



CASE 4-1

Will Tourism Ruin Venice?

CASE #2

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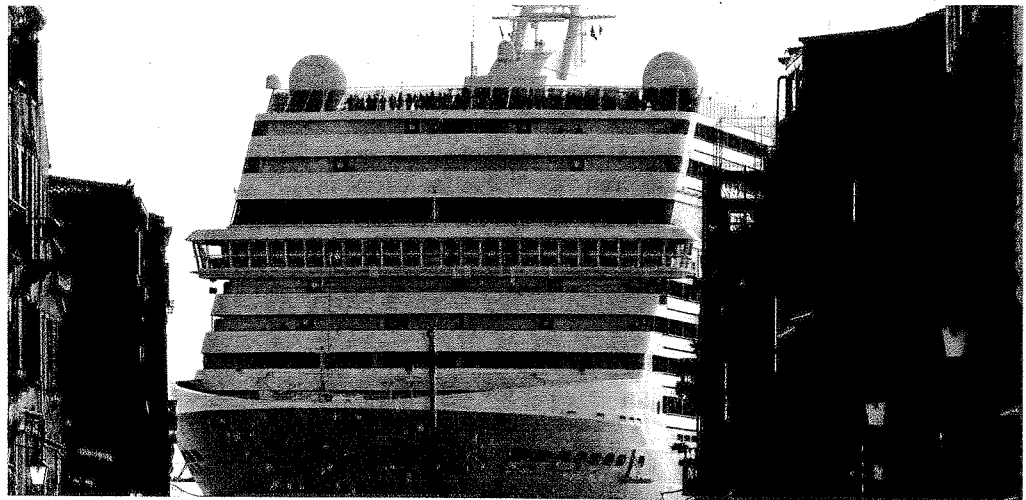
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Venice is unique among the cities of the world. Located on the Adriatic Sea in northern Italy's Veneto region, Venice consists of more than 100 islands linked by a system of canals. Historically, the lagoon provided Venetians with a safe haven from Germanic and Hun invaders. In fact, the word "lagoon" itself originated in the local Venetian dialect. "Ghetto," "casino," "marzipan," "quarantine," and "scampi" are some other words that Venice has contributed to the English language.

Over the centuries, Venice became a vital commercial center for international trade, linking Europe with the Far East. Venetian prowess in manufacturing and commerce is legendary, and

Exhibit 4-1 A cruise ship docks in Venice, Italy. Venice is a popular port of call for passengers on ships operated by MSC, Norwegian, and other carriers. While Venice's economy is heavily dependent on free-spending visitors from around the globe, environmentalists and local residents worry that mass tourism is a threat to both the city and the surrounding lagoon.

Source: Courtesy of Manuel Silvestri.



includes glassmaking and shipbuilding. In addition, Venice was an important artistic and cultural center during the Renaissance Era.

Today, the Germanic hordes are no longer a threat. However, Venice is threatened by modern invaders: Venice is tied with Barcelona as top cruise destination in the Mediterranean. Despite the recent economic downturn, giant cruise ships arrive each week. They slowly navigate down the Guidecca Canal before disgorging passengers eager to visit such famous landmarks as the Rialto Bridge, Piazza San Marco, Palazzo Ducale, and the Grand Canal. Locals complain that the ships cause the windows of the palazzos that line the canal to rattle and shake. In 1999, only about 100,000 visitors arrived by boat. Now, more than 1,000 cruise ships and ferries dock at Venice's main passenger terminal each year. As a result, the number of visitors who come for short-term stays can swell as high as 100,000 people per day.

Tourists also arrive by air, rail, and car; Marco Polo airport is less than 20 kilometers from Venice. In terms of nationality, Americans constitute the largest group of foreign tourists. Overall, tourism is the leading source of income in Venice, with approximately 15 million visitors arriving each year. By comparison, the year-round resident population of Venice is only about 59,000 people; that number has been steadily declining for years. Tourism gets a boost because Venice hosts important cultural events such as the International Film Festival and the Biennale International Art Exposition. Venice has also hosted the America's Cup World Series in 2012.

Concern is growing among the locals about the potentially detrimental effects of the cruise ships—specifically, air, water, and noise pollution—and possible damage to the submerged foundations that support Venice's famed architectural treasures. Not surprisingly, it is a divisive issue. Says one bar owner, "Everyone in Venice works with the cruise passengers, from taxis to bars

to suppliers. The ships bring people, and the cruises can save a season." Even so, Europe's recent economic crisis was particularly hard on Italy. Even Harry's Bar, an iconic Venice fixture since the 1930s, fell on hard times and may close.

For those not in favor of the cruise ships, the potential benefits of tourist money flowing into the Venice economy do not offset the detrimental effects. As one resident complains, "Some days you have 10 ships coming in. It just isn't safe." There is even a sense among some locals that many visitors care less about Venice's cultural life and more about shopping for souvenirs. "And even if they did spend millions, is it worth the risk of destroying the city?" the resident asks.

