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THE MARKETING OF MUSEUMS

By

Nancy Lynne Restuccia

A thesis submitted to the Faculty of the University of Delaware in partial fulfillment of the requirements for the degree of Master of Arts in Early American Culture.

August, 1981

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THE MARKETING OF MUSEUMS

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CHAPTER 1:
The Cultural Context

FURNISHING THE TROUGH

In 1945, the Director of the Metropolitan Museum of Art, Henry Francis Taylor, said this about museums:

If the term "museum" strikes terror to the heart of the average layman, it is as nothing compared with the sense of panic which its sound produces in the poor innocents who spend their lives rationalizing its very existence. Going back into the far reaches of time, the word "museum" has succeeded in meaning nothing vital to anyone in particular, yet at the same time it has strangely meant all things to all men. Through a metamorphosis lasting many centuries, it has emerged from the simple designation of a temple of the Muse to be the encompassing catch basin for all those disparate elements of hereditary culture which are not yet woven into the general educational fabric of modern society. And, since education has been defined as "the art of casting artificial pearls before real swine," it is only natural that museum workers should have concerned themselves with the elaborate furnishing of the trough at the expense of the digestive capacity of the feeders.¹

Two points ring clear from that statement: first, that neither audience nor staff really knows what a museum is, and second, that museum staffs operate independently from their audience. Today, 36 years later, that situation persists.

At the most elemental level, a museum is an institution that collects and displays stuff. Beyond that, however, the definition becomes decidedly subjective. Questions about the kind of institution, the kind of stuff, and how it is collected and displayed invite a myriad of answers. The answer to the essential question of purpose—What is the function of the institution called "museum" in today's society?—remains vague, even within the museum profession. With many of their founder's purposes rendered invalid by today's social climate, museums too often aim to be all things to all men: the premier educational institution and the premier research institution and the premier collecting and preservation institution, serving both mass and elite audiences, both at the museum site and out in the community. Unwilling to exclude any possible audience or program option, the museum risks diluting its effectiveness in all of them. Such an all-inclusive management approach ignores the common logic that to be effective, priorities must be determined and goals must be set. "To argue otherwise is to support pouring unlimited resources into rapidly expanding and increasingly diverse programs." Clearly, "unascertained goals cannot be aimed at with precision."  

Whether a cause or a result of this expansive definition of purpose, the museum visitor today has been accorded unprecedented importance.


He is encouraged as never before to come, see, and experience an institution's collections. And, he is sought from many social levels.

Indeed, the following newspaper advertisement placed in 1773 stands in striking contrast to the so-called "outreach" programs so popular in museums today:

This is to inform the publik that being tired out with the insolence of the common people, who I have hitherto indulged with a sight of my museum, I am now come to the resolution of refusing admittance to the lower class except they come provided with a ticket from some Gentleman or Lady of my acquaintance...[Further, the lower class will not] be admitted during the time of Gentlemen and Ladies being in the Museum.  

Though most museums' admissions policies today have come a long way from this blatantly elitist point of view, their programming and exhibitions policies remain largely independent of their audience. Rather than gathering facts about audience characteristics, needs, and desires, most museum staffs instead orient their work toward the satisfaction of significant peer groups, guided by their own highly biased perceptions of the visiting public. In recent history, the museum visitor has essentially been an innocent bystander, an audience neither sought nor discouraged. Whether he came or not mattered little to the museum staff, which strove instead to satisfy patrons and to impress learned colleagues.

Steeped in esoteria, supported by the very rich and patronized by the elite, museums, until very recently, stayed contentedly aloof....Inflation, however, changed

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all that when it drastically reduced the degree to which this traditional source of support and patronage could keep them in business. Survival meant going to the general public...5

Today's inflationary economy, coupled with the demise of the old patron system of support, poses a critical financial challenge to the intrinsically labor-intensive museum organization. In addition, in this age of accountability, an increasingly aware, involved, and demanding public is exerting both social and financial pressure on the institution to raise the effectiveness of its programs and the diversity of its audience. S. Dillon Ripley, Director of the Smithsonian, spoke for the museum profession in 1969 when he said: "No one knows who the public really consists of so no one knows whom to question, let alone what to ask."6 To survive the '80's, museums are going to have to find out.

BEYOND CAPITALISM

Truly, the fundamental questions of purpose and audience still beg for a clear answer, as ever increasing social and financial pressures threaten the very survival of the museum. Yet, the reverse of this dark coin is bright: the museum today, perhaps for the first time in history, has the opportunity to establish itself as a vital social institution, to bring itself into the mainstream of American life.

5 Communication Arts, 20 (September/October 1978), 15.

American society is changing. There can be no dispute that our ability to produce things has outstripped our capacity to consume them. The focus of our economic system now is to find consumers for the vast and various products of our technology. The work ethic, the drive to produce, which has dominated American society since the days of Adam Smith, is being replaced, albeit slowly, by an ethic of leisure.

