

## Territory branding as a strategy for rural development: experiences from Italy

### *Abstract*

Many rural areas make increasing recourse to the use of territorial marks to achieve a development goal, foster reputation as well as preserve their identity, their cultural, social and environmental resources. Despite the growing interest of the literature on the topic, territorial marks have so far been analysed as individual tools, while in many areas a strategy of territory branding can be recognised. Drawing on research from two Italian case studies, the paper shows which are the pillars of such a strategy, which are the territorial conditions allowing its success and which effects this strategy produces under the economic, social, cultural and environmental point of view.

### *Keywords*

*Territorial brand, rural, development, Italy, typical product, certification*

### *1. Introduction*

In the last decade a “new rural development paradigm” (OECD, 2006; van der Ploeg et al, 2000; Ward and Brown, 2009) has emerged in both policy and practice, as a series of responses to the earlier paradigm of modernisation. Rural development has been recognised as a multi-level, multi-actor and multi-faceted process (van der Ploeg et al, 2000), whose two main features are a new development model for the agricultural sector and its synergy with other activities.

Several experiences have emerged characterised by a slow-type development model, where “slow” is not synonymous of not dynamic. On the contrary, this model interests regions of noteworthy natural and cultural attractiveness, where high quality, traditional low-intensity farming systems are mixed with a tourism supply attracting niche markets in search of enogastronomic and cultural experiences. In most of these regions, after a period of underdevelopment and depopulation, traditional agricultural activities have been rediscovered as a means for a new competitiveness in the agri-food market and a value added for tourism attractiveness. The term slow refers to a life style of the local community searching for good quality of life, and to a model of development not exclusively profit-driven but focused on the maintenance of traditional activities and the search for quality and sustainability. These characters result in a pleasant environment also for tourists looking for relax, typicality, genuineness and immersion in traditional atmospheres.

To sum up, these are regions looking for a competitive advantage based on difference – strictly linked to the territorial identity - and quality. Their development model is well explained by the territorialised paradigm, which promotes a rural development based on three main factors: endogeneity, integration, and sustainability (Pacciani et al, 2001).

One emerging means of analysis for these areas focuses on the recognition of the role and significance of territorial marks, food labelling and accreditation schemes (Ilbery et al, 2005; Ortiz-Mirada et al, 2010).

In recent years a growing number of studies has been dedicated to the contribution of origin labelled products (OLPs<sup>1</sup>), protected designations of origin (PDOs) or indications of geographical origin (IGOs), collective intellectual property rights (CIPRs) and other territorial brands linked to OLPs such as the Slow Food Presidium, for sustainable development

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<sup>1</sup> In this paper we adopt the DOLPHINS project’s definition of OLPs, as “local products based on a strong territorial identity and reputation, and/or typical products based on specific modes of production and whose quality, reputation or any other characteristics are attributable essentially to their geographical origin”. Despite the definition is similar to that of Geographical Indications, OLPs are not necessarily protected by regulatory provisions or by an agreement.

(Barham, 2003; Bowen and Valenzuela Zapata, 2009; Gade, 2004; Moran, 1993; Nosi and Zanni, 2004; Rangnekar, 2004; Ray, 1998; Sylvander et al, 2004; Tregear, 2003) and for tourism development (Bessière, 1998; Lorenzini et al, 2010; Santagata et al, 2007)<sup>2</sup>.

Despite the growing interest of the literature on the topic, territorial marks have been prevalently analysed as “individual” tools, while in many areas collective action processes leaded by local actors are recognisable pursuing a strategy of development and promotion based on the achievement of different territorial marks.

For this reason the aim of this paper is to analyse the strategy of rural development based on the promotion of territorial marks, drawing on research from two Italian case studies. The research aims at understanding which are the pillars of such a strategy, which are the territorial conditions which allow the success of such a strategy and which effects this strategy produces under the economic, social, and cultural point of view.

## 2. Territorial brands

The literature affording the topic of territorial marks has considered the effect of the single mark on the development of rural districts, in particular through the study of territorial brands on typical products.

The literature has underlined how typical products are rural development assets which contribute to the three levers (endogeneity, integration and sustainability) of development. As explained Tregear et al (2007, p.14) “actors perceive such products as offering a breadth of interlinked resources including physical environmental (e.g. distinctive landscapes, local animal breeds and plant varieties), and cultural (e.g. techniques, know-how, myths, stories), as well as economic (e.g. skilled employment). Thus regional foods are seen to contribute, potentially, to a wide range of initiatives that encourage diverse activities and novel interactions between multiple types of actors (e.g. tourist trails, markets, festivals, educational initiatives, community events)”.

