The internationalization process of SMEs. Case study: “Piemonte Creative Industries”.

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This thesis is an account of the “Piemonte Creative Industries” project which took place in Helsinki, Finland in May 2013. The purpose of the paper is to look into the internationalization process of SMEs using the specific project as an example.

The “Piemonte Creative Industries” project in Helsinki consisted of 2 events; a B2B workshop and a multisensory dinner party on the same day. A trade mission of 11 Italian SMEs from the region of Piemonte participated in the project with the purpose of introducing their brands to local importers, distributors and entrepreneurs. The project was a trade “bridge” between Finland and Italy and the main objectives were a) to offer visibility to the Piedmontese firms and the Piemonte region in general and b) the establishment of future business partnerships.

“Piemonte Creative Industries” is a large-scale project managed by the Piemonte Agency for Investments, Export and Tourism. The programme is publicly financed and functions as a channel for Italian companies that wish to internationalize. The events held in Helsinki were designed, planned and implemented by the Finnish-Italian Chamber of Commerce in collaboration with the Piemonte Agency for Investments, Export and Tourism. The report discusses the scope of activities of both organizations and especially their role in terms of the internationalization process of SMEs.

Important facts on the Piemonte region as a business area as well as the company profiles of the eleven Italian firms that participated in the project are presented in the paper. The project itself is divided into 3 phases and described throughout the paper.

Further, a theoretical background that supports the project is discussed; global marketing, new perspectives in the field of business marketing, the meta-luxury paradigm and event management are the concepts examined in detail. SMEs have a strong future role to play in the global marketplace and realizing their potential is imperative. What SMEs need is a solid internationalization strategy. Public bodies and projects such as the one described in this thesis can assist them to reach their business objectives.

Keywords
Global marketing, meta-luxury, event management, SMEs, Piemonte, Torino
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1 Introduction

The Piemonte project in Finland was realized due to the joint effort of two organizations and especially, the diligence of the Secretary General, at the time, of the Finnish-Italian Chamber of Commerce in Finland, Mrs. Beatrice Dionisi. The author, a 3rd year student at the time of the project, was there under the aegis of the Haaga-Helia University of Applied Sciences in order to observe and document the process as well as to assist in every possible way. Dr. Pasi Tuominen, lecturer at the Haaga-Helia University, was the liaison between the Chamber and the School and an active participant during one of the two events which took place, i.e. the Piemonte dinner.

1.1 Background information

“Piemonte Creative Industries Design + Luxury” is a large-scale project managed by the Piemonte Agency for Investments, Export and Tourism which is based in Turin, Italy. The activities and role of the Agency will be examined in detail in the following chapters of the paper. The project is part of the Plan for the Internationalization; an initiative developed by the region of Piemonte and the Union of Piemonte Chambers of Commerce and co-funded by the Development and Cohesion Fund. In other words, the project runs on public financing and thus participation and services provided are free of charge. The programme functions as a channel between SMEs and international markets. Participants are based in Piemonte, Italy and are required to undergo a strict selection process. The main criteria used in the evaluation are experience, quality, innovation and competitiveness. The majority of the SMEs that partake in the “Piemonte Creative Industries” project operate in the following sectors: industrial design, interiors, fashion & accessories, graphic arts, luxury brands, automotive industry, etc. The Piemonte Agency organizes numerous trade missions both locally as well as abroad. One of these trade missions was specifically arranged in order to visit Helsinki in May 2013. The Agency in collaboration with Itachamber Finland i.e. the Finnish-Italian Chamber of Commerce, designed and planned a “Piemonte Creative Industries Design + Luxury” project in Helsinki which ultimately included a B2B workshop and an innovative dining experience on the same day.
The author of this thesis became involved with the “Piemonte Creative Industries” project and its trade mission in Finland through Haaga-Helia UAS lecturer Dr. Pasi Tuominen, in the context of a search of possible thesis topics with an emphasis on international business. As the author’s special area of study is International Business, the project presented a perfect opportunity to witness the internationalization efforts of small and medium-sized companies through organized channels and a chance to experience first-hand the various processes involved. Moreover, it would allow the author to explore network dynamics and understand how decisions are made across different organizations. The project would offer the author insight into marketing and brand management in a global market frame of reference and it would provide experience in the field of event marketing and management.

The active involvement of the author led to a close co-operation with Italcamber Finland and consequently, with the Piemonte Agency for Investments, Export and Tourism during all the stages of the project; the planning and preparation, the actual events and the follow-up process. A detailed account of the project and its different phases will follow in the next chapters whereby the author’s contribution is also explained.

1.2 Thesis structure

The following chapter of this paper, provides the reader with a synopsis of the project in order to obtain a general understanding of the task as well as with a presentation of important facts on the Piemonte region as a business area. The key organizations involved in the project are presented afterwards; their role, scope of activities and networks are discussed thoroughly. Last but not least, the subsequent chapter familiarizes the reader with the business profiles of the eleven Italian companies which constituted the trade mission of the Helsinki “Piemonte Creative Industries Design + Luxury” project.

The third chapter looks into the topics of globalization, brands and consumption as the underpinnings of the project in question and perhaps of any project of similar kind. The idea of the conceptual framework in this paper is to bring forth and shed light onto areas of study that are especially relevant under the current socio-economic cir-
cumstance. More specifically, the first part discusses marketing and its evolution as a management concept and examines global marketing as a product of globalization and the global marketplace. The roles of SMEs and LSEs as international players in the context of a global economy are juxtaposed and internationalization processes are touched upon. The concept of the global organization as well as the stages of global marketing are also discussed. Cultural learning is seen as one of the fundamentals of the “glocalization framework” and global experiential marketing is proposed as the topic of today. A subchapter on business-to-business marketing suggests that cross-fertilization between B2C and business marketing should not be feared since the two disciplines are increasingly converging. The second part discusses the meta-luxury paradigm; a new business model in the luxury brand spectrum which focuses on sustainable growth through a culture of excellence instead of diluting and sacrificing the brand for short-term economic gains. The final section of the theory looks into event management and considers events as powerful, experiential marketing tools but also as separate products.

The fourth part of the thesis is an account of the actual Piemonte in Helsinki project divided into two separate phases: the planning and preparation stage and the description of the two distinct yet interrelated events which took place. Phase 1 or in other words, the planning and preparation part is subdivided into the market research aspect of the project and the event planning and management dimension.

The fifth and last section of the paper, consists of an assessment of the project from a commercial point of view. First, phase 3 of the project, the so-called follow-up process is described. At the end, general conclusions are drawn and several key points are considered with respect to the internationalization process of SMEs.
2 The Piemonte region, key organizations & participants

The purpose of this chapter is to introduce the reader to the project and place it into a wider context. Therefore, this part describes the organization which manages the overall project called “Piemonte Creative Industries Design + Luxury” as well as the association which organized and implemented the Piemonte events in Helsinki. Secondly, the chapter intends to present the 11 participants of the specific trade mission through short yet comprehensive company profiles.

2.1 Project overview, “Elegance, Quality & Tradition from Piemonte”

“Piemonte Creative Industries Design + Luxury” took place in Helsinki on 21st of May, 2013. The programme included a B2B workshop which occurred during the morning hours at the Klaus K design hotel and was followed by an unusual dinner party at the Skanno Showroom in the evening. Eleven Italian companies, designers and entrepreneurs took part in the project; the firms originate in the region of Piemonte, Italy and their commercial activities lie in various fields such as food & wine, home accessories and design, textiles, jewellery, etc. The participants had the opportunity to meet with Helsinki-based importers, distributors, entrepreneurs and shop owners as well as interior designers in order to explore the possibilities of a future, predominantly commercial, partnership. Over 40 local professionals attended the workshop, feedback which was received was positive and several partnerships were established on the spot. The project was materialized by the Finnish-Italian Chamber of Commerce in Finland (Italchamber) in conjunction with the Piemonte Agency for Investments, Export and Tourism (CEIPIEMONTE) and the patronage of the Italian Embassy in Finland. World-renowned architect and designer, Mr. Ilkka Suppanen was the creative mind behind the dinner concept and his guidance and support were the cornerstones of the evening event’s success.

2.2 The Piemonte region

Piemonte (Piedmont) is an Alpine region in the northwest of Italy. It is one of the country’s 20 regions and Torino (Turin) is its capital. The population density in the
area is lower than the national average with an estimate of ca. 4.5 million inhabitants. The region is divided into the following eight provinces: Alessandria, Asti, Biella, Cuneo, Novara, Torino, Verbano-Cusio-Ossola and Vercelli.

Due to its strategic location between Central Europe and the Mediterranean basin, the region has advanced both commercially as well as culturally. The international movement of Slow Food has its roots in Piemonte and the area is notable for its wine production and gastronomy. Except for the agricultural and viticultural value of the region, the capital, Torino, is also home to the FIAT S.p.A. automobile manufacturer. Moreover, a dynamic sector of the area’s economy is tourism.

