Management and marketing in the sphere of estate cultural heritage restoration and reconstruction in Russia

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Abstract. The estate cultural heritage objects are becoming increasingly important in shaping the urban environment. There are new requirements for the development of society corresponding to modern economic, environmental, social, and aesthetic attitudes. To solve the problem of preserving estate historical and cultural heritage, it is necessary to develop new approaches that correspond to the current conditions of economic, social, and political transformations happening in the country. The analysis of various conceptual approaches to explaining the ongoing processes with historical real estate in our country allowed the authors to conclude that it is necessary to study the methods and methodology for solving this problem. Methodological provisions and recommendations for the preservation and development of estate cultural heritage objects through the implementation of marketing programs are presented. A set of measures for making effective management decisions that allow preserving and fully realizing the potential of heritage real estate objects is considered. The conclusion is made about the expediency of improving regulatory and legislative support and the development of marketing programs in the sphere of estate cultural heritage restoration and reconstruction. The management of cultural heritage real estate objects based on the principles of public-private partnership is proposed.

Key words: cultural heritage, real estate, management, marketing, reconstruction, restoration, preservation

1 Introduction

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2 Aim

The purpose of the research is to study the ongoing management practices and modern marketing programs and a set of measures for making effective management decisions in the sphere of the ECHOs protection, allowing to preserve and fully realize the potential of cultural heritage real estate objects through the best and most effective use of them, aimed both at preserving cultural heritage real estate objects and at forming the positive response from the socially involved economic agents: owners, buyers and sellers, neighbours and the public.

The result of this study is a profound research of the ECHO regulations and norms [1], common management practices, as well as the basics of marketing, disclosure of marketing features in the sphere of ECHO protection, identification of marketing tools and methods and of their place in urban planning policy. Another important aspect of this research is the justification and illustration of the importance of marketing in the field of cultural heritage protection with examples of the ECHO’s marketing in regions of Russia and in other countries of the world. The marketing programs for historical and cultural monuments are discussed and the possible options of the marketing activities, for the preservation of the real estate objects of the cultural heritage, are considered. This research assists in the willingness of readers to respect and take care of the cultural and historical traditions of society, nature, World and Russian artistic and architectural and urban heritage.

The resulting outcome of the research is the knowledge of the following: how to organize and manage the implementation of the marketing programs in the field of the ECHO’s preservation; of the legal basis required to conduct marketing programs in the field of cultural heritage preservation; of the marketing tools and methods, marketing strategy, basic forms of marketing; marketing campaigns and marketing events; of the marketing skills, both in urban areas of historical settlements and in individual historical and cultural monuments via advertising and work with target groups of buyers and by creating favourable conditions for the preservation of cultural heritage and reconstructive activities through the development of engineering and transport infrastructure and the creation of priority economic development zones.

The work presents basic concepts and terms in the sphere of the cultural heritage protection, such as the following: cultural heritage; historical and cultural monument, ensembles, places of interest; historical object of urban planning; categories of objects of cultural heritage; the concept of marketing; marketing and protection of cultural heritage. Problems of preservation of cultural heritage.

The research of regulatory and legislative support for the protection of cultural heritage objects is conducted and, hence, the retrospective of the protection of historical and cultural monuments is presented.

The government institutional policy and marketing methodology for the ECHOs protection are presented. Specific marketing tools and methods in the field of cultural heritage protection are discussed. Such marketing related concepts specific for ECHO’s as image,
brand, and reputation of the cultural heritage objects; marketing of the image and merits of the object are specifically stressed out in the context of the ECHO’s marketing.

The federal, regional and municipal policies and types of marketing programs, as well as the role of State structures in the marketing in the field of cultural heritage protection are discussed. The role of specific institutions and organizations, which are involved, is mentioned [2].

The further development of the marketing strategy for ECHOs is required. Marketing effectiveness in the field of cultural heritage protection: organizational, spatial and financial factors

3 Management and Marketing Methods

Today the management in the sphere of the estate cultural heritage restoration and reconstruction can be defined as the system of measures aimed to ensure the preservation of the qualitative state of the estate and/or targeted development, which is the restoration of its qualities. The system of such measures includes: research and inventory works (information support, including monitoring); regulation and control of various subjects of activity (legal support and organization of protection); verbal and graphical modeling of the desired states of the object under the management, namely: planning actions to preserve or change its qualitative parameters (development of concepts, strategies, projects, programs, plans) and realization of the planned works, including their logistical, financial and personnel support [3].

