



**DAYS OF  
CLUSTERS**

# **CONFERENCE BOOK**

**6th Balkan and Black Sea Conference  
Braşov, 22-24 October 2015**

**Presă Universitară Clujeană**



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CLUSTERS**

# **CONFERENCE BOOK**

**6th Balkan and Black Sea Conference**

**Braşov, 22-24 October 2015**

**EDITOR: FLORIN NECHITA**

**PRESA UNIVERSITARĂ CLUJEANĂ**

**2015**

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# DAYS OF CLUSTERS

***Dear cluster friends and the Balkan & Black Sea cluster family,***

*Welcome to the leading cluster event in the South East Europe in 2015, to jointly create the cluster based economic growth and development, exchange knowledge and experience, build trust and respect, project partnerships and new sincerely friendships.*

*The conference “Days of Clusters” was started 6 years ago in Nis, in South Serbia, supported by the Danish Programme for Local Economic Development in the Balkans LEDIB. Although it was started as a regional event, it soon developed into a transnational brand well known on a global level. “Days of Clusters 2014” was realized in Sofia partnership with the Bulgarian cluster community and under the patronage of the President of the Republic of Bulgaria. Last year’s “Days of Clusters” was realised with the Trakya Development Agency in Tekirdag, Turkey.*

*This year’s conference is organized in partnership between The Cluster House Nis, as a conference founder and The Innovation and Technology Cluster Alt Brasov, as a conference host. The conference lead partners are The Romanian Association of Clusters CLUSTERO Bucharest, The Enterprise Europe Network and The Design for Europe **Error! Hyperlink reference not valid.** Strategic partners are The Transylvania University Brasov and The Executive Agency for Higher Education, Research, Development and Innovation Funding. The key supporting institutions of this year’s conference are The Global TCI Network from Barcelona, The Inno TSD – The ECCP and The Black Sea Horizon, The VEGO Consulting from Izmir, The France Clusters, and The Czech Trade Belgrade.*

*The mission of this year’s conference is strengthening of the Balkan & Black Sea clusters synergy through the public-private dialogue building and regional cluster best practice. The conference will contribute to: cluster based economic development in the Balkan and the Black Sea Region, public-private dialogue creation for better business environment fostering of innovation, competitiveness and cluster development in the BBS Region, better understanding and cooperation between academic and R&D institutions and business community in the BBS Region, and cross regional networking and promotion of cluster*



organizations and cluster initiatives in the BBS Region. Special focus this year is devoted to the creative industries sector.

The conference gathered over 200 participants - cluster practitioners, cluster managers, representatives of public and education and R&D institutions, companies and media from 16 countries: Serbia, Romania, Russia, Czech Republic, Turkey, Bulgaria, Denmark, Cyprus, Austria, Germany, Spain, Macedonia, Albania, Hungary, UK and France. The conference consists of seven sessions, workshop, brokerage events and a special track and over 40 speakers and moderators from 16 countries. The conference will be a platform for signing of multilateral and bilateral agreements in the field of cluster development, cluster policy optimization and internationalization of cluster organisations with the aim of boosting the innovation and competitiveness in the region through clusters. For successful informing of the conference participants I would like to commend the work of the Balkan Cluster Network and the Cluster House Info Centre. The Balkan Cluster Network includes more than 170 cluster organizations and supporting institutions from all of the Balkans. The Cluster House Info Centre has more than 3000 contacts with economic development experts, institutions and companies.

I wish you to enjoy each moment of this year's conference and to find ideas, partners and friends for creating better life in the Balkan and Black Sea region. Sincerely yours,

Dr. **Danka Milojkovic**, founder and co-chairman of the conference



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## “Days of Clusters 2015” Conference Organizing and Program Committee Board

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<p><b>Danka Milojkovic</b> co-chairman Cluster House Nis, Serbia</p>	<p><b>Ioan Vasile Abrudan</b> co-chairman Transilvania University Brasov, Romania</p>	<p><b>Daniel Coșniță</b> co-chairman Romanian Cluster Association Bucharest, Romania</p>	<p><b>Andra Chițu</b> co-chairman Innovation and Technology Cluster Brasov, Romania</p>
			
<p><b>Carsten Lund</b> member LEDIB Cluster House Union CPH/Denmark</p>	<p><b>Ionuț Țața</b> member Innovation and Technology Cluster Brasov, Romania</p>	<p><b>Christina Leucuta</b> member Romanian Cluster Association Bucharest, Romania</p>	<p><b>Medeea Petrovan</b> member Innovation and Technology Cluster Brasov, Romania</p>
			
<p><b>Vedat Kunt</b> member VEGO Consulting Izmir, Turkey</p>	<p><b>Florin Nechita</b> member Transilvania University Brasov, Romania</p>	<p><b>Goran Zlatkovic</b> member Cluster House Nis, Serbia</p>	<p><b>Dimitar Dimitrov</b> member Foundation “Don’t stop” Sofia, Bulgaria</p>



## Organizing committee members:

**Prof. dr. Radmil Polenakovikj**, President, National Centre for Development of Innovation and Entrepreneurial Learning, Skopje, Macedonia

**Prof. dr. Aleksandar Damnjanovic**, Director of Higher Education Institution “Dositej”, Belgrade, Serbia

**Prof. dr. Carmen Buzea**, Vice-Rector for Research & Development, Transilvania University of Brasov

**Prof. dr. Carmen Gerigan**, Transilvania University of Brasov, Dean of Electrical Engineering and Computer Science Faculty

**Prof. dr. Elena Helerea**, Transilvania University of Brasov

**Prof. dr. Gabriela Rățulea**, Transilvania University of Brasov, Head of Social and Communication, Sciences Department

**Asoc. prof. dr. Cătălin Maican**, Transilvania University of Brasov

## Program committee members:

**Prof. dr. Nikolina Trajanoska**, Ministry of economy of the Republic of Macedonia, Skopje Macedonia

**Prof. dr. Milan Vemic**, Higher Education Institution “Dositej”, Belgrade, Serbia

**Prof. dr. Adrian Curaj**, General Director, Executive Agency for Higher Education, Research, Development and Innovation Funding

**Prof. dr. Marius Mitroi**, Head of Department Development and Innovation Funding, Executive Agency for Higher Education, Research, Development and Innovation Funding

**Dragoș David**, General Manager, Brasov Metropolitan Agency

**Mihai Dumitrescu**, CEO Rosoftlab

**Prof. eng. dr. Moraru Sorin Aurel**, Transilvania University of Brasov

**Asoc. prof. dr. Radu Lixăndroi**, Transilvania University of Brasov

**Lect. dr. Luiza Meseșan-Schimtz**, Transilvania University of Brasov



## Conference Agenda

CONFERENCE DAY 1 | Thursday 22nd October 2015

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### Venue:

Research and Development Institute of the Transilvania University of Brasov | Romania

**Registration** 08:30–09:30

**Opening** 09:30–10:00

### Opening Ceremony

**Ioan Vasile Abrudan**, rector of the Transilvania University, Brasov, Romania

**Ioan Visa**, general manager of Transilvania University Research Institute, Brasov, Romania

**Dragoş David**, general manager of the Brasov Metropolitan Agency

**Daniel Coşniţă**, co-chairman of the conference and president of the ClusteRO, Bucharest, Romania

**Ionuţ Taţa**, president of the Innovation and Technology Cluster, Braşov, Romania

**Dr. Danka Milojkovic**, co-chairman of the conference, general director of the Cluster House, Nis, Serbia and director of the Global TCI BoD, Barcelona, Spain, THE BALKAN CLUSTER NETWORK – AN INSTRUMENT TO FACILITATE CLUSTERS IN THE BALKANS TO BE PRO-ACTIVE ON THE WORLD CLUSTER SCENE

**First Conference Session** 10:00–11:15

Topic: SMART SPECIALISATION THROUGH CROSS INNOVATION & CREATIVE INDUSTRY

**Vladimir Zaytsev**, Director General, Moscow City Enterprise “Zelenograd Development Corporation”, Russia, MOSCOW MICROELECTRONIC CLUSTER «ZELENOGRAD» – BUILDING BASIS FOR NEW HIGH-TECH BUSINESSES AND CREATING JOINT INNOVATIVE PROJECTS WITH STRONG GOVERNMENT SUPPORT

**Dr. Radmil Polenakovikj**, President, **Bojan Jovanovski**, Co-founder, National Centre for Development of Innovation and Entrepreneurial Learning, Skopje, Macedonia, SMART SPECIALISATION – CASE OF THE REPUBLIC OF MACEDONIA – CHALLENGES AND OPPORTUNITIES

**Aida Szilagyi**, Di/Chair, National Centre for Sustainable Production, Romania, ECO-INNOVATION, A BUSINESS APPROACH TOWARDS SUSTAINABLE PRODUCTS AND SERVICES

**Dr. Milan Vemic**, Chairman, Council of Higher Education Institution “Dositej”, Belgrade, Serbia, A PROFILE OF THE HIGHER EDUCATION INSTITUTION “DOSITEJ” – SUPPORTING INSTITUTION FOR CLUSTER BASED ECONOMIC DEVELOPMENT

### Discussion:

Moderator: **Carsten Lund**, President, LEDIB Cluster House Union Assembly, Copenhagen, Denmark





**Multilateral and bilateral smart cluster agreements signing** 11:15–11:30

**Coffee break** 11:30–12:00

**Second Conference Session** 12:00–13:30

Topic: **INNOVATION DRIVE THE DEVELOPMENT OF CLUSTERS – Let’s innovate!**

**Michael Guth**, *Consultant, Inno Consult, Germany*, CLUSTERS AND INDUSTRIAL INTERNET OF THINGS

**Vedat Kunt**, *VEGO Consulting Ltd. Co. Managing Partner, Izmir, Turkey*, COLLABORATIVE PATH TO INNOVATION CULTURE AND SUCCESS, CLUSTERS

**Nicolai Sederberg Rottbøll**, *CEO, Quercu Group, Copenhagen, Denmark*, TAPPING INTO THE GROWTH OPPORTUNITIES OF A CREATIVE CLUSTER

**Alessandra Chevallard**, *Strategy and Development Consultant, Cluster Development, Barcelona, Spain*, CLUSTERS AS A TOOL FOR ECONOMIC AND CULTURAL DEVELOPMENT

Discussion:

Moderator: **Daniel Coșniță**, *President, ClusteRo, Bucharest, Romania*

**Lunch** 13:30–14:30

**Third Conference Session** 14:30–16:00

Topic: **DESIGN IN INNOVATION POLICIES**

**Steve Harding**, *Head of Transforming the Region, Birmingham City University, UK*

**Alexa Hartwell**, *Cross Innovation Producer, Birmingham City University, UK*

**Michaela Mixová**, *Depo2015 Creative Zone Pilsen, Czech Republic*

**Sabina Baci**, *“Oricum” Association, Romania*

**Mara Oprisiu**, *KunStadt, Romania*

**Coffee break** 16:00–16:30

**Workshop** 16:30–18:00

Workshop: **DESIGN IN INNOVATION POLICIES**

**Steve Harding**, *Head of Transforming the Region, Birmingham City University, UK*

**Alexa Hartwell**, *Cross Innovation Producer | Birmingham City University,*

**Networking cocktail** 18:00–21:00

Venue:

**HOF Cafe**. *Awards for Contribution to Cluster Development Ceremony. Musical Program.*





## CONFERENCE DAY 2 | Friday, 23rd October 2015

### Venue:

Research and Development Institute of the Transilvania University of Brasov | Romania

**Registration of participants** 09:00–09:30

**Fourth Conference Session** 09:30–11:30

**Topic: CLUSTER MANAGEMENT CHALLENGES: FINANCING, NETWORKING, CROSS-SECTOR INTERACTION**

**Daniel Coșniță**, *President, ClusteRO, Bucharest, Romania*, BUSINESS SUPPORT SERVICES BY ENTERPRISE EUROPE NETWORK

**Julien Schmitt**, *Strategy and Development Consultant, Eticus Consulting, Spain*, CLUSTERS AS A TOOL FOR ECONOMIC AND CULTURAL DEVELOPMENT

**Cornelia Muraru-Ionel**, *Sviluppo Insieme si Vince Association – IndAgro Vest Cluster organization, Romania*, COMPETENCE MAPPING© - USEFUL METHOD TO FOSTER INNOVATION & CO-OPERATION IN CLUSTERS

**Monica Calota**, *National Agency for Community Programs in field of Education and Scientific Training*

**Dan Balanescu**, *Directorate for International Territorial Cooperation, Ministry of Regional Development and Public Administration, Romania*

**Bianca Muntean**, *Executive Director ARIES Transilvania, Cluj-Napoca, Romania*, SMI INSTRUMENT

### Discussion:

Moderator: **Ionut Țața**, *President, Alt Brasov – Innovation and Technology Cluster, Brasov, Romania*

**Coffee break** 11:30–12:00

**Fifth Conference Sessions** 12:00–13:30

**Topic: CROSS CLUSTERING – CREATIVE AND CULTURAL INDUSTRY CLUSTERS**

**Dr. Pavla Bruskova**, *President, National Cluster Association, Ostrava, Czech Republic*, CHALLENGES FOR THE DANUBE REGION'S CLUSTER POLICIES

**Ionut Țața**, *President, Alt Brasov – Cluster for Innovation and Technology, Brasov, Romania*, DEVELOPING INNOVATION ECOSYSTEMS - THE CLUSTER WAY!

**János Keresnyei**, *President, Cultural Innovation Competence Centre Association, Pecs Hungary*, VISIBLE TRANSFORMATION

**Vajda Lajos**, *President, Green Energy Cluster*, REGIONAL DEVELOPMENT THROUGH CLUSTERS. TRANSYLVANIA CONSORTIUM OF CLUSTERS

**Tatjana Kalezic**, *Co-director of the Founder Institute, Co-founder of the Creative Industries Cluster of Vojvodina, Novi Sad, Serbia*, CREATIVE ENTREPRENEURS AND STARTUPS ACCELERATION





Discussion:

Moderator: **Mrs. Christina Leucuta**, Senior Advisor, CLUSTERO-Romanian Cluster Association, Bucharest, Romania

**Special Track**

**11:30–13:30**

Topic: DESIGN TO OVERCOME CHALLENGES

**Christina Melander**, Danish Design Centre | Programme manager PLUS programme

**Julie Hjort**, Danish Design Centre | Project manager PLUS programme

**Sara Gry Striegler**, Danish Design Centre | Project manager

**Anders Bang Kiertzner**, Head of Research & Insights | Attention Group

**Lunch**

**13:30–14:30**

**Sixth Conference Sessions**

**14:30–16:00**

Topic: CROSS CLUSTERING – CREATIVE AND CULTURAL INDUSTRY CLUSTERS

**Nikolina Trajanovska**, Ministry of economy of the Republic of Macedonia, Skopje Macedonia, CREATIVE INDUSTRIES AND COMPETITVENESS

**Cristina Alexa**, communication specialist, ARIES Transilvania, Cluj-Napoca, Romania, ITECH TRANSILVANIA BY ARIES TRANSILVANIA

**Tomi Pikuli**, Executive Director, AGRINET, Korçë, ALBANIA, ROLE OF NON-GOVERNMENTAL ORGANISATIONS (NGO'S) IN RURAL DEVELOPMENT: CASE OF AGRINET IN ALBANIA

**Natasa Sivevska**, executive director, Macedonian TTA Textile Cluster, CLUSTER INTERNATIONALIZATION AND NETWORKS

**Teodora Migdalovici**, Lions Festival Ambassador, Bucharest, CREATIVITY, HUMANITY AND TECHNOLOGY

Discussions:

Moderator: **Goran Zlatkovic**, Executive Director, Cluster House, Nis Serbia





## CONFERENCE DAY 3 | Saturday 24th October 2015

### Seventh Conference Sessions

09:00–11:30

Topic: ECONOMIC AND SOCIAL SCIENCES RESEARCH ON CLUSTER POLICY

**Arabela Briciu, dr. Victor-Alexandru Briciu, Transilvania University of Brasov,** POSITIONING A REGION THROUGH ONLINE PLACE BRANDING. THE CASE OF BRASOV COUNTY IN AN INTERNATIONAL CONTEXT

**Victor-Alexandru Briciu, Arabela Briciu, Transilvania University of Brasov,** THE IMPORTANCE OF A CREATIVE TOURISTIC BRAND PLATFORM FOR BRASOV AREA THROUGH BRAND AUDIT RESEARCH METHOD

**Ana-Maria Bolborici, Ioana Anisa Atudorei, Transilvania University of Brasov,** TRANSYLVANIAN TOURISM AND THE CLUSTER POLICIES

**Mihai Burlacu, Transilvania University of Brasov,** DIGITAL MUSEUMS AS HETEROTOPIAS OF INDEFINITE ACCUMULATION

**Ana-Maria German, Transilvania University of Brasov,** TOWARDS PERFORMANCE AND COMPETITIVENESS IN CLUSTER AND NETWORK MANAGEMENT

**Andreea Nicoleta Neacsu, Oana Barbulescu, Transilvania University of Brasov,** POTENTIAL DEVELOPMENT OF CLUSTERS IN THE ROMANIAN WINE INDUSTRY

**Florin Nechita, Transilvania University of Brasov,** THE EUROPEAN CAPITAL OF CULTURE PROJECT AND ITS ROLE IN CULTURE-LED URBAN REGENERATION

**Daniela Sorea, Luiza Meseşan-Schmitz, Transilvania University of Brasov,** HOW CAN WE HARNESS THE NEW ECONOMIC ELITE PREFERENCES IN THE ROMANIAN CONTEXT?

### Closing Remarks – co-chairmen of the conference

11:30–11:45

**Andra Chitu, Manager, Innovation and Technology Cluster, Brasov, Romania**

**Dr. Danka Milojkovic, General Director, Cluster House, Nis, Serbia and Director of the Global TCI BoD, Barcelona, Spain**

### Visit to Bran Castle – Dracula Castle and Rasnov Fortress

12.00–16.00



## Keynote Speakers Profiles



**Danka Milojkovic**  
**Dr. (Econ.)**

Cluster House, Nis, Serbia

[danka@clusterhouse.rs](mailto:danka@clusterhouse.rs)

PhD in economics science from University of Nis Serbia, scientific area: Application of mathematical methods in cluster development projects. Specialized in the field of local economic development at ITC/ILO Torino, Italy (2009) and sustainable cluster development in countries in transition at the Danish Programme LEDIB (2007/12)

Long-time cooperation with economic development programs in the Balkans supported by international organizations. Expertise in project management; strategic management; entrepreneurship/start up business; economic development based on cluster concept and business incubation; corporative culture; event management, CRM and TQM.

Lead author of the “Cluster House Model” for economic development in the Balkans. Initiator and coordinator of the “Balkan Cluster Network” in 2012. Author, project manager and co-chairman of the Balkan and Black Sea conference “Days of Clusters” from 2010. Author and co-editor of the “INFOCLUSTER” magazine in the Balkans.

National award “Success flower 2012 for the most successful women entrepreneurs in Serbia” for special contribution to women entrepreneurship affirmation in South Eastern Serbia by Serbian Business Women Association.

From 2014 Director of the Global TCI Network BoD Barcelona Spain responsible for the SEE economic development based on cluster concept.





**Carsten Lund,  
M.Sc. (Econ.)**

President of the Cluster House Assembly,  
Copenhagen, Denmark

[carsten@clusterhouse](mailto:carsten@clusterhouse).

M.Sc. (Econ.) from Copenhagen Business School. Courses at Harvard Kennedy School in Boston USA.

President of the Cluster House Assembly in Nis Serbia based in Copenhagen Denmark. Director of the LEDIB Programme Nis Serbia financed by the Danish Government (2008–2012), responsible for setting up the LEDIB Cluster House.

Extensive professional business experience in top management, sales and marketing, entrepreneurship, cluster development, SME development, LED, innovation for economic development and project management. He has worked in several business sectors like pharmaceuticals, advisory services, electronics, mechanical engineering, agro sector.

He has experience from working in large international companies, SMEs and as founder of an entrepreneurial industrial enterprise within energy saving products.

Profound multi-cultural experience from living and working in Serbia, Germany and Mongolia, and from business travelling all over the world.

Received several gold awards for his work and efforts in Serbia.





**Vladimir Zaytsev**

Director General  
Moscow City Enterprise  
“Zelenograd Development  
Corporation”

[info@technounity.com](mailto:info@technounity.com)

Since 2013 – the head of the Zelenograd Development Corporation (ZDC).

ZDC organization is the Moscow city enterprise and established to support, coordinate day-to-day operations and collaborative projects of members of Zelenograd innovation area called Technounity cluster, and manage the innovative infrastructure facilities in the area. The cluster specialization is a micro- and nano-electronics and related industries (i.e. IT and telecommunications), electronic devices and equipment.

Strongly believes that clusters are the real state instrument for rocketing innovative infrastructure and high-tech businesses. Public-private partnerships grants cluster members with efficient support in collaborative projects development, products promotion, providing education and consulting services etc.



**Bojan Jovanovski**

Co-founder  
National Centre for Development of Innovation and Entrepreneurial Learning (NCDIEL),  
Skopje, Macedonia

[bojan.jovanovski@ncdiel.mk](mailto:bojan.jovanovski@ncdiel.mk)

Bojan Jovanovski is a teaching assistant at the Faculty of Mechanical Engineering, Ss. Cyril and Methodius University in Skopje. He holds a degree in Industrial Engineering and Management, and is currently working on his PhD research in the area of Innovation Management. He has been involved in the establishment and development of the Ss. Cyril and Methodius Business Start-up Centre, and has co-founded the National Centre for Development of Innovation and Entrepreneurial Learning and the Innovation Centre – both institutions of high national relevance. He is still active in both institutions, implementing trainings and projects and organizing events and conferences.





**Prof. Dr. Radmil Polenakovikj**

President

National Centre for Development of Innovation and Entrepreneurial Learning (NCDIEL), Skopje, Macedonia

[radmil.polenakovik@ncdiel.mk](mailto:radmil.polenakovik@ncdiel.mk)

Dr. Radmil Polenakovikj is a professor on Entrepreneurship and Small Business Management, Innovation Management, Human Resource Management and Business Logistics at the Faculty of Mechanical Engineering at Ss. Cyril and Methodius University in Skopje, Macedonia. He has published more than 250 papers, reports and articles (15 books).

He is a team leader for GEM (Global Entrepreneurship Monitor) for Macedonia, member of European Academy for Sciences and Arts, FP7 and other EU funded projects evaluator, member of ETF (European Training Foundation) expert group, NCP for Horizon2020 (transport), part of the national team for development of innovation strategy, strategy for entrepreneurial learning, etc. Polenakovikj developed, ran or acted as an expert in more than 70 projects (more than 30 projects as a team leader) funded or supported by: OECD, World Bank, ETF, ADA, USAID, GTZ, CEI, UNCTAD, SEECEL, ZSI, SEE-JTC (IPA-funds), UK Embassy in Macedonia, Norwegian Embassy, Denmark Embassy, Macedonian ministries and agencies, etc. With his team he developed curriculums and textbooks for courses "Innovation" in 9th grade of primary schools, "Innovation and Entrepreneurship" in 1st, 2nd and 3rd year of secondary schools and course "Business and Entrepreneurship" in 4th study year of secondary schools. Polenakovikj now is leading Ss. Cyril and Methodius University Business Start-Up Centre that support creation of 54 start-ups in the last 8 years. He is also a founder and President of the National Centre for Development of Innovation and Entrepreneurial Learning.

In late 2014 he founded National Cluster Academy.



**Aida Szilagyi**

DI/Chair National Centre for Sustainable Production and Consumption, Romania

[aidaszilagyi@cnpcd.ro](mailto:aidaszilagyi@cnpcd.ro)

Senior Expert and Chair of the National Centre for Sustainable Production and Consumption, Mrs. Aida Szilagyi has graduated as a diploma engineer in chemistry with an equivalent master in polymers at the Polytechnic University of Timisoara and currently follows the doctoral courses in the same institution. She has accumulated some 20 years of relevant professional experience in environmental management and resource efficiency, by providing advisory services to enterprises and by managing European and National sustainability projects, for private and public sector benefit. She is a certified Environmental Expert and Auditor, Expert in Resource Efficiency and Cleaner Production, Expert in Eco-design and Carbon Foot printing, Certified Trainer for several training courses including “Resource Efficiency and Cleaner Production”, “Waste management”, “Green industry” and Eco-design. She has consecutively played the role of the project manager/coordinator or Expert in various European or National Projects, among the most important are: “The program for the sustainable development of companies in Romania” implemented under the auspices of UNIDO (2008–2010), POSCCE Project Medgreen, LDV Project “LeadSus” proposing new education of new leaders in sustainability, the Swiss financed ECOPartner project aimed to boost adoption of eco-innovation in industry.

In the last 5 years she has been involved as RECP International Expert by UNIDO in the National Cleaner Production Program of Albania and Moldova and recently she was responsible for developing a new resource package for the application of resource efficiency and cleaner production within small and medium size companies in EECCA countries. In 2010, Ms Szilagyi established the National Centre for Sustainable Production and Consumption (NCSPC), of which she holds the presidency since foundation. The NCSPC is a member of the international network RECP Net and PREPARE (the European Network of Sustainability Experts) and is aimed at promoting sustainable industrial development in Romania.





**Dr. Milan B. Vemic**

Chairman  
Council of Higher Education Institution “Dositej”,  
Belgrade, Serbia

[milanvemic1@gmail.com](mailto:milanvemic1@gmail.com)

Milan Vemic has over 10 years of practical enterprise development and management teaching experience. From 2003 through 2010 Milan worked as an SME expert on all 3 main EU funded Enterprise Development Programs in Serbia, supporting 15 regional SME and development agencies and starting several business incubators for the Serbian National Investment Plan (2006). He is currently the Chairman of the Council of higher Education Institution “Dositej” in Belgrade, Serbia.

He was affiliated with the European University in Aktope, Kazakhstan (2014). His accomplishments include the Annual Impact Study (2007) of the European Fund for South East Europe, downstream creation and capacity enhancement of the business clinic portal (2010) supporting SME planning and financing, and conducting the EBRD Banking Environment/Performance Survey (BEPS II) aimed at 31 countries, covering 872 banks for a detailed snapshot of the region’s banking sectors before & after the global financial crisis (2012). His writings include: (1) technical paper for the UNCDF international year of microcredit 2005: “The Emerging Role of Microfinance in the Post-Disaster Context: Some Lessons from Bosnia”; (2) Fundamentals of financial management, a 2007 edition (3) The Science of Economic System and Economic Policy in Transition a 2008 edition of textbook for the Faculty for Management Studies in Novi Sad where he taught (4) Internal audit, a 2008 manual for the Ministry of Labor of Serbia. Other recent accomplishments include the compilation (co-author) of the Annual Impact Study (2007) of the European Fund for South East Europe, the development of a business clinic e-template on the Technical Support to Enterprise Policy and Innovation Project in Serbia (2010) and conducting the EBRD Banking Environment/Performance Survey (BEPS II) aimed at 31 countries, covering 872 banks for a detailed snapshot of the region’s banking sectors before & after the global financial crisis (2012).





### Michael Guth

Consultant  
Innoconsult, Germany  
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Michael Guth has a degree in political economics and business management. He is working in the field of regional innovation policies and his areas of specialisation are innovation strategies, business diversification as well as the management of RTDI projects. He is thus an acknowledged expert to the governments in Nordrhein-Westfalen and in Berlin as well as to the European Commission. In the field of policy consultancy he is also specialised in local development and innovation issues. Clusters represent an important tool in this topic.

Michael has also gained experiences in Eastern Europe, in the Maghreb and in other parts of the world. In Romania he worked between 2005 and 2010 in four different regions on the development of regional structures fostering technology transfer and innovation. Also he supported the establishment of a cluster policy in the country. His current work is about the role of the internet of things in manufacturing companies as well as the role clusters can play in order to speed up the digitalisation in manufacturing. Just recently he received an authorisation by the federal Ministry of Economic Affairs for the programme Go-digital.

Based on his professional background Michael Guth published a series of articles and papers and he contributed to several conferences and seminars.





**Vedat Kunt**

Managing Partner  
VEGO Consulting,  
Izmir, Turkey

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Date and place of Birth: 30.03.1961-Ankara, Turkey

Current Business: Managing Partner, VEGO Consulting Ltd. Izmir, Turkey. Consulting SMEs in Strategic Management, Export Development, Marketing and Brand Development, Supply Chain Management. Consulting and Training in donor funded projects, on Cluster Development, Entrepreneurship Development, Export Development, Innovation Management

Experience: 2007-present Partner, VEGO Consulting Ltd.

2007–2013 Lecturer at Izmir University of Economics, Fac. of Economics and Business Administration; Teaching “Strategic Management” and “International Business” Izmir, Turkey.

2003/06 – 2006/07 Director, EU-Turkey Business Center (ABIGEM) EU funded project.

1985–2003 Executive Positions in Food, Textiles, Office Automation, Cosmetics Sector Companies.

Education: 9 September University, Faculty of Social Sciences, International Marketing, MBA, 2010, Izmir, Turkey

Middle East Technical University, Faculty of Engineering; Industrial Engineering, BSc. '85, Ankara, Turkey





**Nicolai Sederberg Rottbøll**

CEO  
Quercus Group,  
Copenhagen, Denmark  
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Nicolai founded Quercus Group consulting company in 2012. Previous to this, he worked at the Confederation of Danish Industries (DI), Copenhagen Capacity and Copenhagen Cleantech Cluster (CCC). Nicolai possesses extensive knowledge about the cleantech industry, green growth and cluster development. He also has experience in advising local governments, public entities and cluster organizations within Africa, Europe and Asia. He specializes in consulting in the field of regional economic growth - especially within the field of cleantech and agribusiness. Nicolai was the initiator and driving force behind the development of Copenhagen Cleantech Cluster (CCC), now CLEAN, the largest and fastest growing cluster initiative in Danish history. Nicolai served as Head of Secretariat of CCC from 2008 to 2012 and initiated the International Cleantech Network (ICN). Through ICN he created a partnership platform for leading international cleantech clusters across Asia, Europe and the USA. Nicolai's current position as founder and CEO of Quercus Group has brought him international recognition as a strategic advisor, capacity builder and developer of cluster initiatives. He is an experienced facilitator, panelist and trainer and is highly dedicated to working with greening of value chains in developing markets.

