



LOCAL REPORT CONCERNING THE MARKETABILITY AND SUSTAINABILITY OF ICH

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1. Overview and description of the local activities (interviews and questionnaires)

The interviews were carried out in March and April 2018. The interviews were carried out by different employees of isn - innovation service network.

For this public version details such as names/institutions have been removed to ensure data privacy.

- Interviews:

Basically all interviews were performed according to the interview guidelines. Some interviews were carried out by phone, if a personal meeting couldn't be realised.

- Questionnaires:

The questionnaires were sent out to selected people from the ISN GmbH network. As there wasn't any response, some phone calls encouraging the people helped. Others were supported by phone in filling out, as they had difficulties in understanding the aim and the scope of the questionnaire.

- Main challenges and problems identified were:

In general it is not easy to motivate people for an interview or filling out a questionnaire. It was easier when we showed interest in the activities they are doing and just asked them some questions around, i.e. to have more a conversation with questions instead of an interview.

The term ICH, although explained in the documents or personally remains an abstract term and people have difficulties to understand it without several practical examples.



2. Summary of the interviews with local cultural operators (at least 10)

2.1. Acquisition process of the interviewees

The interviewees were mostly contacted based on ISN GmbH or personal relations. Large cultural operators such as “Styriarte” or “Aufsteirern” were selected because they are well known in the region.

2.2. Experiences made during the interviews: summary of the reflection notes.

Several very interesting aspects that could be used as examples for other local cultural operators could be identified. The most promising examples with regards to best practices for the marketability of ICH are summarised and outlined in the following:

2.3. Marketability Best Practices and Inspirations

From analysing the interviews, the following interesting aspects, lessons learnt and Best Practices could be derived for the Marketability and Sustainability of ICH, and are outlined below.

- Bundling Associations
- Differentiation through specialisation
- Building Bridges
- Marketing and Impact with 0 EUR Budget
- Creating emotions across borders
- Local awareness creation through huge events
- Crowdfunding - getting finance, visibility and a community

2.3.1. Bundling Associations

A very good idea is to bundle different associations to one common corporate identification, like for example does the “Creative Industries Styria” or the “Volkskultur Steiermark GmbH (Steirisches Heimatwerk)”.

Both associations are financially supported by the Province of Styria or the City of Graz and bundle similar small associations, such as individual designers, or traditional folk cultures under one corporate identity. By organising huge events, maintaining a common web shop, making advertising for the tourism in the region, they create high visibility for individual members. There are different business models behind this: E.g. to be involved as a designer in the “Creative Industries Styria (CIS)” a membership fee has to be paid. However, the CIS is also owned partially by the province of Styria. In contrary, the

Volkskultur Steiermark is owned 100% by the province of Styria and aims at supporting and preserving traditional habits like dancing, singing, music or craftsmanship.

Another similar concept that was identified through the Tischlerei Zitz, a local carpentry, is the Information Desk concept, that for example “Meisterwelten Steiermark” offers. It’s an association specialised on traditional “Meisterbetriebe”. Any organisation, especially interesting for small craftsmanship organisation can become a member and get support for marketing activities, such as professional fotos and text, a listing in the “Meisterwelten” directory, cards, support in PR and marketing, Website tuning etc.

By bundling associations marketing can create much more impact, it can be used to attract tourists (e.g. local events with local traditions), and it allows an equal distribution of broader public funding by preserving and supporting local traditions or uniqueness.



Figure 1: Website of the association Volkskultur Steiermark

2.3.2. Differentiation through specialization

An interesting concept a small local carpentry (Tischlerei Zitz) followed to increase marketing and visibility was to differentiate from its competitors through specialization. As the carpentry is close to Europe's largest stone pine region, the carpentry initiated a project funded by a local funding agency, namely the “SFG - Steirische Wirtschaftsförderung”. Together with a product designer, a consulting company and a marketing expert the carpentry launched their product series made of stone pine. Additionally a research institute certificated that the stone pine wood has a positive effect on the heart rates.



Figure 2: Marketing approach - Specialization through differentiation

2.3.3. Building Bridges

With their Design Transfer programme, Creative Industries Styria sets new impulses for the Styrian (creative) economy: building bridges between companies and creative professionals.