Among the goals pursued by the ECHO’s management, we distinguish five major ones, related to estate cultural heritage objects:

• preservation of the monument, historical environment, compliance with the requirements of the preserving organizations, and implementation of the preservation task itself;
• creation of the source of income from the use of a restored and/or reconstructed object;
• reduction of budget costs for the maintenance and protection of immovable objects of cultural heritage;
• achieving image goals both for the object itself or the area of its location, and for the development company;
• the formation of a development team specializing in the development and preservation of cultural heritage real estate.

For many decades most of the cultural heritage sites are in State ownership. The existing authorities, responsible for monitoring the proper implementation of obligations for the preservation and use of historical and cultural monuments, are taking a number of appropriate measures. At the same time, the interaction of State bodies for the management of cultural heritage objects also depends on the level of significance of these objects.

The owner of Federal property is the Federal Agency for State property management (Rosimushchestvo) and its territorial bodies. The owners of cultural heritage may also be the entities of the Russian Federation and municipalities. In this case, the powers of the owners shall be exercised by the relevant Executive authorities authorized to manage such property [4].

The Ministry of Culture of the Russian Federation performs functions on development and implementation of the State policy, normative-legal regulation, control and supervision in the sphere of cultural heritage protection. Among territorial bodies of the Ministry of culture we can name, for example, Department of cultural heritage, Committee on the State control of use and protection of historical and cultural monuments (KGIOP, Committee on the State protection of objects of cultural heritage, Department of the State protection,
preservation, use and popularization of objects of cultural heritage in the Department of Culture and other.

There is a number of the most important functions of the State protection of the cultural heritage. There is State registry kept in respect to all historical and cultural monuments, regardless of ownership or use of. The complex of measures includes: identification and inspection of monuments; determination of their historical, scientific, artistic or other cultural value; fixation and study; preparation of record documents; maintenance of State lists of estate monuments. Documents of the State registration of historical and cultural monuments, including those excluded from the State lists of monuments, are subject to mandatory and permanent storage too.

A registration card containing data on location, dates, character of modern use, degree of safety of a monument and/or again revealed object, about availability of scientific documentation and a place of its storage, as well as the short description and illustrative material is developed for each monument representing historical, scientific, art or other cultural values in the corresponding centers of scientific documentation of the State bodies of protection of monuments. Also, a passport is developed for each State monument, containing: information describing the history of the monument and its current state; location; assessment of historical, scientific, artistic or other cultural significance; information about its territory, associated structures, gardens, parks, works of art, objects of cultural value, protection zones, as well as the main historical, architectural and bibliographic materials. The passport indicates the category of protection and type of the monument with reference to the approving document.

If the object is the one which is newly identified and represents historical, scientific, artistic or other cultural values, it is recognized as a monument of history and culture by including it in the relevant state list of estate monuments of history and culture, depending on the type and category of protection of the monument. State lists of estate monuments of history and culture, which are the main documents of the State registration and protection of monuments, are compiled according to categories and types.

Based on the project of protecting zones for the cultural heritage object of Federal significance and the positive conclusion by State historical and cultural expertise, the corresponding body of the State power of the Russian Federation entity, in coordination with the Ministry of Culture, approves the modes of land use and urban planning regulations within borders of these areas. Projects of protecting zones of objects of regional or local (municipal) importance are approved in the order established by the law of the region in which it is located. Data on availability of zones of protection for object of cultural heritage is registered in the uniform State register of objects of cultural heritage (of monuments of history and culture) of the people of Russian Federation and are submitted to the body that is acting as the State cadastre of real estate keeper.

According to the existing concept of the estate cultural heritage management in Russia, we distinguish the following types of conservation, the four essential options for saving ECHOs: 1) exterior and interior restoration; 2) restoration of external appearance and reconstruction of interiors to the modern level of improvement; 3) complete or partial reconstruction of the exterior and interiors; 4) transfer of the ECHO to another location and development of the territory with new capital construction objects.

