

## Territorial Marketing Applied to Cultural Tourism: Assessment of Cultural Event Impacts

Claudia Ventura<sup>1,a</sup>

<sup>1</sup>Mediterranea University of Reggio Calabria - PAU - Department of Heritage, Architecture, Urban Planning, Via Salita Melissari - 89124, Reggio di Calabria, Italy

<sup>a</sup>claudia.ventura@unirc.it

**Keywords:** Cultural Events, Impacts Evaluation, Marketing, Tourism.

**Abstract.** This paper examines the impact of cultural events such as festivals on tourism development in host territories. Event Marketing and Regional Studies are widely considered disciplines with still uncertain and not fully defined contours. In order to highlight the extent and the relevance of developing researches into these fields, it is proposed here a study able to demonstrate the operational validity of marketing in favour territorial development. Cultural events are able to strengthen the local identity and to enhance the vocational resources, both tangible and intangible, of an area. This paper analyses the event DEAFest as a tool of territorial marketing to increase the competitiveness of the Reggio Calabria's peripheries, becoming a distinctive symbol of the territory. The research work addresses the issues of territorial promotion and analysis of touristic attitude of destinations providing an innovative application of the input-output methodology, used in the economic impact analysis. The results of our study showed that the holistic strategic planning model views the destination planning process as encompassing a number of independent yet interrelated components, as well as a set of methodologies that start from regional approach, engrafting methods of economic evaluation and cultural studies.

### Introduction

The upgrading of tourism is directly linked to re-adaptation processes of supply, as well as to demand and utilization of human resources. The start-up of this research starts from the consideration that tourism is an object of exchange between the territory and the users, both internal and external. Therefore, it seems natural that in order to re-evaluate tourism it is important for territories strategic repositioning to understood as a set of resources, skills, vocations, economic activities, and then to propose an offer on the market as a system of independent actors, referring to available resources and expertise. The territory, or the area which hosts the tourist practice, must be attractive for the market and, comparing to its competitors, it needs to achieve a competitive advantage to ensure a sustainable and constant development [1]. The attractiveness, or the ability to attract, develop and retain key resources and expertise [2], is achieved through actions planned and addressed to re-evaluation, enhancement and repositioning of internal resources and local vocations.

The complexity of the territorial dimension, in fact, appears to prevent the development of a marketing strategy as a result of an explicit act, performed in a given time, by persons specifically identified as exclusive custodians of this function [3].

The systemic approach identifies in the heritage of a region, the development of territorial vocation and the boost of competitiveness as the three main objectives that highlighting different aspects of the same territory through appropriate marketing strategies are able to express the nature of the territory itself that is multi dimensional and multi subjective [4].

In the pursuit of tourism development, the territorial system is central in its entirety: tourism is a form of land use and its practice behaves in sharing. In fact, the tourist object is the set of physical resources and landscapes in the area, as well as journey motivation. Consequently tourism is an economic activity that takes place within the territory and receives from its existing resources, which is why, resources should be exploited.

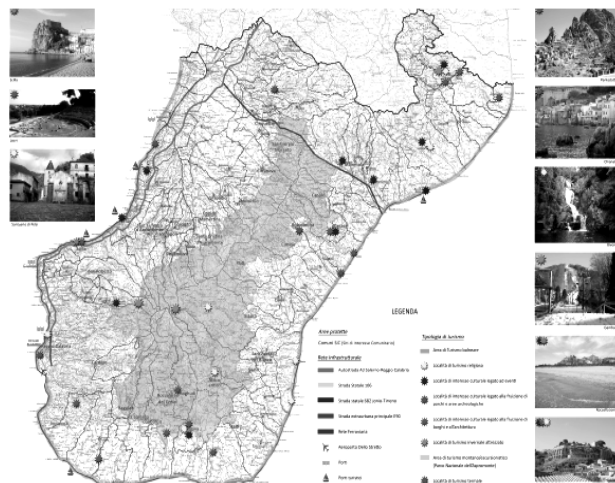


Fig.1 – Tourism Destinations in Reggio Calabria Province

The tourism object is made up of the material and intangible resources in the area, from which it derives the travel motivation. Tourism is therefore an economic activity that takes place within the territory and receives value from its existing resources.