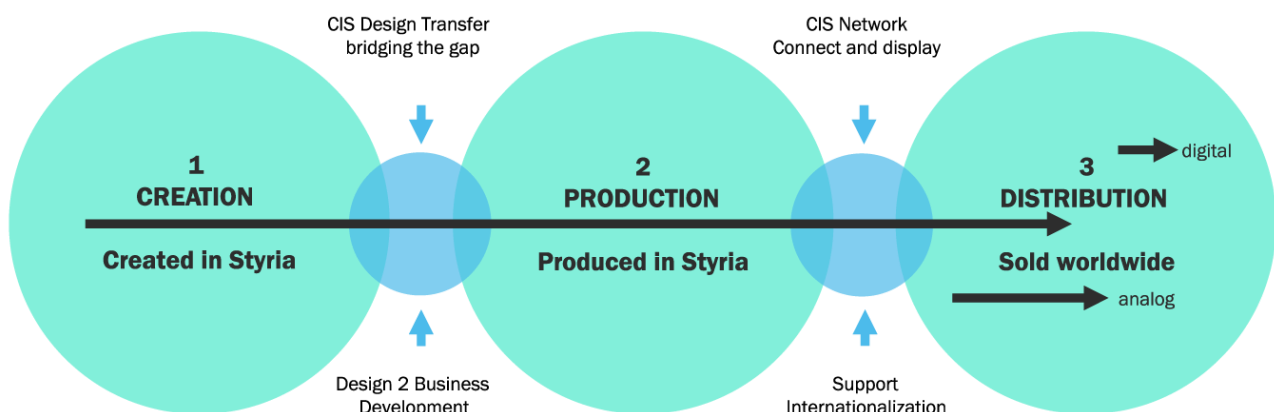


Figure 3: Building Bridges. Source: Creative Industries Austria

The lead project 'Design Transfer' of Creative Industries Styria links design and enterprises, creates new synergies and helps to draw on the full potential of previously undetected sources. In cooperation with the companies, Creative Industries Styria develops a 'Design Transfer' plan and derives the needed services.

2.3.4. Marketing and Impact with 0 EUR Budget

An interesting example for the strong emotionality of ICH is the folk dance group Stainz. It is organised by people who have their usual work/activities. In their spare time they dance, train, make competitions and mostly, dance on events. They love

promoting the way of life and their culture through dancing on events. Every member is a real “Steirer”, talking dialect and also wearing traditional clothes on the weekends and family events. If the group has to travel to an event or organises something, the overheads are covered by the members themselves or are covered through sponsoring from local banks or brewery, who are used to support this group.



Figure 4: Folk danse group Stainz

2.3.5. Creating emotions across borders

Although not a typical ICH domain, the example of preserving a football tribune that has been created in 1934 is interesting as it emotionally activates also communities across regional and even national borders. Through new social media, interest groups around the world can be connected and create impact. In this example it's the football community, but basically for most ICH domains international communities can be found/created by using social media. This example is not only interesting because it's new marketability approach, but also for financing aspect. In a crowdfunding campaign this initiative raised more than 65.000 EUR.

“Social media allows us to get the support of other communities in the world. Its great - how a very small group of interest gets the understanding from people who think the same”



Figure 5: Wooden Football tribune in the center of Graz



2.3.6. Local awareness creation through large events

Graz is a city with a lot of living culture and tradition. One reason for this are cultural projects such as “Styriarte” (for music) or “Aufsteieren” (for Styrian traditions & craftsmanship). Both, are huge yearly organised events.

Styriarte is an annual summer festival of classical music in Graz and Styria, established in 1985. It is focused on Early music, Baroque music and music of the Classical period. Styriarte 2017 had a budget of 2,9 Mio EUR, out of which approximately 50 % were reached through ticket sells and sponsoring. 30.000 visitors come to Graz and buy tickets for Styriarte for EUR 1,29 Mio. The main sponsor of the Festival is the local bank Raiffeisen-Landesbank Steiermark. Further, the event receives public funding from Land Steiermark (province), Stadt Graz (city) and Bundeskanzleramt, Sektion Kunst (presidency, section arts).

