

Chapter 11

Beautification for Tourism! Economics and Marketing of the Italian Cultural Foundation During and After Pandemic Times



Angela Besana and Annamaria Esposito

Abstract Foundations are not-for-profit organizations, whose main business is to supply *merit goods* like culture and creativity and to deliver grants for the welfare of communities. Operating and grant-making foundations support the Welfare State of public administrations, and they commit for legacy and resilience in a community and a destination, whose both creative assets and tourism can be positively impacted.

Beautification is the consequence of supply and grants in a landscape where tangible and intangible heritages are given back to communities after disruptive events, from failing memories to pandemic. Beautification is granted both by the Public Welfare State and the Private Welfare State of foundations.

The resource allocation can afford funds for restoration and valorization of legacies and lost memories. Relationship marketing can shape community engagement, both as regards fundraising in order to maximize endowments and as regards grant-making to the best projects.

With a strong advocacy for community betterment and beautification in Italy, these foundations include FAI (Fondo Ambiente Italiano).

The aim of this paper is to highlight the role of FAI for beautification and resilience of heritages from the North to the South of Italy.

The methodology includes regression analysis of 2014–2019 FAI data, together with a qualitative analysis of strategies during pandemic. The Welfare Role of FAI will be highlighted as a benchmark for resilience for both communities and tourists.

Keywords Foundation · Economics · Marketing · Culture · Creativity

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A. Besana (✉) · A. Esposito

Department Business, Law, Economics and Consumer Behaviour “Carlo A. Ricciardi”, IULM, Milan, Italy

e-mail: angela.besana@iulm.it; annamaria.esposito@iulm.it

11.1 When Beauty Is Facing the Pandemic Beast, Will One Rose Be Enough?

Before pandemic times, culture and creativity flourished in Italy thanks to operating and grant-making foundations, both of them collecting and pooling resources, efforts and strategies with public administrations of the so-called Public Welfare State. Different thorns affected this flourishing rose. Marketing and management of tangible and intangible heritages, they were not easy, as bureaucracy affected performances of Welfare States matching. Project management was not always flexible and efficient, when multiple boards had to decide for multiple issues, agendas, and resources.

The beautification was enhanced by different stakeholders, who were getting on into different frames of partnershiping (Esposito & Besana, 2016, 2018; Ma & Konrath, 2018; Besana, 2017). Beautification was the consequence of supply and grants in a landscape where cultural and creative assets were given back to communities after disruptive events, from failing memories to relaxing commitments. Beautification was granted both by the most proactive and sustainable Public Welfare State and the Private Welfare State of far-sighted and visionary foundations (Vecco & Srakar, 2020; Zurbuchen, 2017; Essig, 2014). The cultural and creative supply was gaining appreciation of citizens and tourists, as it was investigated in several reports and international conferences, where Italy was mentioned as the main European destination for cultural tourism (Fondazione Symbola, *Io Sono Cultura*, 2020).

If “once upon a time” had been waiting for a happy end, the end was the beginning of a tragedy. With pandemic, culture, creativity, and tourism, they all suffered for no demand and no supply. The market was declining apart of spot virtual events and online transactions.

In the meanwhile, foundations stopped *and stabilized* partnerships for post-pandemic. After the fear, boards and governances had to focus on management of key relations and allocation of scarce resources in order not to collapse and to plan the recovery. Relationship marketing was pivotal in order to maintain connections and media, from websites to social media granted this “crisis communication”. If partnerships were meant by a high level of engagement, deep interaction, bidirectional exchange of interdependencies, and sharing of resources, risks, revenues, and benefits, they had to be postponed in such frames (Meyrick & Barnett, 2021; Hyunjung et al., 2021; Hoellen et al., 2020; Hadida, 2015; Shea & Hamilton, 2015). Some partnerships were revised for addressing deep-rooted, new and complex social issues like the unemployment of cultural professionals or the emergence of online creative supplies, as long as new segments and their willingness-to-pay could be detected. Some partnerships were meant to enable organizations to take on larger social agendas, tougher issues, revenue maximization and diversification, and longer-term challenges, as a master plan during and after pandemic (Hoellen et al., 2020; Berrett & Holliday, 2018; Kim, 2017; Besana, 2017).