The conflicting priorities of commerce and conservation in Venice illustrate the ways that differences in the social and cultural environments impact marketing opportunities and dynamics around the globe. This chapter focuses on the social and cultural forces that shape and affect individual, group, and corporate behavior in the marketplace. We start with a general discussion of the basic aspects of culture and society and the emergence of a twenty-first-century global consumer culture. Next, several useful conceptual frameworks for understanding culture are presented. These include Hall's concept of high- and low-context cultures, Maslow's hierarchy of needs, Hofstede's cultural typology, the self-reference criterion, and diffusion theory. The chapter also includes specific examples of the impact of culture and society on the marketing of both consumer and industrial products.

Clearly, Venice's cultural riches constitute a magnet for tourists. It remains to be seen, however, whether the rising tide of tourism and other commercial ventures is sustainable. You will have the opportunity to explore the issue in the continuation of this case on page 126. The discussion questions at the end of the case will give you a chance to reflect further on "lessons learned."

CASE 4-1 CONTINUED (REFER TO PAGE 102)**Is Tourism the Savior or the Scourge of Venice?**

Cruise ships are not the only marketing-related issue that has ruffled some feathers in Venice and resulted in public debate. Venice's unique setting results in severe seasonal flooding; in the winter, tide surges known as *acqua alta* ("high water") cause severe structural damage to buildings and make it hard for pedestrians to navigate the city's narrow streets. Water damage is one reason that several of the city's landmarks are in need of repair, but Italy's Ministry of Culture allocates roughly \$47 million each year for historic renovation in the entire country. With only about \$1.8 earmarked for the entire Veneto region, Venice itself receives less than \$200,000 in renovation funds. Needless to say, this is far less than the amount needed for upkeep and repair.

In other parts of the country, water damage from flooding is not a problem. Even so, many ancient artifacts are crumbling. In the face of public budget shortfalls, owners of Italy's most famous fashion brands are footing the bill for historic renovations. For example, Diego Della Valle, the CEO of Tod's, is contributing about \$34 million to the restoration of the Colosseum in Rome. Announcing the gift at a press conference in 2011, Della Valle said, "A monument that represents Italy in the world must be restored, and a company that represents 'Made in Italy' stepped forward to say, 'If you need us, we are here.'" Similarly, Brunello Cucinelli, the "King of Cashmere," is helping defray

the cost of restoring the Arch of Augustus, an Etruscan artifact dating to the third century B.C. in Perugia, the capital of the Umbrian region.

To make up for the shortfall in Venice, corporate sponsors such as Coca-Cola and Bulgari are allowed to erect large billboards near tourist attractions; the city uses the advertising revenue to fund renovations (see Exhibit 4-9). For example, Coca-Cola billboards were recently put up near the Piazza San Marco. Renata Cordello, the official at the Ministry of Culture responsible for renovations, explains, "We're just not in a position to say 'no' to money, not for aesthetic reasons. I can't turn down the image of a bottle when there are pieces of the Palazzo Ducale falling to the ground."

As noted earlier, tourism in Venice has been the subject of considerable debate. Among the questions being raised are the following: Is Venice dying from too much tourism? Should tourism be limited? Should some kind of action be taken to attract a "different kind of tourist" and a "different kind of tourism" than the typical "daytripper" on a package tour? Or, does Venice need every dollar (or, euro, yuan, or ruble) it can get?

A sign of the times, literally and figuratively, are the billboards that have been erected on popular tourist landmarks undergoing renovation. Vincenzo Casali is a native of Venice and an architect who specializes in urban design projects. As Casali wryly observes, one

Exhibit 4-9 Bulgari and other well-known luxury brands are funding the restoration, renovation, and maintenance of famous Venetian landmarks. In exchange for financial support, companies are allowed to place billboard advertising on buildings that are popular tourist destinations. Although the Venice Foundation considers such funding sources to be crucial, critics say that Renaissance landmarks should not be used for commercial purposes.
Source: Marco Secchi / Getty Images.



recent billboard in Piazza San Marco promoted a designer shopping mall located outside the city; ironically, the billboard's message was that people who come to Venice should do an about face and leave Venice to do some shopping! Is it possible, Casali wonders, that such advertisers actually have no interest in restoration per se, but rather are using Venice for a different purpose—a purely commercial one?

Nathalie Salas, a marketing consultant living in Italy, believes that “passive tourism” poses a threat to the sustainability of Venice's tourist industry. But, rather than place the blame on the tourists themselves, Salas believes the problem arises in part from the way Venice is being positioned. The paradox of Venice, says Salas, is that while it is the most unique city in the world, it is also gradually becoming standardized. Like other cities, Venice offers branded entertainment such as Hard Rock Café (featuring “mouth-watering American classics”) and global hotel chains. What does this lead to? Standardized tourists and standardized products, Salas says.

