

The 23rd IMP Conference  
*Exploiting the b-to-b knowledge network: new perspectives and core concepts*  
Manchester Business School  
Thursday 30th August - Saturday 1st September 2007

**Exploiting the b-to-b knowledge network in culture: hierarchic and network models compared in some experiences in Italy**

Key words: network position, cultural networks, cultural cities, territorial value.

Marco Paiola  
University of Padova, Italy  
Dept. of Economics  
marco.paiola@unipd.it

**Abstract**

Cultural activities are increasingly regarded as precious resources for the creation of sustainable economic value in regional areas. Following an in-depth qualitative approach, we investigate the organization of cultural events in several mid-size Italian cities in order to show how complex networks operate in this sector.

In this contribution we propose a relational model that takes into account the convergence of different schools of thoughts in a multidisciplinary manner, and whose aim is to understand the role of cultural organizations in value creation in local contexts. In particular we describe evidences coming from the analysis of six Italian cities recently put on the map by successful cultural initiatives: Brescia, Mantova, Modena, Parma, Trento and Udine.

Our model identifies fundamental subjects in cultural networks, putting in evidence key business marketing factors, such as: activities, capabilities and relations. In particular, two basic approaches to the management of relations are identified: a hierarchical and a network one. Roles of “focal organizations” that can operate as guides for the systems (or sub-systems) and represent access points for broader or global network dimensions are discussed.

**1 Theoretical bases: the value of places in a relational perspective**

A recent wave of huge investments in cultural initiatives has highlighted their relevance in the creation of economic value. Successful experiences in place marketing testify that management of cultural activities has to do with the management of relations with a plurality of economic and institutional actors that play different roles in sustaining the local performances in a global competition (among places and regions) for production and market resources (Scott 1998; Porter 2003), tourism and investments attraction (Kotler Haider Rein 1993), talents attraction and better quality of life (Scott 2000; Florida 2002, 2005a,b).

Although much effort has been placed in trying to understand the nature of the relation between economy and culture (Baumol and Bowen 1966; Frey Pommerehne 1991; Thorsby 2001), little attention has been devoted to discover the relational dimensions of culture production. In our opinion that dimension is critical to understand nature and effects of cultural activities, and in this contribution we propose a relational model to be applied to the organization of cultural events.

Theoretical bases of the model stem from the convergence of different schools of thoughts, that we analyse in a multidisciplinary manner. In fact, for our purposes, recent acquisitions of three basic literature streams are relevant; they underline three distinct but complementary topics that we can summarize as follows:

1. The evolution of Products, services and relations. Relationship Marketing and Service Management literature introduce a useful conception of relations between actors involved in products and services exchanges, that invokes a shift from transactions to exchange relations (Baker 1999; Sheth Parvatiyar, 2000; Payne Christopher Ballantyne 1991); new forms of relation exchanges expand traditional service interactions (Eiglier and Langeard 1987; Normann 1984; Normann Ramirez 1994; Rullani et al. 2006) including new forms of value co-production that decline what Alvin Toffler intended with his fortunate concept of "pro-sumer" (Toffler 1983). Co-production initiatives may also intercept distributed knowledge diffused in social capital and communities of practice (Brown Duguid 2000; Prahalad Ramaswamy 2004; Wenger 1998).
2. The mechanisms of Cooperation and networking. Industrial marketing literature review shows a growing convergence on inter-firm alliances and a growing interest for complex network structures and dynamics; this highlights the importance of the mechanisms of of cooperation (Ford 1980, 1997), the importance of roles and positions of the actors in the networks (Hakansson Johansson 1992, 1993; Johansson Mattsson 1992), and the need for a proper methodology in relational analysis of organizations (Lomi 1997; Powell 1990; Borgatti Foster 2003). These relatively new approaches have had great influence on different spheres, including culture (Danilov 1990; Scheff Kotler 1996; Bagdadli 2001; Salvemini Soda 2001).
3. The impact of localization on competitiveness. Comparative advantage of nations (and regions) (Porter 1990, 2003; Saxenian 1994) and the new economics of competition among clusters (Porter 1998) and districts (Beccattini 1990, 2000) offer us a broad and comprehensive panorama on the role of territories in creating and sustaining firms' value creation, emphasizing localization importance in production and market resources access. More recently, contributions in this area underscore the role of local contexts as connective fabrics, stressing economic value of dense local interactions (Grandinetti and Tabacco 2003; Rullani 2000, Biggiero e Sammarra 2002). A recent spin-off of this literature stream describes the economics of areas with high concentration of artistic and cultural activities, like cultural districts (Santagata 2006) and cultural cities (Lazzeretti 2003; Mossetto 1992; Scott 2000).

## **2 A relational model for cultural production of value in territorial contexts**

In this work we address the mentioned research themes by focalising our attention on the description and comparison of several cases in culture management in medium-size Italian cities. We use a theoretical model that takes into account relational value of cultural initiatives: in fact, this appears to be a research field only partially investigated, despite its importance in territorial value creation.

Following a multiple case study approach (Yin 1981, 2003), we selected six cases of cultural activities (exhibitions and events) held in medium-size cities in Italy, characterized by innovativeness and success. In this first phase our parterre of cultural initiatives simply doesn't represent a sample in a strictly statistical sense, and its overall statistical representativeness is therefore limited. Our first objective is in fact to validate our theoretical model as a valuable instrument for describing and comprehending the relational value of cultural initiative in territories. In accordance with the grounded theory perspective (Glaser and Strauss 1967; Strauss and Corbin 1990) we investigated the selected initiatives by means of different explorative methods: semi-structured interviews, behavioural observation, primary and secondary documental sources. Thus, we gathered a valuable repository of information regarding relational strategies in a new breed of successful cultural cities in Italy.