### Chronology

- 2012 – Present - Founder and CEO, Quercus Group
- 2009–2012 - Founder and Head of Secretariat, Copenhagen Cleantech Cluster
- 2008–2009 - Head of Cleantech Department, Copenhagen
- 2007–2008 - Consultant, Confederation of Danish Industries, DI, Department of International Business Development (DIBD). Focus: Kenya, Zambia, Egypt and Vietnam
- 2005–2007 - Consultant, Confederation of Danish Industries, DI (Department of Globalization)





**Alessandra Chevallard**

Strategy & development  
consultant

Cluster development,  
Barcelona, Spain

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After more than 14 years working with clusters, Alessandra has become a specialist in the fields of regional and strategic development. The missions developed for either regional, national or supra national organisations have permitted her to deepen in the fields of business competitiveness and public policy, always with the final objective of enhancing the companies performance –preparing them for the future challenges- and aligning the institutional support. Alessandra has worked in Europe (France, England, Spain, Italy, Denmark, the Netherlands...), Latin America (Brazil, Argentina, Colombia and Chile) and the MENA region (mainly Tunisia and Jordan), both directly on the field or training the teams on the field, in a variety of economic sectors.

Main skills and competencies: elaboration of mappings/screenings, development of a methodology for cluster development, support to the elaboration of public policy, organization of study trips for institutional agents, etc.

Education: Alessandra has got her Business & Administration degree by the University Pompeu Fabra (Barcelona, Spain, 2000) and a master's degree in Competitive Business by the University Sciences Sociales of Toulouse (France, 2001).





**Steve Harding**

Team leader  
Birmingham City University  
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I lead a team in BCU which supports cross innovation – how the creative industries catalyse change in other growth sectors.

European Design & Innovation Platform I co lead with Lancaster University on the knowledge integration aspects of this EU initiative to make accessible the lessons and tools of design driven innovation throughout Europe. The Design Council UK are the project leaders.

Cross Innovation: 2011–2014: I ran this EU policy project worth €2.2m which tested methods and suggested strategies to link the creative economy and other growth sectors in 11 cities.

I chair the Initiative for Social Entrepreneurs.

I represent the University in working with the City Council. and the Local Enterprise Partnership on issues such as innovation, higher level skills and economic intelligence.



**Alexa Hartwell**

Birmingham City University  
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Alexa has over 10 years’ experience working in enterprise, innovation and research for the public and private sector. Her role as Cross Innovation Business Engagement Manager at Birmingham City University is to support interactions between the creative industries and other sectors. Alexa produces a variety of hack/development labs aimed to bring people together from different disciplines. She works with creative entrepreneurs to achieve their ambitions and bring new ideas to the market place and develop links internationally. In her time at BCU she has worked extensively on EU initiatives to support the creative industries, including Cross Innovation Interreg IVC Project sharing city policies and experiences and ECCE Innovation focussing on the Internationalisation of SMEs.





**Michaela Mixová**

Creative Industries Manager  
Pilsen – European Capital  
of Culture 2015/DEPO2015

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One of the creators of the first Creative Incubator programme in the Czech Republic, which is part of the Centre for creative entrepreneurship DEPO 2015, where culture meets business in innovative solutions. DEPO2015 as a creative zone also offers co-working space, FabLab and makerspace, show-room and ateliers. (Project is a part of Pilsen - European Capital of Culture 2015).

Michaela has been working as an advocate for creative industries since 2012 – with the Arts Institute on the Mapping of Creative Industries in the Czech Republic or with the Birmingham City University on the Cross Innovation project. She has been strengthening the cooperation between creatives, public and private sector through organizing conferences and discussions. ([www.dtf2015.cz](http://www.dtf2015.cz)).

She gained her MA at the UNESCO Chair in Cultural Policy and Management at the University of Arts in Belgrade, Serbia and Lumière University Lyon 2, France.





### Daniel Coșniță

President of the CLUSTERO – Romanian Cluster Association, Bucharest, Romania

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Graduated both as an engineer and economist, Daniel Coșniță has been working in the last 10 years in the fields of technology transfer and innovation and of regional economic development.

He has been involved in setting up several pilot projects like the IT Business Incubator of the Technical University in Timisoara (UBIT), the clusters Pro Wood (wood and furniture), Cluster2Success (IT, cross border RO-HU) etc. Since 2008 he has been supporting the Romanian Ministry for Economy in the generation of the national cluster policy, by performing the cluster mapping exercise at national level, contributing to the elaboration of the Guide of Applicants of the financing schemes dedicated to the poles of competitiveness etc.

Currently he is a member of the team of experts supporting the Ministry of Education and Research in the elaboration of the Smart Specialisation Strategy of Romania. He acted as a consultant for the Algerian government in setting up a national network of business incubators and for the Turkish government in the elaboration of the national cluster strategy.

He has generated and managed numerous national and international projects - especially FP6, FP7, and has run several project generation seminars in Romania and abroad based on the concept of individual and institutional learning.

Since 2011 he is the president of the Romanian Cluster Association.





**Julien Schmitt**

Strategy & development consultant  
Eticus Consulting, Barcelona, Spain

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Julien has been working for more than 15 years in strategy and development consulting projects. He had the chance to collaborate with both public and private entities in numerous sectors and topics such as regional development and clusters, strategic planning, internationalisation processes, sales strategy development and inter-regional cross-fertilization programs. Julien has been working in several countries in Europe (France, Spain, Sweden), South America (Brazil), Africa (Morocco, Algeria) and Middle East (Lebanon). Lately, he's been cooperating in the CCI Clusters Program in the MENA Region for and with UNIDO, the industrial development branch of the United Nations.

Main skills and competencies: Strategy and business development, Public and Private sectors strategic consulting, Clustering, Regional competitiveness, Organisation restructuring, Operational management and processes, Internationalization, Change management.

Education: Graduate program and Master degree in Economics and Administration - Specialisation in Marketing and Human Resources. EM Lyon, Lyon Business School (Lyon, France, 2000).





### Dr. Cornelia Muraru-Ionel

President  
Ind-Agro-Pol competitiveness  
pole, Romania  
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President of Ind-Agro-Pol competitiveness pole (bronze labeled by ESCA – until January 2015).

Vice-president of CLUSTERO – Romanian Clusters Association. Since 2008 she has been supporting the Romanian Ministry for Economy in generation of the national cluster policy.

Head of Technology and Business Incubator INMA-ITA, member of Ecabit – Network of Business Incubators and Technology Parks in Eastern Europe and Central Asia. 2008: Award for the best performing Romanian Incubator.

President of the Bio-Economy Commission within the RDI Advisory College of the Romanian Ministry of Education and Scientific Research.

Agricultural Mechanical Engineer, Ph.D. Eng., Senior Researcher within INMA - National Institute of R-D for Machines and Installation designed to Agriculture and Food Industry.

Manager of 37 European and national RDI projects (e.g. ClusteriX, Prosme – EEN, Prosme – Inn, InovCluster). More than 100 scientific publications. Member of “Clusters of Excellence” WG – the Danube Strategy; ARoTT - Romanian Association for TT; EurAgEng - European Society of Agricultural Engineers.

PhD Engineer, Senior Researcher and project manager at the National Institute of Research and Development for Machinery and Installations designed to Agriculture and Food Industry – INMA Bucharest. Since 2006 coordinator of the Technological and Business Incubator INMA-ITA. Since 2008 she has been supporting the Romanian Ministry for Economy in the generation of the national cluster policy. Since 2011 cluster manager of the IND-AGRO competitiveness pole. Areas of expertise: C-D, innovation, business incubation, technology transfer, cluster policy, project management (INTERREG IV C, POS DRU, PARTENERIATE, R&D Sectorial Programme of the Ministry of Economy, CEEX, NUCLEU), project evaluation (Cecuri de inovare, INOVARE, EUREKA, PARTENERIATE, INFRAS, CALIST, INVENT, RELANSIN, CEEX).





### Bianca Muntean

Executive Director/  
Project Manager  
Romanian Association of  
Software and Electronics  
Industry – Transylvania  
Branch, Romania

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Mrs. Muntean has a Bachelor Degree in Tourism and Commercial Management, Faculty of Economics, “Dimitrie Cantemir” University Cluj-Napoca and also has a Master Degree in European Affairs and Program Management at Babes-Bolyai University. From 1997 until 2013 she directed the Development Department at Transylvania Business Center where she was responsible for projects’ implementation, trainings, the organisation and coordination of business mission, fairs and exhibitions. During this period she was Project Manager of the Romanian partner for EC’s “Liric” Project, “Virtual Valley for Rapid Growth SMEs” - project under an European Commission grant – VIVA 25112, smE-MPOWER, etc. These EU projects on various fields such as Human Resources, Development, Support for Romanian Innovative SMEs, new technologies. Since 2002 Mrs. Muntean has been involved in the elaboration of various development regional and sectorial strategies: Transylvania 2007–2013 Development Strategy, Public Sector Recommendation Policy Paper, Contribution to the Strategy of Development for the IT Sector in Romania, Promotion and SME Mobilization for FP7.

She is National Certified Trainer and Evaluator for Project Management, Structural Funds and Cohesion Fund since 2008. She is Project Manager at the iTech Transylvania Cluster - emergent cluster for advanced technologies human resource training.

Her expertise also involves teaching at under graduate level European Programme and Projects at the Faculty of European Studies, Babes Bolyai University, Cluj Napoca. In 2003 she created a small library on Information Society Matters at the Faculty of European Studies, Babes-Bolyai University with the support of the European Commission.

Specialties: Project Management, Knowledge Management, Public Relations, Corporate Communication, Structural Funds.





**Dipl. Ec. Leucuta Christina**

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Christina Leucuta is currently Senior Advisor at CLUSTERO-Romanian Clusters Association with over 30 years of professional experience in the Ministry of Economy as Director of Industrial Policies Department and initiator of the Romanian Cluster policy. She was the representative of Romania at the European Commission – Enterprise Policy Group – Directors General.

Director General, consultant for the TAIEX-European Commission, ILO-Geneva and UNIDO-Viena and Special Ambassador of the Danube Region. She coordinated national and European programs on cluster development and internationalization, social innovation and SME's competitiveness. Christina Leucuta holds a Master in Economics-International Economic Relations from the Academy of Economics of Bucharest, Romania and several diplomas in technology foresight, cluster management training and European integration.

She has published numerous articles related to clusters, innovation, industrial strategies and SME's competitiveness. Thanks to her long experience, Ms Leucuta is often invited as a speaker and moderator in international conferences, seminars, forums, meetings all over Europe and as consultant.





**Pavla Bruskova**

President, National Cluster Association NCA, Ostrava, Czech Republic

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With a rich background in industry restructuring and regional development, Pavla Bruskova has been involved in the cluster concept development in the Czech Republic since its beginnings in 2002.

Based on the pilot cluster study carried out in the Moravian-Silesian Region, she launched the first Czech cluster organisation in the machinery sector in 2003; took part in the preparation of the National Cluster Strategy 2005–2008; carried out cluster mapping and facilitation of several cluster initiatives and assisted the establishment of a number of cluster organisations. As the CEO of the Regional Development Agency in Ostrava she initiated ClusterNet, the regional cluster platform in 2006 and Regional Innovation Strategy in the Moravian-Silesian Region in 2009–2010.

Since 2010 she has been the President of the National Cluster Association with 25 corporate members, out of which 18 are cluster organisations ([www.nca.cz](http://www.nca.cz)). As the member of a research team at the Centre for Applied Economic Research, Faculty of Management and Economics at the Tomas Bata University in Zlin, she is a co-author of Certified Methodologies for Regional and National Cluster Policies. She takes part in a number of European cluster and innovation projects, such as the strategic “CluStrat” project of Central Europe (2012–2014). As a cluster expert, she provides consultancy and training for cluster stakeholders, facilitators and cluster managers internationally.





## János Keresnyei

President,  
Creative Industry Cluster  
Hungary

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Current Business: President at Cultural Creative Industry Cluster. Creative director at Kerko Media Ltd.

Experience: 2013- present: President at Cultural Creative Industry Cluster. The Cultural Creative Industry Cluster works for enhancement of productivity and profitability of its member creative companies. 2006 - present: President at Cultural Innovation Competence Centre. Development of cultural industry cluster in Southern Transdanubian region of Hungary. Competence development at creative SME-s. Consultant in cultural strategy developments. Cluster development expertise for CNCB, CMC European projects. 1999 - present: Creative Director at Kerko Media Ltd. Explanatory videos in different fields of R&D Prezi and Wix trainings, media development, web portal development, document film productions, feature film production.

Education: 2011–2013: University of Pécs, Master of Business Administration (MBA), Business/Managerial Economics; 2005–2006: Alexander Korda Producer Academy, Film and TV producer; 2004–2006: International Business School, PR economist.





**Lajos Vajda**

President

Transylvania Consortium  
of Clusters

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President – Transylvania Consortium of Clusters, Vicepresident – Romanian Cluster Association; President – Association of Incubators and Business Centers from Romania – AICAR, President – Green Energy Innovative Biomass Cluster.

Strongly believes that clusters in different fields of activity can be a solution for the development of the Romanian economy and they can be used as tools through which relations can be broaden to regional, national and international level. Promoter of the clusterization process in Romania, and the idea of building clusters based on the potential of the region. President of the Cluster Consortium from Centru Region, by the name Transylvania, with 18 clusters, as members. For the formation of the Cluster Consortium he received the award Implication in the Society, at the VIP award ceremony 2014. He initiated the establishment of several clusters, such as: ProWood Cluster (wood processing), year of establishment: 2010; Green Energy Cluster (green energy from biomass), year of establishment: 2011. In 2014 the Green Energy Innovative Biomass Cluster received the BRONZE qualification given by the European Secretariat for Cluster Analysis and Cluster Excellence, at the initiative of the European Commission.

Agrofood Cluster (agriculture, food industry), year of establishment: 2011

“Transylvania” Textile & Fashion Regional Cluster (textile and fashion industry), year of establishment: 2012

Ecotourism Cluster (handicraft, traditional products and tourism), year of establishment: 2012

At the same time, he is the promoter of the idea of formation cluster networks with already established clusters in a Region. Promoter of partnerships of clusters from Romania with clusters from other countries. Promoter of active participation on clusters in the Danube Strategy Programme: especially in the field of biomass, tourism and agrofood.





## Ionuț Țața

President  
Innovation and  
Technology Cluster

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Currently Vice-president for Europe – JCI International [www.jci.cc](http://www.jci.cc) and President – Cluster for Innovation and Technology [www.altbrasov.org](http://www.altbrasov.org).

Education: National School of Administrative and Political Studies, Masters, Management, 2004–2005. Academia de Studii Economice, Masters, Business Administration, 2002–2004. American Institute on Political and Economic Studies Prague, MA, Economics and Politics, 2002–2002, Awarded the Don Lavoie Scholarship. Academia de Studii Economice, Graduate, Business Administration, 1998–2002. Andrei Saguna National College, English, Mathematics-Physics, 1994–1998

Main fields of Expertise: Organizational and project management - 9 years of working experience, extensive training. Non-profit and NGO's - Training and consulting - 6 of experience, extensive training. Coaching - 2 years of experience, Working in a multicultural environment - 12 years of studying and working with trainers, clients, colleagues and partners of various cultures and nationalities, translator certification – German and English Language.

Interests: organizational development, psychology, NLP, neural marketing, architecture, automotive sports, music.

Groups and associations: ANEVAR, JCI, Pro Democracy Association, Leaders Romania, Brasov Chamber of Commerce

Honors and awards: Member in the Board of Advisors - AIESEC Brasov 2005–2007. Don Lavoie Merit Scholar 2002 - The Fund for American Studies USA. Awarded the 1st prize at the German Language Olympics 1997, Brasov county.





**Tatjana Kalezic**

Cluster Manager  
Vojvodina Creative  
Industries Cluster,  
Novi Sad, Serbia

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Tatjana Kalezic is a business consultant and project manager, fuses a background in innovation, startups and creative industries.

Tatjana is co-director at Founder Institute, the world’s largest entrepreneur training, and startup launch program, she is co-founder of Serbia Start Up program for entrepreneurs empowerment and ecosystem development.

Tatjana is an entrepreneur itself, founder of Mockup Marketing Agency and co-founder of Creative Industries Cluster of Vojvodina. She is Deputy President of the Program Council of Novi Sad – Candidate City for European Capital of Culture 2021. She studied at the College of Tourism in Belgrade and holds B.A.Sc. degree in economics. She is postgraduate at the Faculty of Science, University of Novi Sad. She is a radical veganism and ethical capital aspirant. Tatjana is married, has a beloved daughter, she plays piano and guitar and make handicrafts.



**Christina Melander**

Programme Director,  
Danish Design Center,  
Denmark

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Christina Melander is programme director for the Danish Design Centre’s focus on design and business development, which explores the potential of design methods to meet businesses’ needs to develop new products, solutions and markets.

Christina is committed to disseminating knowledge about how design helps drive important positive changes and why companies that use design strategically do better, create more jobs and generate more growth. Therefore, Christina is passionate about initiating and carrying out projects aimed at not only conveying good stories but inspire real-life action.





**Julie Hjort**

Project Manager, Danish Design Centre, Denmark

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As project manager at the Danish Design Centre, Julie Hjort works with design in relation to technological development, co-creation and open source. With a background in culture and the arts, she is interested in exploring how creative environments, such as maker movements and cultural communities, can inspire industry and the public sector to adopt new ways of working and develop better solutions.

Julie views design as a tool and a method that has the potential to connect other disciplines and as a systematic approach to exploring new territories. Inspired by design thinking, she embraces an empathetic and experimental approach to problem-solving in her own work.



**Sara Gry Striegler**

Project Manager, Danish Design Centre, Denmark

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Sara Gry Striegler is passionate about creating value through insights, challenging conventional thinking and using experiments to address complex challenges.

With a toolbox full of the tools needed to drive a design process, she guides partners and stakeholders safely through workshops and is not afraid to come up with new ways of understanding and addressing challenges, including user journeys, design games and prototyping.

As project manager at the Danish Design Centre she has a clear focus on developing and managing projects based on design thinking and co-creation. By developing design methods and tools, Sara also helps to keep ensure that DDC as an organization embraces an ambitious design-driven approach.

Sara has a background in design and innovation from the Technical University of Denmark and has several years' experience running innovation projects involving designers, experts and private and public partners and is familiar with the use of visualization to get a message across.





**Anders Bang Kiertzner**

MA Culture & Communication  
Head of Research & Insights/  
Attention Group ApS,  
Copenhagen, Denmark

Driven by the desire to solve problems by managing change and complexity, Anders has been working with user research and user-centred design processes for more than a decade. Anders is responsible for scoping research projects, leading fieldwork and conducting interviews along with analysing and delivering actionable insights to an international client base that spans agile start-ups to multinational corporations within consumer products, medtech, industry and defence. His insisting on driving innovation based on a human-centred approach makes him an essential part of both the strategic and creative development process.

“I’m very fortunate. Every single day, I get to talk to people from all walks of life who share their stories, their lives, ideas and frustrations with me. In return, I share their stories with my colleagues and together we form a creative feedback loop that enables us come up with bespoke and truly innovative solutions. For me, driving innovation is about participation: when you have users, designers, engineers and production specialists working together to find the best possible solution, it is like looking at the world through a kaleidoscopic lens.”





**Goran Zlatkovic**

Executive Director  
Cluster House,  
Nis, Serbia

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Economical background from University of Nis, with extended professional experience from the humanitarian and development support institutions.

Advisory support for implementation and financial management of local development projects. In charge of SME development in construction, textile and agro sector through cluster initiative. Development of action plans and planning and implementation of training seminars for Cluster support.

One of authors of the Cluster House Model for Economic Development in the Balkans.

A member of the Global TCI Network Barcelona, Spain.





**Dr. Nikolina Trajanoska**

Head of Unit  
Ministry of Economy of the  
Republic of Macedonia,  
Skopje, Republic of Macedonia

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Nikolina Trajanoska is working since 1999 at the Ministry of economy of the Republic of Macedonia as a Head of Unit for Industrial policy. Since 1994–1998 she was delegate at the Parliament of the Republic of Macedonia, and for 1977–1994 was working as a Technical manager, General Manager in one textile factory. Beside the regular working obligations and on several international projects connected to the competitiveness and human resource development, she also actively participated on the projects: Strategy for development of the textile industry in the Republic of Macedonia, Strategy for industrial policy 2009–2020, Strategy for sustainable development of RM, Strategy for innovation 2012–2020 and other projects in the Ministry of economy.

She has visited numerous trainings and seminars in the country and abroad, of which to emphasize are the trainings in Netherlands for management of project cycles and for international advisor and consultant. She has participated with works on numerous international conferences for competitiveness and clusters (Istanbul – Turkey, Opatija – Croatia, Belgrade – Serbia, Stockholm – Sweden, New Delhi – India, Tallinn – Estonia, Nish- Serbia, Sofia- Bulgaria and San Sebastian – Spain). In 2011 she was elected in scientific-teaching vocation as docent for group of subject for management and entrepreneurship. She has published more than 30 works in domestic and foreign publication. In 2012 she has published the book: “Trade mark – Creation and Valuation”. In 2015 she has published the book: “Small economies and clusters”.





**Tomi Pikuli**

Executive Director,  
AgriNet, Albania

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Education: 1968–1972, Shkolla e Mesme e Pergjithshme ‘Raqi Qirinxhi’ Korca; 1972–1976, Agriculture University of Tirana, Albania.

Experience: 2005 – on going, Director and coordinator of projects implemented by Foundation AgriNet (local NGO, located in Korca). 2001–2005, Program Manager of Agriculture programs implemented by “Dorcas Aid International Albania” (a dutch NGO with head office in the Netherlands). 1992–2000, Agriculture specialist in Extension Service Department of Regional Agriculture Ministry of Korca. 1977–1991, Agriculture specialist of different agriculture entities of Albania.

Qualifications: 1993, Training courses on extension service organized by STOAS the Netherlands. 2001, Training courses on project design and implemetnation organized by Dorcas The Netherlands, Co-Plan Albania. 2003, Project cicle Management and Management on Change organized by INTRAC Oxford, England. 2005, Training on Value Chain Development MDF – The Netherlands. 2006, Training course on Integrated Pest Management organized CABI The Netherlands. 2006, Training on Agriculture Marketing (organized by ICCO The Netherlands). 2006, Training course on Rural innovation (organized by ETC The Netherlands). 2007, Chain Development (organized by ICCO The Netherlands). 2008, Training course on Integrated Fruit Production organized CABI Switzerland. 2009, Trainig on Financial Management “The NGO Director’s Guide to Finance” (organized by Fabel, Werner & Schnittke).





**Cristina Alexa**

communication specialist

iTech Transilvania Cluster  
by ARIES Transilvania

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Mrs. Cristina Alexa has a Bachelor's Degree in economics and a Master's Degree in Financial Management and Capital Markets, Academy of Economic Studies Bucharest.

She has huge experience on accessing EU funding for Competitiveness and Business Support. Since 2000 she worked as an account manager in ITC companies and starting with 2010 she became a consultant in Structural Funds Projects implementation: Human Resources Development Sectorial Operational Program: 1.2, 3.2, Economic Competitiveness Growth Sectorial Operational Program 2.3.3, 3.3.1, Regional Operational Program 4.3.

Since 2011 she was involved in the foundation process and projects writing for accessing financing for POLARIS competitiveness pole and the iTech Transilvania cluster. At the end of 2013, the iTech Transilvania Cluster by ARIES Transilvania was founded and she worked as a Communication with cluster members specialist until present. Her main responsibilities were assuring constant communication flows with all cluster members (sending invitations for various events – trainings, conferences, formal and informal cluster meetings, point of contact for information, follow-up), setting channels of communication with cluster members and instructions/work procedures, overcoming member's problems and solving them with the cluster manager's help, creating cluster members database, organising and coordinating national and international project events, cluster website management.



### Natasa Sivevska

Executive director  
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Natasha Sivevska is technology textile engineer with 18 years experience in textile sector. She has involved in the field of export activities, lobby and advocacy, market research and project development. Since 2005 she is on the position of executive director of the TTA-TC (Textile trade association of Macedonia – Textile cluster). TTA-TC is NGO, whose primary goal is improving companies' competitiveness, thus registering world trends in global market, as well as adjusting the participants' own production to such trends and changes. Her professional career has included activities and functions in the Association as organizing operative, financial, strategic, and action planning for the Association, coordinating and supporting the association members in their activities, daily communication with Government institutions, Business Organisations and Donors, Education faculties and similar Associations in the region or wider, providing information's for the Association's members with the requirements of the foreign markets and supporting them in development of their own product with the aim to reach the vision of competitive textile industry in the region.

Natasha Sivevska is a member of the NECC (National Entrepreneurship and Competitiveness Council) and Member of the Textile committee in the Macedonian Institute for standardization, working on implementation of European textile standards. She contributed in the publication of Monograph for 100 year anniversary of Food processing, Textile, Chemical and Metallurgy Industry in Macedonia, published by Association of the Chemists and Technologists of Macedonia. She was also involved in creation of the Strategy for development of Macedonian textile industry and the action plan for its revitalization, ordered by the Ministry of economy. She successfully managed two cross border and one international IPA projects as well as several regional projects.





### Teodora Migdalovici

Alchemist  
ME.ALCHEMY.COM &  
Founder of The Alternative  
School for Creative Thinking

**AREAS OF EXPERTISE:** personal branding & brand culture/ lobby/creative industries analyst and advocate/emotional intelligence/customer care & customer service

Teo Migdalovici is an international public speaker and trainer, having attended, over the past 15 years, major worldwide events related to the marketing and the communication industry, with remarkable results. She has spoken on emotional intelligence, has trained creative people on their way to win Cannes Lions trophies and has shared her view of the industry's future on global stages in Singapore, Paris, London, Lisbon, Zagreb, Belgrade, Kuala Lumpur, Mumbai and, starting 2015, Mauritius.

She is also a brand therapist, an awarded author, a personal branding strategist at MEALCHEMY.COM and the founder of The Alternative School for Creative Thinking, one of the most successful Creative MBAs in Eastern Europe, with two Gold Lions in the portfolio won ever the past three years.

Brand Leadership Award, Global Super Achiever Award, Private Diplomacy Award, European Excellence Award and Stevie Award are only a few of the distinctions associated with her books, research or educational projects. Because of her particular way of perceiving and interpreting information, she is invited as keynote speaker at exclusive business events which focus on brand management, communication, customer essence and emotional intelligence.

As Cannes Lions Ambassador in Romania, Teo Migdalovici has been, throughout the past decade, one of the most dedicated supporters of the Eastern European creativity, motivating, training and reshaping the industry. Teo has become one of the most efficient trainers for those creatives – both juniors and seniors – motivated to perform in Cannes. Coincidentally or not, two of the agencies trained by her – New Moment in Serbia and Geometry Global in Romania won relevant trophies in Cannes – from Bronze to Gold. In recognition for her contribution, she was awarded the 2nd place for the Most Passionate Cannes Lions Ambassador by the festival's organizers in 2013 and the Media Award for "People and Ideas that Change Romania for the Better" by Foreign Policy in 2015.





## Abstracts

### The Balkan Cluster Network – An Instrument to Facilitate Clusters in the Balkans to be Pro-Active on the Cluster Scene

**Dr. (Econ.) Danka Milojkovic**

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Across South-Eastern Europe there is a recognition that economic development is to take place through increasing inter-company collaboration, innovation and internationalization. In Southern Serbia, through the generous support of the Danish Ministry of Foreign Affairs' European Neighbourhood Programme, the LEDIB programme in general, and the Cluster House in particular has pioneered a comprehensive cluster development approach. The Cluster House Model is a proven way of supporting and accelerating cluster development in the Balkans. The model fosters collaboration through networks, meetings, advisory services, inter-business networks, matchmaking events, and training sessions. It helps spur innovation by facilitating engagement between companies and between companies and universities as well as other research institutions. It brings international markets closer by way of joint promotion at trade fair, advice on internationalization strategies and market visits.

The three main factors being a prerequisite for successful cluster development in the Balkan:

- A sense of urgency that transcends the political establishment, the business community and key academic leaders.
- The existence of institutional structures within the business community, the public domain and the research community.
- A group of dedicated community and business leaders, who have the drive and the dedication to be pioneers of the clustering process.

The Cluster House has developed a six-step cluster development guide that can bring clusters in the Balkans from idea to reality and the following tools: The Balkan Cluster Network; The Cluster Info Centre, The Training Centre for Cluster Development in the Balkans; The Centre for Clusters Facilitation and The Cluster Development Project Centre. The Cluster House is an initiated establishing of "The Balkan Cluster Network", a cluster collaboration platform in the Balkan, with the following aims:

- Strategic planning of cluster based economic development through initiation of the public private dialogue - a key advocacy event is the Annual Balkan Black Sea Conference "Days of Clusters"



- Inter-cluster collaboration and networking, promotion and internationalization of the Balkan clusters
- Better access of clusters to business development funds
- Capacity building of the cluster actors through tailor made trainings and cluster learning trips
- The Balkan Region investment promotion in the global level
- Pro-active transfer of experience, knowledge, know-how, innovation

Since November 2012 more than 170 clusters, cluster initiatives and organizations joined the Network. The Cluster House Team developed the cluster mapping methodology which was tested in the Balkans and Southeast Africa.

