

**Ask**

# The value created by Teatro alla Scala

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Centro di Ricerca ASK – Università Bocconi

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## Goals of the project

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To assess the **qualitative and quantitative effects** generated by Teatro alla Scala on different stakeholders.

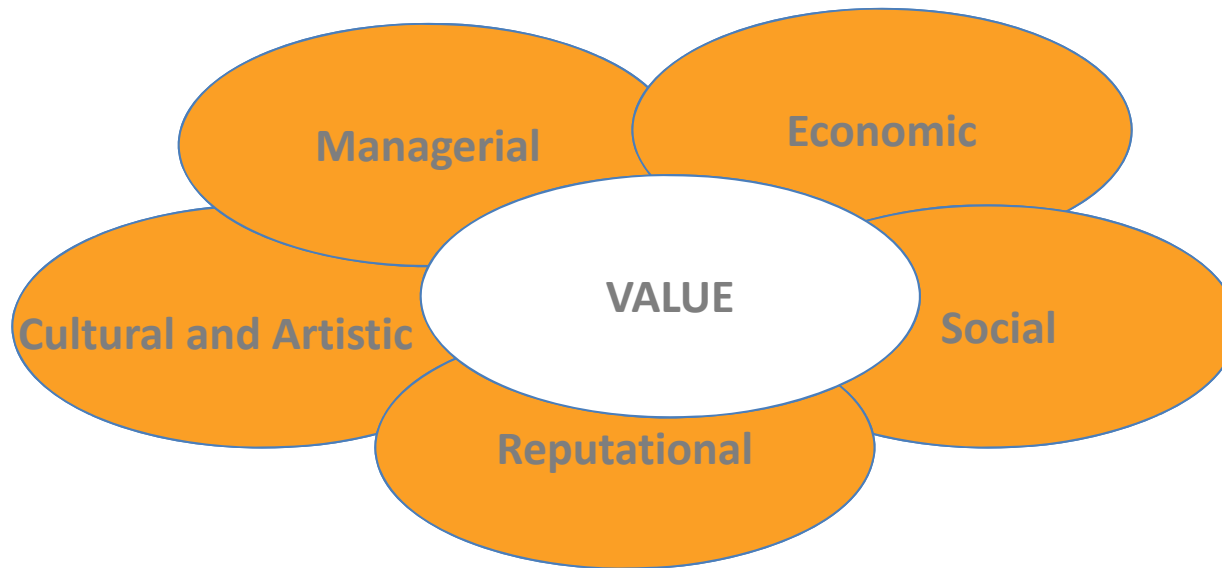
To measure **the value created** by Teatro alla Scala both as:

- a **global economic player** that operates on short-term markets through the exchange of goods and services,
- a **cultural institution** that works for the conservation and enhancement of a common heritage.

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## The dimensions of value considered

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# How to measure the value

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Type of Value	Issue	Tool
Economic	What is the amount of direct, indirect and induced impacts, generated in terms of sales and job positions?	Impact Analysis
Managerial	Which is the level of efficiency in terms of: . Capacity to have a multi stakeholders sources of revenue . Composition of costs . Composition of human resources . Etc...	Annual report analysis Benchmark analysis
Reputational	Which is the capacity of the OH to be part of a system at national and international level?	Network analysis Tournée analysis
	Is the OH a prestigious place for the growth of the artists?	Artists network analysis
	Which is the media visibility?	Press release analysis
	Which are the content of this visibility?	Content analysis
Cultural and Artistic	What is the role of an OH in promoting, preserving and developing the musical heritage?	Analysis of the artistic programs
Social	What is the role of and OH in the community in terms of: . Involvement of the individuals . Composition of the audience . Educational responsibility . Centrality in the local institutions system . Etc...	Audience analysis  Benchmark analysis about the participation and accessibility  Network analysis referred to the institutional local system

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## Sources of info

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1. The management of Teatro alla Scala and a national and international benchmark
  - Analysis of the annual reports of Teatro alla Scala, fiscal years 2010 – 2011
  - Analysis of the annual reports of the Italian opera houses
  - Analysis of the annual reports of Opéra de Paris and Royal Opera House
  - Interviews to some managers of Teatro alla Scala: dott.ssa Di Freda (*General Manager*) – dott. Migliorini (*Head of Finance and Administration*) – dott. Bignotti (*Controller*)
2. The economic impact and the audience analysis
  - Secondary data: ISTAT – Camera di Commercio – Osservatorio Nazionale Turismo – Banca d'Italia – IRAT CNR – SIAE – Comune di Milano
  - Interviews to: dott.ssa Di Freda – dott. Migliorini – dott. Bignotti – HR office – dott.ssa Paciello (*Head of Marketing and Fundraising*) – dott. Quochi (*Ticketing office*) – dott.ssa Vinci (*General Director at Accademia Teatro alla Scala*) – dott. Chiorda (*Human Resources and Financial Office at Accademia Teatro alla Scala*) – dott.ssa Criseo (*Students' Office at Accademia Teatro alla Scala*)
3. Network analysis: cultural and artistic reputation at national and international level
  - Secondary data: database Operabase – International press release of Teatro alla Scala - archives of Teatro alla Scala about the seasons from 1946/2012
  - Interviews to: dott.ssa Brunazzi (*Assistant to CEO & External Relations Manager*) – dott.ssa Di Freda – dott.ssa Paciello – dott. Cella (*Head of Press Relations*) – dott. Farina (*Press Relations Office*)

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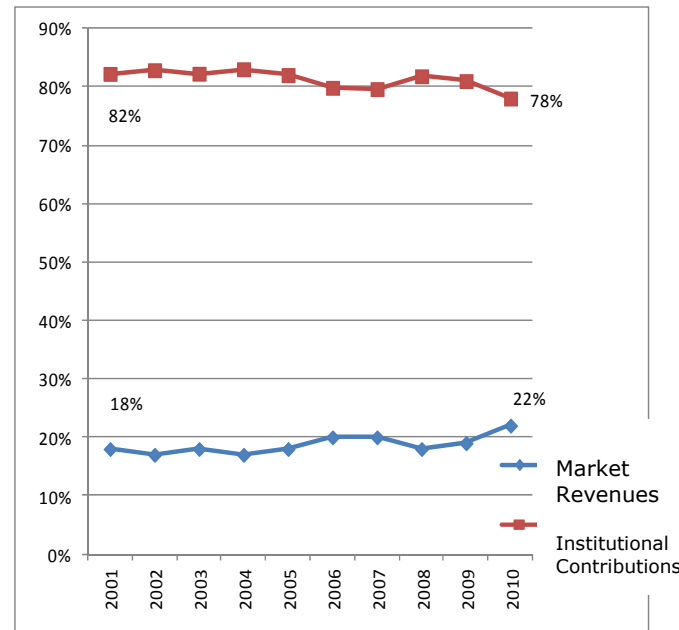
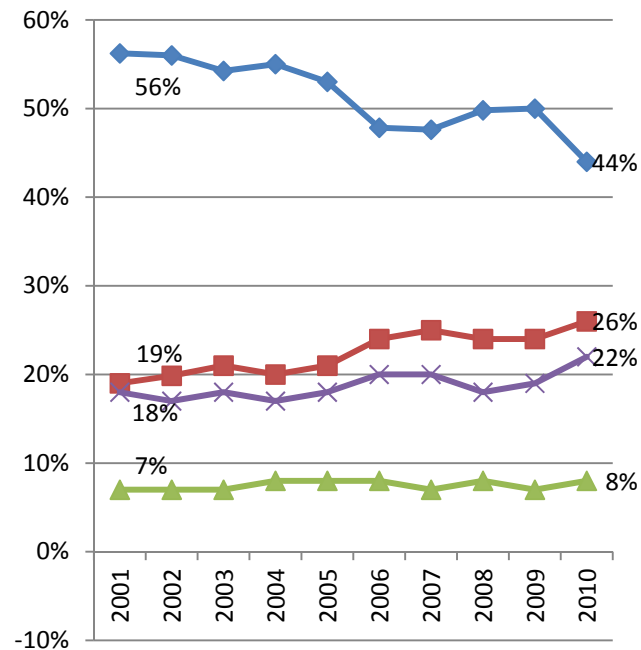
# Italian Scenario

