

Cultural hubs as powerful leverage of economic growth: Sydney and Philadelphia case studies

Descrizione

Introduction

Culture is the “heavy” industry of the future. Indeed, in some countries culture has become the industry of the present time. The cultural and creative industry has become a priority also for the European Union that, through the Creative Europe Program, is preparing €1,8 billion to allocate between 2014 and 2020. Figures show that the industry of cultural production in Europe represents 4.5% of GDP and 8% of employment, generating 8.5 million jobs.

Considering that the macro-industry of culture and creativity also includes the communication and advertising area, above all considering the digital section (currently, it represents in Italy one of the most important industry of cultural production), that can be considered the only one area that is still growing (+3,5% growth per year in Europe). Culture is the only sector where Europe is still exceeding industrial giants as United States and China. (1) Italy is particularly rich in culture and creativity, but it does not seem able to exploit its wealth. Despite of positive trends mentioned above show that the culture is the main industry and to tool on which play in order to create additional value. This is not only intangible value, but it has also an economic dimension, generating new resources to reinvest on territories, making them dynamic, productive and globally competitive.

Analyzing Italy in its current situation, it can be defined as a “target market”, where visitors consume culture created in the past, too often forgetting to create an environment where the seed of new culture and creativity could sprout and grow up. The persistence of this situation, as well as the even more low investment rate in culture by government, is likely to condemn future generations to economic decline.

It is common to hear telling about culture and creativity as the engine of development in Italy (as well as in Europe) but, especially in the beautiful country where Renaissance was born, the gap between theory and practice is under everyone's nose. The article aims to support the thesis that investing in arts and culture has a huge economic impact on the territory, strengthening its local identity and, at the same time, making it more competitive internationally.

The following international examples about the cities of Sydney and Philadelphia want to demonstrate through analytical data, that production of culture can really activate a development engine for territories, generating new social and economic resources.

Sydney Opera House: an international cultural hub to boost economic growth

Its skyline is a globally well known icon even if, perhaps, not everyone knows what amazing cultural engine the Sydney Opera House represents for the city and the whole Australia. The House – as Sydney inhabitants call it in an affectionate way – is an Opera and Symphony Theatre and it has 5 rooms. It produces and hosts music, art, ballet, theatre, conferences and cultural events, designed for a wide-ranging public (including 0-3 age children). Despite Australia lies almost on the outskirts of the world, Sydney Opera House boasts an international audience, thanks to special events, coming from Far East and United States.

Jørn Utzon was an unknown 38 year Danish architect when , in 1957, its project was selected among over 200 ones come to the New South Wales Government to realize that building defined by UNESCO as “one of the indisputable masterpieces of human creativity in the history of humankind”, Sydney Opera House. Thanks to its visionary mind, the City of Sydney was to become an International city. The House was commissioned to create, produce and represent the most acclaimed, imaginative and engaging performing arts experiences from Australia and all over the world. It has changed the landscape of Australian cultural and creative, forever. The House does not only represent the Australian flag, but it is really a cultural hub and a propulsion model of creativity, generating value in terms of ideas, talent attraction, inspiring creativity and experimentation. Every year its contribution to Australian economy,

through tourism, hospitality, travel and other additional activities, is \$1.1 billion, also supporting more than 12,000 jobs.

Tourism's contribution to the Australian economy is up 6.8 per cent to \$87 billion in 2011-2012 according to a new report from Tourism Research Australia (TRA), with the industry continuing to demonstrate strong resilience against other factors. The report confirms that the Australian's tourism and culture to the national economy is significant, estimated at 5.9 per cent to Australia's GDP. (2) Sydney Opera House believes that ideas are important, considering them as sprouts of social welfare to seed.