**Keywords:** cluster, development, model, network, platform, Balkan

## The Balkan Cluster – Key Puzzle for Creativity of Cluster Managers in the Balkans to be Pro-Active on the World Cluster Scene

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The Balkan Peninsula is a bridge between Europe and Asia with the following biggest cities in the region: Athens, Istanbul, Sofia and Belgrade. The region is recognized for its agriculture such land cultivation, fruit production, farming and fishery; forestry, mining and industry sectors. Ethnic and cultural variety, various political influences and turbulent history resulted in that the majority of the Balkan countries are in the state of transition reconstruction. The cluster based economic development has been recognized in the Balkans as a tool for achievement of the greater entrepreneurial initiative, innovativeness, competitiveness and employment.

The cluster managers play an extremely important role in the cluster development and they act as agents of change; emphasize the need for change and promote innovative cooperation among cluster partners; accumulate knowledge on clusters and global changes clusters are encountering; use data and facts gathered from the cluster members as inputs in their strategic approach; build bridges to connect clusters at the regional, national and international level through continual promotion of new cooperation and innovative alliances among cluster members.

The Balkan Cluster represents a proactive collaboration platform for cluster managers/clusters and support institutions in the Balkans in order to develop transnational projects, to approach development funds and to appear on new markets. It fosters collaboration through networks, matchmaking events, advisory services and trainings. It helps



spur innovation by facilitating engagement between companies and research institutions. It contributes to promotion and internationalization of the Balkan clusters and SMEs and connection with European and global SME and cluster development institutions and organizations.

The Balkan Cluster platform is applying the following operational strategy: field work and interactive daily communication with beneficiaries; transparent and timely information; demand driven cluster projects preparation and implementation; and cluster lessons learned and cluster good practice examples promotion.

“When you only have a hammer, all problems look like nails” /old saying/. The Balkan Cluster creators learn from the past, live in the present and look forward to the future, they know that “everyone thinks of changing the world, but no one thinks of changing himself” /Leo Tolstoy/ and they are guided by Aristotle’s saying “excellence is not an act....but a habit”.

**Keywords:** Balkan, cluster, collaboration, tool

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## Moscow Microelectronic Cluster “Zelenograd” – Building Basis for New High-Tech Businesses and Creating Joint Innovative Projects with Strong Government Support

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Currently, Zelenograd is Administrative District of Moscow - the center of the Russian electronics industry, which concentrates research centers and semiconductor fabs with modern technologies. Zelenograd Development Corporation is the Moscow city enterprise and established to support, coordinate day-to-day operations and collaborative projects of Cluster Zelenograd and manage the innovative infrastructure facilities in the



area. General strategic management is carried out by Moscow Department of science industrial policy and entrepreneurship. Zelenograd Development Corporation works closely with Russia central government and receives financial support from Ministry of Economic Development and Moscow city government. The state funds received are aimed to grant cluster members with efficient support in collaborative projects development, products promotion, providing education and consulting services etc. The cluster structure includes an innovative business support infrastructure, such business-incubator, techno park, special economic zone. At the moment, the cluster has more than 140 participants. Zelenograd occupies a leading position in the Russian Federation in the field of sub-micron technologies based on the use of silicon as the primary semiconductor and hetero structures and on its basis. The main directions of research and development are new technologies of manufacturing VLSI; new element base of micro and nano-electronics; in new technologies of VLSI design and specialized software. The companies produce more than 500 types of circuits and semiconductor products. There are more than 400 customers, including over 100 abroad.

**Keywords:** innovative cluster, government support, microelectronics, semiconductors, collaborative projects

## Eco-Innovation, a Business Approach towards Sustainable Products and Services

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The sustainability challenges in recent decades, give rise to drivers for change in the way that companies operate. Sticking with the 'Business as usual' approach will leave companies unable to respond to issues such as rising costs of resources, disruptions to supply of their raw materials or changes in legislation. There is a growing need to find alternative approaches that can help to address businesses and products sustainability, whilst at the same time offer opportunities for growth, cost reduction and competitive advantage.

Eco-innovation is an approach that aims to fulfill these requirements by identifying the key sustainability challenges and opportunities and then using these to drive changes throughout the company, from the business strategy and business model, through to the operational level (UNEP, 2014). While big companies are starting to include elements of eco-design in their products, particularly required by legislation in force, the SME's are still confronted with various obstacles such as: lack of environmental awareness, low capacity of understanding life cycle thinking and derived economic benefits that arise from eco-innovative approaches, insufficient access to specific information and education (Paraschivescu & Nemoianu, 2012). The experience has showed that there is a





strong need to find the right mechanism to disseminate strong eco-innovation business cases to convince the companies' management of the financial and environmental benefits of eco-innovation related methods.

In this context, the National Centre for Sustainable Production and Consumption (NCSPC), has launched: the ECOPartner project, aiming to support companies in adopting eco innovative business strategies. Through its objectives, the project will contribute to install a model of support for enterprises, to boost adoption of eco-innovation at the industry level and to build cooperation between the main stakeholders by initiating the Romanian Eco-Innovation Network (RE-IN). ECOPartner is implemented by the NCSPC in cooperation with the Swiss partner, the Genevese Association for Development of Circular Economy and CLUSTERO. The project is co-financed by a grant from Switzerland through the Swiss Contribution to the enlarged European Union.

**Keywords:** Eco-innovation, ECOPartner, Romanian Eco-Innovation Network, NCSPC

## A Profile of the Higher Education Institution “Dositej” – Supporting Institution for the Cluster Based Economic Development

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Higher Education Institution “Dositej”, Belgrade, was founded in 2015, with the Economics Department playing a central role within the School and offering very good opportunities for undergraduate and graduate study and research. The School is an energetic collection of distinguished professors and students. Tailored mentoring and small group work conveniently offer personal assistance of the faculty, which results in the quality of Bachelor's and Master's programmes. The two-pillar model of courses remains in place and a wide range of courses are available regardless of the major, the selection being from the courses in “Dositej”, and also from programs at other universities. The major subject can be sharpened or expanded with elective subjects, enabling an individualised degree course. After acquiring the Bachelor's degree in Economics as a professional qualification requiring a completion of 240 ECTS credits, students may either continue studying at the Master's Level, with additional 60 ECTS credits, or enter the working world of economics and business. The objectives of the Master's Program in Economics are to transfer advanced academic training in elected subject fields. This includes both theoretical and practical training in each of the core subjects. Through research experiences,





students encounter complex academic and practical economic questions, working independently to develop their precisely defined academic profile. Graduates can seek diverse careers in academia, in domestic or international economic organizations, or join firms in the private sector, working as economic consultants or in other professions. “Dositelj” plans special modules for scientific research youth and hosts an Academic Institute of Economic Financial Development and International Integration whose experts participated in many research projects. The Institute aspires to assist entrepreneurs and enterprises in business incubation and clustering and for programs such as “Technology Watch”, “Framework Programme 7(FP7), Competitiveness and Innovation Programme (CIP) and Eureka.

**Keywords:** Economics, business, academic research, innovation.

## Clusters and Industrial Internet of Things

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The presentation is about the role clusters can play in order to trigger and support the application of digitalisation technologies in manufacturing companies. The background is given by the concept of industry 4.0 which was introduced into the German High-tech strategy in the 2010s. What is meant by this term is the building up of new manufacturing systems and value chains by linking up the real and the digital world. The term also stands for a vertical and horizontal link-up of all process, controlling and management levels of the enterprise – in-house and outside the company. In the frame of a recent empirical study it was shown, that highest productivity gains can be expected from a horizontal integration of processes, amongst different companies and different steps in a value chain.

Against this finding the author discusses options for cluster organisations to support the digitalisation strategy of their member companies. It is obvious that the horizontal digital integration of production processes may be well organised in the frame of a cluster organisation. However, for small companies the full integration and linking up is not yet feasible. This speaks for alternative strategies cluster organisation can apply. The paper will argue that a first step needs to be awareness raising and capacity building for the single companies. Also, the digitalisation provides room for new business models: e.g. products come together with apps, alternatively new services can be created. Here also, cluster organisations can find room for efficient and effective support actions.

**Keywords:** Digitalisation, factory of the future, internet of things, industry 4.0, SME





## Collaborative Path to Innovation Culture and Success, Clusters

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In the continuously changing business environment, it is not easy for enterprises, especially micro, small and medium sized enterprises and start-ups to be competitive and stay alive. Innovation is the key driver to become competitive, but not enough in so many cases. There is another magic touch, which supports both a better solution and combination, which is, cooperation. "innovation with cooperation" which summarizes the idea, incorporates to establish an innovative ecosystem for SMEs where they cooperate and collaborate with each other, with academia and R&D institutions, government and non governmental institutions and financial institutions in order to create valuable products and services, which eventually makes them more competitive in their business environment...

All around the world every country and region are in a head to head race to become competitive. This is a continuous cycle and since clusters are the backbone of an economy and drivers of innovation, competitiveness, and entrepreneurship; it becomes increasingly vital that the ecosystem the cluster lives in is;

- able to attract creative peoples
- able to attract capital and investments
- capable to develop business with technology leaders
- exploit state incentives
- have better quality of life
- have ability to establish r&d institutions
- able to invest in transportation and environmentally friendly infrastructure
- have supply chain efficiency
- have modern architecture and life space

It is crucial for any region in the world to provide a competitive ecosystem both for entrepreneurs, investors, creative minds and talented people to live and work so that the region can become more innovative and have a competitive edge in the global race. Clusters provide competitive ecosystems for the SMEs and this highly depends on the quality of the cluster development process and determination of the cluster management.

**Keywords:** competitiveness, transformation, creativity, innovation, ecosystem.





## Tapping into the Growth Opportunities of a Creative Cluster

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The current presentation builds on the analysis that Quercus Group completed for the Danish cluster Interactive Denmark, within the digital creative industry. The analysis looked at the internal needs and opportunities for companies in this cluster – as well as the global potential for the members of the cluster. The keynote will have a practical approach in presenting the “why” and “how” behind the process. Due to the extensive experience of the speaker within clusters development in countries such as Kenya, Serbia or Denmark, only the particularities of the Danish context will be considered. Nicolai will share his experience in supporting Interactive Denmark – a cluster that covers the digital interactive industry in Denmark, in their positioning and strategy development. Firstly, he will discuss what Quercus Group actually did to uncover the necessary insights about Interactive Denmark members’ strengths, weaknesses, needs and expectations and how the assessment of the Interactive industry’s local and global potential was done. Secondly, Nicolai will cover how the findings were used to support Interactive Denmark in their forward looking strategy – including its internationalization strategy and its decisions on where to focus in order to create value for its members.

**Keywords:** cluster development, creative industries, Denmark

## Clusters as a Tool for Economic and Cultural Development

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Nonetheless the efforts made to enhance the social development and the corporate responsibility, the fact is that global competition is struggling the world: the need to not only understand the market rules, but to differentiate their offer, has become a must for a number of big and small companies to survive. Working with, or trough, clusters permits our Institutions to support the economic tissue by providing strategic information regarding markets, and as well adapting the framework conditions that those companies need to grow. Yet, as much as this can be (if well done!), this is not all. Applied to the Creative Industries, the cluster approach allows as well to preserve the cultural heritage, and build on it, as, as a matter of fact, the cultural heritage can be a tremendously solid, unique strength where to base the growth and distinguish the products. In an era where, luckily, people is beginning to getting tired of the made-in-all-the-same, and begins looking for the small stories, companies and regions get a chance to valorize and conserve





their local specificities and legacy. The intervention in the VI Balkan & Black Sea conference DAYS OF CLUSTERS will present cases where the cluster approach has been applied in the Cultural and Creative Industries, and underline how the cluster methodology has reinforced SMEs both in terms of business development and valorization of the regional cultural heritage.

**Keywords:** Cultural and Creative Industries (CCI), Clusters, Growth, cultural diversity, cultural heritage.

## The Cultural and Creative Industries in the Czech Republic

### Michaela Mixová

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In the Czech Republic the topic of Cultural and Creative Industries has been recently recognized as a potential driver force for economy. In that sense, there are some instruments which could help to develop this specific sector.

The presentation will cover the topics of space and brokerage services, which are important for support and strengthening the dialogue between public sector, creative entrepreneurs and other industries.

In particular, the presentation will show a case study of new creative zone DEPO2015, built in a former bus depot, and offers services such as an educational programme of Creative Incubator, co-working space, fablab, workshops, offices, showroom, conference halls etc. The space plays an important role in opening way of thinking about linkage between business and creativity. I will also share an experience gained during the international project Cross Innovation which helped to map the creative entrepreneurs in Pilsen and their links to other traditional industries.

**Keywords:** creative industries, creative incubator, cross innovation, brokerage

## Business Support Services by Enterprise Europe Network

### Daniel Coșniță

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When talking about clusters they should be understood in two ways: the cluster management structure as well as the cluster members. The distinction is not so easily understood as one might think at a first glance and it is not only of theoretical relevance, as





cluster management has to act as an interface between national and regional policy makers and financing bodies and the members, especially SMEs demanding a huge spectrum of services at little prices. Thus cluster management is tempted to run after publicly financed programmes and face the danger of getting certain autonomy and acting in its own interest moving away from its genuine goal, i.e providing services to the members, especially SMEs. One solution of getting away from the trap is resorting to available external networks and relevant services. An outstanding example is the Enterprise Europe Network, the most important European instrument in support of SME internationalization and innovation. It covers a wide range of internationalization services such as support to finding transnational commercial, technological and research partners, help in accessing European research programmes, in particular Horizon 2020 and its SME Instrument, access to relevant information concerning financing opportunities, organization of transnational brokerage events and company missions, mentoring and coaching in the frame of numerous local events dedicated to internationalization and innovation.

**Keywords:** Non-financial support instruments, internationalisation, innovation, Horizon 2020

## Clusters as a Tool for Economic and Cultural Development

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When questioning their strategies, company' managers have the opportunity to benefit from the support of cluster policies in order to improve growth and attain sustainability and competitiveness. When facing today the high degree of maturity of such instruments, cluster developers are themselves confronted to the challenges of renewing and optimizing their strategies and tools.

In the context of creative and cultural industries, some interesting initiatives have been and are being developed around regional programs oriented to support networks of clusters, transnationally and adopting a trans-sectorial approach.

My intervention will present the benefits of a concrete case of CCI Clusters program developed in the MENA region. It will focus on the potential that it represents for financing issues - thanks to the diversification of the sources and donors – but also on the networking opportunities it raises for cluster to cluster, country to country and sector to sector activities and on the cross-fertilization potential it generates for instance regarding cross-sectorial design initiatives.

**Keywords:** Cross-fertilization, Cultural and Creative Industries (CCI), inter-clusters development.





## Competence Mapping© - Useful Method to Foster Innovation & Co-Operation in Clusters

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Competence mapping it's an innovative method developed by an Austrian business consultancy company (IMG Innovation-Management-Group GmbH) in co-operation with some clusters from Lower Austria and applied to Lower Austrian companies and RD organizations, member of clusters. This method was applied as pilot action in Romania at a RD institute (INMA – member of IndAgroPol competitiveness pole). Also, the method know-how was transferred to “supporters” of Romanian cluster policy (based on licence agreement) and now it's starting the first method application process within the Romanian innovative clusters (IndAgro Vest cluster).

The aim of competence mapping process is to foster competence based on business development within innovative clusters. The specific objective of applying this method is to support the identification, description and visualization of competencies on the organizational level and supports the systematic search for new market opportunities and application fields. Specific templates, techniques, tools and formal language rules support the workflow and ensure a standardized description of results while applying the method. The main deliverables are: business model analysis, future business driver analysis, competence description sheets, competence based innovation and cooperation potential. Based on these deliverables and by using a complex database of IMG, some additional searches for innovation potential are done, especially for identification of possible cross-sectors collaborations.

The originality value consists in an original support of roll-out processes, awareness and matchmaking events on cluster, regional and international levels, business development projects, etc.

**Keywords:** cluster, method, competence mapping, innovation, cross-sectors collaboration.



## SME Instrument

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The SME Instrument is a total new scheme of finance to support the innovative activities of SMEs which cover a whole innovation cycle of a product for those companies that have the ambition to grow, to develop and compete at an international level. SMEs will be able to participate in Horizon 2020 through this new dedicated instrument, in all thematic priorities of Pillar 2 - industrial leadership and Pillar 3 - Societal Challenges. Eligible for this financing scheme are only SMEs. They are those who will decide to establish strategic cooperation framework with other partners. Unlike financing schemes for SMEs in previous Framework Programmes, the new dedicated SME instrument of Horizon 2020 will require from the interested companies more competitive and a business plan oriented to profit which helps implement the idea and bringing it to market, following the implementation of an innovation cycle of a product. The Instrument for SMEs has 3 phases: The definition phase and feasibility assessment; The innovation phase and the introduction of the product on the market; The marketing phase. The presentation contains the latest statistics and information about the purposes and objectives of SME Instrument and about the applications for SME Instrument for countries from Europe and also for Romania. It also shows some useful insights and best practices of some successful proposals.

**Keywords:** innovation, business, development, ideas.

## Challenges for the Danube Region's Cluster Policies

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The official existence of a cluster policy in a country is the expression of an acknowledgment of the cluster concept benefits for the given economy by policy-makers. Logically, the public investment, as a part of the cluster policy, should not be wasted without an expected return, which however is often the case. Taking into account the complexity of the cluster concept and different circumstances of the national/regional backgrounds in individual countries, the perfection or comprehensiveness of national/regional cluster policies persists to be rather low and thus does not enable the full capitalization of the cluster concept potential. The Danube Region is the witness of plentiful cluster policies and the same extent of success, partial success or even failures depending on the degree





of awareness, knowledge and experience of policy-makers. The Czech model of cluster policy demonstrates the positive results of long-term cluster-organisation-development programmes and, newly, the application of a cluster-leagues-based access to funding. Still there are many challenges ahead of the Czech cluster policy to be resolved. Generally, the most pressing gaps in cluster policies include: little awareness of the cluster concept among policy-makers, pure or no embedment of cluster policy in the regional government level, no availability of funding for cluster mapping and evaluation, missing training of professional facilitators and cluster managers, limitation of supported sectors, no incubation of cluster organization start-ups and creating consolidated conditions for the cluster manager's work. The Danube Region countries show various degrees of these insufficiencies. The proposals for raising the commitment of policy-makers to optimize the national/regional cluster policies through a more intensive PA8 actions are presented including better exploitation and engagement of the national cluster experts, such as national cluster platforms, and their exclusive network within the Danube Region.

**Keywords:** cluster policy optimisation, cluster organisation, national cluster association, Czech Republic, Danube Region.

## Visible Transformation

### János Keresnyei

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The strategy development of the creative industry has made a long term effect in the economic life of the city of Pécs and its region. In the middle of 2000's decade competence centres were organized in Pécs in different industrial branches. In 2006 the Cultural Innovation Competence Centre was established and in 2007 the Creative Industry Cluster was organized. The impact of the last 8 years is already visible. Several transnational and national, regional projects helped to raise awareness about creative industry but the main power of the branch is proved by the vivid enterprises in the city. Almost every month there is a new creative place, a new company is opening and new work places are set up. Thanks to the scientific and strategic approach of the creative industry in Pécs region, due to the fruitful cooperation of stakeholders the creative industry become important part of the S3 strategy, new R&D projects, labour program has been launched to invest into people. Develop creative industry is the strength of transnational and trans-regional cooperation which could be attractive chance for enterprises of the Balkan and Black sea region.

**Keywords:** creative industry, creative city, social and economic changes, transnational cooperation.





## Regional Development through Clusters. Transylvania Consortium of Clusters

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Cluster is a modern form of association and represents a framework for cooperation between the economic sector, universities, research institutes, professional schools, public administrations and catalyst organizations. These entities have a common point: to develop a specific economic domain. The cluster is one of the most effective structures capable of managing complex issues such as social and economic development of a region, innovation, new technologies, waste management, nature protection, human resources development, job creation and the formation of national and international relations. Therefore cooperation between clusters operating in the region is essential. Transylvania Consortium of clusters represents the organizations working together for a particular purpose. The cooperating parties are interested in achieving their goal. The members of the consortium (clusters) contribute to the development of a competitive region. It is also important to develop the collaboration between the clusters from the same domain at national level, the sectorial platforms. With these platforms it would be possible to optimize the sectorial national politics. Besides this, the inter-sectorial cooperation between clusters is also substantial.

**Keywords:** cluster, consortium, innovation, competitive region

## Developing Innovation Ecosystems – The Cluster Way!

### Ionuț Țața

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An innovation ecosystem represents the interaction between people, companies and public institutions. This enhances their power to develop and influence the development of new products and technologies by creating common strategies and accessing a collective base of knowledge gathered by all those actors.

Clusters play an important role in such an ecosystem because of its ability to foster the collaboration needed to develop new ideas and bring them to market. By making this collaboration possible, the cluster significantly reduce the efforts needed to launch a new product by setting common goals and a truly collaborative culture between its members.





There often are newly developed products that have the power to disrupt the market, but can't be adopted because of the slow or lack of development of other complementary products. A good example is the gaming console, which was ready for market since the 90s but couldn't be launched until further development in complementary fields like studio production equipment and signal compression solutions.

The backbone of such an ecosystem is comprised of people that are set to move things forward, be they inventors, investors, researchers, mentors or lawyers and the list goes on. The need of an innovation ecosystem is much more visible in countries who's private sector is mostly comprised of SMEs for which the main competitive disadvantage is the lack of power to push new products to market, for those and not only, a collaborative system assures a smoother transition from research to production.

Clusters have the power to bring such specialists and companies together and enhance their power to impact the development of products by acting in a collaborative way.

**Keywords:** innovation, ecosystem, collaboration, cluster, development

## Creative Entrepreneurs and Startups Acceleration

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We are (have always) living in the age of the creative entrepreneur. Startups and entrepreneurs create outstanding changes by unleashing the talents and reinventing the communities. Entrepreneurs create jobs, values and phenomena of something different, new, cheaper, easier, faster...

Entrepreneur's acceleration strongly depends on collaborative and active engagement with stakeholders. In order to build the support, highly rated culture and the environment, and most of all timing throughout the entrepreneurial ecosystem, the constant design and re-tune of innovation ecosystem stakeholder model is a priority. Extraordinary individual achievements and successful entrepreneurship disrupt the environment and startups conditions, their needs regarding infrastructure, attitudes and resources. Thus, the entrepreneurs have to be lean by entrepreneurs, and that is exactly how the Serbia Start Up is initiated as the joint platform for empowering the creative, science and agri-business entrepreneurs and startups and its cross-collaboration.

**Keywords:** start-up, entrepreneurship, jobs, creative, culture





## Design to Overcome Challenges

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Design to Overcome Challenges gives insights into how design can increase innovation both in business and organisational development. The purpose of the workshop is to inspire new reflections and give participants insights and design driven tools into how businesses and organisations can apply design thinking and design doing in their organisation.

“Design to Overcome Challenges” combines inspirational talks, reflections sessions and a hands-on insights workshop. A key focus for the workshop is to look into how design can systematically generate unique insights about users and stakeholders and how design as a method can transform these insights into new, tangible solutions.

This reflection-based workshop is designed by The Danish Design Centre in collaboration with the leading Danish design company Attention Group. Both parties draw upon experiences and cases from a new collaboration programme called Plus that facilitates explorative design partnerships between Danish design facilitators and private companies around complex innovation challenges.

**Keywords:** design thinking, insights, overcoming challenges, reflection





## Creative Industries and Competitiveness

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The recent emergence of the creative industries as a distinct area of interest for economists, statisticians, cultural specialists and public-policy makers reflects a growing awareness of their economic potential and their role in fostering cultural diversity through market.

The creative industries are those that have their origin in individual creativity, talent and skill and that have the potential for wealth and job creation through the generation and exploitation of intellectual property.

During the last decade a number of governments around the world have recognized this fact and started to develop specific policies to promote them. This mainstreaming of what was once considered a sector of marginal interest, which received limited attention from researchers, has led to a growing body of analysis, statistics and mapping exercises on the relationship between culture, creative industries and economic development to give officials in these countries the raw data they need to make policy. However, the sector is still poorly understood and many governments remain to be convinced of its potential, while trying to accurately measure economic activity in the sector poses considerable obstacles. Cultural mapping has become the favored approach at national level for governments to study and understand their creative industry sectors before making policy decisions.

The Government of the Republic of Macedonia have played a groundbreaking role in developing analytical model, with the Ministry of Culture and Ministry of economy, producing first cultural industries mapping document. This document defines and classifies creative industries into thirteen separate fields: advertising, architecture, crafts, design, designer fashion, publishing etc.

**Keywords:** creative industries, cultural mapping, individual creativity, stakeholders.





## Role of Non-Governmental Organisations (NGO's) in Rural Development: Case of Agrinet in Albania

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Agriculture is one of the main sectors of the Albanian economy, generating approximately 17.7% of the country's GDP, and providing employment to around 55% of the total employed. Albania has come a long way since its transition to a market economy in 1991. Initial conditions in Albania were far less conducive to such a transition than in other Eastern and Central European countries. An overall sound macroeconomic framework as well as key policy and institutional reforms helped to fuel this transition. Despite all the positive developments, poverty is persistent and hits especially hard in the rural areas. It is now widely believed that rural development should be viewed as a process of change to be brought about and sustained by the people or the target group themselves. For this to happen people have to be organized and enabled to be active participants of the development process. This role suits appropriately to the Non-Governmental Organizations (NGOs) which have emerged as viable forces for the articulation of people's needs and grievances. Agrinet Albania is a NGO working for 10 years now toward improvement of living standards of the low-income population living in rural areas on a self-sustaining basis. In essence, Agrinet works to enhance the capacity of rural farmers to cope effectively with the daily tasks of their lives and with changes consequent upon this.

**Keywords:** rural development, networking, sustainable development

## iTech Transilvania by Aries Transilvania

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ARIES Transilvania is a voice that supports the interests of the domain in the country and abroad. The biggest and influential association of its kind for the IT industry in Romania. Ongoing projects: iTech Transilvania Cluster , Enterprise Europe Network - Bisnet Transilvania , Regional contact point for SMEs in Horizon 2020.

iTech Transilvania Cluster is one of the most important projects of ARIES Transilvania and its general objective is training human resources for the advanced technologies area and strengthening of institutional capacity of the cluster. The cluster is open and addresses all IT&C companies from Transilvania while cluster membership is not conditioned by the membership within ARIES Transilvania. Among the first cluster members, at an early





stage, are member companies from ARIES Transylvania, due to the positive response to the clustering approach initiated by ARIES Transylvania. The cluster's main objective is to develop human resources in the field of advanced technologies in the North-West region through technical and soft skills trainings and knowledge and best practice sharing. The cluster mapping in developing human resources in the field of advanced technologies – iTech Transylvania follows the four-leaf model clover pattern as follows: 33 SMEs from the advanced technologies field: IT/electronics and other support services, 2 Universities in the advanced technologies field, 2 Local Public Administrations: Cluj-Napoca City Hall, Intercommunity Metropolitan Area Development Association, 2 Catalysts – Non-Profit Associations: ARIES Transylvania, Transylvania Business Centre Association.

**Keywords:** innovation, partnerships, clustering, technical support services and technology transfer

## Cluster Internationalization and Networks

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The internationalization is important for the continuous growth of the cluster as cluster organizations that engage internationally and will be able to promote fruitful collaboration between their members and relevant organizations in other countries and regions. Good network and cluster management can contribute to systematically reducing some of the barriers to internationalization, and it is evidence that companies in such networks and clusters can easier be engaged in international cooperation. Also, the establishment of transnational clusters networks is a step forward to successful cross-border cooperation.

**Keywords:** Internationalization, networks, cross border cooperation





## Creativity, Humanity and Technology

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The Alternative School for Creative Thinking is a highly awarded international educational platform originating from Romania. It is training the brains and souls of the creative community in order to improve society via intelligent brand building and relevant communication campaigns. Design, Cyber, PR and Fusion Communication are the leading disciplines, taught with a practical approach, assisted by internationally appraised jurors. Very often, as a consequence of this approach on creative education, the school's results are celebrated at the most respected creativity festivals in the world (Cannes Lions, Eurobest).

10 years after its launch, The Alternative School relates to hundreds of successful career stories, its alumni walking international career paths in Hamburg, Singapore, Paris, New York, Rotterdam, Belgrade and London. As time flies by, all the learning and working habits achieved at The Alternative School are paying off greatly. We have won Gold, Silver and Bronze trophies at Cannes Lions ([www.canneslions.com](http://www.canneslions.com)), year after year, thanks to our students and alumni, but the most important win is the respect of the international communication community for Romanian creativity.

**Keywords:** creativity as lobby, higher education, international experience, performance.





## Positioning a Region through Online Place Branding. The Case of Brasov County in an International Context

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This exploratory study of identifying the virtual presence of place brands has the objective to discover the ways in which authorities involved in the management of place brands understand to use the support of internet medium for communicating their online identity, i.e., “the virtual presence of place brands” as a generic name proposed by M. Florek et al. in 2006.

Exploring the new contextualization imposed by the online environment to place brands determined the implementation of a “technology transfer”, a multidisciplinary vision, resulting in the integration of several conceptual and methodological frameworks, connected to different scientific fields: political communication, corporate marketing and place branding. Starting from the selection of the content analysis as a research method, an analysis scheme has been adopted, enabling grouping and classification of the operationalized features.

