

## Chapter 3

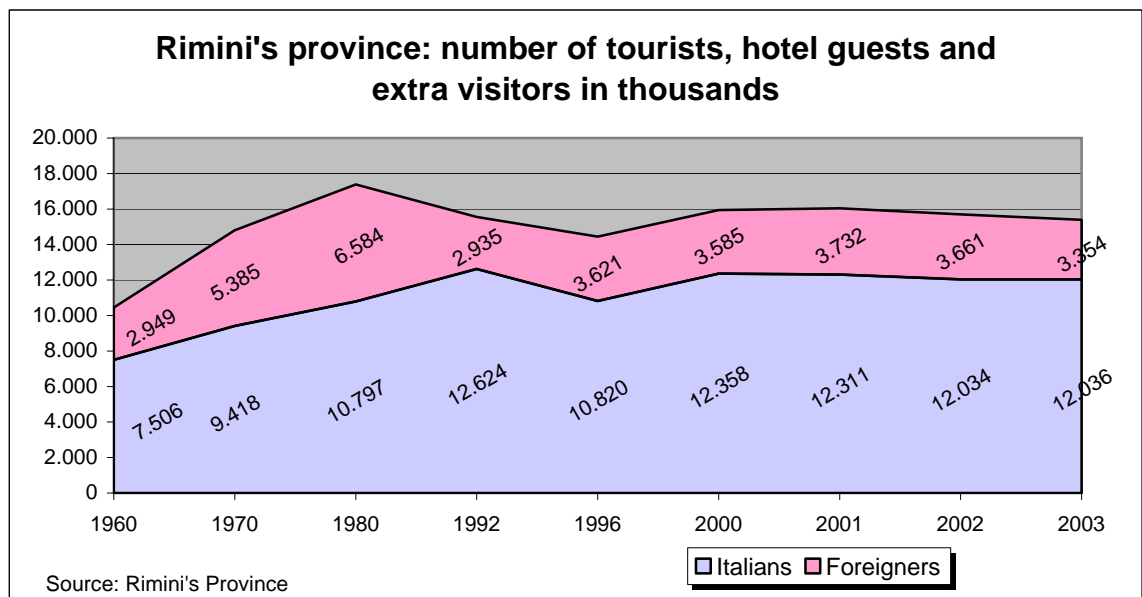
# Cultural Tourism Satellite Account: Application to Rimini's Case

### Tourism in Rimini's Province

Thanks to its tourism industry mostly based on sunny seaside resorts, Rimini's province welcomed 2.7 million visitors totalling more than 15 million overnight stays in 2003. The following chart shows that the territory has kept its economic positions<sup>1</sup> unchanged though with some difficulty after the loss in the 80's. However its growth rate stopped: 2.8% less visitors were also recorded in the first nine months of 2004 - and above all the number of foreign guests, namely tourist service export, has been halved.. For this reason foreign visitor expenditure in Rimini's province has also been cut by half from 885 million euros in 1998 down to 407 million euros in 2003. This caused per-head consumption to drop from 844 to 570 euros (*Uic*).

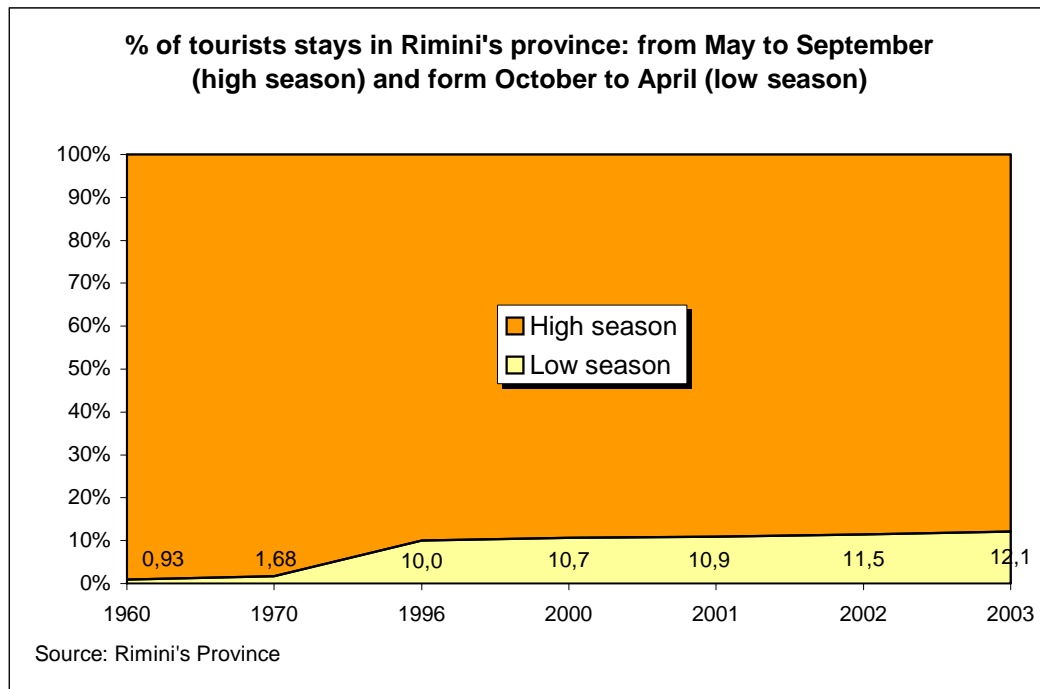
The seasonal adjustment initiatives – a congress and fair complex has been recently built up – promoted by the tourism businesses have played an important role, but still marginal. It should be remarked that this tourism turnaround could be worth as much as double<sup>2</sup>.