Thus, "Ideas at the House" was created, a public lecture series at the House, set with the aim to grow and support Sydney's cultural scene through debate and discussion from a broad range of disciplines. Lectures culminate every year in the annual "Festival of the dangerous Ideas", which brings in sixty speakers across multiple venues over a single weekend. Ideas, through debates, rouse audience's curiosity, setting up new initiatives and creating value. (3)

Figures of Sydney Opera House clearly show that the Australian "icon" is in effect an international hub of culture: 8.2 million visitors annually, 2,500 events per year, 1,800 performances annually, 60% of all performances in Australia are presented at the Sydney Opera House, 1,4 million ticket purchased, \$110 million publicity generated, \$9.5 million is the marketing investment annually, 4 billion people in the world recognize the House, 90% of Sydneysiders does media coverage.

Harnessing the power of the web and social media strategies at Sydney Opera House

The House seems to have fully understood the importance of the web to further grow its global fame, using digital channels in a very integrated way.

In the last four years, the percentage of online sales grew up from 35 to 70 per cent, 8,7% revenue increase from email, 55% grow in revenue from social channels, the web traffic increased by 25% year over year, traffic on site coming from mobile is grown by 30% and 2.7 million video viewers were reached.

Regarding Facebook use to communicate events and value, eight pages are managed by the House Communication staff, all based on their programming streams, providing clear targeted messaging. The growth in direct revenue is 43% year over year, 78% fans are engaged (click on post).

Twitter is mostly used for posting news and events announcements. For instance, the #FreeTicketFriday campaign increased followers engaging people by giving them real benefits. Every Friday during Summer at the House #FreeTicketFriday competition gives one of the @SydOperaHouse twitter followers two free tickets to see one of the summer shows. (3)

Google Plus is used to focus on interests, photography, music, video and industry interests. Recently, also the first celebrity hangout took place in order to engage on this channel more followers. In 12 months the channel has reached 146k followers. Facebook has reached the same volume of fans in 24 months.

The power of the blog came from content and frequency. Its success in engaging the audience has been through ideas and music content. In fact, the House blog reached 260% increase in visits.

According to the communication department at the House, next goal is building social into products and services, making the website even more social by reaching 8.2 million visitors per year and 775k check-ins' engage with visitors on site, creating social shared experience. Another goal is collaborating with brands in order to work with like minded brands to amplify social presence.

Concluding, it's evident that the incredible position in the cultural international landscape reached by the Opera House (and by the City of Sydney, thanks to the House) harnessed the power of the digital communication to reach new targets of cultural consumers and to build and boost its cultural branding value.

Sydney Opera House demonstrates that cities can be cores of creativity and cultural activities to create a virtuous circle of wealth and economic welfare on the territory. In addition, the production of culture is a branding value indicator, as well as generating identity. The city of Sydney, with its most famous landmark, has managed to become an effective brand for tourism and culture, showing that cultural attractiveness also means economic one.

Greater Philadelphia Area: economic prosperity coming from arts and culture

Similar to the case study of Sydney, Philadelphia is another international city treating cultural policy as economic policy. Maybe not many people know that in 2011 Philadelphia ranked as America's #1 city for overall culture by the magazine Travel + Leisure. This means that theatres, art galleries, musical spaces outpace those of every single other cities in United States.

After that, in September 2012 the Greater Philadelphia Cultural Alliance (the region's premier leadership, research and advocacy organization for arts and culture) published the report about of the Pennsylvania Cultural Data Project, exploring the economic impact of arts and culture in the area. The results of the report show that arts and culture is viewed as an investment and not just as an amenity. The compelling data provided highlight that the cultural sector is a significant economic driver.

Data are the result of information collected from 345 arts and cultural organizations. The report supports the theory that arts, culture and creativity are an economic engine, whose economic impact of \$3.3 billion generates jobs, household income and

tax revenue. This total impact is allocated in \$1.4 billion for direct expenditures (for instance, an organization creates jobs through its expenditures in the form of paychecks to its own employees) and \$1.9 billion for indirect spending, where economic activity generated as cultural dollars make their way through the region's economy. (4)

It's very interesting to see how the organizational spending is distributed: for instance, cultural organizations spend \$34 million to put on productions and exhibits, \$23 million for repairs and maintenance and \$24 million to market their events and shows. This amount is directly injected into the large economy. Among the whole direct spending (\$875 million), \$61.2 million are spent on communications, representing 7% of the amount. (4)

