

The economic value of cultural projects: an evaluation beyond measurements

Ilaria Morganti,

Centro ASK, Università Bocconi, Milan, Italy,
ilaria.morganti@unibocconi.it

Massimiliano Nuccio

Centro ASK, Università Bocconi, Milan, Italy
massimiliano.nuccio@unibocconi.it

Abstract

Nobody would ever object the fact that *culture* provides a fundamental contribution to the economic development of territories and communities; however it is difficult to understand how cultural events and institutions can produce impacts on them and moreover it is difficult to quantify the final impact. Because of the increasing number of cultural projects and of the constant reduction of resources to invest in arts (lato sensu), the measure of impacts of cultural initiatives is becoming an issue and a way to judge their success; in this scenario, the economic impact analysis are more and more used and abused. This paper aim at reconsider the use of economic impact analysis as instrument for the evaluation of cultural projects and at elaborate some initial hypothesis about the possibility to integrate this tool with others, able to design a more complete frame of the cultural experiences.

In particular this paper refers to the case of MITO, a music festival launched in 2007 and based in Milan. Since the first edition the festival had been observed to evaluate its capability to produce positive effects in terms cultural, social and economic changes. A relevant number of data concerning the audience and the cultural behaviour of the people attending the events had been collected. During the third edition the analysis focused mainly on the economic effects generated by the event on the city of Milan. The case of MITO and the result of the analysis had been compared with a panel of other national and international case studies. Data had been used for an evaluation of the event itself, while the benchmark had been used for a critical assessment about the utility of this instrument and for the elaboration of different criteria of investigation of the value of cultural projects.

Keywords

Economic impact, MITO, festival, impact of cultural events

Introduction

At the third edition of the MITO Festival in September 2009, organizers in Milano have decided to launch a study that completes a process of analysis and monitoring of the festival begun in the first edition (2007).

The decision to consider the economic value of cultural experience fills a need more frequent arising from the world of culture to find ways to represent a shared meaning of the whole experience in order to generate full awareness among those who are called to support these initiatives: on the one hand, local authorities and sponsors that invest in culture and, on the other, citizens who, through their participation, create consensus.

The study provided an opportunity to reflect deeply on economic, social and cultural effects of the III edition of MITO on the city, opening up spaces for suggestion on possible lines of development of the festival in the view both to be more rooted in the cultural and productive system of Milan and to achieve an increasingly high level of internationalization.

The work had as main objective the measurement of economic impacts generated by the Festival MITO territory of Milan. It also provided an opportunity to make a new observation of the characteristics of the audience during concerts. The comparison with data collected in 2007 has allowed us to make some observations on the evolution of interests and habits of the audience at the festival. A third issue for further study, the impact is closely linked to the question of the internationalization process that the festival has managed to enhance over the years. This is particularly interesting considering that the relevance of the economic impact is directly proportional to the attractiveness of the festival carries against tourists and hikers.

In order to widen the scope of the measurement of impact, a multi-dimensional approach is suggested. Nonetheless, the measure of multidimensionality is not only an issue of composition of different techniques and methods, but can refer to the very conditions for the establishment of the artistic production. This rationale is based on the assumption that the artistic result is not necessarily set, or, in other words, that it is not the natural output of the evolution of human communities. In theory, and there would be some evidence, the artistic source in a settled space and time might be limited or completely absent.

These considerations have triggered the idea that a complete analysis should include a variety of other elements, different from those usually mentioned in impact studies and able to monitor the events in a more precise way, giving back a global vision of the cultural phenomenon, considering all those elements that refer to the role of a cultural event (or institution) in a specific context. We highlight the fact that cultural institutions are invested of a precise responsibility in supporting the development of communities; a strict correlation exists between the mission pursued by cultural institutions and the growth of solid social and political network in the area where a cultural event takes place.

The breadth of the impact that has been researched in Milan has to do with some elements that are not immediately convertible into monetary terms and most of the times have mainly qualitative features. In particular, the analysis will focus on 4 variables, that can help giving the complex picture of the effects generated by MITO:

- modes of fruition;
- resources and organisational models;
- opportunities for local institutions;
- urban imaginaries.

Measuring impacts

If culture in its various expressions (arts, heritage, intangibles, cultural participation, etc.) had any role in the development of a community or a nation, the public responsibility of cultural policy would affect not only the specific initiative, but also territories and cities.