## Sources of revenues of the 14 Lyric Foundations Year 2001 – 2010

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State — Local Admin. — Market — Private —

<b>Market Revenues</b>	Artistic and commercial revenues
<b>Institutional Contributions</b>	Public: • State • Local administrations Private contributions Fundors

- *Public funding is still the major source of funding.*
- *The permanent decline of State funding has been offset by the increase of local funding.*
- *Criteria of distribution of the State contributions are linked to the structure of the costs (artistic production costs).*
- *Cultural operators have to improve financial autonomy; they have to achieve better results both on the market of services and on the market of funds.*

# Italian scenario

## Market revenues vs. Institutional revenues

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	Market Value	Institutional Value	Total Revenues
Teatro alla Scala Milano	40%	60%	113.847.000
Arena di Verona	55%	45%	55.843.742
Teatro dell'Opera Roma *	14%	86%	53.570.767
Teatro Regio Torino	26%	74%	39.874.866
Teatro San Carlo Napoli *	24%	76%	36.813.377
Teatro del Maggio Musicale Fiorentino	28%	72%	39.004.946
Teatro Massimo Palermo	8%	92%	35.461.000
Teatro la Fenice Venezia	24%	76%	33.337.389
Teatro Lirico Cagliari	7%	93%	24.582.025
Teatro Comunale Bologna	24%	76%	23.626.636
Teatro Carlo Felice Genova	12%	88%	23.032.482
Teatro lirico Verdi Trieste *	16%	84%	18.927.943

• **Very heterogeneous sector:**

- Different composition of the revenues;
- Different fund raising approach;
- Different size and local opportunities.

<b>Institutional Value</b>	Public (State, Local administration) and private contributions funders
<b>Market Value</b>	Artistic and commercial revenues

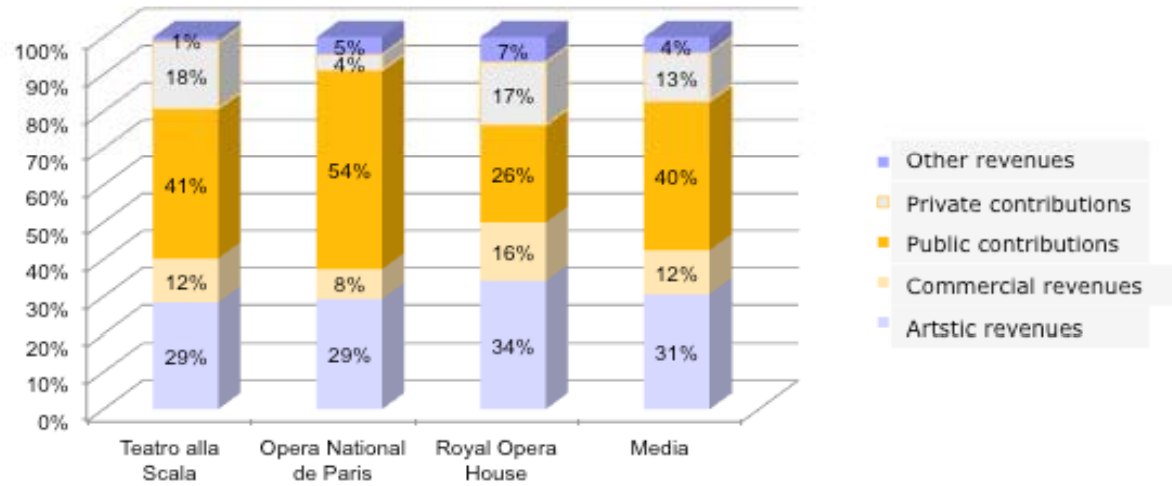
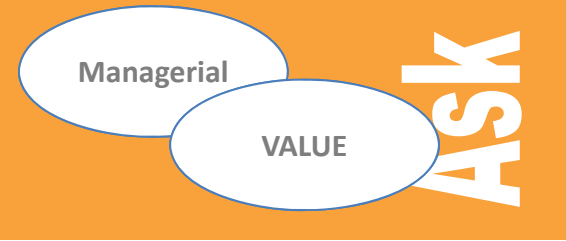
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Sources: *Teatro alla Scala*: Annual Report 2010 e 2011, given by the Theater. *Other Theatres*: Annual Report 2011 e 2010, by Registro delle Imprese. *Maggio Fiorentino* 2011: preliminary costs 2011, given by the Theater.

\* Annual reports 2010

# International scenario

## Sources of revenues - Year 2011



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Total Revenues		
113.847.000	197.241.784	132.956.670
Capacity		
2013	5508*	2257
# representations		
319**	702	398

	Teatro alla Scala	Opera de Paris	Royal Opera House	Average
Public contributions	46.345.000			
Of which State supports	33.238.000	105.941.784	34.977.852	51.493.472
Private Contributions	67.502.000	91.300.000	97.978.818	72.946.352

*Teatro alla Scala is comparable to the main European opera houses for size and volume of activities.*

Source: annual reports, year 2011.

\*of which Palais Garnier 2013, Opera Bastille 2745, Amphitheatre 500, Studio 250.