Today, Piemonte is especially distinguished on an international level for its production of luxury goods and its focus on design. In 2012, exports of luxury brands of the Torino province hit a new record of 1.5 billion €. As one of Italy’s most industrialized regions and according to 2012 statistics, Piemonte hosts over 850 design firms and studios with a total turnover of almost 13 billion €. Moreover, it is the “1st Italian region for private investment in R&D, for expenditure on innovation in the manufacturing sector and for high-tech patents”. Approximately 467,000 enterprises organized in different clusters are found in the region and the area’s export quota is about 10% of the national total i.e. ca. 40 billion €. In 2008, Torino was the first city to be named “World Design Capital” by the International Council of Societies of Industrial Design. (Ceipiemonete 2014.)

Torino’s city history is closely tied to FIAT motors. However, as of the early 1990s, a series of strategic planning processes have transformed the city politically, socially and economically. Both “hard” investments as well as “soft” investments, such as city infrastructure and knowledge-related institutions respectively, have been implemented especially since the time Turin successfully bid for and won the hosting of a world-class event, i.e. the 2006 Winter Olympics. Furthermore, the city has gradually become an innovative milieu which fosters an atmosphere of trust, collaboration and creativity. The interplay between public bodies and the private sector has formed a new way of doing business in Torino whereby ad-hoc, informal groups from different organiza-
tions work hand in hand in order to gather knowledge, develop ideas, conduct research and remain competitive. Presently, there are several agencies including the Torino Chamber of Commerce that are geared towards the economic and social development of the Piemonte region. (Campbell 2012, 102-107.) One of these organizations is the Piemonte Agency for Investments, Export and Tourism.

2.3 CEIPIEMONTE – Piemonte Agency for Investments, Export & Tourism

The Piemonte Agency for Investments, Export and Tourism widely known as CEIPIEMONTE (Centro Estero Per L’ Internazionalizzazione S.C.P.A.) is located in Torino and is the first Italian agency committed to internationalization. The Agency was established in 2006 by means of an agreement between various business associations, academia, the regional government (Regione Piemonte) and the Union of Piemonte Chambers of Commerce (Unioncamere Piemonte). Its primary focus is to attract foreign investments and increase the presence of local companies and their competitiveness in international markets. Additionally, the Agency plays a vital role in the promotion of the Piemonte region as a tourism destination as well as in the marketing of its agricultural products worldwide. Lastly, CEIPIEMONTE offers trainings to different professionals on key subjects related to international trade.

The Piemonte Agency collaborates vigorously with several institutions; namely it partners with “Centro Estero Camere Commercio Piemontesi” which was founded in 1976 and which strives to support the international business relations of local SMEs; ITP, the Invest in Torino and Piemonte regional agency which was the first public body dedicated to inward investment; and “Consorzio Piemontese di Formazione”, a consortium established in 1982 with the purpose of organizing managerial training programmes on international trade for both Italians and foreigners. CEIPIEMONTE is also involved in projects, initiatives and international activities together with organizations such as MKTP which plans and implements location marketing strategies since 2001, the Agro-alimentary Marketing Institute (IMA) and ATR, the Regional Agency for Tourist Promotion.
The following public bodies, associations and institutional development players are members of the Piemonte Agency:

- Regional Government (Regione Piemonte)
- Union of Piemonte Chambers of Commerce (Unioncamere Piemonte)
- Alessandria Chamber of Commerce
- Asti Chamber of Commerce
- Biella Chamber of Commerce
- Cuneo Chamber of Commerce
- Novara Chamber of Commerce
- Torino Chamber of Commerce
- Verbania Chamber of Commerce
- Vercelli Chamber of Commerce
- Aosta Chamber of Commerce
- Torino City Council
- Torino Province Council
- Polytechnic University of Turin (Politecnico di Torino)
- University of Turin (Università degli Studi di Torino)
- University of Alessandria, Novara and Vercelli (Università del Piemonte Orientale)

CEIPIEMONTE has an extensive international network of liaison offices as a consequence of the Plan for Internationalization actualized by the regional government (Regione Piemonte) and the Union of Piemonte Chambers of Commerce and co-funded by the Development and Cohesion Fund. This substantial network provides free support and assistance to any individual or enterprise that wishes to engage in industrial, commercial and/or technological cooperation with the Piemonte region. Field offices are located in the following regions and countries: Eastern and Central Europe, Continental Europe, Balkans, North Africa and Middle East, Caucasus, Persian Gulf, Central Asia, South America, North America, China, Turkey, Brazil, Russia, India, S. Korea and Japan as well as in most of the member states of the Association of Southeast Asian Nations (ASEAN).
The Piemonte Agency has divided its activities into the following five categories: 1. Business Promotion, 2. Agrifood Marketing, 3. Tourism Promotion, 4. Invest in Torino Piemonte and 5. Foreign Trade Training. In terms of business promotion, CEIPIEMONTE focuses on long-term projects pertaining to the industrial sectors which are associated with the region’s economic tradition. The Agency concentrates on promoting local companies of distinction and quality in order to provide the best products and services the region can offer to foreign partners and buyers.

2.4 Finnish-Italian Chamber of Commerce in Finland

The Finnish-Italian Chamber of Commerce (Suomalais-Italialainen Kauppakamaryhdistys Ry) also known as Italchamber Finland has been operating in Helsinki for over 50 years with the capacity of facilitating and promoting trade relations between Italy and Finland. What is more, the Chamber monitors the evolution of the Finnish market and offers a diversity of consulting services and expert assistance to various professionals and entrepreneurs. Specifically, it provides services in the areas of marketing, advertising and market research as well as translation services and organizes seminars, trainings and business trips. Furthermore, one of the Chamber’s areas of expertise lies in taxation and financial management issues regarding Italy. In recent years, the association has been involved in a total of 56 projects and it co-operates actively with organizations such as the Nordea Bank AB and the Prysmian Group among others. Currently, Italchamber has ca. 90 members and is part of a considerable network of organizations and professionals both in Italy and Finland.

In May 2013, Italchamber was accepted as a pre-affiliate member of “Assocamerestero”, the Italian Chambers of Commerce Abroad Association (CCIE). The role of CCIE is to monitor, mentor and support the Chamber on the process towards the official recognition by the Italian government in consistence with law no. 518 of July 1st, 1970. The pre-affiliate membership represents a significant milestone for Italchamber Finland.
2.5 Project participants & brand profiles

The Piemonte region participated in the initiative organized in Helsinki by CEIPIEMONTE and Italchamber Finland with a delegation of eleven companies. Three of them operate in the area of design jewellery, two of the firms are in the fields of textiles and home accessories while two are active in the housewares sector. In addition, the cohort included a wine estate, a chocolate producer, a cold pastry company and a luxury spa resort with its own Made in Italy gourmet product line. The majority, if not all of the enterprises, were already operating in foreign markets during the time of the project. At this point, a brief presentation of the profile of each company will follow.

2.5.1 Guido Gobino, “Destination Chocolate”

Gobino, a family business since 1946, began intensive research and specialization in the field of chocolate in the 1980s with an emphasis on local products and the traditional recipes of Torino. In the early 1990s, the production processes were completely restructured and since then, the company is incessantly inventing new products by pursuing the highest quality standards at the same time. As of 1996, the brand has seen serious expansion with even more exclusive product lines characterized by the distinctive “G” letter in their logo. In 2003, the original factory store which is situated atop the laboratory production was renovated and in 2007 and 2010, Gobino opened two new “bottegas” in Torino and Milano respectively. During the 2006 Winter Olympic Games which were held in Torino, Guido Gobino and 80 other representatives of the Piemonte region were assigned as “Ambassadors of Turin”. In 2008, the London Academy of Chocolate awarded one of the company’s specialities, Sea Salt Cremino, as “World’s Best Praline” and in 2011, came the Bronze Award for “Best Hot Chocolate” from the same institution. Guido Gobino has gained several distinctions over recent years.

Gobino is distinguished by the uniqueness of its products and the emphasis the firm places upon the superiority of the raw materials used in production. Special attention is paid on R&D and different methods of sensory analysis thus, resulting in a company known for its quality and innovative spirit. The state-of-the-art facilities ensure that
various requirements and regulations in the processing of raw materials are being met and that energy consumption is optimized. What is more, the company cooperates actively with foundations and non-profit organizations as part of its CSR scheme.

At Guido Gobino, the selection of chocolate is vast; one can choose from ten different lines of exclusive, artisanal products made in the capital of chocolate, Turin. (Guido Gobino 2014.)

2.5.2 Gelati Pepino, “The Best & Oldest Italian Gelato”

Gelati Pepino was founded in Torino in 1884 by ice-cream maker Domenico Pepino. However, the brand was sold in 1916 to two highly innovative entrepreneurs who started using dry ice in the production of their ice-cream with a view to enabling product exportation and delivery. Due to the products’ quality and innovative approach, Pepino has been the official and sole provider of the Italian Royal House of Savoy thus, acquiring four Coats of Arms. In the year 1939, the company patented and marketed the first ice-cream in the world placed on a stick and covered with dark chocolate known as Pinguino®. Many cold pastry manufacturers worldwide have imitated the Pinguino® and the product remains popular to this day. Giuseppe Cavagnino, one of the two entrepreneurs who bought the company from Pepino and revolutionized the concept of ice-cream or more precisely the concept of gelato, is still represented on the board of the firm today, after five generations, by his great-grandson.