Aufsteiern is the name of a festival that celebrates Styria - the sunny south-eastern part of Austria. The Styrian people like to share their pride and joy about their way of life and their folklore which expresses itself vividly in dialect, music, dance and design. On one weekend in September (September 14 - September 16, 2018) the entire city centre of Graz turns into one big stage. Every year about 100.000 visitors walk through the streets of Graz and enjoy the Styrian hospitality. The event is used as a marketing event for Styrian way of life. With Aufsteiern people have fun and create awareness of Styrian culture, traditions, habits, costumes etc. Besides the marketing aspect, it is also a way to transfer and communicate culture to children, non-local people and international tourists. By disseminating Styrian culture we create visibility and impact. 100.000 visitors spend money, talk about the event and document their experiences in social media. This helps small local actors to get international visibility and probably also customers.

2.3.7. Crowdfunding - getting finance, visibility and a community

Four local cultural operators that have been interviewed carried out a crowdfunding campaign.

Wimmer Trachten - WIMMER is a family owned company sewing traditional Austrian folk costumes. The sewery is led in the 9th generation by Monika and Stefan Wimmer and has 17 employees realising custom-made high quality folk costumes. The WIMMER sewery recently launched an equity based crowdfunding campaign raising € 350.000,- to modernize the shop and production site.

Wimmer stands for high quality custom made traditional folk costumes. Everything is selected carefully and produced in the local production site.

Gruabn Funding - Since 1919, the Gruabn, the legendary football field of the traditional football team “SK Sturm Graz” is an integral part of the cityscape of Graz.



The wooden tribune stands there since 1934. In more than 80 years it served as a home tribune to the SK Sturm Graz and is an indispensable part of the SK Sturm history. Hardly any other place in the Styrian capital hosted so many emotions, joy, tears, stories and myths. The project aimed at ensuring the preservation of the wooden tribune, and use it as a green area and a playground for children and adolescents in the heart of the city of Graz. The team is cooperating with local football clubs and fans. Football around the world has very strong and huge communities. It is impressing, that football clubs from other countries are also very supportive when fighting for e.g. preservation of historic places. The recent crowdfunding campaign raised EUR 66.709,06 through 257 Investors.

Trumer Brewery- TRUMER Privatbrauerei is a traditional brewery since 1601 and family owned since 1775. The company became famous because of its “Pils” and strives to continuously enhance innovation by developing new crafts and tastes.

Winery Duernberg - Basically they could have covered the financing for their project by themselves. But they considered crowdfunding as interesting, because they built up a community with many people who are really interested in their products. As crowd-investors they benefit from the revenues. In total, 258 people invested in the winery. If every one of those buys wine and recommends it to their friends etc. this is really a great marketing effect.