This analysis scheme was systematically compared with the existing models in the research literature and used as references (e.g., R. Gibson and S. Ward, 2000, S. Schneider and K. Foot, 2002, M. Florek et al., 2006, P. Brundin, 2008, S. Okazaki and R. Škapa, 2009) to capture the similarities and differences. The result is a conceptual framework, empirical pre-tested and applied to official sites of regional brands, such as: [brasovtourism.eu](http://brasovtourism.eu), [turism-constantina.ro](http://turism-constantina.ro), [visitmt.com](http://visitmt.com), [traveloregon.com](http://traveloregon.com), [turismo.intoscana.it](http://turismo.intoscana.it), [visitwales.com](http://visitwales.com) and [catalunya.com](http://catalunya.com). The criteria for selection of cases was supported by the possibility of setting a comparative situation, but also as an investigative exercise necessary for pre-testing and calibration of the research instrument from the perspective of the institutions that manage these online brands: two organizations from Romania (e.g., Braşov and Constanţa), subsidiary of County Councils and five of them subordinated to regional administrations (e.g., Travel Montana, Oregon Tourism Commission, *Turismo in Toscana*, Visit Wales and *Agència Catalana de Turisme*). Administrative and territorial division was not a criterion for the selection of cases, but the intentional act of promotion and management of regional brands in the online environment of the public administrations. These official websites should be seen as “an intentional act of communication that signifies an organization in its multiple facets to its multiple publics” (see S. L. Esrock and G. B. Leichty, 2000 apud M. Florek et al., 2006, p. 284). In addition, official



websites are more likely to be viewed by people as credible sources of information, compared with commercial ones. To investigate how the public authorities use the potential of the online environment to support their place brands, the study seeks to answer the following research questions: Does the authorities use official websites to communicate all the identity characteristics of the place brands? What features are used most frequently? The official websites of place brands are passive/ informative or active/ interactive environments? Using the exploratory study analysis and interpretation quantitative outputs, we found that, to express the identity of a brand place, the authorities used a greater degree of information and communication features than those regarding the brand behavior. The third question must be interpreted following the main role of the website, as to communicate the brand identity of the place, in two instances: as a source of information in a static environment, in a medium of searching for information, “a world of simple transactions” and the new environment where users can interact and participate, becoming a forum for sharing ideas and talents, a tool for improving brands competitiveness. Thus, cyberspace has the potential to be an instantaneous and in depth process, interactive and unedited, and sites are considered “a dynamic means of communicating with audiences” (see M. Florek et al., 2006, p. 285). These features outline the limits of the research, since their contents can be changed during or after the research procedure.

**Keywords:** place branding, online environment, virtual presence, online identity

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## The Importance of a Creative Touristic Brand Platform for Brasov Area Through Brand Audit Research Method

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The local government, regional and central authorities must take decisions on the overall level and form of tourism, taking into account the strategic goals, the elaborated strategy of tourism development, market trends and the current level of tourism. In addition, the concept of creativity has been appropriated by governments (regional/ urban and national) because of its ability to act as a catalyst in the cultural transition of individuals from “citizens” to “entrepreneurs” and “consumers”, the “idealised companions” of the neo-liberal state: “liberated, independent and competitive subjects” (J. Peck, 2004 apud P. Collins and F. Fahy, 2010, pp. 1–2). From an organizational perspective, the audit is a comprehensive, systematic, independent and periodic analysis of performances within an organization. A brand audit checks, specifically the performance, internal and external communication, customer experience and results, identifies possible gaps in the brand, the advantages of competitors and market opportunities. The audit “is a blend of art and science” employing quantifiable and qualitative data based on business and brand strategies (J. Swystun, 2007, p. 9). “You need to agree on the objectives of the audit, and then you can start collecting data, identifying participants, scheduling interviews, and setting a findings review session” (Ph. Kotler and W. Pfoertsch, 2006, p.191). “The brand audit aims to assess the strengths and weaknesses of a given brand or brand portfolio. Typically, this consists of an internal description of how the brand has been marketed (named “brand inventory”) and an external investigation, through focus groups, questionnaires, and other consumer research methods, to identify what the brand does and could mean to consumers (called “brand exploratory”). The final step would be the analysis and interpretation of the results” (ibidem). Basically, the brand audit is a diagnostic tool that helps companies evaluate how they represent and deliver brand strategy, taking into account all points of contact with consumers. It is seen by some experts as a third visual and verbal communication analysis designed to assess the integrity, clarity and consistency of the brand. Also, brand audit seeks to understand the factors that may limit the success of an action plan. Furthermore, “the brand audit can be used to set a strategic direction for the brand” (Ph. Kotler and W. Pfoertsch, 2006, p.192). On the other hand, a tourism brand platform is a set of conceptual association that reflects the image of Brasov County (the current perception of Brasov area, as a



concept reflecting tactical communication messages defined over time). The possible associations that the tourism brand may have are derived from several sources, such as the vision of the brand, choosing the key messages and defining those benefits that the group/ groups constituting the core target are interested in. By analyzing the current situation based on brand audit outputs, we can identify the lack of unity of tourism and brand identity in Brasov County and the need for a distinct brand positioning in the tourism market of the area, in a national and international context. To develop a tourism brand platform of Brasov County research data can be used in combination with long-term mission and vision of sustainable tourism development strategy indicators. An important aspect of this approach to promote the new image and visual and verbal identity is to receive approval and internal validation, as a first step. The touristic brand platform for Brasov County is, at the same time, a key tool to develop and manage the brand in the future. Defining and building a platform may be the most complex step in the branding process but also the most consistent in terms of ideas and creative concepts, as part of the overall branding strategy. It should express the position and the county's tourist offer and, at the same time, represents a framework for those who will manage the tourism brand step by step. As a general conclusion, the brand platform can be developed based on various theoretical constructs, but must take into consideration the following elements: the brand mission, vision, specific difference, positioning, unique value proposition (UVP), attributes, benefits, values, personality and essence of the brand.

**Keywords:** brand audit, touristic brand platform, creativity

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## Transylvanian Tourism and the Cluster Policies

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Generally speaking, clusters activities contribute to improvement of the competitive position of a destination even we refer to a region or a city. The aim of paper is to describe the potential benefits of cluster concept application on tourism development, stressing also general lines on local and regional development. Many tourism destinations must reconsider their value proposition taking into account the cluster factor, it means its companies developing more advanced and diverse tourism products in partnership with other cluster actors. In this regard we consider that is important to increasing productivity of participating tourism firms and/or tourism industries in Transylvania area, by mobilizing the tourism business formation, innovation and cluster expansion. The cluster policies are particularly important not just for the Transylvanian tourism less advanced, but also for the entire region, so we intend to investigate and realize a mapping of area resources and potentials, to design the specific tourism cluster development plan focused on regional priorities as tourism administration and also to identify the most promising clusters in a specific context according to its development potential. In final part of the paper, we'll concludes and make a schematic plan for joint promotion both - on national and international level, highlighting the cultural consumption in Brasov metropolitan area; for achieving this purpose, one of the most important goal consists in sustaining Brasov for becoming the European Capital of Culture in 2021.

**Keywords:** cluster, turism, business, Brasov, Transylvania.

## Digital Museums as Heterotopias of Indefinite Accumulation

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As digital technologies are progressively incorporated into the various activities related to collecting artefacts, as well as collections' management and exhibiting, museums become places that simultaneously connect and differentiate multiple spaces and times.





Drawing upon the theoretical groundwork developed by Michel Foucault concerning heterotopias and heterochronism, and also upon the work of Heather Horst and Daniel Miller regarding digital anthropology, I describe in this paper a plethora of effects that the contemporary digital mediation entail. Thus, I approach the ways in which digital technologies contribute to a multi-layered encoding of artefacts into a perpetual and indeterminate accumulation of time in a place that is both physically immovable and virtually pervasive. I assert that the digitalization of museums has resulted in a series of new forms of heterotopias of time that accumulates indefinitely. These new forms of heterotopias contain, interpret and provide greater access to multiple spaces and times, hypostasized in various types of artefacts. The new practices that were developed in museums challenge the conventional ways in which museum collections were represented and understood. Thus, instead of the Foucauldian 'general archive' which contained in one place 'all times, all epochs, all forms, all tastes', and was itself outside of time, the postmodern digital museums are pervasive in their accessibility. Accordingly, the artefacts from various museums are no longer understood implicitly. They are elements of places of representation that are both 'absolutely real' and unreal, because they are digitally mirrored in order to be perceived. The accessibility of digital technology entails a form of hyper-illusion, in which the digital counterparts of real artefacts seem more 'real' and 'compelling' than the originals. Thus, the museums become multi-leveled heterotopias, in which artefacts' true meanings and purposes are activated through augmented reality interfaces. These interfaces are in themselves a far cry from Foucault's heterotopia of the mirror. Yet the augmented interfaces are themselves heterotopias, because they render multiple artefacts into 'reality'. I highlight the reasons why the digital augmented interfaces' renditions of the original artefacts appear authentic. Finally, I claim that the new ways in which digital technologies are used in order to represent collections of artefacts contribute to redefining heterotopias' epistemological relevance in ways that weren't envisioned by Foucault.

**Keywords:** heterotopias, heterochronism, digital technologies, multi-layered encoding, augmented reality interfaces

## Towards Performance and Competitiveness in Cluster and Network Management

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Cluster and network management is often linked to the performance and competitiveness. Even when economies were focused on national markets, business clusters and networks have played an important role for obtaining competitiveness. The continuous





development of innovative products and processes involves special know-how, capabilities, competences, resources and strategies.

In a dynamic business environment, many clusters and networks face similar problems and needs such as scarce financial and human resources, lack of creative ideas and difficulties in identifying customer`s needs. Clusters provide advantages for small and medium enterprises (SMEs) through: the use of new technologies, innovative strategies or through different types of cooperation. The aim of the paper is to offer innovative solutions that will help managers to gain sustainable competitive advantage.

**Keywords:** cluster, network, competitiveness, performance, innovation.

## Potential Development of Clusters in the Romanian Wine Industry

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Romania is one of the 15 wine producers worldwide, being on the 12<sup>th</sup> place in the world and the 6<sup>th</sup> wine producer in Europe after France, Italy, Spain, Germany and Portugal. Similarly, it comes 5<sup>th</sup> in the hierarchy of the European wine-producing countries with a total cultivated surface with bearing vine of about 250,000 hectares in 2014.

In the past decade, the Romanian wine industry has been characterized by a significant growth in investments in order to improve the soil and the wine qualities, to modernize the production technology and to improve staff qualification. Similarly, Romanian producers increased participation in the most important events in the domain. All these efforts are reflected in being awarded prizes and awards at international fairs and competitions.

An opportunity for the wine producers in Romania was represented by the engagement with SAPARD funds by whose help investments have been made for the diversification and improvement of the wine quality. The economic changes that took place in Romania after 2000 allowed the emergence of foreign investors that led to an infusion of knowledge in the domain of technology and management.

Romanian producers have understood the need to work together by establishing joint management and marketing strategies, which led to the emergence of clusters in the wine sector in Romania. One such example is represented by Muntenia - Oltenia wine





region where in the past the producers acted individually. Currently, they have joined efforts and supported by the six industry associations in cooperation with the research institutes within this wine area (Valea Călugărească Research Institute, Center for Studies in Wine and Sensory Analysis at the Faculty of Horticulture in Bucharest, the Research and Development Institute for Winegrowing and Winemaking Peretroasa) which form the strongest cluster in the Romanian wine industry.

This cluster must take the following strategic initiative: improving the Romanian wine portal, new criterium for companies which shall participate to the fairs and exhibitions, branding program for wines, promotion offensive on target markets.

From the sectorial perspective of wine market, the branding is essential. At micro level, the companies must be stimulated to begin a brand construction through acknowledging campaigns, consulting services and at mezzo level, the associations must make lobby for the branding among the members and to begin the creation of the sectors or region image through sectorial or regional marketing.

**Keywords:** clusters, wine industry, technology

## The European Capital of Culture Project and Its Role in Culture-Led Urban Regeneration

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For 14 Romanian cities, 2015, the year of bidding for European Capital of Culture (ECoC), offers the opportunity to raise some questions about last 25 years and how culture played or could play a role in the urban development process. The cultural economy is dynamic and can give a boost in the creative industries development, if the ECoC bidding process will be seen by the civil society and local administration as an opportunity to integrate culture and economy. The ECoC project aim to guide municipal administrations to re-invent the local in order to stimulate urban development by attracting new residents, tourists and investors alike using the urban festivals and other flagship events as major drivers of urban regeneration.

A literature review regarding the impact of ECoC designation for other Eastern European cities that gone through this process answer the question about how other post-socialist cities benefited from the bidding stage to post-event stage. A comparative analysis will differentiate between concrete benefices obtained in the past by other post-socialist cites from ECoC candidacy, and intended effects of Romanian cities bidding for ECoC title.





A synthesis of the strengths and weaknesses of post-socialist cities initiatives on all required objectives of ECoC candidacy have been done based on analyzing the Panel reports at the preselection phase.

**Keywords:** European Capital of Culture, culture-led regeneration, flagship events, public space

## How Can We Harness the New Economic Elite Preferences in the Romanian Context?

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The term “community” signifies warmth, comfort, safety. It is always a desirable social space, associated with the thematic of the return home. Small and self-sufficient, the community supposes homogeneity in members’ lifestyle, as R. Redfield shows.

R. Rorty signals the tendency of the new successful generation of isolating themselves from their original communities. They perceive the community requirement of loyalty and solidarity as oppressive and inappropriate, on the condition that the community has nothing more to offer them.

Emphasizing the dialectic relationship between freedom and security, Z. Bauman associates the decline of the community loyalty with the diminution of the spatial distance role and physical boundaries, as a factor of community protection. Bauman considers that the new economic elite, as a product of globalisation, has a defining characteristic: the extraterritoriality.

The members of this elite spend more than a third of their time traveling, in airports, hotels, conference rooms and restaurants, that are built for them in very similar ways, all around the world. For them, national boundaries and spatial localization have lost their relevance. Their affiliation need to a community is satisfied by substitution, by aggregating to instant communities, built around idolized celebrities, trendy ideas, dangers recognized as common (communities which facilitates the experience of appartenance, without the discomfort of loyalty pretences) or creating a closed residential communities.

The latter, as an expression of reducing the community to identity, occupy spaces with selective access, well guarded, electronically supervised, isolated, detached from the





regular urban life. Their residents feel safe in these protected enclaves, inhabited by similar individuals, far from the others, from whom there might appear all sorts of unpleasant surprises. The new economic elite pays its right of residence in these voluntary ghettos, by assuming spatial confinement and social enclosure, along with the social distancing from the heterogeneous city beyond the other side of the guarded gates.

These residential preferences are profitable neither for the city, nor for the members of the new economic elite. However, they represent both a loss and a challenge for the cities. In order to attract and to host temporarily the itinerant elite, cities must develop their areas destined for business tourism. In order to attract and retain the elite (the indigenous or international one), local governments can support the development of certain residential communities with a program, meaning that they are built around the mutual interests of the residents. A healthy lifestyle can be such a coagulant interest.

There are areas in Romania where this concept can be a central element of the strategy in order to attract talent, especially the new economic elite, from national level or perhaps from international level, people who want a higher quality of life, specifically those who wish a better correspondence to the specific lifestyle of the individuals. It is well-known that a safe, healthy and clean local environment is one of the attraction factors for talents. Studies show that talents are conscious people and they care about health, safety and sustainability. Thereby it can be attracted particular target groups of people sharing the same interest and the same lifestyle.

A number of socio-economical and environmental conditions specific for Romanian context, can ensure a healthy lifestyle in these areas.

For example, Romania has a unique and diverse natural capital that generates a lower degree of air/water/soil/noise pollution compared to other countries. Meanwhile, the natural environment (eg, weather, topography, flora and fauna, access to coast, forests and mountains) can provide an active healthy social life, through possibilities for leisure in a clean environment, activities that stimulate physical effort and they lead to a balance between work and personal life, recreation and restoring tone. On the other hand, there are national initiatives/local sustainable development through which local food resources are harnessed in healthy food products. There are two examples of important conditions to ensure optimal health.

The adequacy of the new economic elite's mutual interest to the local urban specificity, reduces the social distance between the rest of the citizens and the members of the elite, creating for the latter, the premises for reassuming their state of city dwellers, with their afferent loyalties and responsibilities.

Therefore, this article proposes some directions that can be used in local strategies for attracting talent, especially the new economic elite, based on the specific context from Romania.

**Keywords:** community, new economic elite , urban development, healthy lifestyle.





## Full Papers

### Innovativeness and Barriers to Innovativeness of Small and Medium Enterprises In Republic Of Macedonia

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**Abstract:** Capacity for innovation is crucial factor of competitiveness of companies and precursor of competitiveness of their respective national economies. This paper addresses innovativeness and barriers to innovation from a viewpoint of Macedonian small business leaders. In the era of globalization, innovativeness and internationalization of operations promote each other. Innovative endeavors result in improved products and services and promote efficient manufacturing, distribution and marketing activities necessary for “going-abroad”. Moreover, authors and practitioners perceive internationalization of research and development as a useful instrument for mitigation of barriers to innovation.

Our research shows that Macedonian business leaders locate the major benefits of innovativeness in more efficient business processes. Potential benefits of innovativeness in “soft” areas such as marketing and staff development are not adequately recognized. Regarding the impediment factors to innovativeness, our companies indicate on the shortage of appropriate financing. Following the triple helix innovation model, to reach the goal of higher ranking on the Global Competitiveness Index, Macedonian companies should stop competing on low labor costs, while the government should increase significantly the portion of GDP spent on research and development.

**Keywords:** Innovation, Globalization, Internationalization, Competitiveness, Research and Development

#### 1. Introduction

With the intensification of the globalization, the competitive rivalry between firms intensifies, not only on the foreign, but also on the national markets, where companies used to be relatively secure in the past. On the other side, globalization, same time, creates entirely new set of business opportunities: far markets are accessible, trade barriers blur, international trade links flourish. However, to take part of these trends a company has to be modern, agile and knowledge based with extensive research and development function that will regularly innovate its product line, processes and marketing strategy. In tapping these opportunities, not all companies have equal start. Big companies are





more equipped to cope with the challenges of the globalization and to take advantage of the opportunities it creates. They capitalize their higher capacity for innovativeness thanks to their high concentration of knowledge, knowhow and hefty research and development budgets. They can leverage their high capitalization and dedicate tremendous funds to research and development. Small businesses, on the other hand, often lack resources and need to learn “on the go” how to use their advantages such as their agility, ingenuity, customer and supplier intimacy and the readiness for extensive risk taking to answer the challenges of globalization and the requirements of the modern business environment. The problem is that small businesses in Europe and in Macedonia, accounts for approximately 98% of all active businesses and contribute for app.70 percents to the employment. Thus, they are very important, if not critical segment of the contemporary economies. To stay competitive, small businesses have to innovate all the time. To achieve this they must invest sufficient financing, attract and utilize adequate knowledge and know-how in a constant process of improvement of their product and service lines. That is why they need to master the management of their innovation, not as in-house process but on a global scale.

This paper tries to provide an overview of the specifics of the Macedonian enterprises in relation to their innovativeness as a precursor for enhanced competitiveness of the national economy. The capacity for innovativeness is one of the crucial factors for competitiveness of any given national economy. Republic of Macedonia in these terms is improving, but its score in the World Global Competitiveness Index (2013) is not something to be proud. According to the Regional Research and Development Strategy for Innovation for Western Balkan Countries (2013), the region undertook considerable restructuring and programs for improvement of research and innovation and prevention of the “brain drain”, mainly fostering institutional networking and exchange of students and researchers with the developed countries. Albania, Montenegro and Macedonia have strategies to open up to five centers of excellence. Serbia plans to invest 400 million Euro in nano-sciences. In other words, this entire region wants to become attractive location for research and development facilities of the established companies from the developed world, and same time to be provider for advanced and innovative know-how for companies from the emerging economies trying to establish links with European markets. However, to achieve these ambitious goals, all these countries, including Republic of Macedonia, should radically improve the portions of GDP for research and science.

## 2. Literature Review on Innovativeness and Barriers to Innovativeness

Researchers agree that small businesses represent the lifeblood of the economy. They create jobs, launch products and invent business models. However, small businesses have weaknesses, too. They suffer from being fragile, particularly during the early stages of their growth. Consequently, creators of economic policy worldwide are interested in the processes of their formation, establishment and growth in order to improve their survivability. Variations in the innovativeness of these firms may help explain why some succeed, while many fail (Frambach, 1993). For Yap and Souder, crucial question is how





small firms to remain innovative while face scarce resources and have little market influence. The answer, while obfuscated by a relative paucity of research, is that they conceivably do it in different ways than large businesses (1994). Literature defines innovation in different ways: by its scope, level, nature, or depth. Cleveland (2005) used the term “level” for describing different types of innovations: continuous improvement within process, cross-company process redesign, innovative products and processes, new markets and customers and strategic business redesign. Others stress that the knowledge acquisition is the key factor that determines a firm’s innovation performance (Cohen and Levinthal, 1990; Yli-Renko, Autio and Sapinza, 2001).

According to Rogers (2003), innovation is an idea, course or object, perceived as something “new” by some, or all of the members of the group, that will use it. In his definition, “something new” is introduction of novel product or service, improvement or modification of existing one. Slow moving business environment cannot result in innovation. Innovation is dynamic process performed by organizations successfully involved in management of internal and external, driving or impeding factors (Tiwari and Buse, 2007). The three stages of the innovation process are the concept, the implementation and the marketing. The concept stage encompasses idea generation, idea evaluation and project planning. The implementation entails design, prototyping and testing, while the marketing stage is made of initial production, market roll out and market penetration (Fabian and Schmidli, 2005). Consequently, the research and development department is fundamental actor of the process, but it is far to be the sole “culprit” for it. Successful innovation requires coordinated efforts of all parts of a company, particularly if it is of small or medium size.

In the contemporary business environment, researches closely interlink innovation and internationalization of the businesses. The innovative products can help the businesses in strengthening their competitive position at the foreign markets (Boutellier at al., 2000). The innovative ventures bring novel or improved products or services and promote efficient manufacturing, distribution and marketing, necessary for “going-abroad”. On their own market, businesses count on their established product line and enjoy the advantage of direct feedback and information exchange with customers. However, to achieve this level of customer intimacy that allows design of products closer to their needs is difficult on the foreign markets. On these markets, there is indigenous demand based on the local tastes of the consumers. To meet these adequately, companies need to study the overall social context, too. Rovira-Nordman and Melen (2008) showed how various combinations of the technological and international knowledge affect the firm’s behavior when discovering foreign market opportunities. In these terms, the flat organizational structure that prevails in the case of small businesses creates additional provisions for innovation. This is true, particularly in comparison with large vertical organizational structure of powerful, yet slow multinationals. Innovation proliferates faster in the small businesses. This results in significant flexibility and short response time, virtues that large firms are unable to provide (Bianchi at al., 1997).



There is a plethora of barriers to superior innovativeness of companies, in general, and for the small enterprises in particular. Internationalization is great opportunity for higher profits. However, the small business cannot adequately capitalize on it. The reason is their lack of innovativeness capacity (Barriers to innovation in SME's, 2011). In the European Commission Annual Report on SME's in European Area 2012–2013, the identified barriers to innovativeness are grouped as internal and external. Others locate the major barriers among the financial aspects of the innovation process: limited external financing, high costs of the research and development and the high economic risk related with the market rollout of the innovative products. However, the question of innovativeness is not entirely a domain of the businesses, but also of the governments and research institutions in a country creating the triple helix model, originally defined by Etzkowitz in 1993 (Rangaa and Etzkowitz, 2013). The management of the innovation lifecycle on the level of the economy and the society is set of coordinated and coherent strategic and tactical decisions of all three parties of the triple helix on how to plan, organize, lead and control the innovation process. We still have little understanding of the overall challenges that small firms have in the domain of knowledge resourcing and how they address those challenges, stress researches (Ericsson and al., 2000, Sapienza at al., 2005).

Jordan at al. (2014) stressed that the small and medium-sized companies are subject to some specific constraints that prevent them from benefiting from innovation-induced resource efficiency improvements. They found that the German small and medium-sized enterprises has several barriers for resource efficiency innovations such as (the lack of innovation culture, (2) weak inter-firm cooperation along the value chain, (3) problems with lack of finance, (4) lack of awareness and (5) take-up of government funds. Consequently they propose a distinct policy mix as a response to this situation, based on interlocking and synergistic elements of government funding schemes, innovation agents and innovation laboratories.

An empirical study, conducted by Buse at al. (2010) revealed that financial bottlenecks and problems in finding suitable and qualified personnel are the two most severe barriers to innovation by SMEs in the Metropolitan Region of Hamburg, Germany. Bureaucratic hurdles and problems in finding “right” cooperation partners were ranked next. These results correspond strongly to the results of the other studies and confirmed in interviews with experts from the selected industries, representatives of industry associations and cluster managers. To overcome or mitigate these barriers to innovation is a major challenge for SMEs. However, to gain or sustain innovativeness and therefore competitiveness, they have to solve these problems. To what extent might the internationalization of R&D be a way to deal with this challenge, is discussed in the next section.

D'Este at al. (2012) found that innovating firms are likely to face several challenges and experience different types of barriers. They argue that it is necessary to distinguish between two kinds of barriers to innovation. The first corresponds to what is describe as revealed barriers and reflects the degree of difficulty of the innovation process and the learning experience consequent on the firm engaging in innovation activity. The second



type of impediment, labeled as deterring barriers, encompasses the obstacles that prevent firms from committing to innovation. Using data from the 4th UK Community Innovation Survey (CIS4) he investigates the relationship between firms' engagement in innovation and their assessment of the barriers to innovation and show that the relationship is curvilinear in the case of costs and market barriers.

Samli (2012) surveys the innovational capacity of the U.S. economy and businesses and finds that is rather weak and on downturn. He raises many critical questions regarding the innovational capabilities of the United States. For example the U.S. innovational efforts are not having much success; relatively speaking the supporting funds are reduced; a culture of innovation which is the root of the problem is not being cultivated; the brain drain which has been very beneficial for American innovativeness has been reversed and has become a negative brain drain. Samli argues that main emphasis should be on a generation of a culture of innovation and on fostering of its key features. Without such a culture and attempts to develop it, American innovativeness is likely to face a low ebb, he concludes. He believes that "American society and the business sector have to put more emphasis on the future opportunities through cultivating innovativeness, supporting start-ups rather than accommodating bailouts".

According to Zhu et al (2012) despite their significant development, small and medium-sized enterprises in China experience many institutional barriers to innovation. We seek to uncover these underexplored areas by developing a model characterized by a cost-risk-opportunity (CRO) innovation triangle. By interviewing 82 top managers and owners at 41 small businesses they identified five major institutional based barriers to innovation in China: (1) lack of competition fairness, (2) access to financing, (3) laws and regulations, (4) tax burden, and (5) support systems.

Saatçioğlu, Y, & Özmen (2010) tried to determine the interdependency between various barriers to innovation processes in Turkey. They tested 32 internal and 29 external barriers to innovation derived from a prior literature review. To test them in the case of Turkey they used Delphi panel that identified 12 valid barriers for Turkey's conditions. They got result that "finance of innovation" barrier affected all of the others barriers. In order to increase the innovation performance of Turkey, "finance of innovation" barrier should be resolved, they argue.

The role of the knowledge and learning, during the internationalization of the firms, has been widely recognized (Johanson and Vahlne, 1997, Forsgren, 2002; Petersen et al., 2003). The innovation requires special skills and knowledge to manage the process to a successful end and individual creativity of the leader is often crucial for the success of the process (Kettunen et al., 2007). To fill an engineering post companies in EU need up to 6 months with considerable opportunity costs (Deutsches Institut für Wirtschaftsforschung, 2011). One of the major factors fostering this internationalization of the firms' research and development is the access to some scarce resource like sufficient portions of qualified work force (India Department of Industrial Policy and Promotion, 2013). Germany and Denmark, in aggregate, have shortage of half million workers,





and that number will further grow to 380.000 only in the case of Germany (Federal Ministry of Education, 2014).

Industrial clusters, networks and alliances also foster innovativeness helping the transfer of the knowledge, explicit and tacit, between the companies. In the case of small business networks, this transfer of knowledge within the agglomeration is based on mutual trust and mainly informal, resulting in agile and fast innovative process. Industrial clusters allow companies to be more productive and more innovative, develop unique knowledge and skills difficult to be replicated. While analyzing the determinants of the success of their small businesses, Italian scholars put emphasis to an extensive sub-contracting between the vertically interrelated small and medium companies on the value chain (Boari, 2001). Success on the new markets is contingent (also) by the willingness of a firm to take additional risk (Harveston at al., 2000). However, for small firms willing to internationalize, risk is often disproportional due to limitations in resource availability (Duysters and Lokshin, 2001). Clusters, networks and alliances foster risk mitigation, too (Eisingericha at al., 2010). Small firms are still able to innovate through alliances with strong-tie partners, customers and suppliers (Morosini, 2004, Yli-Renko at al., 2001). Industrial clusters of small businesses contribute to the innovativeness of companies and regions in which they operate, and this seems to be case even in the situations of a prolonged recession and economic crisis (Kostovski, 2012). Hervas-Oliver at al. (2011) indicate on the gradual move from the picture of the industry clusters as predominantly local and endogenous in nature, towards networks and their reconfiguration of the global value chains. This new approach opens new research stream focused on understanding the innovation and its impact on differing territories. They analyzed the inter-cluster linkages through multinational enterprise affiliates that were located in clusters along the ceramic global value chain and conclude that the clusters have changed over time and that the external linkages provided by the multinational enterprises' affiliates help to connect distant clusters and to diffuse innovation reshaping thus the entire value chain.

