2nd International Symposium "NEW METROPOLITAN PERSPECTIVES" - Strategic planning, spatial planning, economic programs and decision support tools, through the implementation of Horizon/Europe2020. ISTH2020, Reggio Calabria (Italy), 18-20 May 2016

Innovative strategies of urban heritage management for sustainable local development

Gaia Daldanise[a],*

[a]*IRISS CNR, Via Guglielmo San Felice 8, Naples 80134, Italy; DiARC (Federico II University of Naples), Via Toledo 402, Naples 80134, Italy*

Abstract

The research in progress addresses the issue of marketing for urban regeneration, according to the innovative management aspects which focus on the network of relationships among persons, groups of people and companies in a complex exchange of resources generating value. In this perspective, planning and evaluation instruments become effective when included in a wider resource management process of a city within the territorial system.

Environmental, historical and cultural resources of a territory are framed in a production-consumption cycle in which the network of tangible and intangible connections is a crucial point in both national and international debate.

Recently, with the crisis of the Fordism model and the progression of cognitive capitalism, the management strategies of urban heritage related to business and market mechanisms could gain importance. Through marketing strategies, the cities regeneration would take the value of both enhancement of existing territorial vocations and construction/production of a new identity.

The proposed methodological approach want to highlight the innovative management aspects that link marketing with the city management, emphasizing issues related to the perception of *genius loci* and those related to market logics in a resources co-production process.

Keywords: urban regeneration; management; strategies; place branding; territorial marketing; sustainable local development.

* Corresponding author. Tel.: +39-081-247-0968.
E-mail address: g.daldanise@iriss.cnr.it

1. Preface

In the current scenario of global competitiveness and deep crisis of the social and economic values, the change of the organizational model in the cities is needed in order to attract investments and create new value.

Recently the urban "regeneration" processes (Farrell, 2000; Imrie & Raco, 2003) attempted to be a possible solution of renewing the cities, being able to generate innovative mechanisms for social and economics activation. In this context, the business economic models have been applied to the regeneration models in order to increase their effectiveness and productivity. Within these processes, although in some cases the market-oriented strategic planning has preferred most attractive global models (*disneyization*), fostering the neo-liberal stereotype, the territorial marketing became often an instrument for local sustainable development. In order to enhance the city and the territory in a production-consumption system that is no longer the object of a capitalistic logics depending on standardization processes (Zukin, 2009), a community planning oriented scheme has become central to take into consideration local peculiarities (Esposito De Vita, 2013; Oppido & Ragozino, 2014).

This study in progress aims at relating territorial marketing to urban regeneration in a social matrix process, trying to promote those transformations that capture the true essence of places through a market-led strategy.

Starting from these premises, the following paper is structured on a series of steps which are integral parts of the research methodology. Each phase of the research creates an output which turns into the starting point of the next phase. In particular, the aim of the first paragraph is to build an overview of management and marketing aspects to understand the link between management and regeneration of resources. The second step concerns the research focus in which marketing and branding methodologies in the urban heritage management are examined.

Finally, the aim of the third paragraph is to illustrate the approach with the ongoing results which are addressed to demonstrate that place branding and territorial marketing processes could be drivers for sustainable local development. From the literature and a practices overview, the research aims to determine a suitable approach for a urban regeneration process that includes both improving existing territorial vocations and building a new local identity.

2. Marketing for the management and regeneration of resources: overview

Marketing exercises a very deep influence over strategic plan, be it economic or dealing with city planning.

The development of a strategic trend leading to the competitive choices of an individual or a group of people can be grounded in marketing, if considered as an approach able to develop a relationship between company (as a set of goals and resources) and environmental inputs (Caroli, 1999).

In considering marketing as a strategic management process (Lipparini, 2007; Teece, Pisano, & Shuen, 1997), the crucial issue of resources regeneration deals with the strategy used by the companies to achieve and keep unchanged the competitive advantage (Porter, 1985) in long terms. Competitive advantage depends on the efficiency of the value chain of company activities (such as planning, producing, commercializing, distributing products that generate value for the end user). In managing and regenerating resources the interaction and coordination of these functions gains a main role, as well as the relation with the community.

In this sense, marketing can be seen as a way to manage convenient relations with the community in which the marketing operator can understand the end users's needs.

From this point of view, marketing represents a social and management process in which a person or a group of people achieve, through an exchange of values and products, the objects of desire as strategy target.

