

Culinary tourism: Made in Italy food and real estate finance for the creation of a culinary theme park

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Abstract: There are numerous studies and research on tourism as well as specifically on culinary tourism, all aimed at understanding their characteristics and how to develop them into a source of growth for the country. The special features of the new culinary theme park (F.I.C.O.) render it innovative. It is not only a project that has never been seen before, but one that was able to profit by the many competitive advantages offered by the country, such as general tourism, Made in Italy food, and the driving force of a prosperous agribusiness sector. Managed by Eataly, a globally established enterprise, F.I.C.O., aims to become the largest centre in the world for the celebration of Italian agribusiness. Innovation is even found in the way that the project is organised and how it obtains its necessary funds, which are collected through a Real Estate Finance project. Its attractiveness is lastly tested through a random sample of interviews that allowed for feedback by the use of a statistical method, a practical and concrete result of a previous general analysis as well as a statistical summary of the typical behaviour of consumers and travellers.

Keywords: Tourism, Culinary, Real Estate Finance, Attractiveness and Competitiveness

1. Introduction

A topic of discussion and revolution, the tourism market is constantly growing.

Partly because of the change in the distribution of income and the increase in leisure time, in many countries tourism has become one of the most important sectors, as well as a driving force for growth.

According to the World Travel and Tourism Council [1], the total contribution of tourism to the Italian economy in 2013 amounted to €159.6 billion, the equivalent of 10.3% of the GDP. A slight decrease has been recorded compared to 2012 (-1.6%), but the forecasts for 2014 indicate continued growth, with an increase of 2.1%, bringing the sector's economic value to €163 billion.

The main factors that differentiate one destination from another one are its attractiveness and competitiveness. There are several factors that make a country more or less competitive than others when it comes to tourism. These main factors are mainly seen as price, strategy, history and culture and services [2]. The great competitive advantage of

Italy, considered one of the most popular tourist destinations in the world, is its ability to bring history and culture together, offering what one would consider to be a "real" vacation thanks to its immense historical and artistic heritage and some of the most beautiful coastal and mountain regions in Europe.

The National Observatory on Italian tourism performs a statistical analysis on tourism in Italy on an annual basis, and in analysing the best-selling products, highlights the "Cities of Art" and the "beach tourism" as products with the biggest appeal both on the international and Italian markets. Following are lakes, mountains and archaeological sites, and coming in closely in sixth and seventh place are culinary tourism (11% Italy, 13% internationally) and business tourism (9% Italy, 10% internationally) [3].

Based on these analyses, Italian tourism policies seek to focus on the latter two aspects, considering that the previous positions were occupied by pre-existing destinations in the country, due to simple historical and geomorphological facts.

By using F.I.C.O. as a case study, this paper demonstrates how Italy's competitive advantages can be used as it offers innovative features as well as the diversity in its management

and implementation compared to other projects.

In the following section, literary references on the topic will be discussed, in particular those regarding the country's attraction and competitiveness, followed by the method and approach used in this specific analysis.

The paper concludes with an analysis of the case and the related relevant factors in order to confirm the conclusion that it represents a competitive advantage.

2. Literature

2.1. *The Attractiveness and Competitiveness of Tourist Destinations*

Starting from a more general point of view, on a European level, many researchers have tried to show the continent's strengths and weaknesses in order to make it one of the most desired destinations in the world. One of the most interesting articles shows that the qualitative governance of the location increases the competitiveness of the country; "governance" means the policies, strategies employed and the selection of human resources [4]. Many researchers have tried to not only identify the most popular destinations, but also determine why they were considered such. In order to do this, we must first consider the reasons for the visit, because, depending on the needs of the traveller, several factors can influence this choice. For example, if the reason for travel is for summer holidays, statistical comparisons have been made on various regions in southern Italy [5].

In principle, it is definitely important to understand which factors generally affect the choice. These factors include the services and the site features compared with the wishes of trip, the ability of the location to meet the needs of travellers and the influence of the comments from people who have already been there [6].

These studies and many more are carried out on this topic, as tourism offers a wide range of benefits.

The most visible is that of the employment created by accommodations, restaurants, businesses and transport. A second advantage relates to support industries and professions, and the third is the multiplier effect, such as tourist money that is recycled through the local economy. The fourth advantage is at the state and local level, derived from multiple taxes on tourism. Last but not least is an additional benefit: tourism stimulates the exports of local products. The estimate of tourist expenditures on gifts, clothes and souvenirs ranges from 15 to 20% of the total [7].

