Chapter II

Leveraging the Benefits of Business Clusters: A Branding and Stakeholder Management Framework

Bill Merrilees, Griffith University, Australia
Dale Miller, Griffith University, Australia
Carmel Herington, Griffith University, Australia

Abstract

In terms of managing the cluster, emphasis is given to how the diverging and converging interests of members can be managed. A stakeholder framework is used as a means of theoretically unifying the common interests of group members, which at the same time recognizes that they are independent entities. In terms of marketing the cluster, a key issue addressed in this chapter is branding. Many clusters are obscure with limited awareness. We take the view that precincts of small business clusters need to be branded properly, and we develop a framework in order for this to be done. Branding principles guide this work. The chapter also explores how multiple clusters can be comarketed in one region, generally through e-commerce and specifically through e-malls.
Introduction

Clusters have been defined as “localized accretions of people, infrastructure and finance that, in sum, can develop a world-leading industry capability, not necessarily in the high tech area” (James & Thomson, 2003, p. 44).

Although clusters tend to be industry-based, they are not restricted to industry and can incorporate a range of supporting institutions, including universities, technical colleges, and governments.

An increasing number of authors spell out the importance of clusters. The World Bank, the OECD, and many multilateral organizations are developing cluster-related policies. The following indicates the best-known clusters: “Biela in Italy has a cluster of 200 companies that leads the world in textile weaving. Another cluster of 700 companies in northern Italy makes half of Europe’s socks. Medina, also in Italy, has a high-level sports car cluster that makes all the Ferraris, Lamborghini and Maseratis. Doltan, a town of 45,000 people near Atlanta, Georgia, makes a fairly high percentage of the world’s carpets. Even Hollywood, which occupies only a small section of Los Angeles, is a movie-making cluster. And Silicon Valley, of course, is a software cluster” (James & Thomson, 2003, p. 44).

Other examples can be added to this list. For example, Eng (2004) notes that Cambridge City in England is a British example of Silicon Valley with the largest concentration of high-tech firms in Europe. Although the importance of clusters, especially reflected through the previous well-known international examples, seems evident, the corresponding academic research seems underdeveloped. The research seems to be very fragmented with few seminal studies.

This chapter directly addresses the research gap by analyzing the following two major problems that face clusters: (1) managing the loose alliances in order to maximize synergies across the disparate businesses and (2) marketing/projecting the collective/combined business solutions emanating from different businesses. This chapter develops a conceptual/theoretical framework that addresses these two major issues, thereby contributing to the greater potential success of clusters. We begin with the Australian context followed by an outline of the benefits of clusters.

Australian Context

A useful summary of what is happening in clusters throughout Australia is given by James and Thomson (2003). Examples of the identified industries include aluminium and ferromanganese (Tasmania), water management, defense and advanced electronics, multimedia (South Australia), thoroughbred racehorse breeding (NSW), defense (ACT), oil and defense as the cornerstones of the Australian Marine Complex (Western Australia), Australian Tropical Foods (Queensland), surfing (Victoria) and marine services, mineral processing, and NT Food Group (Northern Territory).
Growth of the Digital Economy
www.igi-global.com/chapter/growth-digital-economy/36101?camid=4v1a