About the audience spending, the report shows that, above and beyond the cost of a ticket, cultural attendees spend an average of \$30 per person, per event. A portion of this money is spent on concessions and souvenirs, but most is spent outside cultural venues. People filling the neighborhoods of museums, theaters, historic sites generate a sort of net, creating entirely new retail corridors. There are three typical groups of attendees, adding their "cultural money" to the region's economy: the overnight visitors (spending for hotel), the day-trippers (spending for souvenirs) and the residents (spending for restaurants). (4)

The report's outcomes also demonstrate that the arts and culture production benefit workers and businesses in every industries, thanks to paychecks not only to cultural staffers, but also to independent artists, designers, musicians, marketers, consultants, hotel managers, bartenders, chefs, etc. The employment impact can be quantified in 44,000 full-time equivalent jobs and 4 out 5 jobs generated by arts and culture are in other industries. (4) It is useful to analyze that the industries getting the most of benefits from the business impact are: finance, insurance, real estate, accommodation and food services, management and business support, entertainment, educational, retail trade, publishing and information services, transportation and food products.

\$1.04 billion is the amount of household income, returning back to the pockets of Philadelphia residents and used to buy groceries, pay rent and utilities and start new businesses. This means that local families that work in industries connected with arts and culture in the region can purchase: gas (for 577,000 families), clothing (for 572,000 families), groceries (for 281,000 families) or house payments (for 127,000 families). (4)

The arts and cultural offering is made of different types, each one with a specific economic impact. The impact of the first macro-class – made of media arts, museums, galleries, visual arts, science & nature and history – is \$2 billion; the second macro-class, made of dance, theater, music and other performing arts, impacts with \$675.1 million; the impact of the macro-class – made of community arts & culture and education & instruction – is \$544.8 million. \$116.7 million is the economic impact of the last macro-class – made of councils, services and support. (4)

These figures put the Philadelphia ranking high when it comes to arts and culture's contribution to the economy. To sum up, the economic impact generated by arts and culture in the Greater Philadelphia area is \$3.3 billion, providing residents with 44,000 jobs. It also generates more than \$169 million in tax revenues for state and local coffers.

Philadelphia's cultural sector is also first for job creation, providing 10.9 jobs per thousand residents (nearly double the national average). Southeastern Pennsylvania ranks second for per-capita cultural spending (29% as regards to the 21% of the national average of attendees). (4)

Arts and culture is a unique, regional asset. It's something impacting life across different industries, making economy, educational outcomes, sense of place and quality of life to grow. In this way, art galleries, cultural organizations and community partners are helping to create eclectic hubs and "cultural dollars" spent by organizations and audiences travel far from the original point of purchase. So, benefits are widely distributed.

The social environment of arts and culture in Philadelphia

Regarding to the use of the web as a tool to better boost the economic power of the cultural resources, starting from 2011 arts and cultural organizations have increased their use of social media to help raise art and culture awareness. Audiences follow them on Twitter or Instagram, read tips on Foursquare, or like them on Facebook, having the opportunity to ask questions and interact with them.

Recently, the Instagram marketing blog Nitrogram posted an article about the 30 most active museums and art organizations on Instagram. The Philadelphia Museum of Art (with the account @philamuseum) ranks among Instagram's most active institutions, boasting 2,502 followers and has posted 225 photos. As noted by the blog, there are mutual benefits to using Instagram for both visitors and museum accounts, considering a visit can take a "virtual tour" through desired museums on Instagram before actually attending in person. On the other side, museums can use geo-tagged photos to increase and measure the success of exhibitions.