Presently, Pepino serves as one of the ambassadors of quality cold pastry in Europe and distributes its products both in retail and wholesale as well as in the Ho.Re.Ca. business. Clients can choose from an assortment of flavours, shapes and pastries and enjoy the tradition of authentic Italian gelato. (Gelati Pepino 2014.)

2.5.3 Bava Winery, “Listen to Nature and Follow Her Lead”

The Bava family has been engaging in viticulture since 1911 in a part of the Piemonte region called Monferrato Astigiano, one of the most important wine regions of Italy. The family estate consists of fifty-five vineyards where natural and sustainable methods
of vine growing and winemaking are employed. Today, the company has twenty hectares in its possession which extend to the area of Langhe and it produces a comprehensive range of quality wines with the same care as it has done for over hundred years now.

At the Wine Shop found in the Bava Cellar, visitors can purchase not only Bava wines but also the specialities of Giulio Cocchi such as the historical Vermouth of Turin, the Barolo Chinato and the Cocchi Aperitivo, L' Americano, as well as sparkling wines and a variety of regional gourmet products. The Bava collection includes some of the most well-established (DOCG) wines of the region such as Barolo and Barbaresco both made from the Nebbiolo grape and dessert wine Moscato d' Asti.

Finally, the brand stands out for its sustainability strategy; 75% of the glass used in the bottles is recycled and solar panels produce 150% of the energy needed in the winery. Natural cork is used exclusively and special viticulture techniques prevent soil erosion. What is more, the use of natural fertilizers and the lack of use of pesticides ensure a reduced environmental impact. (Bava Piemonte 2014.)

2.5.4 Relais San Maurizio, “Truffle Gourmet”

Relais San Maurizio, once a Franciscan monastery and a luxury spa resort since 2002, is a partner of the Relais & Chateaux chain. The hotel is situated on top of a hill in the Langhe area and is home to the Michelin-starred restaurant “di Guido da Costigliole”. An impressive number of 2,500 different wines forms the restaurant’s wine collection. The resort offers 30 unique rooms and suites built and designed with the floor plans of the ancient monastery in mind. The property’s Monastery Medical & Beauty SPA features a natural Salt Cave among other hi-tech facilities and provides a broad series of treatments.

San Maurizio Gourmet is an exclusive line of products of artisan production that ranges from wines, honey and mustards to special, handmade pastas. The most exclusive product of San Maurizio is the rare white truffle grown in the region. The quantity and availability of the white truffle depend on the microclimate of the region and thus, they
fluctuate from year to year. So does the price. San Maurizio Gourmet ships the truffles within refrigerated containers solely within Europe in order to preserve the product and delivery is guaranteed on the next day. One can purchase the prestigious Made in Italy products at the Truffle Gourmet shop within the “Marché de La Condamine” restaurant in Monte Carlo, Monaco. (Relais San Maurizio 2014; San Maurizio Gourmet 2014.)

2.5.5 Quagliotti 1933, “80 Years”

For over 80 years now, Quagliotti has been producing quality fabrics with damask bedspreads and intricate, jacquard woven tablecloths being the firm's trademarks. The company started its exports to the USA in the 1980s and has been well-received and appreciated overseas ever since. Nowadays, the Quagliotti brand stands for elegance and exceptional quality. The firm has a continuous presence at the most important international fairs around the world and especially its bed linen collection is synonym to discreet luxury. In 2007, the Ritz Paris began displaying a number of Quagliotti items at its premises and hotel guests can purchase the collection from the hotel’s boutique. The Ritz Paris also uses Quagliotti fabrics and designs in their rooms and suites.

Nevertheless, the Ritz Paris is not the only establishment that collaborates with the brand; Four Seasons London, The Peninsula Hong Kong, Clinique La Prairie in Switzerland, Villa Lakshmi in Bali, Relais San Maurizio and restaurant La Villa Madie in France are only some of the resorts, hotels and restaurants that have selected Quagliotti items to complete the unique atmosphere they provide to their guests.

Quagliotti offers a broad and luxurious collection of bed, table and bath accessories. (Quagliotti 2014.)

2.5.6 L’ Opificio, “Haute Couture Home Accessories”

L’ Opificio, the family business of two sisters, was born in Torino in 1998 and has quickly become a major player in the international textile industry. The brand specializes in handmade, Haute Couture quilts and bedspreads, decorative cushions, furnishing
fabrics, velvets and other home accents such as poufs and decorative mattresses, all 100% Made in Italy. The company has also an exclusive Alpine Interiors product line made of natural fibres and hand printed by the use of an ancient Italian method. Currently, the firm is present in over 40 countries around the world and has its own L’ Opificio “corner” in boutiques in Turin, Milan and Brussels among other cities.

L’ Opificio is part of the Exclusive Brands Torino network; a group of businesses supported and promoted to international markets by the Torino Industrial Union. The network consists of 15 founding member companies operating across various fields. Their common denominator is that their products and services fall into the luxury category, they are distinguished for their creativity, innovation and research and have strong international tendencies. (Exclusive Brands Torino 2014; L’ Opificio 2014.)

2.5.7 Falabrac, “Italian Digital Craft”

Falabrac is a brand that marries design and innovative technology. Its Creative Team manufactures objects inspired by forms and shapes found in nature and in architectural endeavours and which are later transformed into unique pieces of jewellery. Their collection features a limited series of futuristic necklaces, bracelets, rings and earrings as well as lamps.

Falabrac gives life to their creations through 3D printing technologies but with great care and attention to tradition, detail and craftsmanship. As a result, the brand delivers a one-of-a-kind experience to those who choose one of their surprisingly refreshing products. As of November 2013, Falabrac designs can be purchased at the Museum of Contemporary Art of Chicago. (Falabrac 2014.)

2.5.8 Jamais Sans Toi, “Ceramic Creations”

JST, just like L’ Opificio, is the brainchild of two sisters and a Turin-based venture which started in 2012 and aspires to bring well-crafted and dainty ceramic creations closer to the heart of their clientele. Shaped by hand, smaller and larger pieces made of natural clay are transfigured into fine jewellery. Jamais Sans Toi’s work is based on tra-
ditional workmanship techniques; leather as well as other elements such as silver and gold are used as additional components hence creating a dialogue between textures and shapes. Each item is handmade thus unique. (Jamais Sans Toi 2014.)

2.5.9 Alessandra Scarfò Design, “Plexiglass Stories”

Alessandra Scarfò is a designer whose work extends from the fields of interactive installations and exhibit constructions to interior design and fashion items. Her style is contemporary and in the course of her quest for new materials she emphasizes on sustainability. Scarfò is a designer with a strong international presence and her collection includes furniture, lights, housewares and bath designs as well as toys and the creation of a skateboard constructed of transparent Plexiglass. “Skate AIR”, as the project was named, was realized through a synergy between two Piedmontese ventures; the target was to combine the observation of movement while skating and so provide a sensorial experience. Also, technically, Plexiglass, due to its flexibility, provides skaters with new possibilities. When in Helsinki, Alessandra Scarfò presented her jewellery line of mirrored Plexiglass as well as the “Skate AIR”.

Alessandra Scarfò’s collections are sold in several concept stores across Europe and in museum shops such as the one inside the Guggenheim in Venice and the one in MAXXI (National Museum of the 21st Century Arts) in Rome among others. (Alessandra Scarfò Design 2014.)

2.5.10 Cerutti Inox, “Stainless Steel Stories”

Serafino Cerutti established Cerutti Inox in 1961 and the brand has stayed within the family ever since. Nonetheless, the range of products and size of the firm have increased steadily over the years and from one generation to the other. Cerutti Inox specializes mainly on the production of goods made of stainless steel and iron but a porcelain line is also available. The company makes use of advanced technologies such as laser cutting and robotics in order to facilitate the full-scale product cycle from sheet metal to the finished goods. The characteristics of the brand are high quality and tech-
nical perfection. Cerutti Inox produces for the most part household items and hotel and catering equipment but commissioned objects as well. (Cerutti Inox 2014.)

2.5.11 Apparecchiare La Città, “A City of Objects”

Apparecchiare La Città -Setting the City, is a strikingly innovative project which came to life through a private-public sector initiative among Ghigos Ideas design studio, the Verbano-Cusio-Ossola Chamber of Commerce, its special agency Fedora and the institutional brand Lago Maggiore Casalinghi (houseware); the last-named being dedicated to the promotion and excellence of the household products sector. Ghigos Ideas studio gathered some ten different, well-known Italian companies such as Ruffoni, Piazza, Cerutti Inox, etc., which in turn designed and produced avant-garde modular configurations that can be utilized either at home or in the catering sector. The project revolves around kitchen and tableware objects.

