



ECONOMIC VALUE OF CULTURAL HERITAGE

EVOCH Expert Seminar Vienna, February 16th and 17th, 2012

"Cultural Tourism – Macro-economic Effects for Cities and Regions"

Conclusions - a 12-Point-Programme for Value Creation

Preliminary note: No compromise in cultural heritage conservation

Economic valorisation is of high importance for the survival of Europe's cultural heritage. Touristic and economic utilisation of heritage is meant to contribute to its upkeep and conservation. However, protection and conservation of cultural heritage should never be compromised in favour of its exploitation.

1. **Organisations with touristic offers based on cultural heritage are in dire need of data concerning the economic value of their activities.** Especially in times of increasingly scarce financial resources in the public sector comprehensible data on the economic effects of expenses, e.g. in the maintenance and the implementation of efforts, need to be made available. The data have to enable comparison with alternative expenses.
2. **"Economic value" created by and related to cultural tourism has to be defined.** Desired economic effects of cultural tourism - visits and trips motivated mainly by cultural offers (heritage, arts, events, etc.) – have to be defined and prioritised in a political process. Possible targets are:



ECONOMIC VALUE OF CULTURAL HERITAGE

- employment (encompassing social security as well as temporary and volunteer jobs)
 - tax income / a (future) decrease in subsidies
 - set-up of small and medium enterprises (SMEs)
 - improvement of local assets for visitors and locals (environment, infrastructure, mobility, added value, spill overs, etc.)
 - retention of purchasing power
 - inward investment
 - attraction of foreign investors
 - selling potential of a place / site
 - attractions for locals to remain
 - contribution to a good brand
 - non-transferrable qualifications.
3. **Externalities have to be taken into account.** Positive economic effects should be combined with positive effects in other public target areas, e.g. the improvement of public health, the improvement of the IT infrastructure, and so on. Negative externalities should be avoided, e.g. exclusion of certain social groups from the housing market due to rise in real estate prices (gentrification).
4. **The potential of cultural tourism in rural regions has to be considered more seriously.** Urban centres attract a higher percentage of cultural tourists and profit significantly more from this interest than rural regions. Nevertheless, cultural touristic valorisation of rural regions is not only feasible, but often without any alternative. It brings a range of benefits to these regions and should be encouraged and supported.



ECONOMIC VALUE OF CULTURAL HERITAGE

5. **Data concerning the economic effects of cultural touristic offers are only a means to an end.** “As much as necessary and as little as possible” is a useful general guideline for the effective and sustainable collection of data. In times of decreasing public funding, the addressee of data needs to be taken into consideration. This comprises state organisations, sponsors, patrons, intermediary organisations and many others.
6. **The collection of comparable data concerning economic effects of cultural and heritage tourism on regions is a challenge.** Currently, relevant economic data are mainly gathered and analysed in the general tourism sector. Satellite accounts for cultural and heritage tourism are difficult to compile for various reasons, such as:

Cultural tourism is a cluster business, with the difficulty to distinguish spending in one sector of the cluster from spending in another sector. Spending e.g. for the upkeep and maintenance of a collection (the upstream) is relatively easy to measure. But where does tourist expenditure occur after the visit to a heritage site (the downstream) and to which degree is it related to cultural heritage? Research concerning the downstream (e.g. carried out by Prof. Max Munday in Wales) is therefore direly needed. The modelling of these data has to be standardised on a European level and collection methods have to follow established quality standards.

7. **Management of economic value created by cultural heritage needs a systemic understanding of interdependencies.** Apart from the existing, backward-oriented measuring of regional economic effects created by cultural tourism, a forward-oriented management model for the touristic valorisation of cultural heritage is needed. The experts of the EVoCH seminar in Vienna propose a draft generic model in Fig. 1. At present it reflects experiences from numerous explorative case studies, but it is to be improved and developed even further.