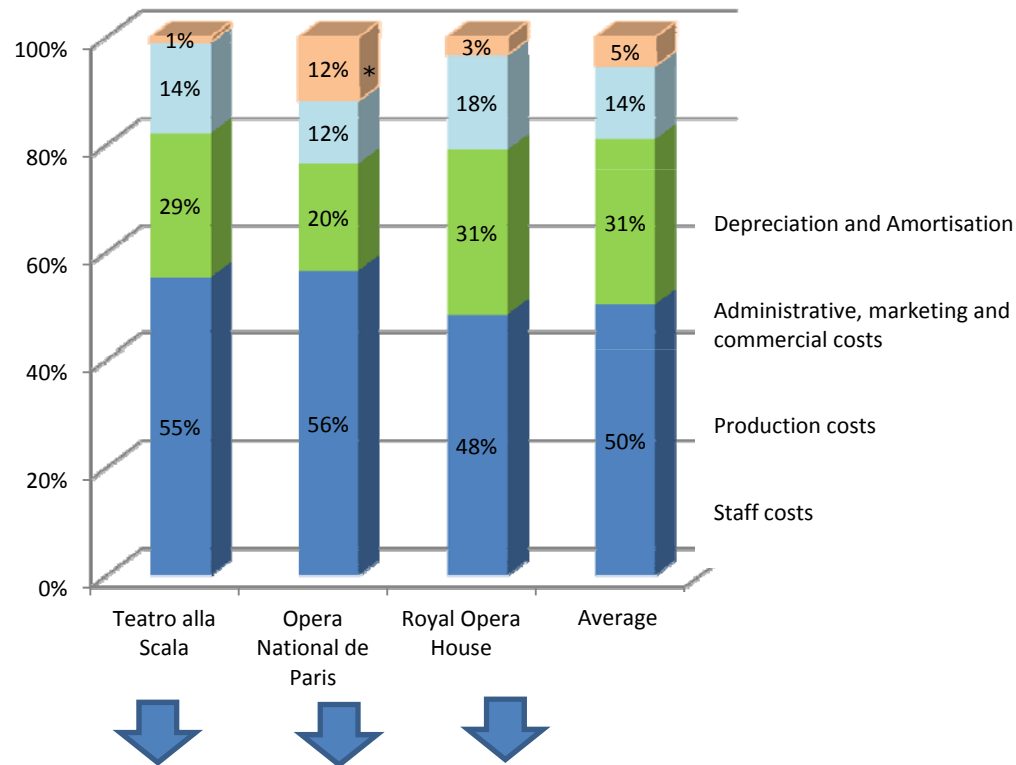
\*\*of which: 238 with bordereau



# International scenario

## Composition of the costs - Year 2011

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<b>Total Costs</b>	<b>118.482.313</b>	<b>191.640.000</b>	<b>137.013.049</b>
<b>N. employees / N. Representations</b>	<b>2,51</b>	<b>2,53</b>	<b>2,43</b>
<b>Staff costs / State contribution</b>	<b>51%</b>	<b>98%</b>	<b>63%</b>

*Considering the costs, Teatro alla Scala is comparable to the other international theatres. The incidence of employees per performance at Teatro alla Scala is equivalent to that of ROH and Opéra. The State contribution covers the staff costs in a percentage pair to 100% in the case of Opéra de Paris and pair to 50% in the case of Teatro alla Scala.*

Total costs net of financial charge. Data in €  
Source: annual report 2011

\* It includes amortisations and provisions part of which are related to the staff costs.

## Public grants of Teatro alla Scala

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Public grants			
	2010	2011	2012
State	31.934.987	33.238.474	30.748.390
Regione Lombardia	2.700.000	2.710.000	2.908.480
Province of Milan	4.050.000	2.983.000	0
City of Milan	3.310.247	4.160.247	3.160.250
City of Milan – contribution to the costs	3.253.690	3.253.690	3.253.690
Camera di Commercio of Milan	3.133.000	2.983.000	2.983.000
<b>Total</b>	<b>48.381.924</b>	<b>49.328.411</b>	<b>43.053.810</b>

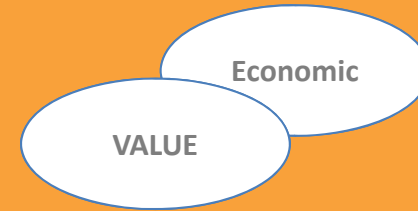
Sums paid as taxes			
	2010	2011	2012
Local	1.195.262	1.302.019	1.323.706
National	944.726	1.135.745	1.529.600
<b>Total</b>	<b>2.139.988</b>	<b>2.437.764</b>	<b>2.853.306</b>

Social security contributions and expenses			
Temporary staff costs	14.306.000	16.284.000	
Full time staff costs	64.682.633	65.545.640	
<b>Total staff costs</b>	<b>78.988.633</b>	<b>81.829.640</b>	
withholding taxes	16.967.866	16.739.759	17.508.337
SOCIAL CHARGES (ENPALS/INPS)	18.952.066	19.862.864	19.862.864
<b>TOTAL WAGES AND SALARIES</b>	<b>43.068.701,0</b>	<b>45.227.017</b>	
Incidence of State contribution	40%	41%	
Incidence of Public contribution (net of contribution to the costs)	57%	56%	

*Teatro alla Scala receives important public contributions. The contribution of State covers the 41% of the total staff costs; the criteria of allocation of the public contributions are related to the size of the staff. Therefore, the reduction of the staff costs is partially neutralized by the criteria of attribution of the public funds. Private contribution offset the public contribution to cover the staff costs. The State contribution is a contribution to the work, but does not get to cover the withholding taxes and social security contributions.*

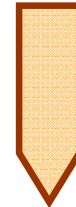
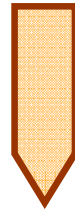
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# The concept of economic impact



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## ECONOMIC IMPACTS



### DIRECT EFFECTS

Spending of visitors attending the event

### INDIRECT EFFECTS

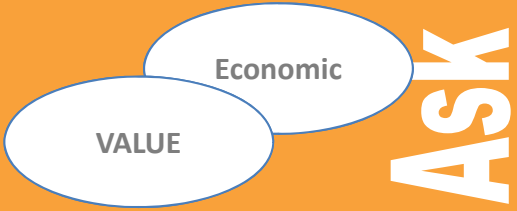
Changes of levels of expenditure of those suppliers that receive direct expenses of the visitors

### INDUCED EFFECTS

Spending power of residents

**ecomi**

# Economic impact analysis of Teatro alla Scala



economici

**ECONOMIC IMPACT**

From 150.177.359 to 217.008.804



**DIRECT EFFECTS**

**INDIRECT EFFECTS**

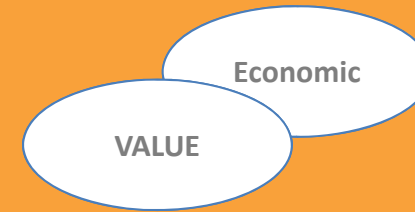
**INDUCED EFFECTS**

From 77.980.600 €  
To 112.439.796 €

From 72.196.759 €  
To 104.569.008 €

The analysis of the theater's **economic impact** shows that for every euro received in public and donors' contribution, Teatro alla Scala generates, beyond its turnover, **2,7 extra euros**.

# Impacts analysis



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	Segments	Criteria of inclusion	Data	Source
1	Organization	Provenience of suppliers	All costs	Teatro alla Scala 2011
2	Foreign Visitors	% of foreign visitors on holiday	Average daily expenditure per capita of foreign tourists in the Region	ISTAT 2011; BI 2011
3	Italian Visitors	% of Italian visitors on holiday	Average daily expenditure per capita of foreign tourists in Italy	ISTAT 2011; BI 2011
4	Local Visitor	Only subscribers	Average monthly expenditure of Italian families for cultural products	CCIAA 2010; ISTAT 2011
5	One-day Visitor	All in	Average daily expenditure per capita of one –day foreign visitors in Italy	CCIAA 2007
6	Artists	Guests of the season	Tourist Expenditures and Milanese family expenditures	ISTAT 2011; BI 2011

*A similar exercise has been done on the Accademia Teatro alla Scala, the school that trains dancers, singers, carpenters and all other craftsmen involved in a play production. Every year Accademia Teatro alla Scala has approximately 1 thousand students. The economic impact analysis of the Accademia included the expenses generated by the organization, the students attending the courses (regular courses and workshops) and the students attending the selections. Students had been divided on the basis of their provenience (Milan, Italy, other countries).*

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# Impacts analysis

## Some comments

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- *Teatro alla Scala produces economic wealth for the City. For every euro received, the return is approximately 2,7 euro. It has to be reminded, however, that these resources are NOT given to the theatre for purposes of economic return.*