Basic elements of our theoretical model are: relevant resources (the cultural heritage and related cultural products), relevant subjects (actors internal and external to the territory) and relevant relations (among actors and between actors and resources) implied by the cultural initiatives considered (see fig. 1). Due to the limited space allowed by this paper we describe them very briefly in the following rows, referring to the (Italian) references for an in-depth descriptio

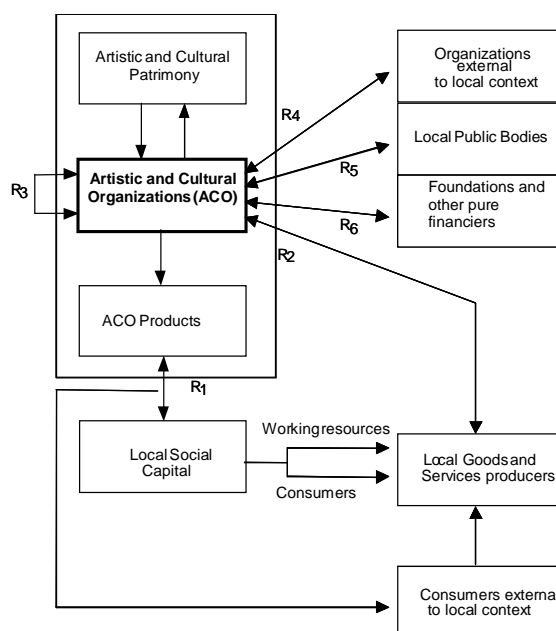
## 2.1 Relevant resources

Fundamental resources for the local ACOs are, first of all, artistic and cultural resources of the territory. In our model they are represented by the artistic and cultural patrimony (heritage), that is goods with cultural value located in the territory of reference; several cases in Italy testify how it can have a great importance: rarity, preservation status, extension and accessibility can make local assets unique, and be the basis on which further develop the offer (Thorsby 2001).

On the basis of the patrimony the ACO can develop its cultural products and services and create a complex offering system (Normann and Ramirez 1989). Cognitive contents and a distinctive sense-making capability are critical characteristics of modern cultural products.

As you can see, relations between ACO, cultural patrimony and cultural products are squared and separated from the others: it's a production process that could be object of a separate investigation and widening.

Fig. 1 - ACOs and territorial marketing: a relationship model



Source: Grandinetti and Moretti (2004), Paiola (2006).

## 2.2 Relevant actors and relations

The centre of the model is the Artistic and Cultural Organization: this is a subjects (company, institute, association, etc.) mainly dedicated to the production, preservation and exploitation of cultural patrimony.

The model highlights a number of differentiated relations that occur among the ACOs and other different actors, some of which are of particular economic importance:

- Local human and social capital (R1): The cognitive nature of ACOs' products (Bodo 2000) can cause rich experiences and occasions for learning, that the consumer may benefit in different areas of his life: typically on work competences (Davenport and Prusak 1998) and consumption

preferences (Grandinetti and Moretti 2004). Furthermore, we can figure out the possibility that each consumer can convey the experiences also on other people with whom he or she is in contact, spreading further those positive effects: this eventuality suggests an indirect effect of ACOs' activity on local producers of goods and services by the way of the part of cultural products consumers that are indeed local human resources.

- Local (R2) and external (R4) goods and services producers and organisations: these relations can involve actors belonging to tourism, education and training, manufacturing and services. As regards tourists attraction - a well known part of the direct effects of place marketing fostered by cultural events (Kotler Haider Rein 1993) - relations can possibly regard activities like conjoint communication campaigns, products and services bundling, or the construction of integrated touristic systems. As far as the pedagogic effect is considered, ACOs have several opportunities of collaboration with educational institutions, from simple exchange of resources (spaces and infrastructures), to collaboration in the design and production of courses regarding cultural topics. Finally, ACOs may build relations with the industrial fabric of the territory (the most common cases are sponsorship initiatives), and sometimes play a part in its innovation processes; on the opposite, ACOs collaboration with specialised manufacturing and service firms can lead to new products and services that can enlarge or renew the cultural offer.

- ACOs networks (R3): cooperation among ACOs may assume different forms (from bilateral to complex forms) and can pursue two basic aims: increase efficiency (e.g. via unification of procedures or functions and bundling offers of different nodes) and increase efficacy (e.g. via synergic use of complementary resources like brand image and relations). Intensity and importance of the relations can however depend on some features of subjects and their relations, such as extension, duration, localisation of nodes, nature and independence of the subjects.

- Public bodies (R5): this category of subjects - that normally have strong relations with local ACOs - can contribute to the overall action of local ACOs in different ways, from a simple and very frequent activity of funding to the cooperation in the design and even the production of cultural initiatives: at least, when cultural events involve urban areas, their role as location lenders is frequently fundamental. Furthermore, depending on the type and relevance of the capabilities they dispose, they can sometimes support ACOs in relations activation and in spurring the work of both ACOs and other actors.

- Foundations and other "pure" financiers (R6): funding is a critical activity in order to provide the necessary financial resources to maintain and exploit their cultural patrimony. Foundations have recently taken a principal role in supporting cultural activities, but sometimes their role goes even further: since they can have strong relations with both local and external political and financial institutions, they can be precious allies in developing cultural projects and bridging the local system to broader and differentiated cultural networks.

### **3 The model in action: six cases in cultural activity**

In this section we present the cases of six mid-size Italian cities that have recently become prominent in Italian cultural touristic scene, thanks to events related to the cultural sphere. For each case we identify fundamental actors that participate in the event organization and highlight possible roles that the ACOs can play in a local context and how that affects the relational structure of the system.

#### **3.1 "Brescia. Lo splendore dell'arte": the cultural product "key in hands".**

Brescia is a city in Northern Italy with a strong industrial tradition, renowned for its production of pots, pans and cutlery and for its iron and steel industry. Recently its name has become otherwise famous thanks to "Brescia. Lo splendore dell'arte", a cycle of paintings exhibition hosted in the renewed Civic Museum that attracted an outstanding number of visitors (top of the list in Italian

exhibitions in 2005 and 2006). This *exploit* has quickly put Brescia on the European map of cultural centres, obviously allowing it to achieve some marketing objectives very well. This operation has in fact contributed to change the perception of city identity (both internationally and locally), resetting his prior heavy industrial image and repositioning it in the international competition among places.

No doubt the speed of this transformation process allows us to consider the case of “Brescia. Lo splendore dell’arte.” a successful case in place marketing and city branding. But alongside these brilliant qualities, the local cultural initiatives show some pitfalls that come to the surface quite clearly when we try to put relations in evidence, in order to apply our theoretical model.