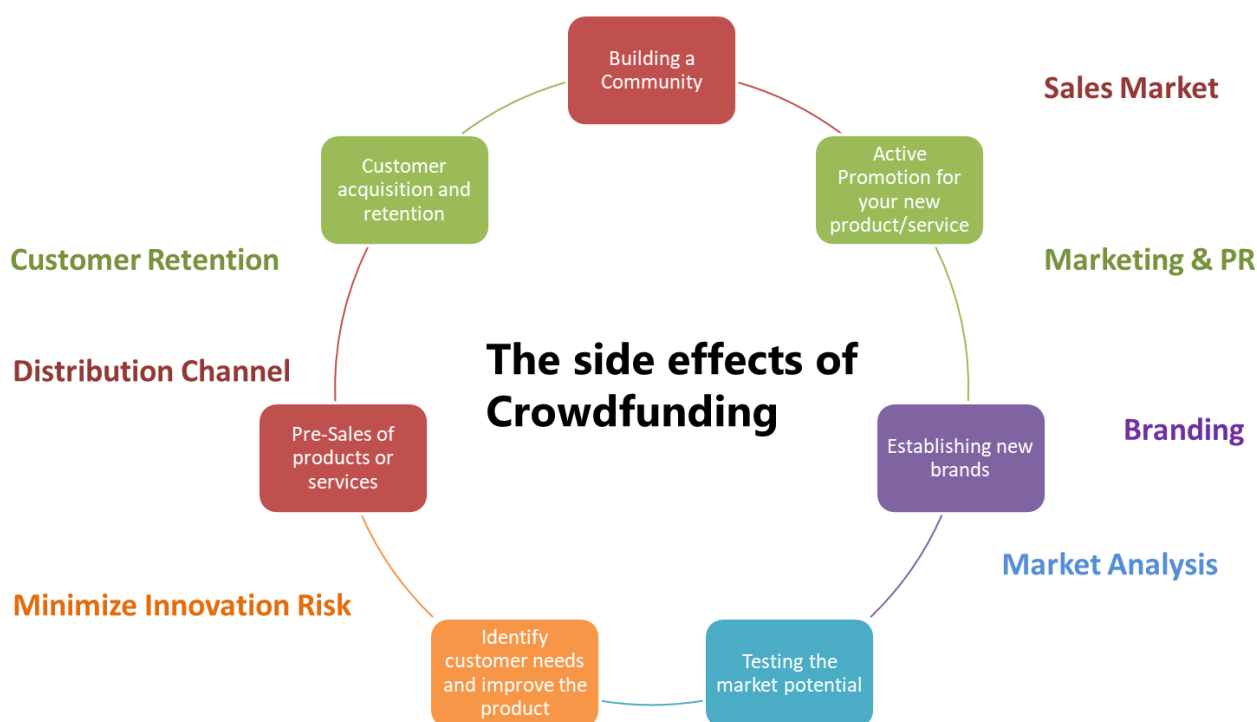


Figure 6: Side effects of crowdfunding

Summarizing these aspects, crowdfunding can be an interesting tool for marketability AND financing of ICH. Through it's personal character the respective organization can tell their story and create emotions (usually this happens by a 2minutes video pitch



included in the crowdfunding campaign, where the owner of the project tells a story that ideally convinces the crowd to spend or invest money in the project). Especially these values characterize ICH and its difficult to communicate them by classical ways of mass communication. Thus, crowdfunding can be actively used as a marketing tool, promoting own products or services, as the four examples did.

Further side effects of crowdfunding are depicted in the image above. Wimmer sewery increased it's customer base through crowdfunding and created a community. Trumer Brewery, used crowdfunding to distribute, pre-sale and test new tastes of craft beer. Duernberg winery, enjoyed crowdfunding because they established their brand on the market and created a huge investor and customer community through the campaign.



3. Summary of the questionnaires to local public and private financial operators (at least 10)

3.1. Acquisition process of the surveyed operators

In fact, it turned out to be more difficult as expected to recruit financial operators for the questionnaires. However, after activating some contacts and after several phone calls we managed to interview a heterogeneous set of different stakeholders covering

- 2 local banks
- 2 crowdfunding platforms (one more focused on investment-based crowdfunding while the other one is more focused on rewards only)
- 2 private investors
- 2 public institutions supporting cultural projects
- 2 private institutions supporting cultural projects

3.2. Summary of the main results and conclusions received from the submitted questionnaires

3.2.1. Local banks

Local banks in Graz are used to support local projects and activities, e.g. Carinthischer Sommer, Panorama Damtschach, Mozartgemeinde Klagenfurt, Kunstprojekt Hotel Obir in Bad Eisenkappel/Železna Kapla, Brahms-Wettbewerb, Komödienspiele Porcia und Kvarner Festival, Vernissagen in our bank branches.

In general they support local projects. Mostly cultural, but also sports, children related etc. with 500-5000 EUR through sponsoring, or as a mains sponsor for larger events such as e.g. Aufsteirern.

Their motivation is mainly

- to ensure the sustainability of these projects.
- Further, they want to show visibility and create a connection with customers and probably generate new ones. They consider it as important, to be at the events their customers are and to support interesting local projects.
- And to provide social and charitable value and to promote the general public.

These sponsoring activities have been established over the years. Usually the projects ask for sponsoring for an event. If events are regularly and increase, funding might, too.



A problem for banks is that they are struggling much at the moments and sponsoring activities become less from year to year.

3.2.2. Crowdfunding platforms

Crowdfunding platforms support funding of cultural and local projects by providing the know-how, the platform, and the community of investors. Their local aim is to support sustainability in regions, broadening the topic of crowdfunding and community building, imparting problem-solving competence in these important areas.

Through the crowdfunding platform people sell design products, develop apps, publish cookery books, get start-up companies going and bring out music records - lately, they also buy farms.

The first contact for such a cooperation happen through other successful examples, seminars and training or word of mouth promotion.

Crowdfunding platforms consider it as important to also promote cultural and ICH related projects because of the sustainable preservation of valuable cultural heritage; being part of our society and community of values; passing these values on to subsequent generations; learning to better understand the environment and contributing to improvement, etc.

Megatrends such as re-localization, demography, self-realization have a positive impact on local culture and traditions and are drivers for the story behind a crowdfunding campaign.