That's why resources must be protected but also promoted. Then to adopt the metaphor of "territory as a business" becomes almost immediate, where the destination is the product and the tourism sector is the market. In general terms marketing is mainly about selling the right product at the right price to targeted people by using the most suitable promotional methods [5]. Destination marketing is the marketing of a destination in order to attract tourists [6].

According to Wheeler, destination marketing can lead to a successful targeting of suitable groups and tourists for a place. Segmentation is a core task in the place marketing to decide about the targeted customers. To succeed with this, it is important to know what you are selling [5]. Tourism products consist of many components and it is significant to sell experiences and benefits rather than features. The "struggle" for a competitive position among the various geographical areas, makes a territory a product, a set of resources and attributes that must be properly catalogued and promoted.

The concept of territorial marketing, which has considerably evolved from its origins to today, is currently affecting an increasing number of disciplines, including especially urban planning, economic geography and business economics. In place marketing perspective, each place should define and communicate its special features and competitive advantages effectively. Places must find ways to differentiate and position themselves for their target markets [7,8,9].

In addition to this, it is important to point out that [6] the tourist product is different than other products in the sense that it is consumed at the point of production rather than being produced and then consumed since the tourism product is the sum of experiences rather than a physical product.

### Territorial marketing strategy and Tourism development

The transformation of an area into a tourist destination can be defined by a spontaneous process, the result of the arrival of more and more tourists, attracted by stimuli not intentionally planned. So this process is outside of a specific strategic intention. But it might arise from a programmed process through a private planning activity, thanks to a territory defines its tourist vocation. In this case we talk about planning, not in the classic business sense, but as part of the creation process of the appropriate framework for the tourist activity performance. The most widely used model of destination development has been the *Tourism Area Life Cycle* (TALC), based on the classic business life cycle model, arguing that destinations proceed through a recognizable and common pattern of development [10]. At the starting of this study it was decided to focus the research on Calabria Region, because perhaps more than any other Southern Italian region, with its cultural heritage and the persistence of lack of tourism, it can be the ideal case study for the development of tourism sector (Fig.1). But how can Calabria be an attractive tourist destination, satisfactory to all potential audiences, and how to create a suitable environment for carrying out tourism promotion? Marketing strategies and local development policies must be implemented, aimed both at pushing the system attractiveness against the investment, and therefore the definition of exchange against companies in the sector, both in relation to potential investors and tourists [3].

The reference scenario, both of local marketing and local development policies, is represented by the concept of strategic planning. The holistic strategic planning model views the destination planning

process as encompassing a number of independent yet interrelated components, as well as a set of methodologies that start from regional approach, engrafting methods of economic evaluation and cultural studies. Strategic planning for place development must recourse to a marketing orientation, which considers the territory as a set of stakeholders and inserts them into a managerial dynamic view, as well as a set of resources to be exploited and organized into a coherent development plan. So the case study has to be analysed and broken down into its subsystems and for every component it is necessary to highlight strengths and weaknesses. The promotion of a territory must start from the ability to represent a whole area in all its joints [11]. It must correctly highlight the critical issues as well as the opportunities and, in addition, it is more effective as it makes readable even the attendance and the action of various local players that support (or slow down, if not) the development process.

### **Events assessment and territorial marketing: challenges and opportunities**

Events have now become a phenomenon of great relevance [12]. The analysis of events role and their subsequent evaluation may also be conducted by adopting a “territorial marketing perspective”. This methodology was developed during this study and it starts from the vision of the event as part of a broader and systematic process, until to territorial marketing for a specific geographical area development. Events analysis contribution in the field of territorial marketing strategies is undoubtedly a subject on which, only recently, the foreign and national doctrine have shown some interest. In general terms, events are part of cognitive marketing tools. In fact, due to their high symbolic content, events are able to represent a summary of some components characterizing the territorial offer. More specifically, it can be seen that the importance of this instrument is highlighted by two significant cases. The most important is related to the dual role that events play in relation to the area image. In fact, they represent a part of the territorial perceptions, since they can influence the expectations and evaluations of different categories of local users. The second concerns the contribution of events to the development of the territorial system and to the creation of local actors’ networks, which increasingly seems to be a necessary condition for the activation of local marketing programs.