We propose the management of the ECHOs via the public-private partnerships as the most effective measure in the current Russian market economy. Public-private partnership (PPP) refers to the mobilization of private capital, knowledge and experience to solve public problems. PPP, as an economic partnership between the state and the private sector, which is an institutional and organizational alliance between the State and the business, in order to mobilize investments and implement socially significant investment projects in a wide range.
of fields of activity, in particular as the most important function, it puts forward the attraction of private sector investments in state-owned facilities.

The implementation of investment projects for the development of cultural heritage objects via the PPP implies long-term cooperation between public authorities and the ECHO developing organization:

1. The realization of the potential of ECHOs is achieved by attracting and using proven successful models of real estate management in business;
2. All resources required are provided by partners for the joint use in a common organizational structure;
3. The possible project risks are optimally distributed among partners depending on their competence in the field of risk management.

In modern social and economic terms and conditions, the relevance of the marketing concept in the field of ECHOs preservation is a very obvious one. Therefore, we present the main possibilities and marketing tools in the sphere of estate cultural heritage restoration and reconstruction available in Russia today.

In our study we define marketing for the preservation of the estate cultural heritage as the system of measures to attract new economic agents to the region or city, aimed at the preservation of cultural heritage. It can be performed in the form of marketing of administrative and residential buildings, zones of economic development and adjacent territories, investments, tourism marketing, etc. Specific marketing measures at the regional and municipal level may include, for example, publication and distribution of printed materials about cultural heritage sites in the region or city, targeted visits by heads of administration, meetings with chiefs of organizations willing to invest in cultural heritage objects in the region or city; campaigns conducted mutually with the Chamber of Commerce and industry, etc. In fact, marketing in the field of preservation of cultural heritage can be an effective tool for socio-economic development of the region and the city.

Therefore, marketing in the sphere of the ECHOs preservation involves actions to increase the attractiveness of the object in the view of investors, tenants, renters, buyers, or another target group for whom the object is intended after its transfer into operation. With the professional approach, marketing should be applied from the very beginning of the works for the preparation of the estate cultural heritage object and continues throughout the life cycle of the object.

In the course of the life cycle of an ECHO the following directions of marketing in the field of its preservation can be distinguished: marketing of restored/reconstructed objects (business idea - completion of construction); marketing of completed objects and land lots (object circulation); marketing of services.

The marketing program can be implemented in the form of marketing of administrative and residential buildings; marketing of economic development zones and adjacent territories; investments; tourism marketing, etc. The marketing program in the sphere of the ECHOs preservation usually provides:

- marketing of restored or reconstructed objects and/or marketing of the finished objects.

The professional approach requires any ECHO marketing program to be implemented starting from the very beginning of work on the ECHOs restoration and/or reconstruction and continue it throughout the entire life cycle of an object. As a rule, a marketing specialist is involved in the project at the stage of studying a preserved object. At this stage, he/she analyzes investment opportunities and, based on the information obtained, determines the function of the building, its area and other parameters.

In the case of marketing of completed objects, the main efforts of the developer who restored/reconstructed the building are concentrated on renting out this space, which guarantees the owner an adequate income from investments.
To present the marketing of an ECHO as a complete system, it is necessary to distinguish the principles of marketing of an object, subjects, components, goals, elements, methods, composition of the marketing program.

The creation and implementation of marketing programs in the sphere of estate cultural heritage objects preservation is a complex and urgent problem of economic development of all the entities of Russia. The task is complicated by the fact that historical and cultural institutions do not have the right to spend budget money on commercial advertising, and social advertising is beyond their reach. The need to develop marketing programs is complicated by the weak orientation of the protection authorities directly to marketing, in addition, one of the main problems of creating a marketing system in the sphere of the ECHOs preservation today is a small number of specialists in this field. These features should be taken into account when implementing a marketing approach in the sphere of restoration and reconstruction of the cultural heritage objects.

Marketing of the object’s components is the most important element of marketing of the whole object, since components are its bearing skeleton and the basis at the same time. In addition, such advantages as reliable communications, good insolation and aeration, cleanliness, and safety are signs, which are quite attractive to potential investors. Their availability is not a guarantee of demand growth, but their absence or poor condition makes this growth impossible.