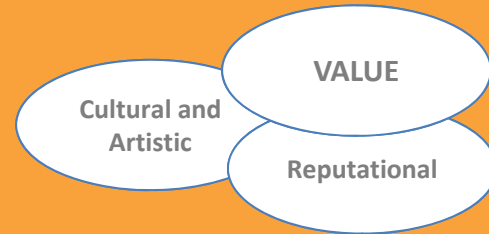
*This type of analysis has several limitations:*

- **Methodological approach:** *to measure the economic impacts we apply a methodology that is usually referred to tourism management: it ignores the non-economic impacts (cultural, artistic, social, etc.)*
- **Access to the data:** *the accuracy of the estimation process is related to the degree of granularity of the data. Updated data are frequently not available.*
- **Comparability of the results:** *the method is subject to many estimates and assumptions; this makes it difficult to compare results with those of similar studies.*
- **Interpretation of the results:** *the impacts are expressed in form of multipliers, that are synthetic indexes of the value generated in economic terms. The interpretation of these results is difficult and questionable, if not included in a broader analysis that takes into consideration also cultural, artistic, social variables.*

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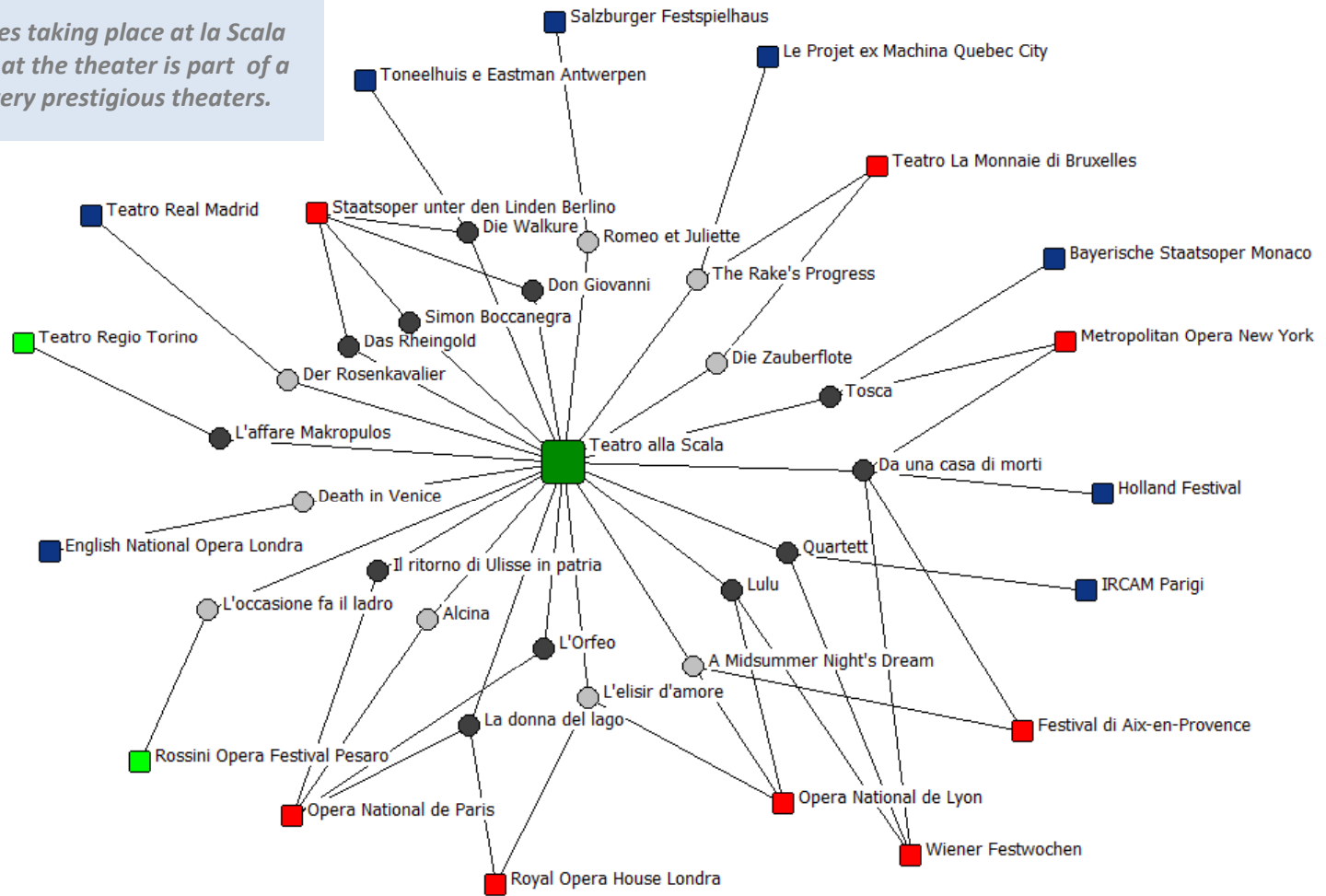
# The artistic network

New and rented productions | 2009-2011



# Ask

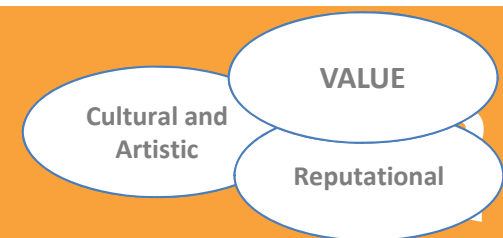
*The analysis of the performances taking place at la Scala in the past four years shows that the theater is part of a production network involving very prestigious theaters.*



