0	0	0	0	0	0	0	1	0	1	0	0	0

	A	B	C	D	E	F	G	Gradi
A	0	1	0	0	0	0	0	1
B	1	0	1	0	0	0	0	2
C	0	1	0	1	0	0	0	2
D	0	0	1	0	1	0	0	2
E	0	0	0	1	0	1	0	2
F	0	0	0	0	1	0	1	2
G	0	0	0	0	0	1	0	1
	1	2	2	2	2	2	1	12

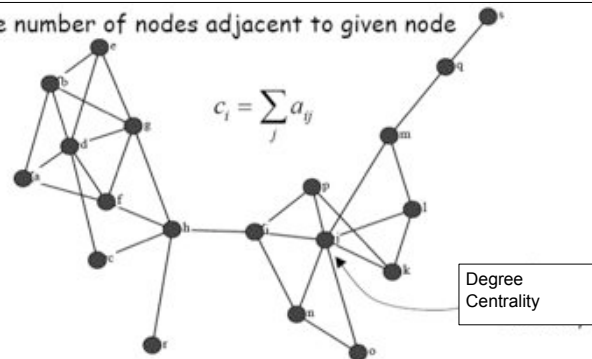
Degree of centrality

The number of nodes adjacent to given node

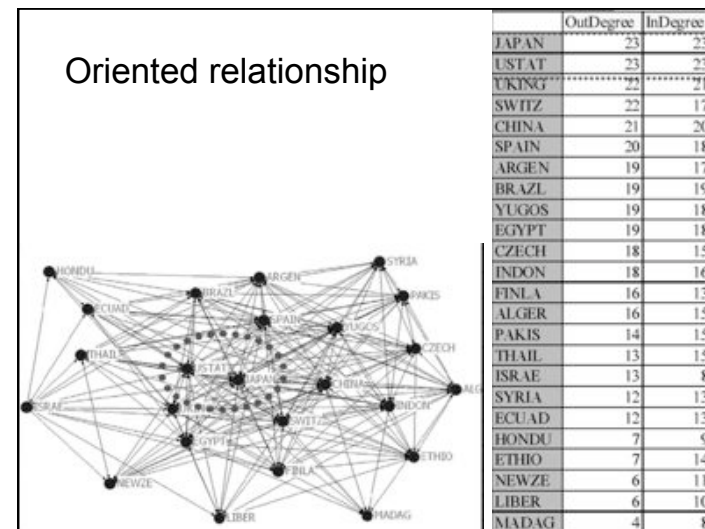


Degree of centrality

The number of nodes adjacent to given node

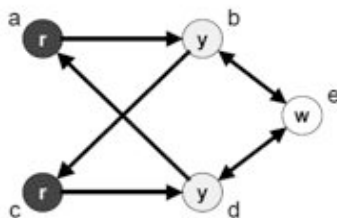


Oriented relationship

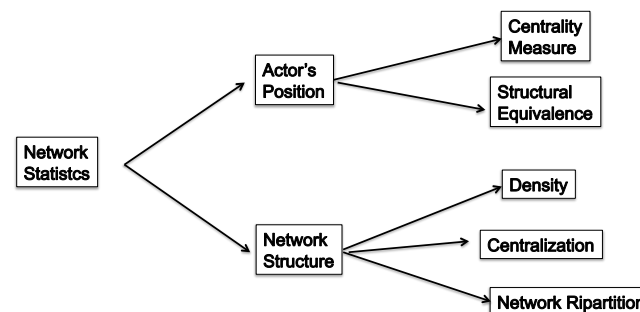


Structural Equivalence

Actors are structurally equivalent to the extent they have the same in-neighbors and out-neighbors



Analysis and indicators



Chiesi (1999)

Tools

Granovetter M. (1983), *The strength of weak ties: A network theory revisited*, Sociological Theory, Vol.1, 201-233.

Hanneman Robert and Riddle Mark (2005), *Introduction to social network methods*

→ <http://www.faculty.ucr.edu/~hanneman/>

Moreno J. (1934), *Who shall survive?* New York: Beacon Press

Scott John (2000), *Social Network Analysis: A Handbook*.