This is a phenomenon spread all over the world: the average stay duration in days per visitor has almost been halved (from 11 days in 1980 to less than 6 days in 2003). If the cultural tourism, which is not currently highly rated, can extend the duration of stays in the same place, it will economically play its own role.



<sup>1</sup> At the "cost" of an increase in the arrivals - from 1.5 million in 1980 to 2.7 million in 2003.

<sup>2</sup> In 2002 Istat, the National Statistical Institute, defined that conference tourist trade in Italy is worth 15% of all the guests and 29 % of this industry turnover.



### Cultural Tourism in Rimini

In the collective imagination and in statistics "Rimini" as a trademark evokes sun, sea, fun, and events (fairs and conferences), but absolutely not a place where visitors can take advantage of culture in despite of many places' history as well as the artistic heritage of archaeological sites and monuments in this region. Of course this is due to a lack of esteem- we can even call it a waste - if it is true that those visitors taking part in a few cultural tours, arranged to widespread and promote this heritage, shared a feeling of surprise for the sights of Rimini when they came back.

Even if just few sketchy information on the number of visitors, seaside-goers and extra holiday-makers intentionally choosing local cultural tours is made available, it is enough to state that there is not a lot of them.

"Passeggiando nel passato" (A Walk into The Past), an almost ten-year-long weekly guided tour program aimed at discovering Rimini's monuments and arranged from June to September by the town museums in collaboration with CAMAS, a cooperative for guided tours and interpreters, hardly reaches a few thousand participants. More precisely 3,307 in 2003 and 2,514 in 2004, that is to say 0.1 per cent of all the arrivals recorded in the same year.

But there is one point to be carefully examined: foreign visitors (the segment experiencing the biggest drop over latest decades) total almost one half of all the cultural tour participants. This proves the interest and the potential of the local historical heritage.

**PARTICIPANTS IN "PASSEGGIANDO NEL PASSATO"**

**Rimini's Municipality**

|              | Organization Camas |            |            |            |           |              | Organization | TOTAL        |
|--------------|--------------------|------------|------------|------------|-----------|--------------|--------------|--------------|
|              | Italian            | German     | French     | English    | Russian   | Total        | Museum       |              |
| <b>2003</b>  |                    |            |            |            |           |              |              |              |
| March        | 120                |            |            |            |           | 120          |              |              |
| April        | 685                | 125        | 72         | 18         |           | 900          |              |              |
| May          | 209                | 87         | 143        | 21         |           | 460          |              |              |
| June         | 151                | 33         | 48         |            |           | 232          |              |              |
| July         |                    | 97         |            |            |           | 97           |              |              |
| September    | 40                 | 141        | 101        | 21         |           | 303          |              |              |
| October      | 116                | 98         | 25         | 61         |           | 300          |              |              |
| November     | 85                 |            |            | 44         |           | 129          |              |              |
| December     | 136                |            |            |            |           | 136          |              |              |
| <b>TOTAL</b> | <b>1.542</b>       | <b>581</b> | <b>389</b> | <b>165</b> |           | <b>2.677</b> | <b>630</b>   | <b>3.307</b> |
| <b>2004</b>  |                    |            |            |            |           |              |              |              |
| January      | 76                 |            |            | 17         |           | 93           |              |              |
| February     | 2                  |            |            |            |           | 2            |              |              |
| March        | 269                | 363        | 26         | 13         | 48        | 719          |              |              |
| April        | 108                |            |            | 14         |           | 122          |              |              |
| May          | 235                | 41         | 97         | 83         |           | 456          |              |              |
| June         | 189                | 9          | 6          | 8          |           | 215          |              |              |
| July         | 136                | 3          | 13         | 2          |           | 154          |              |              |
| August       | 116                | 10         | 7          |            |           | 133          |              |              |
| September    | 54                 | 13         |            |            |           | 67           |              |              |
| <b>TOTAL</b> | <b>1185</b>        | <b>439</b> | <b>149</b> | <b>137</b> | <b>48</b> | <b>1.958</b> | <b>556</b>   | <b>2.514</b> |