Impact analysis should underline the relevance (or the limited relevance) of an event on a city, for all or some of its stakeholders. In terms of cultural policy it should evaluate, on the one side, the level of delivery against the objectives and, on the other, the expectations and alternative investments in the cultural sector (or in other social activities). Impact analysis should allow evaluating the most attractive areas of investment and assessing the consistency between expectations and results of the investment. The trend in the cultural sector is a decrease in funds (in Italy festivals are public funded and only 1/3 of their budget is supported by private contributions) and an increasing competition in the cultural supply, partially motivated by a less restrictive perception of the boundaries between arts and other forms of entertainment (1200 festivals are displayed in Italy every year). Moreover, impact analysis puts cultural organizations in the position of being evaluated. Accountability becomes a very important issue, and influences the strategic priorities of the organizations, shapes the management of processes, and orients the development of cultural goals. This fact explains why, for example, it becomes fundamental to monitor the audience in terms of number (impact studies: input-output analysis in tourism) and in terms of behaviours (marketing analysis).

Economic analysis of festivals is mainly focused on evaluating the economic impact of such events, or on mapping customers' behaviour. The former is a complex operation which has found a wide diffusion in tourism studies (Saayman M. & Saayman A., 2006) because of an established literature on input-output and multipliers analysis. The latter consists of a bunch of marketing techniques (Crompton J.L. & Love L., 1995; Crompton J.L. & McKay S.L., 1997) that allows professionals to track motivation and perception of the audience in a service marketing perspective. The call for accountancy in the cultural sector, on the one hand, and the

reductions of public funds for performing arts, on the other, have pushed many organizations both in the event business and not-for-profit arts organizations to provide evidence of success. Many festivals and cultural events have to demonstrate their positive engagement with their audience and with the local community in order to receive funding. The cultural component can underpin the existence of a contemporary festival, but is not a prerequisite of its sustainability and of its public approval.

Recent literature on festivals is mainly based on case-studies focussing on the impact of tourism (for a wide international bibliography see: Guerzoni, 2007). Following Wyszomirski (2002) the framework of impact in the cultural sector can be divided in four main factors:

- public surveys
- economic impact studies
- educational effect studies
- social utilities studies

The economic impact analysis estimates the changes in economic activity within a region induced by the presence of an event or a particular activity (Economic Impacts of Recreation & Tourism Web Site). To quantify the magnitude of this effect, however, you must follow a precise methodology, which starts a process of collecting qualitative and quantitative information in order to measure the different impacts generated by the activities and cultural institutions: cultural, social, economic, fiscal, employment, environmental and real estate.

By using economic impact analysis is possible to calculate the effects caused by the presence of an event or institution on the economy of the surrounding area, with a good degree of accuracy, a level which increases with the decreasing duration of the project monitored, the size geographical area on which it subsists and the level of competition with other institutions and events.

The presence of an event produces three different effects (Vanhove, 2005):

- direct effect or impact generated by the presence of the event on its suppliers and employees, and spending of visitors flocked to watch the event;
- indirect effects generated by the expenditure of firms that receive direct expenditure by visitors. One area that sees its growing demand by the direct effect, in fact, will in turn grow their demand towards its suppliers;
- induced effect due to increased spending power of residents occurs thanks to the event. Part of the income and profits generated by increased demand in fact are reinvested within the region.

These two effects are called side effects.

The most widely used are changes in sales (or spending), changes in regional income, and changes in employment. This rigorous framework can be risky. Impact studies catch the extrinsic incentives (commercial interests), but can be counterproductive if compared with non-arts projects that are shown to yield higher benefits. In the two cases presented below, it was unrealistic to imagine and obtain reliable results making an evaluation on the first edition of festivals based in a big city (this hypothesis had been verified by empirical data that show that the tourism impact was very marginal). On the other hand, public survey was considered the instrument the most adapt for the evaluation of the festivals. Public surveys come in at least three varieties: audience surveys, public participation surveys and public opinion survey (Wyszomirski, 2002). Public surveys on cultural consumption can either have a marketing or a socio-economical approach. In both cases, the objective is to map the behaviour of the actual or potential consumers.

In order to assess the impact that MITO had on the city of Milan, it was decided to focus on two of the impact categories listed above, the economic and employment policy. These are indeed the two dimensions that provide the most relevant information, because they allow an assessment of the event for both the organizers and for the territory. Moreover, the model MGM2 (Stynes et al., 2000) was decided to be adopted for the portion of data processing to calculate the impact that visitors to an attraction or a cultural event on the economy local in terms of expenditure, income and job generation.