The definition of events role within the field of territorial marketing strategy, of course is a preparatory and instrumental activity for the identification of methods to evaluate the event itself. In practice, as has previously been seen in literature [12], events of different type match different roles and, consequently, different roles require methodologies and then different logical evaluation. This basically means that events of a different type match different roles and, consequently, different roles require methodologies and then different evaluation logics.

Cultural festivals provide an important contribution to the economic development of the territories on which they insist. However, to quantify the size and the positive or negative impacts generated it is necessary to follow a precise methodological procedures, which in the early stages passes through a meticulous process of qualitative and quantitative information gathering, since cultural festivals generate different impacts, for example, cultural, social, economic, fiscal, or occupational, environmental, real estate effects [13].



*Fig. 2 – Performing art show at DEAfest (Mallamaci)*

An analysis of the economic impact produces a snapshot of the economic situation of a territory, revealing the internal correlations and providing an estimate of the results, or changes that have already occurred or are expected in the selected area as a result of a specific decision [14, 24].

In the case of cultural events, the economic impact analysis estimates the changes occurring or probable in terms of sales, value added, income, tax revenues and increases in employment generated by changes in the local cultural supply.

Using the analysis of economic impact is then possible to calculate the effects caused by the presence of a cultural festival on the economy of the surrounding area, with a good level of approximation. The key input to economic impact assessment is the amount of expenditure by visitors, accompanying persons, organisers, delegates, sponsors and others, e.g. media. Only that proportion of expenditure, which represents an injection of “new money” into an area, is relevant to the calculation of the economic impacts.

This proportion of expenditure is referred to as “in-scope” expenditure [14]. Since this in-scope expenditure has secondary (indirect plus induced) effects on the economy, multipliers are used to determine the contribution to value added and to employment.

### Case study analysis: the DEAfest Cultural Festival

The *DEAfest - Festival of Nature, Culture and Traditions in the Gallico Valley* is an event promoted by the municipalities of the valley and LaborEst of PAU Department of Mediterranean University of Reggio Calabria, which represents the scientific and technical partner for the project implementation and the event evaluation. It is a cultural festival that comes as part of the local development research and planning that have characterized this area at the edge of the city of Reggio Calabria during last few years [15].

Since 2007, the Festival has carried out two fundamental actions:

- Recovering the knowledge of local traditions, including anthropological or craft or technical construction;
- Promoting education and initiatives about local identity empowerment, as well as awareness and appropriation of the demo-ethno-anthropological heritage by communities.

The DEAfest is a “system of events” held in summertime (July-August) and it is a 2 weeks long Cultural Festival. It is, in short, a traveling cultural festival that follows a path along the villages of the valley, a festival in which the location is along the cue that triggered the event and its distinctive feature. In fact, the Festival has the main aim of promoting the Gallico Valley’s cultural heritage.

All scheduled performances, even before their intrinsic value, are characterized by the strong material and not influences of these places. In fact, it offers a real journey of initiatives between wine and food, tourism, art, music, cultural deepening, but it mainly offers different perspectives and complementary approach to discover cultural resources [16,17].

It annually attracts a wide public that is curious, open minded and passionate about nature and culture. A wide number of international musicians, dancers, performers and writers who have rarely or never visited the region were also presented during this festival (Fig.2).

The event upsets for a few days the life of the inhabitants of the Valley of the Gallico (total population about 5,000) and commits the entire territory of the Valley of Gallico [19] (Fig.3), with a strong involvement of local communities (in the days of the festival are about 350 active volunteers, members of the local tourist and associations operating in the area).