Source: CAMAS and Municipality's Museum

An additional initiative aiming at turning the local historical heritage into economic values is the one T.O. INITIUM, Rimini, an organization specialized in cultural tourism, embarked on: since 2000 it has been arranging and selling tourist packages devoted to discovering the so-called "Terre Malatestiane" (Malatesta's Territory) throughout Italy, and recently worldwide.

Selling from March to October and breaking off during the hottest months, July and August, that organization arranged tours for a dozen groups per year till the first half of 2004: on the average each group consisted of 50 participants, so that it totals about 2,500 visitors. If we suppose an average stay duration of seven days - "Terre Malatestiane" as main attraction + sea and food-and-wine industry as complementary factors - the total amount of visitors accounts for approximately 15 thousand units.

Furthermore if a standard tourist package is sold at 210 € without the "Terre Malatestiane" tour or at 270 € with the tour – a difference of 60 €-, we can easily realize that the "cultural" element can bring in +28% added value. This value may

further increase up to 40% of the basic price, if the package also includes samples of local wine-and-industry products<sup>1</sup>.

Standard purchasers of the tourist packages to "Terre Malatestiane" are older than 60 years of age, have low-medium educational qualifications and come from Veneto, Tuscany, Lombardy, Latium and Campania, respectively in order of importance<sup>2</sup>.

### Town Museums' Visitors

The town museum in Rimini (the other museums can be visited in the province) is another repository of culture the local government is currently investing on (see next section). The comparison between the number of visitors in 1990 and 2003 already show this difference, even if a decrease in the number of visitors took place in the previous years. Obviously those numbers are not very large - they equal the records of National Museum of Archaeology in Taranto, which welcomed 29 thousand visitors in 2002 – and above all the number of paying visitors is extremely low: just 6% out of all the visitors - this is the lowest rate among the museums registered by TCI in its annual report. This is a potential catchment area, maybe neglected for a too long period of time.

### VISITORS TO THE TOWN MUSEUM

#### Rimini's Municipality

| Year | Total Visitors | Students | Visitors by initiative* | Full price tickets | Reduced tickets | Reduced student |
|------|----------------|----------|-------------------------|--------------------|-----------------|-----------------|
| 1990 | 3.535          |          |                         |                    |                 |                 |
| 1991 | 7.652          |          |                         |                    |                 |                 |
| 1992 | 8.553          |          |                         |                    |                 |                 |
| 1996 | 19.910         | 3.458    |                         |                    |                 |                 |
| 1997 | 26.286         | 9.885    | 16.940                  | 1.744              | 1.311           | 2.491           |
| 1998 | 28.990         |          |                         |                    |                 |                 |
| 1999 | 25.908         |          |                         |                    |                 |                 |
| 2000 | 24.364         | 5.462    | 6.095                   | 602                | 678             | 3.844           |
| 2001 | 31.566         | 8.951    | 7.716                   | 573                | 703             | 4.041           |
| 2002 | 33.680         | 8.305    | 11.989                  | 455                | 952             | 2.913           |
| 2003 | 28.562         | 6.556    | 10.430                  | 485                | 1.144           | 3.254           |
| 2004 | 27.543         | 8.098    | 13.724                  | 356                | 1.215           | 8.098           |

Source: *Town Museums*

\* Initiative promoted and arranged by the Museum

<sup>1</sup> According to estimates the average daily spending per tourist was 88 € in Summer 2003, out of which less than 10 € for excursions and tours (Survey by Bologna's University, Rimini's Branch).