In Italy, one of the most prominent cultural foundations is Fondo Ambiente Italiano. Since its founding in 1975, FAI has drawn inspiration from the National Trust for England, Wales, and Northern Ireland, as Fai: takes care of places, heritages, parks in Italy for the benefit of present and future generations, promotes education, appreciation, awareness, and enjoyment of the Nation's environmental, natural, historic, and artistic heritage, and monitors the protection of Italy's natural and cultural assets, according to the article 9 of the Italian Constitution. FAI has always implemented partnerships within the framework of the Public and Private Welfare State.

The aim of this paper is to highlight the role of FAI for beautification and resilience of heritages from the North to the South of Italy, before and soon after the pandemic.

The methodology includes regression analysis of 2014–2019 FAI accounting data, together with a qualitative analysis of strategies during the pandemic times. The Welfare Role of FAI will be highlighted as a benchmark for resilience for both communities and tourists.

11.2 Relationship Marketing of Italian Cultural Foundations Before and During Pandemic

Relationship marketing aims at establishing, maintaining, and enhancing mutually successful relationships, where value is created for all parties (Gummesson, 2011) involved with profit or nonprofit organizations. As a theoretical construct, it is a process of communication and interaction that leads to value creation (Abeza et al., 2020; Grönroos, 2012, 2004). In fact, the essentials for maintaining and enhancing trustworthy long-term relationships rely in an ongoing dialogue with relevant stakeholders, aimed at acknowledging the value of stakeholder relationships and widening communications efforts beyond standard activities, taking necessarily into account social media (Abeza et al., 2020; Besana & Esposito, 2018).

The above leads to consider relationship marketing as a crucial lever to support nonprofit organizations in building up, and proactively maintaining, relational assets consisting of long-term relationships/partnerships with key stakeholders (Esposito & Besana, 2018).

Stakeholder relationships allow cultural foundations for a continuous exchange of information and provide the opportunity to know their stakeholders and their needs and thereby to encourage mutual concern, trust, and commitment (Esposito & Besana, 2018; Bennet, 2019; Hussain et al., 2014).

In this context, relationship marketing encompasses a diverse range of topics: fundraising, of course, but also image and reputation management, attraction of volunteers, and the measurement of levels of satisfaction beneficiaries and users. Still, the acquisition of funds remains the main and final objective of relationship

marketing, as well as all forms of nonprofit marketing activities aimed at stimulating public interest and support, and retaining and satisfying existing donors.

As mentioned above, effective relationships depend on effective communication and for this reason cultural foundations need to develop communication strategies consistent with their mission and core activities. Indeed, communication priorities must be clearly identified and aimed toward spreading and increasing knowledge of cultural foundations among key stakeholders to engage them.

Over time, relationship marketing has reinforced its power. Alongside traditional institutional communications with traditional media, most Italian cultural foundations convey both corporate and project communications through their website and online communication, such as social media accounts.

Italian cultural foundations convey corporate communications, annual reports, and product/service communications through their website, which represent the first touch point for stakeholders (individual donors, partners, sponsors, volunteers), whilst online communication, aims at broadening the interactions with users and more in general with people, inspiring them to be involved. Still, online and social media communications are aimed at strengthening the offline traditional media (brochures, posters, and press releases) and the usage on stakeholder relationships is below potential due to the lack of a full understanding of the tool properties and capabilities on the side of nonprofit organizations (Nah & Saxton, 2013).

As an example, social media are used primarily for organizational one-way communication despite the interactive opportunities that this online channel offers its followers. Indeed, social media may enable and strengthen people's effective engagement, especially with heritage.