“Intangible Cultural Heritage” means to the rituals, customs, traditions such as old crafts, old buildings, music,...

3.2.3. Private Investors

Private investors support through donations or investments local projects and activities because it is important to them to preserve them. For example, one investor invested in the sewery Wimmer because it “ is in its 10th generation and is the last Austrian company to train bag-makers. I love traditional costumes because they belong to our culture and give us support and roots.”.

Another investor invests in culture because “Culture is is one of the most important parts of human life. Everbody should have the chance to have access to culture - both as Artist and consumer. State and society should enable this access...”

The expected outputs are to preserve local culture and also to get e.g. vouchers for costumes and accessories as remuneration. The most important aspect is the “good feeling to have contributed something to the preservation of this handicraft. I can meet

like-minded people there in the ancient family estate. This family estate was built with contribution of my money and I can and enjoy the beauty of this environment. In addition, only local craftsmen and materials were used for the conversion. Strengthening again for the region.”

“Intangible Cultural Heritage” mean to them something “that belongs to us. Something that's lasted for generations. Something I can keep and improve in my short life.”

3.2.4. Public institutions

The City of Graz supports many local cultural projects and is also shareholder of different cultural associations. JOANNEUM RESEARCH networks with members of national and international scientific and research communities. It supports companies during the development of technologies and processes. In this way, it makes a crucial contribution to secure and increase the competitiveness of Styria and Carinthia as a location for research, innovation and business.

Joanneum Research is a public research institution and can be somehow related to ICH in Styria as they “addresses the key issues related to climate change: How can society cope better with the risks of global warming and how can we minimise the associated economic damage? Will climate change also bring economic opportunities? How can these opportunities be realised? What steps are necessary to guide our society towards a more sustainable development path in order to slow down climate change? All these research issues affect many traditional organisations in tourism and farming.

The City of Graz is either shareholder of an association, provides sponsoring or proposes funding programmes. “We have many different funding programmes also covering cultural sectors. Our most innovative funding is the support for a crowdfunding campaign. People can apply for 5000 EUR to get support for the preparation of their crowdfunding campaign. “

The main motivation for Joanneum Research is that most small organisations in the cultural sector cannot afford research activities or are not aware of our services. Their motivation is to support these organisations with the required research and product.

City of Graz sponsors mostly smaller initiatives. Their funding initiatives aim to give impulses to kick start larger projects to have an impact in the economy. “E.g. If s.o. can get funding through a crowdfunding campaign because we supported the CF preparation - this is important for us”

Joanneum Research is a local public research institution. Their output is to contribute to the innovativeness of the region and to support local organisations with research services in order to stay competitive.



The city of Graz expects as main output of their funding activities to create a positive impact for the economy, e.g. by generating employment, revenues etc. If the local actors in Graz are performing well, the whole city does.

For the City of Graz, culture is the backbone of a society and can support economy. If the quality of live and business of a city is high, then companies and people will enjoy staying in Graz, working there and invest their money in the local economy.

3.2.5. Private institutions supporting cultural projects (crowdstrudel and Creative Industries Styria)

The private institutions support startups and individual companies in Graz to realize their ideas. The aim is to establish synergies and cooperation between the creative industries/startups and “classic” companies.

Their main motivation is to support motivated people with good ideas.

The Creative Industries Styria organises events such as the Designmonat Graz (One Month of Design), which bundles and condenses the energy of the local creative industries within one month, makes it visible to the outside world and thus makes a central contribution to anchoring the creative industries in people’s consciousness. It provides a space for innovative projects - be it experimental or commercial - and thus heightens the perception of the meaning of design: it is not about purely decorative behaviors (design as styling), but about the economic relevance (design as development and value added process) as well as the transformational power of design in economy and society.

Numerous local partners are also involved in Designmonat Graz. The term “design month” acts as an umbrella brand and assembles the individual activities under one uniform appearance, without jeopardizing their independence.

An important prerequisite for getting supported by private institutions is “we love authentic and motivated project owners with great ideas, that’s why we support them. We love “makers” not just “talkers”.”

Creative Industries Styria sees a great importance in the local potential and the importance of design as a creative process to a broad public by design presentations of high quality. Referring to Graz as a UNESCO City of Design, the designforum Steiermark as a location provides a platform for exhibitions of regional and international designers and design institutions. It is intended to be an urban centre of dialogue, competence and dissemination communicating all facets of design in its various forms.