America is often referred to as a "consumer society." Yet, it retains the values spawned in an era of economic want, clinging tenaciously to a production ethic. The primacy of "productive" work—that which results in pecuniary profit—in the system of American cultural values is rooted firmly in the nation's history. In the year of American independence, Adam Smith laid the theoretical foundation of capitalism. Based on the assumption that the primary psychological drive in man is self-interest, Smith posited a natural universal order that assured that individual strivings after profit would add up to the greatest social good. As such, any effort to maximize individual profits assumed a moral, quasi-religious component at the societal level, a concept elaborated as the "Protestant work ethic" by Max Weber.

Individual profit maximization is only one of the tenets of the production ethic; the assumption of unlimited growth is the other. Under conditions of economic scarcity, unlimited growth serves the goal of increasing the public welfare. In an era of economic abundance, however, it allows production to run rampant. The moral imperative of the profit-growth cycle in American culture has demanded, ironically, ever
greater productivity from an economy already overburdened with material goods. In a society in which success is measured by the efficiency of productive efforts, production serves not the goal of subsistence or even comfort, but has become an end in itself. Though material affluence (high productivity) characterizes a large portion of American society, "the treadmill of materialism [has] become a firmly established habit." The values and orientation of our economic system are pervasive, providing a model not only for business, but also for life.

As Thorstein Veblen pointed out, it is the value structure, not the price system, of a culture which provides the direction for resource allocation. Thus, the underpinning for the economic system is the value constellation of American culture: individualism, materialism, productivity, achievement-success, and morality. These are the traditional values that have fueled the production machinery in the American economy of want. But today's economy is not one of want; rather, it is one of abundance. And societal values are shifting to reflect the significant economic changes wrought by technology in recent decades.

Yet, social values change slowly. This "value lag" is manifested in the American attitude toward time. Though material affluence has reduced the amount of productive time required to satisfy physical needs,

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the values of the production ethic have engendered a compulsion to profit and grow. Time has become an economic commodity. As an individual's productive time grows ever more efficient, the assumptions of unlimited growth and increasing profits provide the orientation toward non-productive time as well. Within the framework of traditional economic theory, the marginal utility of all expenditures, including time, will tend toward equilibrium. So, as the value of productive time rises, an equivalent increase in value must be experienced to justify non-productive pursuits. The values of the production ethic demand increasingly valuable non-work activities, where value is a reflection of productive efficiency: Veblen's theory of "conspicuous consumption" provides one such model. To satisfy the growth imperative, non-work activities gain in value as the number and cost of goods involved is increased. Where the production ethic rules, activities whose value cannot be heightened by using more goods will inevitably lose in competition with goods-intensive activities. A finite supply of time can be made more productive only by escalating the value of activities; hence, that illogical phenomenon in an age of material abundance: "economic growth entails a general increase in the scarcity of time." \(^9\)

A value lag also characterizes the American attitude toward leisure. Americans are comfortable with the traditional values of hard work and thrift. Leisure, however, is attended by guilt in the value system of the production ethic. Under conditions of economic abundance, \(^9\)Staffan Burenstam Linder, The Harried Leisure Class (New York: Columbia University Press, 1970), p. 4.
that production ethic must give way to a consumption ethic, an ethic of leisure.

[t]he culture must be reoriented; a producers' culture must be converted into a consumers' culture. Society must adjust to a new set of drives and values in which consumption, and hence marketing activities, becomes paramount...Herein lies a challenge for marketing—the challenge of changing norms and values to bring them into line with the requirements of an abundant economy.  

MARKETING LEISURE

Since the American economy is a materialistic, acquisitive, thing-minded, abundant market economy, marketing becomes one of the cores for understanding and influencing life styles; and marketers assume the role of taste counselors. In order to dispose of the growing quantity of produced goods, the commercial economy preaches that consumption is the key to happiness. Largely due to these efforts, "meditation and speculation have been driven off the market." The value of consuming has

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11 Ibid., p. 37.

12 Ibid., p. 38.

13 Linder, p. 10.
been made apparent through marketing—and thus the claim of goods-intensive activities upon a limited time supply grows stronger. Unmarketed and goods-poor, cultural and reflective pursuits suffer a proportionate devaluation of their claim upon time.

The economic argument, in the extreme, implies eventual doom for our cultural institutions. Fortunately, the model is simplistic. It ignores human nature. Economic determinism reflects what Theodore Roszak calls "single vision," that predilection for measurement and scientific formulation which has characterized Western thought since the Enlightenment.  

It is a neat model, intellectually appealing to a scientized culture. But, the facts belie its accuracy. Interest in and attendance at arts institutions has climbed significantly in recent years. A 1980 Harris Poll showed, for example, that attendance at paintings exhibitions had risen 19% since 1975, and that for ballet performances, attendance had risen 26% during that same five-year period. In that poll, 75% of those surveyed said "the arts are a positive experience in a troubled world." Clearly, economics is not the only force at work in the time-allocation equation.

The noted psychologist, Abraham Maslow, has theorized that human needs are hierarchically structured: higher order needs only become

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16 Ibid., K8.
compelling when lower order needs have been satisfied. Maslow's model proposes a five-step progression, beginning with biogenic and ending with psychogenic needs. The first step in the progression is the need for food and shelter; when that is satisfied, the next need is for safety and security; after that, love; then esteem; and finally the need for self-actualization can be addressed.