To summarize and provide a complete picture, we must also point out the other side of the coin: while on one hand, tourism is an opportunity for progress based on the enhancement of the environment as a condition for new opportunities, innovation, better quality of work and an adjustment of competitiveness and quality of enterprises; on the other hand it has also been -and still is - an excuse to pave over the coastlines, hills, and delicate and fragile areas in order to privatize the beaches, ransack internal areas and apply excessive pressure on special and delicate places [8].

2.2. *The Tradition of Italian Food, a Special Made in Italy Product*

The widespread use of our country's culinary traditions abroad, and especially the global fame of certain products have paved the way for Italian culinary tourism. This is why public interest is very high, particularly in literature..

This specific type of tourism has grown over the years, becoming specialised and known for its dynamic nature and great potential. Italy welcomes at least 30 million Italian tourists and 20 million foreigners [9]. There are multiple definitions, considering the countless material available, but one of the most representative comes from Ignatov and Smith [10]: culinary tourism is a "trip during which the purchase or consumption of regional food (including beverage), or the observation and study of food production (from agriculture to cooking school), represents a significant motivation or activity".

Culinary art is considered an essential part of a trip to Italy, and it can be not only a reason to select a tourist destination but also a factor that can attract foreigners, somewhat like a famous monument [11]. A study on the economic impact of tourism performed by Unioncamere and Isnart in 2013 [12] reveals that about one third of the money spent during holidays in Italy by Italian and foreign tourists is on Made in Italy food.

For these and other reasons, such as the great capillarity of culinary art, as seen by a large number of agricultural companies and top internationally known brands[13], or the natural compliance with the environment, there are a large number of events, festivals and fairs in Italy to promote culinary arts (from Vinitaly, Cantineaperte Cibus, Cheese and BITEG to Eurochocolate) [14]. Just consider that the theme of Expo 2015, which will be held in Milan, is "feeding the world" [15] and will be therefore celebrating Made in Italy food.

Events can be an important tool for local marketing [16], and they can be particularly relevant to promote different areas [17].

Underlying this is the fact that tourism is funded by public bodies, as there are agencies established to deal with the various sectors and services needed [18]. The most innovative financial instrument was found in project financing [19], the "financing of a particular economic unit in which the lenders consider, from the beginning, the cash flow and earnings of the economic unit as the source of funds which will allow the repayment of the loan and the activities of the economic unit as collateral of the loan"[20].

3. Research Methodology

This study reports on an innovative case of relaunching tourism in terms of attractiveness and competitiveness, with the additional use of an unusual method for managing assets and raising funds. In order to understand how this case differs from others adopted.

The case was first assessed, starting from an analysis of

literature to both see if there were other similar cases and determine what the public opinion was regarding the project considered herein. This was made possible by a study based on theoretical knowledge on every part, in order to understand what we were talking about and have a clear idea about the factors that characterized and differentiated the analysis.

In detail, it has been essential to contact and cooperate with the companies involved in the project, Eataly and Prelios SGR, which are behind the implementation of a new idea of culinary tourism.

Lastly, all of the information found with differing and varied sources has been concretised by the application of an online survey submitted to a random sample. Data collected has then been analysed specifically through the application of measures and statistical methods with the aim of having explanations and feedback on the project, as well as to understand what kind of effect and impact it will have on the Italian and international population.

4. Prelios and Eataly, a Real Estate Fund for the Creation of an Idea for Italian Tourism: A Culinary Theme Park

4.1. The Birth of the Idea for F.I.CO.

On the basis of these premises, it is natural to see, a great potential for economic recovery as well as Italy's image in tourism and perhaps especially in wine tourism.

In 2013, an innovative and revolutionary idea came about in order to exploit these intrinsic benefits and stimulate regrowth.

When the CAAB, Centro Agro Alimentare di Bologna, realized that the area of the fruit and vegetable market (that it owns and manages) was oversized compared to its actual use - and therefore under-valued, it looked for an alternative in order to use it more efficiently.