In fact, when we analyse the relational dimension of the event we find some important facts to highlight, that can be seen also referring to figure 2(a). Firstly let's identify key organisational players in the model: the Mayor, Paolo Corsini, and the president of Fondazione Cab (the most important local bank foundation) are two of the most important subjects of local cultural scenario. Corsini - who also holds the role of spokesman for the Arts of the council - among public subjects is the one that has supported most the so called "cultural renaissance" of Brescia. In this challenge he can count on a valuable local partner: this is Fondazione Cab, the major local bank foundation, that concentrated a vast financial effort on the re-opening of the town's principal museum (Santa Giulia), that indeed hosts the mentioned exhibitions. The project wouldn't have been possible without the participation of Lineadombra, a private company based in Treviso, specialised in arts exhibition and focused on the impressionist movement (Calcagno Faccipieri Rocco 2004), that our local administrator encountered in 2004, when he left Treviso and the local Fondazione Cassamarca with which he had a 4-years relation (yet suddenly interrupted) organizing a successful series of exhibitions on impressionism.

This operator really holds a critical role: its business model is based on the offer of a global service (it produces "key in hand" exhibition packages) and on intelligent protection of critical resources that leads to heavy internalisation. At a relational level that means that interactions with local actors is reduced: for example, the main local ACO operating in the arts (the Civic Museum Direction of the city) actually suffers a lack of autonomy that squeezes its role and compromises its relational potential with other artistic organizations. This evidently compromises its possibility to exploit learning occasions and retain some value from them.

In other terms the system (see again figure 2.a) shows a poorly grounded system, since the virtuous relations that the R1-R6 model potentially involves seem not to take place in this case: quite all virtuous relations of the model are substituted by lateral relations that pass the ACO by. This poses some questions regarding the sustainability of the strategy, as it is deeply dependent on the presence of an external actor that internalises all important production activities, leaving locally only operative tasks. What if, for example, Lineadombra's CEO, Marco Goldin, decides to sell his services to another city? The consequences of a divorce in the marriage Lineadombra-Mayor would be awkward and unfortunate for the city, that would see all direct and indirect benefits now in existence (in tourism, commerce and so on) disappear unless a new leading actor substitutes for Goldin's organisation.

### **3.2 Mantua and Festivaletteratura: local producers in the first line.**

Mantua is a mid-size city in Northern Italy with a strong agricultural tradition. Seat of the Gonzaga dynasty, it has been a rich and important cultural city in the past (Virgilio was born on its outskirts). It holds an important artistic patrimony: famous painter Andrea Mantegna lived here for almost all his life.

In 1996 a group of local booksellers decided to organise an annual event, with the mission of revitalizing and exploiting the city artistic and cultural heritage, that they felt “asleep” at the time. They found inspiration in another international cultural *rendez-vous*, the Literature Festival of Hay on Wye in Wales. With the help of the management of the mentioned festival, in 1997 they

designed their first edition of Festivaletteratura (FL), an annual 5-days event dedicated to books, authors and editors. In 2006 they celebrated their tenth anniversary edition, that attracted in Mantova approximately 50.000 people during the second week of September. An offer of 259 events transformed the city's old mansions, squares, public and private gardens, restaurants and coffees in a beautiful stage.

The product formula favours a direct contact between the audience and authors by the means of specific spaces for interaction, questions & answers meetings and entertainment. A specific section is also dedicated to young readers and their favourite literature.

Since 1996, following the Anglo-Saxon example, the mission of the FL Organising Committee is organizing a fair where writers and readers could meet in the piazzas and streets of the city, trying to involve the social and cultural forces of the city; that's when a group (more than 300p.) of committed citizens created the Filofestival Association (formerly called "Friends of the festival"), aiming at contributing to the realization of the project, each in his own way by working in various activities: administration, organizing, ticket sales, on-site assistance at the events, interpreting, guests guides, accommodation etc. Now it has become a vast community collecting 4.000 supporters all around Italy, showing to be a powerful promotional tool, an important operative subject and a thrust for other cultural initiatives. That testifies the importance of local (and external) human capital in contributing to the co-production of the event, since the Filofestival association has a central role in recruiting students, enthusiasts and keen on literature to help organizing the festival as volunteers (almost 700 blue T-shirts volunteers had operative tasks in the 2006 edition).

From the relational point of view (as we can also see in picture 2.b) main actors of the model in the case of Mantova are: the Organizing Committee, that first envisaged, designed and still coordinates Festivaletteratura in its organizational and marketing aspects. It is composed by nine members, coming mainly from local culture-related areas (two of them are also related to municipal and provincial administrations) and headed by Luca Nicolini, owner of a local bookshop (Libreria Nautilus), that has always been the propulsive centre of the system. Its activity is coordinated by a head office made of 4 people.

Besides we can find the local public bodies (the municipal, provincial and regional councils), once unique sponsors of the venture and owners of most locations. FL has also developed a vast fabric of relations with local and external companies (producers of services and goods), unless relations are mainly based on simple sponsorships contracts (but some of them are more complex, like those with world renowned Illy and the energy giant Enel). Nonetheless, FL demonstrates to have a distinctive competence in managing fundraising from private companies, since the number of relations the organizing committee can manage is so high that almost every one of the 259 events has its specific sponsor. In effect, unlike first period, nowadays FL finance relies almost completely on private funding.

Last (but not least) category of relations we have to take into consideration involves authors (in total 268 in 2006 edition) and editors, whose cooperation is critical for the success of the formula. From the cultural point of view we have also to mention some educational initiatives in collaboration with local schools, an international contest for young writers (in collaboration with The Guardian Hay Festival, Internationales Literaturfestival Berlin and Bjørnsonfestivalen), and "Qui comincia la lettura" (the reading begins here), intended to create a vast community of readers around one single book a year. FL only proposes the title in an official occasion (at the end of each edition) and let the book be a means of encounters and cultural debate (also through the festival website) during the period of two months. Here the initiative is in the hands of every person, association and institution that wants to promote the project in a spontaneous and autonomous manner (at the moment there 75 subjects joined in, 30 of them are municipalities).

### 3.3 Udine and Vicino Lontano: the role of local intellectual capital

Udine is a window facing East. Its territory, situated near the border with Austria and Slovenia, offers a greatly differentiated ensemble of environments. Its culture, characterized by the presence of three languages (Italian, German and Slavonic), make of it one the most international places of Italy.

In 2004 a group of independent intellectuals (and friends) coming from different cultural spheres - but not strictly cultural *attaché* - faced the challenge of giving the city and its region a new identity, creating a new cultural offer besides the traditional renowned natural and industrial products offer. Despite the initial cold welcome by institutional subjects, they set up a private non-profit cultural association named "Vicino Lontano" (VL) ("Near and Far").