Regional products may contribute to rural development also “building a strong network of actors in the production and processing of the regional product, focusing energies on managing production levels, improving physical product quality, and implementing effective marketing” (Pacciani et al, 2001).

A different strand of the literature has concentrated on eco-labels and territorial certifications with aims of protection of cultural and environmental assets and tourism promotion (Buckley, 2002; Font and Harris, 2004; Font and Tribe, 2001; Kim et al, 2007; Parrott et al, 2002; Prud’homme et al, 2008; Wager, 1995).

In this paper, we assume a different point of view, considering not the single mark but the territorial district characterised by a slow-type rural development model which chooses territorial marks as pillars in its development strategy.

Consequently, we consider the different territorial marks as elements of a unique strategy.

There are many reasons for such a choice.

The first reason is that there is often a strong correlation between the use of one of them and the use of many others within the same area. A second reason derives from the recognition that territorial brands, although different, share similar characteristics, goals and problems. Firstly, all of them are a form of place branding (Kavaratzis, 2005, Lorenzini et al, 2010) and are promoted by policy makers to certify their territory as well as convey a sense of quality and sustainability to it.

Secondly, they share a link with the *terroir* (Bérard et al, 2005; Salette et al, 1998), “a spatial and ecological concept that links the actors, their histories, their social organizations, their

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<sup>2</sup> In this paper the general definition of “territorial marks” will be used to refer to the certification, marks and labels used to protect and promote OLPs.

activities” (Bowen and Valenzuela Zapata, 2009, p. 109) and “the product of *interacting* natural and human factors” (Bowen and Valenzuela Zapata, 2009, p. 109). All territorial brands, in fact, are strictly linked to the natural, cultural and social values of the territory and the community they are expression of.

Thirdly, main targets of policy makers and firms looking for the achievement of a territorial brand are the following: strengthening of the quality and pursuing differentiation and good reputation for promotion and local development. Firms and policy makers pass through territorial brands to enforce their specialisation, usually in tourism and agro-food industries. Through territorial brands, firms and policy makers look for a competitive advantage based on quality, since they are a guarantee of quality processes and products needed in an even more and more competitive market. Although quality remains a problematic concept, since it is a socially constructed and ambivalent notion and thus can be highly contested (Rangnekar, 2004), it is evoked by the whole set of the different territorial brands as one of the attributes distinguishing the product, process or territory certified by the others in the market. In some cases the quality attributes are intrinsically linked to the idea of “localness” and genuineness of the local lifestyle.

In the case of food and origin labelled products, quality is about the production process and the raw materials used, but also the place of origin.

In the case of territorial certifications linked to physical attributes of the place, like UNESCO and Blue Flag, the idea of quality is due to the intrinsic value of the heritage and assets protected, but also to the sustainable conduct of the community, which recognise the value of their heritage and decide to preserve it for the future generations.

In all cases the reputation conveyed through the distinctive signs, helps in diminishing the information asymmetries between buyers and consumers which characterise experience goods (Rangnekar, 2004) acting as a guarantee for the visitor/consumer.

Territorial brands share also some limits and have to face with similar problems.

Firstly, since they are club goods, defined by excludability and non rivalry in consumption, from an economic view point they suffer for collective action problems, because of the need to involve multiple stakeholders’ groups. The risk is that opportunistic behaviour on the part of a single firm can jeopardise the collective reputation of the brand and thus of the territory. In addition, territorial brands share a problem of limited awareness in consumers’ mind.

Whilst so far the literature has examined the effects of single territorial marks on rural development, far less attention has been paid to the analysis of a strategy based on the achievement of marks by rural areas. Lorenzini et al (2010), instead, have considered the impact of a plurality of territorial brands on the tourism development of small villages, but their research has prevalently quantitative nature and a deeper understanding of the dynamics which determine the success of a strategy of territory branding is needed.

In order to address this topic, we analyse the cases of two Italian rural areas which have made extensive use of territorial marks in their development strategies: Cinque Terre and Val d’Orcia.

Results will be discussed around three linked questions:

- Are the territorial brands sporadic and uncoordinated initiatives or instead the blocks of a strategic planning process? Can we identify a common development path linked to the implementation of such a strategy?
- Do some marks work better than others in creating territorial development?
- Is there any difference in the effects produced by the territorial marks strategy in the two areas? Which are the reasons?

We develop these arguments over four further sections. The first explains the methodology. The second describes the case studies; the third discusses the research questions and the last concludes.