Social media are useful both for foundations and users to quickly create and share contents such as photo-sharing (Instagram, Flickr); video and audio sharing (YouTube); short written message sharing (Facebook, Twitter) (Esposito & Besana, 2016; Liang et al., 2021), but in Italian experience, foundations remain leader of contents limiting the participatory level of their online community.

Furthermore, compared with offline communication, online one is totally geo-free, thus, it can promote mutual understandings between people with different cultural backgrounds (Shaw et al., 2017), enabling people to access cultural heritage from all over the world. This has been, and still is, important during pandemic.

However, even if in the last decades, digital transformation affected the cultural organizations (Fondazione Symbola, 2020) – enabling them to experiment new ways to getting in touch with stakeholders –, digital experience and social media have been overrated but still underutilized by cultural foundations (Esposito et al., 2021) before the pandemic.

During pandemic, experiences have demonstrated what benefits can be brought to the management and enhancement of cultural foundations, by innovation and a targeted use of digital technology in order to remain in touch with stakeholders, improve the quality of services, and expand the audience of users. The use of digital tools allows reaching a wider and more diversified audience at any time, also reaching people physically distant.

Pandemic forced cultural institutions to rethink products, formats, and sources of income. They have looked for other channels and communication tools in the attempt to retain sponsors and grant-makers, who had to face a dramatic economic crisis and could change their minds and sensibility on cultural issues, as well as to find new sources of funding, and reorient the way to establish relationships with the different stakeholders (e.g., to raise funds and find support for projects through crowdfunding campaigns or cross-sector collaborations).

Digitization and social media brought the need of new investments in technologies, and the raising of new issues concerning personnel skills, knowledge, and expertise (Esposito et al., 2021; Booth et al., 2020). And times of uncertainty might also encourage conservative management styles and reduce innovation.

Although one of the challenges of the implementation of two-way communication is the loss of information control, the hope is that post-pandemic communication actually is able to boost digital strategies valuing the role played by two-way interaction and reciprocity. This will result in even more positive relationships between cultural foundations and their stakeholders.

11.3 Performances of FAI Open Heritages, from Maintenance to Beautification

Multiple data of Fondo Ambiente Italiano were collected from 2014 to 2019: visitors, subscribers, delegations (committed boards in local communities), open heritages, events, maintenance cost, beautification cost (for betterment of heritages), personnel cost, advertising cost, program service revenue, grants, subscriptions, and rents. The growth of the biggest cultural foundation in Italy can be given evidence in Fig. 11.1, with the polynomial correlation between visitors and subscribers. Having been visitor, it is a stimulus for heritages to collect friends and subscribers, who fall in love with landscapes and reveal a strong advocacy for their beautification with the renewal of subscriptions year-by-year.

At the same time, the number of open heritages grew from 160 in 2014 to 1100 in 2019. The commitments of the private and public Welfare States can be appreciated for the extraordinary growth together with program service revenues in the Fig. 11.2.

The impressive growth of events and attendance at FAI heritages was, as a consequence, well-funded by revenue diversification. While Program Service revenue has been growing with Grants since 2014, other revenues like subscriptions have doubled from 2.9 million euros to 6.0 million euros. Rents for exclusive locations have doubled from 1.8 to 4.0 million euros, too. While stakeholders were increasing, revenues' diversification was optimized thanks to the FAI Team, from marketing officers to fundraisers, from public relations to the exploitation of willingness-to-pay and willingness-to-give. Relationship marketing was a crucial lever to support FAI in building up, and proactively maintaining, relational assets consisting of long-term

