

Marketing Strategy

INITIAL SITUATION

Graz as Cultural Capital

For a city of its size, Graz has an exceptional quality and quantity of cultural institutions: from the steirischer herbst to the styriarte, from the Diagonale to the Forum Stadtpark, from the Regional Museum Joanneum with the Neue Galerie to the theatres of the Bühnen Graz and a vibrant free theatre, literature and gallery scene. However, many of these institutions already reached a peak of awareness in the international culture scene during the 1970s and 1980s.

Graz as tourist destination

"Austria's secret love" was the slogan for Graz before it was named Cultural Capital of Europe 2003. The old claim describes one of the central problems city tourism destinations of this size are confronted with: a low awareness rate.

The project Cultural Capital of Europe

The inflationary use of the title "Cultural Capital of Europe" in the year 2000 when 9 capitals bore this name as well as the quality of international awareness for Cultural Capitals in the years before and after led to the conclusion that Graz should not rely too much on the appeal of the label. Or put in a more positive way: Graz was rather free in the positioning of the brand "Cultural Capital of Europe".

TASKS

The marketing of Graz 2003 thus had the following tasks:

- >> To increase awareness for the city
- >> To give Graz a profile
- >> To make the Graz residents proud
- >> To enhance awareness for Graz as a Cultural Capital
- >> To diffuse the Graz 2003 programme
- >> To establish Graz as a radiating brand

OBJECTIVES FOR GRAZ

Wolfgang Lorenz, intendant of Graz 2003, set the following general goals for Graz 2003:

Graz should further develop its strong points and reinforce its identity as Cultural Capital and its self-confidence.

Graz should stand out in Europe and establish itself as a sustainable European cultural centre - even beyond 2003.

Graz should combine top quality with the greatest possible acceptance and thus offer culture to a wider public as a means for the positive mastering of life.

Graz should happen with and for its residents. It should be fun for them and be supported by them inside and outside.

Communication Strategy

In general terms, in the development of its communication strategy, Graz 2003 pursued the following basic principles and strategic directions.

Print & electronic media

- >> Concentration on a few mass media, however with a high level of commitment to these
- >> Priority for content and PR joint ventures over traditional advertising

- >> Joint-venture participation in a high-circulation weekly programme newspaper for umbrella branding
- >> Promotion of programme co-operation in the electronic media sector

Outdoor advertising

- >> At supra-regional level, umbrella brand marketing only, no product marketing. Product marketing confined to the regional sector.
- >> Intensive involvement of all available communications systems in the eastern part of the city of Graz - even away from the outdoor advertising media traditionally available for booking, for the high-profile promotion of the umbrella brand (flags, displays, large-area banners, vehicle fleet, play area branding, etc.).
- >> Comprehensive branding at all points of arrival in Graz (airport, railway station, motorway exits, etc.)
- >> Specific selection of Point of Interest locations outside Graz and at important traffic axes with individual messages tailored for the point of application (for example, "Welcome to Vienna, the most beautiful suburb of Graz" on the motorway leading to Vienna's Schwechat airport; "The Capital of Culture greets the City of Sport" on buses in Salzburg, etc.)
- >> Presenting the logo as a reality logo in public places (e.g. three windows, a three-way effect)

Below the line and guerrilla marketing

A disproportionately high amount of work was carried out in this segment, concentrating on popular international cultural rendezvous and festival locations. The gala openings of international festivals were specifically exploited with a wide range of campaigns individually tailored for the location.

Programme advertising

Concentration on the regional sector as cross-selling argument but not primarily as incoming argument. Implementation of the umbrella brand in the programme advertising and in co-operative advertising forms as well, with several dozen joint event promoters.

Time planning: mix of themes in the regional programme campaign

Communication time on air for programme contents cut to extreme minimum, so as to reduce internal competition and to make it possible to be continually presenting new topics. For this purpose, we set up our own all-year-round outdoor advertising network throughout Styria at specifically selected Superstar and Star points at which topics could be switched at minimal cost.

Focus groups

The inhabitants of Graz themselves are the communicators: 200 focus group presentation and training events in the year 2002

In the second half of the year 2002, more than 200 (!) focus group presentation events took place, addressing all groups of people coming into contact with visitors to the Cultural Capital (hotel porters, tourist guides, taxi drivers, park wardens, the police, bus drivers, railway officials, teachers, etc.). By the beginning of the programme for the year, this had seen more than 7,000 people having been in direct personal contact with the management level of Graz 2003, involved in the Cultural Capital project and turned into sources of knowledge and multipliers. As a result, more than 26% of all out-of-town visitors to Graz 2003 came on the basis of personal recommendations.