### 3. Methodology

The choice of two Italian case studies has been motivated by the wide diffusion of slow-type rural development models in the country, as well as of territorial marks of different nature. The cases present both similarities and differences which shall help to identify the critical success factors for the implementation of a strategy of rural development with territorial marks. As Table 1 shows, both cases are small areas of few municipalities. Nevertheless they are known worldwide for their quality produces and attract important tourist flows for their cultural heritage and landscape.

However, they also present differences, for instance in the presence of a leading institution such as the National Park in the Cinque Terre, while a strong intermediate institution is not present in Val d'Orcia.

**Tabella 1 – Main features of the two cases**

	Cinque Terre	Val D'Orcia
Inhabitants	4.464	13.541
Surface	3.860	66.848
Population density	115,65	20,26
No. of Municipalities	3	5

The research is based on in-depth interviews carried on in the period December 2006 – November 2010 to local representatives. For the Val d'Orcia case 28 representatives have been interviewed of whom: 2 representatives of the wine Consortia, 9 wine producers, 2 officers of the Agency managing the UNESCO site and the local mark for typical products, 7 representative of public authorities and trade associations; 3 representatives of tourism services; 2 local retailers of typical products and one restaurant; 1 representative of a cultural institution; one agency of communication in the field of wine. In the case of Cinque Terre the 20 in-depth interviews have involved: 4 representatives of the National Park managing the UNESCO site, the local mark, and the eco-label on the lodging structures; the President and an employee of the Cooperative managing the agricultural activities; 3 owners of hotels and bed and breakfasts; the President of the Cooperative and the responsible for the Laboratory of sardines' salting; one representative of the fishermen; 2 producers of wine; 1 representative of the *Cooperativa Agricoltura*; 5 representatives of the cooperatives managing the laboratories of production of typical products, cosmetics and tourism services. Regarding the eco-label for lodging structures of the Cinque Terre, a double level of inquiry has been used to understand the impact of the label. Firstly, the people in charge for the project for the National Park have been interviewed. Secondly, a questionnaire has been e-mailed to the 131 lodging structures who have joined the project and thus whose contact information are present in the National Park web site. The redemption rate has been 20%.

Some interviews quotes are used to support our arguments.

The evaluation is also based on data from official sources and development plans. For each case a first exploratory phase has consisted in one or two in-dept interviews with local leaders. This phase has helped to gather documents and information about the local history and development process and identify who could be the entrepreneurs, policy makers, civil servants and other local actors worth interviewing in the second phase.

#### 4. Case studies

This section is dedicated to tracing a brief history and a description of the main features characterising the two areas of interest.

##### 4.1 The Cinque Terre case

The Cinque Terre are an area of three municipalities and five villages, a terraced land sustained by dry-stone walls in front of the Tyrrhenian Sea in Liguria Region, Italy. In the Seventies subsistence farming was the sole activity; at the same time in Monterosso, the only village of the five to have a beach, fishing was practiced. These communities were subject to progressive depopulation. In the Eighties tourists discovered this uncontaminated land and the creation, in 1999, of the National Park, helped the local community to follow a development path based on agriculture and tourism activities oriented simultaneously towards both innovation and tradition. The two products that symbolise the area, the sardines of Monterosso and the *sciaccetrà* (a wine liqueur) have obtained the “Presidium Slow Food” certification. The wines obtained the DOC label in 1973.

Furthermore, the Park managers have promoted a line of food and cosmetics products with the brand of the Cinque Terre National Park based on local goods and the eco-label for lodging structures, a voluntary tool granted to those accommodation structures that choose to improve their services according to the objectives of quality and environmental impact identified and proposed by the Park.

In addition, the Cinque Terre has been recognised as UNESCO site and the village of Vernazza as one of “The most beautiful villages of Italy”.

##### 4.2 The Val d’Orcia case

Val d’Orcia is a Regional Park located in the Tuscan Region, recognised by UNESCO as a World Heritage Site, originating from the agreement of the five Municipalities of Montalcino, Pienza, Castiglione d’Orcia, San Quirico d’Orcia and Radicofani to protect the cultural landscape and promote the sustainable development of their territory in partnership.

In the Eighties Castiglione d’Orcia, San Quirico and Radicofani were underdeveloped rural areas, while Pienza, already known as “the perfect city”, was a niche tourism destination. Montalcino was at the beginning of the process of valorisation of Brunello di Montalcino, the superior wine that owes its worldwide diffusion to the American firm Banfi. Followed the Banfi example, the farm owners increased the production of wine (Brunello in Montalcino, which obtained the DOCG label in 1980, and Orcia in the land of the other municipalities, which obtained the DOC label in 2000) and transformed their rural annexes into holiday farms. The demand together with the arrival of flows of international tourists has encouraged the supply and new tourism services have spread in the area.