For the permanent rehabilitation and renovation of the object it is not enough only to repair it. Resource constraints, requirements of heritage agencies and interdepartmental relations create the need for the development of a special type of management activity which is management of cultural and historical heritage, associated with a wide range of works, from monitoring the condition of objects to their systematic improvement with the help of modern methods and technologies.

Providing support from citizens, politicians, organizations, services and agencies in marketing in the field of cultural heritage protection requires the development of interaction marketing aimed at the development of cultural and historical capital of the region. This strategic direction of cultural heritage marketing may include support of public organizations.

Stimulation of development of cultural and historical capital and support of public initiatives can be carried out by local administrations: in the form of regular competitions for creation of projects of protection and preservation of cultural and historical heritage, projects of development of objects of cultural heritage, ongoing historical architectural research projects.

When marketing cultural heritage objects, four important issues or components should be addressed: 1) place or geographical location of the object; 2) product or inherent advantages and disadvantages; 3) price and/or investors’ and philanthropists’, buyers/rentees of the object expenses, related to their stay or business on the site; 4) promotion or information marketing of the object.

Professional disclosure and promotion of information about cultural heritage objects, in standards that are understandable both for professional circles and for ordinary citizens, is one of the most important strategic directions. In Russia, there are still very few instances when regional and municipal authorities are seriously engaged in the problem of information promoting and maintaining of favorable image of the site and objects of cultural and historical heritage in particular. Today’s situation is such that without information there is no trust. Without trust, there will be no investment and preservation of cultural and historical heritage. Without the management of heritage sites there will be no history and attractions, originality and individuality of Russian cities.
4 Conclusions and Results

It is important to create terms and conditions in Russian cities, to develop an effective and adequate policy of historical heritage management, aimed primarily to restore and reconstruct monuments of architecture and cultural heritage and attract investment, for elaboration and implementation of plans for the territories development, taking into account cultural attractions and historical features of the objects. In this regard, it is necessary to develop and implement a long-term concept of preservation and the integrated management of the cultural and historical environment in the region.

As a result of our analysis, we determined that all activities in the sphere of ECHOs protection may include: the implementation of scientific researches aimed at the study, classification, cataloguing and publication of monuments, as well as the preparation and publication of legislative acts on the recognition of objects as monuments of history and culture, ratification of laws prohibiting damage, destruction or reconstruction of monuments, and their export abroad, etc. [14]

Therefore, instructions are developed on the procedure for the registration, storage and restoration of artistic and historical valueables, the works for conservation, restoration and reconstruction of estate objects of cultural heritage are conducted regularly.

An important issue of the ECHOs preservation is the justification of the choice of the option for the development of the cultural heritage object. The permitted use of an ECHO should consider the need to ensure the preservation of an object of protection, the historical functional purpose of the object, ensuring public accessibility of the object and its territory, including for the purposes of museification and tourism, the preservation of the object and its territory in the historical cultural or natural landscape.

Now, it is possible to create the basis for the use of cultural heritage as an instrument of urban policy, in determining the approaches and models of transformation of society, both social and economic components of this process. In our case, cultural heritage and its associated range of concepts are considered not only as a value in itself, but in the context of the current social, economic, environmental and other problems of the society’s existence, as well.

The economic compound in the management and development of the cultural heritage objects should take into account its individual value and socio-cultural significance. It is difficult to overestimate the role of cultural heritage in the process of social and economic development and preservation of the environment, as an instrument of urban policy, in determining the approaches and models of transformation of society, and prospects for its development.

In this concern, the restrictions of federal and regional legislation have a decisive influence on the choice of functional purpose and use options of an ECHO after the restoration or reconstruction, since any such an object is a real estate heritage. The management based on the principles of the public-private partnership is proposed as the most effective measure to develop the ECHOs.

The development and implementation of a long-term concept for the preservation and integrated development of the cultural and historical environment of the city, the region and the country as a whole is primarily associated with the development of marketing programs in the sphere of restoration and reconstruction of ECHOs. The management and marketing in the sphere of the estate cultural heritage objects protection assumes the gradual restoration, preservation and/or reconstruction of the ECHOs.
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