For Engel (2015) we are witnessing the era of "open innovation" when most progressive major enterprises recognize that collaborating with entrepreneurial startups, no matter the actual form (contract, equity investments, partnership, acquisition) can benefit them. By doing so, large companies get easier and faster product and business model innovation and can support independent research and development teams that allow experimentation without committing the less agile corporate resources until the time is right for acquisition, creating thus an ecosystem of products and services able to enrich the user experience for their core products. On the other side, collaborating with large companies provides startups with access to markets, capital, other resources and exit strategies, allowing them to accelerate significantly their growth trajectories.

Ozer and Zhang (2015) studied the relationships within and between the industrial clusters in relation to the two major forms of innovation, the exploitative and the exploratory product innovation. They stress that strong focal cluster firms' network ties with their suppliers and buyers in their clusters influence and moderate these relationships in a way that the cluster membership enhances firms' exploitative product innovation and



hinders their exploratory product innovation. The presence of strong focal cluster firm with its network ties with suppliers and buyers strengthens the effects of cluster membership on the exploitative product innovation and that focal firms' network ties with buyers but not with suppliers reduces the negative effects of cluster membership on exploratory product innovation.

Engel (2015) also recognized that governments should actively participate in the triple helix model as a source of coordination and provider of critical resources, but only if the initiatives are carefully and critically understood and monitored. Otherwise, the government actions can even be contradictory and contrary to the emergence of entrepreneurship and innovation, concludes Engel, giving examples of China and Brazil where the government intervention only augmented the dependence of the rural regions on the central funding. Regarding the innovation, for Engel, government should focus on enabling environment, allowing the actual innovation initiatives to grow spontaneously. In innovation, educational institutions are much better partners. They, according to Engel, provide leadership, support and infrastructure essential for research. They have been effective vehicles for government-sponsored research initiatives that lead to major commercialization successes, such as the Internet, points out Engel. For him, universities can help institutionalize the innovation process granting the needed credibility to the overall entrepreneurial process.

### 3. Research Findings

In our research of the innovativeness of the Macedonian economy we interviewed 50 companies countrywide that report high investments in research and development. We distributed questionnaire electronically in order the interviewees to have sufficient time to study it and latter collected answers in hard copy. In addition, we visited a subset of 20 companies where we interviewed their key people. However, to better understand the results of the survey we present a short country profile with focus on the areas of easiness of doing business and the comparativeness and innovativeness performance of the country.

Republic of Macedonia is situated in Western Balkans. The country is landlocked, with an area of 25,433 of land and 280 square kilometres of lakes. The climate is a mild - continental with strong influence of the Mediterranean See on the south. Politically, Republic of Macedonia is parliamentary democracy with elected president. The country peacefully gained its independency from Yugoslavia in 1991 and since then, pursues pro-western values and orientation as a candidate state for NATO and the EU. Republic of Macedonia is one of the best-ranked countries in the region in the domains of free trade and conduciveness for business, holding the high third place in the world in easiness of starting business (IFC - Doing Business, 2015).

The country maintains macroeconomic stability, has low inflation and stable national currency. The public debt in 2013 was moderate 34.3% of the GDP (Index Mundi, 2015). The Gross Domestic Product, measured as purchasing power parity in 2011 was app. 22



billion or app. 10.500 dollars *per capita*. The growth rate of the country's GDP is slow (2.6 to 2.7%) but in comparison with other economies in the region and in Europe, it is far from being bad. Services are the major contributor to the country GDP (61.4%), followed by the industry (27.5%) and the agriculture (11.1%). The reported unemployment rate is app. 32%, although entrepreneurs consistently report difficulties in obtaining labour force for their businesses (Makstat, 2015).

According to the World Economic Forum Global Competitiveness Report (2014), Republic of Macedonia is ranked 73rd out of 144 surveyed countries. It scores 4.13 in average on one to seven scale, with apparently below-average scores in capacity for innovation (3.2 and rank 94/144), in quality of scientific research institutions (3.4 or 86/144) in industry spending on research and development (2.9 or 91/144). The university-industry collaboration is also scored below the average (3.4 or 81/144). The government procurement of advanced techno products is also low (3.4 or 81/144). The availability of scientists and engineers is 3.8 or 92/144, and the number of patents and patent applications per million of population is 0.7, ranking the country as 72<sup>nd</sup> out of 144 surveyed countries in The Global Competitiveness Report 2013–2014. In overall, Republic of Macedonia is in the group of 31 countries worldwide that are efficiency-driven and in stage two of their transition towards the innovativeness driven comparativeness. In that group are also other countries of the region such as Albania (94), Bosnia and Herzegovina (87), Bulgaria (57), Montenegro (67), Serbia (101) and Croatia, ranked 75 but in the group of countries that are in advanced transition to fully innovativeness driven economy.

And regarding the structure (number and power) of the business entities the situation is not s desired. The economy is almost entirely made of small and medium sized companies, with many of the small companies actually being micro companies with only one to ten employees, with very low or lacking any research potential.

**Table:** Number of active businesses in Republic of Macedonia in 2014

Total	70.659	100.00%
Zero or no reported employment	3.972	5.62%
1–9	60.215	85.22%
10–49	4.961	7.02%
50–249	1.305	1.85%
250+	206	0.29%

**Source:** generated through MAKSTAT ([makstat.stat.gov.mk](http://makstat.stat.gov.mk))

Positive trends in the political domain and the good economical standing result in relatively high percent of the total investments in fixed capital, as a proxy for the sophistication of the applied equipment. However, the data of the investments also show that they are only approximately 20% of the GDP, which is insufficient for a country that tries to get to the EU average. Particularly low is the percentage of the research and development expenditure, which is extremely below the targeted 3.5% and the needs of the



industry. As a result, the country's competitiveness is stagnant (Republic of Macedonia National Cluster Atlas, 2013).

Majority of the companies that responded were in the pharmaceutical and in the chemical industries (38%), followed by the machinery and engineering (26%), food processors (12%). The rest of the companies in the sample were in the industry of soft drinks and beverages (8%), in apparel (8%) and furniture (8%) industry.

Regarding the benefits of innovativeness, the improved operations and efficiency of business process top the list in 52.5% of the surveyed companies. Improved effectiveness of the research and development investments is reported as major benefit by 17% of the surveyed companies, followed by improved marketing strategy (also by 17%) and training of the employees (12%). Superior quality of the product was indicated in only 1.5% of the surveyed companies.

As major internal barrier to innovativeness, companies indicate poor marketing (30%), followed by the lack of proper internationalization of the venture (17%), weak project management (17%), preoccupation with the local market (14%), lack of know-how (12%) and the legal issues and barriers (10%).

Regarding the external factors that impede their innovative process, almost half of the companies (52%) identified the shortage of appropriate financing. This factor was often reason for abandonment of their innovative initiatives. The majority of the surveyed companies use their own funds or bank loans to finance their innovativeness process.

#### 4. Conclusions and Recommendations

The crosscut of the sample in our survey done by the volume of investments in research and development indicates that the globally most research and development active industries, pharmaceuticals and chemicals, followed by the machinery and engineering, are also leading innovators in the case of Republic of Macedonia, too. However, the majority of the companies in the country, the major benefits of the innovativeness locate in the improved operations and efficient business processes. This is consistent with the current ranking of Republic of Macedonia by the World Economic Forum Index as efficiency driven economy (The Global Competitiveness Report 2013–2014, 2013). Interviewed companies much less perceive the potential benefits of the innovativeness in the “soft” areas of operations such as marketing and/or development of the employees. Being efficiency driven economy we are concentrated to the manufacturing, leaving the higher value adding activities of design, product development or marketing to the trade intermediaries from abroad. Only one third of the companies indicated poor marketing as major internal barrier to enhanced innovativeness. The fact that only 1.5% of the surveyed companies perceive the innovativeness as a contributor to the superior quality of their products also indicates on a subcontracting mindset of our businesspersons, who understand the quality requirements simply as meeting the contractual requirements.



Regarding the external factors of impediment to innovativeness, our companies and their leaders indicate mostly the shortage of appropriate financing. Consequently, they report that use their own funds and/or bank loans to finance their innovativeness process. Having in mind, the recently established national innovativeness fund that will support research, development and market rollouts of products with grants, loans, equity and mezzanine instruments it is fruit for thought to repeat our research after few years in a pursue for change. The lack of financing for innovativeness is external, but also internal obstacle. This is true particularly in the case of small businesses. Our business owner-managers, reluctant to share the control of their ventures, lukewarmly met some previous forms of equity funding, as it was the Small Equity Development Fund (USAID, Micro and Small Enterprises Project, 2015). This must not be a case again. To score higher on the World Comparative index, and to progress to the higher quality group Macedonia will have to stop to compete on lower operational costs. Moreover, it will have to stimulate resiliently development of superior and innovative products and services and to increase the portion of the GDP dedicated to research and development. Republic of Macedonia currently spends 0.23% of the GDP for research and development and lags significantly behind the EU average, led by Sweden with 3.3%. This ratio should be even higher than that of the developed countries, if the country wants to move gradually out from the group of countries that build their competitiveness based on low cost of the factors, and to use for benchmarking Israel, and its 4.2% of the GDP to research and development activities (Erawatch, 2013). Moreover, our business leaders and the tax authorities will have to start perceiving the research and development as investment, rather than as expenditure and the companies, no matter their size, small, medium or big, will have to start to cooperate with the scientific and research institutions in the country and abroad, on a regular basis. Doing so, the country will be able to foster the innovations of the companies as the main determinant of its overall comparativeness.

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## Smart Specialisation – Case of the Republic of Macedonia – Challenges and Opportunities

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**Abstract:** National Innovation Systems (NIS) are one of the most comprehensive systemic approaches that give insight into innovative and economic performance of a country. This insight is essential for the policymakers to develop legislatives for enhancing the innovative performance and the success of the today's knowledge based economies. This paper aims to retrospect the main activities for developing innovation infrastructure and enhancing the innovation capacities in the Republic of Macedonia. Moreover it offers critical assessment of the improvements and the main challenges faced. In the same time (after 2010) EU Commission push forward the smart specialisation concept to boost regional innovation policy in order to achieve economic growth and prosperity, by enabling regions to focus on their strengths. Clusters represent one of the most powerful tools to increase innovative and economic performances of the companies, regions and countries. This paper will give overview of Macedonian status of clustering and will explain first attempts to introduce concept of smart specialisation in the country.

**Keywords:** National Innovation System, Smart Specialisation, Clusters, Republic of Macedonia

### I. Development of the National Innovation System in Macedonia

The National Innovation System (NIS) is one of the crucial parts for competitiveness of the National economy. In order to provide comprehensive analysis of the Macedonian NIS, this chapter will present the analysis of Polenakovik at al. (2014). **Historically speaking, the Macedonian NIS could be divided into four periods:** before '90s, the period between '90s and 2001, between 2001 and 2008 and after 2008. In the first period, Macedonia was one of the states in the Socialist Federal Republic of Yugoslavia. In 1991, Macedonia proclaimed its independence, and the following decade was transitional, ending with insurgency in 2001. After this point, Macedonia is constantly working on policy reformation and building a solid legal setting on a national level for encouraging the development of innovations.

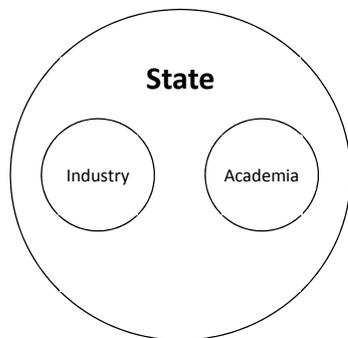




Before '90s (the **first period** of Macedonian NIS development), the Yugoslavian organisational system of collaboration between the main sectors of the society: industry and academia, was mainly regulated by the government, through the central institutions that were planning the whole strategy (Figure 1).

The **second period** is disruptive and transitional because of the major changes caused by the secessions and disintegration of the Yugoslav federation. In the early 1990s most of ex-Yugoslavian states registered hyperinflation and macroeconomic instability due to the break-up of the Yugoslav political, economic and monetary union (Uvalic, 2012). As consequences of these events the states were facing with deep recession, long transitional period and delays of economic reforms and integration of most ex-Yugoslavian states with the EU. Macedonia is classified as early reformer together with Croatia and Albania (Bartlett, 2008), because of its successful implementation of macroeconomic stabilisation measures with a financial and technical support of the International Monetary Fund (IMF) and the World Bank, and later the EU. The restrictive monetary policies that were introduced decreased the inflationary pressures in 1995–96. However, according to Kadas (2010), these countries ran into severe problems toward the end of the decade because the implemented measures were not accompanied by simultaneous structural reforms on microeconomic level. The disintegration of the federation tempted interrupting of the traditional economic and trade links, as well as breaking the established connections between the universities and industry. The applied activity over this period was dramatically decreased and the governmental support for science and research projects was reduced to a minimal level.

Since 2001 (the **third period** of Macedonian NIS development), after resolving the insurgency with the Ohrid Framework Agreement, the Macedonian government has been devoting significant attention to develop an ecosystem for innovations and re-establishing the links between the industrial and academic spheres. Until 2007, the gross expenditure on R&D (Research and Development) was in a steady decline (Figure 2). In that period, there was no clear responsibility who will be in charge for establishing a NIS in Macedonia, although the main dialogue was between the MoE (Ministry of Economy) and MoES (Ministry of Education and Science). In addition to the not sufficient expenditure on R&D, the country was lacking national innovation strategy.



**Figure 1:** A state model of university–industry–government relations (Etzkowitz and Leydesdorff, 2000)



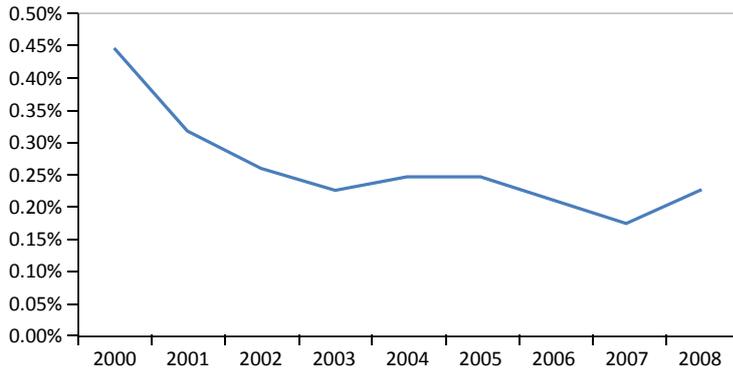


Figure 2: Gross expenditure on R&D – period 2000–2010 (World Bank, 2013)

The government has recognised the necessity of the innovation infrastructure and set goals for its development and growth (**fourth period** – after 2008). Among the most important, inter-ministerial group responsible for development of innovation policy was determined. The main challenges in delivering the innovation strategy were recognising and supporting the most proactive public and private innovation drivers. More subtle goals set were reversing the brain-drain of highly educated people and strengthening the capacity of public institutions that deal with science, technology and innovation related issues. The progress in structural reform and a liberalisation of the tax regime for foreign investors was a reason behind Macedonian better performance compared to the other countries from the region, according to the World Bank analysis of the business environment (Bartlett, 2010). When it comes to FDI (Foreign Direct Investments), despite the many positive developments during the 2000s, the Balkan Countries still attract lower rates of FDI than the central European and Baltic countries, because of the image problem. For many potential foreign investors the Balkan area associates to war and conflict, political and economic instability, rather than investment opportunities (Cviic and Santfey, 2010).

## II. Clusters and Smart Specialization

Smart specialisation is an innovative policy concept which emphasizes the principle of prioritisation in a vertical logic (to favour some technologies, fields, population of firms) and defines a method to identify such desirable areas for innovation policy intervention (Foray and Goenaga, 2013). In its philosophy the smart specialization is focused on more effective spending of public resources, creating synergies, identifying strongest domains, and mapping and benchmarking of clusters (OECD, 2015).

Macedonia still does not have developed its Smart Specialization strategy. The analysis of the industries’ development always points out at the following leading industries: ICT – software industry, Agribusiness & food processing. Apparel and Automotive components. The list of most active clusters is presenting interesting results: MASIT – IT cluster; Cluster for Processing Fruits & Vegetables, Cluster for Wine, Cluster of snail producers, Textile and Automotive cluster.

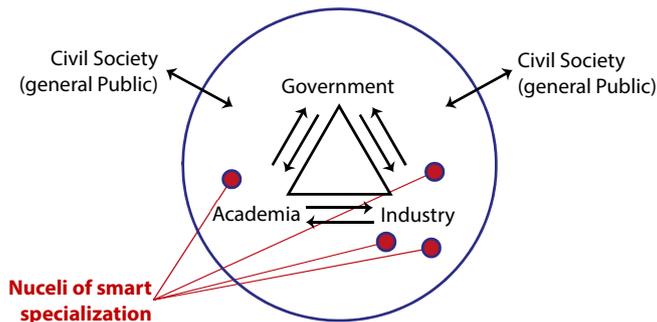


Based on the analysis, the most suitable way for setting the Smart Specialization in Macedonia is to substitute the top-down policy pushed with bottom-up needs and capacities pulled approach in which the Clusters will have important role in the determination of the priority areas.

### III. Lessons Learned

The experience of the development of the NIS in Macedonia has shown that the strong government commitment is a crucial precondition for economy growth and development. Nevertheless, the international donor support is necessary to create innovation policy and develop more innovative support tools and instruments. In that process it is very important to adapt before adopting “imported” practices.

The lack of resources for creating “world-class players” in any industry is limiting the national competitiveness. The domestic champions in the priority areas need to be located and supported. Therefore, Smart Specialization should be used as a key mean for achieving greater competitiveness of the Macedonian economy. Once again, external push for development of policy framework for Smart Specialization is required.



**Figure 3**

Finally, the Triple helix activities should be strengthened with links from/to the civil society, creating Quadruple helix (Figure 3).

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## Development of Some Specific Methodology Elements for Supporting Innovative Business Development in West Balkans and Black Sea Region

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### Building added cluster value from „Days of Clusters“ 2010-2015 conferences

The mission of the traditional cluster conference, of which the 6<sup>th</sup> one was held in Brasov, Romania, is creation of the Balkan & Black Sea cluster synergy through the public-private dialogue building and regional cluster best practice. The conference contributes to exchange of knowledge and experiences in cluster development in developed countries and countries in transition, cross cluster networking (CCN) and an efficient approach to development funds.

The Conference is assisting public and private sectors as well as academia in the specified areas. The overarching aim is to support innovative business development in Balkan & Black Sea region. One important aspect of this mission is obviously to stimulate links between research and education institutions on the one hand and enterprises on the other.





Balkan & Black Sea region has already undertaken a number of initiatives to support clusters and public support has been given to clusters, which involve both private and public participants. Public and private sectors are continuing with this initiative and are planning new promotional events for 2016 across the region.

Clusters represent one aspect of initiatives to develop innovation interfaces and should be coupled with incubator initiatives as well. Some of the countries in the Balkan & Black Sea, such as Romania and Turkey, region have recently inaugurated different systems of innovation support, including grant assistance.

Further review of options for supporting and developing innovation interfaces is required to assist the direction of future cluster and innovation policy in this region. Pilot dynamic interfaces should be supported across the region in 2016.

## Main objectives of the methodology

The objective of this methodology is to improve interfaces between research & education and enterprise to stimulate renewed innovative business development in Balkan & Black Sea region. It must be noted that interface improvement is only the first step in innovative business development in the Balkan & Black Sea region. Obviously the interface methodology should be followed by further more specific innovation and competitiveness tools that will further accelerate develop and sustain innovative business development in the Balkan & Black Sea region.

## Expected innovation results of the methodology

One of the ways to use the methodology is to conceive and implement a regional development project hereby proposed. However, it should be noted that the proposed methodology could also fit into an ongoing project or initiative that may expand into the broader region. The inputs from the project would assist in the selection of optimal interfaces for development stemming either from existing clusters and incubators, or ones in the process of formation where there are regional research bases that can connect to business sectors with large potential value added. Once developed, the services that can be offered through the some of the following possible dynamic interfaces:

- Links to Europe wide networks of knowledge transfer and innovation
- Promotion of innovation and clustering including education and training
- Support for web and non web based knowledge management
- Training and placement of key staff to support interface development
- Co-operation with the national Patent Offices to investigate the possibilities of matching prospective patents with enterprises.





## A brief note on the possible innovative business activities

Proposed approach requires building on experience working on innovation activities involving research and enterprise collaboration in the whole region. Experiences can be further developed in cluster development and in work with small and medium enterprises which would be advantageous for the whole Balkan & Black Sea region and broader in the EU and Central Asia alike. A broad range of planned activities that can be considered include, but are not limited to the following:

- Share Balkan & Black Sea region experience with EU innovation initiatives
- Interpret good practice from innovation interfaces in several European countries and disseminated across Balkan & Black Sea region
- Promote collaborative work among representatives of government, research and enterprises in the Balkan & Black Sea region
- Develop and provide innovation capacity building in Balkan & Black Sea region
- Develop and produce concise analytical reports and recommendations for action in the Balkan & Black Sea region
- Stimulate a much greater usage of computers and internet access
- Develop and enhance e-BSN (e-Business Support Network)
- Stimulate participation of domestic SMEs and clusters in EU innovation projects, as well as participation in the European Innovation Scoreboard
- Promote a culture of innovation as a key factor in the development of an entrepreneurial economy
- Provide assistance for research and development of new and improved products, processes and services
- Establish mechanism (separate credit line) for financing innovation in SMEs and
- Provide SMEs with easy access to possibilities and opportunities for innovation

## Possible timing and duration

At least 1 year is required for development of regional innovation interfaces with – precise dates to be determined once approval has been agreed upon and once the cluster members agree and support this methodology. Development, networking and adoption of the methodology for a project are obviously likely to involve missions in each Balkan & Black Sea region country and broader. Projects such as these one should be supported by local cluster experts, R&D institutions and incubators in the region.



## Some main deliverables and outputs of the methodology

In the proposed approach recommended is working with a selection of cluster association and incubator experts in order to produce two main analyses that can be used as future development tools in the whole Balkan & Black Sea region:

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1. An evaluation and policy concept paper on the current state of research-commerce interfaces and clusters in Balkan & Black Sea region. This should include an elaboration of at least 3 clusters functioning from each country in from the Balkan & Black Sea region. These should then be benchmarked against European standards, such as used in Europe Innova. The result will be an overview of knowledge transfer and cluster development and policy in Balkan & Black Sea region with very specific recommendations for future development of clustering in this whole region.
2. A feasibility study for the development of nine dynamic interfaces. This should include the potential for their development into innovation centres, including the possibility of centres serving more than one cluster (such as IT, textile & automotive). The services of the interfaces can be defined operationally in the report. The report should also include as an annex proposed selection criteria for development of nine interfaces.

Ultimately partners in the region can work with the interfaces and clusters and an essential element of the work is obviously knowledge transfer to clusters, governments and to other institutions in Balkan & Black Sea region and the EU with the aim also being to accelerate gravitation of Balkan & Black Sea region practices to those of more advanced EU economies. The feasibility study can of course be used by the governments in policy formulation.

## Conclusions

In comparison with advanced EU countries, there are at present, a number of vital factors missing from the Balkan & Black Sea region business environment and these factors are hindering business clustering development and incubation alike. Of immediate concern, is the lack of an effective innovation interface and a policy promoting a change in regional business culture. Resulting from the proposed methodology and initiative is a business culture drifting away from the individual towards a collaborative business environment.

Our approach would require a comprehensive supportive innovation framework of resources including business/taxation policies that not only supported clustering and incubation in particular, but also supported collaboration and networking in the Balkan & Black Sea region. Parallel to this conclusion, since the private sector and SMEs will probably assume a leadership role in promoting cluster formation in Balkan & Black Sea region, then it is obviously up to the government and the research and academic community to play an educational role oriented towards informing businesses and SMEs about



their development alternatives. This was recognized as a necessary function in the formation stage in both the EU and US research and is likely a suitable logical move for Balkan & Black Sea region. It may be a lengthy process to share innovation knowledge and initiatives with the business community and as a result begin the long development path of initiating a cultural change in the way business activity is undertaken in Balkan & Black Sea region but eventually following are the advantages that will come about:

- A systematic framework within the economy for the operation of clusters is set up and functioning.
- Strategic partnership and links among the enterprises are established and operating.
- Capacity for technological development and innovation through an active partnership between enterprises and R&D institutions, inclusion of R&D institutions in the projects with commercial goals is improved across the region.
- Increase of capacity of regional enterprises for taking their business to international market and increase of value and scale of their imports. Opportunities are increased by the implementation of CEFTA Agreement for its remaining members.

Therefore, it seems probable that more time, effort and technical skills is needed to develop the potential for cluster and incubator development within the Balkan & Black Sea region context in which both cluster and incubator associations and policymakers need to play a constructive role in developing a more logical coordinated strategy for future business development.

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## Cluster Branding and Marketing

Authors: **Marcus Andersson, Adrian Solitander and Per Ekman**

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Locations all over the world compete for investments, export share, talents, tourists, residents, resources, political attention and media space. This is no less true for business clusters. Many clusters, however, face branding and image-related challenges, such as low visibility and weak differentiation externally, as well as low identification and lack of commitment on the part of cluster stakeholders internally.

Branding a cluster faces many challenges; multiple stakeholders and low control of the actual 'product', for example, makes it difficult to forge a coherent brand identity, achieve differentiation and make place cluster stakeholders carriers of the brand. Inspired by place-branding practice, a definition for Cluster Brand Management is presented, which rests on the view that cluster branding is both about cluster development and cluster marketing – and that it many times is more about behaviour, action and development than marketing communications. The single most important factor for the success of a cluster branding effort is that cluster stakeholders are ready to become carriers of the brand and its values. For this to happen, an inclusive branding process, a perceived strong commercial added value and brand-oriented cluster management are key factors. To meet these requirements, a six-step model for Cluster Brand Management is introduced.

The paper also addresses how different types of clusters may have different branding and marketing needs, and puts forward several types of clusters, which differ in terms of geographic coverage and stage of development. Reasons why one should engage in cluster branding, and for whom cluster reputation is important, are discussed, in addition to general cluster branding benefits, such as recognition of the cluster, increased identification and the brand as a managerial tool. The role of, among other things, cluster reputation for talent attraction, investment promotion, export and internationalisation, and lobbying and opinion making, is discussed.

In addition, it is discussed how clusters can use brand architecture frameworks for both analytical and strategising purposes, work with different positioning and naming strategies, and use branding and marketing tools and activities such as storytelling, ambassador networks, PR and media relations, and social media.

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## Introduction

Clusters need to attract the best and brightest professionals and scientists, promote investment and the establishment of new firms, gain international visibility and find new collaboration partners, help promote exports from and internationalisation of cluster firms, and gain the attention and recognition of policymakers and EU officials in charge of funding programmes.

Many clusters, however, face branding and image related challenges, such as low visibility, weak differentiation and difficulties expressing distinctiveness externally, and low identification and lack of knowledge and commitment on the part of cluster stakeholders internally. Enhancing the image of the cluster in this way involves creating awareness and a clear position in relation to the outside world – a unique place in people's consciousness that distinguishes it from other clusters – as well as mobilising commitment and awareness among cluster stakeholders. No doubt, clusters are complex, amorphous systems with multiple and complex stakeholders and target audiences. In this environment, the brand of the cluster can function as a conceptual idea of what the cluster is and wants to be, providing direction, meaning and identification, helping the cluster to





make sense of and navigate a complex world. Many cluster organisations also face resource constraints, so in order to compete for the mind-space of their key audiences, they need to out-smart rather than out-spend their competition.

The idea of branding and marketing clusters has to some degree been seen as an exogenous factor to the main cluster actors – something that someone else is responsible for, such as regional authorities or the media. Surprisingly often, one can read that cluster branding is indeed an important objective for cluster organisations and that the development of a common brand image to the public and the markets is an important factor for the success of a cluster, but without any substantial references to how this could be done.

A strong brand is based on a combination of functional, “facts and figures” arguments, and emotional ones, be it a corporate, product or place brand. We choose neighbourhoods, holiday destinations, cars and our mobile phones based on both facts and emotion, using both the rational and emotional part of our brains. There is no reason to believe that we only use the rational part when we choose where to locate a company, invest our money or look for a new job. Hence, clusters need to mind their brands, just like any other location.

## Clusters and their branding and marketing needs

It is well documented that clusters are important for growth, innovation and investments. There are some general benefits of clusters for business and the wider economy that have been observed in research and practice, such as:

- Physical proximity of the cluster companies facilitates exchanges of information and talent among cluster stakeholders; clusters usually include an ecosystem of highly specialised suppliers, service providers, investors, analysts, students, researchers, trade association members, consultants and other useful specialists, making collaboration and exchange easier.
- Clusters provide an environment where entrepreneurship and innovation thrive. The high concentration of knowledge in one single location can encourage entrepreneurs to launch more new start-ups than would otherwise be launched.
- Businesses located together in clusters demonstrate better results than non-cluster firms, and a business located in a cluster has a stronger growth and survival rate.
- Clusters enhance the reputation of a location in a particular field.
- Ultimately, clusters support job creation and tax revenues.





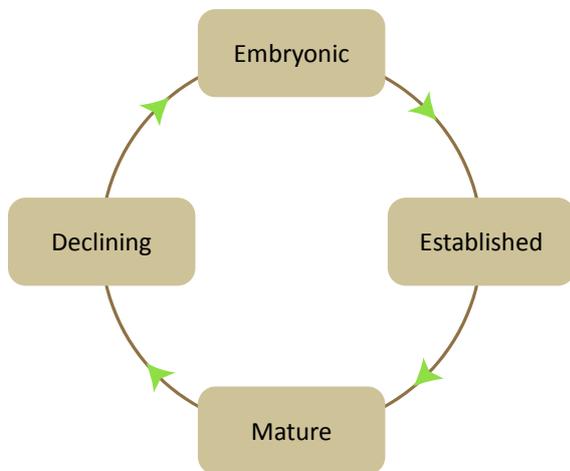
## Different needs for different clusters?