As our overproductive society virtually guarantees that biogenic needs will be met, individuals are turning to the satisfaction of their psychogenic needs. As overproduction makes the acquisition of things easier at all social levels, Veblen's model of conspicuous consumption is fast being eclipsed by a "life-style" concept which demands satisfaction of higher order aesthetic and intellectual needs. "'Life-style,' a generic term for specific combinations of work and leisure, is replacing 'occupation' as a basis of social relationship formation, social status and social action."\(^\text{17}\) As work is being replaced by life-style as a measure of life's meaning, non-work activities are being asked to be more rewarding. Achievement-success is giving way to expressionism in the cultural value system. Production is yielding to consumption. In this context, cultural activities are in an ideal position to provide a means for satisfying the high level psychogenic needs of an overproductive society.

CHAPTER 2:

Marketing the Museum

TOWARD A DEFINITION OF MARKETING

It is an article of faith among many culture lovers and artists that what is good for General Motors is not good for art. And Henry Ford did nothing to endear the American business system to artists when he asked Lord Duveen, "What would I want with the original picture when the ones right here in these books are so beautiful?" Indeed, throughout American history the only thing lower than the businessman's reputation among artists has been the artist's reputation among businessmen.¹

Just as the word "museum" suffers the lack of a clear definition, so also does the word "marketing." Webster's dispassionate definition hardly conveys the emotional, value-laden associations mere mention of the word often elicits. Particularly in the not-for-profit sector, whose ranks tend to be disproportionately idealist, the word "marketing" conjures the spectre of a commercial colossus coercing innocent consumers into buying products they do not really need. Critics of the science usually give it much more credit than it deserves, assuming that somehow, perhaps through subtle psychological manipulations of needs and

desires, marketing can make people buy unwanted products. Realistically, marketing hardly wields such power. "As the legendary impresario, Sol Hurok, is reputed to have said, 'If people do not want to come, there is nothing you can do to stop them.'"2

Marketing is a generic function of organizations. At the heart of the marketing concept is the idea of an exchange: each party to the exchange trades something of value for some other value which is perceived to be greater. Organizations by definition engage in these exchanges, making some investment to realize some greater return.

In our capitalistic economy, a characteristic of this exchange is its voluntary nature. Neither threat nor love systems force the transaction. The motivation to consummate an exchange lies in the value perceptions of each party: each believes he will gain a greater value than he gives. If the value expectations of both parties to a transaction are met or exceeded, the exchange can be considered successful. To the extent that an organization's exchange relations are successful, the long-term survival of the institution is assured. Thus, the design of appropriate value offers and incentives is key to the ultimate success of an organization.

Organizational marketing includes activities that promote or create a climate in which goal-oriented voluntary exchanges will take

place. Museum activities that offer wares for sale are marketing activities in their most familiar form. Museum activities that provide the incentive for a donor to part with his money are also marketing activities. And, perhaps most critical in the long-run, museum activities that provide the incentive for visitors to "buy" the institution's "product"—with their time, money, or any other value—are marketing activities. By adopting a professional, scientific approach to marketing, the museum manager can improve his chances of providing the best incentives to successful exchanges, and thus insure the institution's long-term survival. The twin benefits of marketing done well are a greater satisfaction of the target audience and a greater efficiency in meeting organizational goals. Marketing is not inherently a commercial activity. It is simply a logical approach to optimizing benefits for both parties of an exchange, whether those parties are buyer and seller or society and culture.

The prevailing business orientation to marketing proposes that consumer needs and desires simply be identified and met. Such an approach understandably causes the museum profession great concern. Museums have a social obligation, inherent in the nature of the institution, to be taste leaders, not followers; to advance human knowledge rather than to perpetuate romantic myths about "ye olden times." Marketing the museum is a much more complicated proposition than simply giving the public what it wants, without regard for right or wrong, good or bad. Museums have to be social marketers: they must respond to the demands posed by all elements of their environment, not just to their
public, and consider the effects of their actions and nonactions on the whole social system.

Unfortunately, "marketing" is fast becoming a cliché among museum professionals for building gift shop sales and encouraging mile-long queues at the turnstiles. It is ironic that the Treasures of Tutankhamen exhibit generally epitomizes the museum profession's notion of marketing. The marketing theorist, steeped in the commercial traditions of the business world, would instead cite the King Tut show as an example of marketing principles poorly applied. Quite simply, the show was "overmarketed," and the result was an event the scope of which went far beyond the bounds of institutional purpose and resources. Though the tills filled to overflowing, the institution's larger objectives were compromised.

Another popular conception of marketing is that it is a set of "mass marketing" techniques. On the contrary, the true marketing approach works well precisely because it does not aim to please all the masses. Instead, it discriminates between high- and low-potential segments of the audience universe. Wherever a museum's target audience lies on the demographic continuum, the tools of marketing can help pinpoint the most effective and efficient means of reaching that population. Marketing is an orientation to managing exchange relations which requires first, that a museum understand clearly what its mission in society is; second, that the perceptions, needs, and desires of its public be understood and evaluated; and third, that the appropriate institutional value offer be made effectively and persuasively to those audience seg-
ments who are most likely to appreciate and to realize the value. That is the essence of marketing the museum.