Wasserman Stanley and Faust Katherine (1994), *Social Network Analysis, Methods and Applications (Structural Analysis in the Social Sciences)*

Social Networking in plain english:
http://www.youtube.com/watch?v=6a_KF7TYKVC

<http://www.insna.org/>

Other textbooks

Analysis of the social-economic context:

- IFRI Manual
- Markets-as-Networks Theory: a Review. Filipe J. Sousa et al., 2010
- The role of networks of small-medium enterprises operating in forest areas. Pettenella and Maso (in press)

Innovations:

- The “Oslo Manual”: The measurement of scientific and technological activities. proposed guidelines for collecting and interpreting technological innovation data. Organisation for Economic Co-operation and Development, European Commission, Eurostat
- Entrepreneurship in value chains of non-timber forest products. D.Willem te Velde et al. 2006



Some examples of territorial marketing

Networking, integration

Willingness to cooperate among private operators

Private/public partnership in promotion

We sell the product, but also the associated history, monuments, events, farm tourism, ...

(http://www.umbriadoc.com/eng/prodottotipico/generale/prodottotipicodoc_tartufo.htm)

Törggelen holydays: few days-one week holidays (normally for aged persons) based on

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

organized in South Tyrol

<http://www.wanderhoteleuropa.com/it/wandern/angebote/05.html>

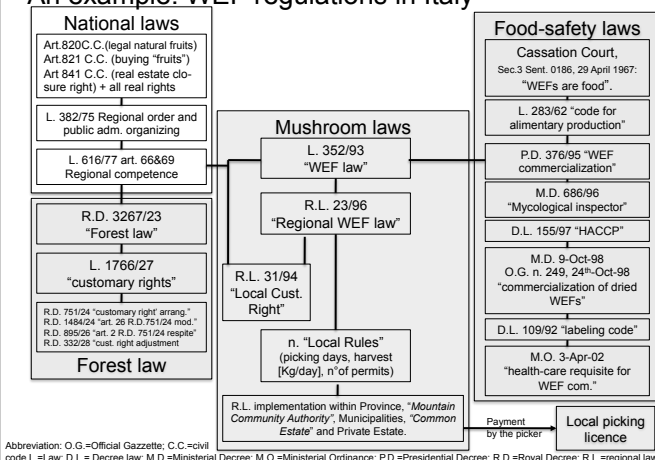
In the region South Tyrol chestnut maturity and the first wine of the year take place at the same time. Every year different kind of chestnut fairs are celebrated. Tourists are attracted with Chestnut-trails and visits of agriculture farm to eat fresh roasted chestnuts, taste the new wine and other local specialties. Fairs of chestnuts are also organised. Many old chestnut recipes are rediscovered and utilised during these days. Tourists can also learn everything about chestnuts from woodland to gastronomy on chestnut walks and different kind of chestnut parties.



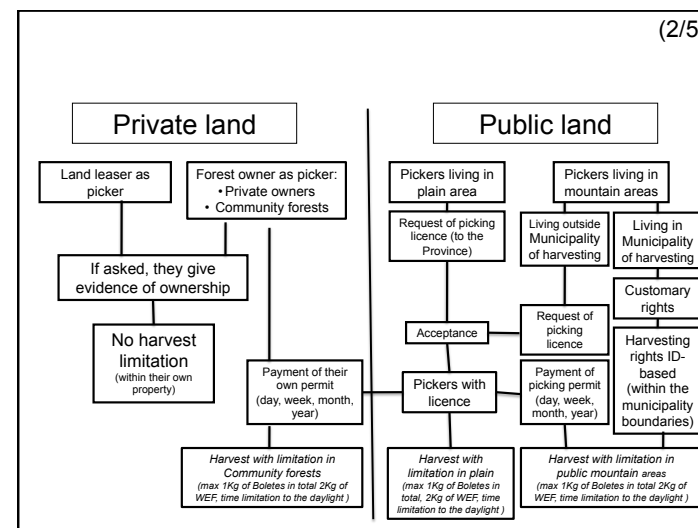
Important steps

- Analysis of the property rights regulation system
- Network analysis: value chain and SNA →
- The instruments to link actors
- *Genus loci* identification (*imago* product = brand of the territory)
- Set of products & programs