#### 5. Discussion

Once briefly described the development path followed in the two cases and the main territorial marks which denote the supply of the two areas, in this section we discuss the topic of whether we can identify a strategy based on territorial marks and which are its effects.

*5.1 Are the territorial brands sporadic and uncoordinated initiatives or instead the blocks of a strategic planning process? Can we identify a common development path linked to the implementation of such a strategy?*

In the case of Cinque Terre territorial brands are the elements of a strategy which aims at qualifying the local supply both of the agricultural and of the tourist products. Although such a strategy is not explicitly formalised and formulated in these terms by the representatives of the Park, it is evident from the interviews that the Park – which acts as local development agency and destination management organisation – has embraced the method of promoting the adoption of territorial marks in order to achieve three levels of objectives. First of all, to increase the quality of the local supply. Secondly, to involve the local and entrepreneurial community around this common aim. Thirdly, to have a tool to promote this increased quality of the supply. A further important element is that the Park has understood that this process acquires in value if it involves in an integrated inter-sectoral way the different products and services of the territorial offer, that is the typical product, but also the lodging structures, and the cultural heritage. The reputation of one product, in fact, affects the collective reputation of the territory and vice versa. Thus the Park can be identified as the engine and the promoter of a strategy of territorial branding. However this strategy is grounded in a history of cooperation and process qualification which dates back to the Seventies with the pursuing of the DOC, the first territorial brand obtained in the area.

Val d'Orcia has followed a similar path. Also in this case a wine product - the Brunello, which has been awarded the DOCG – has open the way for a process of territorial qualification. Afterwards, an intermediate institution, with the support of the local public authorities, has obtained the recognition of Regional Park and then of UNESCO site. Furthermore, the wine producers have been pulled for the request of the DOC. Finally a local mark for typical products has been created, even if giving weak results.

To sum up, we can argue that both the Cinque Terre National Park and the Val d'Orcia local agency, on behalf of the local authorities, have undertaken a strategy of local development based on territorial branding which have involved both the agricultural and food productions, the cultural heritage and in the case of Cinque Terre the tourism services. In both areas the wine producers had been the forerunner of such a strategic behaviour in order to preserve quality and typicality and to enhance the reputation of the product.

One could argue that such cases have a too limited dimension to be of interest for studying a strategy of development. Actually, although small they attract important tourist flows and they own important cultural assets and typical products. Furthermore they describe a very diffused development model, at least in the Mediterranean countries. Finally, the method and the results can easily be extended to larger cases<sup>3</sup>.

## *5.2 Do some marks work better than others in creating territorial development?*

Provided that we can argue that some territories pursue a strategy of territorial branding, it is useful to understand which effects this strategy can achieve. We answer this question analysing each brand and then making a comparison.

### *5.2.1 The Cinque Terre marks*

In the Cinque Terre the DOC on the wines is the older certification obtained, since it dates back to 1973. That was a period characterised by high depopulation and abandonment of the agricultural activities. The local authorities understood that the recognition of the DOC and a new organisation of production could be possible means to motivate the producers to continue in the activity. The DOC was obtained and the creation of the *Cooperativa Agricoltura*

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<sup>3</sup> If we consider, for instance, the whole Province of Siena, where Val d'Orcia is located, it is evident that it follows the same strategy of territory branding

(Agriculture Cooperative) allowed the small producers to keep the cultivation activity inside their farms and gather the production and commercialisation phases. As argued by one of the Councillors of the Cooperative,

“the new organisation gave the expected results in terms of economies of scale and the DOC contributed to increase the premium price of the wines and the survival of the local enterprises, with a consequent positive effect on employment”.

Later, thanks to the virtuous circle created between tourism and agriculture in the Cinque Terre, other advantages have resulted for the local systems that are in part attributable also to the presence of the DOC. The Cinque Terre are based on the maintenance of the dry-stone walls, an expensive activity but necessary for soil conservation and environmental equilibrium. Since viticulture is based on dry-stone walls as well, producers find necessary their maintenance, thus contributing to environmental protection. What's more they contribute to tourism development since the terraced land is also a tourist attraction. In turn, the tourist flows have a positive effect on the DOC products increasing their demand, the direct selling and the value per unit of production. It should be noted that the increase in tourist flows is not always a positive externality. Mass tourism, in fact, often implies negative impacts such as standardisation, low quality, and limited capacity of the demand (Russo and Segre, 2009). The Cinque Terre producers have avoided the risks linked to mass tourism also thanks to the DOC: in a scenario of increasing tourist demand, the DOC has favoured the preservation of high quality products preventing the producers from the risk of searching bigger quantities at the detriment of the quality of the wines.