Ghigos was constituted in 1998 as a group to create a point of comparison, and to qualify itself through the mutual exchange of expertise, and since then it carries out a wide-range research, pursuing the dissolution of disciplinary boundaries as an opportunity for critical reflection and design. (Apparecchiare La Città 2014.)

Ghigos Ideas is regarded as one of the most promising design studios in Italy and has received a number of distinctions on both national and international level. More precisely, in 2010, one of the studio’s projects was selected and exhibited at the Museum of Modern Art (MoMA) in New York and the MAXXI (National Museum of the 21st Century Arts) in Rome. (Apparecchiare La Città 2014.)
3 Theoretical framework

This chapter is essentially subdivided into three parts; global marketing, the meta-luxury paradigm and events management.

As the Piemonte project is an internationalization strategy, this section of the thesis discusses the discipline of global marketing together with the dynamics and potential future power of SMEs in the international market. Industrial or business (B2B) marketing is reviewed from an actor-to-actor (A2A) perspective and the meta-luxury paradigm is introduced as a filter for the clutter in the luxury and quality brands sector.

Lastly, events are discussed both as marketing tools as well as end-products.

3.1 Global marketing

Management guru P.F. Drucker has said: “Business has only two basic functions – marketing and innovation”; every business enterprise, whether profit or non-profit, has to research, design, plan, coordinate and finally, evaluate its marketing strategy with special care and attention in order to meet the goals of the enterprise in a consistent manner. (Goldblatt in Hoyle 2002, ix.) This very statement can naturally lead us to the following question: what is marketing after all? Before dismissing the question as too obvious are all marketing and management professionals and students of the field alike able to provide a comprehensive definition of the discipline?

It can be indeed hard sometimes to grasp the concept of marketing as it is often considered equal to promotion, advertising and selling. However, these activities are only a part of marketing, the tip of the iceberg. (Hoyle 2002, xviii-xix; Kotler, Armstrong, Harris & Piercy 2013, 4-5; Preston 2012, 28-32; Raj, Walters & Rashid 2013, 209.) Kotler et al. (2013, 5) offer a broad definition of marketing as both a social and managerial process whereby individuals and organizations acquire what they need or want through the creation and exchange of value with others. Consequently, and from a business perspective, marketing is the company process which creates value for customers and which also, depends on strong customer relationships as a means to capture value from
customers in return. As Drucker brilliantly says, encapsulating the very essence of the subject, “the aim of marketing is to make selling unnecessary”. (Kotler et al. 2013, 5.)

Raj et al. (2013, 208) discuss the evolution of marketing since its inception due to historical reasons in the early 1950s and interestingly, identify Collaborative Marketing as the latest development in the 2010s, following Relationship Marketing which was the prevalent doctrine in the previous decade. Moreover, Raj et al. (2013, 209) acknowledge that marketing as a management concept is not easy to define and accept that there is a variety of definitions depending on the perspective. According to Jobber (2010, in Raj et al. 2013, 209), marketing pertains to the achievement of corporate goals through meeting or even exceeding customer needs better than the competition. To take the matter of the definition of marketing and the development of the field a step further, one can refer to Kotler et al. (2013, 7) who introduce the term of “marketing myopia” as the phenomenon of marketers concentrating to the attributes of a product and thus, failing to pay attention to the overall brand experience and the benefits or the result produced by a product. It is evident that the discipline is constantly evolving and more holistic approaches are being adopted along the way.

But then what is global or international marketing and which are the fresh concepts it has to offer? The term “glocal” –which can be either considered a neologism or not as it was coined somewhere in the 1980s– is so popular at the moment that it is used in almost every field; from world-renowned chefs like Alain Ducasse to celebrated marketing experts like Philip Kotler. On the cover of Hollensen’s book on Global Marketing (2014, 6th edition) there is a phrase from Kotler saying: “All good marketing is local. Global companies know this and are going “glocal”.

According to Hollensen (2014, xviii), “globalization is the growing interdependence of national economies; involving primarily customers, producers, suppliers and governments in different markets”. Domestic competition, offshoring in terms of production and services and looser government policies regarding trade barriers as well as customs unions (NAFTA, EU, UNASUR, etc.) or similar trade agreements have all had a serious, positive impact on the growth of international trade. (Kotler et al. 2013, 572-573;
Krugman, Obstfeld & Melitz 2012.) Hence, global marketing reflects the desire, need and tendency of firms to sell and distribute their products and services in different countries around the globe. (Hollensen 2014, xviii.)

For a number of years, it has been a standard preconception that the globalization of markets translates mainly to large multinationals successfully introducing world-standardized products. (Hollensen 2014, xviii.) This assumption has often “demonized” globalization; it has been perceived as a threat for countries of losing their individual cultural identities. (Kotler et al. 2013, 576.) Naisbitt (1994, in Hollensen 2014, xviii) contradicts this mainstream notion that multinational enterprises will eventually dominate the world of business in a global context. More specifically, he claims that the larger and more open the world economy becomes, the more SMEs will be the ones to dominate. According to Naisbitt (1994, in Hollensen 2014, xviii) there is a global paradox; as we shift to a huge global economy, the smaller and speedier players will prevail. Hollensen (2014, xviii) takes the matter further and argues that traditional multinational LSEs are now seeking to emulate the approach of SMEs to global marketing; a less bureaucratic, more flexible, decentralized approach. These convictions are supported by a 2013 online survey of 2,100 SME senior executives across 21 countries which claims that SMEs are not only effectively competing against multinationals but they also respond faster to the changes in the global marketplace as they possess the ability to transform and innovate easily. (The Global SME Mindset 2013.)

In the EU, SMEs i.e. firms with a maximum of 250 employees represent about 99% of all firms. Both LSEs and SMEs go through a mental process in order to develop their global marketing plan; however, the decisions concerning a marketing strategy are usually taken in a less systematized and more informal way when it comes to SMEs. The convergence of the approaches described by Hollensen in the two categories of enterprises can be partly attributed to the downsizing of LSEs to a confederation of smaller, more autonomous, action-oriented companies. Nevertheless, some researchers have argued that firm size is not related to export intensity and others have said that SMEs as exporters do not necessarily behave as a homogeneous group. (Hollensen 2014, 6-7.)
Both Hollensen (2014, 7) and Kotler et al. (2013, 577-586) suggest a five-stage decision model in global marketing; stage 1 concerns the decision on whether to internationalize; stage 2 is related with the decision on which markets to enter; stage 3 discusses market entry strategies; stage 4 talks about how to design the global marketing programme and which path to take; and stage 5 covers the implementation and coordination of the programme. Kotler et al. (2013, 587) especially stress the importance of the firm eventually becoming a truly global organization. Global organizations take a holistic outlook regarding their operations. They recruit management from different countries therefore, their executives are global citizens trained in worldwide operations. The company consciously builds a culture of global mobility and views the world as a single borderless market.

In general terms, internationalization occurs whenever a firm decides to implement a foreign expansion project whether that concerns production, R&D, or selling, etc. A combination of factors both internal and external can trigger the internationalization process; governments, trade associations, chambers of commerce and other export production organizations are just some of the external triggers of internationalization as they provide incentives for enterprises to engage in global marketing. (Hollensen 2014, 53-64.) Furthermore, internationalization was originally discussed in the spectrum of foreign direct investment (FDI) and/ or exporting as well as joint venturing with commitment, risk, control and profit potential equal to each strategy. Nowadays, much of the focus of the internationalization process is on networks and the relationships a firm has with its customers and other actors. Especially for SMEs, the internationalization process is usually more discrete; each internationalization venture is viewed as a distinct and individual operation. (Hollensen 2014, 53; Kotler et al. 2013, 579.) Moreover, globalization does not necessarily require SMEs to operate in a dozen countries worldwide but they can instead practice global niching. (Kotler et al. 2013, 570.)

Global marketing’s definition by Hollensen (2014, 21) is based on Jobber’s (2010, in Raj et al. 2013, 209) definition of marketing: “Global marketing is the firm’s commit-
ment to coordinate its marketing activities across national boundaries in order to find and satisfy global customer needs better than the competition.”

The global marketing strategy is heavily depended upon the “think globally, act locally” mantra or otherwise the “glocalization framework”. The framework suggests that the combination of local flexibility and the knowledge gained from experiences in other markets is the key to sustainable competitiveness. However, collaborative cross-cultural learning is strategic in order to avoid frictions and in order to deal with resistance. (Hollensen 2014, 22.) As Kotler et al. (2013, 576) propose, the understanding of cultural traditions and consumer patterns, behaviours and preferences in the target market can help the firm capitalize on cross-cultural opportunities. Driven by the debate around the impact of marketing strategy on cultures and inspired by T. Friedman’s writings, Kotler et al. (2013, 577) observe: “Globalization is a two-way street. If globalization has Mickey Mouse ears, it is also wearing a French beret, talking on a Nokia mobile phone, buying furniture at Ikea, driving a Toyota Camry and watching England play cricket on a Samsung plasma TV.”