In order to achieve these targets, marketing process can be schematized in five steps (Kotler, Armstrong, & Scott, 2009): 1) Understand market and end user's needs (targets); 2) define a market strategy addressed to end user (strategies); 3) develop a marketing plan (based for example on the 4Ps (*Price, Product, Promotion, Place*) of *marketing mix*) able to offer a higher value (tattics); 4) establish profitable relationships with the customer (actions) and guarantee the highest level of satisfaction (*customer relationship management*); 5) gain customers' value in order to generate profits and quality (actions) for the end user (*partner relationship management*).

The *customer relationship management*, increasing the end user satisfaction, deals with managing the detailed information on customer, aiming at optimizing his/her loyalty to the company. The higher value for the end user doesn't originate only from marketing, but also from the close connection with the other business functions (*partner*

relationship management) in order to generate an effective business value chain cooperating also with other companies on the market.

In order to guarantee this supply chain management, resources and competences are key issues in business strategy in terms of *tangible* (physical and financial assets), *intangible* (company culture, technology, reputation) and *human* (communication and collaboration skills, individual skills, motivation) resources. This resource-based view (Grant, 2009), developed in economic field since the mid of 80's, highlighted how the coordinated development of a set of resources and competences can lead a success strategy.

Starting from the *resource-based view*, together with the progress of the era of cognitive capitalism (Corsani et al., 2001; Foucault, 2005; Fumagalli, 2007), in which the ability of material production (typical of industrial capitalism) doesn't represent a factor of strategic difference, nonphysical factors such as innovation, brand and flexibility become the main issue. Nonphysical factors are able to connect with different material factors in a productive way, improving relationships with customer (*customer relationship management*) and with partner (*partner relationship management*), developing new value system and new economy able to regenerate resources.

In this perspective, a key role is represented by intangible and human resources in managing relationships (that establish a good company image), in adapting demand changes to the market and improving end user and stakeholder's engagement. With the aim of increasing the effectiveness of the value chain in long terms, forestalling the competition (innovation) and continually adapting to the market demand (flexibility), brand represents the new reference in the era of information economy (Arvidsson, 2010), just like the factory in the era of industrial economy, to build socio-economic productive relationships.

3. Brand and marketing in urban heritage management: research focus

The concept of brand was created in the 19th century with the aim of providing the consumer a recognizable identity of the products. To make tighter the social and emotional bonds with the brand, the Brand Managers attempt to create the so called "brand community", in which they try to directly involve the consumer mainly through social networks. Today the social value of a product can be defined through the brand (Lury, 2004; Moor, 2007) because companies can no longer control the demand but have to rely on the consumers (Rifkin, 2014). In fact, the product becomes a natural component in their lives: fashion is no longer dictated by the designers, but it is created in the streets; the dynamics of musical taste is no longer controlled by the recording industry, and so on.

The common goal of the different brand models is to take advantage of the ability to organize production processes involving a large multitude of actors, as in the case of the "enterprise brand" (Hatch & Schultz, 2008).

Lately a new brand branch has emerged, the so-called place branding, linking elements characterizing the commercial brand and the locality (G. Ashworth & Kavaratzis, 2010; Sassen, 2011), that lies in the urban policies with the concept of city branding (Dinnie, 2011; Patteeuw, 2002). The city branding aims at defining the end user preferences experimenting relationships and bonds established by brands, products and services related to the city.

In a strategic level, in the national and international contemporary debate, the place branding is strictly related to the issue of territorial marketing. The territorial or city marketing can be seen as an extension of the corporate marketing demand (Braun, 2008), in which urban functions interact with the needs expressed by residents, local companies, tourists and other potential users of the territory (Van den Berg, Klaassen, & Van der Meer, 1990).

City marketing is able to link together urban, social and economic fields in a multidisciplinary approach: Urban and Regional Economics (Van den Berg & Braun, 1999), Economic Geography (G. J. Ashworth & Voogd, 1990; Kavaratzis & Ashworth, 2005), Planning (Gold & Ward, 1994; Ward, 1998), Cultural Studies, Social Geography and so on. This discipline becomes a complex system of strategies that uses business marketing instruments to improve the competitiveness of a geographical area "attracting productive investments, improving the image of the territory and the well-being of its population" (Paddison, 1993). The projects and the instruments activated can vary according to the actors' targets (Cercola, Bonetti, & Simoni, 2009) that can include: the realization of a residents long-term well-being, the improvement of visitors' satisfaction, the increase of profitability of the local companies and the touristic impact maximization. According to the different relations among actors, strategies, tactics and actions (processes, people and decision-making criteria) three process models of territorial marketing are identified, as shown below.

