SLEEK VS. STATELY: A COMPARISON OF THE COMMERCIAL PRACTICES EMPLOYED BY THE METROPOLITAN AND GUGGENHEIM MUSEUMS

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ABSTRACT

The commercialization of non-profit organizations through marketing mechanisms has recently taken center stage as one of the pivotal policy issues facing this sector in the United States. American museums have long been at the forefront of this trend with the operation of retail activities in the form of stores, catalogs and franchised satellite museums. As two of the most prominent museums in the New York art world, the Metropolitan Museum of Art (The Met) and the Solomon R. Guggenheim (The Guggenheim) are routinely described as possessing distinct and opposing marketing models as they relate to commercial practices. The Met insists on the need to demonstrate clear and discernable differences between art and entertainment, and a sharper contrast between the role of the museum and the commercial world.

Conversely, the Guggenheim has consistently straddled the line between art and commerce, offering spectacles like Art of the Motorcycle and Jazz Fridays which frequently draw larger crowds than many scholarly exhibitions. Both of these models demonstrate an attempt on the part of each museum to build a relationship between the museum and the public.
The primary purpose of this thesis is to investigate, using the Met and the Guggenheim as comparators, the costs and benefits of commercialism in contemporary museum marketing operations, and whether or not there is evidence to suggest the public trust is weakened by increased marketing, advertising, and promotional practices. A secondary goal of this thesis is to survey the theoretical research on this topic to learn whether art and commerce are compatible, and whether there is reason to believe the public would derive greater benefit from museums without shops, restaurants, and blockbuster art exhibitions, or if to the contrary, they are now crucial ingredients to the museum experience.
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TABLE OF CONTENTS

ABSTRACT .......................................................................................................................... ii

ACKNOWLEDGEMENTS ................................................................................................. iv

LIST OF FIGURES ............................................................................................................ viii

CHAPTER

1. INTRODUCTION: A CASE STUDY WEIGHING THE COSTS AND BENEFITS OF COMMERCIALISM IN MUSEUM OPERATIONS ................................................................. 1

   Statement of the Problem ......................................................................................... 2

   Significance of the Problem ..................................................................................... 7

   Objectives of the Study ........................................................................................... 9

   Plans to Accomplish Objectives ............................................................................. 11

2. THE ROLE OF MUSEUM MARKETING: BACKGROUND FUNCTION AND FUNDING ................................................................. 14

   Defining the Museum ............................................................................................... 16

   Defining Museum Marketing ................................................................................... 20

   Defining Product .................................................................................................... 24

   Defining Price ......................................................................................................... 29

   Product Place-Placement ....................................................................................... 30

   Product Promotion .................................................................................................. 31

   People .................................................................................................................... 33

   Marketing Segmentation and the Risks of Uncontrolled Application ..................... 34
LIST OF FIGURES

Figure 1. Shifts in Museum Definitions........................................19

Figure 2. Staffing Characteristics of Professionally Driven and Consumer Centered Museums.................................34

Figure 3. Table Representing the Goals for the Met Adapted from the Annual Report.................................................72

Figure 4. Corollary Objectives of the Met in Relation to Mission Oriented Goals..........................................................73

Figure 5. Table Representing Management Goals for the Guggenheim Foundation......................................................82

Figure 6. Components of a 21st Century Art Museum: A Comparison.................................................................95
CHAPTER ONE