The model proposes to segment the visitors in terms of spending power and provenance: in particular, the premises must be distinguished from tourists in order to identify precisely the share of expenditure generated by them. Each type of visitor, indeed, adopts different baskets of consumption, thus generating different impacts on the activity in question, the local community and economy of the region reference. For the measurement of economic impacts must therefore resolve some basic questions first, as explained below, have methodological implications. In particular it is defined:

- the extent of the catchment area;
- the categories of persons to be included in the assessment
- public spending
- multipliers

Case history: MITO SettembreMusica

MITO is a music festival, based in Milan, the city considered the economic and financial centre of Italy, and probably the location with the best structured music system in the country. The MITO Festival originated from a joined project by the cities of Milan and Turin in 2007. Milan felt the need to create an important musical event, whereas Turin wanted to relaunch its almost 30-year-old festival *SettembreMusica*. The MITO festival combines the reputation and the organisational skills of the Turin's artistic management with Milan's potential of widening the distribution, improving the communication and doubling the production funds. The analysis below is restricted to the Milanese venue and to the third edition of the festival, which took place in September 2009.

In the past, the huge cathedrals used to represent the status and pride of an European city. Nowadays, it is up to large urban projects and influent cultural institutions to better represent its ambitions, produce new ideas and give international visibility to its community and territory. A metropolitan festival enhances the artistic and cultural vitality thus ingenerating a virtuosos circle among the community and its life quality: the more visitors get attracted, the more talented people inhabit the city and the more investments generate a consistent economic impact in the mid term.

MITO has a 6ml€ budget, of which 50% is covered by public funds and the remaining part by conspicuous private sponsorships. The organization of the festival in Milan is managed by the Associazione per il festival Internazionale della Musica a Milano to which the municipality grants full autonomy in decision making, administrative support and facilitated access to some public areas. In 2009, the festival lasted 21 days: 120 concerts were played and other 150 fringe events were scheduled in parallel. What characterise MITO the most is its heterogeneity: it mixes different music genres (classic, jazz, pop, rock, ethnic, baroque, etc.), with concerts played in both traditional and non traditional locations (80 in total, including theatres, churches, squares, in the city centre and in the suburbs as well). Almost half of the concerts are accessible for free or for very low prices (from 5 to 35 euros maximum) and the flexibility of the time schedule (concerts are played at various time slots during the day) facilitates the participation of different categories of audience. MITO is one of the few opportunities of coordination of the Milanese music scene: during the third edition 3400 artists performed, either in Milan or Turin or both. Of this group, about 24% are from Milan in the sense that they live and work in Milan, and have selected the city as headquarter of their international activity.

In 2009 almost 95.000 people attended the festival (corresponding approximately to 25.000 individuals, attending 3,8 concerts each) and other 20.000 presences have been estimated for the fringe side of the festival. Concerning the social and personal data, the analysis highlights the fact that the audience is predominantly female, 48 years old in the average, with a medium-high level of education and a high interest to purchase cultural products and to participate in arts

events. MITO involves mostly a local audience: 67% of the audience is from Milan while the remaining part is composed mainly by people coming from northern Italy (Piedmont and Lombardy). The foreign audience represent a minority, approximately 1%.

The comparison between corresponding data from the 2007 and 2009 editions, shows that the public participation increased under all points of view:

- the total number of spectators (from 84.000 in 2007 to 94.000 in 2009);
- the number of concerts attended by each person (3.8 per person in 2009);
- the level of occupancy measured on all the events (95% in 2007 to 96% in 2009).

Over the years the festival has consolidated a relationship with the audience, which has proven to be very loyal: about 26% of the public interviewed in 2009, had already attended the previous editions; at the same time MITO can attract a new audience: 44% of viewers interviewed declared to have attended the festival for the first time in 2009.

Methodology

The economic impact analysis estimates the changes of selected economic indicators within a region, produced by the presence of an event or a particular activity. To quantify the economic relevance of these effects, it is necessary to follow a precise methodology, which relies on collecting qualitative and quantitative information in order to measure the different impacts generated: cultural, social, economic, etc... The methodology applied in this research refers to the one commonly used in the tourism economy studies. In terms of results, the economic impact studies aim at measuring:

- the changes produced in the levels of sales and employment in the selected study area due to the presence of festival;
- the multiplicative effect of the financial contributions provided by public and private sponsors as support to the event.

These changes are the result, at the local economy level, of the expenses sustained by:

- the visitors arrived in the study area to attend the event;
- the artists invited to the festival who spent at least one night in the study area;
- the organizing entity for the production of the event.

Because of the variety of elements that have to be included in the evaluation of the impacts, it is necessary to create different analysis instruments to calculate the final expenses of each of these categories.