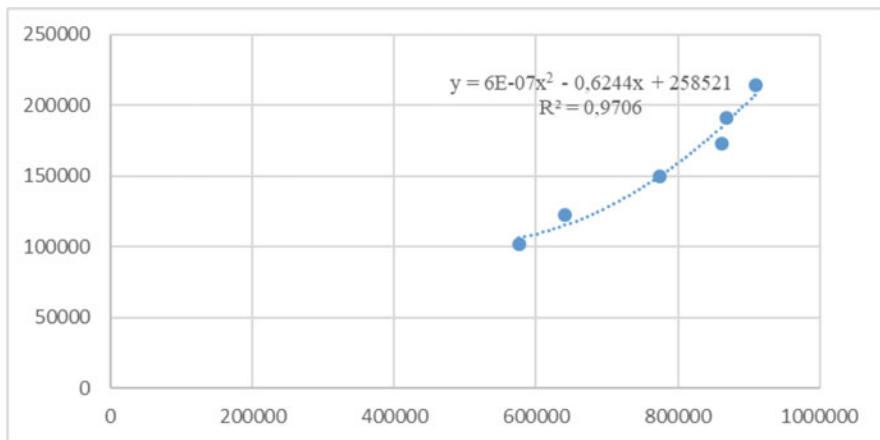


Fig. 11.1 The growth of visitors and subscribers – FAI, 2014–2019. (Source: FAI data (numbers) in Reports at www.fondoambiente.it)

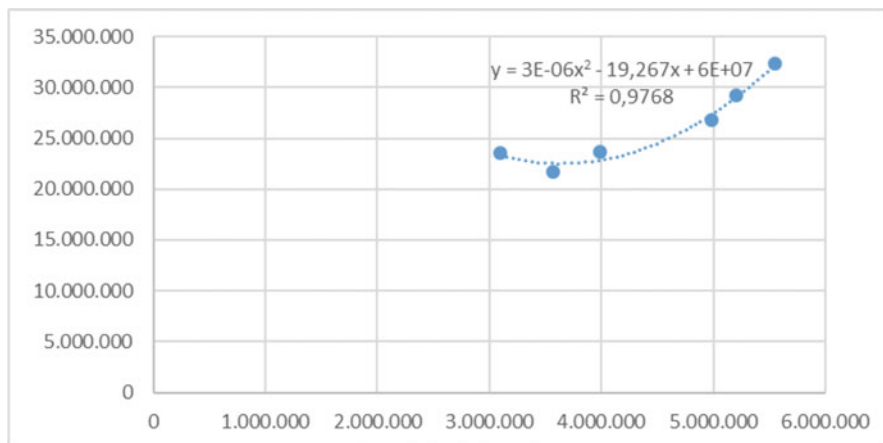


Fig. 11.2 The growth of program service revenue and grants – FAI, 2014–2019. (Source: FAI data (euros) in Reports at www.fondoambiente.it)

relationships/partnerships with key stakeholders: big donors, international friends, corporate supporters, local grant-makers, public administrations, and communities.

Multiple regression was implemented for evidence that beautification is enabled by costs: more than day-by-day maintenance, by the beautification cost which is consistent of betterment and restoration of tangible heritages and advertising cost. The opening of more than 1000 heritages in 2019 is a target of a constant and efficient care for the well-being of communities and tourists. Open heritages were here calculated as function of beautification, personnel, and advertising expenses. As a matter of fact, beautification is not possible unless project managers,

Table 11.1 Some results of multiple regression

Summary of fit				
R	0.982			
R Square	0.964			
R Square Adj.	0.910			
Analysis of variance				
Source	DF	SS	Mean square	F Ratio
Model	3	90704.263	30234.754	17.895
Error	2	3379.070	1689.535	Sign.
Total	5	94083.333		0.053

Open Heritages = $f(\text{advertising, personnel, beautification costs})$
Open Heritages = $+0.327\text{Advertising} + 0.621\text{Personnel} + 0.006\text{Beautification}$
 Source: Elaboration with SPSS Statistics Software

fundraisers, marketing officers, and the whole FAI personnel, they are not fully committed. Beautification is useless if it is not promoted and signaled to all available audiences and stakeholders. The advertising expense is therefore a pivotal strategy.

Table 11.1 gives some details of the multiple regression. Though collinearity is relevant for the personnel cost, ANOVA is significant for all items and the multiple regression shows that the number of open heritages grow with advertising, personnel, and beautification costs. Some of these costs include restoration with original components, story-telling of families, legacies, tangible, and intangible heritages like craftsmanship and creative supplies, locally and typically confined.