INTRODUCTION: A CASE STUDY WEIGHING THE COSTS AND BENEFITS OF COMMERCIALISM IN MUSEUM OPERATIONS

What is the best way to define a museum? How do museums occupy our collective consciousness? Are museums aging buildings with historical artifacts and dinosaur bones? Do they possess classical facades housing paintings by master artists? Or is the contemporary museum, with avant garde exhibitions and daring architecture, how we envision the museum experience? The offerings provided by museums have taken on a variety of forms and have changed significantly over the past several decades. Large blockbuster shows now inhabit art museums whereas in previous eras quiet reflection was encouraged. Huge animated dinosaur exhibits are the capstone of many natural history museums instead of static archeological displays. And interactive models and artifacts take precedence over the contemplative offerings of museums of previous decades. One element that has changed simultaneously with the shift in museum programming is the larger role marketing has come to occupy in museum operations. Many museum professionals argue that marketing offers a powerful means by which museums can achieve the objectives of their missions, while others view marketing techniques with skepticism, concerned both about its suitability to the traditional function of the museum, and apprehensive of its scope and influence on the museum as a whole.
This thesis will examine the phenomenon of museum marketing and commercialization within the changing environment of the museum. Particularly, this thesis seeks to investigate whether a museum that forgoes its traditional role as a sanctuary for education and scholarship still fits within the definitions of a traditional museum. Further, will the public lose trust in museums if commercial and consumer demands become the focus of the museum mission rather than education and conservation?

Statement of the Problem

Perhaps no development in the world of art museums within the last half-century has been more dramatic or controversial than the increase in commercialism, which can be understood as the expansion of museum shops, the rise of blockbuster exhibitions and corporate sponsorship, and the influx of marketing and fund-raising personnel. When visiting a museum it is now possible to eat at a five star restaurant, shop, see a film, hear a concert, and attend “singles nights,” corporate events, or wedding receptions without ever seeing a single work of art.

Thanks to such initiatives, museums have never been more popular. Attendance is robust and special exhibitions are routinely sold out. Despite these signs of success and apparent visitor satisfaction, many in the art community have voiced concern at these trends. Although on some level everyone in the art world benefits from the increased popularity of museums, a good number of academics, art critics, and museum professionals fear the erosion of museum integrity, and question whether
the original purpose of the museum, as a place of artistic scholarship, is being overlooked in pursuit of larger audiences and enhanced revenue streams.

As two of the most prominent museums in the world, the Metropolitan Museum of Art (The Met) and the Solomon R. Guggenheim Museum (The Guggenheim) are routinely described as possessing distinct and opposing marketing models. The stately and venerable Met, ensconced in Central Park, and encyclopedic in its artistic coverage insists on the need to demonstrate clear and discernable differences between art and entertainment and a sharper contrast between the role of museum and the commercial world. Conversely, the sleek and hip Guggenheim, a sanctuary for modern art with a global presence in four countries, has consistently straddled the line between art and commerce, offering spectacles such as “Art of the Motorcycle” and Jazz Fridays which frequently draw larger crowds than many of the museum’s scholarly exhibitions. Both of these models demonstrate an attempt on the part of each museum to build a relationship between the museum and the public.

The primary purpose of this thesis will be to investigate, using the Met and the Guggenheim as comparators, the costs and benefits of commercialism in contemporary museum marketing operations, and to find out whether or not there is evidence to suggest the public trust is weakened by increased marketing, advertising, and promotional practices. A secondary goal of this thesis will be to survey whether art and commerce are compatible, and whether there is reason to believe the public would
derive greater benefit from museums without shops, restaurants and the like, or if to the contrary, they are now crucial ingredients to the museum experience.

According to the American Association of Museums (AAM) Code of Ethics for Museums, the unique contribution of the museum to the public is through the collection, preservation, display, and interpretation of things of this world. Museums must further be understood as educational institutions, research agencies, and cultural centers. In the United States museums are defined as non-profit institutions by the Internal Revenue Service (IRS) because they serve an educational rather than recreational purpose.² Further, because the museum’s missions and traditional core values of collection, preservation, and education result in activities that are considered to be in the public interest and done on behalf of social improvement, the marketing activities that are undertaken on behalf of museums fall within the construct of social marketing.²

Since the 1970s museum directors and members of museum boards, including those at the Met and the Guggenheim, have become increasingly aware of the financial support social marketing can bring to their institutions. Efforts aimed at financially supporting museums have resulted in increasing the size and scope of museum marketing operations as well as membership drives, and more “market” oriented exhibits. Indeed, the efforts involved in marketing the museum to the public have grown to be quite large, including increased marketing personnel, greater efforts at museum retailing, and international distribution of the museum name via catalogs,
retailing sites, licensing programs, and international blockbuster exhibitions. In fact of the approximately 8000-9000 museums in the United States, nearly one third are members of the Museum Stores Association (MSA) which seeks to help museums manage and market their name on a consumer level more effectively. Further most new museums generally have marketing department operations built into their annual budgets in order to more effectively communicate a museum’s programming, exhibition schedule, as well as work with donors and the community to generate funding and financial support.