The analysis of the audience spending relies on a questionnaire including 17 questions, which was prepared and distributed according to a casual sampling plan. In three weeks, 1614 filled-in questionnaires have been collected and then used for statistical analysis that aimed at:

- analyze the socio/ethnographic characteristics of the audience attending the festival;
- quantify the presence of local visitors (67%), tourists (3%) and one-day tourists (30%);
- identify the personal motivation and include in the analysis only those visitors moved by a strong and specific interest for MITO;
- distinguish the tourists according to the profile of expenditure (low, medium/high);
- estimate the average number of nights spent in Milan by the tourists, the number of persons included in the party group and the average number of concerts per person attended ;
- measure the costs sustained by local visitors, tourists and one-day tourists to attend the festival over a number of expenditure items (hotel, travel, meals, purchase of cultural products, etc.). The measure of the average spending of the audience does not consider the costs of tickets that is included in the evaluation of the expenditure of the organization. However, it is interesting in the case of MITO, to highlight the fact that the value paid by the audience for tickets is approximately € 450,000: this data reflects the spending capability of the audience specifically addressed to the festival.

In the case of artists' expenditure, the questionnaire approach was not applicable since the artists were personally involved in the activities. For this reason the daily artists' expenditure was estimated similar to that of the tourist with a low profile of expenditure. In this calculation the cost of the accommodation was not counted and then included in the organization expenditure since MITO provided hospitality to all of them.

Finally, an analytical work on the balance sheet data of the festival was carried out to calculate the total expenditure for implementing the festival and relapsed in the county of Milan.

Data were processed using the MGM2 Model - Money Generation Model - which measures the impacts based on the spending segmentation and can be adapted according to the economic structure of the context in which it is applied.

Based on this information and having calculated the sales and employment multipliers related to the city of Milan, on the basis of data provided by the Chamber of Commerce, it was possible to calculate the total expenditure generated by the different categories (visitors, artists and organization) and captured by the territory of Milan and, as consequences, the direct and secondary economic effects on sales and employment.

Main results and evidences

For a correct calculation of the economic impact it is crucial to identify the part of the audience that bears specific costs to attend the event, bringing new resources and starting a multiplicative process within the Milanese economic system. For this purpose it is necessary to define the weight of each category of audience (making a difference on the place of origin and the expenditure profile), the number of nights spent in Milan, the average number of concerts attended, the expenditure per person per day. Below the main results are presented.

Audience categories	N	%	(LS) Length of staying	Average Visiting
Local	1.075	66,60%	1,00	4,19
One day visitors	490	30,36%	1,00	3,14
Tourist L	38	2,35%	3,9	2,3
Tourist M/H	11	0,68%	4,00	2,71
Total Tourists (L+M/H)	49	3,04%	3,9	-
Artists	-	-	1,7	-
Total	1.614	100%		3,81

Number of visitors interviewed per category; length of staying; average visiting

Audience categories	%	Visits	P (Visits/Average Visiting)	%
Local	73,08%	69.312	16.559	66,60%
One day visitors	25,01%	23.721	7.548	30,36%
Tourist L	1,42%	1.348	585	2,35%
Tourist M/H	0,48%	460	169	0,68%
Tot. Tourist (L+M/H)	1,9%	1808	754	3,04%
Total	100,00%	94.841	24.861	100%

Number of total visits of spectators per category of audience

	Local	One-day visitors	Tourists L	Tourists M/H	Artists
TOTAL (in Eur)	21,22	36,3	71,9	229,91	59,64

Average spending pro-capita per day for each audience category

The average spending was calculated as the average cost referred to nine different expenditure items, including: food, accommodation, purchase of cultural products and events, clothing, transports, etc...The average spending underlines the differences between the audiences categories. The cost for the accommodation is the main difference between the segments: this value is zero for local and one-day visitors and is almost 12 euros on average for low-profile tourist spending (including those who have not sustained any cost being guest of friends and relatives) and about 127 euros on average for tourists with a medium/high expenditure profile.

For other expenditure items (food, cultural products, clothing, transport, etc.) differences are consistent with the type of audience. Locals have a daily expenditure of 21 euros, while one-day visitors spending 36 euros per day, with higher costs than the locals for transportation and meals. Tourists are divided between those who have a low spending profile (near to 72 euros per day) and those who have higher expenses (especially for food and transport) and spend 230 euros per day.

832 artists were included in the evaluation; for this category it was estimated on average an expenditure equivalent to that of tourists with a low spending profile and a length of staying of 1,7 nights per person.

Multiplying the number of tickets (P) and the number of nights spent in the city (LS) and dividing the average ticket purchased by each segment (MBA) it is possible to calculate the party nights (PN) spent in Milan by each category ($PN = P \times LS / MBA$).

