H.I.S.A. Study
Marketing of heritage sites

by Andrea Cenderello
June 2015

PREAMBLE

This section of this document aims to explore some of the main characteristics of the application and adaptation of marketing strategies to the promotion of heritage sites, in order to provide a general introduction and some useful suggestions to those who are interested in this kind of job. Goes without saying that, for many reasons, this will not be a marketing of culture essay with scientific ambitions.

MARKETING FOR HERITAGE SITES

Applying marketing strategies and techniques to heritage sites represent the opportunity to link cultural heritage, artistic expression and local economic, social development. Doing this marketing operators have to pay attention to a number of differences that occur when comparing cultural heritage (and cultural/artistic in general) sector to other sectors, more, or "simply", profit-oriented. Usually there is a certain reluctance on the part of management to consider cultural heritage assets as "products", but adopting a consumer-based marketing approach is vital to the success of any actual heritage product. This becomes clear when looking at sites that are either overcrowded or suffer from too low visitation. In either case, "management and planning actions are needed to control the visitor experience and to minimize impacts"[1].

Marketing in cultural heritage tourism has to be considered a key-element, leading managers to targeting the "right" or desired kind of visitors to the site[2]: those whose needs are in line with the benefits provided from visiting the specific attraction. First we have to understand what a product is: "[...] anything that can be offered to a market for attention, acquisition, use or consumption that might satisfy a need or want[3]." The marketing of heritage, especially heritage tourism, must be a balanced set of activities, as there is little point in alienating the local populous in favour of (possibly short-term) heritage tourism. As a general overview, considering an heritage site as a "product", it should be divided in 3 levels:

---

1 E. Paschinger, *Issues in Cultural Heritage Tourism*, 2007

2 Herbert, 2001, Mckercher/Du Cros, 2002

3 Kotler, 1989

1. Core (for example the heritage site or the heritage product itself),
2. Actual (for example interpretation, interpretation facilities and packaging)
3. Augmented (the brand or added value services such as retail/shopping and eating opportunities)[4].

Nevertheless it has to kept in mind that when it comes to heritage sites the "product" has to be considered as a whole "visiting experience"[5] and that the tourist product or experience is only created after an interaction, such as interpretation, with the heritage resource[6].

MARKETING 1O1

Before going deeper in the application of marketing strategies of cultural heritage sector, it would be helpful to provide some basic elements of general marketing, in order to understand some of the main differences between general marketing and marketing of culture.

A marketing oriented company is able to pay attention to the market and understand it, to identify unmet needs and to respond with a competitive and appropriate valuable offer. The strategy and the promotional and sale actions of a product constitute the main business of a Marketing Manager, who is responsible for 'mixing' several components: the Marketing Mix.

According to the "The 4 Ps Model" developed by Philip Kotler (inspired by Jerome McCarthy, the main elements ("Ps") of the marketing mix are: Product, Price, Place and Promotion.

In marketing, the term «product» has a broad meaning: in fact, it does not just represent a material product or a consumer good (deodorant, automobile, drink, TV, smartphone, etc.), but also the so-called intangible goods, which include, for example, the services (home care, vacations, sale/purchase of real estate properties, etc.). The Marketing Mix is composed by multiple elements. Among the main ones, it could mentioned, for example: Planning, price, brand, distribution channels, personal selling, advertising, promotion, packaging, availability, services, hand delivery, etc.

According to the 4Ps model, the essential elements of Marketing Mix are represented by "variables", which are divided into two main categories:

►Variables under the control of the company:
<div align="center">

Product

Price

Place

Promotion
</div>

► Variables not controlled by the company:
<div align="center">

Environmental factors

Competitive factors
</div>

---

4 S. Misiura, *Heritage Marketing*, 2006.

5 Smith, 2000

6 E. Paschinger, *Issues in Cultural Heritage Tourism*, 2007

New laws and regulations

Therefore, the four Ps are parameters that the company and the marketing manager can control. They are subjected to external and internal constraints. The goal is to make decisions that concentrate the 4Ps on consumers of the relevant market so that they perceive an added value and the client responds positively.