CUSTOMER BONDING

Unity of 'customer', product and marketing

A series of programme items was designed to involve the population of Graz directly as co-participants in the Graz 2003 programme, thus firmly anchoring the Cultural Capital of Europe project deep in the consciousness of the inhabitants of the City:

Mountain of Memories

In the year 2002, the Office of Memories gathered together the memories of inhabitants of Graz, these being presented throughout the programme year in the Mountain of Memories exhibition in the gallery complex in the Schlossberg in

Graz. More than 20,000 individual memories reflecting the social history of the city were recorded, in this way laying the foundation which resulted in Graz becoming Cultural Capital of Europe through the self-presentation of the actual inhabitants of the city.

17 Graz Districts of Culture

In each of the 17 Districts of the City of Graz, a cultural project for the immediate local environment was developed over the course of joint discussions held with the inhabitants of the relevant districts.

Sanitary facilities: domestic culture for sub-standard dwellings

The programme for Graz 2003 was based on a broadly applied cultural concept. Within the context of the Sanitary Facilities project, several hundred sub-standard local authority dwellings in Graz were outfitted with bathroom and toilet.

Play Graz: host families for young people

The international school-student games (these are the Olympic Games for 10 to 14-year-olds) brought together participants from all continents to meet in Graz. Those young sports men and women who did not have to stay together with their group for reasons internal to the team were placed in host families with children of the same age.

Art taxis as mobile information offices

Throughout the entire programme year, there were 15 'art taxis' in constant operation throughout the city, integrating an on-board art video line as well as filmed details of the overall programme.

Communication Management

The product

The heart of the "Graz 2003" product was not the 6,000 individual events. These were actively advertised as a sort of cross-selling offer, only on the spot, i.e. at the point of sale. The heart of the product was represented by unmistakable, unique symbols, unambiguously identifiable with Graz both at home and abroad, and achieving their communication at symbolic level: the Island in the Mur, the Clock Tower Twin, the Kunsthaus as friendly alien. It was the way in which the public spaces at the motorway exits, the railway station, the airport, and everything up to the city was presented, down to the Lift to Mary and the art taxis, which brought the experience home to everyone. However, as a product, Graz 2003 also discovered its own media at the same time: namely the inhabitants of Graz themselves. Projects such as the Mountain of Memories struck such a deep chord in the consciousness of the population that it was the people of Graz themselves who became the most important means of communication for Graz 2003. Only in this way was it possible to generate the image of a City defined by means of culture itself, in which there is always something going on and in which there is always something to be experienced and discovered.

Competitive strategy

The competitive strategy for Graz 2003 therefore consisted of simply ignoring the competition. On the international plane, Graz 2003 achieved its communication by means of significant incomparable symbols, images and messages which could only originate from Graz and from nowhere else.

Dramaturgical marketing

The fact must be conceded that for many years past many important decisions on the infrastructure of Graz such as the Kunsthaus, the new City Arena, etc. had been put on the back burner or not properly addressed, and accordingly, it being only because of the Cultural Capital year that any distinct change took place in the quality of infrastructure in the city within a very short period of time, Graz 2003 was a real stroke of luck for the city. However, we exploited this good fortune to the absolute maximum in our dramaturgical marketing. To reinforce this effect of a city rediscovering itself through its communication presence, the following scenario was developed:

2002 - the year of preparation:

In the year 2002, two advertising campaigns designed by Lowe Lintas GGK were carried out under the slogans "Graz - who would have guessed?" and "Graz - anything goes". The important aspect here is that these campaigns were only run in national and international mass media. Virtually no attention was directed to regional media and specialist cultural media. The external approach adopted was: tell them. The internal approach was that what is regarded as

important in Vienna, Berlin and Venice - but not in Graz - must indeed be important, namely reinforcing self-confidence. In Graz itself, in the course of this year the Cultural Capital kept a deliberately low profile in the field of traditional advertising, to allow it to achieve a dramatic increase at the opening of the event. Irrespective of advertising, however, during this time intensive information was provided for all of the important groups of people on the ground to promote speculation among them. Behind this lies the 'football manager' effect: just as each one of us is a football manager, so, under the surface, each of us should be an expert when it comes to cities of culture. This was the mix which was to provide the basis for the gala opening presentation.

The opening: the Big Bang

The earliest signs took the form of an unfortunate unplanned accident: when, a few weeks before the grand opening, the Island in the Mur was to be floated into its final position, for a few days it was left stranded at the quay like a beached whale, due to a lump of rock in the river bed. The first test for the football coach effect was passed: thousands of local inhabitants strolled along the bank for a look, and now everyone is a marine engineer.