To calculate the net impact, however, the percentage of participants that come to Milan because of the festival and who have brought additional resources in the local economy - so called Audience Capture Rate (ACR) - is to be identified. The locals, who live in the area, are generally not included in measuring the impacts. In this study, however, 38% of this category was taken into account. This percentage represents the portion of those who declared an explicit intent to participate to MITO (in particular those intentioned to go to Turin to attend a concert). Regarding the one-day visitors, a more inclusive principle has been used, considering not only those who have expressed a willingness to travel to Turin to attend an event but also those who have participated in more than one show in Milan. This parameter has been interpreted as an implicit statement of interest for MITO. Tourists were requested to specify if they moved to Milan specifically for the festival or if they extend the visit to attend the festival when reason of

the visit was not the festival. Referring to these criteria 88% of the one-day visitors were included in the impact analysis, as well as 45% of the tourists with a low daily expenditure profile and 54% of the tourists with a medium/high expenditure profile.

The total expenditure of the audience is calculated by multiplying the percentage of the party nights economically relevant of each audience category (PN*ACR) and the corresponding individual average expenditure. Total expenditure is estimated at 615.000 euros, while the direct effect of spending represents only part of this number and in particular the percentage of the expenditures paid for goods and services produced in the local economic system. This value is expressed by the capture rate that in Milan is 89%¹ of the total expenditure, a high result due to the fact that the local economic system can produce by itself most of the goods and services demanded.

The direct effect of spending on sales is estimated around 550.000 euros and 11 new jobs were created. To obtain the total economic effects (in terms of sales and jobs), the direct effects have to be multiplied by the respective total effect multiplier. In the economic system of Milan the two multipliers are estimated to be equal to 1,90 and 30,25 respectively. The final result is a total effect of 1 million and 17 jobs².

Audience expenditure						
	Local	One-day visitors	Tourists L	Tourists M/A	Artists	Total
Total expenditure	€ 133.522	€ 241.097	€ 73.858	€ 84.145	€ 82.900	€ 615.522
Captured expenditure	€ 119.503	€ 215.782	€ 66.103	€ 75.310	€ 74.195	€ 550.892
Direct effects						
Sales	€ 119.503	€ 215.782	€ 66.103	€ 75.310	€ 74.195	€ 550.892
Jobs	2	4	1	2	2	11
Total effects						
Sales	€ 227.055	€ 409.985	€ 125.595	€ 143.089	€ 140.971	€ 1.046.695
Jobs	4	7	2	2	2	17

Direct and total effects of the audience expenditure on sales and jobs

These results are to be integrated with the expenditure supported in the area of Milan by the organizing entity, which includes all those goods and services necessary for the production of

¹ Source Ciset 2001/2002. "Valutazione dell'impatto economico del turismo a livello locale: il caso di Milano".

² This result does not distinguish between seasonal jobs and permanent full time jobs.

the events such as communication, technical equipment, rental costs, etc. The analysis of the expenditures items in the balance sheet of the festival allows to measure the direct effects and the total effects generated by the organization, in terms of sales and jobs, following the same processes described for the audience expenditure.

The investment sustained by MITO for producing the festival was 5.5 ml euros, of which 55% (3 ml euros) has been spent inside the local economic system. Considering the capture rate and the multipliers that are applied in the calculation of the economic effects generated by the audience, it is possible to calculate a captured spending of € 2.7 ml and total economic impacts of more than € 5 ml and 82 new jobs.

Organization expenditure	
Total spending	€ 5.524.822
Total spending in the Milanese area	€ 3.011.857
Captured spending	€ 2.695.612
Direct effects	
Sales	€ 2.695.612
Jobs	55
Total effects	
Sales	€ 5.121.662
Jobs	82

Direct and total effects on sales and jobs of the organization expenditure

Adding together the effects generated by the audience, the artists and the organization it is possible to measure the total economic impact, corresponding to an increased level of sales of € 6ml and 99 new jobs. Looking at the total effects it is evident that the expenditure of the organization has the highest influence on the impact, both in relative (83%) and absolute (5.1 million euros) terms.

Total effects				
	Sales		Jobs	
Audience and artists (A)	€ 550.892	16,97%	11	16,97%
Organization (O)	€ 2.695.612	83,03%	55	83,03%
Direct effects (A+O)	€ 3.246.504	52,63%	66	67,11%
Secondary Effect	€ 2.921.853	47,37%	33	32,89%
Total effects				

Audience and Artists (A)	€ 1.046.695		17	
Organization (o)	€ 5.121.662		82	
Total impact	€ 6.168.357		99	

Total economic impact

Considering the total contribution of sponsors and partners, both public and private and putting these data in relation to the total economic impact, it is possible to calculate the multiplier of the investment, equal to 1.22.