The term "product" refers to the physical/tangible, intangible products and services. Some examples of *product*-related decisions are:
- ❑ Brand (name of the product)
- ❑ Functionality (addition or change of the functionality of the product, e.g. tablets and smartphones)
- ❑ Styling (change of the look and style of a product, e.g. automobiles)
- ❑ Quality (improvement of the quality of the product, e.g. in terms of duration and resistance)
- ❑ Safety (improvement of the characteristics of the product, e.g. safety for children)
- ❑ Packaging (change of the packing, e.g. perfume or wine bottles)
- ❑ Services and reparation (addition, e.g. of pick-up and return services)
- ❑ Guarantee
- ❑ Accessories e services

Some adoptable strategies regarding the *price*:

- ❑ Price strategies: skimming (entry into the market with a high price with the intent to "skim" the market, eliminating the customers who are not willing to buy at that price. It is used in hi-tech sectors or luxury)
- ❑ Price strategies: penetration (entering the market with a very low prices in order to attract more customers and exclude competitors)
- ❑ Prices adjustments to the detail
- ❑ Discounts and sales
- ❑ Discount for cash or advance payments
- ❑ Seasonal prices (sales)
- ❑ Offers and promotional packages
- ❑ Price flexibility

The Place "P" is about the *distribution* of a product/service and is about how to get the product to the customer. Some examples of distribution variables and decisions:

- ❑ Distribution Channels (eg. Mass retailers, Small Distribution, Fair Trade, etc.)
- ❑ Market coverage - inclusive: aims to supply the greatest possible number of retailers (eg. Coca-Cola)
- ❑ Market coverage - exclusive: only a limited number of retailers have the sales rights for a certain area (eg. Cars, luxury, haute couture)
- ❑ Market coverage - selective: large number of retailers, but selected
- ❑ Members of preferential channels or specific
- ❑ Storage and warehouse management
- ❑ Distribution Centers
- ❑ Orders management
- ❑ Transports

In the context of the marketing mix, *promotion* represents the various aspects of commercial communication, namely communication of information about a product in order to generate a positive response in the client. Some examples of promotion variables and decisions:

- ❏ Promotional strategies: push (incentives and favourable conditions to the distributor which is driven to treat the product, promote sales, and store it in large quantities)
- ❏ Promotional strategies: pull (creation of a global demand that will require the product to the distributor; they decide to keep it in stock to meet the needs of clients)
- ❏ Advertising
- ❏ Sale & customized sales force
- ❏ Promotional Sales
- ❏ Public relations and "publicity"
- ❏ Budget available for the activities of commercial communication

Talking about heritage sites, some preliminary elements need to be pointed out: the distribution (Place) in a service-oriented company includes the accessibility of the product or service. In the case of the Cultural and Creative Industry sectors, therefore, it must be understood in the broadest sense. In an artistic event, for example, the variable distribution is represented by the location, meaning, however, not only the artistic performance (concert, theatrical performance, etc.) but also all related services (catering, information, reception, stands, etc.). At the same time in an service-oriented enterprise the promotion must take into account the input from the staff in direct contact with the customer.

Case study ZARA

The Spanish company of clothing and accessories ZARA adopted a successful production model based on some key elements:

- Involvement in the production process of small and medium enterprises based in Spain, ensuring the quality of the product (Made in Spain) and a positive effect on local territory in terms of employment (corporate social responsibility)

- Involvement of retailers (shops and stores) as "sensors" of the market and a source of strategic information: retailers are responsible for interacting with customers noting suggestions, requests, expectations and complaints and transmit (by email every week) this information to headquarters in Spain. This information is used to make changes to existing collections or design new productions.

Result: thanks to this information and the proximity of the companies involved in the production process ("short") Zara is able to produce and send new products to retailers in 15 days.

WHAT'S DIFFERENT IN MARKETING OF CULTURE?

Because heritage interpretation is about services, in terms of marketing mix the first change should be to move from a "4Ps" model to a "7Ps" one, designed for marketing of service:

Price: Skimming, Penetration, Value based, Cost plus, Cost leadership

Product: Design, Technology, Perceived usefulness, Convenience of use, Quality, Packeging, Brand utility, Accessories, Warranties

People: Employees, Management, Organization culture, Customer service orientation

Place: Retail, Wholesale, Mail order, Internet, Direct sales, Peer to peer, Multi-channel

Service Marketing Mix

Physical evidence: Facilities, Infrastructure, Service Delivery

Promotion: Special offers, Advertisements, Endorsements, User trials, Campaigns, Joint ventures