The decade of the '80's promises to be a tough one for today's museums. Survival will be won by those that can establish themselves as vital social institutions, providing an essential service for tomorrow's self-actualizing consumer. "The choice facing those who manage [museums] is not whether or not to market... The choice is whether to do it well or poorly..." ³

THE LITERATURE OF NOT-FOR-PROFIT MARKETING

The practice of marketing traditionally assumes a business management application and a profit orientation. Only very recently, since the late 1960's, has an effort been made to apply the management principles of the private sector to the not-for-profit institution. In spite of, or because of, its newness, the decade of the '70's saw an exponential growth in the number of publications about the application of business management practices to not-for-profit institutions, ranging from general management systems to marketing.

In 1969, Philip Kotler and Sidney J. Levy published a seminal article ⁴ setting forth the argument for the application of marketing


principles to the not-for-profit organization. Defining marketing as that function of the organization that can keep in constant touch with the organization's consumers, read their needs, develop "products" that meet these needs, and build a program of communications to express the organization's purposes, they could only conclude that marketing is a generic function of all organizations.

Kotler and Levy's article met with a good deal of comment and some initial resistance in the business community, notably David J. Luck's reply, "Broadening the Concept of Marketing—Too Far." Luck argued that by embracing all exchange activity as marketing, the concept would lose its practical usefulness. Today, the battle has been won in marketing circles, and the Kotler-Levy point of view taken as valid. Tangible proof of this victory are the textbooks which are beginning to appear and to be used in university and professional development programs, such as Kotler's *Marketing for Nonprofit Organizations*, Montana's *Marketing in Nonprofit Organizations*, and Mokwa, et al.,

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7 The degree of acceptance of the Kotler-Levy premise among marketing theorists is examined in depth by Christopher H. Lovelock and Charles B. Weinberg in their excellent study "Public and Nonprofit Marketing Comes of Age," Research Paper No. 417, Graduate School of Business, Stanford University, January 1978.


Marketing the Arts. 10

These books, as well as numerous articles which have been pub-
lished since 1969, deal with the similarities and hence the direct appli-
cability of private sector marketing practices to not-for-profit, or
"third sector," institutions. From a management standpoint, both pri-
ivate and third sector organizations share common characteristics, among
them the

need to critically define an organizational purpose, the
demand for careful planning, the need for competent finan-
cial administration, a competitive position for effective
audience development and marketing or promotional efforts,
as well as the need for sensitive and discrete treatment
of labor and human relations. 11

However great the commonalities, there are also significant
differences. While this growing body of literature—generated by busi-
nessmen—acknowledges that there are essential differences between profit
and not-for-profit enterprises, it tends to shy away from confrontation
and resolution of those differences at the practical level. A few sug-
gestions are offered, but for the most part, acknowledgement ends in a
plea to the not-for-profit manager to bring his expertise to bear on the
problems of dealing effectively with the differences.

Unfortunately, the third sector has not responded to this plea

10 Michael P. Mokwa, William M. Dawson, and E. Arthur Prieve,

11 Linda Spear, "Management of the 'Third Sector:' Trials and
Tribulations, Accolades and Vituperations," unpublished seminar paper,
University of Delaware, September 1979, p. 30.
for assistance. Instead, the literature generated from the not-for-profit sector has been largely emotional, defensive, and apprehensive. The arts field has responded to the advances of business with such articles as "Picasso, Inc., The Greatest Show on Earth,"\textsuperscript{12} "The Met Succumbs to a Box-Office Mentality,"\textsuperscript{13} and "A Store Manager Shouldn't Run the Met."\textsuperscript{14} The fear of commercialization is apparent in such statements as "...there is profit everywhere in art these days it seems, except for the soul."\textsuperscript{15} Albert Eide Parr voiced a typical refrain to the suggestion that marketing techniques ought to be considered by museum managers:

As museums continue to shift their aims from the authoritative evaluation of truths, probabilities and significance toward promotional selection of messages for their popular appeal, they may achieve some short-term gains at the turnstiles, but with great danger of ultimate loss of public esteem and support. Through the public relations cult of quantities rather than qualities—making money in the tills, numbers at the doors, and citations in the news the prime measures of institutional achievement—most of our museums may soon reach the point...where cultural functions will become secondary to business management in the conduct of institutional affairs.\textsuperscript{16}

Such sentiments reflect an unfortunate misunderstanding of the concept of marketing. Marketing works within the framework established

\textsuperscript{12}T. D. Allman, 	extit{Harpers}, 261 (December 1980), 71-3.
\textsuperscript{13}Hilton Kramer, 	extit{The New York Times}, March 2, 1975, D1.
\textsuperscript{15}Allman, p. 73.
by the long-term organizational goal, and aims to orchestrate satisfactory value exchanges between the organization and its publics. The misunderstanding is unfortunate, because development of the young science of not-for-profit marketing proceeds apace, without benefit of the insights of those most intimately familiar with its context. Without those insights and inputs, the theory and practice of not-for-profit marketing may well become what museum managers most fear: a wholesale graft of business principles onto not-for-profit organizations, without allowance and modification for essential differences. The burden now falls on the not-for-profit manager to adopt what is useful, adapt what can be useful, and cull what is useless from the body of literature which currently forms the base of instruction for many graduate and professional training programs. Tomorrow's administrators are being trained today—and the museum profession itself ought to provide them the museum perspective on marketing.