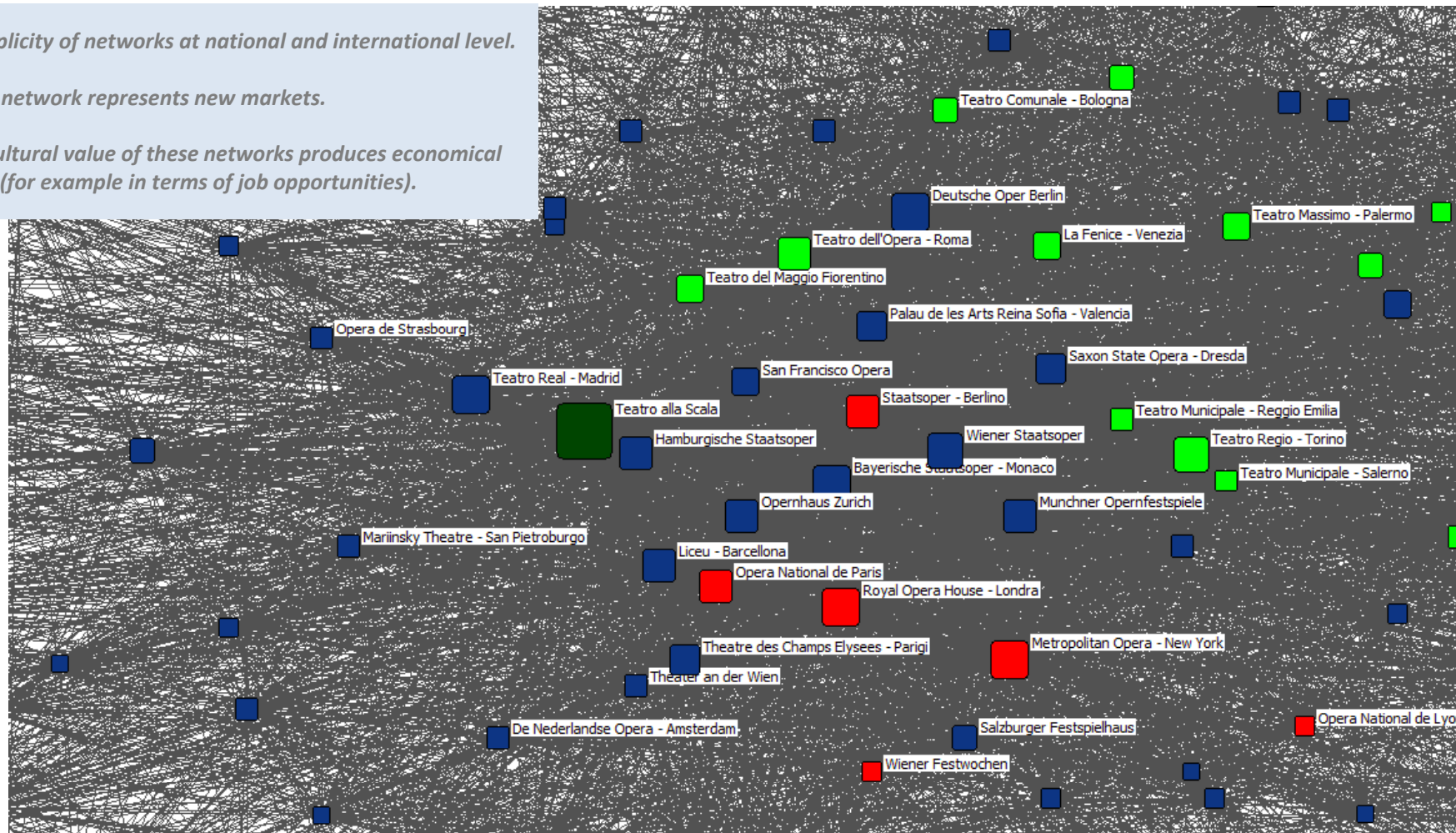
- Theatres and festivals:
- International ■
  - Italian ■
  - Significant partnerships ■
- Operas in partnership:
- new productions
  - rented productions

# The artistic network

Directors, producers, interpreters\* | 2009-2012



- Multiplicity of networks at national and international level.
- Every network represents new markets.
- The cultural value of these networks produces economical effects (for example in terms of job opportunities).



Source: Annual Report, Teatro alla Scala; Data Base operabase

\* Interpreters are selected by the reports of Teatro alla Scala

- : Partnership for co-productions and renting
- : International circuit of artists
- : Italian circuit of artists



# The geography of opera

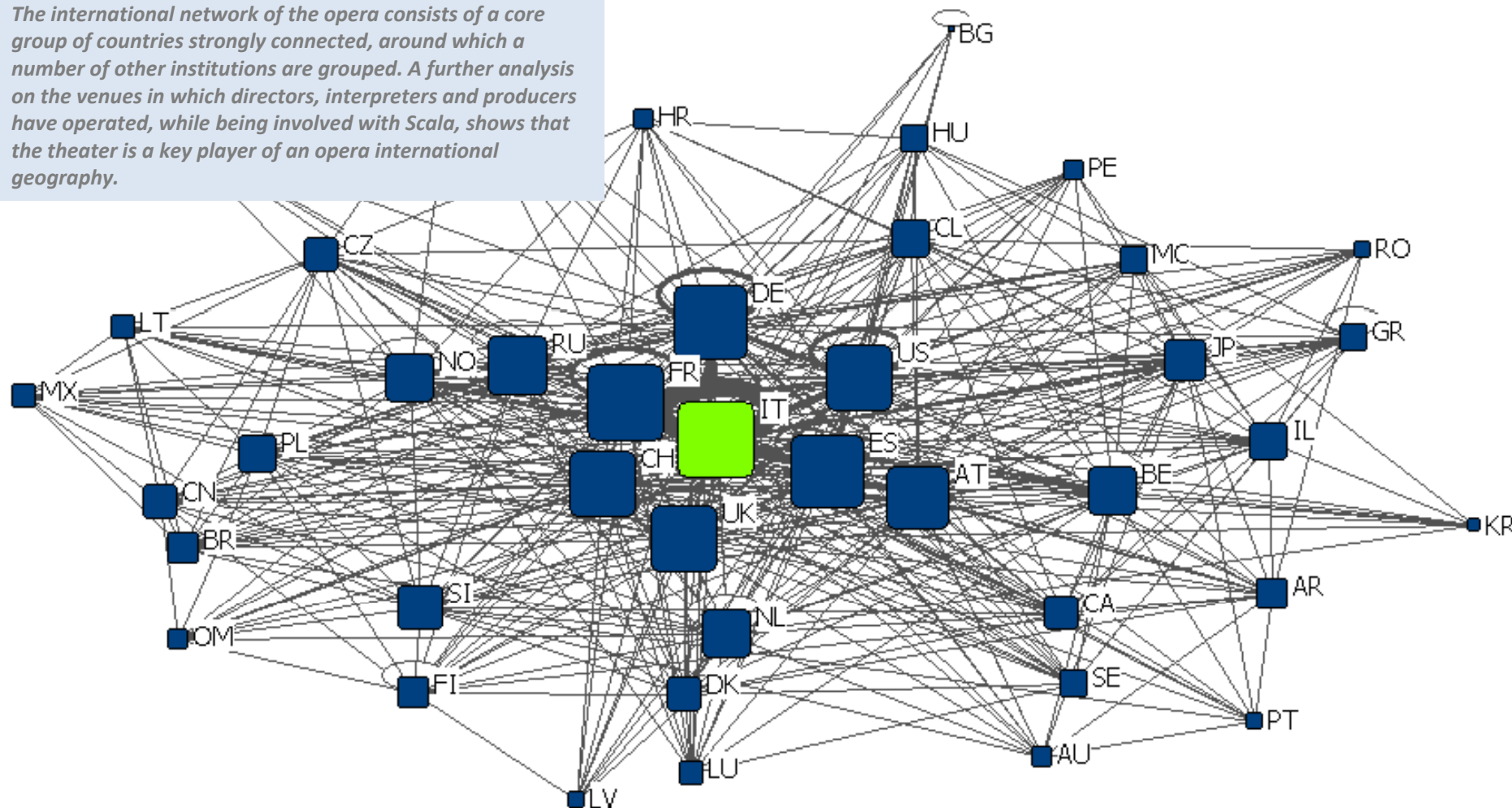
## Directors, producers, interpreters\* | 2009-2012