Among the findings of the report Philadelphia Museums: 2013 Video & Social Media Rankings, the three Philadelphia institutions using the highest number of social media and video channels are Longwood Gardens, the Penn Museum, and the Philadelphia Museum of Art. The most active Twitter users among Philadelphia museums are the National Constitution Center, the Eastern State Penitentiary, and the Penn Museum, while the most active museums posting to Flickr during 2012 are the Franklin Institute Science Museum and the Pennsylvania Academy of the Fine Arts. The Philadelphia museums having the highest number of total YouTube channel views are Penn Museum (the University of Pennsylvania Museum of Archeology and Anthropology), the Mutter Museum, and Longwood Gardens. The Penn Museum's YouTube channel surpassed 1 million views in May, generating a significant proportion of Philadelphia's total museum video viewership due to its mix of historic film archives, exhibition videos, and coverage of live events. (5)

About creating vs consuming, culture communication and digital storytelling

In both cases, Sydney and Philadelphia, it is clear that web and social media are increasingly transforming communication of cultural organizations. Social media and digital strategies enable museums and cultural events to connect with audiences in new ways. World Cultural organizations are increasingly repositioning themselves to be seen as places which encourage public discussion and participation; places working as cultural hubs delivering inspirations to audiences.

From a cultural-economics point of view, social networks are precious tools to overcome the endless opposition between “create and consume”. In the offline world, it is not possible to use and consume culture in the future without new cultural production, even if the preservation of heritage is a strategic prerequisite to get production of new arts and culture. Side by side with the offline world, the online one is even more focused on producing valuable content to gain the attention of the audience.

In this sense, digital tools can help cultural organizations to create compelling content on the web to engage new potential visitors. Through digital storytelling, museums can use stories about their arts in a new powerful way, emphasizing the creation of useful user experience.

Communicating culture in order to communicate new inspiring values should become the new rule for cultural organizations and also for every subject producing content. In many countries, such as Italy, United States and also Australia, the communication industry is the industry of content production. Communication, arts and culture all made the “creative industry”. That industry that is a powerful development engine for territories, able to attract external talents and to activate internal ones, in order to produce new cultural and, consequently, new economic growth.

Among the products of the soft economy, culture is one of the most powerful and cities compete on attracting events, more and more stable and connected, with its offering of cultural heritage. Cities have to generate economies related to cultural

experiences. (6) The future belongs to those cities who will be able to create new, inspiring cultural content. Those cities, whose keywords will be “Think global, act local”, will exploit their tangible and intangible resources globally, promoting their local identity, attracting new creativity and creating new culture, that means “creating future”. Because creativity is everybody’s business.

Notes

- (1) Corriere Innovazione Magazine, August 2013 issue (pp.7)
- (2) Tourism Research Australia, Media release (July 2013)
- (3) Sydneyoperahouse.com
- (4) Arts, Culture and Economic Prosperity in Greater Philadelphia Report 2012 - The Greater Philadelphia Cultural Alliance
- (5) Philadelphia Museums: 2013 Video and Social Media Rankings - ItsNewsToYou.me
- (6) Creative City - Maurizio Carta - List (pp.38)

Bibliography and Sitography

Philadelphia ranks as America #1 city for culture by Travel + Leisure

<http://www.uwishunu.com/2011/11/philadelphia-ranked-as-americas-1-city-for-culture-by-travel-leisure/>

Arts & Culture is a \$3.3 billion economic engine for Philadelphia

<http://www.philaculture.org/why-arts-culture/supporting-arts-recession>

Philadelphia museums video and social media report

<http://itsnewstoyou.me/museum-video-social-media-reports/philadelphia-museum-video-social-media-report/>

Philadelphia museums reach 24m video views on Youtube

<http://www.prlog.org/12151093-philadelphia-museums-reach-24m-video-views-on-youtube.html>

Tourism Research Australia [http://www.tra.gov.au/documents/media-](http://www.tra.gov.au/documents/media-releases/Tourisms_Contribution_1997-98_to_2011-12_Media_Release_3JULY13.pdf)

[releases/Tourisms_Contribution_1997-98_to_2011-12_Media_Release_3JULY13.pdf](http://www.tra.gov.au/documents/media-releases/Tourisms_Contribution_1997-98_to_2011-12_Media_Release_3JULY13.pdf)

Analyzing characteristics of social media in cultural communication: an investigation of social media use at Museum Victoria labsome.rmit.edu.au

<http://www.sydneyoperahouse.com>

Creative City - Maurizio Carta - List

Campi meta