THE POTENTIAL OF MARKETING FOR MUSEUMS

The tools and techniques of marketing are well beyond the scope of this essay. They can be learned from any of a number of textbooks and training programs currently available. The purpose of this essay is to suggest the potential of marketing for museums.

Marketing is an orientation to managing the value exchanges between an organization and its publics, which seeks to optimize the benefits that accrue to both. Conceptually, marketing is applicable at many levels, from the macrolevel which considers The Museum as an institution

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in society to the microlevel of an individual patron in a specific museum.

In answer to the questions of institutional purpose and audience at the macrolevel, the marketing approach suggests that the museum must define its role vis-à-vis the characteristics of society. As American society makes the transition from a production to a leisure ethic, consumers are demanding greater satisfaction of their psychogenic needs. The growing demand for self-actualizing experiences in an affluent society seems an ideal opportunity for museums to claim a major share of leisure time by offering self-actualization as a value in their exchanges with consumers.

In its role as taste counselor, marketing can help strengthen the appeal of museums to their publics. Though the scope of museum operations is pervasive--

indeed, so deep is the penetration of museums into our lives that one can scarcely find an advanced discipline or field of study which is not to some extent, or totally, based on the natural, aesthetic, or historical objects and collections preserved in museums--museums today are "not considered a necessary part of life" by major portions of American society.¹⁷

Part of the problem was hinted at by Henry Francis Taylor in 1945: museums mean "nothing vital to anyone in particular," and have

become "the encompassing catch basin for all those disparate elements of hereditary culture which are not yet woven into the general educational fabric of modern society."\textsuperscript{18} "Museum" conveys no distinct institutional identification. The three psychogenic needs satisfied by museums—the needs for reverential, cognitive, and associational experiences—are already strongly identified with existing social institutions—the religious, educational, and entertainment establishments, respectively.

Marketing gains its persuasive power through a process of differentiation. Psychogenic need satisfiers must compete for differential advantage in an environment proliferating with leisure time alternatives. By denying the differentiated status of the museum experience, by attempting to be all things to all men, museums subvert their own bid for long-term survival. A clear, compelling, and unique value offer is necessary if museums are to achieve institutional identification and capture audiences. Laissez-faire has proven an unrealistic directive for our economic institutions, and so it is for our cultural institutions.

At the microlevel, an individual museum can address the problems of purpose and audience by defining institutional objectives which are appropriate to its resources and its publics. The three psychogenic needs served by museums are, if not mutually exclusive, at least significantly differentiated forms of activities.

Reverential refers to the human need for an experience with something higher, such as God, Nature or Art. "Solitude, freedom and

\textsuperscript{18}Babel's Tower, p. 8.
eternal verities are key aspects of this type of experience." Because this experience is destroyed by intrusions into the privacy of the individual, it is antithetical to cognitive and associational needs.

The cognitive, or educational, needs of individuals can also be served by museums, though it is often argued that the job is performed better by the university. The central educational lesson of most museums is, not coincidentally, the central value of our scientized culture: the notion of progress. Museums enshrine progress; they are the symbols and repositories of the security, the knowledge, and the answers that modern man expects.... Even the inclusion of the tasteless..., the ugly..., the undesirable...[is an effort] to museumize them, to make them understandable, safe, under one's command--and leavable.

Museums "establish in consciousness the definition and boundary of modernity by rendering concrete and immediate that which modernity is not." 

Associational needs are sociological. The museum can provide the excuse for a social occasion. This occasion is valued because it is non-ordinary, providing the necessary contrast between the "sacred" and the "profane" elements of life identified in Durkheim's religious anthropo-

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logical studies. In this role, the museum is a setting for human inter-
action quite independent of the collection; it is a ritual type of
attraction for tourists, a social symbol of prestige to be offered for
acceptance to the tourist's home sub-culture.

All three of these needs suggest valid offers which can be made
by a museum to its consumers. Different types of museums will be able
to address them with different degrees of expertise, depending upon the
institution's collections, resources, and audience. A major art museum,
for example, is usually better suited to serve the reverential needs of
a highly educated, urban public than is a local history museum. The
different types of experiences could, conceivably, coexist within the
same institution if they were separated either physically (in different
galleries) or temporally (in changing exhibitions). The marketing ap-
proach recognizes that effectiveness is most often directly proportional
to clarity of focus. The museum that wishes to serve its audience well
must single-mindedly define the value it is offering, and recognize that
a commitment to satisfying one need—whether reverential, cognitive, or
associational—necessarily diminishes its ability to simultaneously
satisfy the other two. Rather than vainly struggling to do everything,
museums should instead maintain a division of labor in their value
offers.