Their cultural project - subtitled "identities and differences in the age of conflicts" - consisted in a series of thematic encounters and meetings directed to investigating the relation between occidental and oriental identities and cultures: a 4-days mid-spring festival with a basic theme declined in specific topics every year, aiming at studying possible cultural dialogue in the global world with a multi-disciplinary approach.

From the beginning the VL management committee (composed by the seven promoters and supported by a scientific committee as well as 9 active partners) started collaborative relations with a series of cultural partners, with a differentiated set of competences. Among them, certainly the most important in the first stages was the relation with the family of a world famous Italian reporter and writer: Tiziano Terzani. The collaboration with the family, and in particular the support of Tiziano's wife Angela Staude Terzani, led in fact to the idea of an international literature prize for the best reportage or essay dealing with cross-cultural issues. The International Tiziano Terzani Literary Prize is the "event within the event" holding a critical importance in helping VL to get visibility in the crowded world of cultural festivals in Italy. It takes place on the evening of Saturday during a gala evening attended by a host of distinguished guests from the culture and entertainment *milieu*. Connected to the main prize there's also a Terzani prize for children, a competition dedicated to schools that comprises an award ceremony.

In addition to this, as we mentioned, the association strengthens a series of important synergic relations also with a series of local cultural forces, like the local University (that is entering the association's committee), the CSS-Teatro Stabile di Innovazione FVG (a regional-scale production theatre), the CEC-Centro Espressioni Cinematografiche (a local association that promotes *auteur* films), the local publisher Forum Editrice, a library, the regional branch of the Società Filosofica Italiana (Italian Philosophical Society), and a number of secondary and primary schools, as well as bookstores and Art Galleries that host events and activities linked to the Festival. Important is, obviously the relation with local councils (at a municipal, provincial and regional level): besides providing principal locations for the festival they fundamentally support it through a funding activity that is also constituted by private sponsorships provided by banks, businesses and commercial firms.

In fact, besides the mentioned Prize, this network allows VL to produce two programs, taking place in the second week of May: the mainstream "Vicino Lontano: identità e differenze al tempo dei conflitti", in which famous scholars, writers and artists address from different perspectives the main theme of the project in a series of debates, meetings, conversations and readings (accompanied by recitals, concerts, exhibitions and film screenings) held in different historical buildings and venues across the city. Here the critical resource is a vast network of external links that interests an array of authors and scholars (96 in 2006 edition) who animate encounters.

A special mention has to be done for the second program, for its particular position at the moment. Fuoriorotta ("off the beaten track") is the occasion in which well known travel writers, reporters and artists contribute to a rich programme of travel related events including exhibitions, talks, seminars, film screenings (from professional and amateur film makers), concerts, public readings and book presentations. Connected to it the committee has designed a special section

which aim is to provide travellers the opportunity to meet and share information and experiences, as well as get in touch with advices and products provided by some interesting niche tour-operators. The particular position of this program is due to its success and the related overlapping problems with the mainstream festival: this convinced the association to separate them from this year's edition onwards, displacing Fuorirota to early autumn.

Other collaborations led to further product extensions: in particular that with the Departments of Philosophical Science and Social History at the University of Udine, in order to involve University venues in the festival, and prepare publishing initiatives with Forum Edizioni. Another important connection is with "aut aut", one of Italian major philosophical journals, that will dedicate special sections to Vicino Lontano contributions.

A last important fact: in occasion of the 2006 edition, the town's historical fish market (Mercato del Pesce), reopened its doors after years of closure to host a series of important cultural events on the Festival programme.

### **3.4 Modena and Festivalfilosofia: the activation of local cultural knowledge**

The famous Fondazione Collegio San Carlo (FSC), founded in 1954, is the heart of the new festival in philosophy initiated in 2001 in Modena, Carpi and Sassuolo in the region Emilia-Romagna. The initiative of the province council is at the beginning of the story of this successful cultural event, that involves a series of local and international subjects, companies, institutions.

Fondazione Collegio San Carlo is a non-profit institution with a public relevance (subject to the control of the University Ministry), since it carries out activities in the cultural and educational sphere, with a particular focus on social, human and religious disciplines. Its memorandum indicates its objectives in the education of the youth, developed by the means of the University College (founded in the seventeenth century) that hosts students of Modena University; an international scientific committee guarantees the quality of its institutional policies: to promote scientific research by means of the International School of High Studies; to preserve and exploit the bibliographic, historical, artistic and architectural patrimony by means of a library, an historical archive and a publishing activity, besides conferences and congresses both of national and international interest.

Its school of high studies, started in 1995, produces a 3-years specialization course - officially recognised as a doctoral degree - that give the diploma in superior studies in cultural sciences: that enables the organisation to increase its prestige and have contacts with a number of scholars, professors and researchers in the cultural scenario that constitute a valuable social and relational capital. Thus, when in 1999, the province council launched the idea of a festival similar to the one of Mantua to be held in Modena, the choice was to exploit the rich tradition of Fondazione San Carlo in philosophy. They organised a promoting committee composed by all institutional subjects involved in the project: four spokesmen for the Arts (one for each town council and one for the province), and the presidents of the two main foundations involved: FSC of course and Fondazione Cassa di Risparmio di Modena. The organisational work is done by people coming from the FSC, the three town councils (fundamental to managing the logistic aspects), and the province. Communication and web solutions involve also external subjects.

From the beginning, the project was managed by FSC with freedom, both in organizational and scientific decisions and the objective was to reflect on occidental culture and the challenges it faces at present times. At an organisational level a central figure is Michelina Borsari (scientific director of the foundation) that in collaboration with Remo Bodei (professor of philosophy at the University of California Los Angeles), works on the organisational and scientific preparation of the event. There is also a scientific supervisor for the section "philosophical cookery".

Regarding the product, the format of the festival is centred on treating fundamental philosophical themes (like joy, beauty, etc. but not related to the history of philosophy) in a fresh, multi-disciplinary and non-academic way, with modern methods and instruments of communication.

The typical format is the *lectio magistralis* of one hour, avoiding as much as possible the jargon and with a final part dedicated to the debate and interaction with the audience. Every speaker is provided with a theme to develop in the lecture, pertaining the annual theme of the festival. Some choices about the space to give to publishers, books marketing and promotion differ from the inspiring festival held in Mantua.

On the organisational side, an important decision is to involve, as much as possible, local forces, in order to create a local cultural district: in that sense the project managed to involve new competences belonging to new cultural actors not only in Modena but also in the cities of Carpi and Sassuolo.

