# Chapter 63 Open, User, and Smart Innovation in Cultural Firms

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### ABSTRACT

The cultural sector is made of a variety of firms (both public and private) whose primary economic value derives from their cultural value (Flin, Mearns, O'Connor, & Bryden, 2000). The focus in this chapter is on the organizations that manage cultural sites, with a specific attention to the interactions between cultural sector and tourism industry. Nowadays, the competitive environment is more and more complex, owing to the globalization as well as to the interactions of this sector with others, so the cultural actors have to enrich their cultural offer in order to meet customers' needs effectively and efficiently. For this reason, innovation is acquiring a crucial role in a marketing approach for cultural firms in order to the preservation rather then to the promotion and valorization of cultural resources. Innovation, in its different perspectives, can be the key component for the creation of a new approach in the offer of cultural products, aiming at catching external opportunities through a continuous, interactive and innovative relationship with all the actors of the destination in order to gain sustainable competitive advantage.

### INTRODUCTION

Cultural products still attract many people travelling across countries. In some cases, they are by far the most relevant added value of a destination and its main attractive factors enabling to compete with others. Other countries' competitiveness does not appear proportional to the amount of cultural resources of which they are endowed.

For each area, it is important to find innovative ways to promote and distribute cultural products in order to carry out a strong and sustainable tie between cultural heritage and tourism sector. Cultural resources are a potential that needs to be managed in a strategic and organizational view to become a substantial attractive factor (that is a resource able to attract demand towards the destination).

This transformation takes place when an art or cultural product is managed in order to evaluate its critical factors that allow promoting and emphasizing its value on the market. Such critical factors have to be able to maximize the overall experience of the tourist and to make it remarkable. Since competition between firms is not based on the products they produce but rather on their specific resources, the product has to be conceived as the output of the bundle of resources a firm manages to create value for the customer (Gronroos, 1999). Hence, firms can increase value also focusing on their competencies in acquiring and managing strategic resources (Gronroos, 1999; Baron et al., 2010).

This is true for cultural firms as well, in a context where innovation is developing from a manufacture-centric view to a user-centred process (Lazzaretti et al., 2011, p. 159) up to a more transversal, crosscultural approach, characterized by high interconnections between sectors (even between mature and emerging ones).

In this scenario, technological and environmental disrupts, due to the hypercompetitive context connected with globalization (quick and intense changes in demand, huge variety of targets, abrupt and radical technological changes) (D'Aveni, 1994), have to be taken into account for all firms, here including cultural ones, in order to gain successful performance.

More precisely, there is a strong need of some sorts of neo-schumpeterian capabilities of creating and implementing innovation in these intersectorial interconnections.

In particular, technological and multimedia innovation stresses the importance on the experience for the customer and highlights the role of experiential marketing in identifying customers' needs and desires through a one-to-one relationship that creates value for both the firm and for the customer. For cultural firms, the concept of experience is even more important because of the nature of the product they offer: cultural products are intangible, people do not buy them but the experience of seeing, touching, feeling and living them during the visit. For this reason, cultural firms have to be able to enrich the overall experience the customer lives. Innovation has a crucial role in facilitating this process since it can be applied both at the induced (that's the phase

when the customer has to be convinced/induced to choose some specific offers) and at the organic level of marketing (that refers to the phase in which services are actually provided).

Therefore, in line with OECD's vision, art cities themselves are no longer just places of heritage conservation but rather creative spaces based on experiences of culture and creativity, with specific strategic dynamic competencies in combining, transforming and creating.

So, the aim of this chapter is to deeply explain the role of experience and innovation in a marketing approach for cultural firms in order to promote and distribute value through an interactive relationship with customers. Managers of the cultural firms are generally oriented to the preservation rather then the promotion and valorization of cultural resources, with a still "retro view" of management. With this chapter, I try to encourage an innovative approach in the offer of cultural products, aiming at catching external opportunities through a continuous, interactive and innovative relationship with all the actors of the destination in order to gain sustainable competitive advantage.

## OPEN, USER, AND SMART INNOVATION: A POSSIBLE DEFINITION AND ITS THEORETICAL BACKGROUND

Cultural-products are a category involving a wide range of products/services provided by firms operating in different industries, such as heritage, sites, museums, cultural guides, ICT, entertainment, ads and film productions (e.g. Motion pictures, recorded music, print media, or museums) and manufacturing industries (e.g. Fashion clothing or jewelry craftsmanship to cite the most important) (Scott, 2004). They can be supplied by private or public agencies and can be part of a set of services to both facilitate and reinforce their offer. This set of services creates the cultural economy and, as 23 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/open-user-and-smart-innovation-in-culturalfirms/119269

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