To estimate the economic impact (EEI), the starting point was made from data collected and processed in the research phase. In sum, 932 valid interviews were obtained from a random sample of 1,000 individuals (approximately 10% of admissions recorded in the previous edition) more than 18 years old, participating in the Festival (in this sense the interviews were conducted before, during and after the programmed events, during all eight festival days). The 932 valid interviews, compared to the 7,200 visitors recorded by the organizers (Fig. 4), who have various control instruments, represent a reliable basis of general nature for the first inference.

In order to complete the impact assessment implementation phase [20, 21], the study proceeded with the information sources evaluation of and the available data collection by using the following procedure:

1. The event problem explanation, the and purpose the expectations definition of the final users;

2. Delimitation of the study area, which is essential for the differentiation of local residents and non-residents;
3. Data collection: architectural data, place names and plant equipment, guidance on access, links, data on schedules and events, information on historical visitors with information on their types, data of a social-demographic and economic obtained through interviews, questionnaires and customer satisfaction surveys, an indication of the organizers etc.;

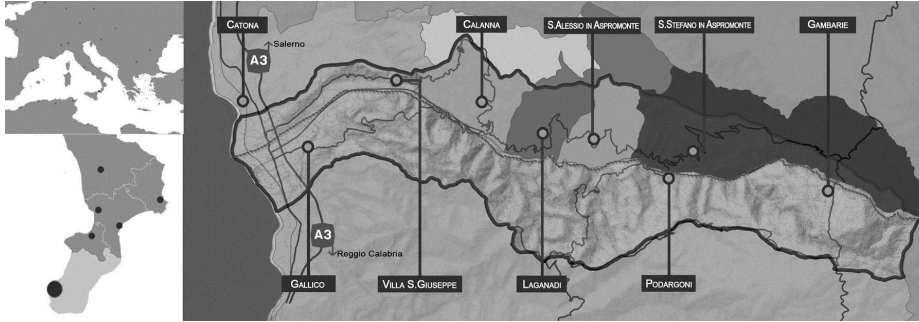


Fig.3 – Gallico Valley: a geographic overview

4. Definition of the necessary information and their sources: the methodology of economic impact analysis uses a combination of the most important national statistics and the information derived from the studies of local

authorities. The basic concept is the exportability of the model, so that even in the case when there are no accurate information at the local level, it can still be used in terms of national or regional benchmarks, and to base the assessment of reliable tools and verifiable;

5. Identification of visitors segments;
6. Calculation of the average expenditure per segment;
7. The segments determination to be included in the model, the estimated number of visitors for each segment, and ultimately, the unification of dimensions to define the average expenditure per capita of each segment;
8. The selection and construction of multipliers and capture rates based on the requirements of the local economy;
9. The last phase of the model of an EEI is the one that leads, on the basis of the data collected with the use of appropriate multipliers, the quantification of the economic benefits produced by the festival within the total area in which it takes place.

### Assessing the Festival

The starting point of the study was the identification of the visitors and the expenditure profiles through a face-to-face, or assisted, survey. Were obtained 932 valid interviews from a random sample of 1,000 individuals (approximately 10% of presence in the previous edition) more than 18 years old, participating in the Festival (in this sense, the interviews were conducted before, during and after the programmed events). The DEAFest visitor-type is female (59%) - a figure in line with national similar surveys - aged between 20 and 30 years old, with a high education level (58.5% degree, 35.2% diploma) and a great interest in the information.

The fact that the average age of the participants corresponds to the end of the juvenile / adult population and that the level of education is quite high, is a direct consequence of the cultural event investigated: a challenging and complex festival dedicated to a specific topic per year (theme changes annually), requiring analysis and critical thinking skills, stimulating participants to a constructive debate. (Tab.1)



## Conclusion

The image and the identity of the festival are closely linked to the image and identity of the hosting area. The synthesis determines the brand that is being communicated and the image of a destination emerges from the analysis and the study of its identity made in turn by all the tangible and intangible resources. A cultural festival can become an effective instrument for the promotion and marketing of the territory if it provides a comparison with the local reality and a deep study of his identity. According to the social resilience theories [16], this event involved and involving the local population in a shared experience, enhancing community identity, it's historical continuity and its cultural resistance. At this point, once analysed the resources, the image and identity of the area and having developed a sustainable development project in collaboration with the local community, you can decide whether to use the festival to innovate and strengthen the local identity.