The entire system is coordinated by the FSC with two basic principles: activate and delegate. The ACO that here is represented by the FF organising committee, is hence intended as a laboratory for ideas creation and a local activator that needs local participation and co-production. A series of relations led to important parts of the whole product: with art galleries for nocturne exhibitions of arts (called "white night"), with restaurants for philosophical cooking, with the company Buon Ristoro for the books automatic distributor at the railway stations, with the local hospital for the blood test, with the public market for the distribution of meals called "razion sufficiente".

From the financial point of view the event is supported mainly by local public bodies; smaller sponsorships are provided by local SME and local institutions.

### **3.5 Reggio-Parma and the great financiers: the coalition for funding**

Three ACOs, two towns, eight theatres involved, a common image. Associazione Reggio Parma Festival (RPF) was born in 2001 thanks to a funding by the Italian Ministry for Arts and Culture. It wanted to answer to the growing demand of cultural consumption, coming from an increasingly differentiated and exigent audience. It is a network composed of four former cultural organisations that lead to four event sections: Reggio Emilia Danza (Dance), Villa Celimontana Jazz (Jazz music), Festival Verdi (Opera), Teatro Festival Parma (Theatre). It is a perfect example of how cooperation allows little ACOs the access to vast amount of public financing, unless separated realities don't.

That's why two different cities, although geographically near, have put their efforts together to obtain a new organisation that put some different realities together. Traditional opera music, avant-garde research in dance and theatre along with Jazz Music.

Every year each section produces and co-produces performances and shows in collaboration with other national and international ACOs. RPF resumes in one three important paths in Italian cultural life, each one with its own traditions, competences and relations.

The first is the "Festival Verdi" promoted by the cultural society "Giuseppe Verdi" and held in the Teatro Regio (the same used indeed by Giuseppe Verdi) in Parma since 2001: although is the part that has started and also made the funding really possible, it's also the more traditional anima of the RPF. The second one is the Teatro Festival Parma, traditionally hosted in the second theatre of Parma, the Teatro Due (established in 1902). The festival is the organizer of congresses and round tables regarding different topics, being a propulsive centre and a laboratory for the continuous evolution of the foundation teatro due, that has a long tradition. The third component of this articulated project is Reggio Emilia Danza, born in 1999 and become a valuable window on international dance. Recently a fourth component has entered the project: Villa Celimontana Jazz festival, based in Rome, that manage the (minor) musical section of the festival.

The impact of the alliance is by the way most visible in the marketing strategy implemented by the RPF: the total funding of € 1,6 millions allow the organisation to have a lot of resources (€500K) to dedicate to communication and marketing and to attract a national and an international audience. The main objective of the project is in fact to implement place marketing strategies in order to exploit its national and international touristic attractiveness, by the means of its traditions and culture.

For the moment the real connection among the different festivals is the creation of a common image and the unification of marketing efforts, and the unification of the three events in one with the purpose of improving its institutional force, to better its overall appeal for cultural consumers and touristic flows.

RPF's organisation indeed manages the activities of promoting, communicating and funding the programs of the three anima of the festival. A common research and interaction regarding cultural contents is for the moment a difficult task, given the differences in backgrounds, and given the characteristics of typical audiences.

Partners of RPF are the councils of the two cities and the three Foundations of the local theatres: Fondazione Teatro Due, Fondazione Teatri di Reggio Emilia e Fondazione Teatro Regio di Parma. Relational network of the festival is mainly touristic: 102 travel agencies have been selected, and in collaboration with postel a great campaign of direct mailing, and house organ distribution (100.000 distributed in various ways) have been deployed.

### **3.6 Trento and Festivaleconomia: the exploitation of editorial networks**

Trento Festivaleconomia (FE) (Festival of Economics) is one of the most recent big cultural events introduced in Italy (first edition in 2006). Notwithstanding its very young age, it has already gained a great attention thanks to its success (30.000 people for the first edition). FE is a valuable opportunity for the city's value creation: as the official site cites it offers the possibility to visit Trento, with its renaissance buildings and its beautiful surroundings, in a territory rich in arts, nature and typical productions.

In recent years in fact the city of Trento - aided by a special autonomy granted by the Constitution - has been able to transform itself into a model of development. Such a transformation is based on the focalisation of the city on knowledge intensive businesses, like high level education and scientific research, especially focused in microelectronics and artificial intelligence, besides research in the domain of agriculture and biology (the complete mapping of grapevine genome is the last discovery happened here). In recent days Microsoft has opened in Trento its second research centre in Europe (the other one is in Cambridge). Here you can also find the Fiat research centre, nearby a hi-ranked University.

But here can also be found some reference points in the Italian cultural scenario: besides the new initiative of FE, the increasing interest in this area is testified by the recent establishing of one of the biggest contemporary arts museum in Italy, the Mart of Trento and Rovereto.

From a relational point of view, FE has a number of critical connections, that we underscore: it is promoted by the local bodies, that are the primary lender of locations and important financiers (in total €700.000 on a global budget of €3mln). Amongthem the role of the Province Council is particularly important, also in the organizational activities of the event.

The political subjects participate to a promoting committee in which we can also find the town council and the University. The "team" is also made of a scientific coordinator and an organizing committee composed by Laterza Editore, based in Bari (a reference point in history and philosophy publishing in Italy) and Il sole 24 ore based in Milano (the publisher of the major economic newspaper in Italy, connected to Confindustria, the lead organization representing major industries in Italy). Besides local bodies, funding is also provided by a major partner, that is the newly merged bank-group Intesa-Sanpaolo, as well as some main sponsors like Gioco del Lotto and Vodafone.

Key players in the network happen to be three: Giuseppe Laterza, Innocenzo Cipolletta (members of the organizing committee) and Tito Boeri (Scientific coordinator). Giuseppe Laterza (Literary Essays manager in Laterza publishing) is the one of the creative inventors of the "Presidi del libro" (books aids) that are diffusing in Italy starting from Bari, that involve local bodies, associations and companies (more than 100 subjects) in a broad cultural operation with the aim of increasing books reading through the action of the social capital. It is at the centre of several

cultural events related to books and reading. He had the idea of a new festival on economics that could replicate the success of Mantua and Modena initiatives (see *supra*); in the search for some partners he contacted Innocenzo Cipolletta, at the time president of Il Sole 24 Ore publishing, that candidates the city whose University he's the president: Trento.