The CAAB is a commercial logistics platform, and centre of advanced services dedicated to the Food & Beverages sector. It stems from the Middle Ages, with the aim of promoting the wholesale trade of food products and related logistics services. Being one of the most significant landmarks in the food industry both at national and European level [21], as well as being located in the city of Emilia Romagna, which stands as the region of excellence under the specific point of view for food and wine production, the CAAB planned to combine the great potential of a tourist attraction associated with Italy with the concept of Made in Italy food, in order to create a double competitive advantage.

Thus was born the idea for F.I.CO., the Fabbrica Italiana Contadina, the largest culinary park in the world. F.I.CO. aims to become the largest centre in the world for the absolute celebration of Italian food as well as a landmark for its museum, tastings, educational purposes and "food shopping" for a wide audience, both national and international. The name, Fabbrica Italiana Contadina, looks

to recall several meanings that were specifically chosen because they are all in the expression of the new culinary theme park.



Figure 1. F.I.CO. - Eataly World Floor Plan. Source: CAAB.

Together with the City of Bologna, the CAAB has clearly identified not only the great potential of two sectors like tourism and Italian food and wine, but it also knew how to determine the right brand to be used in this project, one that is well known globally and represents excellence in these sectors: Eataly.

Thus, the agreement with Oscar Farinetti came to be, and the management of the culinary theme park was given to Eataly. The park was then called F.I.CO. - Eataly World.

4.2. F.I.CO. - Eataly World: A Sustainable Project

The project involves an area of 80,000 square metres where 50,000 are allocated to Eataly's core business with 8 assigned zones divided into different areas, while the remaining 30,000 are intended for support functions.

In order to give a further boost to advertising as well as for obvious energy efficiency reasons, a much-discussed topic, the project was designed to be "sustainable" and "green".

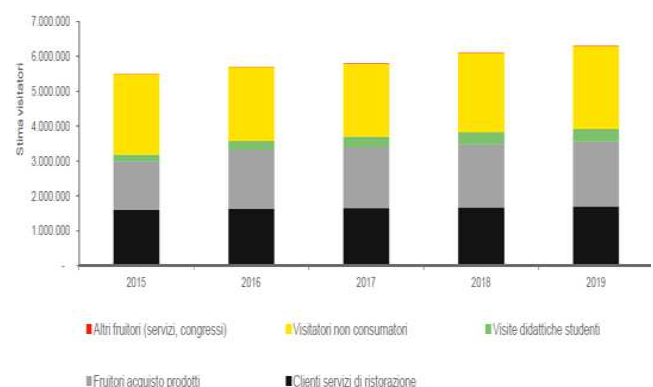


Figure 2. Estimate of visitors expected. Source: CAAB.

CAAB has the largest photovoltaic plant in Europe on the building [22], which will provide –all of the energy needed for the entire park in-house, and the panels themselves will

power the last mile logistics. Other initiatives are in progress, including the recovery of rainwater washing the entire system, including the solar panels, and the last minute market.

The investment is quite significant both in terms of numbers and the country's image. Data collected by companies tasked estimate that there will be 6 million visitors a year [23] for the first 12 months and an increase of 5 percent for the following years.

4.3. F.I.CO. - Eataly World: A Real Estate Finance Project

The F.I.CO. project is innovative from many perspectives, as well as from its financial and legal structuring. The project's participants have identified the Real Estate Investment Fund of a closed type reserved for qualified operators to be the most suitable instrument for the park's creation. There are various reasons that led to this choice, including the number of investors, its low risk, favourable tax treatment, an external and private company that manages the fund, the supervision of the Banca d'Italia and - in regulatory rigour - lean operating procedures. The public private partnership is a virtuous example of cooperation between heterogeneous entities with one common goal: to create value with tourism. The CAAB and the City are public entities, Eataly is a private company, and the Investment Management Company (SGR in Italian) for the development of the PAI Real Estate Fund is also private.

SGR (Prelis Sgr, a leading company in Italy in the field of asset management [23]) has been selected by a public tender, on the basis on the fund's regulations as decided upon previously and put to tender. The Real Estate Fund had to be reserved and provide an amount between 95 million euro (minimum amount to be reached within the first subscription period) and 400 million (maximum value).

The initial funds are made up of 55% of the value of the property transferred by CAAB, whereas the remaining 45% will be collected through the subscription of shares. The nominal value of the shares was set at 250 thousand euro, and the fund is particularly long, with a duration of 40 years. The minimum initial investment was set at 1 million euro, i.e. at least four shares, with a lock-up period of three years. This was added in order to support F.I.C.O.'s start-up phase, after which the shares may be transferred in any capacity, as long as it is to qualified investors.