<sup>2</sup> Interview to Maurizio Bellavista, Professor, Manager and Owner of INITIUM, on 16<sup>th</sup> June 2004. Europa Inform (Italy) 2004

### **A Satellite Account Application Case for Rimini's Cultural Tourism**

On the basis of the items making up the consumption matrix of the previous chapter, to assess the economic impact of tourism on several business areas using the TSA method, we need a set of information, currently hardly available and collectable through projects designed for this goal.

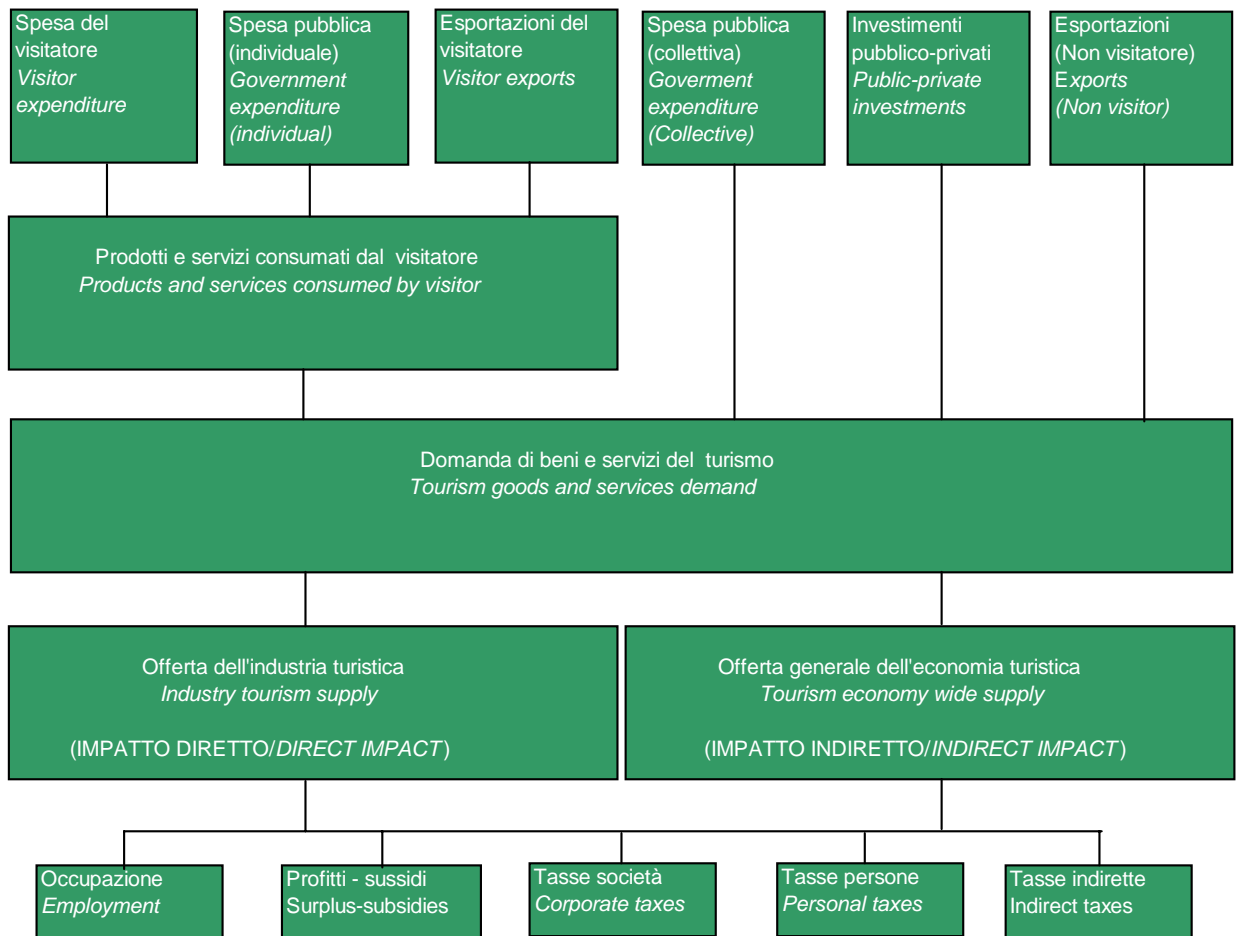
While we are waiting for more details, we can try to fill in a few blanks using the information available. To do so, we will base on the slightly stripped-down structure of TSA's worked out by WTTC, which in its turn draws on and applies TSA method worked out by the international bodies committed to this subject matter.