From July 2005 the project is edited by Roberto Ceredi, that indicates professor Tito Boeri as a valuable partner. In fact, the collaboration Boeri - Laterza (and his huge network of writers) is crucial in the formation of the network of speakers and lecturers for the festival. In fact, Boeri - now the scientific director of FE - can provide a large network of scholars in economics coming from a dense fabric of relations he developed in his work as professor and in his recent project called La Voce (the voice) in which he gathers a number of young scholars in economics to build an on-line economic newspaper. The success of such an initiative (30.000 subscribers to the mailing list) is a signal that times are ready for economics to become a cultural event.

130 speakers (economists, philosophers, anthropologists, historians, managers and politicians), 50 meetings, as well as shows, labs, exhibitions, 200 accredited journalists, 50.000 attendances (approximately 20.000 people audience), 30 person in the organization (a half coming from outer places): the numbers of the first edition are very encouraging and are a valuable indicator of the value of the strategy implemented by the promoters.

At a local level the organization of the festival involves the municipal and provincial councils, as well as the local University. These subjects - that are part of the promoting committee - lend the necessary buildings and venues and involve a series of local actors: the libraries, the local section of the Civil Protection, a local cooperative operating in culture and few other local producers.

#### **4 A brief comparison of the cases: hierarchic vs. network approaches**

As we mentioned, localization and type of relations are main differentiation keys of subjects in our model, whose first objective is to represent with precision variety and intensity of relations at the local and external levels. In fact, the balancing between local and global aspects of the system is a critical point that affects actual and potential value of the event, at least affecting its sustainability.

Strong and important relational contexts can exert a strategic influence on other subjects, both in the local context (increasing visibility and contractual power of local networks), and in a broader sense, influencing the overall cohesion level and creating stable learning and innovation circuits.

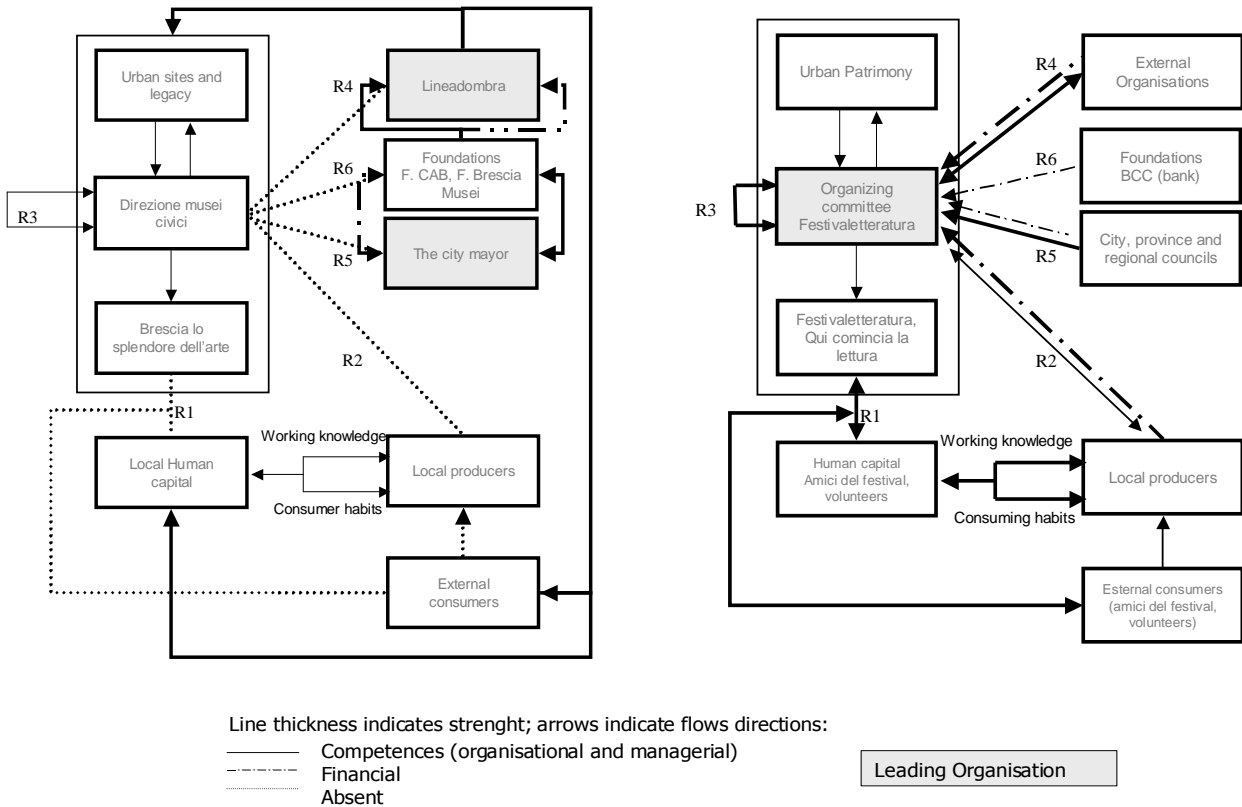
Being part of extended networks has positive effects on international visibility and local influence. In particular, ACOs belonging to wide networks can have brokering roles between the local cultural production and the international cultural scene, contributing in forming new knowledge by combining local and external knowledge.

For the sake of brevity we show the application of the model only to two out of six cases described, that can be considered stereotyped forms of what networks in culture can resemble: other cases can be placed somewhere in between the two.

Figure 2 describes two very different approaches to the construction of territorial value through cultural initiatives: we consider the "key in hands" culture products provision in the case of Brescia a case of Hierarchical system, due to its absence of reciprocity in the relations between this external subject and the rest of the network. In this case the model is also connoted by the critical position of an outer independent subject.

The case of Mantua is a mature example of territorial value creation by the means of high involvement of local social capital and local producers, as well as a good use of linkages to external nodes both in a national and an international context. We can easily call it a network approach, in which local and global components are combined in a productive and successful way.

Figure 2 Two stereotypical cases: a) The hierarchical model of Brescia; b) The network model of Mantua



Obviously, each one has its own rationale and each one can be certainly defined as a successful example of place marketing strategies. Nevertheless, the relational analysis permits to identify some critical elements that marketing communication figures don't show.

In the case of Brescia, the structure of the relations between actors doesn't fit the model: the local ACO isn't the centre of the system, and it can't have any of the positive roles we depicted, losing all its potential; relations are not optimised and the system, although greatly successful in attracting an unprecedented flow of cultural tourists in the city, has a sensible counter effect in the vulnerability to changes in the political situation and in the destiny of the marriage between local powers and a fundamental external contractual partner, that doesn't promote any of the positive cognitive effects on the territory we detected and also prevent any local ACOs to do the roles we assigned to the focal organisation.