Cultural and Artistic

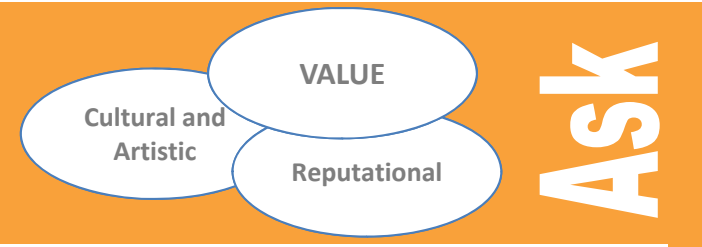
VALUE

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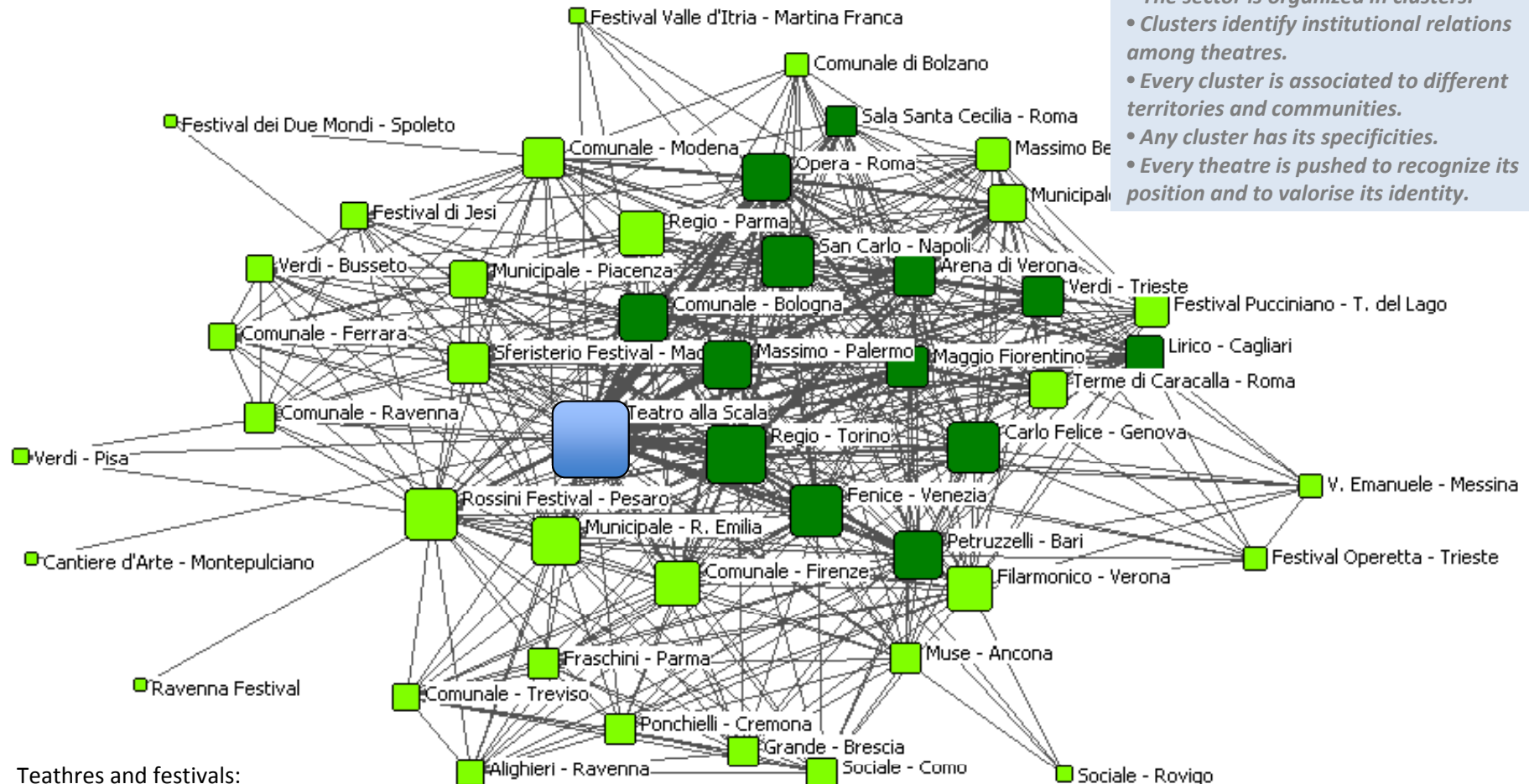
*The international network of the opera consists of a core group of countries strongly connected, around which a number of other institutions are grouped. A further analysis on the venues in which directors, interpreters and producers have operated, while being involved with Scala, shows that the theater is a key player of an opera international geography.*



# The institutional network



- The sector is organized in clusters.
- Clusters identify institutional relations among theatres.
- Every cluster is associated to different territories and communities.
- Any cluster has its specificities.
- Every theatre is pushed to recognize its position and to valorise its identity.



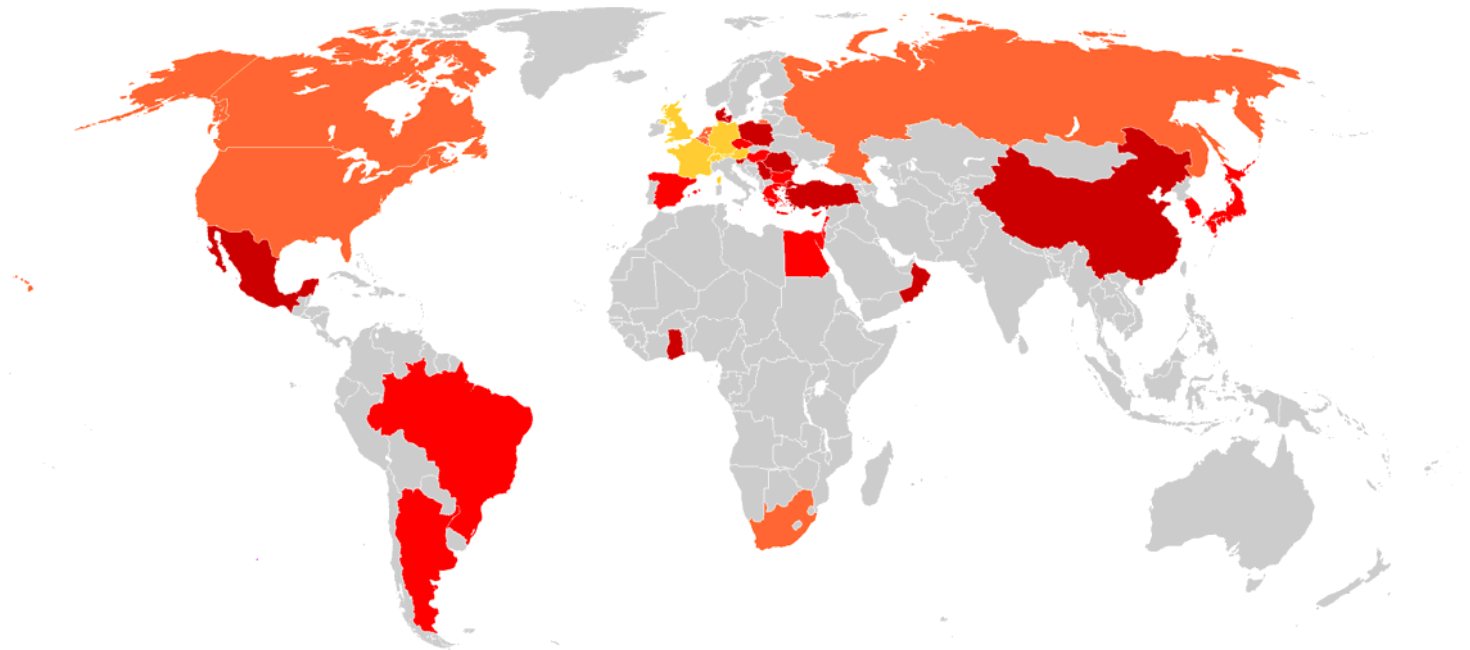
Teatres and festivals:  
 ■ Italian Lyric Foundations  
 ■ Other Italian Theater