Table 1. Marketing models adaptation from (Cercola et al., 2009; Stokes, 2008)

Model	Market-led	Mixed	Community-led
Organizational structure	Public and private entities have the control role	A public entity as leadership	Wide community involvement
People and processes	Informal consultation to a reduced number of actors	Structured consultation to specific actors	Collaborative consultation
Decision criteria	Economic and market criteria	Balance between market and community criteria	Community criteria linked to the destination

The instruments used to apply this models are in general resource-centered (focused on specific resources related to industries, tourism, technological cluster etc.) with a focus on sharing, devising, communicating territorial identity (Cercola et al., 2009). The success of a strategy based on marketing models could imply matching perceptual aspects (key issue in place branding and relational marketing) that indicate the perceived identity, along with business aspects (key issue in territorial marketing and urban management) improving urban productivity in a long period.

4. Place branding and territorial marketing as drivers for sustainable local development: methodological approach

In this context, marketing models could be applied to regeneration models in order to increase the aware knowledge of genius loci and the construction of urban productivity in "*glocal"* strategies.

In an international scenario within the local competitive strategies an *urban renaissance* (Imrie & Raco, 2003) has been established starting from local traditional values and *genius loci* to achieve an integrated approach between conservation and regenerative development (Skinner, 2011).

In the various approaches aiming at a sustainable local development, the promotion of urban heritage identity is meant as a productive activity for the enhancement of economic wealth, environmental quality and social conviviality. Good examples can be provided by programs such as ECoC (European Capitals of Culture), which led to an urban/territorial process able to modify the cultural environment and the international exposure in the worldwide market. ECoC programs work at macro level in metropolitan context, whereas at micro level they work within the individual productive reality of the local actors, who conceive the title as a long-term potential catalyst to achieve an economic and social change (Garcia, Melville, & Cox, 2010).

Although the diffuse process of *disneyization*, some seaside cities (Clemente, 2011; Giovene di Girasole, 2014) have recently undertaken generative processes, starting from knowledge and cultural projects, to enhance the urban heritage in an innovative way (also trough new design and ICT tools) and promote the social inclusion (Rotterdam, Liverpool, Hamburg, Barcelona, New York, Adelaide etc.):

- Rotterdam, focused on a strong economy, great tourist and residential policies (Rotterdam Urban Vision. Spatial Development Strategy 2030, 2007), has oriented planning strategies towards the development of the port-city system and its supply chain in the world harbor network (Rotterdam brand strategy, 2008).
- Liverpool ECoC nomination in 2008 produced an urban regeneration process based on waterfront innovation and historical city centre conservation (Liverpool Waters, Wirral Waters Plan, etc.) becoming a node of a relational energies and territorial capital network (Farr & Giles, 2008).
- Hamburg waterfront regeneration and place branding strategy (focused on "city on the waterfront", "shopping city", "business place") has matched together *waterscape* and business activities generating new values (Zenker, Knubben, & Beckmann, 2010).

These practices could demonstrate the need of imagining in a more flexible and original way the relationship between economy and territory/city and also between conservation and innovation.

In a perspective of territorial resources production-consumption, the environmental, social and economic sustainability could mean the capacity to keep the dynamic balance between heterogeneous polarities (Fusco Girard & Nijkamp, 1997). In considering the sustainable development as "development able to satisfy current generations'

needs without compromising the satisfaction of future generations' needs" (Fusco Girard & Nijkamp, 1997), marketing strategy can gain importance. Cities could generate new opportunities in the local context through a suitable marketing strategy starting from the existing resources aiming at producing innovative resources in a material and immaterial strategic connectivity. The organizational model of the cities, attracting investments and creating new value, could merge together place branding (focusing on perceptive aspects) with territorial marketing (focusing on market strategies) in a supply chain management process that include human capital and infrastructure capital (infrastructures link human resources in a creative way).