Property rights analysis An example: WEF regulations in Italy



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The effects of a proper system of P.R. regulations

Daily permit: 15 Euro
(for 3 kg max)

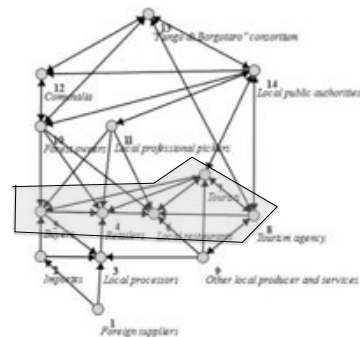
Network analysis

The example Borgotaro Network

Enterprises: 62 (in 2008); > 100 in 2011

15	Agritourisms/ Farm businesses
12	Hotels/Guest quarters
8	Bed&Breakfasts/Inns/Hostels
9	Cheese, sausage and wine growing and producing factories
2	Didactic farms
3	Museums/Private collections
30	Restaurants/Porterhouses
26	Typical products sellers

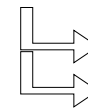
The Social Network Analysis (SNA): who hold the market power?



The instruments of the links: the "road concept"

A **linkage** is needed among the imago product (or the main product) and the associated products and services of the same area

The **"road concept"** (i.e. trails, roads, itineraries or pathways) is a very common tool for linking various products and services across a territory



Cultural link
physical, organizational link

Road, trail, path... the tools for connecting different economic actors



Google search		hits
Strada della castagna	Chestnut road	35,200
Strada del tartufo	Truffle road	361,000
Strada del fungo	Mushroom road	265,000
Strada del porcino	Porcino road	58,900
Strada del marrone	Marron road	78,400



“Alberghi diffusi” (hotel distributed in a village, rural community) network



Other elements for a territorial marketing strategy based on forest resources

- *Genus loci* identification (competitive advantage and “brand” of the region-territory)
→ NWFP are frequently used in branding

A NTFP as **imago product** for presenting a territory

- Traditional local products
- “Green” products
- “Slow food” culture



Other elements for a territorial marketing strategy based on forest resources

- *Genus loci* identification (competitive advantage and “brand” of the region-territory)
→ NWFP are frequently used in branding
- Product(s) = activities (a concert in the forest, an organized visit, ...) + services (B&B, restaurants, transport, ...) + communication
- Program: a set of
 - “ordinary”, day-by-day (week-by-week) activities +
 - Large single events (night walk in a forest, concert, fresh mushroom exhibition, ...)

La nostra settimana ideale | programma 2011

VEDETTA	PROGRAMMA	DETA
1. Venerdì della natura e della salute	15.00 - 17.00 NATURA DA CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	1. Venerdì della natura
2. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	2. Venerdì della natura
3. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	3. Venerdì della natura
4. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	4. Venerdì della natura
5. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	5. Venerdì della natura
6. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	6. Venerdì della natura
7. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	7. Venerdì della natura
8. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	8. Venerdì della natura
9. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	9. Venerdì della natura
10. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	10. Venerdì della natura
11. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	11. Venerdì della natura
12. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	12. Venerdì della natura
13. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	13. Venerdì della natura
14. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	14. Venerdì della natura
15. Venerdì della natura	15.00 - 17.00 LA CANTIERE DI CANTIERE: ANCHE LA CANTIERE DI CANTIERE E CANTIERE DI CANTIERE	15. Venerdì della natura

A walk in the forest with an herbalist

Nordic walking in the forest

A play in the forest with the mushrooms

A **systemic approach**: large unique events + weekly events

- morning/afternoon/night
- with/without payment
- different clients (children, adults, retired person, ...)

Conclusions

A key element a of success: a well established cooperation between private (profit and non profit) and public agents.

Public agents as pro-active partners, not as the the policemen to protect the natural resources

A proper relationship between **State and private** sector:

*"The State when it is needed,
The market whenever possible"* (G.Tremonti)

Two components of the most advanced form of networks:

- **A (contractual) coordination** among economic agents for the supply of products and services to increase profit and/or stability (a market share)

- **A mutual trust:**

← input = **social capital**

→ output = not only market products are supplied but also **"relational goods"**

For successful marketing in marginal economic areas and with seasonal activities, a key factor is cooperation



Questions?