However, the great opening as originally planned took place some time later: practically overnight, after the Christmas period, in no time at all Graz 2003 assumed such a massive visual image throughout the whole city that the entire city was turned into a branded world. The objective here was to make the conversion of the city due to the Cultural Capital year sudden and distinctly visible, to present an unfamiliar 'city experience' effect and in so doing to attribute all of the positive changes in the city unambiguously to Graz 2003.

However, once again what was crucial was the indivisible unity of product and brand: in spite of the difficult mid-winter time, no previous city of culture had previously dared to programme such a tightly-packed, comprehensive inaugural festival lasting four days as did Graz 2003. All of the major programme lines for the rest of the year were already set in this frantic opening. It is only at the actual opening event that one enjoys the full attention of the international press, and it is at the opening that the climate of opinion is formed for the rest of the year's programme - and it is also here that the seeds of a subsequent myth can be sown. 130,000 visitors stormed the inaugural festivities, braving temperatures as low as minus 9 degrees, with the international media providing comprehensive reports couched in the highest terms.

The programme year: consistently aggressive follow-up addressing all communication channels and markets: Graz 2003 as a content company.

For the year of the programme itself, the communication mix was designed distinctly differently from before: traditional advertising was virtually completely removed from the national and international mass media, and replaced by a mix of aggressive press work on the part of the Graz 2003 press section, co-operation on content with important national media, and intensive below the line and guerrilla marketing activities at cultural rendezvous and festival locations throughout Europe, accompanied by a small number of selected point of interest advertising measures. In the ongoing programme year, Graz 2003 was, with its 108 programmed projects, primarily a content company with interesting content to offer to the media. Traditional advertising of the programme was only undertaken in the regional area, and in this instance with a conspicuous outdoor advertising media profile. The objective was primarily to win over the required high numbers of visitors from the regional area, to ensure that the city remained busy at all times, thus making it possible to live the experience of the Cultural Capital in the form of a bustling city.

For the summer, a further change was applied: targeted now were additional people making impulse decisions to visit from the neighbouring summer holiday areas. At the same time, there was intensive processing of the market primarily by means of promotions and also directly within the source markets as well as in the neighbouring regions. In this phase, the teams promoting Graz 2003 were often active at the same time in 7 different locations throughout Europe.

Cheek and instrument transfer

Graz 2003 relied to a disproportionately high level on below the line and guerrilla marketing activities. In the process, what were in some cases simple instruments of communication tried and tested in other sectors were reapplied in the cultural sector: the Venice Biennale was swamped with little green and blue bags, and the inhabitants of Salzburg who had failed in their attempt to win the Winter Olympic Games were confronted at the Salzburg festival games with balloons and bicycle rickshaws bearing the cheeky slogan "The Cultural Capital greets the Capital of Sport", busy squares were cordoned off without warning by Cultural Capital barriers and the Graz 2003 hot air balloon landed in Linz at the Klangwolke event bearing the slogan "Linz on the Mur", right in the middle of the major festival of our Upper

Austrian neighbour, just as unexpectedly as it appeared elsewhere. Promotions of this kind had to be generated as well as addressing target groups in the source markets, and for the most part, they achieved their goal.

Marketing Results

REGIONAL SALES MARKETS

According to a survey carried out by m Research in the course of November 2003, 27% of all of the inhabitants of Graz and 54% of Styrians in general attended at least one Graz 2003 event. According to this survey, 12% of Styrians attended as many as between 5 and 9 of the events. This should be viewed against the background that traditionally, in the marketing of culture, it is assumed that the market potential figure ranges between 7% and a maximum of 25%.

SUPRA-REGIONAL SALES MARKETS

The growth rates in day visitors and overnight stays in Graz (see also item 4 Commercial Networks) of over 100% and over 25% respectively, have broken all historical records in Graz.

ACHIEVEMENT OF OBJECTIVES

All of the quantitative targets set for Graz 2003 exceeded by far

All of the quantitative targets set in terms of visitor numbers and increases in overnight stays have been exceeded by between 30% and 250%.

In the Graz region, successful attempts were made to win over large groups of people to active participation in culture and identification through culture, these people in the past having shown little or absolutely no interest in the traditional range of high culture on offer. The inhabitants of the city today draw a considerable part of the regional self-awareness from being inhabitants of the Capital City of Culture.