One of the most important factors when it comes to geographical size of a cluster is the opportunities to work with place-making aspects of branding. A district cluster has good prospects to improve attractiveness on the ground and create physical meeting places, whereas regional and virtual clusters need to rely more on overall *meta-level branding techniques*. A meta-level brand is a brand that is of a higher order than a given process, project or system, and it is somewhat consistent over time. However, many regional and virtual clusters would benefit if they could identify and further develop hubs in their cluster ecosystem that can form sub-brands to the meta-brand.

The life-cycle perspective describes how clusters develop over time. They emerge, grow, mature and finally decline:

- ▶ **Embryonic** clusters are at early stages of growth.
- ▶ **Established** clusters are perceived as having room for further growth.
- ▶ **Mature** clusters are stable or will find further growth difficult.
- ▶ **Declining** clusters have reached their peak and are failing or declining – clusters at this stage are sometime able to reinvent themselves and enter the cycle again.

Figure 1: Cluster life cycle



There is no consensus in the cluster research about to what extent the life-cycle perspective is suitable to describe how clusters develop over time. Admittedly, the life cycle is a simplistic representation, and many clusters may develop in a more complex and non-linear pattern. Cluster facilitators use the cluster life cycle to understand what kind of support and strategic interventions clusters may need at different stages of development. For example, in embryonic clusters, intermediary brokers may be important in encouraging collaboration and acting as information brokers, which may not be needed at later stages. For mature or declining clusters, it is essential to encourage openness and innovation to prevent regional lock-in, which in turn can promote the creation of new





industries. In the same vein, it is argued here, the cluster life cycle can be used to understand what strategic interventions and choices in marketing and branding that may be needed at different stages of development. In the study, we have observed that early-stage clusters and declining clusters seem to have many of the same needs, whereas established and mature clusters seem to have many of the same needs.

## A. Overall needs and goals:

### Declining and embryonic clusters:

#### *Visibility and identification*

At early stages, many clusters need to make themselves known and heard, both internally among stakeholders and externally among target groups and collaboration partners. They also need to increase identification with the cluster among stakeholders. This is very much about “connecting the dots” in terms of developing linkages between actors in the cluster and creating awareness. To a large extent, the same goes for declining clusters; they need raise visibility in order to showcase their importance to decision makers and cluster actors, and revitalise the identity of the cluster.

### Established and mature clusters:

#### *Attractiveness and differentiation*

At later stages, there is still a need to achieve visibility and identification, but to build attractiveness of the cluster and to develop its differentiating features can become overriding goals. Building attractiveness can include gathering stakeholders to improve the attractiveness of the physical location in and around the cluster. True differentiation is difficult to achieve and early stage clusters may have difficulties pursuing a coherent positioning strategy, whereas later stage cluster have the marketing power and stakeholder support to do so.

## B. Role of place:

### Declining and embryonic clusters:

#### *Place-based*

Generally, these clusters may find it beneficial to explicitly link their branding efforts with their surrounding location to a greater degree, as they, in the case of embryonic clusters, have no established brand image of their own. In the case of declining clusters, they may need to reinforce their collaboration with the surrounding region or city. This can help increase identification of both actors within the cluster and visibility externally. It may also prove useful to tag onto other established brands in early phases, such as concept brands (e.g. “Smart Cities”).





## Established and mature clusters:

### *Virtual*

Over time, the branding efforts for later-stage cluster can loosen links with the surrounding place, as the cluster develops a stand-alone brand of its own. There is, however, no clear disadvantage to keeping the place link when the cluster develops.

## C. Cluster or cluster actors in focus?

### Declining and embryonic clusters:

#### *Cluster*

In the case of embryonic and declining clusters, an overriding goal is to show the benefits of the cluster and the cluster organisation to both cluster stakeholders and external target groups. For example, the good stories about the cluster and the cluster initiative need to be identified and communicated to create recognition.

### Established and mature clusters:

#### *Cluster actors*

As a cluster develops, focus can be shifted from communicating the merits of the cluster organisation and the cluster to emphasising individual cluster actors, innovations and solutions to a larger extent, but within the framework of the established cluster reputation. A larger degree of business orientation in marketing can also be beneficial.

## D. Project-oriented or business-oriented?

### Declining and embryonic clusters:

#### *Project-oriented*

Clusters in the early stage and, to some degree, those in decline, may find it worthwhile to intervene to launch and communicate different development projects to showcase the benefits of clusters, forge linkages between cluster actors, and create identification among them.

### Established and mature clusters:

#### *Business-oriented*

Later stage clusters, on the other hand, can probably benefit from steering focus to a larger extent towards providing and communicating neutral platforms and networks for business-driven collaboration.





## E. Pull or push strategy?

### Declining and embryonic clusters:

#### *Push*

Embryonic and declining clusters need to more proactively reach out to target groups, for example by attending international trade fairs, signifying a “push” marketing strategy.

### Established and mature clusters:

#### *Pull*

More established clusters that already have an established image can most likely shift marketing focus to a “pull” strategy, focusing on taking care of target groups that are attracted to the cluster. For example, dealing with incoming delegations and catering to investors are examples.

## Why cluster branding and marketing?

At the highest abstraction level, cluster branding will support attractiveness and competitiveness of clusters, and ultimately innovation, growth and new jobs. As surveys such as the Cluster Initiative Greenbook have observed, brand building is strongly related to improved competitiveness of the cluster. But in what way and for whom do cluster reputation and cluster branding add value? And why is it important to know for whom and in what way cluster reputation creates value? Because if cluster organisations know how cluster reputation

is or can be used by cluster stakeholders, they can more easily pinpoint the incentives different cluster stakeholders may have to support the work to build a stronger cluster brand. In short, they know ‘what buttons to push’ in terms of what arguments to use when encouraging stakeholders to support cluster branding.

Another issue is that knowing the possible incentives of cluster firms and other cluster actors is useful for efforts aimed at encouraging *co-branding* with the cluster.

## General benefits and effects of cluster reputation

Looking at general, cluster-level effects of cluster brand reputation, the following effects and benefits have been observed in the study and in research:

### ► Recognition

Clusters enhance the reputation of a location in a particular field, which makes it more probable that a buyer will buy from suppliers and vendors based in it, or that investors or talents will consider the cluster.

### ► Reduce risk





Cluster reputation can act as a surrogate for corporate reputation, which can support internationalisation, especially of small and medium sized enterprises (SMEs), in different ways.

Cluster reputation proves legitimacy and acts as a guarantor of quality. In addition, a cluster is a social system where proximity and visibility guarantee a degree of social control that increases trust and lowers opportunistic behaviour. A strong cluster reputation can therefore act as a guarantor of credibility towards external actors.

▶ **Reduce complexity**

Clusters are complex, multiple-stakeholder systems. A solid, clear cluster brand image can make the cluster more comprehensible to the outside world, and also create context and direction for stakeholders within the cluster.

▶ **Provide driving force and direction for cluster development**

A clear cluster brand can help mobilise stakeholders and provide energy and direction for efforts aiming at developing the cluster.

▶ **Function as a managerial tool**

The cluster brand can function as a managerial tool. If a cluster manages to define what its brand identity stands for, it becomes easier to make decisions for the cluster organisation, and perhaps also for other cluster stakeholders.

▶ **Reinforce identification**

A sound and attractive cluster brand identity can help cluster stakeholders identify more strongly with the cluster and thereby pave the way for closer collaboration between cluster actors.

▶ **Create civic pride**

A positive cluster reputation can be seen as a resource for mobilising local pride and boosting self-confidence of cluster actors by making them more aware of what values and achievements the place stands for.

## How do different stakeholders benefit from cluster reputation?

Looking at the more *functional benefits* of cluster reputation, we can see how different benefits provide value to different groups of stakeholders. Based on the study and other research, we discuss the different benefits of clusters, and to what extent they matter for and can be used by different cluster actors. This overview also indicates who the main stakeholders in cluster branding and marketing are.

▶ **Talent attraction**

Clusters have the potential to become magnets for attracting talent. For example, clusters can showcase a pool of employment opportunities, and the presence of a cluster





indicates a pool of employment opportunities for highly sought after skilled professionals, scientists and technicians. This is especially beneficial for *SMEs*. The dynamic at play here is that cluster reputation acts as a surrogate for corporate reputation, making it easier for *SMEs* to attract skilled managerial and scientific personnel, as these may feel that there are other employment opportunities outside the *SME* within the cluster, reducing the perceived risk of taking a job with an *SME*. For example, studies of the Hollywood cluster have confirmed that skilled workers in the film industry choose to remain close to the largest pool of employment opportunities in order to offset risks associated with the instability of short-term contractual work common in film production.

The study indicates that *larger companies and multinationals* (MNCs), despite having a corporate reputation of their own, see the clusters as platform for attracting talents and scientists, and hence benefit from cluster reputation. Even for a renowned MNC, like mobile telecommunication company Ericsson, the reputation of Kista, Stockholm, where its corporate headquarters are located, plays a key role in creating opportunities for it to hire students and skilled professionals.

As well, *universities and research institutions* use cluster reputation to attract scientists and researchers, but perhaps to a lesser degree than companies. The lure and recognition of the individual academic institution is by far the most important determinant in attracting academics. It is therefore of importance for clusters to showcase centres of scientific gravity

for attracting academics and scientists. For attracting students, cluster reputation is not a major factor per se. However, students are, according to research, attracted by employment possibilities in global companies, intercultural experiences and access to housing. Therefore, to attract student, clusters should communicate the supply of these elements, and help create links between global companies and educational institutions in the cluster.

Finally, *investment promotion agencies* (IPAs) can also use the cluster's attractiveness for talents as arguments when attracting investors to cluster firms, and other *public sector bodies*, such as regional and city governments, can use the cluster and its reputation as a 'flagship brand' signalling excellence when attracting talent to the location.

#### ► Investment attraction and new firms

Clusters can help attract investments, venture capital and promote the establishment of new firms. Again, *SMEs* in particular benefit from cluster reputation in this regard. Research shows that cluster reputation can make investments into an unknown *SME* be perceived as less risky in the eyes of investors, as it acts as a surrogate for corporate reputation, which has been confirmed in the study.

Naturally, the job of *IPAs*, to attract investors and new firms, is made easier by improved cluster reputation, but other *public sector organisations* can also draw on a cluster's reputation for attracting both private and public investments into infrastructure and large-scale research facilities. There are several positive effects that a cluster and its brand reputation can have that are of importance for the work of *IPAs*. First of all, clusters provide a context and framework for communicating clusters to investors; at best a cohesive





packaging of business opportunities and value chains. Secondly, sales arguments, stories, and facts and figures can be found in the cluster and refined by IPAs and cluster organisations together. Finally, there is often a ‘follow the leader’ effect among investors, which can be harnessed by IPAs by identifying corporate flagships brands in the cluster that can lure the attention of other investors and firms.

## ► Internationalisation and export promotion

As cluster reputation enhances recognition of a location, it helps firms in the cluster export their products and services. For example, *SMEs* wanting to sell in foreign markets or look for foreign collaborators have to prove their legitimacy in different ways in order to be accepted, and proving such legitimacy may be associated with costs (e.g. ISO certifications, costly marketing) that are unaffordable for many smaller firms. Cluster reputation can act as a guarantee that an *SME* meets the minimum requirements to be in a particular field, thereby reducing legitimisation costs.

In addition, *IPAs* can use cluster reputation to support the internationalisation of cluster firms, which, in turn, will make the cluster ecosystem even more attractive for investors. As well, *academic institutions* within a well-reputed cluster seem to find it easier to forge partnerships and collaboration agreements, thereby facilitating their internationalisation efforts.

## ► Sales

Sales to domestic companies are also supported by cluster reputation. As one respondent working for an IT consultancy in one ICT cluster expressed it, “the cluster’s image says something about who we are as a company, and that helps us in our own marketing – both to other cluster firms and firms outside the cluster”. Again, this benefit seems to be of greatest importance to *SMEs*.

## ► Showcasing internal importance within MNCs

In the study it became clear that subsidiaries of *global corporations*, such as research and development centres and production units, use the cluster and its reputation to prove their *raison d’être* and bolster their position in the internal competition for resources and attention taking place within MNCs.

## ► Expressing Corporate Social Responsibility

*Larger corporations* especially benefit from engaging in cluster development and cluster branding in terms of using their engagement as a way of conveying that they are socially responsible and ‘good citizens’, and the stronger the cluster reputation, the more value it has for the corporation to showcase this engagement. Somewhat surprisingly, this motivation is quite frequently cited as a motivation for larger companies to support cluster branding efforts.

## ► Lobbying and opinion making

*Larger corporations* see well-reputed clusters as potential credible communication channels, through which they can apply pressure on policymakers. As one cluster manager in a telecommunications cluster put it, “corporation X uses the cluster to communicate to





policymakers that more public investments are needed into a particular field of applied telecommunications research and highlight that it is the opinion of all actors in the cluster, not

just of themselves as an individual company”. Regional and local *public sector bodies* also use the cluster as leverage in their opinion-forming activities, both vis-à-vis national policy-makers to showcase the importance of the cluster’s main sector and attract funding, and in relation to EU officials in charge of funding programmes. In addition, universities and research institutions tend to make use of cluster reputation when lobbying government for more resources for research and education.

**Table 1:** The most important functional benefits for each type of cluster actor

Type of cluster actor	Three most important benefits
SMEs	<ul style="list-style-type: none"> <li>▪ Talent attraction</li> <li>▪ Investment attraction</li> <li>▪ Export promotion and internationalisation</li> </ul>
Large companies	<ul style="list-style-type: none"> <li>▪ Talent attraction</li> <li>▪ Expressing CSR</li> <li>▪ Lobbying/opinion forming</li> </ul>
Investment promotion agencies	<ul style="list-style-type: none"> <li>▪ Investment attraction</li> <li>▪ Talent attraction</li> <li>▪ Internationalisation and export promotion</li> </ul>
Public sector	<ul style="list-style-type: none"> <li>▪ Lobbying/opinion forming</li> <li>▪ Investment attraction</li> <li>▪ Talent attraction</li> </ul>
Academia	<ul style="list-style-type: none"> <li>▪ Lobbying/opinion forming</li> <li>▪ Talent attraction</li> <li>▪ Internationalisation</li> </ul>

## Marketing benefits of clusters

There are also pure marketing complementarities at play in clusters:

- ▶ Clustering of firms is convenient to customers who can visit several vendors in a single visit, and compare prices and products. It also reduces buying risk as one location offers alternative suppliers, allowing buyers to multisource or switch suppliers if need be.
- ▶ Agglomeration can also expand the market for specialty products that need large markets to generate sufficient product demand, thereby lowering costs for other firms.
- ▶ Similarly, cluster firms can be seen as more attractive buyers to suppliers who can market to similar companies within the region.





- ▶ Cluster members can benefit from joint marketing mechanisms such as company referrals, trade fairs, trade magazines, and marketing delegations. These lower the marketing costs for cluster firms, which is especially attractive for SMEs who have limited resources for marketing.
- ▶ There are also knowledge spill-overs in clusters, linked to marketing know-how. Large companies tend to possess marketing know-how that can benefit SMEs.

## Process-oriented benefits

We have also in the study, and in the literature, uncovered benefits stemming from the process of working with brand building, which we call *process oriented benefits*, signifying benefits that derive from the actual process of working with branding and marketing, as opposed to the end results (e.g. a stronger or more positive image). These are mainly internal, strategic and development oriented. Engaging in a cluster branding process could offer some of the following benefits for the cluster:

- Clarification of strategic concepts and goals.
- Improved strategic focus and direction.
- Driving force for internal cluster development work.
- Identification of stakeholders and cluster actors.
- Better sense of place and shared values.
- Facilitate the formation of new interaction structures, meeting places and networks.
- Improve interaction and deepening of relationships within the cluster.
- Help increase self-knowledge and self-awareness, as a well-planned branding effort will pinpoint both strengths and weaknesses and what one needs to do better in order to live up to branding claims.

**Table 2:** Benefits of cluster reputation, marketing and cluster branding

General benefits	Functional benefits	Marketing complementarities	Process-oriented benefits
<ul style="list-style-type: none"> <li>▪ Recognition</li> <li>▪ Reduce risk</li> <li>▪ Reduce complexity</li> <li>▪ Provide driving force and direction</li> <li>▪ Managerial tool</li> <li>▪ Reinforce identification</li> <li>▪ Create civic pride</li> </ul>	<ul style="list-style-type: none"> <li>▪ Talent attraction</li> <li>▪ Attracting investments and new firms</li> <li>▪ Internationalisation and export promotion</li> <li>▪ Sales</li> <li>▪ Showcasing internal importance within MNCs</li> <li>▪ Expressing CSR</li> <li>▪ Lobbying and opinion forming</li> </ul>	<ul style="list-style-type: none"> <li>▪ Multiple vendors in one area</li> <li>▪ Expand the market for specialty products</li> <li>▪ Increase attractiveness to buyers</li> <li>▪ Joint marketing mechanisms</li> <li>▪ Marketing knowhow spill overs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Clarify strategic goals</li> <li>▪ Improved strategic focus</li> <li>▪ Driving force for internal development work</li> <li>▪ Identification of stakeholders</li> <li>▪ Better sense of place</li> <li>▪ New interaction structures and networks</li> <li>▪ Improve interaction and relationships</li> <li>▪ Heighten selfknowledge and selfawareness</li> </ul>





## Read more:

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## Branding and marketing: definitions, principles and challenges

A **brand** in a nutshell is a ‘promise delivered’: a brand makes promises to consumers, customers and other stakeholders, in everything it does. Thus, for a brand to be successful, branding must be all about delivering on that promise. This holds true for all brands, including place and cluster brands. If a cluster claims to be the “most innovative cluster in Northern Europe” or “a global hub for the ICT sector”, it must be sure that it can live up to the expectations created in these claims, both in marketing communications and in deeds.

**Marketing** forms an integral part of the brand: it helps to communicate the promises that target groups should know about. In a place context, marketing is here defined as a tool for selling the products, services, resources and attractions of the place in a more effective manner. It is primarily not about tackling the overall reputation of the place, which is what branding is. However, the marketing should be based on the chosen brand positioning, identity and values that have all been defined by the place actors. The branding, if successful, makes marketing and selling the cluster and its products and resources easier and cheaper.

**Cluster Marketing** = Selling the products, services, resources and attractions of the cluster more effectively.



**Cluster Branding** = Improving the overall image or reputation of the cluster

Marketing communications are essentially *what* you do to get the message or promise across to target audiences to make them buy products or services, whereas branding is *how* you keep the promise made through delivery to audiences and stakeholders.

## From mass marketing to the brand society

Brands – and the art of branding – have throughout the 20th century risen to prominence in the business world because they are very effective ways of creating value, not only for brand-owning companies but also for consumers. Throughout the first half of the 20th century, it was the physical product and its qualities, rather than the brand, that was the core of differentiation and the unique selling proposition. However, fuelled by the boom in TV and radio mass marketing in the 1960's, the idea that the product's brand image and the feelings it evokes may be more important than its technical merits as a means of differentiation came to the forefront of branding. In the 1980's, corporate branding became a widespread practice and the organisations behind the products became the focus of brand building.

It was not until the 1990's, however, that brand management truly became a strategic management issue, way beyond the product itself. Building *brand equity* was the word of the day. Indeed, during the late 1990's and early 2000's, branding emerged as a significant area of importance not only for corporations and their products, but also for places, universities, religious institutions, other non-profit organisations, and even individuals. Today, cities, regions and countries engage in brand management, as do universities and international non-governmental organisations (INGOs). Organisations such as the WWF or the Red Cross nowadays have brand managers on their payroll, which was unthinkable a decade ago.

Some go so far as to say that today we live in a 'brand society': brands are omnipresent, guiding the management of organisations and our choices and setting the tone for our lifestyle preferences in all spheres of life. Brands have become a new way of organising production and managing consumption, functioning as a medium between producers and consumers, and thereby rapidly transforming economy and society. True or not, today everybody wants to cultivate their brand. In a time when companies search for their soul, individuals seek to define themselves, regions try to clarify their uniqueness and nations look for their roots more than ever before, brands have become vehicles for creating identities and self-expression.

During the previous decade, following the rapidity of globalisation, interconnectedness between people and markets and democratisation of information, the interest in place branding exploded: today, most countries, cities and regions in Europe, in one way or another, try to compete with other places for investments, tourists, residents and talents by engaging in place marketing or place branding practices.





## Perspectives on brand and branding

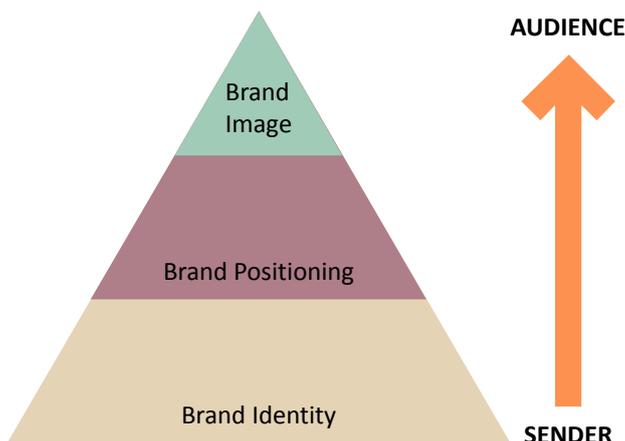
Another important definition is the brand as a *brand image*. Brand image is here defined as a “set of beliefs or associations held about a specific brand in the minds of its target audience”. If the brand image exists at the receiver’s end, then *brand identity* resides at the sender’s side. It is the outward expression and attributes that determine the essence and character of the brand from the internal perspective. It is, simply put, how the brand owner wants the brand to be perceived. It provides direction, purpose and meaning for the brand. A brand – just like a person – needs have a consistent and continuous identity in order to be trusted.

The link between brand identity and brand image is the *brand positioning*. It is here defined as the strategic activity of creating a brand offer in such a way so that it occupies a distinctive place and value in the target customer’s mind, often in relation to the market or the competition. A brand’s positioning is a distillation of the brand identity, expressing in a concise manner what makes the brand unique. Therefore, *differentiation* is a key objective in positioning.

The overall purpose is to establish a sustainable competitive advantage over competitors.

Figure 2 illustrates the relationship between brand identity, brand positioning and brand image. The brand identity is managed by the brand owner, who also chooses a brand positioning, which in turn is meant to influence the brand image held by target audiences. The brand image is the “tip of the iceberg” of the brand, as seen by target audiences.

**Figure 2:** Relationship between brand identity, brand positioning and brand image



A brand is not only something that supports marketing, it is also a *managerial tool*: if you manage to define what your brand identity stands for then it becomes easier to make decisions. For a company, this means, for example, what products or services to produce and sell, who you should hire, how your communications should look and sound and even what your office environment should look like.





Finally, we want to introduce the perspective of the *brand as a relationship*. Brands reflect a relationship between supplier and customer. This relationship, like all others, is based on trust, the fulfilment of promises and common values. Developed for consumer and business-to-business marketing, this perspective is a very fruitful for place and cluster brands. As mass-marketing tools seldom are an option for places, they logically have to employ network- and relationship-marketing approaches.

The brand image of the cluster and its elements is formed in the interaction between the cluster actors in the cluster, and the target groups outside the cluster. Cluster branding can therefore be characterised as a social process. Indeed, a multitude of interactions take place between customers and suppliers, investors and investees, talents and employers, students and academia, and the physical environment of cluster and visitors, to name a few. It is in these 'touch points' and dealings between the cluster and its target audiences that the brand

promise is fulfilled. The challenge of cluster branding is then to deliver a somewhat consistent experience and impression of the cluster's firms and their products, services and employees, educational and research institutions, physical environment, supply of services, etc. Needless to say, this is a challenging feat.

In conclusion, there are three main perspectives on brands most relevant for cluster branding:

- **The cluster brand as a promise**
- **The cluster brand as an image, identity and positioning**
- **The cluster brand as a relationship**

## Place branding, corporate branding and the role of place

Both place branding and corporate branding can offer inspiring perspectives, methods and experiences that are beneficial to the practice of cluster brand management. A cluster is an agglomeration of companies and other actors in a geographically delimited location – a place, in essence. As such it should, in general, face some of the same challenges in brand building as other places, such as cities and regions. Thus, the application of place branding to its marketing offer many possibilities, as models of product marketing and strategic communication are not adapted to the nature of places and clusters. There are a range of perspectives that have emerged as an integral part of place-brand management can be applied to cluster branding to a larger degree. These include:

- Most places have a historical and cultural specific character that clusters can draw upon, which can help them fill the cluster brand with more meaning and soft values, facilitate differentiation, and cultivate a sense of community among cluster stakeholders.
- Concepts of ownership and co-creation are key issues in relation to place branding and ought to be so for cluster branding as well. The ownership of place brands is





difficult to designate and define, compared to corporate and product brands, making it essential to work in partnerships and networks between different stakeholders.

- Place branding has illustrated how public-private partnerships can be used as a platform for place branding, and how a division of labour can develop between business, the public sector and other stakeholders.
- There is a rather widespread consensus that place branding goes beyond market communications and also includes place development and place-making aspects, a perspective that, should also characterise cluster branding.

## Challenges for cluster branding

Branding places and clusters is fraught with challenges, which explains why corporate marketing and communication techniques alone do not work well for building cluster brands. These are the main challenges of place and cluster branding, and differences between it and product and corporate branding.

- Place and cluster branding involves multiple stakeholders, often with competing interests, contributing to difficulties in forging a coherent and clear brand identity.
- Target groups do not only differ in their perceptions of the place but also in their needs and demands. For instance, an export buyer in Asia has very different needs and expectations from a decision maker in national government or a student looking for a job.
- Unlike product and corporate branding, place branding is seldom under the control of one single central authority, making co-ordination challenging. Government or industry associations are rarely in a position to dictate policy to stakeholders; cluster organisations are even less in such a position.
- Making place and cluster stakeholders carriers of the brand is a daunting task. A company can, for example, use mandatory training, financial and other incentives and recruitment as a means to ensure and encourage that employees support the delivery of its brand promise (and use firing if they do not); a place, for very obvious reasons, has none of these options.
- Measuring the effectiveness of place branding is fraught with difficulties. It is, for example, difficult to know whether the decision of a multinational firm to locate an R&D centre in a cluster has anything to do with branding or marketing activities by members of the host cluster. It is also difficult to ascribe an overall change of place image to systematic branding efforts.
- In the same vein, the commercial value of supporting place branding efforts on the part of companies is often difficult to measure.



All of this contributes to making place branding and corporate branding different, and place marketers need to go about working with branding in alternative ways. For example, as places and clusters do not have the mandate and control over different parts of their entities, partnerships and networks will be key to get stakeholders to pull together in the same direction.

Another effect is that as there are few tools to ensure that cluster stakeholders 'live the brand', it is absolutely essential to make as many cluster actors as possible co-creators of branding and marketing strategies, and create a feeling of ownership of the brand; otherwise, there is a good chance that they will not want to use it.

## Principles and characteristics of cluster branding

Based on the study, other practitioner-oriented analyses and place-branding research, a number of general characteristics and requirements of cluster branding that will permeate the handbook can be laid down:

- Reputation is something you earn, not something you construct.
- The desired brand image and positioning must reflect reality and be credible in its claims.
- Cluster brand building is a management issue.
- Cluster branding must be business-oriented, but with involvement from private and public cluster actors.
- Branding efforts must be long-term and consistent. Clusters that change strategies or approaches too often will end up creating confusion and doubt about what they stand for.
- Cluster reputation is a *public good* and immaterial asset that can be drawn upon by many different stakeholders for many different purposes.
- In complex environments and systems, such as in a cluster, brand building is a social process.
- Associated concepts 'infect' each other; a firm in a cluster will inevitably be associated with the cluster in which it is based, as well as the region and country in which the cluster is based. A corporation will be seen in the light of its country of origin, and the most influential corporations will contribute to shaping the image of their clusters, countries and regions.

## Branding platforms

The purpose of the *branding platform* is to define, clarify and solidify a brand's position. It is a blueprint of the foundational values and beliefs of the place, its competitive advantages, and its unique traits of excellence, encapsulating the guiding principles that



underpin who you are, what you offer the world and how you appear to your stakeholders or target groups. Designing a brand platform is a key activity in brand building work, and the platform should be one of the end results of the branding strategy process.

## The branding strategy process

The nature of brand management makes it difficult to suggest a linear step-by-step process model in a 'one-size-fits-all' format, but an attempt is made here to go over the main six phases that, to some extent, should be included in a cluster branding process:

1. **Mobilisation and planning:** Building interest and participation and planning.
2. **Research and analysis:** Understanding the brand identity, brand image and strengths.
3. **Process:** Forming the branding platform in an inclusive process.
4. **Strategy:** Deciding on the core of the branding strategy.
5. **Implementation:** Going from words to action.
6. **Management, monitoring and evaluation:** Ensuring that the process runs smoothly, branding promises are fulfilled, evaluation and finetuning.

The single most important factor for the success of a cluster branding effort is that cluster stakeholders are ready to become carriers of the brand and its values. For this to happen, an inclusive branding process, a perceived strong, commercial added value and brand-oriented cluster management are key factors. Another key consideration is that branding processes are not quick fixes done over a few months; they need time to mature and develop, be anchored among stakeholders and collect and analyse different inputs. That is one reason why a process is a better name than a project when it comes to branding – projects have a defined end date, whereas processes focus more on the goal and outputs.