With Pine and Gilmore’s (1998) Experience Economy theory in mind, Hollensen (2014, 37) also discusses the idea of global experiential marketing whereby memorable events (Pine & Gilmore, 1998) are born through customer experiences; the latter being a combination of products and services, a product-service proposition that is, designed so as to result in customer engagement which in turn leads to the co-creation of value between enterprisers and consumers. Experiential marketing is a growing trend in almost every sector of the global economy and the co-created experience of the consumer finally becomes the point of departure for marketing. Hollensen (2014, 37-38) elaborates on the concept relying upon the work of Pine and Gilmore (1998) and explains that experiences can be thought of across two bi-polar constructs. The involvement/participation dimension where at one end, the consumer’s level of interactivity is low and the participation rather passive whereas the other end is characterized by active participation. Similarly, the intensity/connection dimension refers to the strength of feeling and connection towards the interaction. This notion correlates in principle with Kotler’s idea of “marketing myopia” mentioned in the beginning of this section.
and is the predominant approach to marketing today whether in the context of a local or “glocal” strategy.

3.1.1 Business-to-business marketing

Vargo and Lusch (2010), based on Plato’s (360 B.C./1930) contention as to what constitutes a state as that is described in his work The Republic, zoom out –with their “linguistic telescope” as they say– to take a good look at the globally interdependent world and realize that “It’s all B2B”. On a more philosophical level, Plato (360 B.C./1930) discusses the synergistic nature and desire of mutual well-being which characterize economic and/ or business exchange or any type of exchange for that matter. Today, more than 2000 years later, Vargo and Lusch (2010) claim that all parties which engage in economic exchange, whether enterprises, consumers or households, have a common purpose: to create and co-create value. Thus, everyone is an actor and the term consumer which denotes a somewhat passive attitude, should be discarded. In terms of semantics, consumers are also enterprising entities as they create and contribute rather than just use. (Vargo & Lusch 2010.)

Contrary to the above, Brennan, Canning and McDowell (2010, 5-19, 37-38) make a distinction between consumer markets and business markets, basically, on the premise that buyer power in business markets can be much greater. Structural differences in the nature of the two markets dictate the marketing practice and drive purchase behaviour. One can argue however, that the organizational buying process bears many similarities to the consumer’s decision-making process. Some of the differences between the two markets as presented by Ellis (2011, 37-39) are the number of buyers, the size and value of orders and the evaluating criteria. For example, in organizational buying the number of buyers are usually smaller than those in consumer buying, the value of orders is higher and the size larger. Also, the evaluation criteria are based on more objective parameters than those in consumer buying such as price and utility.

The B2C buying process is often perceived as “emotional” yet that is not always the case (Ellis 2011, 36). Cova and Salle (2008) claim that there is a growing convergence between B2C and B2B marketing. More specifically, in their paper on the dichotomy
between industrial or B2B marketing and consumer B2C marketing, Cova and Salle (2008) emphasize on the findings of the Consumer Culture Theory (CCT) research which almost nullifies the major differences between the two marketing approaches.

3.2 The Meta-luxury paradigm

In the global market today, there is a vast number of companies and brands which claim to offer luxurious products. These companies belong to different fields, have different business models, different target markets and naturally, their offerings are different. A hotel might fall into the luxurious category; so might a fashion item or a wristwatch, a bottle of wine, a delicacy or a piece of jewellery among others. Products and brands are being constantly labelled as luxurious, unique, exclusive, authentic, artisanal, and so on. The subsequent question is: can luxury be categorized, does it grade? Are the terms “premium” and “exclusive” synonymous with luxurious? Is “accessible luxury” an oxymoron? An inevitable deduction could be that the word “luxury”, as in “luxury brand” for example, has become relative and ambiguous, with various connotations and has, ultimately, lost its original weight and meaning. It seems more like a catchword or an attempt to position the brand in the market. (Ricca & Robins 2012, ix-5.)

“The term “luxury” has been overexposed, overstretched, deformed and diluted, and as a result is now worn out beyond recovery.” (Ricca & Robins 2012, 3.)

As markets are evolving and the context shifts, especially since the economic crisis of 2008, we need another way to articulate luxury or more precisely, we need to re-define the concept of luxury. Meta-luxury seeks to establish a culture of excellence away from the stereotypes and clichés of luxury as we perceive it. Based on the Greek word “meta” which means “after” and inspired by the title of one of Aristotle’s philosophical works, the term meta-luxury deals with luxury beyond luxury. (Ricca & Robins 2012, 1-5.)
“Meta-luxury is an enterprise paradigm based on knowledge, purpose and the pursuit of timelessness, ultimately embodied in a unique achievement.” (Ricca & Robins 2012, 10.)

Considering the definition of meta-luxury, we could ask ourselves how many brands today rely upon distinctive knowledge; how many enterprises pursue a purpose that extends beyond their commercial performance; and how many brands represent a timeless, unique achievement. Only some of the so-called luxury brands do so and it is there where the difference lies between luxury and meta-luxury; luxury being a self-proclaimed status with little and often unclear associations and meta-luxury being an endless and restless pursuit of a unique achievement. (Ricca & Robins 2012, 10.)

As an approach, philosophy and culture, meta-luxury can be found in brands where knowledge and talent are intrinsic, where discovery and depth are the focal points and where the results reflect meaning. (Ricca & Robins 2012, 10-11.) The meta-luxury concept is in accord with Sinek’s (2011) theory of the Golden Circle which suggests that enterprises should communicate the meaning of their activities i.e. why they do what they do, because, based on the tenets of biology, that is what drives the decision-making process. Decision-making just like emotion, takes place in the middle sections of the human brain called the limbic system. It is the amygdala in particular within the limbic system i.e. the emotional, unconscious part of the brain, which reacts to the why, the meaning of a brand; in other words, it is the meaning of the brand that inspires people and steers consumer behaviour. (Sinek 2011.)

Meta-luxury is in fact and should be perceived as a sustainable business model which in turn makes the concept more tangible and concrete. With meta-luxury brands, economic success is not the chief objective but more of a consequence of the enterprise’s mission to reach a unique achievement. Meta-luxury brands deliver value through their ethos, mission, reputation, knowledge, nurtured talent and skills. As a result of their uniqueness they cannot be easily substituted and thus, they control demand. It is the brand’s DNA that makes them relevant, sustains their growth and positions them in the market. Also, it is the meta-luxury brand which drives the business and not the
other way round; it is due to this differentiation that the meta-luxury business model provides a solid strategic brand management platform. What is more, this very distinction between the traditional luxury and meta-luxury business models can secure the business’s sustainability and seamlessly connect culture and long-term business performance. (Ricca & Robins 2012, 12-14.)

3.2.1 The pillars of Meta-luxury

Meta-luxury as opposed to traditional luxury is not a question of what or how we buy but why we buy. The meta-luxury brand encapsulates excellence not only as a qualitative result but excellence as a culture. There are four characteristics that define a meta-luxury brand and through which economic value is ultimately created. (Ricca & Robins 2012, 23-24.)

The first pillar is *Craftsmanship* which embodies both expertise and commitment often passed on from one generation to another. Tradition, knowledge and skills, innovation, individual expression and above all purpose are all connected to craftsmanship which is a fundamental driver of demand and as such it generates long-term economic value. Tradition is not at odds with innovation; on the contrary, it is the human desire for innovation that moulds and strengthens tradition. Furthermore, craftsmanship is a form of indirect customization, addressing the active individual and not the passive consumer which is often a mere unit within the market share. (Ricca & Robins 2012, 39-45.) Atsmon, Dixit and Wu (2011, 5) in their article on China’s luxury-goods market claim that a considerable amount of the allure of luxury for the Chinese audience stems from the mere opportunity to share the rich cultural heritage associated with a brand and therefore, brands that promote their history and craftsmanship have become popular among Chinese luxury consumers. *Craftsmanship* can be defined as “the creation of individual objects that are unique and non-substitutable due to tangible and intangible, rational and emotional qualities deriving from the predominant use of human judgement, skills and techniques in their conception and execution”. (Ricca & Robins 2012, 47.)
The second pillar of meta-luxury is Focus which again derives from and is tied to purpose, depth (instead of breadth) and the notion of specialization. Focus is defined as “the deliberate limitation of scope over time to a field where proven excellence can be further pursued and an unblemished reputation protected”. In contrast, to a considerable degree at least, to the concept of brand extension which was a popular trend among traditional luxury brands until perhaps the crisis of 2008, focus as a meta-luxury brand pillar attracts customers who seek authentic knowledge and expertise and are willing to reward the brand accordingly. A less focused, more diversified brand might enjoy short-term gains but will have to face, inevitably, the dilution of the brand and thus, face competition. This pillar of meta-luxury is the most important and the one that sets apart traditional luxury and meta-luxury brands. (Ricca & Robins 2012, 70-88.)