As previously mentioned, tourism is mainly a question of demand and from an economic view point it is a special industry, which is far from manufacturing and offering homogeneous products – just as automotive and electronic industries do – but it creates "packages", an ever-changing set of goods and services to meet visitors' demands.

Several demand segments, which make up a total demand for trips in the tourism industry, can be shown by means of a chart. On this basis to meet this demand, a supply of goods and services of the same value will be necessary. The interaction of the two variables will cause economy to become dynamic, produce wealth, employment and higher revenues (which can be used to partially or completely cover the government investments previously made).

**LA STRUTTURA DEI CONTI SATELLITE DEL TURISMO**

*Structure of Tourism Satellite Account*



Fonte/Source : Adattamento della struttura dei CST adottata dal Wttc/Wttc TSA structure adaptation

**Legenda/Legend**

**Spesa del visitatore** = alloggio, vitto, trasporto, svago, cultura, servizi finanziari, ecc.

*Visitor expenditure = lodging, meal, transport, entertainment, financial services, etc.*

**Spesa pubblica** (individuale) = spesa per fornire al singolo visitatore servizi culturali (arte, musei), ricreazionali, informativi, ecc.

*Government expenditure (individual) = provide individual visitor services such as cultural (art, museum, etc) recreational, information, etc.*

**Esportazioni del visitatore** = comprende le spese in beni e servizi del visitatore straniero

*Visitor exports = include spending by foreign visitor on goods and services*

**Spesa pubblica** (collettiva) = spesa pubblica generale, relazionata al turismo, in promozione, servizi di sicurezza, sanità, ecc.

*Government expenditure (collective) = associated with tourism, but generally made on behalf of the community at large, such as tourism promotion, security and sanitation services, etc.*

**Investimenti** = pubblici e privati per infrastrutture, attrezzature e servizi al visitatore.

*Investments = public and private to provide facilities, equipment and infrastructure to visitor.*

**Esportazioni (non del visitatore)** = beni di consumo (prodotti tessili, elettronici, ecc.) spediti all'estero al visitatore o beni capitali inviati all'estero ad uso dell'industria dei servizi.

*Exports (Non visitor) = consumer goods (such as clothing, electronics, etc.) sent abroad to foreign visitors or capital goods sent abroad for use by industry service providers (aircraft or cruise ships)*

Just like any other tourism segment, the application of the TSA model to cultural tourism will place a stronger accent on specific items, such as cultural services, than on others. For this reason cultural expenditure, in particular for museums, monuments, preservation and repairs of historical archaeological masterpieces, will play a central role in the application of TSA model to the Rimini's case.

Certainly this application is partial due to the limited amount of available information, but it can already be useful to give an idea of the potential of this method if it could be applied to all the demand elements.

Elements of the Demand for Cultural Heritage Goods and Services

***Museum Expenditure***

Even if the expenditure of both local and foreign visitors in the "Museo della Città" (town museum) totalled a very small amount of money, it has experienced a fairly good growth over the last three years, in particular thanks to additional bookshop services doubling the number of tickets collected last year. An increase in the number of paying visitors can definitely improve these records.

**Rimini's Town Museum Takings**  
in euro

|              | 2001          | 2002          | 2003          |
|--------------|---------------|---------------|---------------|
| Tickets      | 9.161         | 11.342        | 11.941        |
| Bookshop*    | 9.195         | 10.497        | 20.878        |
| <b>TOTAL</b> | <b>18.356</b> | <b>21.839</b> | <b>32.819</b> |

*Source: Town Museum*

\* Books, guides, catalogues, posters, postcards and gadget. The sale of the last three items accounts for approximately 20% of the total.

***Government Expenditure for Museum Sector Services***

The Museum and Archaeology sector can host visitors and provide cultural services, if it can rely on facilities, exhibition areas, arrangements, and personnel, only. For the total amount of the expenditure items, not including general markup amounts, governments spend for this sector 1.4 million euro - more than two thirds of this sum is allocated to personnel salary and supply of services.