# Scala worldwide - tournées

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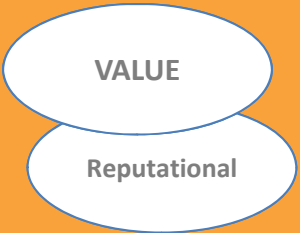


Before 1950  
Between 1951 and 1979

Between 1980 and 1997  
After 1998

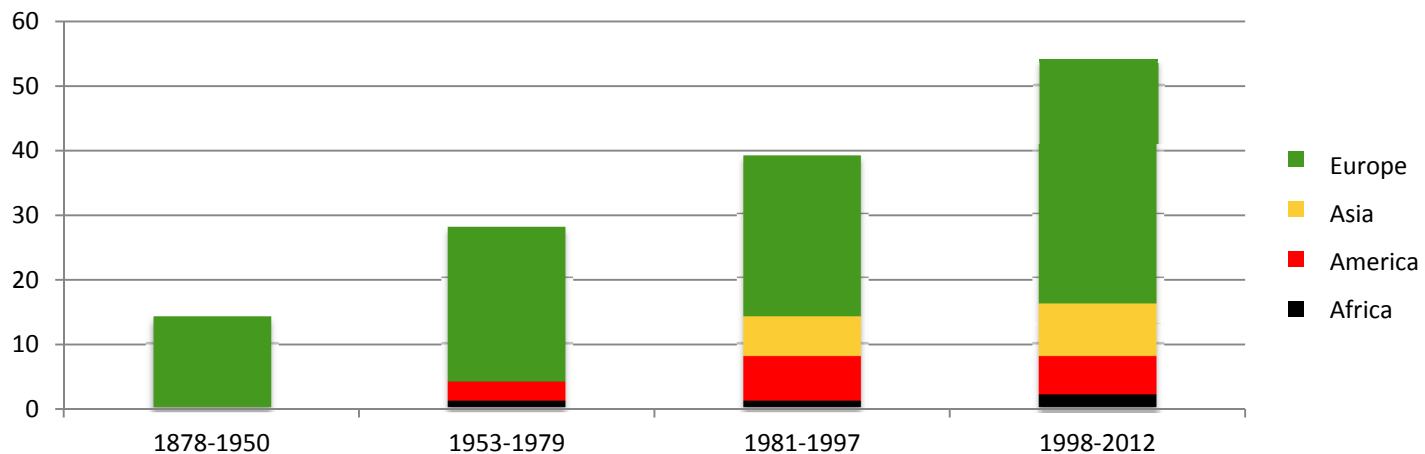
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# Evolution over the time

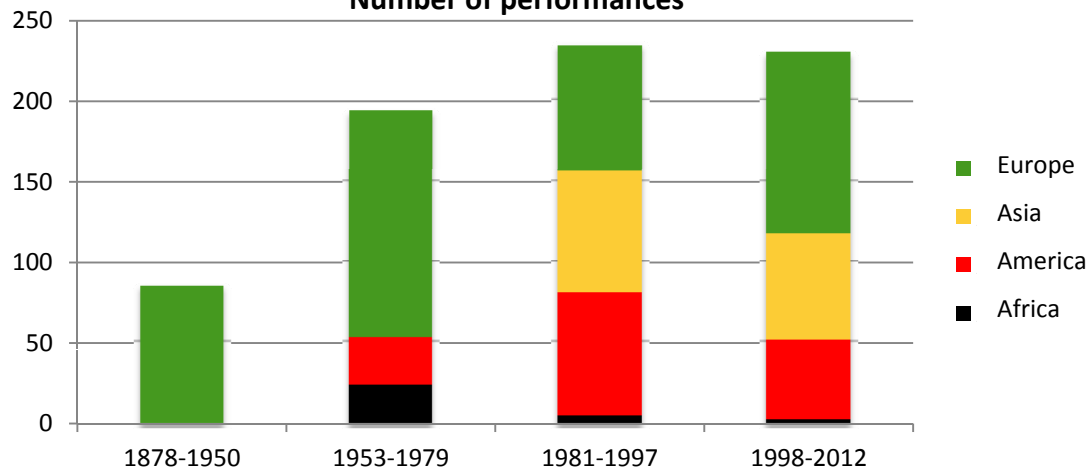


# Ask

### Number of tournées



### Number of performances



Source: own analysis on data Teatro alla Scala. Tournées since 1878

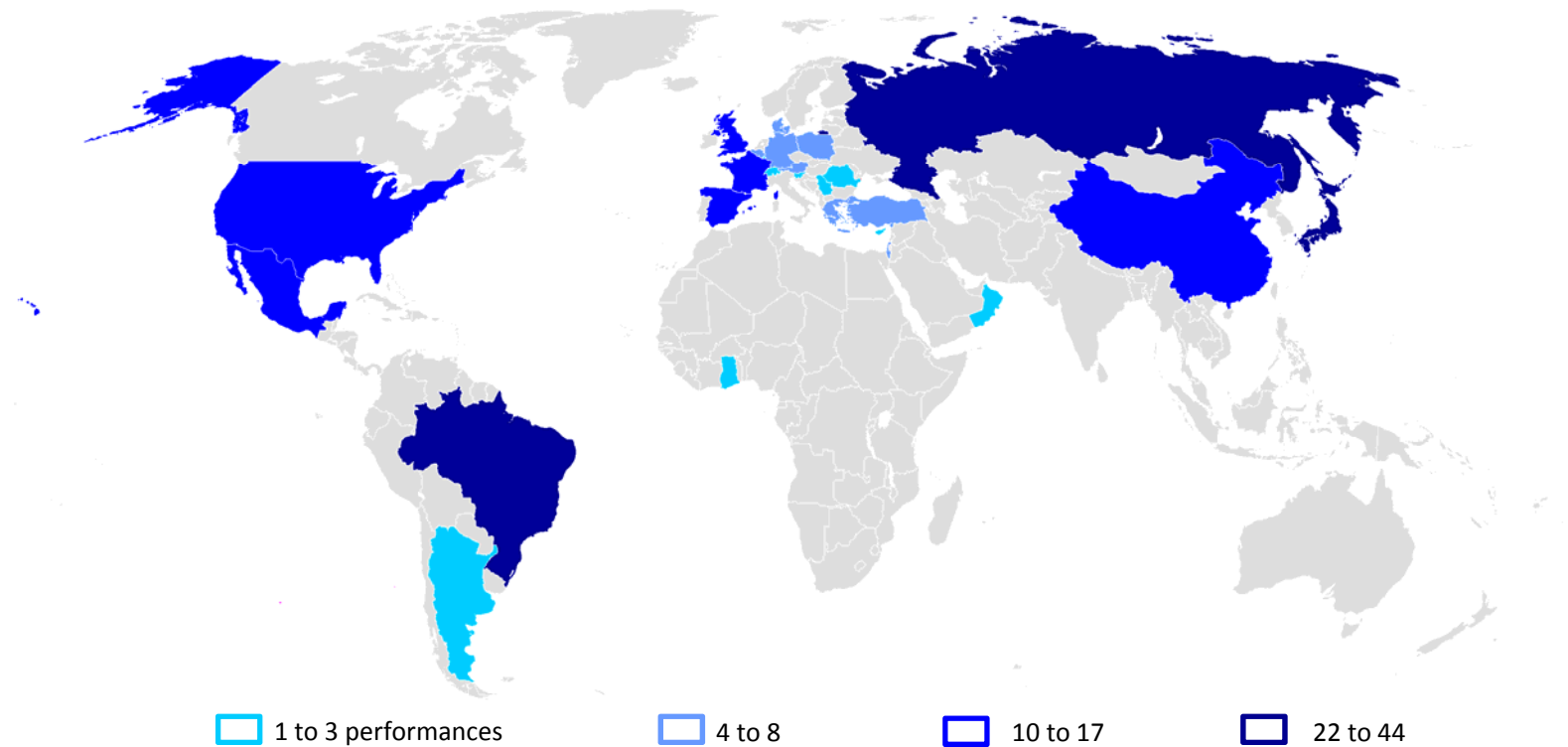
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## Presence after 1998