The conception of incorporating in house marketing departments was originally conceived as a means of generating much needed financial contributions for the museum. The need for funding however, has resulted in efforts that have been perceived by some in the museum community as endangering the mission of the museum. Some experts even question whether non-profits in general can adapt without compromising the qualities that distinguish them from for-profit organizations. Some funding related efforts, such as more market oriented exhibits and marginally site related merchandise in museum stores, are seen as being derived from popular culture, and entertainment, and a corruption of the education mission of the museum. Therefore, there is often a conflict between the museum and the forces that are supporting the museum’s education and conservation efforts through marketing and consumer related programs.
This conflict between the economic and financial pressures to raise contributions and the constraint to keep true to the mission in all activities is felt in a similar manner in for-profit firms. However, the situation is further compounded in the US for non-profits by the fact that the museum is constrained to keep its marketing practices “related” to the museum mission in order to preserve the non-profit status under federal guidelines designated for non-profit ventures. This “related-ness” constraint reflects the educational nature of the non-profit museum as a whole, thereby precluding the museum from engaging in marketing strategies that do not reflect the overall educational mission of the museum, and ostensibly preventing the museum from becoming a driver of commercial culture.4

Frequently, cultural and commercial factors conflict. Consequently, within the sphere of non-profit museum marketing, there exist two divergent opinions about the value and importance of commercializing the museum name. These principles can be applied to various museums, but for the purposes of this thesis the different practices of the Met and the Guggenheim will be used to illustrate this conflict, and how the variations between these two institutions in their approach to marketing affect the trust the public holds in each museum.

The first view should be seen within a narrow scope of the museum marketing formula, emphasizing the museum’s cultural purposes. This view encompasses the marketing philosophy of the Met. It consists of a set of techniques and tools designed to bring about increased public interest in museum offerings. Here, marketing is
frequently associated with sales and publicity practices that are attached to the existing museum functions of attempting to address the problems of declining attendance and diminishing public and private funding. The marketing department thus is an integral and necessary component of the museum; however, it operates within a relatively compartmentalized sphere, deploying advertising, public relations, and promotional tools in an attempt to attract audiences to the larger missions of the museum of education and conservation.\(^5\)

The second view of museum marketing is a far more overarching philosophy, and the one that has come to characterize how the Guggenheim views the place of marketing within its organization. The principles of this philosophy place the public at the museum’s operations, and influences all museum functions and activities. Here the museum is attuned to the perceived needs of the visitors and communities it seeks to serve. Its varied offerings are informed and driven by awareness to the interests, perceptions, expectations and preferences of both existing and potential audiences. Marketing, then is a mechanism that permeates and guides the entire organization, and is not solely concerned with communicating the museum mission, but instead should be seen as shaping the strategies and approaches to future planning.\(^6\)