COMPETITIVE & MARKET POSITION

- As the Capital City of Culture, Graz gained recognition throughout Europe.
- Graz was structured as a dynamic, self-confident brand.
- A large number of opinion leaders and journalists visiting Graz for the first time gained a decidedly positive image of the city, expressing the firm intention to recommend it.
- The newly created infrastructure (Kunsthhaus, City Arena, Island in the Mur, Helmut List Hall, House of Literature, Children's Museum, etc.) achieved great steps forward for Graz in terms of its competitiveness as an event venue.
- Graz is today listed in practically all of the main tour operator catalogues in Europe.
- Cultural installations and artistic groups from Graz have been able to cement outstanding international contacts, thus significantly reinforcing their position in the international market.
- With the realisation of Graz 2003, an enormous degree of operational know-how in the cultural field was created within the city, of a level available to hardly any other European city of comparable size.
- In many supply sectors for the Cultural Capital year, the major contracts awarded have likewise resulted in reinforcement of competence.
- Many international media contacts established at personal level also offer enormous communication potential for the future.
- Due to the necessary concentrated and rapid handling of complex approval procedures for major projects, the public administration has developed new procedural routines.

- A considerable proportion of the local Graz economy and tourism industry included the umbrella brand elements in their own corporate communications, in this way offering potential for brand communication which can be built on in the future.
- More than 100 high-ranking international delegations visited Graz, offering contact possibilities at professional level for the future.

COMMERCIAL BENEFITS

There are no comparative figures for one-off projects such as Graz 2003 as European Capital City of Culture. However, one thing is clear: Graz 2003 has been the most successful major cultural project in the history of the European Union – both in terms of visitor numbers and media coverage.

SALES TRENDS

2.5 million visitors to Graz 2003 events & projects

With more than 2.5 million visitors, Graz 2003 as the European Capital City of Culture became the largest cultural project in the history of the European Union.

Over 100% increase in day visitors

In terms of day visitors, Graz experienced an increase of over 100% over the previous year. The increase in guided tours for visitors amounted to more than 111%. The information offices for Graz 2003 and the Graz tourist office likewise assisted considerably more than twice as many customers than in the previous year.

More than 25% increase in overnight stays

The increase in overnight stays over the previous year stands, to date, at more than 25%. In peak months, the growth rate was over 50%. And this in a year, in which city tourism in Austria has been under great pressure. As a result, the forecast rate of growth from an ex-ante study carried out by Joanneum Research has been exceeded by a factor greater than 2.5.

More than 1200 new jobs created

A study carried out by Joanneum Research in advance of the year as Capital City of Culture, and still assuming the rates of growth in the tourist sector which were, in fact, exceeded by a factor of 3, forecast more than 1200 new jobs being created by the programme year. The revised figures on the basis of an ex-post analysis were not available by the date of submission.

AWARENESS RATE

More than 10,000 international press articles

More than 10,000 press articles from international media from all continents have reported on Graz 2003 to date.

More than 40 TV channels reporting

More than 40 TV channels from throughout the world transmitted broadcasts and clips from Graz as the Cultural Capital of Europe.

21 million visitors to the web site

To date, more than 21 million visitors have looked up the homepage of the Capital City of

Culture at www.graz03.at.

IMAGE

78 % say that Graz 2003 was worthwhile

78 % of the inhabitants of Graz stated that the Cultural Capital year had been worthwhile for Graz, according to a survey carried out in October by m Research on behalf of the weekly newspaper 'Der neue Grazer'.

Graz is worthy of the title of Cultural Capital of Europe

In a survey carried out by the Enquiry Market Research Institute on behalf of the Graz Tourism Association, when asked whether Graz was worthy of the title of Cultural Capital of Europe, international visitors rated Graz at 4.4 on a scale of 1 to 5.

Visitors to the Cultural Capital firmly intending to recommend it

In the same study, the question as to whether visitors would recommend a visit to Graz produced a positive response rate of 4.6.

Intention high among visitors to the Cultural Capital to return for another visit

The question as to whether they themselves intended to make a repeat visit to the city produced a positive response rate of 4.5.

ADDITIONAL BENEFITS

- The inhabitants of Graz can experience their city afresh.
- There is lots of life evident on Sundays, with the restaurants being open again. This has seen us breaking out of the spiral which at weekends led to a regular exodus from the city and a deserted city centre.
- Culture can be provided and consumed by means of ongoing information, the simplest products, close-knit marketing networks and favourable prices, without thresholds and barriers.
- With the Murinsel artificial island installation and the new promenade along the Mur, the river has also been made accessible again to the people of Graz.

The high level of demand has resulted in a tangible increase in the professionalism of secondary offers in the cultural sector.