4.4. The PAI Fund

Once the PAI Fund was established, SGR identified the initial investors in order to raise the 40 million, needed to start the initial works. The fund's participants include relevant national investors, including leading financial institutions and operative institutions in the sector as well as major social security institutions.

A group of international investors in "The Link Real Estate Investment Trust", the top real estate fund in Hong-Kong, the largest in Asia and the fourth in the world in terms of market capitalisation, has already visited Bologna. They came specifically from Hong Kong due to their interest in the

FICO project.

Construction will begin shortly, which is scheduled to conclude at the end of next year.

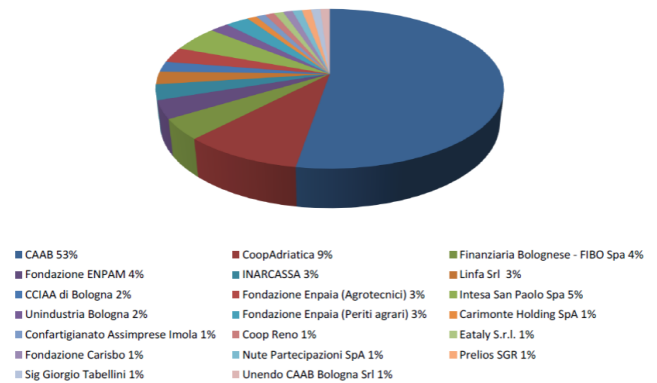


Figure 3. Percentage of fund per investor. Source: Prelis SGR

4.5. The Culinary Theme Park: Statistical Analyses

In order to understand if the project would be successful both in terms of interest from the Italian population and a potential boost to Italian tourism revolution and the Italian image abroad, a questionnaire was compiled by a significant sample group comprised of 170 individuals.

The questions were divided into three sections: Eataly, FICO and touristic habits and general information.

The results are interesting both from a general point of view, such as the knowledge of the brand and the project, and from a statistical point of view, as if millions of visitors were predicted, it is important to check on an average sample an "upstream" feedback.

The 19 questions were asked by means of an online questionnaire entitled World Eataly. The interviewees varied in age, gender and education, and are from different parts of Italy (mainly Piedmont). The tests revealed interesting results.

First and foremost, 95% of all interviewees know of Eataly, but almost the same percentage (94%) do not know about the FICO - Eataly World project.

The companies involved have highly accelerated the processes of organisation, considering that the idea was created at the end of 2013 and will be completed at the end of 2015; this is done in order to take full advantage of Expo 2015, considering its thematic and motivational relevance.

In the first section, it is immediately evident how CAAB has been able to identify the most suitable company to manage the park. Effectively, Eataly is known worldwide and well integrated in Italy. Considering the questions about the frequency of purchases at Eataly and the values they represent, it is clear that the consumer mentality and behaviour is changing. New consumers are much more susceptible to the specific values of Eataly and Slow Food, which include sustainability, organic, environmental protection, showing that "food shopping" is no longer a consequence of the need to eat, but rather choice of which kinds of food eat and where to buy it.

The results and final considerations of the first part are

also found in the second, but with another point of view. The answers show that the frequency of visiting an Eataly shop is very high, and 97% of those interviewed showed a keen interest in visiting a culinary theme park.

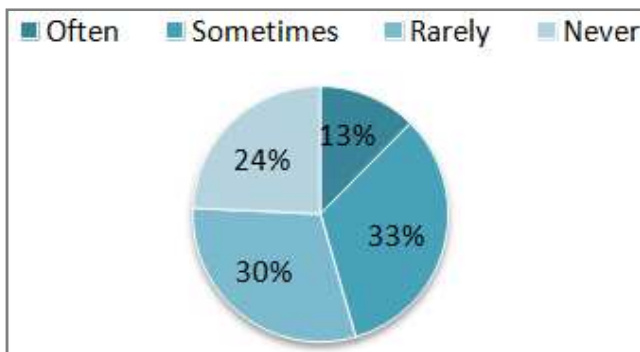


Figure 4. Answers to the question: "Have you visited an Eataly shop in 2014?" Source: questionnaire.