**Significance of the Problem**

Why is this issue significant? Why do the divergent marketing principles and strategies of the Met and the Guggenheim matter to museum professionals and the general public? The issue is significant for three main reasons. First, the number and
size of museum marketing operations is proliferating and museums are increasingly relying on their marketing departments and retail operations as a source of primary funding. With funding from government sources becoming less reliable due to worries about political and social backlash, and with competitive pressures for donations from corporate sponsors or wealthy philanthropists that often require the museum to make compromises they ordinarily would not accept, the need for a source of funding that is within the museum’s control makes the marketing of the museum through commercial enterprises targeted at consumers especially attractive. Secondly, research in this area has implications for measurement of performance in for-profit firms as well as non-profit organizations. The link between marketing strategies and the impact of those strategies, long term, on the public trust both in the profit and non-profit spheres requires more qualitative research. Finally, the problem is significant for both practitioners and academics because of the need to gain a better understanding of how best to engage the public with the museum. By recognizing what the public expects from a museum (and expectations vary from museum to museum, as this research will clarify using the Met and the Guggenheim as unique and opposing comparators) directors will be able to make better and more informed choices about the programming, exhibitions, and the offerings of their museums, and thereby improve the social marketing strategies through which museums engage with the public, which in turn affect the economic performance and educational mission of the museum as a whole.
Part of engaging with the public is identifying a key indicator: namely that museum marketing and consumer retailing should be understood more fully in terms of the social marketing construct. Social marketing, as defined earlier in this chapter, is marketing the arts, or the museum in this case, for the purposes of the larger museum mission of social and cultural improvement and awareness. To analyze museum marketing strictly within the realm of for-profit marketing and retail guidelines ignores the basic mission within which every museum marketing department operates. In contrast, evaluating museum marketing only in terms of education, collection, and conservation can be misleading since nearly all museums are generally charged with some kind of financial obligation and demand for funding. Therefore, this thesis will be an attempt to demonstrate, by comparing the unique marketing principles of the Met and Guggenheim, that there exists a need to formulate a more comprehensive understanding of how both the educational mission of a museum competes with the necessity for institutional funding within a museum’s organizational structure. Further, I hope to derive a qualitative measurement for whether mission based marketing strategy out-performs consumer driven marketing strategy.

Objectives of the Study

This research has three primary objectives. First, this thesis will attempt to differentiate the marketing strategies employed by the Met and the Guggenheim. By exploring the divergent approaches between the two museums, I hope to detail how museums, specifically the Met and the Guggenheim and art museums generally, view
their missions and how this view of their larger purpose affects the approaches of providing education while meeting the demands of funding. A second purpose of this research will be to examine the costs and benefits of commercializing the museum name into a consumer brand. Do marketing strategies, such as increased advertising, blockbuster exhibitions and promotions, and global outreach affect the public perception of the museum? And does the public then in turn lose trust in museums which appear to place financial objectives before mission oriented goals? Thirdly, I hope to derive a qualitative measurement to determine if the art museum and commerce are indeed compatible. Research shows that art museums have never been more popular, and attendance at highly advertised, and well marketed exhibitions are routinely sold out. There are concerns however, from academics, art critics, and museum professionals, that while there are benefits associated with the increased popularity of museums resulting from commercial marketing ventures, there is a possibility that the original purpose and mission of many museums will be eroded in the pursuit of entertainment and enhanced revenue streams. I hope to demonstrate that museums which engage their public through a strategy of combining mission driven and educationally-oriented programming with consumer driven marketing gain a competitive financial advantage and outperform museums that only implement a consumer driven marketing approach.

A corollary to the objectives of this research will be to provide an understanding for the implications for social marketing as a whole, both in terms of
how strategy is executed within a non-profit organization with an arts focus, and how the performance of social marketing methods can be evaluated.

**Plans to Accomplish Objectives**

Fundamental to the methodology of my thesis will be an investigation into the philosophy of marketing designed specifically for the art museum context. By employing a qualitative and comparative approach I plan to survey existing research and interpretation related to this topic, while at the same time scrutinizing the related literature for innovative approaches to the subject. The focus of my inquiry will be directed on marketing models targeted at the museum going public and the public response to these techniques.

Using this research as a catalyst, I plan to investigate, via comparison between the Met and the Guggenheim, how the divergent commercial and marketing approaches employed by these two institutions are examples of how the promotion of art through marketing provokes calculated responses from the communities they inhabit. Further, I intend to launch a discussion weighing the costs and benefits of commercialism in current museum operations, and whether or not there is evidence to support the notion that the public trust is either weakened or strengthened by museums that embrace a non-traditional concept of their mission.