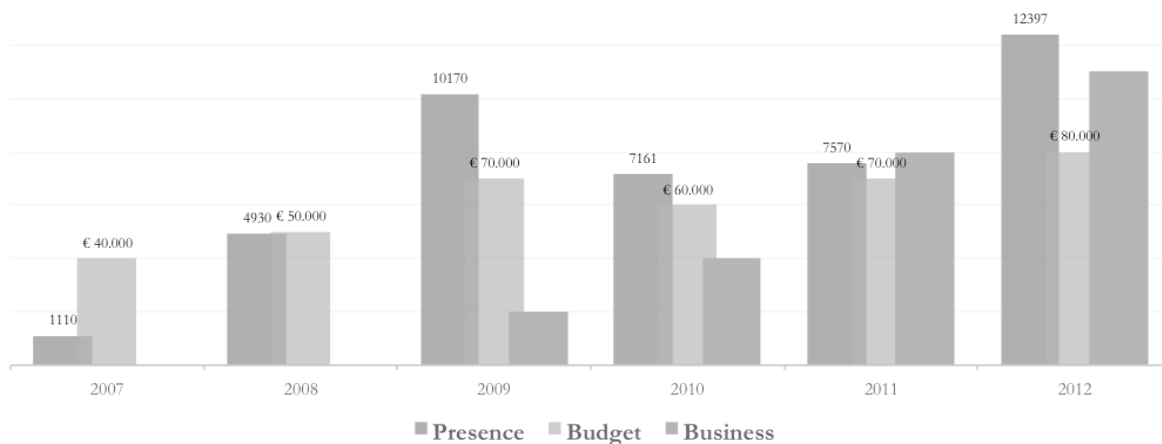


Fig. 4 – Presence, Budget and new business evolution during DEAfest editions

An impact analysis is can assess whether the festivals generate an image consistent with the expectations of tourism types that you want to attract and positive effects on a regional scale. Moreover, the need to guarantee the efficient allocation and the best use of budget funds, together with the obligations of transparency of public administrations, requires to carefully measuring the economic impact. It is important a priori to wisely determine areas in which to invest resources and, in retrospect, to determine whether the effect sorties were equal to those expected.

Like every cultural event, the DEAfest produced arrivals of visitors and tourists (Fig. 4). It especially has attracted the visitors' sector of cultural tourism that doesn't seek artificial attractions [17, 18], but genuine, traditional environment, full of historical memory and human relationships. However, to quantify the magnitude and the positive or negative sign of the economic impact, it was necessary to follow a precise holistic methodological approach, which in the first has gone through a meticulous process of qualitative and quantitative information gathering, as the festival cultural studies generate different impacts: cultural, social, economic, fiscal, employment, environmental, real estate [23]. The economic impact analysis was completed in 2011, and it has enabled us to produce a snapshot of the Gallico Valley economy [24], revealing the internal correlations and providing an estimate of the results - or change - which thanks to the festival already materialized or are expected in the area.