The main positive feedback is that, when answering the question "Please indicate the level of agreement or disagreement with these reasons to visit FICO - Eataly World: I would like to visit a significant Italian tourist destination, I believe a person must visit a culinary theme park for Italian food, I would like to know more about what I eat, I would

like to go to a grocery store, I would like to support this project because it promotes sustainability, I might go but the park will be too far away." The higher percentage of agreement is obtained by the answer about the desire to have knowledge of what we eat and how it is produced. Consumer behaviour has changed and created the possibility to take advantage of a new opportunity, which Eataly was able to provide with its values. The reasons that follow in the percentage ranking are intrinsically linked to the considerations made thus far: I would like to visit a significant Italian tourist destination and I would like to support this project because it promotes sustainability.

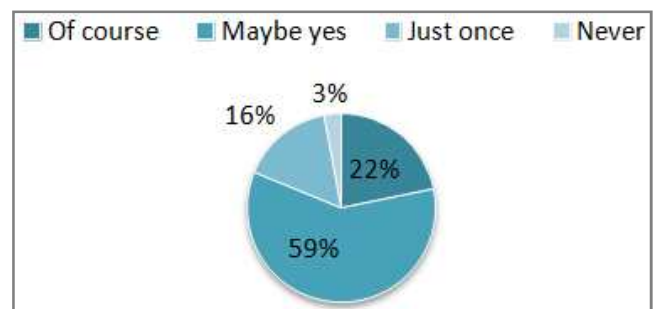


Figure 5. Answers to the question: "Would you be interested in visiting a theme park for the celebration of Italian agribusiness that is linked with Eataly's values?" Source: questionnaire

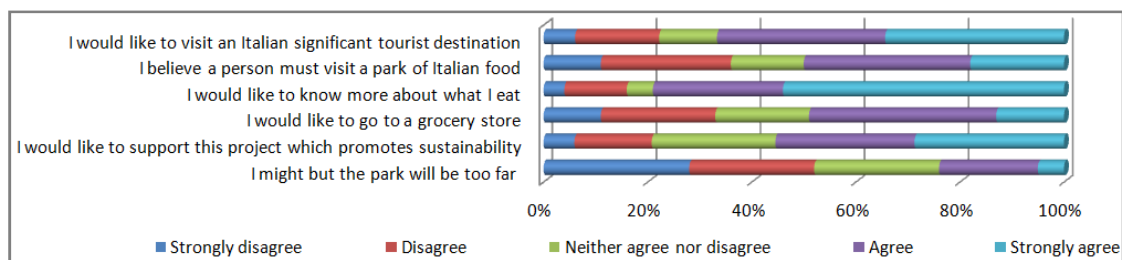


Figure 6. Answers to the question about reasons to visit. Source: questionnaire.

Table 1. Differences between the average and answers to the questions "Please indicate the level of influence that these values have when making a purchase at Eataly" and that regarding the reasons to visit. Source: auto-processing.

	I would like to visit an Italian significant tourist destination	I believe a person must visit a Park of Italian food	I would like to know more about what I eat	I would like to go to a grocery shop	I would like to support this project which promotes sustainability	I might but the park will be too far	
Environmental defense	2,69	-1,14	-1,25	-4,82	3,54	0,98	96
Sustainability	-4,51	0,95	3,18	-1,17	0	1,55	78
Respect	-0,61	-0,05	-3,16	2,88	1,74	-0,8	121
Generosity	-0,33	2,69	0,53	1,21	-4,12	0,02	63
Altruism	0,9	-0,99	-0,34	-0,95	0,73	0,65	43
Loyalty	1,27	-0,34	0,59	-1,23	1,16	-1,45	46
Honesty	0,28	-0,17	-0,18	-0,26	2,81	-2,48	79
Ethics	-1,18	1,22	-0,9	-0,16	0,13	0,89	67
Responsibility	0,59	3,10	1,97	0,01	-0,73	1,26	87
Justice	0,25	-0,55	0,81	1,03	-1,5	-0,04	65
Curiosity	0,65	1,48	-1,25	3,46	-3,76	-0,58	82
	175	96	295	76	159	26	827

In order to come to a conclusion and make the questionnaire more sizable, the answers were cross-checked in order to find any connection of influence among them. It is for this reason that statistical models were used, especially

the chi-square test.

In this case, the test results are also perfectly consistent with the general trend of the study and analysis.

Three cases were examined.