Similar considerations can be extended to the two Presidia Slow Food granted to the *sciacchetrà* (a wine liqueur) and the salted sardines of Monterosso. The certification has helped to preserve the local *savoir faire* and transmit it to the new generations and young people have found employment in the production chain. In the case of the sardines the recognition of the presidium has also constituted the opportunity to improve the organisation of the supply chain since. The President of the Cooperative managing the activity of salting and direct selling has argued that after the Presidium Slow Food recognition the Cooperative '*Le ragazze del Parco*' has taken in charge the activity of sardines salting which was previously bad-managed and going to disappear and has strengthened the relation with the local fishermen.

Also in this case synergy effects have emerged with tourist activities. The presidium allows the protected products to be granted a premium price. A tin of 0,8 kg of sardines of Monterosso is sold for € 29,00, while the other sardines, processed with the same method but caught in a geographic area outside that of the presidium are sold for € 27,00<sup>4</sup>. This demonstrates that not only the presidium guarantees a premium price, but its presence contributes also to promote similar products.

The pride of the local community for the maintenance of this traditional activity is well expressed by the words of the President of the Cooperative:

“The sardines are processed with the typical method from Monterosso. It is a hard activity which nobody was going to keep alive. For this reason the local population did not trust in us when we have taken in charge the activity, because all of us were young women. It has not been easy to learn the job, but also to manage the selling activity, the sanitary rules and so on. But we were willing to maintain this tradition and we have shown everybody we are able to do it”.

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<sup>4</sup> The data provided by the President of the Cooperative refer to the year 2008

and of the Responsible of the Laboratory of Sardines salting

“Now our activity is the flagship of the supply of the National Park. The local authorities bring the hosts to visit our Laboratory and we are present with our product in the major international food fairs”.

The vivacity of the Cinque Terre National Park as far as local products promotion is concerned, is witnessed also by the creation of a territorial brand for food and cosmetics goods, produced in two laboratories managed by local cooperatives. The goods are commercialised by the great distribution channels but also sold in the tourism offices as souvenirs. This form of direct selling allows getting a higher value per unit of production and intercepting the interest of several tourists. Furthermore these production activities increase the use of locally produced agriculture goods. The quality of the final product is guaranteed by the Italian Association for Organic Agriculture (AIAB) and, in the case of cosmetics, also by the Institute for Ethical and Environmental Certification (ICEA). The presence of the two laboratories gives job opportunities to highly qualified workers and is a place of innovation for the local system. Furthermore it contributes to the diversification of the local economy, while the selling points act as tourism attraction.

The Park has also created an eco-label for lodging structures. In the opinion of the Park representatives managing the label, the certification has led to an upgrading in the level of service and quality of the structures, but also to a strengthening of the good image of the whole territory and to diminishing the ecological impact of the tourism services. Involvement of the entrepreneurial community with the sustainable tourism goals identified by the Park and increased level of awareness on sustainability issues are positive social effects obtained. In turn, the opinions collected with the email survey denounce a weak impact of the label relating to socio-economic and environmental goals. With the exception of a couple of supporters of the project, who declare that their revenues have improved after joining the label, the rest of the respondents have stated that the label is not known by tourists and thus it is not a powerful marketing tool. Furthermore the environmental rules that it requires to follow would be absolved also in the absence of the label and there are not savings for the lodging structures adhering to the project. Someone suggests that the scarce impact of the label can be due to the small dimension of the structures characterising the Cinque Terre, prevalently B&Bs or small flats. An environmental label could perhaps generate higher savings on big structures.

The greater advantage for the adhering structures is the opportunity to be promoted in the web site of the National Park.

Finally, the UNESCO label, as well as the recognition of Vernazza as one of “The most beautiful villages of Italy”, contribute to create an image of the district as a territory of quality. Thus they work as promotion tools, but their economic impact is hardly measurable. From the interviews it emerges that the strategic planning activity undertaken by the Park is independent from the achievement of the two brands.

### *5.2.2 Val d’Orcia*

In the case of Val d’Orcia, instead, the UNESCO label, obtained in 2004, has constituted not only a formidable promotion tool for the Val d’Orcia Regional Park, which was created by the five municipalities of the Valley in 1997, but also an organisational driver. The municipalities had previously only sporadic links with each other and the UNESCO recognition for the



whole valley has promoted the diffusion of a common identity and has strengthened the pact of collaboration among the local authorities.