This thesis will be organized into five sections, starting with a literature review of existing research and theory which will follow in Chapter Two. The literature review examines the study of performance measures for museum marketing, and
provides background for understanding the role of museum marketing generally, including issues related to purpose, function, and funding. In the process, the literature regarding social marketing as it relates to this study will be reviewed. Certain terms such as museum, marketing strategy, and the broad and narrow conceptions of museum marketing touched on briefly in this chapter as each concept relates to the Met and Guggenheim, will be defined.

Chapter Three will be a discussion of the inevitability of commercialism, and how shifts in culture and current economic challenges have changed the scope of the museum mission, even for museums where education and conservation remain the primary focus. Chapter Four examines the complex relationship museums have with social marketing and commercialism in with the advent of the commercial age. This chapter will be section by section comparison of how the Met and the Guggenheim differ, in their marketing strategy specifically, and why the approach each institution has taken in relation to museum structure, organization, management, and entertainment defines how the each views its place in terms of social marketing, and public engagement. Furthermore, this chapter will offer specific hypotheses and discussion regarding the implications resulting from the marketing models employed by the Met and Guggenheim. By explaining how the Met and the Guggenheim differ in their marketing approaches, a measure for museum performance will be presented and analyzed. The thesis will conclude with a summary of findings and a dialogue about the challenges for the future of two organizations which view the role of the
museum very differently, but remain committed to public engagement and awareness about the important role museums play in service to the community.
CHAPTER TWO
THE ROLE OF MUSEUM MARKETING:
BACKGROUND, FUNCTION, AND FUNDING

All museums by their very nature and function build relationships with the marketplaces they inhabit and the public they attract. Indeed, many museums, especially large ones like the Met and Guggenheim, are complex and multi-faceted organizations which must embrace a variety of audiences to whom trustee members, managers, and staff must respond. The diversity of communities museums serve suggests the importance of including marketing departments within museum organizations, and museums need marketing because they face increasing competition in the leisure time marketplace. Therefore, museums have recognized the need to embrace marketing because it offers theory, tools, and strategy that will enable them to increase audiences, build relationships with audiences and visitors while increasing revenue streams.

The environment museums have been operating in for the past 25-30 years has been the main driver for the changes seen in current museum marketing strategy. Museums have been required to function in a world of economic and business parameters that are fundamentally foreign to their conventional main functions of education and conservation. Indeed museums today, with the exception of those with a generous endowment like the Whitney in New York or the Getty in Los Angeles, have come to be seen by many in narrow financial terms: operating budget, manpower
requirements, commercial returns and investments, visitor numbers, and acquisition value. Further, according to Jean-Michel Tobelem, the increased involvement of museums in all forms of market mechanisms along with new techniques of business management demanded by a changing environment, such as exhibition planning, fund raising, budget control, and database management, have forced museums, and the entire cultural sector, to become increasingly preoccupied with business concerns about costs, financing, development, and profitability. Economics, business management, and marketing, with their practical aims, over time have found legitimacy in a domain from which they had previously been relegated to the sidelines, that of culture.

Simultaneous to the changes occurring in museum business operations are changes in the perceptions of cultural heritage and artistic appreciation. Politicians and museum administrators, along with wealthy investors from the private sector, have begun to recognize the value of exploiting the economic advantages of cultural tourism. Consequently, museum presentation, management, marketing, and commercial advertising are all terms in the current museum vocabulary. It is in this context that marketing, a concept that until recently was secondary to museum operations, has become a primary indicator for gauging a museum’s economic performance and success.

Given the changing face of the museum within the context of new resources and new social and financial demands, this chapter will aim to define museum
marketing more precisely by establishing the reasons for its appearance, how it is applied within museum operations, the role marketing plays in relation to museum funding, as well as serve as a lead into chapter three, which will examine the unique interrelationship between marketing and commercialism in museum management, and the potential risks that may be incurred by permitting the museum to become a consumer driven organization, rather than an educational non-profit.

