

## Price management. Working on the supply could be our chance

When a symphony plays, it moves the whole audience. Music touches man and rouses his mood. Upheaval is the natural result of listening at music. But, if we deeply interview the public about his impressions on the just played symphony, it will be uneasy to find two persons who have had the same sensations. Someone would have appreciate the execution technique, music might have given creeps to someone who loved its sentimental power, someone else would have been touch by the nostalgic remembrance linked to that melody, a remembrance itself different from person to person. A touched audience does not evoke one, only, uniform emotion: every person is touched by different strokes not comparable one another.

This is to explain that sensorial experiences inspire different and unique sensations: even if the object of the sense remains the same, the feeling connected to it changes continuously. The impressions on a cultural visit do not fall outside this paradigm. It is impossible for the curator of an exhibition to direct in a precise and predictable way his visitors' impressions. Everyone's experience is one on a million. Hundreds of visitors mean hundreds kind of exhibitions: many shades of just one colour.

It is not easy to establish the admission price to museums and monuments. Different cultures suggest singular methods at this matter. Although the global scenario tends to allocate to goods a specific price which is directly commensurate to its value, both dimensional and qualitative, this concept is inapplicable in the economy of culture. This subject takes care of assets of immeasurable value, which represent a heritage of humanity. However, people do not think that this patrimony could in some way generate a profit. Cultural institutions stand as the richest and poorest at the same time. In fact is clearly evident the deep gap they have between the value of their heritage and their disposal money [Benhamou]. The majority of the countries charges visitors with a fixed entrance fee, but the price of the ticket is just a lump sum.

The fixed costs that a museum has to sustain to preserve the cultural assets and to be easily reached are really high. However, once the museum is open to the public, visitors do not represent an extra cost. Up to the saturation level (crowding of the exhibition spaces), the cost of a further tourist is equal to zero. The consumption of an artwork is called indivisible, which means that who gets benefit from it does not decrease his value, neither with an increase in users. Therefore, an artwork will not be of poorer quality if many people would admire it simultaneously, unless the situation reaches the limit of crowding. In order to deal with this circumstance, and make it a point of strength rather than an obstacle, museums such as the Louvre propose different prices for different times. Through this they try to promote the visitors to choose the less crowded time, offering it at a lower price. Nevertheless, the feature of indivisible cultural asset can be seen as a reason for the free entrance, as it happens for British museums policies since almost a decade.

At this point, there are two different types of scenario. Some institutions established a free exhibition policy. They calculate the low marginal cost per visitor as the right of everyone to access for free. Consumers are in the condition to give free contributions at the end of each visit, in addition to the usual expenses they can make doing shopping or using the bar services. By entering to the British Museum, there is not visible a ticket office, but only a transparent moneybox for the donations. It is possible to donate before, after or during the visit. Shops inside the museum are full of gadgets and all of them are in the middle of the main hall, therefore it is impossible not to go through it. The British Museum represents

the virtuous example of the free-entrance policy towards the cultural consumption. British's returns were lower with a taxed-admission than with a donation-based admission.

A second scenario, however, belongs to those institutions that see the low level of marginal cost as an opportunity to get revenue to compensate for at least a part of the costs of the structure. Thus, to visit most of the worldwide museums and monuments, the visitors have to pay an entrance fee. The point is that the earnings from tickets sold are never enough to cover all the expenses; indeed, they are the smallest source of funding. It is evident that despite the consumer is enormously satisfied with the experience, he, once paid the entrance fee, will hardly donate a further sum to the museum. Maybe he will take a coffee, then home. The cases of museums are plenty – but never enough – fuelled by public funds and this does not make feel the consumer compelled to personally finance the cultural institution. In short, public funds are nothing more than the tax paid by the consumer, who also pays the ticket at the entrance. What does the museum expect from the poor visitor?