Knowledge, constant evolution, influence, longevity and the act of remaining relevant over time constitute the third pillar which is History. The word “history” derives from the Greek word “(h)istoria” which primarily means “story”; the meta-luxury brand has its own story about its heritage and journey through time which is what inspires the brand’s global consumer and by sharing it the brand allows him to partake in that journey and establish a relationship with the brand. Moreover, meta-luxury brands shape national and cultural identity e.g. in the case of Switzerland brands such as Vacheron Constantin and Patek Philippe have established the country as the centre of excellence in terms of watchmaking. History, however, does not suggest that a brand needs to be necessarily old; it reflects the brand’s ability to influence, leave a mark and embrace change. History is defined as “a sense of eternity, stemming from a brand’s ability to remain constantly relevant by perpetually embodying its own past and future”. (Ricca & Robins 2012, 107-124.)

The fourth and final pillar of meta-luxury is the idea of Rarity. This pillar refers to the limitations on capacity imposed by quality requirements, in other words it reflects the time and effort put in the making of a final product. Rarity is not connected to the high price of a product but rather to the uniqueness of the brand. Price is a consequence of individualization, personalization and risk. Some brands uphold the pillar of rarity by producing a limited number of pieces whereas others do so by delivering singular crea-
tions. Finally, Rarity is defined as “the limited accessibility imposed by intrinsic value, ultimately making demand subject to discovery and affordability, both economic and intellectual”. (Ricca & Robins 2012, 141-154.)

Meta-luxury as a culture, a business philosophy and model concentrates on risk mitigation and continuity in demand rather than maximizing returns; in other words, it is a sustainable business approach that targets long-term growth versus short-term economic flows and it does so by preserving and developing the most valuable asset, the brand itself. All four pillars of the meta-luxury brand -history, craftsmanship, rarity and focus- are de facto risk averting parameters and profits are a means to sustain the pursuit of excellence. (Ricca & Robins 2012, 168-188.)

Ricca and Robins (2012) in their book or manifesto of Meta-luxury suggest that in the category of meta-luxury brands belong only the very exclusive, superior, beyond everyday life brands and products. Some of the case studies the experts present in their book include the Pagani Automobili cars, the zai ski equipment and the Fazioli pianos. However, the author of this thesis strongly believes that the meta-luxury notion or concept can be used to characterize and distinguish less exclusive and premium brands such as the ones that took part in the Piemonte project in Finland. The reason for this belief stems from the fact that all eleven Italian companies share a common denominator, a culture of excellence. They strive to create a sustainable, unique offering through knowledge, innovation and commitment. Moreover, they manage to challenge the status quo while respecting and honouring tradition and craftsmanship. All eleven brands communicate the meaning of their ventures and endeavours that is why they do what they do. If these brands do not fall into the category of traditional luxury for the reasons we have already explained in the beginning of this section and if they do not qualify based on the four pillars as meta-luxury brands, how do we categorize and brand them?

3.3 Event management

What is an event? Do all people share the same perception regarding the rudimentary elements an event should encompass? According to the New Oxford Dictionary of
English (1998), the term derives from the Latin word “eventus” which in turn stems from “evenire” and which means “to result, happen”. An event is both a happening and an outcome. Therefore, it might not be far-fetched or perhaps too philosophical to claim that almost everything that happens around us and imposes a transformation, whether positive or negative, is an event. (Preston 2012, 14-15.)

According to Preston (2012, 13-15) and while he discusses the Pine & Gilmore (1998) experience economy principle, human consumption is based upon the very need of transformation and the power of events lies in that they facilitate that transition. Similarly with Pine & Gilmore (1998), Preston (2012, 13-15) claims that society is moving away from the mere acquisition of goods by now investing in memories and memorable experiences and that planned events can primarily offer such rich and powerful graphic memories. Although Preston (2012, 13) is somewhat critical to the experience economy proposition in terms of its originality could we, however, attempt to argue that if this premise is mostly valid, that is if the world has indeed shifted from the service economy to the experience economy and if events do facilitate experiences as stated above, both brand marketers and businesses have a powerful and indispensable tool in their hands? (Preston 2012, 9-13.)

Events are unique, temporary incidents which are serving a purpose and which, most of the time, refer to gatherings of people. (Bladen, Kennell, Abson & Wilde 2012, 3.) As such gatherings, their variety and diversity is great thus, it is necessary to categorize them and identify their differences although it is often so that categories overlap. (Preston 2012, 17-18.) Nowadays, there are social events often requiring professional event management such as weddings and jubilees. On the other hand, there are various events in the corporate world related to both external and internal marketing strategies. Moreover, there are conventions, expositions and entertainment events such as festivals as well as events related to the work of associations or events of religious nature. What is more, there are virtual events via video-conferencing for example and even non-participatory events which usually support a cause and whereby people are called to participate emotionally as opposed to having a physical presence during the initiative. (Preston 2012, 17-21.)
Sometime in the 8th century BC, at the beautiful site of Ancient Olympia, the Greeks, in order to honour Zeus, the father of all gods, would organize every four years an athletic event known until today as the Olympic Games. Sometime later, in ca. AD 80, other types of events such as gladiatorial shows would take place at the Colosseum in Italy, one of the greatest architectural structures of the Roman Empire. (Preston 2012, xiii.) Based on the historical indications above and setting aside the fact that events span over all aspects of life, from birth to death and everywhere in between, we can safely plead that events are nothing close to a novel concept and what is more, they have lasted through time. We have been planning, implementing and promoting events for quite a while now. (Preston 2012, xiv.)

But how do we get from mere event planning and promotion to the point of scrutinizing the merits and perils of strategic event marketing? What is strategic event marketing after all? Hoyle (2002, xi-xii) captures the essence of the marketing discipline and ascribes its success or failure in the following couplet by Goethe: “Whatever you can do, or dream you can, begin it. Boldness has genius, power and magic in it!” As per Hoyle (2002, xi-xii) it is the commitment to one’s goal expressed through those lines that spawns excitement, creativity and infectious enthusiasm, the very elements of events. Preston (2012, xv-xvii) agrees that these attributes described by Hoyle are the requirements for a successful planned event which will then produce experiences and memories. In addition, Hoyle (2002, xvii-xviii) argues that marketing should be incorporated at the launch of the planning process in order for it to reflect and facilitate the goals of the event. Preston (2012, 2) supports and enhances this holistic approach whereby event marketing is considered an intrinsic part of event planning and management and is integrated to the process from an early stage. Moreover, he refers to strategic event marketing as a risk reduction mechanism; the ultimate intention of strategic event marketing as well as its raison d’être is to successfully reach the objectives of the event, stand out in the fiercely competitive modern environment and minimize the risk of a negative outcome. (Preston 2012, xii-xiii.)
Hoyle (2002, in Preston 2012, xii) has also, brilliantly elaborated on the role of the event planner and marketer: “You are in the business of brain surgery. Not as a medical doctor but as a modifier of minds. You will make people happy through celebrations; make them smarter through education; make them collaborate through interaction; make them conciliate through arbitration; make them profit through motivation… It’s a people business. If you are doing your job right, you are modifying minds and fulfilling dreams”.

Let us examine in more detail the various aspects of strategic event marketing relevant to our proposition.

3.3.1 Event marketing

Raj et al. (2013, 210) define event marketing as follows: “Event marketing is a management process to achieve the objectives of an organization through identifying and meeting the needs of the customers who attend an event”.

According to Preston (2012, 4-25), the role of events is dual and that very fact raises a “chicken and egg” dilemma. An event is a product in itself but it is also a medium, a channel to create awareness, market an offering as well as disseminate the essence of the brand. Therefore, it is significant for event marketers to keep this duality in mind with a view to maximize the benefits for both organizers and attendees alike. In a nutshell, Preston (2012, 2) says that “strategic event marketing is doing the right thing and letting people know you are doing the right thing”.

Events are thought of, justifiably, as an integral part of the marketing mix (Preston 2012, 6-8). Ferdinand and Kitchin (2012, 113-132) elaborate on the peculiarities of event marketing and compare events to services; likewise services, events are intangible as they cannot be experienced beforehand and perishable as they cannot be offered or sold at a later date. In addition, events are inseparable from the people who produce them and highly prone to variation as they rely on people for their delivery. Due to the unique qualities of events, Ferdinand and Kitchin (2012, 122) suggest the use of alternative marketing mixes such as the 5Ps marketing mix established by Hoyle (2002, 12-
which substitutes promotion (many events are promotional activities themselves) with positioning and public relations. What is more, Ferdinand and Kitchin (2012, 125) claim that in the aftermath of the financial crisis of 2008 events have proven to be resilient and a cost-effective alternative for businesses to efficiently promote their offerings and position their brands.