Following this research idea, strategies of *place branding* would guarantee the effectiveness of *end user relationships* in *urban heritage management* aiming to read real local specificities, whereas *territorial marketing* strategies could generate *cooperation* among the different *urban activities* and the local actors (*urban productivity management*). The methodological approach proposed aims to build a *resources chain management process* (fig. 1) for the construction of urban identity as a system of interactions between existing and new resources. The focus concerns the enhancement of *genius loci* through *urban human capital* and the implementation of productivity (*new urban demand*) through *urban infrastructure capital*.
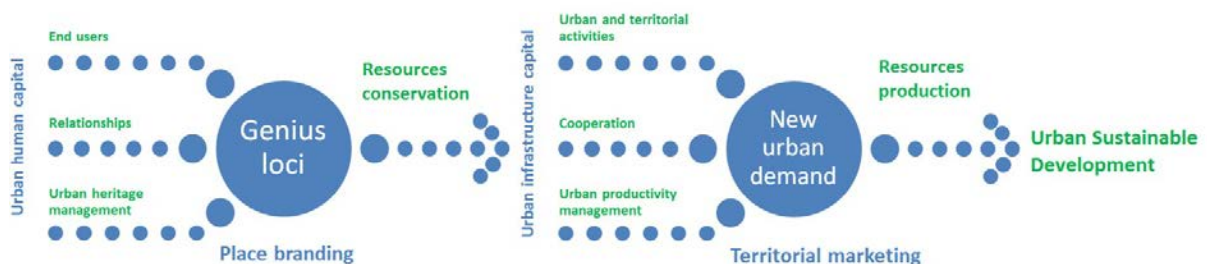

Fig. 1 Resources chain management process

Urban human capital would include end users and their perceptions of genius loci in a proactive way, as they create productive relationships for the urban heritage management, as *prosumers* of the city (Rifkin, 2014)

Managing relationships is crucial in establishing a good urban image, in adapting to the territorial market demand changes and improve citizens and urban users like tourists, NGO organizations and entrepreneurs.

Urban infrastructure capital would include urban activities (as tourism, industries, technological cluster etc.) and their cooperation that become efficient and productive thanks to material and immaterial connections (as transport, energy, telecommunications, citizens' services etc.).

Human and infrastructure capital would merge to place branding and territorial marketing as drivers for sustainable local development thanks to the enhancement/conservation of local values and the production of innovation and a new demand aimed at the competition of the city in the world market.

In this perspective, a key role is represented by a strategic connectivity at multi-scale level in order to create a supply chain management process based on resources (*resource chain management process*).

This strategic connectivity could reactivate resources, social meeting, active and participative safeguard of urban landscape enhancing the management skills of a main part of urban co-actors. In that sense, the community is seen as an infrastructure able to know and regenerate urban heritage in an inclusive metropolitan city.

Starting from the model of resources chain management process, the *follow-up* of the study could results as an operative methodological approach for evaluating and activating urban regeneration processes, designing new form of marketing for enhancing places and regions in the world competitive market. The evaluation of best practices would use the instruments of place branding models to capture *genius loci* and territorial marketing strategies and to understand the *new urban demand*.

This perspective could be effective as place branding models are able to define end user's preferences, experimenting relationships and bonds suggested by brands, products and services related to the city. At the same time territorial marketing models can plan specific goals in a long term vision and can shape flexible strategies, tactics and actions to realize and observe urban transformations in continuous exchange of values and products.

Acknowledgements

References

Arvidsson, A. (2010). *La marca nell'economia dell'informazione. Per una teoria dei brand.* FrancoAngeli.

Ashworth, G. J., & Voogd, H. (1990). *Selling the city: Marketing approaches in public sector urban planning.* Belhaven Press.

Ashworth, G., & Kavaratzis, M. (Eds.). (2010). *Towards effective place brand management: Branding European cities and regions.* Edward Elgar Publishing.

Braun, E. (2008). *City Marketing: Towards an integrated approach*.

Caroli, M. G. (1999). *Il marketing territoriale*. FrancoAngeli.

Cercola, R., Bonetti, E., & Simoni, M. (2009). *Marketing e strategie territoriali*. EGEA spa.

Clemente, M. (2011). *Città dal mare. L'arte di navigare e di costruire le città*. Napoli: Editoriale Scientifica.

Corsani, A., Dieuaide, P., Lazzarato, M., Monnier, J. M., Moulier-Boutang, Y., Paulré, B., & Vercellone, C. (2001). Le capitalisme cognitif comme sortie de la crise du capitalisme industriel. *Un Programme de Recherche*.

Dinnie, K. (2011). *City branding: Theory and cases*. Palgrave macmillan.