## References

- [1] L. van den Berg, J. van der Borg, J. Van der Meer: *Urban Tourism: Performance and strategies in eight European cities*, Aldershot, Avebury (1995)
- [2] A. Martelli: *Attrattività di sistema e fattori geografici: riflessioni su un dibattito in corso*, in: P. Dubini, *L'attrattività del sistema Paese: Territori, Settori, Imprese*, Il Sole 24 Ore, Milano (2006)
- [3] M. G. Caroli: *Il Marketing Territoriale. Strategie per la Competitività Sostenibile del Territorio*, Franco Angeli, Milano (2006)
- [4] S. Barile: *L'approccio sistemico vitale per lo sviluppo del territorio*, in: *Sinergie*, 84, (2011), pp. 48-87
- [5] S. Briggs: *Successful Tourism Marketing: A Practical Handbook*, Kogan Page Ltd, London (2001)
- [6] M. Wheeler: *Tourism Marketing Ethics: An Introduction*, in: *International Marketing Review* 12 (4), (1995), pp. 38-49
- [7] P. Kotler et alia: *Marketing Places Europe*, Pearson Education Ltd, London (1999)
- [8] M. Krantz, L. Schätzl: *Marketing the city*, in: *European Cities in Competition*, Ashgate Publishing Company, Avebury, (1997), pp. 468-493
- [9] P. Kotler, D. Gertner: *Country as brand, product, and beyond: A place marketing and brand management perspective*, in: *Brand Management*, Vol. 9, n. 4-5, (2002), pp. 249-261
- [10] R. Butler: *The tourism area life cycle: Conceptual and theoretical issues*, vol. 2, Channel View Publications, Clevedon (2006)
- [11] C. Ventura: *Vision or Invasion? Immagine, immaginazione e promozione nella tutela del patrimonio culturale*, in: A. Bianco (ed.), *Articolo 9*, Aracne Roma (2013)
- [12] D. Getz, *Event studies: Theory, research and policy for planned events*, Elsevier, Oxford (2007)
- [13] J. Ap, J. L. Crompton: *Developing and testing a tourism impact scale*, in: *Journal of Travel Research*, 37-2, (1998), pp. 120-131
- [14] J. P. A. Burns, T. J. Mules: *An Economic Evaluation of the Adelaide Grand Prix*, in: G.J. Syme et alia, *The Planning and Evaluation of Hallmark Events*, Aldershot, Avebury, (1986), pp. 172-185
- [15] F. Calabrò, L. Della Spina: *The cultural and environmental resources for sustainable development of rural areas in economically disadvantaged contexts. Economic-appraisals issues of a model of management for the valorisation of public assets*, in: 3rd International Conference on Energy, Environment and Sustainable Development (ICEESD 2013). *Advanced Materials Research Vols. 869-870* (2014) pp 43-48 © (2014) Trans Tech Publications, Switzerland doi:10.4028/www.scientific.net/AMR.869-870.43, (2014)
- [16] E. Grotberg: *The International Resilience Project: Research and application*, in: *Proceedings of the 53rd Annual Convention, International Council of Psychologists: Cross-cultural encounters*, E. Miao (Ed) General Innovation Service, Taipei (1996)
- [17] R. Martelloni: *Nuovi territori. Riflessioni e azioni per lo sviluppo e la comunicazione del turismo culturale*, Franco Angeli, Milano (2007)
- [18] S. Cherubini et alia: *Il valore degli eventi*, Franco Angeli, Milano (2009)



- 
- [19] G. Cassalia, M. Malaspina, C. Ventura: *La valorizzazione integrata del mosaico paesistico-culturale nello Stretto: Il progetto sperimentale Ecodistretto*, in: Utopias and dystopias in landscape and cultural mosaic. Visions Values Vulnerability - Proceedings of the International Scientific Conference, Udine, June 27th - 28th, (2013), Volume VI
- [20] G. Cassalia, C. Ventura: *Festivals, tourism and rural development: A key for cultural heritage preservation. A case study in the Gallico Valley*, in: Conference Proceedings Active Countryside Tourism, International Centre for Research in Events, Tourism and Hospitality (ICRETH) Leeds Metropolitan University (2013)
- [21] G. Cassalia, C. Ventura: *Cultural landscape preservation as key factor for rural tourism*, in: Conference Proceedings Tourism and the Shifting Values of Cultural Heritage, Visiting Pasts, Developing Futures, International Conference, Taipei, Taiwan (2013)
- [22] J.E. Lozato-Fletcher: *Input-Output Analysis and Tourism Impact Studies*, in: Annals of Tourism Research, 16(4), (1989), pp. 514-529
- [23] L. Dwyer et al.: *A Framework for Assessing Tangible and Intangible Impacts of Events and Conventions*, in: Event Management, 6-3, (2000), pp.175-189
- [24] C. Ventura: *Evaluation of the Socio-economic impact of cultural tourism and heritage marketing. The Input-Output analysis applied on tourism*, Ed. Centro Stampa Ateneo, Reggio Calabria (2011)