Process: Uniformity of offering, Service delivery, Service consumption

The Ps related with the "Physical evidence" and the "Process" allow us to focus on service orientation and the investments on facilities in terms of interpretation. But heritage itself is a "complex commodity[7]", an experience-based product. This highlight the need to go beyond the conventional marketing mix. Apart from Product, Price, Place or Promotion, other P's in heritage marketing have to be added:

• *People*: people are a necessary ingredient to the consumption of cultural products, especially in cultural heritage. The 'people' element suggests placing additional value on the dimension of experience. In this context interpretation strategies and tools play a key-role to get the right audience in contact with the "product, enhancing their experience.

• *Programming*, cluster development or attraction bundling: this is about packaging together certain elements of a heritage product or experience and market them together, e.g. in a themed festival or series of events.

• *Partnerships*, collaboration and network development: to ensure a long-term focus among different stakeholder groups, from community initiatives to government associations, in order to ensure sustainability and a long-term vision in planning, development and marketing.

---

7 *Authenticity, interpretation and the issue of demand: how product development at world heritage sites can encourage sustainable management*, E. Paschinger, 2007.

TARGETING

The definition of the audience, the target, their needs and expectations represent one of the key actions in marketing. As a general rule, in marketing of culture, it has to be remembered that some people will not be interested in a cultural product and they will never be. This leads to carefully plan and manage the resources (human and financial) in order to focus the marketing effort on those segments potentially interested in the product. For the marketing manager is essential to work closely with the "artistic direction", those who create the artistic product, to gain a sound understanding of the product and be able to identify and reach market segments in the most effective way.

The application of marketing techniques to the cultural sector involves the identification of the target (consumer) through 5 main categories of cultural market segmentation:

❑ Consumption / no consumption of culture
❑ High / low frequency of consumption
❑ High / low fidelity
❑ High / low satisfaction
❑ Brand or type of product favourites

The cultural consumption is in fact influenced by two main elements:

❑ External stimuli
❑ the so-called *Black Box*

According to the "black box" theory, among the factors that influence the propensity to consume culture we are:

❑ cultural factors
❑ social factors
❑ personal factors
❑ psychological factors

The following table provides some examples to clarify these factors:

Cultural Factors	Culture or subculture and social class = lifestyle and consumption style
Social Factors	Families of origin, reference groups (colleagues and friends), role and social status of belonging
Personal Factors	Age, occupation, economic conditions, lifestyle and personality / character
Psychological Factors	Consumption motivations (imbalance between current state and desired state), experience, involvement (interest and motivation), benefits sought (cultural enrichment, intellectual stimulation, approval, entertainment, social prestige, socialization, relaxation).

In the design of an effective marketing strategy in the cultural sector it is crucial to understand the psychological mechanism that drives the consumption of a cultural and artistic product. The involvement of the public, in fact, is closely linked to the concept of "risk". That is, those who decide to "consume" culture faces different risks:

Functional Risk	The product does not fit the expectations
Economic Risk	Actual cost of the cultural product
Risk Psychological	Inadequacy, not understand the work, frustration
Social Risk	The social group of reference could not approve that kind of cultural consumption

To reduce the risk related to cultural consumption, the consumer research information and activate more or less unconsciously a complex decision-making process, based on available information, the assessment and evaluation of the characteristics of the product, and finally the ability to process information acquired.

In terms of motivations, there are two main markets for demand in a heritage site setting: those who come for a learning experience and to be entertained[8] and those who come to be involved in a personal and emotional experience. Heritage sites are visited mainly to have[9]:
• Recreational Experience;
• Cultural and Educational Experience;
• Heritage and Emotional Experience.

Some visitors are looking for a cultural or educational experience, they have a desire to learn, the physical attributes of the site and its background. Others ones are looking for a personalized heritage experience as a means to achieve an emotional involvement with the site. This has clear implications for the management of heritage sites, particularly where marketing and interpretation is concerned[10]. There could be more of an effort made not just to educate visitors, but to provide for an emotional involvement during the visit. Different tourists should be provided with different experiences: some want to be emotionally involved and educated, whereas others simply want to relax and pursue a less serious activity.