**Sector Costs of Town Museums and Archaeological Sites**

in euro

| Items                           | Year<br>2003     | %<br>Allocation |
|---------------------------------|------------------|-----------------|
| Services                        | 471.186          | 32,9            |
| Personnel (13 workers)          | 523.273          | 36,6            |
| Depreciation Allowance & other  | 366.582          | 25,6            |
| Goods & Raw Materials Purchases | 33.283           | 2,3             |
| Taxes                           | 37.330           | 2,6             |
| <b>SECTOR TOTAL</b>             | <b>1.431.654</b> | <b>100,0</b>    |
| Indirect Operating Costs        | 98.599           |                 |
| <b>Total Cost</b>               | <b>1.530.253</b> |                 |

*Source: Organization and Information System*

*Department of Rimini's Municipality*

\* Share of the general costs of the board indirectly supporting employed people and the directly involved sector.

**Calculation Method:** Total Cost of the Structure / Worker No. Body x Sector Worker No. or Tasks/Working Hours x Hour No. devoted to a specific task.

***Government Investments in Cultural Heritage***

Government investments in works of preservation and repair, refurbishment of buildings, monuments and historical archaeological areas are almost always a prerequisite to turn a cultural historical element into an attraction, not only adding value to the specific area involved, but helping all the residents take advantage of it. In 2003 Rimini's town hall spent directly 5.7 million euro for these items then put out to tender for works and projects to be carried out the following year.

In 2004 additional investments were made to repair historical parts of the town, such as the enclosing walls in ex-Sartini area, the restoration of the ex-wash-house and the stairs of ex-OMNI is currently being carried out by Hera, a private state-majority-owned corporation providing several services.

**Public investments in cultural facilities and equipment \*****Costs in euro**

| Year | Business direct costs | Direct operating costs<br>* * | Indirect operating costs<br>*** | Employed People |           |        | Total Cost |
|------|-----------------------|-------------------------------|---------------------------------|-----------------|-----------|--------|------------|
|      |                       |                               |                                 | No.             | Hours *** | Cost   |            |
| 2003 | 5.640.458             | 14.290                        | 12.586                          | 6               | 2.326     | 38.789 | 5.706.123  |

Source: *Organization and Information System Department of Rimini's Municipality*

\* Chargeable tasks to the Public Works

**Investments made** in refurbishment of the former Augustinian monastery and former Jesuit College, improvement of the monumental S.Martino cemetery. **Planned investments**, just the cost of the internal personnel is mentioned: refurbishment of Via Garibaldi, cultural posters for route information, promotion of Montanara Gate, restoration of Paolo VI, refurbishment of Augustan Arch's zone, covering Roman Domus, Roman Amphitheatre.

\*\* Chargeable costs to the businesses involved in this project: writing material, working uniforms, subscriptions (Enel, Hera, etc.), postal costs, transport, depreciation allowance, etc.

**Calculation Method:** CdC direct costs/CdC worker No. x Worker No. involved in specific tasks/working hours of the latter workers x No. of hours devoted to a specific task

\*\*\* Amount assigned to a specific task.

\*\*\*\* 106 hours "Executives", 234 hours "Technicians" and 1.986 hours

"Technical Executive Trainers". The Public Works sector employs 24 workers in all.

***Occupational Effects***

As described in the other sections, the occupational repercussion is one of the effects of the impact on investments and purchase of cultural goods and services. Moreover expenditures and government investments act in two ways: both directly – they promote personnel employment – and indirectly – they contribute to start new jobs assigned to external firms. A comprehensive evaluation may require a calculation of the working hours, maybe sorted out by professional profiles. This process could be carried out with the collaboration of governments and private companies involved.

As far as governments are concerned, Rimini's spending for museums and investments on the historical, artistic, archaeological heritage offer regular full-time employment at every professional level to 15 people. Professional advice is not included because they could require far more complex calculation analyses.

| Category     | Profile                              | Ft/Pt* | No. **      |
|--------------|--------------------------------------|--------|-------------|
| Executive    | Culture                              | Ft     | 0,2         |
|              | Archaeology and Non-European Culture | Ft     | 1           |
|              | Museums                              | Ft     | 1           |
|              | Management                           | Ft     | 0,4         |
| Manager      | Management                           | Ft     | 1           |
|              | Culture                              | Ft     | 3           |
| Employee     | Management                           | Ft     | 1           |
| Consultants  | Technical Issues                     | Ft     | 1           |
|              | Culture                              | Ft     | 1           |
|              | Technical Issues                     | Ft     | 2           |
|              | Management                           | Ft     | 1           |
| Assistant    | Clerk                                | Ft     | 1           |
|              | Driver                               | Ft     | 1           |
| <b>TOTAL</b> |                                      |        | <b>14,6</b> |

*Source: Organization and Information Department of Rimini's Municipality*

\* Full time/ Part time

\*\* < 1 means that they devote just a fraction of thier working time to the tasks mentioned.