4. Conclusion

4.1. Description of these actors in respect to networks, joint projects, cooperation, including your own connections

From analysing the interviews, the following interesting aspects, lessons learnt and Best Practices could be derived for the Marketability and Sustainability of ICH, and are outlined in Chapter 2.

- Bundling Associations
- Differentiation through specialisation
- Building Bridges
- Marketing and Impact with 0 EUR Budget
- Creating emotions across borders
- Local awareness creation through huge events
- Crowdfunding - getting finance, visibility and a community

4.2. Description of the financial instruments and models being used for financing ICH

Summarising the results from the questionnaires, and at the same time having in mind the interviews with the cultural operators the following funding possibilities of ICH, turned out to be the most used in Graz and Styria. Further, these possibilities have been ranked from most used to less used:

1. Own investments and commitments

The backbone of ICH related organisations, associations etc. are their members. Most of them work voluntarily and their personal motivation is preserving the own culture, creating awareness of it and creating economic impact, e.g. through tourism.

2. Public Funding

Local public funding resources in Graz and Styria seem to be very well established. For nearly every project in the field of art, culture, tradition etc. exist local public funding possibilities. A strong recommendation for local players is therefore, to consult before doing anything else all the public funding authorities:

- **Stadt Graz (Municipality of Graz)**
- **Land Steiermark (Province of Styria=**
- **SFG Steirische Wirtschaftsförderung**



Most probably, there will be a public funding suitable for the envisioned project. However, it has to be stated that Austria is well known for its very good funding opportunities. In terms of innovation Policy Graz can be considered as one of the more innovative cities in Europe, with regards to funding policies.

3. Sponsoring

Most cultural projects or mainly events are funded through sponsoring. Popular sponsors are local banks, the municipality, large breweries and also local political parties. For smaller events and projects these sponsors provide on average between 500-5000 EUR. Larger cooperations have been established with regular and large events, such as Aufsteirern or Styriarte.

4. Private Funding through alternative finance such as crowdfunding

Using Alternative Finance as a funding possibility becomes more and more popular in Graz and Styria. Since the establishment of the crowdfunding regulation in 2016 (Austria has one of the most innovative regulations with regards to crowdfunding) the amounts raised through crowdfunding increased exponentially. Graz is also the first and so far only city in Europe, that actively supports crowdfunding, by providing a 5000 EUR funding for the preparation of a crowdfunding campaign.

5. Private funding through business angels and private investors

In Graz and Styria there are some well known Business angels and Private Investors who invest in projects they consider important for the region. But it cannot be considered as a main funding source for ICH related projects. Exceptions are if members of respective associations have personal contacts to those Business Angels.

6. Private Funding through traditional finance such as banks

A traditional bank loan seems not to be a common way for funding ICH projects. A reason might be that a bank loan is mostly related to a private person or company - which doesn't reflect the typical structure of a cultural association, mostly consisting of voluntary members. However, craftsmanship companies such as carpentry etc. usually started their business with a bank loan. But in the light of stricter banking regulations, for those companies it becomes more and more difficult to get such a loan because of the lack of securities. In contrary, larger, well established companies (e.g. the here mentioned crowdfunding examples Wimmer, Trumer and Duernberg) explicitly prefer alternative ways of financing because of the related side effects (cf. Figure 6) that are not given through traditional financing.



4.3. Outlook & Suggestions and recommendations in the light of the results

Overall, Graz and Styria can be seen as very important and rich cultural areas with many ICHs listed in the UNESCO list. Graz has some interesting approaches that might be worth to highlight as best practices also for other regions.

It is impressive how well organised, funded and visible local and traditional associations are. Examples such as the Volkskultur GmbH (bundling all ICH related associations), events such as Aufsteirern, styriarte or La Strada (making visible to a national and international public the richness of the Styrian culture) or the main public funders such as the province of Styria (main owner of the Volkskultur GmbH and Shareholder in Organisations supporting enhancing visibility for small local actors e.g Creative Industries Styria) or the City of Graz (supporting e.g. the preparation of a crowdfunding campaign with 5000 EUR funding) should be communicated as Lighthouse examples to other European regions.



Dr. Conny Weber

ISN - Innovation Service Network
Hugo Wolf Gasse 6a
80101 Graz



Email: conny.weber@innovation.at



Phone number: +49 15234 191016