TOTAL Contributions and supports (public and private)	€ 5.060.000
TOTAL Effects	€ 6.168.357
Multiplier of investment	1,22

Multiplier of investment

The impact analysis produces clear results but it opens a serious problem of interpretation of the real value of the data. To judge the relevance of the total impact generated by the event, the success (or the failure) of the cultural investment and to translate the results of the impact analysis in strategic advices and plans, it is useful to extend the investigation to new elements of analysis. Comparing the results of different impact studies is not sufficient neither representative. Even if the methodology of impact studies is very specific, it is frequently adapted to the context elements (size and localization of a place – city, village, county, nation, etc...- presence of cultural and naturalistic attractions, etc.) and to the specificity of the event analyzed (the definition of Cultural Event includes a variety of different cases such as, for example fairs, exhibition, or festivals). For this reason, instead of comparing the impacts of other festivals, it is interesting to benchmark the experience of MITO to other international music festivals.

Benchmark analysis: Lucern Music Festival and Salzburg Festival

The benchmark analysis represents a fundamental tool to integrate the results obtained from the economic impact analysis. The impact studies give a quantitative interpretation of the value of a cultural project while the benchmark analysis can be useful to understand the economical results. Since the economic impact is strictly related to the capability of the event to attract tourists and in particular international visitors, in the case of MITO, the benchmark analysis aimed at understanding how to get a wider visibility in the international music festival scene.

The two best practices analyzed in this research were the Lucerne Music Festival and the Salzburg Festival. Each festival has been analyzed in relation to the supply system, the

managerial organization, the economic supports, the attending audience and the economic impact referred to the local territory. These data made possible to point out the distance (or the proximity) of MITO to the other two international study cases. The following table summarizes the information used to compare the three festivals. In the case of Salzburg and Lucerne data refer to 2008 while in the case of MITO they describe the third edition of the festival that took place in 2009.

	Salzburg Festival (2008)	Lucerne Festival (2008)	MITO (2009)*
First edition	1920	1938	2007
Number of concerts (Summer festival)	189	67	120
Attending audience	248.432	100.000	94.841
% foreign visitors	70% (50% Germany)	15%	1%
Days	35	35	21
Budget	€49.1 m.	€37.7 m.	€5.5 m.
Box office	45,40%	n/a	8,40%
Public support	27,30%	3,20%	58,80%
Sponsorship	15,50%	n/a	3,80%
Employees	193(permanent full time) 3145 (season worker)	30 (permanent full time)	5 (permanent full time) 28 (seasonal workers, interns and volunteers)
Area of the city	65.68 km ²	24.15 km ²	182 km ²
Inhabitants	147.685	58.381	1.304.183
Cost per visitor	198	377	58
Cost per event	260.000	562.000	46.000
Audience Density ratio (audience/area)	3783/km ²	4141/km ²	521/km ²

* MITO data refer only to the Milanese edition

To highlights some strategic evidences it is useful to make some basic considerations about the three festivals. First of all it should be noted that MITO is a very young event, if compared to the others: Lucerne Festival and Salzburg Festival are over seventy year old and their fame and success are the results of a long period of development and consolidation. The second main difference refers to the location: MITO is based in Milan, a metropolitan area, with almost 4 millions inhabitants (including county inhabitants). The other two festivals are based in small

towns (less than 60 thousand people in Lucerne and 150 thousand in Salzburg), with a specific cultural and tourist vocation. Salzburg and Lucerne are characterized by an unique and attractive landscape: these areas offers opportunities for an artistic and aesthetic enjoyment thank to the picturesque small towns, ancient churches, lakes, mountains and hills that surround the areas. The festivals organized in these places match culture and an high quality-life and attract national and international tourism. On the other side, it is evident that the same characteristics can not be found in urban settings such as Milan even if, in this city, cultural tourism is a relevant part of the global touristic phenomenon, which, however, is mainly moved by business interests. The data underline the low attractiveness of MITO in terms of demand by non-local visitors (national and international), even if the presence of international artists is an element of strength of the cultural supply. The benchmark analysis had represented the opportunity to evaluate the level of internationalization of MITO, an element that represents one of the most relevant goal in the medium term because it influences the capability of the festival to impact on the local economy.

The benchmark analysis also shows that the Salzburg Festival is more performing than the others in terms of supply system, attending audience, tourist attractiveness, international positioning, human resources involved and financial resources invested. Lucerne is similar to Salzburg but on a reduced scale. For the variety of the music offering and for the presence of audience, MITO is very competitive if compared to the other festivals that have longer tradition and more widely spread awareness, confirmed over a longer period of time.

From an organizational perspective, the most evident difference between MITO, Lucerne and Salzburg events is in the budget, both for the nature of the contributions (public and private) and for the financial resources available. In the Milanese case, the financial asset is strongly sustained by the public, while in the other foreign cases the box office represents a very significant source of revenue. In the case of MITO this difference depends both on an explicit policy to make concerts accessible to everyone, and on the need to build a solid group of loyal audience.