### *PHASE 1: Mobilisation and planning*

#### Goals/objectives:

- ▶ Mobilise the commitment of cluster stakeholders.
- ▶ Ensure that cluster stakeholders are informed about and supportive of the initiative and its *raison d'être*.
- ▶ Creating sound and positive expectations of the branding process among stakeholders.
- ▶ Ensure that stakeholders are ready to invest time and resources into the process (here the benefits of cluster branding described in chapter 3 can be used).
- ▶ Build an infrastructure and management structure for the process.



## The steps of this phase include:

- Creating a **creative team** of representatives for the cluster organisations and the main stakeholders. The team should be led by the cluster manager, or a trusted, senior manager of one of the main stakeholders, and include at least the communication manager and, if it is a matter of a larger cluster organisation of more than five employees, also the head of operations, project manager, networking manager or the equivalent. The main stakeholders differ from case to case, but trying to involve one person each from regional or local authorities, investment promotion agencies, firms (MNCs and SMEs) and academia would in general be good advice. Ideally, the creative team should consist of six to nine persons to strike a sound balance between broad representation on the one hand, and being action-oriented and nimble on the other.
- Appoint a **process manager** (external consultant or individual with good standing in the cluster) who is charge of driving the process and making sure that it develops content-wise, as well as a **project manager** (preferably the cluster manager, the importance of the cluster manager taking an active role cannot be underestimated) who is in charge of resources and logistics for the process.
- Creating a **steering group**. The steering group could be made up of the cluster organisation's board, if there is a feeling that it has the broad mandate of the cluster and its stakeholders, but there may be reasons to create a separate group.
- Conducting a **stakeholder analysis** by mapping key stakeholders and perhaps also gauging their importance for the success of the process.
- Creating a **plan for the subsequent steps** in the process, and anchor it in the creative team.
- **Secure public and private financing** for the effort. Here the benefits of cluster branding that are described in chapter 3 could be used to convince different stakeholders that they will benefit from improved cluster reputation and from being part of the branding process.
- **Hiring a consultant** to assist in the process may be advisable. Especially in the process and strategy phases, it tends to be worthwhile to involve an external process manager to be able to take a step away and understand the cluster from an outsider's perspective, and to get help making difficult decisions about what not to promote (a branding strategy needs strong focus and prioritisation, so many parts of a cluster's identity may need to be downplayed).

## *PHASE 2: Research and analysis*

### **Goals/objectives:**

- ▶ Understand how the cluster is seen today, both by ‘insiders’ and ‘outsiders’ (brand identity and brand image), how it communicates and what its current strongholds, selling points, differentiating features and main competencies are.
- ▶ Ensure that stakeholders get to have their say and feel that they have been asked for their view, which may prove very important for their willingness to support and use the strategy themselves at later stages.
- ▶ Avoiding promoting features and making claims that are too far away from being seen as true or credible.

### **The tools at our disposal here are, for instance:**

- Surveys and perception analysis.
- Qualitative interviews with cluster stakeholders and target groups.
- Desk research of reports, indices, webpages, social media.
- Review of current strategy documents and action plans.
- Focus groups.
- ‘Mystery place shopper’ techniques, i.e. experiencing the cluster as a ‘cluster consumer’ would experience it.
- ‘Anthropological observation’, i.e. spending time in organisations within the cluster to understand their views of what the cluster stands for.

As the objective of the analysis is to pin down the character, strongholds, current image and identity of the place, important questions that should guide the research and analysis include:

- Who are we as a cluster?
- What are people’s perceptions of us?
- What promises do we make as a cluster?
- What sets us apart from other cluster regions?
- Which brand assets do we have (i.e. strong corporate, academic and place brands in and around our cluster)?

The final step of this phase is to compile the results from the analysis in an analytical report and present it to the creative team and steering group. The results create a framework and set the tone for a creative interpretation of the cluster’s character, reputation and attributes, done in the subsequent process phase.

## PHASE 3: process

### Goals/objectives:

- ▶ Forming the foundation of the branding platform and desired brand vision: the brand identity – who we want to be and how we want to be seen in the future, our brand positioning and our brand promise. And – perhaps most importantly – the steps we need to take to get there.
- ▶ Inclusion and co-creation: ensure that the cluster stakeholders develop a sense of ownership over the strategy process and its result.

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### The main steps of this phase are:

- **Process workshops**, which is the main activity in this phase. In these, we work in a creative way, basing our efforts on the results of the analysis from the previous phase, and of course on the mission and vision for the cluster. At least two process workshops should be held with up to 30 cluster stakeholders in each. It is important to discuss in an informal and open discussion climate, yet structure the workshops in a way so that discussions become productive, and not ‘just talk’. Here an external process manager may be a valuable help to make sure that there is a good structure and flow of the workshops.
- **Interviews** with key stakeholders may need to complement the workshops, to make sure we collect as many views as possible given the resources at our disposal. For example, cluster members that wanted to, but could not attend any of the workshops are good candidates for interviews.
- **Social media and digital project platforms** can also be used to involve stakeholders in creating the strategy. In the process workshops the overall aim is to seek agreement on the answers to the following questions:
  - What do we want to be in the future?
  - What do we want to be seen as? What desired image of the cluster would add commercial value to cluster firms’ business?
  - What makes us unique and what can we offer the world?
  - Who are we targeting?

### Success factors and pitfalls:

- As said before, the brand identity needs to be connected to ‘reality’. At the same time, it can to some degree be ‘aspirational’, i.e. not so much expressing what we are today as what we want and aim to be in the future – and here it is important to be bold and challenging in order to create appeal and get through to your audiences. The challenge lies in striking an appropriate balance between current on-the-ground realities and a visionary interpretation of future potential coupled with a sound understanding of how to achieve that future state.



- The main success criteria for this phase are inclusion and co-creation. Here we build the foundation for the implementation of the branding platform by striving to ensure that cluster stakeholders develop a sense of ownership over the strategy process. Place branding research tells us that the best recipe for a successful execution of a branding strategy is to lay proper groundwork in terms of involving stakeholders as much as possible in the early phases.
- We need to avoid the “ad agency” approach of locking ourselves in a room and creating a new branding strategy without outside involvement. Instead, we need to open up interfaces to and engage cluster members and other stakeholders from all parts of the triplehelix (business, academia and public sector) in a dialogue. These groups will be the most important assets in brand building and in a case of cluster; it is their brand that we are creating. Hence, they need to be co-creators in the branding process.

#### *PHASE 4: strategy*

##### **Goals/objectives:**

- ▶ Working out and agreeing on the branding platform, brand architecture, marketing communications strategy and action plan for developing the attractiveness of the cluster.

##### **The main steps of this phase include:**

- Weighing the results of the analysis and process phases together and discussing them in the creative team as well as the steering group setting.
- These groups, together with a process manager, sketch out different options in terms of the branding platform.
- If there are sufficient time and resources, send out the tentative branding platform for a round of consultations with cluster stakeholders, and then take a decision on the direction to go.

##### **The branding strategy should, at a minimum, contain the following components:**

- A branding platform, which in turn comprises core values, brand positioning and brand promise.
- A brand architecture.
- Marketing communication strategy (including target groups and channels, tools and activities, messages and visual identity).
- An action plan for developing the attractiveness of the cluster and delivering on the brand promise.





## PHASE 5: implementation

### Goals/objectives:

- ▶ Define and plan appropriate implementation measures.
- ▶ Ensure successful implementation and stakeholder buy-in of the branding strategy through different measures.
- ▶ Ensure that the brand is ‘brought to life’.

### Instruments and measures to support implementation:

- **Training sessions** where the focus is to explain the branding platform, its purpose and benefits, and, most importantly, how cluster stakeholders can put it into practice.
- **Training of ‘super users’** – brand ambassadors and brand champions – in the cluster ecosystem, i.e. people in different cluster companies and other bodies that will help in implementation. This way we get a network that can also be drawn upon in the next phase, for example in monitoring the use of the branding platform as well as in fine-tuning and refining it.
- **Create functional or thematic strategy groups** that will work to implement the strategy by focusing on improving the cluster in line with the branding strategy. The focus of the strategy will be the determinant of the focus of these groups, but possible groups include marketing communications, talent attraction and education, physical environment, investment attraction, internationalisation and research. As well, specialised, functional cluster networks can be activated to support implementation (such as networks for HR managers, CEO s, marketing directors, and R&D professionals).
- **Develop the marketing communication strategy into concrete actions and tools** in order to ‘bring the brand to life’ (showcases how the brand should be expressed visually, symbolically, orally and textually) and make it available to cluster stakeholders.
- **Develop a co-branding toolkit** supporting and encouraging companies and institutions to co-brand with the cluster.
- **Plan and launch projects** and actions that support the chosen brand positioning and core values that help mobilise cluster stakeholders around the branding strategy. If, for example, ‘sustainability’ is a core value, start projects that help the cluster actors become even more sustainable and develop even more sustainable solutions.

### Success factors and pitfalls:

Implementation of branding strategies is what commercialisation is to innovation – a ‘valley of death’ where many strategies fail. Implementation fails for a variety of reasons, but a few of the more common ones include:



- Low stakeholder support and buy-in.
- Lack of leadership.
- Lack of resources for training and dissemination.
- Weak marketing budget.

## *PHASE 6: Management, monitoring and evaluation*

Principally, this phase has no end, marking the difference between a project and a process. It is difficult to mark the transition from the previous implementation phase and this phase, as implementation is a continuous and long-term endeavour, so it is natural that these phases will be very much intertwined with each other.

### **Goals/objectives:**

- ▶ Ensure that the branding work runs smoothly and is being used, that improvements are made “on the ground” so as to be able to live up to claims and promises made in the branding platform, and to evaluate the work regularly.
- ▶ Ensure the effective management and governance of the branding efforts.
- ▶ Revitalise the branding process with continuous creative refinements.

### **The main steps of this phase include:**

- **Set up a system for effective management and governance** of the branding process (structures such as the creative team, steering group and strategy groups should be maintained in order to manage, monitor and fine-tune the work).
- Using the management and governance systems and a continuous stakeholder dialogue to find innovative ways to regularly revitalise and add energy to the branding process (implementation measures above can serve as inspiration).
- As for **evaluation**, two main ways are proposed:
  - The **quantitative assessment** takes the form of a perception analysis in order to see how the image of cluster has developed over time. As images take time to change, there is not much point in analysing perceptions of the cluster too frequently (not more than every year, perhaps even less frequently). The most effective procedure is to use the perception analysis done in the analysis phase as a baseline result to gauge the image changes over time in relation to it.
  - A **cluster brand audit**, performed regularly, constitutes the *qualitative evaluation* of how the branding strategy implementation and management progresses and functions.

### **The purpose of the cluster brand audit is to:**

- Assess and possibly suggest modifications of the brand identity and brand positioning, focusing on making the brand and profile of the cluster clearer.



- Help assess and redefine brand stakeholders, the brand architecture structure and the brand relationships to cluster stakeholders and other brands.
- Help to improve brand management, for example by better connecting communication efforts with cluster development efforts and finding ways to add momentum to the branding process.

### The main instruments in the cluster brand audit are:

- Qualitative interviews with representatives of the cluster organisation and key cluster stakeholders.
- Review of communication and marketing material, strategy documents (especially the overall strategy, the branding strategy and platform, and the communications strategy), websites and social media channels.
- Benchmarking – find other clusters to be inspired by.

## Brand architecture and co-branding

Context is important for all brands, and perhaps even more so for place and cluster brands. It is therefore crucial to understand how the cluster brand relates to its surrounding geography and other brands in a brand architecture.

*Brand architecture* is the structure of the brand within an organisational – or in the case of places and clusters, a geographical – entity, specifying their roles and the nature of brand relationships between them.

From an analytical viewpoint, understanding the cluster's position and relationship to other brands in a brand architecture can be an essential tool for identifying stakeholders and potential co-branding partners and help you understand what other brands in and around your cluster stand for, with a view to understand to what extent they can reinforce your brand.

From a strategic perspective, outlining a brand architecture as a part of the branding strategy is a valuable tool for prioritising collaborations partners and specifying the focus and content of collaboration efforts, as well as for mobilising engagement around values and elements that need to be promoted in joint efforts with other brands.

More specifically, performing a *brand asset audit* with a view to understand a cluster's position and relationship to other brands involves mapping the main brand assets in and around a cluster region and identifying stakeholders and collaboration partners that the cluster may need or want to strengthen its *brand relationships* to.

A brand architecture should define how different brands relate to and support each other; for example how the sub-brands reflect or reinforce the core purpose of the umbrella brand to which they can be said to be a part of. For instance, in its simplest form, it is about the synergy that is achieved when sub-national (city or region) brands are





clearly related to the national brand, and seen to be part of the same ‘family’. This way, the national meta-brand is supposed to be reinforced by sub-national brands when they reflect parts of the nation brand’s values in their brand. Conversely, the sub-national brand is supposed to leverage recognition from its link to the national brand by exhibiting shared values. For example, the Copenhagen Cleantech Cluster leverages the Danish national reputation for excellence in renewable energies and sustainability.

Even by default, places can be said to occupy a position in a place-brand architecture (shown conceptually in figure 3), alongside both commercial and place brands. For example, for a country, both other sub-national place brands and corporate brands closely aligned to a country can be part of the national brand portfolio – both Berlin and BMW could, for instance, be argued to be part of the brand portfolio of Germany.

**Figure 3:** The Place Brand Architecture



One of the main challenges of working with brand architecture lies in creating synergies and leverage between the brands in a brand architecture as well as achieving differentiation between them. One of the main challenges of working with brand architecture lies in creating synergies and leverage between the brands in a brand architecture as well as achieving differentiation between them.

There are four brand-architecture strategies:

1. The house of brands strategy
2. The endorsed brand strategy
3. The sub-brand strategy
4. The branded house strategy





## 1. The house of brands strategy

In the house of brands strategy, each sub-brand acts independently of each other and the superbrand, allowing each sub-brand to differentiate itself. In a corporate setting, a decision has been made not to relate brand and corporate names explicitly (e.g. Procter and Gamble and Gillette) and the product itself is the primary brand rather than the company. One advantage of this strategy is that each sub-brand can differentiate itself without too much concern for an overarching master brand or the other sub-brands in the same portfolio, thereby reaching niche markets they would not otherwise be able to if too constrained by their master brand or 'sibling' brands.

The downside of this strategy is that the individual clusters cannot ride on the back of more known place brands and that one cannot exploit synergies between the master brand and the different sub-brands. The upside is of course that each individual brand has a great degree of flexibility in determining its own brand identity and carving out niches without being too restricted by the umbrella brand.

## 2. The endorsed brand strategy

The umbrella brand acts as an endorser to individual sub-brands or product brands. In the corporate world, Sony PlayStation or Polo by Ralph Lauren are examples (corporate + product brand). The endorsement is meant to lend credibility to the endorsed sub-brand in the eyes of target groups. In the endorsed brand strategy, the umbrella brand and the sub-brands are to some degree perceptually linked, but only to the extent that more general values are transferred between them. In that sense, the umbrella brand functions more as a *meta-brand*. Each sub-brand possesses a unique identity but is also affiliated to a certain degree with the umbrella brand. However, the link is not explicit in the sense that core values of the sub-brands are diluted by the umbrella brand. In the place-branding field, this strategy can be applied especially to supra-national units such as Scandinavia, where the supra-national endorsement brand is Scandinavia and the national brands represent the sub-brands.

## 3. The sub-brand strategy

In the case of the sub-brand strategy, there is a much stronger link between umbrella and subbrands. This way they can exploit image transfer and shared associations and values, thereby potentially strengthening both brands. In the sub-brand strategy, both the overarching umbrella brand and the sub-brands are strong drivers, and both are meant to influence the target group's purchase intentions. An example in business is Microsoft and Microsoft Office.

This strategy comes with a few challenges. For example, each sub-brand needs to be developed in close connection with the umbrella brand, which is costly and time-consuming. There may also be a lack of brand fit, i.e. that the sub-brands are unwilling to adapt their own brand proposition to the umbrella brand. A clear disadvantage with the strategy is that if a crisis was to occur to one of the brands, it could lead to detrimental spill-over effects to the other brands. The case in the Nordic countries that best illustrate



the use of this strategy is the relationship between the Norwegian Centres of Expertise programme (NCE) and the individual cluster brands that are part of the programme.

#### 4. The branded house strategy

The branded house strategy is characterised by a main, overarching brand that has a dominant driver role and is the dominant source of identification, transferring value to the individual brands, which acquire the aura of the parent brand. The advantages of this strategy include potentially high brand awareness, the possibility to capitalise on one single name, and increased coherency in branding. Challenges include that the brand essence of each sub-brand can be diluted by the parent brand to the extent that they lose their attraction and differentiation, which is to the detriment of both the parent brand and the other sub-brands. And as with the sub-brand strategy, a clear disadvantage is that if a crisis were to occur to one of the brands, it could lead to negative spill-over effects for the other brands.

This brand architecture is admittedly difficult to build. One prerequisite for being able to pursue this strategy, with its close alignment and harmonisation between sub-brands, is probably that there is a government cluster support programme that comes in a format that favours this development and that the clusters are not in too different or too late stages of development.

#### Dos – brand architecture:

- Carry out a qualitative audit of the major brand assets of the cluster region (includes city/region sub-brands, nation brands, supra-national brands, corporate brands, other cluster brands, universities etc.), and design a brand architecture outline.
- The cluster brand asset audit and the resulting brand architecture can be developed in the form of a handbook, which is very useful for internal communications and external promotion of the marketing and branding effort, by facilitating relationship building with stakeholders, for example.
- A next, very useful step is to measure the strength and associations of each brand asset in the region in order to determine which brands to use in marketing communications and forge brand relationships and collaboration with.

**Table 3:** Pros and cons of brand architecture strategies

Strategy	Main Pros/Benefits	Main Cons/Risks
House of brands strategy	Differentiation of each sub-brand; flexibility to carve out niches.	Cannot exploit synergies and image transfer between brands.
Endorsed brand strategy	Image transfer from umbrella to endorsed brand, but endorsed brand can still develop its own identity.	Difficult to determine if value of using umbrella brand is worth effort needed to develop and use strategy.





Strategy	Main Pros/Benefits	Main Cons/Risks
Sub-brand strategy	Image transfer; can exploit shared associations and values.	Time-consuming and costly to build and coordinate; all brands in the 'brand family' suffer if any of the brands go into crisis.
Branded house strategy	High brand awareness; coherency; economies of scale.	Difficult to build; all brands in the 'brand family' suffer if any of the brands go into crisis.

**Read more:**

**Balakrishnan, M.S. and Kerr, G.** (2012) *Challenges in managing place brands: The case of Sydney*, Place Branding and Public Diplomacy, Vol. 8, No. 1.

**Dooley, G. and Bowie, D.** (2005) *Place brand architecture: Strategic management of the brand portfolio*, Place Branding, Vol. 1, No. 4.

**Flagestad, A. and Hope, C.** (2001), *'Scandinavian winter': antecedents, concepts and empirical observations underlying a destination umbrella branding model*, Tourism Review, Vol. 56 No. 1, pp. 5–12.

**Supranational branding and clusters**

A specific type of place branding, and way of understanding brand architecture, focuses on the branding of supranational and transnational entities, such as the Nordic countries, the Baltic Sea Region or the European Union. These entities can be used by clusters as meta-level umbrella brands. This form of branding entails specific challenges and opportunities:

- A general challenge for supranational branding is that there is usually a lack of a single, central decision-making authority that can execute a branding effort. Apart from perhaps the European Union, few supranational regions have central institutions with the budgets or clout to implement and run long-term branding efforts.
- In many cases, there is also a lack of a common identity, resulting in a lack of unity of purpose between the multiple branding stakeholders in a region, making joint branding difficult.
- National rivalry and competition between national governments also contribute to making supra-national place-branding efforts difficult endeavours.

That notwithstanding, there are several motivating factors that push national actors towards supranational place branding:

- First of all, economies of scale can be achieved when several countries, regions and clusters pool resources, allowing for larger-scale and more efficient marketing campaigns.
- Secondly, there are benefits relating to the image transfer that can take place, from places with stronger images to places with weaker images. Therefore, the perceived





image attractiveness of the macro-region or other partners in a supranational marketing effort may have an impact on the choice of whether to join or support an effort or not.

- Thirdly, the possibility of macro-regional product development that makes resources of other places available, e.g. ‘packaging’ an alliance of clusters or investment destinations in several countries for joint marketing, should be an advantage to be considered when deciding on joining supranational branding efforts. Macroregional collaborative product packaging could also, at its best, generate new, innovative solutions that would not have been possible without the collaboration ( $1 + 1 = 3$ ).
- Fourthly, a larger market and more opportunities can be marketed, which gives more impact and more outreach internationally.
- Finally, new associations and contexts can be created in many macro-regional branding efforts that can be drawn upon by clusters and organisations participating in the effort.

## Co-branding and clusters

Closely related to brand architectures is the concept of co-branding, which here refers to the activity of forming an alliance between two brands, seeking marketing and branding synergies. In the cluster context, getting primarily cluster firms, but also other stakeholders, to co-brand with the cluster presents a major opportunity to strengthen the cluster branding, and is a sign that the cluster adds value to stakeholders’ operations in different ways.

The most important step to encourage cluster firms to co-brand with the cluster is to involve them as much as possible as co-creators in a branding process. Another step is to try to understand what benefits a strong cluster brand provides to the cluster firms, and what specific marketing and branding needs stakeholders in the cluster have: is it, for example, to attract talent or investments, internationalisation, or to influence opinion?

It is often claimed that a firm will seek co-branding with a cluster or place if it adds *commercial* value to their operations. We argue here that companies can be interested in co-branding for other reasons that are not directly related to commercial value, such as expressing pride in their locality.

It is also important to bear in mind that co-branding is much more than putting two logos next to each other. Tendensor, in a study on business incentives in place branding, concluded that firms’ co-branding with clusters and other places can take some of the following forms:

- ▶ Storytelling and verbal communication.
- ▶ Explicit inclusion of values and other identity markers that characterise a cluster in company branding strategies and communication platforms.





- ▶ Direct reference in company names, product names or slogans.
- ▶ Imagery, national, regional or local symbols (such as flags or coat of arms) or colours in visual communication.
- ▶ Expression of representative lifestyles or stereotypes of people in the place.

As a result, one way of encouraging and facilitating co-branding is to make available to cluster actors a toolkit – a palette – of possible features to use in co-branding, including stories, messages, cultural and identity makers, visual expressions, symbols and photos and examples of co-branding from the clusters and elsewhere.

### Dos – co-branding:

- Ensure that cluster stakeholders feel included in the branding effort to encourage co-branding.
- Try to understand what benefits cluster firms gain from a strong cluster brand and what specific marketing and branding needs they have.
- Bear in mind that cluster firms can seek co-branding for reasons other than direct commercial ones.
- Co-branding is more than two logos next to each other; make available to cluster actors a toolkit of possible features to use in co-branding.

### Read more:

**Andersson, M.** (2007) *“Region Branding: the case of the Baltic Sea Region, Place Branding and Public Diplomacy”*, Vol. 3, No. 2, pp. 120–130.

**Andersson, M.** and **Ekman, P.** (2011), *“Business incentives in place branding”*, paper presented at 2nd International Place Branding Conference: Branding cities – the search for place identity, 20–22 January 2011, Cámara de Comercio de Bogotá, Bogotá, Colombia.

**Andersson, M.** and **Paajanen, M.** (2012) *“Common or competing products? Towards supra-national branding in BaltMet Promo”*, Journal of Place Management and Development, Vol. 5, No. 1.

**Flagestad, A.** and **Hope, C.** (2001), *“‘Scandinavian winter’: antecedents, concepts and empirical observations underlying a destination umbrella branding model”*, Tourism Review, Vol. 56 No. 1, pp. 5–12.

**Therkelsen, A.** and **Gram, M.** (2010), *“Branding Europe – between nations, regions and continents”*, Scandinavian Journal of Hospitality and Tourism, Vol. 10 No. 2, pp. 107–28.



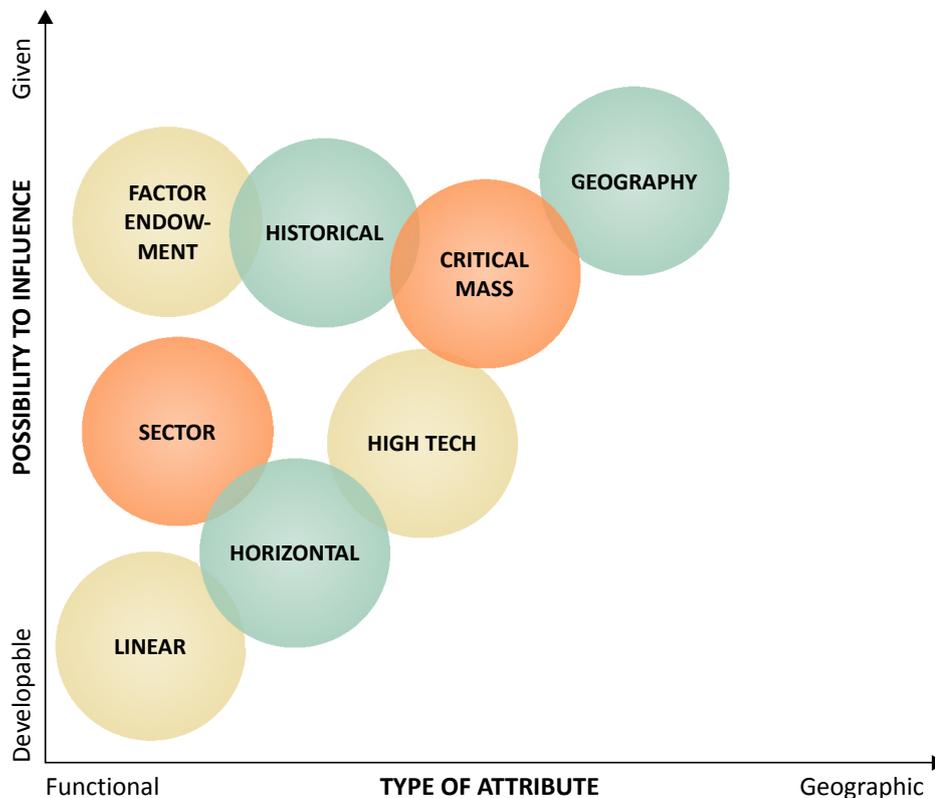


## Strategic brand positioning and naming strategies

Brand positioning entails the strategic activity of creating a brand offer in such a way that it occupies a distinctive place and value in the target customer’s mind. Strong positioning should combine functional arguments with emotional appeal.

Business clusters emerge from a variety of backgrounds, but all strive for a key position in a given economic branch of activity, with a decisive sustainable competitive advantage over other places. To identify this key position, it is necessary for clusters to recognise both their concept type, as defined by their emergence, and within that concept their competitive advantage. Clusters will usually build their positioning concept on several types, and they are not mutually exclusive. For example, a geographical cluster can be limited to one specific sector and make use of user-driven resources. For the positioning of the cluster, however, it is advisable for the cluster to identify what element endows it with the strongest competitive advantage, and emphasise that aspect in the positioning. One way of thinking about positioning that could help in the necessary strategic choices is illustrated by figure 4 (each positioning is explained in 7.1). Positioning that is difficult to reproduce can be very valuable in terms of distinctiveness. Some functional attributes are highly developable, which can be good for clusters in emergence, but they are also reproducible, lowering distinction. Geographic attributes are usually difficult to change and develop, but also to copy.

Figure 4: Strategic positioning choices for clusters





## Positioning strategies

Advantages and disadvantages of the eight positioning strategies that have been identified in the study are described as follows.

### 1. Critical-mass positioning

#### Aims:

- ▶ Positioning the cluster as the biggest or most diverse in a defined region, and thus gaining recognition of its critical mass, which is one of the most important features of a cluster according to theory.

#### Dos, pros and cons:

- Claims to critical masses lie at the centre of the *raison d'être* of clusters. Thus it is rarely a positioning that is useful for differentiation from other competing clusters.
- A cluster with a large critical mass is *per se* an established or mature cluster, but it can also be heading towards decline (think of auto manufacture in Detroit).
- It requires a fairly clear geographic delimitation, as in district, city or regional clusters. Only being able to claim with credibility that the cluster is the biggest in a defined higher geographic entity (national, Nordic, European, global) can be of value. This positioning invites a quantitative argumentation, which is often susceptible to being put into question.
- A word of caution is that much of the argumentation easily becomes number-focused; it is questionable how much emotional appeal this positioning carries. Imagine Toyota positioning itself as the largest carmaker in the world – does it make you want to buy a Toyota, or do you need more compelling reasons?
- The critical mass positioning can also be used to display a diversity of the cluster, with many diverse actors being present and ready to co-operate to achieve something unique. This positioning spills over to that of factor endowment: an ability to co-operate, or that of challenge-solution: an ability to find a common solution to a challenge.

### 2. Geographical positioning

#### Aims:

- ▶ Showcase the cluster's position in relation to known and recognised geographies, and thereby benefit from positive association with these. A common positioning strategy in the place-branding field, examples include "Stockholm – the capital of Scandinavia", "Latvia – the keystone of the Baltics" or "Öresund – the gateway to the Baltic Sea Region".





### Dos, pros and cons:

- The positioning can be either functional- and market-based, or more emotional- and identity based. The functional and market linkages imply a maturity of the cluster, whereas the emotional linkages are more flexible in terms of the cluster life cycle. Aspects of identification are highly emphasised.
- The main advantage of this strategy is to tag onto already established positive images, and thereby benefit from an image transfer and spill-over of associations from the more wellknown and perhaps positively valued location.
- The major risk with this positioning is that one ends up communicating sameness rather than uniqueness, creating *brand confusion*.
- Another risk is negative image spill-over that can occur if the place with which one is associated gets into trouble and experiences negative media coverage.