Bladen et al. (2012, 56-57) see events as designed, packaged experiences and a part of the growing experience economy (Pine & Gilmore 1998). Therefore, they propose that the designers of event experiences should follow a process of blueprinting. The idea of blueprinting was first applied by Zeithaml et al. (2006) in the context of service design (Bladen et al. 2012, 69). This corresponds with Ferdinand and Kitchin’s (2012, 115) approach which suggests that events share common qualities with services. The event blueprint should include all the experiences designed for the attendees through each stage of the event and it should also address the level of attendee participation. (Bladen et al. 2012, 69)

Here, Bladen et al. (2012, 69-70) –in the same vein with Hollensen (2014, 37-38) when he discusses the topic of global experiential marketing– propose an adaptation of Pine and Gilmore’s (1999) “experience realm” which ranges from passive to active participation and from attendee absorption to attendee immersion. Bladen et al. (2012, 71-75) also discuss event attendee psychology and the importance of the sensory experience. The event experience should appeal to the participants’ senses and emotions. Finally, Bladen et al. (2012, 163) reflect on Bowdin et al.’s (2011) definition of event marketing which suggests that every event should be regarded as “special” with its very own marketing plan. Entertainment, excitement and enterprise, the 3Es of event marketing as described by Hoyle (2002) are still seen by Bladen et al. (2012, 163) as the pivotal ingredients of the event experience. Each participant not only wishes to be entertained and feel excitement during an event but also looks forward to an element of enterprise or innovation.

While discussing the intangibility of events, Raj et al. (2013, 215) claim that the brand image of an event, among other factors such as marketing material, etc., will play a role in terms of the customers’ expectations. As events are interactive, targeted experiences they belong to the realm of experiential marketing according to Raj et al. (2013, 229-
Lanier and Hampton (2009, in Raj et al. 2013, 230) define experiential marketing as “the strategy of creating and staging offerings for the purpose of facilitating memorable customer experiences”. Raj et al. (2013, 230) explain that as per Lanier and Hampton (2009) brand experiences should provide “added value” and not be a mere spectacle.
4 The Piemonte Project in Finland

This section is an account of the “Piemonte Creative Industries Design + Luxury” project in Helsinki, Finland. The chapter is divided into two phases: Phase 1 – planning & preparation and Phase 2 – actual events. Furthermore, phase 1 is subdivided into the market research stage which took place during the early stages of the project and into the event planning and management stage.

4.1 Phase 1 – planning & preparation

Preceding the “Piemonte Creative Industries” events, a preparatory phase which lasted over three months took place in Helsinki and was handled for its greatest part by Italchamber Finland and the association’s Secretary General in the role of project manager. However, the Finnish-Italian Chamber of Commerce would systematically communicate its findings and progress to CEIPIEMONTE and would request for the Agency’s input. The Piemonte Agency on the other hand, provided insight and support to the eleven brands prior to their arrival in Finland. The project management process was an efficacious and harmonious coalition between the two entities.

The preparatory phase of the project was compartmentalized into two main categories: 1. event(s) planning and management and 2. market research. The Italchamber team consisted of the Secretary General, Mrs. Beatrice Dionisi, designer, Mrs. Paola Garatto and the author.

4.1.1 Market research

In March 2013, Italchamber Finland started to conduct preliminary research into the Finnish market. The research pertained to the relevant sectors discussed above; namely the textile, homeware & home accessories retail business, the catering and Ho.Re.Ca. sector, the jewellery and object design fields, etc. Several firms, shop owners, museum boutiques, importers, distributors and designers were contacted in order to determine the level of interest towards the particular Italian brands in Finland. Based on the findings of that preliminary market research, a tentative list of all potential partners was
drafted and sent to CEIPIEMONTE which in turn informed the Italian companies in question.

Once the list was studied and approved by each firm in Italy, the Chamber of Commerce proceeded with arranging a series of meetings between potential partners and the Italian entrepreneurs. The meetings on the agenda would take place during the business-to-business workshop which was decided to happen on 21st of May, 2013.

During the market research stage, the Finnish firms that were selected based on their line of business and interest in a possible partnership with any of the Italian participants, were provided with a company profile and other information relevant to the manufacturing processes, nature of materials, pricing, shipping costs, etc. The company profiles were designed by the Torino Chamber of Commerce and CEIPIEMONTE and the original purpose of the profile was its internal use between the aforementioned organizations. Every company profile served as a questionnaire and a tool to pinpoint the various interests and needs of each enterprise and assist in an internal evaluation and selection process. For a potential external partner, the company profile was particularly useful as it included, first of all, basic company information such as address, telephone, email, website address, contact person and languages spoken by the company representative(s). Secondly and more importantly, it provided information on the sector of activity, number of employees, nominal capital and turnover as well as the percentage (% turnover) of import and export of the firm. It also, stated whether the company operated or not in a foreign market(s) at the time, the kind of activity the firm was engaged to, if the answer was affirmative, along with the geographical area of activity. In addition, the profile of each enterprise involved a list of the most important company product lines as well as a brief description of the products and/ or services and their applications. Moreover, the aim of the company and what the brand hoped to succeed through the co-operation with a foreign partner were described as well as the ideal profile of the required partner. Last but not least, an analytical typology concerning the type of the co-operation request was present in the profile; the classification was based on the nature of the co-operation i.e. technical, commercial or financial with defined parameters found under each section (attachment 1).
At the end of this phase, a plethora of Finnish firms was contacted as the exact number remains unknown. In total, three individuals were responsible for the market research including the author. Much of the research, especially in early stages, was of exploratory nature. As the project evolved, appointments were added to the schedule and in the end more than 40 local firms took part in the B2B workshop. For business discretion purposes, the paper will refrain from sharing the names of the local companies that participated to the event.

4.1.2 Event planning and management

During April 2013, plans for the actualization of the two separate yet intertwined events commenced. After several options were considered and various offers were obtained, Klaus K hotel’s banqueting facilities were selected as the venue for the B2B workshop, mainly for the convenience of the location. Many of the Italian entrepreneurs would stay at the specific hotel during their visit or in other hotels in close proximity and within walking distance thus, transportation arrangements would not be required.

The timing and overall schedule of the event was set and practical as well as technical details were discussed with the hotel management. As hotels throughout the world usually have standardized procedures in terms of event hosting, the course of action was relatively straightforward. Practicalities however, such as room set-up, wardrobe and coffee service were agreed upon at an early stage based on the amount of participants. In spite of extensive communication with the hotel, certain issues arose during the event that will be discussed in the next section. The hall that was booked for the “Piemonte Creative Industries” B2B workshop was the Rake-Sali at the Klaus K design hotel which is situated in downtown Helsinki. Invitations were sent electronically (attachment 2).

While the purpose of the B2B workshop was to introduce various innovative Italian firms and their products to the Finnish market with the target of establishing business co-operations, the objective of the Piemonte dinner party-event was twofold; to pro-
mote the Piemonte region and its products in Finland as well as to convey the values of the Italian culture to a wider audience. This ambitious undertaking was visualized through the creative skill of well-known Finnish designer, Mr. Ilkka Suppanen who provided an innovative dinner concept and cared for the aesthetic aspect of the event. Moreover, the Piemonte dinner would be held with the patronage of the Italian Embassy in Finland.

Skanno Showroom which represents several Italian furniture brands was appointed as the venue for the Piemonte dinner party. The Showroom is conveniently located few meters away from the Klaus K hotel and there would be two hours of free time between the workshop and the dinner. Much of the dinner’s success can be attributed to the valuable help of Skanno’s owner and CEO at the time, Mrs. Barbara Roos and her inventive colleagues. Today, Skanno Showroom operates in a smaller space albeit at the same address.

As stated above, the event would be materialized under the artistic direction of Mr. Ilkka Suppanen. Studio Suppanen created a plan which described each step of the concept: 9 oblong tables and matching benches would be arranged in a way that 72 people would be able to be seated. Once all guests would be seated, a designated ambassador would ring a bell that would signify the beginning of a moving process; all seated guests would be required to move one seat to the right. The seating would be arranged with name tags and in such way that Finnish and Italian participants would be mixed; no two Finns or two Italians would be next to each other. At the same time, a three-course dinner would be served on an ongoing basis. During the overall duration of the dinner that was estimated to last 3 hours, each Italian company would give a 2-minute presentation at regular intervals. Particular attention would be paid on the décor of the physical space. The tables would be covered with tablecloths provided by the textile companies involved in the project; each table would have a different tablecloth in order to showcase different patterns and tell the story behind every firm. The Piemonte products would be the focal point in the middle of the tables. Additionally, a textile presentation would be arranged; as Skanno was equipped with large tables with drawers used as cutting areas for textiles, this part of the Showroom was ideal for this pur-
pose. One of the tables would be made to look like a bed in order to display a bed linen collection and the other one would be filled with cushions, 35 in number (attachment 3).

This unique dinner concept required several visits to Studio Suppanen and Skanno Showroom which were conducted by Italchamber staff at the time, including the author. The Italchamber team was reinforced considerably when CEIPIEMONTE’s Design, Interiors and style division’s manager, Mrs. Patrizia Ludi and consultant, Mr. Alberto Pessino arrived in Finland in time for the events. Most of the planning of the final touches took place a few days before the event and with the help of Mrs. Ludi. The catering of the dinner was assigned to Pore catering company and was prepared in collaboration with an Italian Chef hired for the occasion. Skanno had a kitchen facility which was available and could be used during the event and tables and benches were ordered from an external source. Mrs. Ludi was the person chiefly in contact with the catering agency and sessions were held in Skanno with Pore’s manager to ensure that all details were taken care of prior to the event.