SOME SUGGESTIONS

In terms of marketing, elements of planning, management and control should be applied when cultural heritage assets are used as products. There is always a need for careful strategic and operational planning and the characteristics of the cultural heritage environment and its sustainable development should always be kept in mind. A marketing plan should always be based on well-known resources (human and financial) and have a clear mission: to draw a certain number of visitors to the site, the

---

8 Crang 1996

9 *Authenticity, interpretation and the issue of demand: how product development at world heritage sites can encourage sustainable management*, E. Paschinger, 2007.

10 Poria and Al., 2006

"right" audience, the "proper" numbers. Marketing must make use of the "opportunity to address the specific or desired target segment(s) through appropriate strategies in order to create a win-win situation for both the visitor and the attraction"[11]. This means that marketing holds the potential of addressing the "right" type of visitor to the attraction: the one that is desired by management. At the same time third party stakeholders should be involved in the product development and marketing process (public and local community interests, non-commercial organisations, tourism developers, destination managers, etc.). Product development and marketing should focus on the visitor as a central element and address the various dimensions of the desired experience. In this way, "a balance is achieved between the inherent qualities of the offer and the expectations and requirements of demand".

Considering all the above mentioned it is possible to outline a set of suggestions and tips that could support the design and development of a marketing strategy for heritage sites. According to the suggestions of the International Conference on Cultural Tourism, the key-words for heritage product design and management should be:
• Experience-based;
• Customer-focused;
• Technological facilitation;
• Ability to solve problems;
• High sense of ethics.

Marketing should always play a role in ensuring that various levels of learning opportunities and experiences can take place[12]. In brief, the ingredients of successful product development and marketing in cultural heritage are:
• Focus on Quality and Authenticity: visitors in this market segment are more and more informed and especially keen on having both of these aspects fulfilled. This also involves the experience dimension and interpretation strategies and tools.
• Make the experience relevant to the visitor
• Make the experience participatory
• Make the asset come alive
• Tell a story[13]

Additionally, the following four points for the marketing of heritage attractions:
• use of the latest technology, i.e. the Internet, Social Media, but ensure that the medium does not compromise the message. Alternatively, the Internet should be seen as a means to providing up-to-date information and pre-booking facilities.
• involvement of the local community, i.e. local decision-makers, whose story is being presented in the attraction.

---

11 E. Paschinger, 2007.

12 Austin, 2002

13 *Authenticity, interpretation and the issue of demand: how product development at world heritage sites can encourage sustainable management*, E. Paschinger, 2007.

- emphasis on the Unique Selling Proposition (USP) and the "Wow-Factor" of the attraction.
- focus on "relationship marketing" and increased market segmentation in favor of psychographic segmentation, as opposed to traditional demographic or geographic segmentation.

Always keeping in mind to keep a balance between promotion and reality, avoiding the negative effects of an unfulfilled promise, it is possible to put in place some actions to support the transformation of a cultural heritage asset into a cultural (tourism) product[14]:
- Make it a myth: this involves marketing the extraordinary of a certain place or heritage attraction, the special feature for which tourists come to see the asset: the expected experience people come to enjoy.
- Make a story around it: an easy way to connect the visitor and the site. The story could be based on fiction or historical evidence, it certainly helps to create understanding and mutual benefit and is an important part of heritage interpretation.
- Emphasize its difference: this will help the visitor experience in ranking and appreciate the difference with other sites.
- Link the past to the present: this will "actualize" the asset and widen the audience.
- It would be possible to push it a little further, involving elements of triumph, spectacle and fantasy in order to highlight the spectacular side over others, more mundane, aspects of the heritage attraction.

Then same could be done involving and highlighting the entertainment dimension of the site. It has to be considered that part of people visiting cultural heritage sites are not engaged in a deep learning experience. They like to enjoy themselves and look for something interesting to do while on holiday. If properly seized and managed, this is a chance to get an important part of the cultural heritage message across to the customer[15].

The "cultural district" perspective should always be central in the design and development of a marketing strategy of a cultural product and this is all the more true for an heritage site. Partnerships are "an effective marketing tool that should definitely be pursued by attractions in the cultural heritage sector. Joining forces for more effective promotional efforts, strengthening and widening the offer will provide visitors with additional ideas for their visit in a certain destination, giving more reasons to come back.

---

14 Prentice, Witt and Hamer, 1998

15 E. Paschinger, 2007, ibid.