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*The growing global focus of the theater is shown by the geographic span of its tournées. Nearly 50% of the extra European tournées has been organized in the past 15 years, and it corresponds to 36% of total international programming. Most recent tournées have taken place in Asia, mainly Japan. In the last three years, la Scala has been present in Latin (Argentina 2010, Brasil 2012) and Central (Mexico, 2005 and 2008) America.*

Source: own analysis on data Teatro alla Scala. Tournées since 1878

# International press release analysis | 1998-2012

Opening night 12.7

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Anno	Titolo	EN	DE	ES	FR	altro	Totale
1998	<i>Götterdämmerung</i>	3	7	4	1	3	<b>15</b>
1999	<i>Fidelio</i>	20	10	7	0	20	<b>37</b>
2000	<i>Il trovatore</i>	16	17	10	0	16	<b>44</b>
2001	<i>Otello</i>	22	12	19	0	22	<b>54</b>
2002	<i>Ifigenia in Aulide</i>	13	6	10	1	13	<b>31</b>
2003	<i>Moïse et Pharaon</i>	10	10	6	4	10	<b>31</b>
2004	<i>Europa riconosciuta</i>	57	29	41	20	57	<b>158</b>
2005	<i>Idomeneo</i>	44	23	27	12	44	<b>108</b>
2006	<i>Aida</i>	104	75	49	46	104	<b>289</b>
2007	<i>Tristano e Isotta</i>	54	58	30	31	54	<b>177</b>
2008	<i>Don Carlo</i>	54	30	27	22	54	<b>134</b>
2009	<i>Carmen</i>	34	20	25	14	34	<b>94</b>
2010	<i>Die Walküre</i>	60	28	22	9	60	<b>126</b>
2011	<i>Don Giovanni</i>	85	26	22	4	85	<b>148</b>
2012	<i>Lohengrin</i>	179	61	25	43	179	<b>324</b>
<b>Totale</b>		<b>755</b>	<b>412</b>	<b>324</b>	<b>207</b>	<b>72</b>	<b>1770</b>

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# International press release analysis

Recurring words in the English press | 2010-2012

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■ Italy ■ Opera ■ Politics

# International press release analysis

Recurring words in the French press | 2010-2012

VALUE

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■ Italy ■ Opera ■ Politics



# The artistic production

## Preservation and promotion of music heritage

Cultural and Artistic

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Author	Country	N of times a title of an author is represented	%
<b>VERDI</b>	<b>I</b>	<b>111</b>	<b>28%</b>
PUCCINI	I	54	14%
MOZART	A	43	11%
ROSSINI	I	41	10%
DONIZETTI	I	34	9%
WAGNER	D	27	7%
STRAUSS	D	22	6%
BELLINI	I	11	3%
BRITTEN	UK	11	3%
MUSORGSKIJ	RUS	11	3%
MONTEVERDI	I	9	2%
PROKOF'EV	RUS	9	2%
BERG	D	8	2%
GLUCK	D	8	2%
<b>Italians</b>		<b>65%</b>	
<b>Foreign</b>		<b>35%</b>	

Source: Elaborations on data Teatro alla Scala. The artistic program from 1970 till today.

Country	% N. authors	% Titles	% Plays presented
<b>Italy</b>	<b>53%</b>	<b>51%</b>	<b>58%</b>
<b>Germany</b>	<b>12%</b>	<b>16%</b>	<b>14%</b>
<b>Russia</b>	<b>10%</b>	<b>11%</b>	<b>8%</b>
France	9%	6%	6%
Austria	4%	6%	9%
USA	4%	3%	1%
Czechoslovakia	2%	2%	1%
UK	2%	3%	2%
Poland	1%	0,4%	0,2%
Switzerland	1%	0,4%	0,2%
Hungary	1%	0,4%	0,2%

• *Programming choices define the identity of a theater, creating a distance from all the others, in terms of innovation, internationalization, etc.*

• *These tables show the data of Teatro alla Scala. It emerges that La Scala plays a central role in the conservation of the Italian opera tradition: Verdi is the most represented, ever.*

• *Although the programming choices are influenced by the audience preferences, they are one of the most critical and potential aspects to constrain public funding that are free from any economical pressure.*

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# The role in the community



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Provenance	N.	%
Milan area	272.592	68%
Lombardia (Milan area excluded)	41.752	10%
Italian tourists	20.571	5%
Foreign visitors	45.135	11%
Not available	22.000	6%
<b>Total</b>	<b>402.050</b>	

ONLINE	ITALIA	USA	GERMANY	SWITZERLAND	STRANIERI IN ITALIA	FRANCE	RUSSIA	UNITED KINGDOM	JAPAN	ESPANA	OTHER	TOTAL	ABROAD
2000	84%	3%	2%	2%	4%	1%	0%	0%	1%	0%	3%	<b>11.727</b>	16%
2012	55%	4%	4%	4%	2%	4%	7%	2%	2%	1%	15%	<b>84.721</b>	45%
△		+1%	+2%	+2%	-2%	+3%	+7%	+2%	+1%	+1%	+12%	<b>72.994</b>	+29%

Provenance	Subscription	% total	Composition % subscription
Milan area	74.370	18%	80%
Lombardia (Milan area excluded)	10.111	3%	11%
Italian tourists	4.589	1%	5%
Foreign tourists	4.262	1%	5%
<b>Total</b>	<b>93.332</b>	<b>23%</b>	<b>100%</b>

- The public consists of 70% people living in town. 58% of the public attends opera
- Subscribers are 23% of the public and mainly come from Milano area

Source: own analysis on data Teatro alla Scala, Audience 2012. The percentage are calculated on the total number of tickets sold. Part of them, however, are sold through preferential channels (such as special agreements). Tickets sold on the market amount to approximately 340.000.

# Capability to attract different audiences

## Teatro alla Scala vs. Opéra de Paris



# Ask

Provenience	Milan	%	Paris	%
Totale population	1.350.267		2.234.105	
County population	3.072.152		11.780.000	
Turist arrivals	6.136.327		28.900.000	
Presences	12.521.667		36.900.000	
Totale tickets	402.050	100%	800.000	100%
Subscription	93.332	23%	223.000	28%
Resident tickets	272.389	68%	280.000	35%
Resident tickets in the county	41.752	10%	174.000	22%
National tourists	20.571	5%	66.000	8%
Foreign tourists	45.135	11%	78.000	10%
Not available	22.203	6%	200.000	25%

Source: Own elaboration on data Teatro alla Scala.  
Audience 2012 – Istat 2011 - Opéra di Parigi audience 2012 – Paris Info.com – 2011

# Bocconi

Ask

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