By this is not meant to propose a plan for limiting public funds devoted to culture: those are never enough. The cultural institution has a structural requirement, never satisfied, of money. However, it is often too risky to rely solely on uncertain donations. The lack of inflows puts it, in many cases, life-threatening institution itself; in fact there is no money to pay staff and to pay for maintenance and then it happens that the museum limits its offer from the point of view of quantity, shortening opening hours to the public for example. Thus it is likely to fall in the loop: not enough money – few offer – few visitors – no money. If the goal is to increase the revenue, the strategy could be a more immediate improvement of the offer. Offer more to get more. Getting what? A higher ticket price? The point is that, if it is true that the price of the ticket cannot respect the value of the assets available, and then it is not correct to increase the supply in order to justify the increase of the ticket.

What if the consumer would offer more? In order to answer the question, it is necessary to explain what does the consumer buy by paying the ticket: what does he expect to find?

Those people, who get in the Coliseum, as well as those who enter in a different museum, want a clear explanation, well presented, with services provided in an intelligent manner, the possibility to do shopping and eat something. Maybe someone wants to take a picture of his experience and share it on the social networks, which becomes only a free advertisement for the place. Those who enter the Coliseum want to admire the silent remains of the fury of the roman crowd, or want to look at the architecture of the amphitheatre as an example of magnificence and impeccable construction skills. Those people want to walk through the basements and feel the fear of the slaves and martyrs of the Roman Empire. The consumer wants this, all at once? Probably not. Probably it will not be a single visitor with such an interdisciplinary attitude; but maybe there will be more. Someone wants this, someone wants that.

There will be consumers who want to feel part of the cultural complex and therefore will ask for a membership card. There will be another with innovative ideas who will leave his curriculum wishing in an appointment. Maybe, kind of “Della Valle” will arrive and will found a profitable collaboration between the public and private sector ensuring the museum a restoration.

When you build an offer, be it a product or a service, it is necessary to define the target audience and segment the market by positioning your product in the right niche of consumers. The luck of the art is that anyone is fascinated, in one way or another. And this is the key point. One way or another. The cultural supply interface with a multitude of natural interests, all potentially cultivable through the cultural consumption, in one way or another.

As a light, passing through a prism, unfolds into a bundle of different colours rays.

The cultural institution has to understand this huge chance of success. It must become able to intercept the many facets of the demand for culture as soon as possible, whose evolution is nothing more than willingness to pay. Statistical data updated to 2008 state that the Italian national cultural heritage attracts nearly 100 million visitors each year, with an average per capita expenditure of EUR 2.5, which is an extremely low figure. If the management would catch the many nuances of the same colour, which represents the cultural demand, then it would be able to provide efficient services for each type of request and, consequently, obtain the maximum price that the consumer is willing to pay; which is definitely greater than the average value. The purpose is to trigger a mechanism, so that everyone can find what he, consciously or not, is looking for during the visit. And also, why not plan new unconventional ways to reach different target market so far not considered, such as teens, young workers (not just students), and immigrants.

Although the statistics show a situation in which the culture is demanded by limited segments of the population, with only one in four Italian who frequents museums, the assumption is that everyone needs a bit of art and culture in order to live better. The task of the cultural management is to figure out how to get the attention of the unsuspecting population groups. Achieving this goal will enrich many persons and not only the coffers of the museum. The opening hours are almost always a barrier for those consumers who work during the week. For example an innovative idea would be a well-reasoned planning of an opening night time offering a package able to be preferable to a dinner out or a walk. It is necessary to rethink consumption of culture as an asset that in some ways competes on the market of other goods and services.

Therefore, it is impossible not to think at the price of the things in proximity of the Coliseum. A thriving cultural site provides an extremely lucky product. The strengthening of the museum does not only provide returns to the museum itself, and this could be the basis for the experimentation of some new form of collaboration between private industries and cultural institutions. For example, the creation of a network that combines the shops of the area to the museum or monument, offering benefits to the potential consumer, linking the activities of the territory to the cultural centre, both on the organizational side and that of the supply and consumption, all through light and easy consuming procedures.

The cultural consumption is not an aim in itself. A more continuous use of culture results in positive externalities which are not only found in monetary flows. The Italian heritage it is an opportunity waiting to be took. A walk downtown is enough to fill the lungs of culture, and feel good. We need new ideas in order to give the deserved dignity to our immense heritage.

## References

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