The UNESCO request of a management plan for the world heritage site has also been the occasion for the public-private society in charge of the management of the Park to strengthen its position in the territory. The society has realised many projects of analysis, promotion and communication of the territory, also trying to involve the entrepreneurial community. Nevertheless the results in terms of a spread of a public-private partnership attitude have been weak. This is probably due, on the one hand, to a willingness of autonomy of the entrepreneurs and a scarce comprehension of the advantages of cooperation; on the other, to a scarce capacity of the administrations of involving the private sector in development strategies.

In the opinion of the Park managers, the results of the UNESCO recognition have been mainly two: increasing tourist flows – but this increase is not directly measurable - and a higher control on land use and environmental issues, which has avoided speculation initiatives in the field of the building industry and has preserved the visual impact of the landscape, one of the major assets of the territory.

The other two brands analysed for the Val d'Orcia are the DOCG for the prestigious wine Brunello di Montalcino and the DOC Orcia. DOC and DOCG are diffused brands in Italy since wine is a product that more than others is subject to information asymmetries and whose success is based on differentiation and reputation, which the protection helps to defend.

The Brunello has been recognised as DOCG in 1980.

According to the data provided by the Consortium, the premium price for this product is one of the highest in the market, if we consider that the price for a bottle of Brunello ranges between 20.00 and 200.00 euros, with certain collection reserves exceeding one thousand euros.

Besides the outcome for producers<sup>5</sup>, another effect should be mentioned. Brunello and wine tourism, in fact, have been the main drivers of the explosion of the tourist development. Like in the Cinque Terre case, wine and tourism have mutually benefited of each other.

The Consortium of the producers has proven to be a good institutional solution to resolve problems of collective action. The success of the Brunello has brought many entrepreneurs coming from other sectors to acquire Brunello farms and many attempts to change the production regulations towards less restrictive criteria have been done from non-local producers looking for a short period gain. Nevertheless the entrepreneurs have declared that the presence of an organisation like the Consortium which aims at guaranteeing the traditional quality standards of the wine has avoided this risk. This result is mainly due to the fact that the majority of the associated is still composed by local farmers, who keep on considering as primarily important the respect of the tradition. Thus the presence of local producers inside the guarantee institution helps to preserve the link with the *terroir* of the region and the quality of the product.

The wine Orcia has obtained the DOC in 2000, thanks to the interest of some producers, supported in the process by the local authorities<sup>6</sup>. After an initial acknowledgement of the value of the wine sanctioned by the introduction of the Orcia IGT, at the beginning of 2000 the DOC Orcia was granted by ministerial decree. The producers are associated in an independent Consortium that aims to protect and promote the image of this wine.

The importance of the organisation is increased since 2007, when national decrees have assigned to the Consortia the task of supervision and control over the members and non-

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<sup>5</sup> The producers are 250, of whom 200 bottlers

<sup>6</sup> Initially the municipalities interested by the DOC were the five of the Park but later they have grown to 13. The Consortium is made up of 38 producers, of whom 28 bottlers.

members inside the designation area. Nevertheless, one of the producers interviewed, which is also Councillor of the Consortium, has highlighted how

“The creation of the Consortium has brought advantages especially in the promotional field, for instance for the conjoint initiatives such as the participations to fairs. Nevertheless the lack of culture of cooperation of the local operators limits the opportunities of development and the Consortium plays prevalently administrative functions”.

In 2009 the production has been of 3800 quintals, with a fall of 10% in respect to the previous year. Nevertheless the number of bottles produced is constant and equal to 160.000 units. This is due to the introduction of controls and inspections which impose fixed costs in accordance with the production. For this reason, producers are brought to be careful about the quantities declared, in order to avoid the downgrading subsequent to the presentation of the grapes. The assignment of control tasks to the Consortiums seem thus to have improved the transparency among producers.

Since the introduction of the DOC, the advantages for producers have been noteworthy, as emerged in the interviews. To give the idea of the relevance of the introduction of the DOC, it is worth noting that before its introduction the wine was not bottled. Only after 2000 the Orcia wine has been bottled and has reached markets which were previously forbidden. Currently, the Doc Orcia wine is positioned in the medium-high market segment, with prices ranging from 6,00 to 13,00 euros per bottle<sup>7</sup>.