The efficiency of the management strategies applied by the three events has been measured by comparing the costs of production per visitor and per concert. Both these indexes show that the Milanese management has sensibly lower costs: the cost per visitor in Milan is almost 58 euros, while it is 198 euros in Salzburg and 377 euros in Lucerne; the average cost per event is about 46.000 euros for MITO, 260.000 in Austria and well over half a million euros, in Switzerland.

Another interesting element that marks a clear difference between MITO and the other festivals is expressed by the audience density, calculated as the ratio of visitors attending the event and the size of the area where the concerts took place. In the case of MITO the index of is approximately 500 people per square kilometer, while in the other events the value of the index is around 4,000 visitors per km². Although the cause of the difference is related to the fact that

MITO is an urban festival, this index highlights the dispersion that characterizes the Italian festival, raising an important issue such as that of geographical specialization of the festival. This fact affects the consumption behavior of the festival with the risk of creating a sense of loss or disorientation in space especially for non-local audience, such as one-day visitors and tourists, who represent a strategic target for the growth of the festival.

Conclusion

To give an overall assessment of the results of economic impact of the Festival MITO must, first, carefully consider the process of preparing the estimates and, secondly, to compare with other festivals.

Compared to the first point, we are aware that choosing a methodology is often not neutral with respect to expected results. The economic impact analysis used here has tried to measure the changes in spending and employment generated by the events of the festival. As stated by the literature and explained in the appendix, the attention is so focused on new and additional resources that the event is able to attract in the territory, which in this case corresponds to the city of Milan.

Secondly, although the outcome of this measurement corresponds to net numerical results, it is difficult to judge the value is difficult to compare because their cases other impact studies to define parameters which set levels of success and failure. The methodology, in fact, is in turn adapted to the context and the specific aims of the research: the characteristics of the analyzed events are often very different (exhibitions, events, fairs) and the contexts in which events occur vary widely monitored from each other, leading to different forms of conditioning in each case (large cities, small towns, places for holidays, city of art, etc.).

Above all, it is difficult to give an opinion of value because the economic impact analysis of records only some aspects related to the realization of events: the limitations of this tool is even more striking when applied to the cultural sector, in which every experience produces effects measurable sharply in cultural, social, environmental, etc..

In the case of MITO this is obvious. According to that analysis in this research in September 2009, the festival has produced a total impact on sales of around 6.1 million and nearly a hundred jobs (full-time and part-time). According to the report IRER (2006) on the impact of the Festival of Literature in Mantua, compared to a visitor spending of about 6.9 million euros, has an effect on sales of 12.1 million, for a total impact of 14.4 million if you include the impact of the expenditure organization. Going into details, may occur in Mantua has been estimated about 70 000 visitors (25,000 in MITO) and 102 thousand party-nights (15,670 for MITO). In the same study, measuring the impact of the exhibition "Gauguin-Van Gogh, the adventure of the new color", which was held at Museum of S. Giulia in Brescia from October 2005 to March

2006, 71 mln euros was approximately estimated, with a total expenditure of 43 million and 569,000 party-nights. It is obvious from these comparisons, whether for example, that without a precise comparison of the methodologies applied, the comparison between the final results has little meaning. If we compare the leverage of funding obtained following analysis, equal to 1.22 with the same indicator reported in other studies probably could be considered the result of MITO is unsatisfactory. The success of public, the attention of media, the collective participation, not only spectators but also the operators, are, however, a fact which witnesses that the festival is an experience relevant to Milan. The economic impact analysis is useful in so far as is placed within a wider range of observations regarding the contribution that such single event can generate a field in terms of not only economic but also relationships, communication, quality, etc.. The issue is more complex and the answer is less clear than it might be if expressed in a purely numerical factor.

MITO is the most important festivals in Milan, for the wealth of the budget that ensures the realization every year and for the collective mobility is able to generate. The festival, in just three years, has become a landmark for the local community: most of his audience is composed of citizens of Milan and the number of institutions involved in cultural and musical programming is out of the ordinary, especially for Milan, a city in which the system of music is suffering from a chronic lack of coordination and communication policy; also the festival is the result of a clear political will but is funded equally by public money and private capital. These three aspects are representative of the fact that the design effort of MITO, in these few years has gone towards creating a consensus, attention, a sense of affiliation and participation in the demonstration not only widespread, but more generally to system of music. MITO has invested on the musical heritage, that Milan and the Italian culture in general has always struggled to develop. Again it comes the problem of measuring the effects generated by these behaviors and you realize that might be appropriate to extend the economic analysis to other factors that can determine whether the temporary changes that limited the period of the event or if it is a structural phenomenon that has to do with the growth of the system. Some of the comments from integrating in the path of analysis may include, for example, the variation in public participation in the remainder of the musical season at the major musical institutions of the city, or still might be interesting to analyze how the sales of CDs (i.e. certain types of music) and music products have changed in recent years, particularly looking at weeks of the festival, or, again, to explore whether and how it changed the media attention on music in terms of spaces, pondering the weight that has conquered the music and the rest of the cultural programming, and observing what the visibility of MITO in this landscape. Any changes can not be automatically attributed to the festival because they are factors to consider trying the system in its evolution, but they return a broader vision and represent a starting point to reflect on the

results in the medium to long term the 'all the measures implemented and supported by a default cultural policy have produced.