Salas proposes a shift from a style of tourism that focuses on tangible resources—e.g., landmarks such as the Rialto Bridge and Piazza San Marco—to one that emphasizes intangible resources such as lifestyle and image. Instead of the stereotypical sightseeing holiday, Salas suggests offering visitors a chance to experience everyday Venetian life with itineraries that are “off the beaten path” and that will allow visitors to interact with the city in a more sustainable way. She also believes tourism's outreach should be oriented less toward first-time customers and more toward repeat visitors. In short, Salas believes that an emphasis on quality instead of quantity is one way to address the tourism issue in Venice.

Jane da Mosto is a longtime Venice resident and an advisor to the Venice in Peril Fund, a British nongovernmental organization (NGO). On the issue of whether tourism is killing or saving Venice, she poses the following questions: What is the “real” Venice? And, what do we want it to be? Is it a unified city and lagoon whose symbiosis dates back 1,500 years? Or, is it simply a collection of monuments and landmarks in the middle of the city? As for those who complain about Venice being overrun with tourists, da Mosto reminds them that a virtuous cycle may be at work: Venice's cultural riches provide the energy and resources for socioeconomic development that attracts creative people. They, in turn, contribute to further socioeconomic development and economic prosperity that results in a revitalization of the existing culture.

Dominic Standish is the author of a new book in which he explores the problem of Venetian cultural conservation and economic development. Overall, Standish views tourism in Venice as more of an opportunity than a threat. While acknowledging some of the problems associated with tourism, Standish believes the root of the problem lies in city management and public policy. In his book, he argues for both modernization and development, and outlines a multi-point plan that addresses various pressing needs in these areas.

For example, there is a need to modernize accommodations for residents as well as develop new facilities to serve the needs of students and visitors. Speaking about local opposition to building new

hotels on the mainland, Standish notes that this increases the likelihood that global chains will purchase historic palaces in Venice and convert them into hotels. Standish is opposed to such conversions. He does support plans to develop a new maritime passenger services facility that will allow cruise ships to dock further away from residential areas. Tessera City, a new mixed-use development near Marco Polo airport, should also relieve some of the tourism pressure on Venice. Standish supports plans to develop a subway system connecting the airport to Venice. And, he notes, Venice's sewage system badly needs upgrading, despite estimates that the cost could total €250 million.

Meanwhile, a massive effort dubbed the Moses Project is underway to prevent flooding. The name was chosen deliberately because of the Biblical account of Moses parting the Red Sea. Underwater flood barriers are being installed in the lagoon; consisting of huge steel sheets, the barrier can be raised to prevent flooding and then lowered back to the seabed when not needed. Environmentalists are concerned about the impact the barriers will have on the lagoon's fragile ecosystem. The system is scheduled to be operational in mid-2014.

Venice is not the only city struggling to balance commercial interests with the concerns of conservationists and preservationists. In Charleston, South Carolina, the proposed development of a new \$35 million cruise ship terminal has many locals up in arms. Opponents are concerned about the new facility's impact on the historic district where the port is located. The mayor of Charleston thinks the plan's critics have it all wrong. He points out that some 1,700 vessels use the port each year but only 85 of them—5 percent—are cruise ships. “This is not a theme park,” he said. “One of the authentic parts of Charleston is that we are an international port.”

Discussion Questions:

- 4-8. What critical thinking issues are raised in the case?
- 4-9. The case presents various points of view on the issue of tourism in Venice. Whose perspective(s), if any, do you agree with?
- 4-10. Should companies that contribute to historic renovation projects be allowed to place advertising on the buildings?
- 4-11. In June 2011, city officials in Venice approved a tax on tourists staying in the city. Do you think this is a fair and effective way to generate revenue and limit the number of tourists?
- 4-12. Do you think that Venice's tourist officials should use marketing communications to provide information that would direct visitors to areas of the city that are “less touristy”?

Sources: Dominic Standish, *Venice in Environmental Peril? Myth and Reality* (Lanham, MD: University Press of America, 2012); “Saving Venice with Fellini Flicks,” *The Wall Street Journal* (March 20, 2013), p. A21; Kim Severson, “This Charleston Harbor Battle Is Over the Impact of Cruise Ships,” *The New York Times* (February 20, 2013), pp. A1, A17; Giovanni Legorano and Deborah Ball, “The Trouble with Harry's: Venice Bar Fights Last Call,” *The Wall Street Journal* (December 17, 2012); “Tod's Founder to Restore Roman Colosseum,” *Associated Press* (January 21, 2011); Elisabetta Povoledo, “Venice Tourist Ships Rattle Windows and Nerves,” *The New York Times* (May 15, 2011), p. A16; Elisabetta Povoledo, “Behind Venice's Ads, the Restoration of Its Heritage,” *The New York Times* (September 19, 2010), p. A20.