Secondly, they have benefited of synergy effects with farm tourism and the direct selling has increased both for the wine and for the other products (above all olive oil), which have seen themselves an increase in their premium price. The DOC Orcia has impacted on the quality of the lodging structures as well. After the recognition, in fact, many producers have abandoned previously exploited activities, such as breeding, for focusing on farm tourism<sup>8</sup>, restructuring their farmhouses and increasing the quality of their service. From an environmental viewpoint this contributes to an improved visual impact of establishments and of the vines landscape.

The producers of DOC Orcia involved in farm tourism interviewed have stated that they sell the most part of the product directly and the lasting part to the restaurants of the area, which have increased their demand of local wine after the DOC recognition, with a consequent increase in the use of locally produced goods. Nevertheless there are some bigger producers who export the most part of their bottles abroad.

The value of the land is increased as well.

The recognition of the DOC has also a social impact. In small rural districts, the local community often coincides with the entrepreneurial community, made up of owners of small and medium enterprises specialised in the production of one or more traditional products or in related services. For this reason, the achievement of a certification like the DOC for a wine is not only an economic result for the entrepreneurs, but is considered as a success by the whole community, which increases their satisfaction and pride for belonging to the area, as stated by one of the producers:

“In addition to the economic benefits, the DOC has brought us a sense of pride for having obtained the recognition of the value of our product”.

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<sup>7</sup> Prices refer to the year 2010 and have been provided by the Consortium.

<sup>8</sup> Wine production and farm tourism have proven to be complementary activities, allowing economies of scope. Many farmers investing in farm tourism, instead, have abandoned breeding since it is not compatible with farm tourism, requiring a different use of the spaces and having not compatible rhythms of the working time.

Another social effect is the increased involvement of public authorities, which have been the promoters of the project, in the local development process.

Finally, we can mention also for the Val d'Orcia the existence of a local mark on typical products, promoted by the Park in order to give a homogeneous image to the territorial products. However the mark has not found large diffusion and it has been rarely used by the producers, contrarily from the Cinque Terre where the local mark identifies the products of the local cooperatives.

### *5.2.3 Comparative analysis of the effects*

The qualitative analysis performed has demonstrated that the whole set of territorial marks analysed has contributed to the economic development of the area under several dimensions. Starting from the products on typical products, they guarantee an increased premium price for the local products and increase their demand and sales volumes; increase their quality; contribute to the survival or the creation of small enterprises and to the local employment; stimulate synergy effects among farmers; foster the use of locally sourced and produced materials and goods. They contribute indirectly also to the tourism development of the area, attracting tourist flows and increasing the volumes also of complementary territorial products or services. Furthermore the landscape created by the typical product becomes an attraction for tourists.

Regarding the organisational advantages for the local firms, in the Cinque Terre the recognition has been the stimulus for a better organisation of the supply chain. This point is different in the wine market of Val d'Orcia where each producer conceives himself as independent given the high premium price obtainable from the products.

In this regard, the case studies developed can help to afford a problem raised in the DOLPHINS project final report (Sylvander et al., 2004) regarding the organisation of production point. The report recognises that co-operatives are deeply involved in the production, processing and marketing of typical products, but there are no specific studies on the analysis of the reasons for this diffusion.

The need to cooperate in the field of OLP is due to the fact that producers of typical products are often small firms of local people interested in maintaining the traditional methods although they are less remunerative. Sometimes, like in the case of Brunello and Orcia wines, the premium price and the demand are so high that the producers can maintain their independence. In other cases, a cooperative organisation structure is needed. The choice for a cooperative form is thus conditioned by the demand and price characteristics of the product.

As far as the social impacts are concerned, all the marks considered have reached the aims of increasing the satisfaction of the local population, increasing the local authorities' and entrepreneurial involvement in local development. The marks contribute also to the cultural aims of protection and enhancement of the territorial identity, as well as to the enhancement of a culture for quality.

The eco-label for lodging structures, instead, has shown some effectiveness for the creation of a greater awareness of the importance of environmental protection and of quality improvement of structures and services in those entrepreneurs who operate in the tourism sector. It has also allowed the beginning of a cooperation process among public and private actors. Its effects have been constrained, though, by the type of lodging structures present in the Cinque Terre and by the limited tourists' awareness about the tool.

If compared to the brands linked to OLPs, moreover, the advantages of the eco-label remain limited to the tourism sector.

Regarding the brands committed to the protection and valorisation of local heritage, they seem to have a positive effect in provoking the local authorities' activation in a valorisation process. Generally, the local community become aware of the value of the heritage and gain pride in living in the place. Nevertheless the results in economic terms remain limited. This can be attributable to the fact that entrepreneurial actors are not involved in the process from the beginning.