Having said all this, and returning more specifically on the case of MITO, the impact study shows that the festival has a connotation of Milan and achieving a high national and international visibility is one of the objectives of growth in the short term. This is something that is not secondary because the use of human energies and economic management is a duty for the organization of the festival succeeded in achieving visibility and success outside the city walls. The analysis of tourism in Milan and the study of cases from other major festivals have represented the opportunity to explore to try to understand what opportunities the city of Milan can offer to support the organization of the festival in this path of growth and how to pursue these objectives.

The benchmark analysis allows formulating some type of strategic directions that support the Festival MITO in reaching an international positioning. In particular, the issues on which to focus are mainly three: 1) district policy for the events, 2) building a network of national and international 3) programming unique events not only concerts but also moments to meet, study and exchange between the public (specialized or not) and musicians.

MITO, while offering a large number of shows and attracting many visitors in absolute terms, has a low concentration area. This factor can not define an objective in itself, but comparative analysis shows that it is functional to fruition especially the viewer who comes from outside the urban areas. MITO is hosted at various locations across the city of Milan and also outside it, allowing a use that perception is not easy for non-residents. To take another example, the Distortion Festival, a festival known for electronic music in Copenhagen, can be a good reference for MITO in terms of distribution of urban activities. Distortion is hosted each year for five days in June and has a unique format for each day the festival moves from one district of the city (areas such as Vesterbro, Nørrebro Østerbro City, and Islands Brygge) to another. Each of these urban areas has its own charm, tied to the history, morphology, residents and specific sites that distinguish the suburban area. During the afternoon there are several events for the city streets, followed by concerts in various locations of the deputies to the music. Copenhagen metropolitan area is large, such as Milan, and has developed a spatial strategy to overcome the low spatial concentration of a very niche festivals. This approach could give more definite identity and more exclusive to the festival, while preserving the distinctive feature in the territory, and making it compatible with the further possibility of getting the attention of international guests. The strategy adopted by the festival MITO to organize events in new locations, not strictly delegated to the enjoyment of music, would be consistent with the opportunity to focus more events and concerts in specific areas within the city districts and their local imaginaries.

Compared to the second aspect, for the construction of a network, it is useful to observe what has been done by the Salzburg Festival has established a network of international contacts at all levels of government and media. The strategy implemented by Salzburg is to develop internally and later adapt new ways of involving specific journalists. These agreements are defined directly with journalists so that they can themselves become promoters of the festival. The effect achieved is the support of the international press for the event and the involvement of journalists in strengthening the image of the event.

In this process of networking, to fostering a stable relationship with friends of the festival becomes a crucial opportunity. Many festivals highlight the role of members of such groups of friends because they are the most loyal guests and the backbone of the event. The experiences of Salzburg and Lucerne suggest the existence of a correlation between the construction of an international network and the focus of internationalization: the ability to attract non-local audience is influenced by the ability of the festival to be recognized to broader community interlocutors, as an event that has an explicit international orientation. The festival MITO despite having worked very hard in terms of relationships and promoted even though some specific initiatives at international level, it is primarily an urban and regional scale. The first step is to establish itself as MITO recognized brand in Italy and to focus on their national identity, having virtually no competitors capable of developing the provision of equal size and attractiveness to the south of the Alps

It may be interesting, then, to rethink the variety of proposed activities, especially in the case of a programme so thick that extends over a long time and large spatial area. Based on comparison with other festivals, it was found that the creation of the identity of the event is not only based on the possibility of reaching new audiences and to incorporate different musical genres, trying to maximize output, but it rather relies on the expansion of music opportunities and enhance the listening ability of the audience. The side events such as lectures, interviews, behind the scenes, post-concert talks, open rehearsals for the supporters of the festival, visit places of historical and technical festivals, workshops and meetings with artists are the way, already partly taken from MITO, to strengthen the attractiveness to national and international level. It is important, namely, that the experience of participation can become the occasion for learning and personal enrichment. Offering the opportunity to experience an aesthetic experience and moments of self-reflection and contemplation should stimulate the attractiveness of the festival, which ends up being a unique circumstance for a wide audience (national and international), to participate in situations that can not be experienced elsewhere.

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