The tools of marketing can be used to raise understanding and
satisfaction among visitors, and thus increase the effectiveness of the
institution, by better matching programs and publics. Requisite to this
matching process is an understanding of the dynamics of an institution's
current relationships with its publics: Who are current visitors and current non-visitors, what are the perceptions each has of the institution, and what values do they expect and what do they in fact get from a visit? If the current value exchanges are not "successful"—i.e., if the value expectations of each party are not met or exceeded—the institution can attack the cause and approach a remedy in one of three ways: by changing its programs to meet visitor expectations better; by encouraging a different type of visitor, one who will better appreciate the programs which are offered; or by a combination of both. The approach taken will vary with individual situations and institutions, but must be consistent with the over-all objectives of the institution.

The North Carolina Museum of Art (NCMA) faced such a problem of mismatched publics and programs in 1977. Research indicated that "the museum was not drawing its share of the thousands of elementary school children who come each year to Raleigh, the state capital, to view state government and the state's museums, historic and exhibition buildings." Apparently, the value offered by the museum was not perceived by most school groups as great enough to warrant a visit.

The NCMA approached their problem from the perspective of marketing theory. They began by investigating the dynamics of the marketing exchange between museum and school groups, to assess the values given and received by both parties. Interviews with school administrators and

with state visitor center personnel indicated that the major deterrent to a museum visit by such school groups was time: the docent-guided general tours available at the museum required an excessive proportion of the day's time, with the result that school groups opted for a greater number of shorter alternative experiences in the city.

Armed with good market data, the museum staff was able to adjust the existing value relationship between their institution and one particular segment of their audience, schoolchildren. Since the school population was considered by the NCMA to be a significant and a highly desirable audience, a change in program rather than public was indicated. To relieve the perceived uneven balance between the values given and gained (primarily, time vs. experience) during a museum visit, the NCMA staff conceived the "At Eye Level" gallery, a wing of the museum which would contain a sampling of collection objects, interpreted by a programmed slide presentation. Such a short introduction to the museum and its collections, developed to appeal particularly to students, promised to enhance the staff's efforts to meet its objectives with re-

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24 I use the term "good" here for lack of an adequate alternative. The science of marketing deals with human behavior, and thus cannot claim to deal exclusively in facts. Market research data, like history, is inherently biased, and analysis is often inferential. For example, what a teacher thinks and what a museum director thinks the teacher thinks are two distinct bits of market data. Either may be a valid subject of study, depending upon the purpose of the research. If one is interested in predicting the future actions of the teacher, however, it is logical to infer that data gathered directly from the teacher will be a "better" indicator than would the projections of a third party. "Goodness" of market data is ultimately a subjective measure; in the final analysis, research data needs only to be good enough to enable an intelligent, informed decision.
spect to an important audience segment, and would allow that audience to experience the museum according to its own peculiar needs.

A digression seems appropriate at this point, to consider one of the stickiest problems in the application of marketing principles to not-for-profit institutions: how to measure effectiveness in the absence of the concept of monetary profit. Effectiveness is a relative quality, and requires a measurable objective against which to gauge success. Yet, the proper content of museum value exchanges is a quality, not a quantity, of experience, and as such is stubbornly unmeasurable. This dilemma must be faced squarely at the outset of any marketing effort. Though the fields of psychological, sociological, and communications research promise better ways of measuring quality of experience at some future date, the museum profession is ill-equipped to do so today.

At the North Carolina Museum of Art, the issue of measurement was resolved in very practical terms. Kenneth Beam, the Associate Director, summed up his institution's position in this manner:

There are only two quantifiable indicators—attendance and donations. To the museum that depends heavily on revenues from admissions, the level of attendance is an obvious measure of success. But even for a tax-supported institution such as the North Carolina Museum of Art, attendance is important. Museum directors can speak to their governing officials of the positive effects of their institutions—the awakening of cultural awareness, the spiritual uplifting of their constituents, their value to the state as a cultural light beaconing to new industry. The hard reality that must be faced is that these effects are hard to quantify, and hard questions need to be answered with hard facts.25

25Cramer and Beam, p. 38.
The "At Eye Level" gallery opened in fiscal 1977-78. Attendance for school tours during that year increased 50.1% compared to the previous year, from 22,655 to 33,689 children toured. Since attendance was isolated initially as its measurable criterion of success, the results of the NCMA's marketing effort are indeed impressive. However, the practical concessions made by the NCMA to facilitate evaluation of their marketing program must not obscure the underlying visitor experience for which attendance is an admittedly imprecise measure. It is toward the quality of that underlying experience that marketing efforts are directed.