Finally, it can be useful to highlight some risks which the rural district can undertake when involved in a process of territorial branding.

A first possible risk is that of stifled innovation and increase of monopolistic rents given by the recognition of a PDO. In the cases analysed these problem are not present, probably thanks to the necessity of local actors of combining innovation and tradition to be competitive. In the case of wines, for instance, the market is so competitive that the search for innovative models of production, bottling in, distribution and promotion is necessary as well as the preservation of tradition. Not only the international but also the internal competition among producers inside the same district is an important lever to avoid the persistence of obsolete production models.

Instead, some local representatives of the Cinque Terre have denounced a risk of standardisation and "musealisation" of the territory. Some traditional activities, like sardines' salting, have in fact been transformed in a tourist attraction and some local people fear that this can result in a loss of the original spirit of the place, towards a commercialisation of the traditional practices and of the territory itself. This attitude can be dangerous also from a touristic point of view, since in the long period can bring to a loss of the identity, one of the key variables for the development of quality and tradition based districts. Policy makers should therefore give the right attention to the preservation of equilibrium between the exploitation of the territorial resources and their preservation. In the other cases problems of this type have not been observed. Finally there can be a risk of limitations in the exploitation of territorial resources for local development. This limitation can be considered by some interest groups like an opportunity and by some others like a threat. The risk interests especially the cases of certifications linked to the preservation and conservation of the local heritage. In Val d'Orcia, for instance, the inscription in the UNESCO List has implied strong restrictions to the possibility of building new structures and some local stakeholders like those belonging to the building sector have been damaged. Sometimes the local community can be harmed by the restrictions. Limits on the construction of new houses and increases in the soil value often result in an increase in the costs of house rents and purchases. Consequently young generations are forced to leave the territory to find cheaper house solutions with the effect of an impoverishment of the local society. This risk is present in Val d'Orcia, especially in municipalities like Montalcino, together with a risk of "musealisation" of the territory.

*5.3 Is there any difference in the effects produced by the territorial marks strategy in the two areas? Which are the reasons?*

The main difference between the two areas can be recognised in the method used and in the level of collective (of the local and entrepreneurial community) participation achieved.

In the Cinque Terre district the Park has used a participatory method, especially by means of Local Agenda 21 forums which have created commitment of the local and entrepreneurial community and strengthened the leadership role of the National Park.

Social capital is a basic ingredient of the development of the Cinque Terre. Readiness to cooperate has been fundamental both for agriculture survival and for the creation of the cooperatives which have generated the local mark and manage the Presidia Slow Food.

In Val d'Orcia, the local development agency has failed in this objective. The private actors complain about the limited involvement of the agency with the productive system stakeholders but, on the other hand, the initiatives realised with tourism entrepreneurs in 2004-05, aimed at creating a common concept for the development strategy, have seen low participation. Possible reasons for the lack of participatory planning are: excessive centralist traditions, inefficiency of the public sector in public-private partnerships, absence of measures to encourage meaningful participation (Gedikli, 2009). On the contrary, organisations of the civil society such as Cooperatives, Consortia and professional associations play a decisive role in supporting the private sector interests and in fact the typical products and their marks are the most successful for the local development of the area. Also in this case, though, a greater cooperative attitude could have provided the entrepreneurs with higher opportunities, as shown in the § 5.2.2.

### 6. Concluding remarks

In this paper we have provided evidence, by means of two Italian case studies, that some rural districts employ a strategy of territory branding in order to achieve development objectives. The performed comparative analysis suggests that territorial brands linked to OLPs are the most effective in activating processes of local development. They guarantee the inclusion of public, private and quasi-public institutions around a common target of development and frequently succeed in involving actors from different sectors, creating integration between agricultural and tourism activities.

Certifications on cultural heritage, instead, are useful in order to protect the environment and the cultural heritage, and create the commitment of the local authorities in a process of strategic planning, while there is no evidence of an impact of the level of participation by private actors. A further outcome can be the increase in tourist flows but the local actors have not supported this hypothesis with details and a measure of the quantitative effects on the tourist flows was beyond the scope of this analysis.

Finally, the Cinque Terre case shows the importance of a process of participation of the local and entrepreneurial communities. Public or quasi-public institutions are frequently the initiators of the process in the whole set of explored cases, but when a greater involvement of the entrepreneurial community from the beginning of the process is assured, the effectiveness of the territorial brand is higher. Policy makers should take into account the fact that the process of inclusion needs long time and can be facilitated by the adoption of methods of social participation like forums implemented through the Agenda 21 Programme.

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