The guest list of the dinner party covered industrial and interior designers, architects, hotel managing directors, entrepreneurs, importers, ambassadors, editors and bloggers. Invitations to the Piemonte dinner guests were sent by regular mail (attachment 4) and Italchamber Finland was responsible for all event communications.

4.2 Phase 2 – events

This part of the paper discusses the actual events and their outcome.

4.2.1 B2B Workshop

The “Piemonte Creative Industries” Business-to-Business Workshop took place on Tuesday, 21st May 2013. Meetings started at 10.00 and lasted until 17.00. The room was set up with rotunda tables where each company had its product samples and material on display and where company representatives could attend to the workshop participants. The Italian companies had prepared their “work stations” several hours to the
event. Unfortunately, Gelati Pepino’s cold pastry products could not be delivered on time due to logistical hurdles.

The Bava wine estate had a special table set-up with wine coolers, ice and spittoons whereby alcohol could be tasted. This particular idea created an issue in the beginning of the workshop as Finland has strict regulations concerning the consumption of alcohol. All alcoholic beverages have to be accompanied by an invoice if they are to be consumed in a setting like the one described here. As the Bava wines had been shipped to Finland during the previous days and stored at the premises of the Italian Embassy, the commercial attaché had to provide the invoices concerning the import of the beverages to the hotel management. Fortunately, the problem was solved swiftly due to the immediate intervention of the Embassy staff.

As the entrepreneurs and representatives of local companies arrived, they were welcomed by Italchamber and CEIPIEMONTE staff and directed to their appointments. Coffee, tea and cake assortments were available during the entire period of the workshop and a presentation made especially for the needs of the workshop was shown on the screen that was inside the hall.

As the workshop exceeded the timeframe agreed with the hotel by 30 minutes, the organizing party was faced with another issue; the event had to be extended by an hour and estimated costs were surpassed to contingency levels.

Despite minor incidents, the workshop was an absolute success and everyone seemed to be on a good mood. It was business as usual. Meetings were arranged by Italchamber for some of the companies also externally; that is at local shops or offices. Several meetings took place on the next day and even in Tallinn, Estonia. The total number of meetings in Helsinki was 66.

### 4.2.2 Piemonte Dinner

The evening presentation/light dinner was programmed to start at 19.00. Skanno showroom had prepared their space so that the tables and benches which were or-
ordered previously and delivered to the showroom could be arranged according to plan. Mr. Suppanen and CEIPIEMONTE’s team together with Skanno staff took care of the interior decoration and managed the preparation of the event.

Catering was in place and the reception desk of Skanno was turned into a standing bar serving Vermouth-based aperitifs courtesy of Bava winery. The Piemonte products that were at the workshop earlier had now been transferred and placed beautifully around the showroom. The textile presentation area had been assembled and the showroom was filled with the aromas of the Italian earth. What is more, there was a beautiful lady model at the showroom wearing the creations of the three jewellery firms, one set at a time.

A total of 32 guests, excluding Italchamber, CEIPIEMONTE, Studio Suppanen and Skanno staff members as well as the agents of the Italian brands, were present at the dinner. This guest list included shop owners, importers, interior designers, hospitality professionals, diplomats and media representatives. The complete number of people who attended the dinner was more than 70.

His Excellency G. Visetti, the Italian Ambassador, opened the event by welcoming the guests and Mr. Ilkka Suppanen provided a brief explanation of the dinner concept. Mr. Suppanen was also the designated host who would ring the bell for the moving process to begin. The atmosphere was relaxed and positive.

The guests showed no difficulty in carrying out and supporting the concept and everyone was conversing with the person opposite or next to them. Conversations were interrupted by the occasional ring of the bell which signalled the change of position. The menu included authentic Italian dishes such as risotto and the festive, well-known Piedmontese “vitello tonnato” (veal with tuna sauce) in small, carefully prepared portions that were being served continuously. Prosciutto and other cured meats were used as starters and Bava wines accompanied each course. Panna cotta was served as dessert.
Short speeches were held by each Italian firm and the audience was warm. The multi-sensory dinner experience was a success as all the guests had the time to become acquainted and talk to each other as well as touch and feel the products in display and enjoy a genial atmosphere.
5 Evaluation

This final part of the paper is an attempt to assess the “Piemonte Creative Industries” project in Helsinki and draw some conclusions. The following paragraphs include the 3rd phase of the project that is the follow-up process as well as a more general discussion based on the outcome of the project. Several suggestions and other considerations for future undertakings of similar nature are provided and discussed at the end.

5.1 Phase 3 – follow-up

Feedback regarding both events has been particularly positive. The follow-up process is still open until today, a year later. Similar types of events have been planned and implemented by the organizations mentioned in this paper since then, often based on the groundwork laid by the Piemonte project and new ideas have emerged through the spirit of collaboration.

Many of the Italian companies established some form of business exchange and cooperation with Finnish firms and institutions while one of them now distributes its products also in Estonia. Some partnerships were initiated during the workshop while others evolved on a later stage. Nonetheless, transportation costs which would increase the final price have been an impediment for some of the Italian firms to enter the market. In other situations, the brand has been perceived as too exclusive and/ or expensive, intended only to a niche market.

Both events however, offered visibility to the Italian companies as well as to the Piemonte region and its products in an international marketplace context. On the premise that the firms discussed here form a cross-sector entity, one can argue that this project as a marketing strategy has enhanced the entity’s internationalization process considerably. As the saying goes: “Rome was not build in a day”.
5.2 Conclusion

The global market is a reality we have to face with all the challenges it brings along. However, we should not overlook the fact that globalization also entails opportunities, often hidden ones. Despite the ongoing economic uncertainty, international trade is expected to grow steadily in the years to come and companies that opt to operate on a strictly domestic level might gradually become irrelevant. Competition is fiercer than ever yet SMEs have potential and the power to antagonize LSEs in the global marketplace as long as they realize their “group dynamics”. Governmental organizations and other public bodies can guide and assist them in their efforts to internationalize. It is of particular significance for any company which decides to participate in a project like the one described in this paper to capitalize on the cross-cultural learning that the global experience can offer and as a consequence, make the necessary adjustments to their operations. The field of global marketing as well as the CCT marketing school of thought can help firms gain insight into the mechanisms of a single market, understand current consumption patterns and foresee future trends. Moreover, those brands that invest in a culture of excellence through knowledge, purpose and commitment will eventually stand out making competition less pertinent. Perhaps, the meta-luxury paradigm discussed earlier in the paper is not applicable to less focused brands however, it is indicative of a major market shift to quality and meaning and that is a factor to be considered by every firm. The meta-luxury concept also verifies and enhances the idea of brand communities; consumers interpret products and brands in the frame of a consumer identity project. In what way and how quickly do firms respond to such a shift in consumption?

Events can help companies introduce their products in new markets but they can also help the brands to make a connection and establish a rapport with a new audience. Cross-sector internationalization projects, like “Piemonte Creative Industries”, which are of a synergistic nature can offer a platform whereby a brand is seen through the prism of a larger entity. This, however, can also pose a risk in the case where brands do not share the same culture and values and where contradicting elements among different brands create confusion. It is the role of agencies like CEIPIEMONTE for example to recognize the need of alignment and emphasize on the idea of shared values and
objectives among brands in the early stages of an internationalization project so as to make sure that a trade mission possesses certain common characteristics and transpires a uniform business culture. Due to their duality, events in general offer numerous opportunities to marketers and should be used effectively. As we can see by analysing the Piemonte project, these particular events played an additional role, that of the brand ambassador of the Piemonte region and Italy as a whole. It could be safe to claim that such type of events have many layers and function on various levels. What is more, SMEs should understand the potential of this type of marketing alliances and make full use of the opportunities they can offer in a proactive manner. It is also, important for firms wishing to internationalize to make the right choices regarding their co-operations and strategic decisions. Participation to a trade mission or marketing project that does not reflect the values and image of the brand should be avoided.

It is a fact that there are easier tasks than that of breaking into a new market. Cultural differences, lack of knowledge, high costs, lack of a substantial network and often many other, practical matters such as distance, logistics, etc., can deter a firm of taking such a step. By joining an alliance such as the one described here offers the firm a support system that can alleviate stress and minimize risk. In many cases, as in the case of Piemonte, the incentives are quite strong. We can also, clearly see that the region itself has cultivated a culture of extroversion, entrepreneurship and competitiveness something that is lacking in other regions and countries. Public policy towards extroversion is much needed yet it is often so that entrepreneurs tend to underestimate what an ally the public sector can be. Lack of access to necessary finance is often an impediment for SMEs, as opposed to LSEs, as an internationalization process incurs costs. As we saw from the “Piemonte Creative Industries” project participation and services are free of charge. Having said that, by no means should enterprises rely entirely upon public initiatives and assistance.

Perhaps, the most important points to be highlighted in this paper, apart from the need for solidarity and a harmonious relationship between the public and private sector, are the power of collaboration and trust between different business clusters in general as well as the significance for any enterprise of having a clear, solid and viable strategy.
References