### Satellite Account Application

A complete application of tourism satellite account requires the ability to fill in all the blanks of the following structure. This task could be done, if all the necessary information is available. Since just information on the demand of the government sector and the total expenditure of foreign visitors is made available, the Tourism Satellite Account method will be applied partially while sticking to its general rules. However this will be useful to describe how this method works. To tell the truth, if we consider how limited the cultural segment of the local tourist trade is, it would not be rash to say that the following statistics could depict the bulk of the current demand.

| Satellite Account Application to Rimini's Case in 2003  |                                     |                |                                     |                        |                      |
|---|-------------------------------------|----------------|-------------------------------------|------------------------|----------------------|
| in euro   |                                     |                |                                     |                        |                      |
| Visitor Expenditure   | Government Expenditure (individual) | Visitor Export | Government Expenditure (collective) | Government Investments | Export (Non-visitor) |
| Museum Takings<br>32.819  | Museum Cost<br>1.530.253            | 60.000.000*    | Not available                       | 5.706.123              | Not available        |
| Products and Services Used by Visitors  |                                     |                |                                     |                        |                      |
| Partial 61.563.072  |                                     |                |                                     |                        |                      |
| Demand for Goods and Services of the Cultural Tourism   |                                     |                |                                     |                        |                      |
| Partial 67.269.195  |                                     |                |                                     |                        |                      |
| Partial Government Employment<br>14,6 Workers   |                                     |                |                                     |                        |                      |
| * Rimini welcomes 45% of the foreign visitors in its district and its expenditure is 183 million euro. Suppose one third of the foreing visitors having a stay along the Coast visits cultural heritage works, the aggregate expenditure can be estimated at approximately 60 million euro. |                                     |                |                                     |                        |                      |

## CONCLUSIONS

The cultural tourism segment is not the most important one, but it is progressively developing in this new trend, which introduces a more and more important role - whose signs can already be seen - played by the so-called "limbo-generation" in Europe – a generation, which is too ripe to be young, but too young to be classified as old, and is statically expected to grow in the near future with respect to a drop of younger generation. This generation proves to be keen on travelling and improving its knowledge.

Those cultural tourists, who have revenues, professional and educational above-standard qualifications, have also many amounts of money at their disposal, which may even result in expenditure 50 percent higher than the standard tourists' one. Obviously if this is the case, the multiplier effect on the local economy will be stronger. Cultural tourism has also the advantage to be less affected by seasonal phenomena and more widespread all over the year.

This can be or is Rimini's case, but it can be a model for similar resorts: can seaside resort-oriented tourism with its catchment area in place cause cultural tourist trade to thrive and promote local historical, artistic and archaeological heritage? The general conditions potentially seem to be favourable: on the basis of a survey carried out in summer 2003<sup>5</sup> more than a half of all the tourists interviewed got a secondary-school diploma or university degree and more than one third of them earned more than 26 thousand euros per year. This situation could tend to be more widespread among foreign visitors because the number of clerks, executives and students almost reached a half of the whole survey sample – a far higher percentage than the Italian one.

Approximately one third of those visitors have the same standard features as cultural tourists described in the previous pages. For this reason they could be interested in taking advantage of their stays in those regions to learn history and traditions - eventually this is a more dynamic way to spend time. In terms of statistics this could be a potential market consisting of approximately one million units – not a trifle!

In order to further develop, cultural tourism does not only need museums, monuments, archaeological sites, history, traditions to promote, but a networked system of facilities, as well. Both main and secondary road systems are crucial to quietly enjoy cultural landscape paths, that is to say to go sightseeing.

The economic response, namely the demand that cultural tourism is able to generate, certainly has a significant impact on expenditure, government and private investments, and requests for a supply of the same value. The Tourism Satellite Account method is a useful tool to succeed in quantifying appropriately its impact, but the lack of information currently made available prevents from fully exploiting this tool. A better investment on this method could provide with more detailed results useful to choose the most appropriate measures, including occupational one, to take for this territory.

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<sup>5</sup> Survey by the Economic Faculty at Bologna's University, Rimini's Branch  
Europa Inform (Italy) 2004