### 3. Sector Positioning

#### Aims:

- ▶ To position a sector as particularly strong in a specific geographic entity, so that the sector's and the geographic entity's images reinforce each other.

#### Dos, pros and cons:

- Sector positioning is useful in virtual clusters where physical clustering is not the primary reason for co-operation, e.g. a nation-state level co-operation between several regional clusters in one sector.
- Sector positioning at a national level requires a sound brand architecture to have links to real hubs and cluster agglomerations in the country.
- Awareness of a nation's brand strength in a specific sector is necessary. If the national brand in the sector in question is very weak, the sector positioning is not recommended.
- However, if the nation's brand strength is good, then the sector positioning will contribute to strengthening the image of a country that can bring added value to the sector.
- Some nations or places may have strong images in sectors where no cluster initiatives have yet been developed, and the positioning can in these cases work for embryonic clusters.

The sector itself, however, needs rather high maturity.

- Virtual clusters with an international membership may have to turn to other positioning strategies than a sector positioning, if they are not to be confused with international sector associations.





## 4. Horizontal Positioning: User-Driven Innovation and Shared Infrastructure

### Aims:

- ▶ To emphasise a specific resource that the cluster members are sharing among each other and that gives the cluster a unique strength. This resource can e.g. be the users as part of the development process, or a major shared infrastructure.

### Dos, pros and cons:

- The geography of the cluster is secondary as long as there is genuine access to the resource for all clusters. The access to the resources can be on-going or in development, thus being a possible positioning for clusters in any phase of development. Public sector intervention can be a key issue, and thus implies suitability for embryonic or declining clusters.
- Having users as a development resource at the centre of a cluster's positioning implies that its access to users must be a genuinely common resource that is shared between all cluster actors.
- Access to users in itself can be a sufficient positioning if there are no other clusters that can offer this. But with user driven business models becoming more mainstream, further specifying the qualities of the cluster's specific user group will be necessary.
- Specifying such qualities may imply referring to cultural aspects, such as the population in a location being early adopters of new technology.
- Large infrastructure investments can create a buzz around a cluster. For the positioning to be meaningful, the infrastructure must be a genuinely shared resource for cluster actors.

Often the different cluster actors will have different interests in utilising the common resource, e.g. universities will be interested in collecting empirical material for research, whereas businesses could want to test a new product.

## 5. Societal Positioning: From Challenge to Solution

### Aims:

- ▶ To emphasise a specific way of working that is unique to the cluster in order to create innovations, and specifically to solve common societal challenges. The principle is the same no matter if the challenge, such as an ageing population, or the solution, such as innovative living solutions, is put at centre stage.

### Dos, pros and cons:

- With very big societal challenges such as an ageing population, clusters do not risk running out of purpose, as it is unlikely that there will ever be the perception that the challenge is solved.





- The business relevance of the challenge or the envisioned solution must be clear. Solving a societal challenge may have clear relevance for public sector and academia, but the incentives for business may seem less obvious.
- It is important to not only communicate the solutions; the challenges one sets out to solve need to be regularly and attractively conveyed too, as these provide the context to trigger the motivation for finding the solutions.
- The geography of the cluster can vary from district level to virtual, but the scope of the challenge needs to be adapted to those geographies as well. Embryonic clusters will necessarily struggle with this positioning, as it takes time to be recognised as a problem solver.

## 6. High-Tech and Top Know-How Positioning

### Aims:

- ▶ To position the cluster as being the most innovative or the most knowledgeable in a sector.

### Dos, pros and cons:

- If a cluster already has highly regarded markers of quality present, then these can be used as “flagship brand assets” for this positioning: these could be top performing universities, companies recognised as being on the cutting edge of development, individuals famous for exceptional achievements, or prizes and awards.
- If none of these markers are already present in the cluster, one can try to build these in the longer term. Notably founding a prize is something that a cluster organisation can do. However, there are many prizes around, and building reputation and credibility is very much a long-term endeavour.
- Being the best may be tempting as a positioning, but usually there will be many claimants to the positioning within a sector, at least globally. As with being the largest agglomeration, claiming to be the best cluster of a sector in a small country may also be a statement of the obvious that brings no added value.
- Being on the cutting edge may also be a positioning that is difficult to tailor to suit different target groups, as the positioning may not be relevant for all target groups. Having the most exotic research next door is not necessarily an advantage, nor a disadvantage, for many companies.
- Thus, this positioning may be the most useful for sectors with rapid development and short time-to-market, usually high-tech industries. A strong business pull is necessary and thus this positioning is suitable for established and mature clusters.





## 7. Historic Know How Positioning

### Aims:

- ▶ Present a competitive advantage that is difficult to copy for competitors, as time cannot be bought. All things take time to do, and if a cluster has been doing them successfully for a long time, the actors in the cluster have hopefully refined their skills more than their competitors.

### Dos, pros and cons:

- There is a reason why a cluster has become a cluster and why it is successful and innovative today; this positioning is about getting to grips with what that reason could be.
- Clusters with a long, deep rooted, and/or well-known history should make use of it by identifying elements of success that are still relevant today. By definition these are mature or sometimes declining clusters.
- Clusters that have resources that take a long time to acquire or develop may do well to employ historical know-how positioning.
- However, history cannot be ignored, and even if a cluster does not use history actively in its positioning, there may be reasons to incorporate the positive historical connotations that the place is endowed with. Using markers, especially companies that have a long history in the cluster, and that are still successful today are useful for positioning.
- History can be important for bringing a sense of purpose and belonging to the cluster participants, and therefore identification, and can be proactively used in storytelling.
- Relevant economic history can be found at all geographical levels, from district – think jewellery districts in St Petersburg – to transnational levels – think maritime industry in the Nordic countries.

## 8. Factor Endowment Positioning: Natural, Human, and Cultural resources

### Aims:

- ▶ To present unique factor conditions connected to the location of the cluster that cannot be easily created or copied elsewhere.

### Dos, pros and cons:

- Factor endowment positioning is a tempting possibility for primarily production clusters or those in the agri-food sector. Climate, rich grounds or natural resources such as forests or minerals are unique almost by definition.





- An educated and accessible workforce, or low cost of labour, are human factors that may be decisive for the location choice of some companies, and those are developable only on the long term, if at all. District clusters, and perhaps city clusters as well, can aim to develop an attractive urban environment in the cluster.
- Developing endowment factors almost always requires a strong commitment from the public sector.
- Clusters can make use of city and nation brands when positioning in relation to endowment factors.
- If the option is available for an embryonic cluster to tag on to an existing factor endowment, this is potentially a very powerful positioning. Otherwise, it is hard to differentiate the advantages of the positioning at different stages of cluster development.

## Naming strategies

An important issue for clusters and their branding prospects is what name to choose. The choice of name for a cluster touches upon issues of identity and branding. Generally, the name should reflect or be in line with the brand positioning choices of the cluster. While it is difficult to suggest a general method for name choice, considerations to bear in mind are, on the one hand, differentiation and, on the other, awareness and recognition.

There are five main elements that can be expressed in cluster names:

- **Cluster connotation:** This means choosing as part of your name, usually the ending, a metaphorical geographical denotation supposed to signal 'cluster'. The role model and most common example is of course 'Valley', as in Silicon Valley, but the last few years denotations such as 'region', 'city', 'province', 'bay', 'hub' or 'heights' have become alternatives.
- **Sector/industry/product:** This entails signalling, or alluding to, industrial, sectoral or product category, often used in combination with cluster associations. Examples include "Fiber Optics Valley", "BioRegion" and "Mobile Heights".
- **Characteristic/competency/solution:** Signifies key characteristics of the cluster, which are competencies that it has, or solutions that it works to produce. Examples are "BrainsBusiness ICT North Denmark", "NCE Systems Engineering" and "Triple Steelix".
- **Location:** Examples are "Copenhagen Cleantech", "GöteborgBIO" and "Finnish Airport Cluster".
- **Cluster programme:** In some cases national cluster programmes stipulate the use of the cluster programme in the name.





All of these have different strengths and weaknesses in relation to positioning strategies (see Table 4). Furthermore, the names themselves carry implications for *differentiation*, *awareness* and *recognition*. Starting with *differentiation*, some observers argue that using a cluster connotation such as “Valley” is helpful to signal that a cluster is a cluster, and that the “Valley” term also draws on positive associations that people have of both of clusters in general and Silicon Valley specifically. By saying that you are a “Valley” you signal that you are one of the foremost clusters in your field, just as Silicon Valley is one of the world’s foremost IT clusters. This means that the cluster has to strive for excellence in everything it does, and be able to showcase that if it is perhaps not the foremost cluster in facts & figure terms, but that it at least can be said to be one of the most advanced, developed or largest ones in its field in the world. One cluster in the Nordic context that has used the ‘Valley’ concept successfully is Medicon Valley, the life science cluster, which has managed to credibly position itself as one of the world’s foremost life-science clusters. The main drawbacks with “Valley” and similar terms are twofold: firstly, they make differentiation and expressing distinctiveness challenging, which can make them somewhat unsuitable as brand names. Instead of trying to express differentiating features with the name, the widespread use of Valley signifies a drive to express sameness. A ‘culture of sameness’ is a common phenomenon observed in the place-branding field. In the corporate strategy field the phenomenon is labelled the “uniqueness paradox”.

The study indicates that the need to express cluster connotations to a large extent is driven by a public sector logic: there is often a need for regions to showcase to public decision-makers that they have a cluster initiative in their region. Choosing a name that conveys cluster is then the safer option, to make sure that one does not become indiscernible by decision makers, for example those in charge of funding programmes. However, many cluster firms are questioning to what extent some cluster names really add any commercial value. As for identification, they also express that they primarily identify with their city or region, before the cluster. Therefore, using cluster names that tag onto place names could be a way to increase identification.

Against this background, we argue that choosing a more unique name can potentially lay the groundwork for a more powerful and successful branding. When it comes to *awareness* and *recognition*, many clusters face an uphill battle in building their brand names from scratch. Just as many companies use place-based connotations (country-of-origin) when they enter a new market where they have yet to build a brand awareness of their own, clusters can use locations to draw on their already established images and thereby benefit from an image transfer. There will also be synergies in joint marketing and branding: the improvements of the place brand will have spill-over effects on the cluster brand, and vice versa. Hence, there are several reasons for considering linking a cluster name to a more well-known place.



**Table 4:** Brand positioning and naming strategies for clusters

Positioning	Main opportunity	Main risk	Possible naming strategies
Critical mass	Claiming the key underpinning of clusters	Lacks emotional appeal	Cluster connotation
Geographical	Positive associations to a place	Sameness rather than uniqueness	Location
Sector	Gives space for variable geographies	Confusion with sector associations	Sector, Cluster Connotation
Horizontal: Users/Infrastructure	Showcasing tangible added value	Conflict of interest in the use of the resource	Competency, Location
Linear: Challenge/Solution	Showcasing process of working	Proposed solution not in line with challenge	Solution, Cluster programme
High tech/Top know-how	Claiming to be the best, using strong markers	Hard to live up to	Characteristic, competency, sector, cluster connotation
Historical know-how	Strong identification	Irrelevant for growth or competitiveness	Location, competency
Factor endowment	Showcasing unique	Hard to develop	Characteristic, competency

**Read more:**

**Andersson, M. and Ekman, P. (2009),** “*The function and characteristics of cluster branding*”, conference paper presented at the International Place Branding Conference, January 20–21, 2012, Utrecht, Netherlands.

European Cluster Observatory, <http://www.clusterobservatory.eu/>

**Cortright, J. (2006),** “*Making sense of clusters: Regional competitiveness and economic development*”, The Brookings Institution Metropolitan Policy Programme.

**Stensland, P. (2009),** “*Branding and strategic communication for regional clusters*”, Norwegian Centres of Expertise, Oslo.

**Tools and activities for cluster branding and marketing**

One common feature of the tools and activities covered here is that they are all underpinned by the belief that sometimes ‘actions speak for themselves’, and acts and deeds of a symbolic nature can have an especially powerful communicative and branding effect. On top of the instruments discussed here, clusters should of course consider using all types of traditional and non-traditional channels and tools from the communication and promotion toolbox for marketing purposes: newsletters, webpages, virtual platforms, organising events and conferences, attending trade fairs, organising incoming and outgoing business delegations, advertising, etc.





## Ambassador networks

Cluster organisations need to employ relationship and network marketing practices, and the people in the cluster are the most powerful branding resource at a cluster's disposal. One way of mobilising stakeholders both inside and outside the cluster is through ambassador networks. It is a known fact that word-of-mouth is one of the most credible forms of communication. People tend to have far more confidence in the views of friends and acquaintances than in a message that emanates from advertising, or corporate or government spokespeople. Ambassadors have the potential to give credible testimonies of the distinctive character of the place and its attractiveness, and can, through word-of-mouth, influence others through their networks and relationships. Ambassadors can also, through both their social and occupational roles, get access to target groups that a cluster organisation otherwise could not reach.

By drawing on results of a study of the use of ambassador networks as branding vehicles conducted by Tendensor a few years ago and the results of the study behind the handbook, it can be argued that:

- ▶ Networks of ambassadors connected to the cluster can constitute powerful instruments not only for marketing, but also for cluster development.
- ▶ Ambassador networks can be invaluable resources for responding and adapting to changes, as network members can comprise a communication channel keeping the cluster organisation informed about key developments in the region and beyond, and members can be a source of expertise, knowledge and creativity, benefitting the development of the cluster.
- ▶ Ambassador networks are very powerful brand building tools, as they both support marketing communications and the development of the attractiveness of the cluster.

In the cluster context, an example of an external and professional ambassador network is the Life Science Ambassador Programme run by Medicon Valley Alliance. It is not a network of volunteers per se (as the networks described above is), but rather a systematic effort to build international partnerships and linkages with companies, academia and organisations in other life science clusters, which is done by posting ambassadors to leading life science cluster regions in the world. Currently, ambassadors are posted to Kobe-Kansai, Japan, Seoul, South Korea and Boston, USA. In the next phase of the program, which will begin next year, postings of additional ambassadors in Japan, US West Coast and China are planned.

The ambassadors are 'embedded' in their respective countries and in so doing have a chance to develop a cultural understanding to the benefit of the different Medicon Valley actors. Focusing on being strategic, long-term and value creating, the ambassadors have a major effect both in assisting internationalisation of Medicon Valley companies and organisations, and in branding the Medicon Valley region in the host regions. The awareness and recognition among key target groups in business and academia in the host regions are high.





## Dos – ambassador networks:

- Be precise about the purpose of the network: is it mainly a means for external communication, cluster development, boosting civic pride and identification, or is it a combination of these?
- Decide on the set up of the network based on its purpose: external or local, inclusive or exclusive/professional, assigned or unassigned, or virtual or 'IRL'?
- Provide ambassadors with relevant and updated information material about the cluster and cluster events. Especially important are stories about the cluster that can be used for storytelling, which ought to be communicated to ambassadors as well as information about cluster-related market happenings to be held where the ambassadors are located.
- Establish a separate communication channel to ambassadors and make sure that ambassadors are kept up to date at all times about developments in the cluster. Research suggests that ambassadors value privileged access to information more than the possibility of interacting with other ambassadors.
- Make sure that there is a two-way communication with ambassadors to harness the power that lies in getting access to their knowledge and creativity.

## Read more:

**Andersson, M. and Ekman, P. (2009), "Ambassador networks and place branding", Journal of Place Management and Development, Vol. 2 No. 1, pp. 41–51.**

## Storytelling

Storytelling is a broad tool and there is much to be said about it, probably justifying a handbook about storytelling as a branding and marketing tool for places and clusters in its own right. This said, an attempt will be made here to go over the main principles of storytelling, and how clusters could use it. For companies, storytelling has become a tool for supporting the brand and marketing, and for strengthening the company culture. In a nutshell, stories help us understand ourselves and communicate who we are. Therefore, storytelling is indeed relevant for clusters, which are truly complex organisms.

## Effects and benefits of storytelling:

- In settings characterised by high mobility, complexity and fragmentation, storytelling can be a valuable tool for creating context, sense of belonging and continuity. Storytelling can help make complex processes and events clearer and more comprehensible – they help us create meaning.
- Good storytelling can also induce stakeholders in an organisation or a place to pull in the same direction by creating identification among them; it is therefore also a management tool.





- Stories can also be very captivating and entertaining, which make them powerful tools for catching the attention of audiences and creating goodwill.
- Finally, they also help differentiate an organisation or place in a creative way – stories are often unique and very difficult to copy.

## Behind every brand is a story

Corporate identity research reminds us that all firms have a history, in one sense or another. Even newly founded companies can tell a story about events that took place leading up to the company's establishment, for example linked to how the business idea was formed or the background of the founder. In the cluster context, think about stories we hear about how Silicon Valley came into being: young, tech-savvy entrepreneurs building computers in their parents' garages (e.g. the first Apple computer was built by Steve Jobs in his parents' garage in Los Altos).

There is a known saying that goes, "behind every brand is a story". We strongly believe that the same is true for clusters: behind every cluster there is a story. In fact, there are probably many stories that can help create appeal, meaning, leadership and differentiation for a cluster. The challenge lies in digging out the authentic, appealing stories that are waiting to be found in the cluster. The starting point for a cluster organisation or cluster stakeholder is to ask yourself honestly: can you tell a captivating story about how your cluster makes a difference?

Generally, the study has indicated that many clusters refrain from using storytelling proactively and systematically as a branding and marketing tool. The main reasons are either that they are unsure how appealing their potential stories are or, more commonly, that they are afraid to come across as old-fashioned and fear that stories could conflict with modern values, such as innovativeness. This fear is to some degree unwarranted and based on a misconception, we argue, as there does not have to be any contradiction between linking stories to history and more future-oriented values such as innovation: they are perfectly compatible, if used in a sensibly balanced way.

An example of a cluster that uses storytelling revolving around modern features is the Future Position-X (FPX) cluster initiative in mid-Sweden, active in the field of Geographic Information Systems. It has made active storytelling a central part of its cluster development and cluster brand building. At the centre of this strategy is a systematic approach to collecting, refining and publishing appealing success stories from within the cluster. For example, at

management meetings of the cluster organisation, every employee is encouraged to tell a story of an interesting recent, successful innovation, event or project that took place in the cluster. Stories are then written down, structured and refined, and published in a "cluster stories" document containing 20 cluster stories to be used by FPX employees. All storytelling takes its point of departure in the core values of FPX, and all employees of the FPX cluster organisation are encouraged to tell the stories. Workshops are also





held to root the story among cluster members. Representatives of the FPX cluster organisation say that storytelling is one of the most important and cost-effective branding tools.

There is a pattern of four general elements that most stories follow, which can be used as checkpoint when developing a story about the cluster and its firms, projects or innovations:

1. **Message:** stick to one message per story. A story with more than one message runs the risk of becoming messy and incomprehensible.
2. **Conflict:** a conflict drives a story forward, the change from a balanced state to conflict is what makes the story come to life and makes us wait for a solution. This could be a societal challenge, such as an environmental or health issue.
3. **Characters:** A typical story starts off with a main character or hero pursuing a goal (e.g. an inventor or entrepreneur who strives to solve a challenge)
4. **Plot:** Most stories follow the same pattern: beginning, middle and end. A good plot starts off by setting the scene. Next, a conflict emerges and sets the tone for the rest of the story. The conflict escalates but is finally resolved, marking the end of the story.

#### Dos – storytelling:

- All storytelling begins with listening, rather than talking: identify the stories that engage, mobilise and attract in the cluster by engaging in dialogue with cluster members and stakeholders, physically in conversations, workshops and interviews, and virtually in social media and discussion forums.
- Make sure that storytelling takes on the brand identity and brand values as its starting point.
- Use a systematic approach to encourage, refine, manage and publicise stories within the cluster.
- Make available storytelling toolkits (PowerPoint slides, handbooks etc) that cluster stakeholders can use.
- Use storytelling to bring up history and heritage, present events and future plans.

All these carry different forms of appeal. For example, storytelling about a successful project can link to the unique heritage of the cluster, communicate the added value of the cluster today and paint a picture of what the cluster and its actors may be capable of in the future.

#### Read more:

**Baker, B.** (2011), *Four Facets of Storytelling*, <http://www.marketingprofs.com/articles/2011/5050/four-facets-of-strategic-storytelling>





- Blombäck, A. and Brunninge, O.** (2009), *“Corporate identity manifested through historical references”*, Corporate Communications: An International Journal, Vol. 14, No. 3
- Fog, K. et al** (2010), *“Storytelling – Branding in Practice”*, 2nd edition, Springer Verlag, Berlin
- Salzer-Mörling, M.** (2004), *“Storytelling och varumärken”*, in Christiansen, L. and Kempinsky, P., *Att mobilisera för regional tillväxt – Regionala utvecklingsprocesser, kluster och innovationssystem”*, Studentlitteratur, Lund

## High-profile events

High-profile events are usually costly ventures, but their marketing and branding effects can be large, especially if supported and reinforced by other communication channels, such as social media and a PR strategy.

### Dos – events:

- It is important that the events are not seen as ‘just’ a happening, but that there is a link to the substance and overall branding of the cluster.
- Similarly, it could be important that events not be seen as only a promotion of the cluster; the more the events are seen as being about a general issue or challenge, or to the benefit of a broader group of actors (and not just to the benefit of the own cluster actors), the more credibility and impact it will have.

## Trainee programmes

Trainee programmes and university collaborations can be powerful tools not only for tackling the long-term shortage of skilled professional and workers, but also for positioning the cluster among younger people and creating links between academia, education, and business. Especially clusters located in more peripheral locations, active in more traditional sectors (or which are perceived as being in “low-innovation” sectors) or in the need of highly specialised employees can benefit from organising trainee programmes.

An example is the Skåne Food Innovation Network in southern Sweden that, since 2010, has run a 15-month trainee programme in collaboration with its member companies. Trainees are recruited from all over Scandinavia and from broad educational backgrounds such as engineers, business studies, agrarian science and behavioural sciences. The programme not only gives the trainees a push in their careers and helps solve skills shortages for the firms involved, it has also forged cross-border collaboration between firms and the different parts of the food value chain.





## Social media

In parallel to the initial public offering of the professional networking site LinkedIn, both Facebook and Twitter expanded the tools available to companies, brands, organisations and governments. As a result, these channels now offer a cost-effective and powerful medium for clusters to share information, connect with interested parties and firms, and potentially brand themselves in the global market. There are essentially two views that can be taken on social media and their role in cluster development: either social media can be seen as a transformative

force that can change the dynamics of how a cluster functions, or it can be seen as a tool among others that is used or not used as a communication channel to reach the cluster's target groups.

There is not much evidence of a transformative help of social media with the simple purpose of “just” communicating is not necessarily a good approach for clusters, and probably not for any other professional organisation for that matter. Many clusters are thirsty for stories to publish, to show that there is something, preferably a lot, happening in the cluster. In doing so, clusters run the risk of spreading an uncontrolled image, and not necessarily one that reinforces their brand. A better strategy would be to use social media to improve, change or reinforce images of the cluster that exist among target groups. Hence, there needs to be a consistency between social media communication and the brand statements underpinning the brand identity of a cluster.

Another contribution of social media to the brand of a cluster is the use of social media as a tool in itself. A cluster claiming to be high tech, or at the edge of communication technology, or otherwise claiming to use e-communications in its core activities (e.g. e-health solutions) can reinforce its image by being an active social media user.

Whatever a cluster's strategy for social media use may be, it is necessary to know if it achieves the desired results. The metrics to measure successful social media use are under strong development right now, and there is no clear-cut path that clusters should prefer. Any future work that clusters do on measuring awareness in target groups, or commitment of stakeholders e.g. through increased participation, will be valuable lessons for all clusters.

Inspiration can be drawn from how companies work with measuring social media success.

### Dos – social media:

- ‘Content is king’ – you need to offer interesting and motivating content in social media channels, especially if you want to catch the attention of younger generations. Sometimes one sees companies saying, “Like us on Facebook”. A common response among target audiences is simply: “Why?” Motivating reasons need to be given to trigger action.





- Frequency cannot be underestimated: some practitioners say that updates need to be released daily to build and maintain a high level of engagement of audiences.
- However, do not share everything. There needs to be a consistency between social media communication and the brand identity underpinning the cluster.
- Consider using a social media metric tool to track impact and outreach in social media channels. There are a range of freeware monitoring tools available online.
- Focus efforts: when time and resources are scarce, it is better to be active in one or two channels than to spread resources too thinly and try to be in as many channels as possible.
- Also, think about how different channels complement and reinforce each other. For example, if YouTube is used for moving content, another channel such as Twitter or Facebook is perhaps needed to draw attention to the YouTube content.

### Read more:

**Waddington, S.** (2012), *“Share this – the Social media handbook for PR professionals”*, Chartered Institute of Public Relations, London, UK.

### Brokerage events and business roaming agreements

Taking match-making to a whole new level, brokerage events that connect cluster SMEs with MNCs scouting for innovations can be a powerful tool to support commercialisation and internationalisation of cluster firms.

#### Dos – brokerage events/business roaming agreements:

- Making sure that there is a sincere willingness to share knowledge and contacts is a prerequisite for business roaming agreements to work effectively.
- Choose the clusters with which to collaborate in a careful and strategic manner, in order to ensure they meet a certain level of quality requirements in terms of professionalism and having promising firms, because image transfers will take place (business roaming agreement is a co-branding of sorts).
- Enter strategic partnerships with other clusters to secure commitment over the longer-term.

### PR and publicity

Public relations (PR) and media relations activities can be a very cost-effective way of reaching out to a broad audience. The study indicates that this communication tool in general is underused by cluster organisations. Building and managing relationships with those who influence an organisation’s audiences plays a central role in public relations. For clusters, reaching target groups such as policymakers and investors may be primary goals, but also export buyers and skilled professionals can be viable target groups, for example via trade press.



Traditional tools include press releases and press kits, distributed to the media to generate interest from the press, as well as brochures, newsletters and annual reports.

A cluster organisation that has successfully worked with a PR-driven marketing strategy is the Paper Province, a cluster in the paper and pulp industry based in western Sweden. Some years ago the cluster organisation faced several increasingly pressing challenges: the number of cluster firms had steadily declined over a long period of time, and the attention the cluster received from public decision-makers had fallen. As the marketing budget was considered scarce, it was decided early on that a PR-driven marketing and communication strategy would be a cost-effective way to reach the target groups in regional and national government in charge of funding programmes and member companies, as well as potential member companies among the cluster firms. Three goals were set up: increased visibility, attraction of member companies to the cluster organisation and securing long-term investments into the cluster.

Using a proactive media-relations strategy, Paper Province defined a vision for the desired brand image: it would aim at presenting itself as the 'good example', focusing its messaging and stories on its importance for the surrounding region, the country and the industry at large. It targeted national and regional media with stories that reflected this image by inviting journalists to the cluster, publishing press releases and sending letters to the editor of daily and trade press. They also joined forces with leading researchers and opinion makers to find common ground and common agenda on contentious issues facing regional development or the paper and pulp industry. The strategy proved very useful by all measures; press coverage increased dramatically by 1300 % over the period 2005–2010 (33 articles in 2005 compared to 442 in 2009), and the number of member companies, international interest and incoming delegations and both public attention and public investments have also increased drastically over the same period. Lessons learned from the Paper Province case include that it is important to consume media to identify topical issues to tag onto, dare to have an opinion and to think about how you can make the job easier for others, for example by helping to push the agenda for opinion makers by joining forces.

#### Dos – PR and media:

- Think about how the PR activities can support the overall reputation of the cluster as well as drive certain specific issues.
- Dare to have an opinion and take a stance.
- Consume lots of media to understand where the winds are blowing.
- Think about how you can find common ground and push an agenda jointly with other 'influencers'.

#### Read more:

**TACTICS: Supporting cluster marketing and branding**, PRO INNO Europe Initiative/European Commission, October 2012,  
[www.clusterpolisees3.eu/ClusterpoliSEEPortal/resources/cms/documents/](http://www.clusterpolisees3.eu/ClusterpoliSEEPortal/resources/cms/documents/)





## The Smart Cluster Policy Declaration of the Days of Clusters Conference

The cluster-engaged participants of the 6th Days of Clusters Conference declare hereby their commitment to the issue of the Smart Cluster Policy (SCP) to be jointly addressed by the countries of the EU Strategy for the Danube Region (EUSDR) with the aim to maximise the cluster concept capitalisation in their economies.

This Declaration is to appeal on the governments of the Danube Region (DR) countries and their representatives in the EUSDR's Priority Area 8 Steering Group to put the following proposals on their agenda:

1. Set up a Working Group on Smart Cluster Policy consisting of each DR country's mandated policy-maker and national cluster practitioner/expert.
2. Follow the European policies and actions towards the improvement and up-grade of the existing national and regional cluster policies in the DR.
3. Organise a seminar as a follow-up of the United States – European Union event on Cluster Mapping and Cluster-based Economic Policies taking place in Boston, USA, on 17–19 November 2015.
4. Gather and benchmark the existing cluster policies of the DR countries to evaluate their functionality and consistency and identify the best practices worth following.
5. Create the SCP Model based on the most effective criteria and rules to be applied by the DR governments on the national and regional levels.
6. Provide the participating parties with the possibility of public discussions, comments delivery and revision processes of the SCP Model.
7. Organise the EUSDR high-level event on the official adoption of the SCP Model by the governments of the DR countries.
8. Provide the SCP project with relevant sustainability measures, such as awareness building, cluster stakeholders training and impact assessment methodologies for the successful SCP Model implementation in the national and regional cluster policies of the DR countries.

In Brasov on 23<sup>rd</sup> of October 2015





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# DAYS OF CLUSTERS



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