Esposito De Vita, G. (2013). Segregative power of violence in Belfast and Naples. Exploring the role of public spaces reconnecting divided societies. In *Public Space and the Challenges of Urban Transformation in Europe*. London: Routledge.

Farr, S. J., & Giles, C. (2008). Understanding the historic environment of port cities: the case of Liverpool. In *Proceedings of English Heritage Conference "On the waterfront: culture, heritage and regeneration of port cities."* Liverpool.

Farrell, T. (2000). *Urban regeneration through cultural masterplanning*. (J. F. Benson & M. Roe, Eds.).

Foucault, M. (2005). *Nascita della biopolitica: corso al Collège de France (1978-1979)*. Apogeo Editore.

Fumagalli, A. (2007). Bioeconomía y capitalismo cognitivo. *Hacia Un Nuevo*.

Fusco Girard, L., & Nijkamp, P. (1997). *Le valutazioni per lo sviluppo sostenibile della città e del territorio* (Vol. 74). FrancoAngeli.

Garcia, B., Melville, R., & Cox, T. (2010). *Creating an impact: Liverpool's experience as European Capital of Culture*. Impacts 08.

Giovene di Girasole, E. (2014). The Hinge Areas for Urban Regeneration in Seaside Cities: the High Line in Manhattan, NYC. In *Advanced Engineering Forum* (Vol. 11).

Gold, J. R., & Ward, S. V. (1994). *Place promotion: the use of publicity and marketing to sell towns and regions.* John Wiley & Sons Ltd.

Grant, R. (2009). Contemporary strategy analysis. *Concepts, Techniques, Applications*, *4*.

Hatch, M. J., & Schultz, M. (2008). *Taking brand initiative: How companies can align strategy, culture, and identity through corporate branding*. John Wiley & Sons.

Imrie, I., & Raco, M. (2003). Urban Renaissance? New labour, community and urban policy. *Bristol, UK: The Policy Press.*

Kavaratzis, M., & Ashworth, G. J. (2005). City branding: an effective assertion of identity or a transitory marketing trick? *Tijdschrift Voor Economische En Sociale Geografie*, *96*(5), 506–514.

Kotler, P., Armstrong, G., & Scott, W. G. (2009). *Principi di marketing*. Pearson. Retrieved from https://books.google.it/books?id=s3AhPwAACAAJ

Lipparini, A. (2007). *Economia e gestione delle imprese*. Il mulino.

Lury, C. (2004). *Brands: The logos of the global economy*. Routledge.

Moor, L. (2007). *The rise of brands*. Berg.

Oppido, S., & Ragozino, S. (2014). Abandoned Railways, Renewed Pathways: Opportunities for Accessing Landscapes. *Advanced Engineering Forum*, *11*, 424–432.

Paddison, R. (1993). City marketing, image reconstruction and urban regeneration. *Urban Studies*, *30*(2), 339–349.

Patteeuw, V. (2002). *City branding: image building & building images*. NAi.

Rifkin, J. (2014). *La nuova società a costo marginale zero*. Edizioni Mondadori.

Rotterdam brand strategy. (2008). Retrieved from http://www.rotterdamworldbrand.nl/

Rotterdam Urban Vision. Spatial Development Strategy 2030. (2007). Retrieved from http://www.rotterdam.nl

Sassen, S. (2011). *Cities in a world economy*. Sage Publications.

Skinner, H. (2011). In search of the genius loci: The essence of a place brand. *The Marketing Review*, *11*(3), 281–292.

Stokes, R. (2008). Tourism strategy making: Insights to the events tourism domain. *Tourism Management*, *29*(2), 252–262.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, *18*(7), 509–533.

Van den Berg, L., & Braun, E. (1999). Urban competitiveness, marketing and the need for organising capacity. *Urban Studies*, *36*(5/6), 987.

Van den Berg, L., Klaassen, L. H., & Van der Meer, J. (1990). Strategische City-Marketing (Strategic city marketing). *Schoonhoven: Academic Service.*

Ward, S. V. (1998). *Selling places: the marketing and promotion of towns and cities, 1850-2000* (Vol. 23). Taylor & Francis.

Zenker, S., Knubben, E., & Beckmann, S. C. (2010). Your city, my city, their city, our city: Different perceptions of a place brand by diverse target groups. In *the International Conference Thought Leaders in Brand Management, Lugano, Switzerland*.

Zukin, S. (2009). *Naked city: The death and life of authentic urban places*. Oxford University Press.