On the opposite, the case of Mantova shows a high coherence with our model and demonstrates how a place can reach an important marketing performance following a totally different approach. Exploiting the first mover advantage it chose to construct a locally rooted and shared mechanism, that has been a benchmark for many. Although figures can't be strictly compared for the two cases, at a cognitive level we underline that the grounded nature of the slow growing literature festival shows activation of local and broader relations with private and public institutions that permit the city to appropriate the incremental value generated by the participation to local and external networks.

The other examples we described in this paper, each one with its own peculiarities, may resemble to one or the other kind of stereotypical model we identified: so at first glance we can consider the cases of Modena and Udine very similar to Mantova, but perhaps not so mature and perfected

(here the importance of the age of the system may be critical). The case of ReggioParma shows a very focalised approach that reaches very well only some of the possible potential advantages of the network, lacking in cognitive connections between different sub-groups. Finally, Trento shows a more deterministic approach and a minor local grounding that share some similarities to the archetype of hierarchy.

Some basic characteristics of the cases and a brief description of strengths and weaknesses of the approaches to the network chosen in each case are presented in table 1.

Table 1 Six cases in cultural networks: a comparison

Cases	Features of the network	Local ACO's role	Strengths and weaknesses
Brescia. Lo splendore dell'arte	Key in hands culture: poor local grounding and external subject prominent	Direzione Civici Musei is a simple executor; Fondazione Brescia Musei is a financier.	S: local financial and political support. W: strong dependence upon an external firm, no local grounding
Mantua, Festivalletteratura	Local producers activation in a new ACO with strong relation with social capital	Coordination and management	S: local grounding and involvement W: none
Modena Festivalfilosofia	Local institutions activation and exploitation of local pre-existent knowledge	Activator and cognitive interface for local producers and institution	S: local grounding and involvement W: public funding
Udine Vicino Lontano	Local intellectual capital activation and creation of an ad-hoc ACO	Activator and coordinator of local producers and institutions	S: social capital activation and local involvement W: public funding, Terzani's image
Trento and festival economia	External activation in accordance with local public institutions	Scientific and organizing activities	S: local institutions interest W: ACO substantially external to the city
Reggio Parma Festival	ACOs functional alliance for accessing ministry of culture funding	Administrative organiser, fundraiser	S: focalisation of the alliance, importance W: dependence on 1 source of funding

## Conclusions

At the beginning of this work we mentioned that we could analyse territories using a networking perspective, considering them as relational spaces: in fact, they can be high potential creative contexts, when – according with the most recent trends – they're theatre of dense and fruitful relations. In this sense, it is the intensity and quality of the relations that indicates the (actual and potential) value of the territory.

Using our theoretical model, derived from a multi-disciplinary approach and an extended literature review, we analysed several cultural networks in event organization in Italian mid-size towns. The model has proved a good descriptive capacity, being able to represent complexity and critical factors of value creation based on cultural events. In this respect, the role of ACOs has emerged as a potentially critical element in sustaining the exploitation of a place's value, since they can play as:

a) Activators and catalysts of local resources. They can create externality effects by directly or indirectly activating a series of local actors not only in the cultural value chain, but also in the touristic, commercial and production areas; they can also act as cognitive laboratories, hosting artistic and cultural initiatives that foster individual and collective experiences and that can be important sources of innovation.

- b) Providers of complex product-service systems. Cultural organizations can adopt managerial criteria and act as service providers; in particular they can operate as educational and training institutions, contributing in producing enriching cultural experiences for the local human capital.
- c) Cognitive interfaces. They can bridge between local and global contexts, in order to sustain and foster variety local identity through variety in a network system open to different experiences and cultures.

Our first empirical evidences render us the existence of two polar organization approach, that we called hierarchical and network model, that appear to be very different in exploiting the value of places in cognitive and relational sense. Some cases have an intermediate position between the two poles presenting solutions that cause specific points of strength and weakness.

In particular, value creation seems to differ in the two types depending on local activation and grounding, suggesting an effect of "creation of networks by networks", or a kind of auto-propulsive effect that is one of the most valuable sustainability factor in what we referred to as the "network model".

### **Limits of the research and further developments**

We see important spaces of improvement of the research around the following issues:

- a parameterisation of the model in order to appraise the amount of value creation generated in different situations; according to our model, a better understanding of the mechanisms of value creation in places could be reached taking into account variety of subjects and relations, as well as micro and macro position of different subject, with particular attention to leading organizations;
- a longitudinal study of cultural networks, in order to understand possible evolutions patterns (and possible convergences) of the stereotypic models we individuated and unveil strategic insights for policy makers;
- an extension of the empirical base in order to confirm its descriptive capacity.

On the methodological side, a better understanding of OAC importance in territory value creation can benefit from a deeper study of organisational networking and its vast literature; an interesting method to apply would be the Social Network Analysis, that could allow us to better describe and compare characteristics of the subjects that interact and the type of relations that occur.

### **References**

- Bagdadli S. (2001) (ed.), *Le reti di musei. L'organizzazione a rete per i beni culturali in Italia e all'estero*, Egea, Milano.
- Baker M.J. (1999), "Marketing - Philosophy or function?", in *The IEBM Encyclopedia of Marketing*, M.J. Baker (ed.), International Thomson Business Press, London.
- Baumol W.J., W.G. Bowen (1966), *Performing Arts. The Economic Dilemma*, The MIT Press, Cambridge.
- Biggiero L., Sammarra A. (eds.) (2002), *Apprendimento, identità e marketing del territorio*, Carocci, Roma.
- Bodo S. (2000), *Il museo relazionale*, Fondazione Giovanni Agnelli, Torino.
- Borgatti S.P., Foster P. (2003), "The network paradigm in organizational research: A review and typology", *Journal of Management*, 29(6): 991-1013.
- Brown J.S., Duguid P. (2000), *The Social Life of Information*, Harvard Business School Press, Boston.
- Calcagno M., Faccipieri R., Rocco E. (2005), "Consumo culturale 'di massa' e nuove forme di offerta: il caso Linea d'ombra", *Micro e Macro Marketing*, n.3.