Increased programming effectiveness is just one area in which an understanding of the principles of marketing can help museums. It can be a useful tool for diversifying audience demographics as well. The challenge to diversify audiences has been posed largely by the exponential growth of government support for museums within the past two decades, which has demanded justification for the expenditure of public monies in terms of a broadly representative constituency. The move to "democratize" the arts is also attended by a moral component at the societal level, in keeping with a cultural value system whose foundation is perceived to be democracy. Whether audience diversification is a valid objective for our cultural institutions is an issue to be decided

26 North Carolina Museum of Art, Management/Marketing Plan, Fiscal 1979-80, Exhibit C-1, p. 32.

27 "Reaganomics" may curtail or even reverse that trend in this decade, however.
by the management of each institution. However, if a museum's objective is to increase its penetration among non-traditional demographic groups, the tools of marketing can help pinpoint the most effective and efficient means of reaching that goal.

The Boston Museum of Fine Arts, for example, sought to include the working poor among its constituency, in accordance with its policy that no one should be unable to use the museum because of poverty. Judgmentally, an offer of free admission on Tuesday evenings was deemed the best route to reaching such a population segment. In 1973, while exploring the relationship between visitor attendance and the hours and price of admission to the Boston MFA, researchers discovered that actual visitor behavior did not match the institution's expectations. They found that the middle and upper class were benefiting more from the policy than the poor.

Analysis of the situation in terms of value exchanges resulted in the adoption of a strategy more likely to benefit the intended demographic groups. First, the target audience of deserving persons was divided into its component segments, such as students and the elderly. Those segments which could be reached in ways other than their expected time of arrival were offered other forms of subsidy, such as reduced price admission passes. Then, to accommodate those poor who did not fall into the specially established ticket categories, the Museum was opened free on Sundays. Based on market data provide by attendance records, that time seemed "an otherwise discouraging hour that would separate those to whom an admission price is important from those who
can pay but prefer not to."\(^{28}\)

The key to enhancing the value exchanges between museum and audience lies in understanding the dynamics of the exchange: what is expected, what is actually experienced, and why. There seems to be general agreement that museums have not pursued such an understanding, though its potential benefits are great. The experiences of the North Carolina Museum of Art with programming and of the Boston Museum of Fine Arts with audience development suggest two areas in which the marketing approach can be useful to museums. Marketing tools applied to museum problems can increase the efficiency of a broad range of operations. In the case of the American Conservatory Theatre in San Francisco, for example, a market research study of subscribers revealed that a value which the institution considered quite significant—a 15% subscriber discount on tickets—was perceived by their consumers as too small to be of significant value. Based on this fact, the benefit was discontinued with almost no adverse effect on ticket sales, thus increasing the efficiency and lowering the cost-benefit ratio of the institution's subscription operation.\(^{29}\)

The science of marketing is inherently an efficiency-oriented process. The goal of the marketing approach is to make value exchanges increasingly more efficient, to render the best customer satisfaction

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\(^{29}\)Lovelock and Weinberg, p. 14.
for the lowest institutional cost. Though difficult to measure, the efficiency of a museum's interactions with its consuming publics is theoretically the ratio of successful value exchanges to the total number. To the extent that this ratio can be raised for a fixed program cost, efficiency is increased. Thus, a marketing effort that identifies and encourages a population segment whose probability of successful exchange is greater than that for the population as a whole contributes to the increased efficiency of a particular program. Similarly, a marketing effort that results in program modifications which increase the chance that a current public will engage in successful value exchanges increases the efficiency of the funds expended on the effort.

The marketing approach can improve an institution's chance of success in a value exchange through the gathering of sufficient data for an intelligent, informed decision. For this reason, the marketing process is a constant tradeoff between the usefulness and the cost of data—data which can help predict the outcome of a particular activity. Conclusions about a museum's publics, actual and potential, and about the effects of different elements of the marketing mix on those publics, can be drawn from a variety of sources, in a variety of ways, and at a variety of costs. The important thing is that they are objective and appropriate measures, rather than subjective postulates. As indicated by countless examples, including those of the American Conservatory

30. The key word in this proposition is "successful." It is not enough merely to increase the number of value exchanges, i.e., to bring more bodies in; those exchanges must realize the goals and expectations of both visitor and museum to be successful.
Theatre and the Boston Museum of Fine Arts mentioned above, judgment is no substitute for the facts.

Beyond issues of improving the visitor experience and general operations efficiency, there is great potential for museums to benefit from marketing in the area of fund raising. Rampant inflation and the decline in the role of the wealthy patron as a primary funding source for most museums has prompted a corresponding rise in dependence for support on public monies, private donations, and the contributions of individual visitors.

As the financial importance of the visitor to the museum grows, so too do the similarities between museum management and business management. The marketing manager of a consumer products company achieves long-term survival through efforts to sustain and build his base of consumer support in a changing marketplace. The museum manager can use many of the same tools employed by his business counterpart to develop his level of financial support from visitors. Pricing decisions in museums need to consider all the costs which are demanded from the visitor---including not only money but also time, inconvenience, and the like---to strike the best balance between values given and gained in the individual exchange, and assure continued support.