ECONOMIC VALUE OF CULTURAL HERITAGE

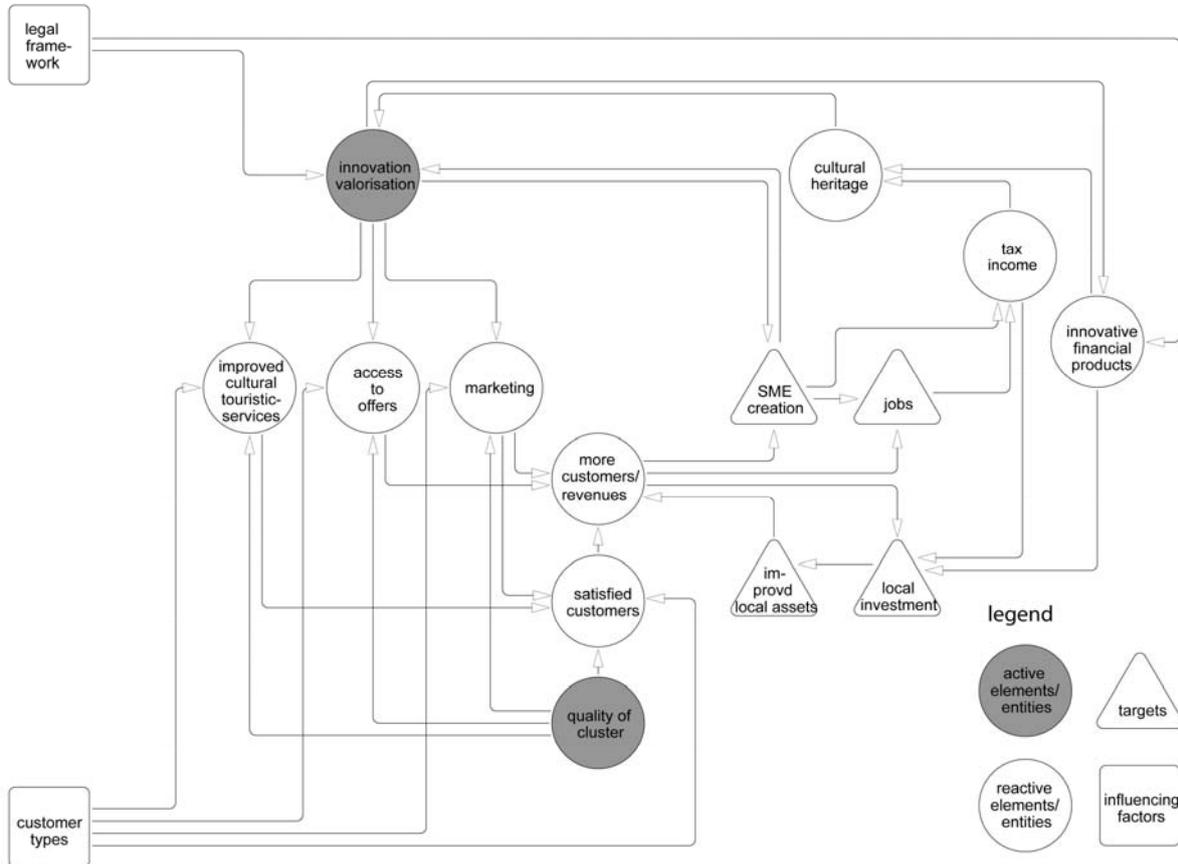


Fig. 1: Management Model for the Cultural-Touristic Valorisation of Cultural Heritage (draft).

8. Innovation is (in many respects) a starting point for cultural touristic valorisation. Valorisation of cultural heritage (see Fig. 1) is enabled through innovation, e.g. in the field of touristic services. Innovation and an improved business cluster may target e.g. a positive brand image, an authentic USP, the identification of locals with the “product”, good logistics, mobility services and infrastructure, the concise definition of the target group and target area(s), the right marketing and communication measures, well-functioning networks and efficient monitoring.



ECONOMIC VALUE OF CULTURAL HERITAGE

9. **Improved business clusters / regional networks are success factors.** The launch and improvement of business clusters, e.g. through the enhancement of co-operation between organisations in the touristic and the cultural sector, is another excellent starting point for cultural touristic valorisation. Currently, networking is more a work-in-progress, lacking pre-planned and co-ordinated activities, and often organised by individuals, though gifted with interdisciplinary skills. Tourism and culture speak different languages and it needs time to come to a mutual understanding. None the less, networks are crucial for exchange in and development of cultural tourism. The establishment of local touch points and round tables, the encouragement of local business development and co-operation as well as the introduction of collaborative guest cards and ticketing have been suggested as approaches.
10. **Need for a platform.** A European observatory would give decision-makers from the cultural and touristic sectors the opportunity to exchange experiences, to discuss new trends and opportunities and to benchmark. Specifically, there is the need for cultural touristic platforms in rural areas.
11. **Target markets – Target Groups.** Cultural tourists have a distinctive profile, with preference for highly individualised offers and the possibility of individual choice. Marketing and communication efforts should be designed accordingly and aligned with the right offers, albeit without compromising the authenticity. Economic gain is but one aspect of cultural tourism – gentrification and misrepresentation are to be avoided.
12. **Need for continued quality management.** Cultural tourism involves a variety of stakeholders and their agendas – high expectations of visitors, added (financial) pressure by political decision-makers and the demands of investors, to name a few. Interdisciplinary quality management presents an ongoing challenge – it therefore needs long-term experience. The seminar made evident that institutions and organisations in cultural tourism increasingly turn away from the concept of “visitors” and instead focus more on the concept of visitors as “customers”. Offering and maintaining a high standard of service quality, also via the help of new media and technologies, is pivotal for the creation of economic value.