Firstly, a connection between Eataly's current customers and those who are interested in visiting the future culinary park was revealed by calculating the chi-square and the rejection of the null hypothesis. The result may seem obvious, but, on the contrary, it highlights how Eataly promotes values that have become such a large part of the population's mentality such as influence not only purchasing decisions but also behaviour.

The second case provided a slightly less significant result, namely a non-connection between the desire to visit FICO - Eataly World and some general characteristics, such as age, marital status and level of education.

In this case, however, both the chi-square test and two other variables have been applied, namely the quadratic coefficient of contingency and the basic coefficient of contingency. These variables are used to calculate the intensity of a potential possible connection.

Even though the dependence hypothesis has been rejected, the variables do not equal zero simply because a strong enough connection does not exist in order to make the chi-square value immune to any kind of error margin. So even though the chi-square test measures a non-connection, there would be some links between the two answers. For example, logically, the older a person is, the less likely he or she is to visit. The same result occurs with other personal information.

Finally, the more complicated case is reported, which is the study of interdependence between the values that best represent the interviewee and the reasons why people will visit that culinary park. The calculation was complicated because the sample group had to give numerical preferences to both questions, so the final number of answers was high. Considering that there were a total of 827 units, it was not possible to apply the chi-square test, because the result would vary significantly from that actual, affected by a much bigger number of interviewees than the actual sample group.

The peculiarity shown by the application of statistical models is the existence of coherence in the people's way of thinking. By going in order, it is possible to see that every reason to visit is mirrored by a value that consistent with it:

- "I would like to visit a significant Italian tourist destination" is the main reason for those who care about the environment, potentially in a perspective of those who love the environment and therefore also tourism. Conversely, ethical people are those who are less likely to support this reason to visit because they do not trust in the park's sustainability and do not believe it will create advantages for the country.
- "I believe that it is essential to visit a culinary park for Italian food" is instead created mainly by curiosity, ethics and generosity. Obviously,

if everybody is going to visit, curiosity will increase. Responsibility is the maximum negative value, whereas the reason to visit is neither rational nor logical.

- "I would like to know more about what I eat" has very specific feedback because it shows that this is not due to a so-called superficial point of view of sheer curiosity in seeing a live animal, for example, but rather

a true responsibility to understand the environment, and treat and use it as best as possible. It is because of these reasons that ecosustainability and greater values of positive connection are seen, as well as curiosity as scoring lower.

- "I would like to go to a grocery store" is the most commercial. In this reason, the action to visit is out of curiosity. The basic reason is just for fun and hedonistic, and therefore clashes with the environment.
- "I would like to support a project that promotes sustainability" is the reason that is mostly connected, considering the perfect combination at the base of interest in FICO - Eataly World as well as the large interdependence with protecting and respecting the environment. The differences of a negative nature are noteworthy, potentially overlooked for values that incited more interest.
- Finally, "I might but the park will be too far" is less significant. On one hand, the few answers just highlights that the geographic location do not influence the number of visitors, and on the other hand, the data about the values are so few that it is impossible to glean sharp conclusions.

5. Result and Discussion

The final result of the questionnaire is more than positive. Firstly, it provided a comparison of data, different opinions and new information. Furthermore, it also made it possible to analyse numerical data with a human and psychological point of view.

The result from the sample group reflects the result of a broader project analysis. F.I.CO.'s values, competitive strategies such as the use of a well-known brand and Real Estate Finance, the aims that is promoted to reach and the time frame in which this has all been designed has created a mix of competitive factors that led to a project with infinite potential. This is not only for how Italian tourism is spread, which is also thanks to Italian food, many companies and investors are focusing on agribusiness, but also because a financial and national event of this size marks the economy and international and national image of Italy.

6. Conclusion

For the first time, a tourism project was implemented, based on the concept of an agribusiness park, through a complex use of Real Estate Finance.

The set of international and elite brands offered by Eataly, with the Real Estate competence of Prelios, has demonstrated through statistical analysis in the field that projects created in order to relaunch the economy through new concepts of tourism, are possible.

In this period of profound economic crisis, the F.I.CO. project was studied with great skill in order to use the resources that are currently available (large unused buildings) and those functioning (culinary tourism) as best as possible,

making them rotate around one sole sector: culinary tourism, which has suffered the economic slowdown much less than others. The interviewed sample group, which is significant from a statistical point of view, confirmed the theories and assumptions on which the project was presented and implemented.

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