- Caroli M.G. (2006), *Il marketing territoriale. Strategie per la competitività sostenibile del territorio*, Franco Angeli, Milano.
- Christopher M.G., Payne A.F.T., Ballantyne D.F. (1991), *Relationship Marketing: Bringing Quality, Customer Service and Marketing Together*, Butterworth Heinemann, Oxford.
- Danilov J. (1990), "Museums systems and how they work", *Curator*, 33 (4).
- Davenport T.H., Prusak L. (1998), *Working Knowledge. How Organizations Manage What They Know*, Harvard Business School Press, Boston.
- Eiglier P., Langeard E. (1987), *Servuction - Le marketing des services*, McGraw-Hill, Paris.
- Florida R. (2002), *The Rise of the Creative Class. And How It's Transforming Work, Leisure and Everyday Life*, Basic Books, New York.
- Florida R. (2005a), *The Flight of the Creative Class. The New Global Competition for Talent*, HarperCollins, New York.
- Florida R. (2005b), *Cities and the Creative Class*, Routledge, London.
- Ford D. (1980), "The development of buyer seller relationship in industrial markets", *European Journal of Marketing*, n. 5-6.
- Ford D. (1997) (ed.), *Understanding business markets: interaction, relationships and networks*, The Dryden Press, London.
- Frey B.S., Pommerehne W.W. (1991), *Muse e mercati*, Il Mulino, Bologna.
- Glaser B. G., Strauss A. L. (1967), *The Discovery of Grounded Theory: Strategies for Qualitative Research*, Aldine Publishing Company, New York.
- Grandinetti R., Moretti G. (2004), "Verso una teoria manageriale del valore dell'arte e della cultura nei contesti territoriali", in: Grandinetti R., Moretti G. (eds.), *Evoluzione manageriale delle organizzazioni artistico-culturali*, Franco Angeli, Milano.
- Grandinetti R., Tabacco R. (2003), "I distretti industriali come laboratori cognitivi", in *Sviluppo Locale*, 10 (22).
- Hakansson H., Johansson J. (1992), "A model of industrial networks", in Axelsson B. and Easton (eds.), *Industrial networks. A new view of reality*, Routledge, London.
- Hakansson H., Johansson J. (1993), "The network as a governance structure: interfirm cooperation beyond market and hierarchies", in Grabher G. (ed.), *The embedded firm*, Routledge, London.
- Johansson J., Mattsson L. (1992), "Network position and strategic action. An analytical framework", in Axelsson B. and Easton (eds.), *Industrial networks. A new view of reality*, Routledge, London.
- Kotler P., Heider D.H., Rein L., (1993), *Marketing Places*, The Free Press, New York.
- Lazzeretti L. (2003), "La città d'arte come sistema locale high culture ed i processi di distrettualizzazione culturale. Il sub-cluster del restauro artistico a Firenze", in: Pilotti L. (a cura di), *Conoscere l'arte per conoscere. Marketing, identità e creatività delle risorse culturali verso ecologie del valore per la sostenibilità*, Cedam, Padova.
- Lomi A. (1997) (ed.), *L'analisi relazionale delle organizzazioni. Riflessioni teoriche ed esperienze empiriche*, Il Mulino, Bologna.
- Mossetto G. (1992), *L'economia delle città d'arte. Modelli di sviluppo a confronto, politiche e strumenti di intervento*, Etas, Milano
- Normann R. (1984), *Service management. Strategy and leadership in service business*, Chichester, Wiley.
- Normann R., Ramirez R. (1989), "A theory of the offering: toward a neo-industrial business strategy", in: Snow C.C. (ed.), *Strategy, Organizational Design, and Human Resource Management*, JAI Press, Greenwich.
- Normann R., Ramirez R. (1994), *Designing Interactive Strategy. From Value Chain to Value Constellation*, Wiley, Chichester.
- Porter M.E. (1990), *The Competitive Advantage of Nations*, The Free Press, New York.

- Porter M.E. (1998), "Clusters and the new economics of competition", *Harvard Business Review*, 76, November/december.
- Porter M.E. (2003), "The economic performance of regions", *Regional Studies*, 37 (6-7).
- Powell W.W., "Neither market nor hierarchy: network forms of organization" in: B. M. Staw and L. L. Cummins (eds.), *Research in Organizational Behavior*, 12 (1990), 295-336.
- Prahalad C.K., Ramaswamy V. (2004), *The future of competition: Co-Creating Unique Value with Customers*, Harvard Business School Press, Boston.
- Rullani E. (2000), "Contesti che facilitano le relazioni: i meta-organizzatori fra imprese e istituzioni", *Sinergie*, n. 52.
- Rullani E., Paiola M., Sebastiani R., Cantù C., Montagnini F. (2006), *Innovare che passione*, Franco Angeli, Milano.
- Salvemini S., Soda G. (eds.) (2001), *Artwork & network. Reti organizzative e alleanze per lo sviluppo dell'industria culturale*, Egea, Milano.
- Santagata W. (2006), "Cultural Districts and their role in Economic Development", in: V. Ginsbourg, Throsby D. (Eds.), *Handbook on the Economics of Art and Culture*, Series "Handbooks in Economics", General Editors K. Arrow and M.D. Intriligator, ElsevierScience, North Holland, Amsterdam.
- Saxenian A. (1994), *Regional Advantage. Culture and Competition in Silicon Valley and Route 28*, Harvard University Press, Cambridge.
- Scheff J., Kotler P. (1996), "How the arts can prosper through strategic collaborations", *Harvard Business Review*, 74 (january-february).
- Scott A.J. (1998), *Regions and the world economy*, Oxford University Press, Oxford.
- Scott A.J. (2000), *The Cultural Economy of Cities. Essays on the Geography of Image-producing Industries*, Sage Publications, London.
- Sheth J.N., Parvatiyar A. (eds.) (2000), *Handbook of relationship marketing*, Sage, Thousand Oaks.
- Strauss A., Corbin J. (1990), *Basics of Qualitative Research: Grounded Theory Procedures and Techniques*, Sage Publications, Newbury Park.
- Throsby D. (2001), *Economics and Culture*, Cambridge University Press, Cambridge.
- Toffler A. (1980), *The Third wave*, Collins, New York.
- Wenger E. (1998), *Communities of Practice: Learning, Meaning, and Identity*, Cambridge University Press, New York.
- Yin R. K. (1981), "The Case Study Crisis: Some Answers", *Administrative Science Quarterly*, 26(1), pp. 58-65.
- Yin R. K. (2003), *Case study research, design and methods* (3rd ed.), Sage Publications, Newbury Park.