The museum differs essentially from profit sector organizations in its obligation to serve as trustee of the cultural record. A social directive to preserve important elements from our artistic and historic past exists apart from a specific base of consumer support, so that how-
ever high the financial contribution from museum visitors, it most often will not be high enough to sustain a museum's operations. Additional funds must therefore be sought to supplement third sector operations. In the past, public sector grants have been an important source of such supplemental funds, though current events may drastically reduce their availability in the future. Museums can also avail themselves of foundation and corporate funding opportunities to bridge the gap between the level of visitor support and operating costs. Whether private or public contributions are sought, a marketing approach will help identify funding agencies whose goals most closely match those of the museum. This not only improves the chances of being funded, but avoids the costly preparation of applications that have little chance of being funded.

A marketing approach to fund raising was adopted by The Children's Museum of Indianapolis for a major expansion campaign conducted from 1972 to 1976. The results of their efforts to increase both visitor and private levels of support were dramatically successful (success in this case was gauged by the increase in the number of visitors and in dollars contributed).

The Children's Museum campaign undoubtedly owed much of its success to excellent preliminary planning and research. A critical need for more space and expanded facilities sparked the Museum's initial investigations in 1972, which included a Feasibility Study commissioned from a market research firm that assessed the local giving potential of a capital fund campaign. Convinced by the study that the projected $7 million cost for a new building could be raised, the campaign plan was
Concurrently with the capital campaign, the Public Relations staff of The Children's Museum planned and conducted a major, multifaceted campaign to raise the additional financial support necessary to operate a new facility five times the size of their existing quarters.

Because those who attend, volunteer, and join form the core of interested people from which donor prospects must be found and cultivated, plans were developed and activated to sustain and build interest in the Children's Museum...[within this group].

An Image Study was commissioned to gather market data from which the staff could accurately assess awareness, usage patterns, general impressions, value perceptions, membership potential, and the image of the Museum to its various publics. Based on that data, programs were developed to engage the interest and support of specific audience segments by offering them significant and appropriate values.

The Museum's membership program, for example, was analyzed and restructured from the perspective of marketing. Using their Image Study data and counseled by a professional membership consultant, a new program was founded on the premise that "membership provides the privilege of in-depth education and involvement in the life and resources of the institution." In 1976, a direct mail campaign and many creative, sup-

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32 Ibid., p. 1 of "Membership" section (near end).
plemental promotions were the vital distribution link which delivered the Museum's value offer to its appropriate recipient. An exceptionally high acceptance rate of almost 5% for their membership mailing attests to the effectiveness of the Children's Museum's marketing efforts. And, even more impressive, a 306% increase from 1975 to 1976 in net revenue from the membership program attests to the efficiency of marketing techniques.

The best recommendation of marketing for museums is that it works. The experiences of those institutions that have adapted marketing principles as a guide to the structure of their exchange relations hold great promise for other institutions that seek to enhance the quantity and quality of their own exchanges. A statement made by Kenneth Beam of the North Carolina Museum of Art following the major commitment to the marketing approach made by his institution in fiscal 1977-78 is a fitting conclusion to this discussion of marketing's potential for museums:

[M]arketing the museum can involve every aspect of future planning, not just press releases and advertising.... Certainly museums have a duty to protect our artistic ideals, and should never consider mortgaging their true goals to satisfy strict marketing targets. But marketing does help identify problems and provides the framework for exploring alternatives that may help solve them.33

33Cramer and Beam, p. 39.
SUMMARY

The concept of marketing is poorly understood by the museum profession. The word symbolizes a promise of financial salvation to a few, and the grim spectre of a manipulated and exploited horde of humanity to many others. The actual nature of marketing embraces neither of these perceptions.

Marketing is a generic function of organizations. At the heart of the marketing concept is the idea of an exchange: each party to the exchange trades something of value for some other value which is perceived to be greater. Marketing in museums is an orientation to managing exchange relations which requires first, that the institution clearly understand its mission in society; second, that the perceptions, needs, and desires of its publics be understood and evaluated; and third, that the appropriate institutional value offer be made effectively and persuasively to those audience segments who are most likely to appreciate and to realize the value.

The prevailing business orientation to marketing proposes that consumer needs and desires simply be identified and met. The museum manager, however, as a trustee of society's cultural heritage, has an obligation to lead public tastes rather than to follow them. This essential difference between the two types of organizations poses the greatest challenge to the application of marketing techniques to not-for-profit institutions. Though the great potential of marketing for
the third sector is clearly indicated by the experiences of a number of museums—such as the North Carolina Museum of Art, The Children's Museum of Indianapolis, the Boston Museum of Fine Arts, and the American Conservatory Theatre in San Francisco examples cited above—many practical problems remain unsolved. The most notable is the problem of measurement: in the absence of the concept of monetary profit, against what quantifiable measure can success be gauged? Attendance figures and donation tallies—concessions to practicality—are only imprecise measures of a quality of experience that is the underlying value to be assessed.

Still, the tentative pokings of the museum profession into the field of marketing theory promise much for the future. The tools of marketing can help museums as they face the economic exigencies of the 1980's. And, as American social values shift with the change from a production ethic to an ethic of leisure, the museum, through marketing, can establish itself as a vital social institution, an integral element of American life.
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**ARTICLES**


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