From the donor perspective, when FAI is collecting resources from different Welfare States and stakeholders, means, motives, and rewards of donors are in the enabled heritages and the restitution process. From the organizational perspective, important issues relating to the leadership, power, and governance of projects refer to FAI as leader, who is pooling strategies and resources. From the beneficiary perspective, the changing appeal of particular philanthropic causes has different impacts on communities and tourists. As a consequence of FAI highlighted commitments, citizens reveal the advocacy for reactivated both tangible and intangible legacies and FAI delegations support the long-term appeal of heritages for communities and tourists. These ones are planning for different formats, from school trips to holidays with one-day stops in FAI beauties.

Over time, relationship marketing has reinforced its added value in partnerships. Alongside traditional institutional communications with traditional media, FAI optimized both corporate and project communications through website and online communication, such as social media accounts. As a consequence, FAI was able to develop long-term relationships with grant-makers, sponsors, public administrations, local individuals, and communities; to work more closely with all stakeholders on development and implementation of projects; to generate ground-level experience and insights important for benchmarking for next-generations project management. Beautification was achieved with advertising and promotion through different media and the official website as the main tool.

During the pandemic, activities were stopped and partially implemented online. Online was the crucial lever, where efforts were maximized in order to stress the co-leadership of FAI and stakeholders: FAI called for a comprehensive engagement as the success of the recovery would not be possible, if multiple stakeholders did not participate. FAI developed two main virtual strategies: call for advocacy for environment and landscape, asking for attention, suggestions, consideration, on one side; online events like exhibitions, conferences, and meetings, on the other side. When stringency was alleviated, some events might have taken place. For sure, restoration and beautification were not fully stopped, as the number of heritages collected new items in 2021. Events like Spring Day in FAI heritages were inevitably converted to an opportunity for story-telling, virtual meetings for delegations, subscribers, and visitors. In Spring 2021, FAI regularly opened heritages and, according to laws and rules of meetings during and soon after pandemic, the advocacy was fully recovered in sites, locations, and any legacies of FAI. Online platforms and media still remain both for events and for relationship marketing with stakeholders.

11.4 Conclusion

Before, during, and after pandemic, Italian foundations are involved in the strategic *stabilization*, recovery, and development of culture and heritage.

From a marketing and communication point of view, relationship marketing is a key strategy in order to develop multiple relations with fund-givers, sponsors, artists, community administrations, and promote initiatives, thanks to social media, too.

Before pandemic, the biggest Italian cultural foundations like FAI profited by a growing availability of resources. As the analysis highlighted, the growth of open heritages was matched by the growth of stakeholders, revenues, and grants. FAI was leader of the valorization of tangible and intangible heritages and the communication was focused on this leadership, mainly with the website.

Pandemic forced foundations to rethink products, formats, and sources of income. They optimized other channels, communication media, and contents in the attempt to retain sponsors and grant-makers, who had to face a dramatic economic crisis and could change their sensibility on cultural issues, as well as to find new sources of funding, and reorient the way to establish and co-implement relationships with the different stakeholders.

During the pandemic, FAI profited by a geo-free and pervasive online communication, which could promote mutual understandings between people with different cultural backgrounds, enabling people to access cultural heritage from all over the world. FAI developed the advocacy and the sensibility for co-leadership as it was in the middle of June (18th) with the call for action to roundabouts (“circondari”) and districts with their communities, exactly in the nearby of FAI heritages. Before and after pandemic, the growth did not only concern the amount of resources and stakeholders but also the new vision “from leadership to co-leadership”.

Further research will investigate how much Italian foundations take part to the international scenario as they can be partners for European recovery projects and fundraisers for European creative issues. This research mainly confirmed their role in Italy. Nevertheless, it is for sure that FAI has got international friends and international visitors, as this foundation together with other operating Italian Foundations, they are multipliers of resources, assets, projects, and they are *shaping* the post-pandemic of cultural and creative industries.

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