Defining the Museum

Marketing is traditionally viewed as a technique which businesses use to sell products or services to consumers through communication via advertising. Beginning in the industrial era businesses, which became able to produce products on mass scale, sought mechanisms to sell goods and services at the greatest possible volume and profitability. As competition and profit margins increased, businesses adopted aggressive promotion techniques via marketing to the public. Early on marketing was focused on moving products rather than discerning and satisfying competing consumer groups, however as marketing became more sophisticated and nuanced, businesses and corporations recognized that marketing and advertising had to define target markets and design a product or service for that market. Companies were no longer attempting to find customers for products, and instead focused on formulating products for customers. Neil and Phillip Kotler describe this transformation as the marketing focused concept replacing the product focused concept. As the marketing model has transformed, the consumer has progressively become the focus of marketing practices.
Moreover, marketing has been extended from the world of for-profit business into the realm of public service and non-profit institutions, like museums. Museums, like their corporate forbears a generation ago, began to shift during the 1970s from product centered, to consumer based organizations.

In defining museum marketing a necessary first step is creating a useful description of the museum generally, and for the Met and the Guggenheim specifically. The International Council of Museums (ICOM) in 2008 defined the museum as follows:

A non-profitmaking, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates, and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment.5

The American Association of Museums provides a similar general definition of the museum stating on their website as follows:

…[a museum] is an organized and permanent non-profit institution, essentially educational in nature or aesthetic in purpose, with professional staff which owns and utilizes tangible objects, care for them and exhibits them to the public on some regular schedule.6

These two definitions of the museum fit within the confines of the traditional classification of museums as being defined by function rather than purpose. Functional definitions of museums relate to activities performed in the museum and are object based: to collect, preserve, and display objects. Within the past 20 years, however there has been a shift from defining museums functionally, and instead describing them in more purposive terms that relate to a vision and the larger community served by the
Many museums currently categorize themselves as purposive organizations which aim to serve society and its development through the established mechanisms of study and education, however they view their larger purpose as places for public or consumer enjoyment. A definition establishing this new pattern of purposive museum management was offered by the Museums Association of the United Kingdom which stated as follows:

A museum is a non-profit making, permanent institution in the service of society and its development, and open to the public, which acquires, communicates, and exhibits for the purposes of study and enjoyment material evidence of people and their environment.7

Ruth Rentschler has described the differences between the functional and purposive museum as being a fundamental shift in how museums have come to view whether their overarching mission and philosophy is object based or consumer driven. (See Figure 1) Using Rentschler’s designations, this thesis proposes that the Met views its mission as being a functional institution which recognizes the importance of marketing and promotion, but focuses its overall museum management policy toward the display of objects and acquisition. The Guggenheim conversely has placed itself at the forefront of the purposive museum, where anticipating public perception and visitor services influences museum function, and guides the overall mission and strategy of museum planning. While there certainly is overlap between the museum strategy and mission between the functional and purposive museum, for the purposes of this thesis designating the Met and the Guggenheim as functional and purposive
respectively will aid in understanding how each museum views its overarching philosophy, as well as how each responds to the pressures in an increasingly commercialized market environment.

**Figure 1: Shifts in Museum Definitions**

<table>
<thead>
<tr>
<th>MUSEUM TYPE</th>
<th>DESCRIPTION</th>
<th>BASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>FUNCTIONAL MUSEUM (The Met)</td>
<td>Museums acquire, conserve, communicate, and exhibit art for study and education</td>
<td>Object-based</td>
</tr>
<tr>
<td>PURPOSEFUL MUSEUM (The Guggenheim)</td>
<td>Museums are for people to enjoy and to learn from collections which are held in trust for the community and for society</td>
<td>People-based</td>
</tr>
</tbody>
</table>

(Adapted from Ruth Rentschler’s Definition of Shifting Museum Definitions in “Museum Marketing, Understanding Audiences”)

As Figure 1 demonstrates, marketing strategy for every museum is context dependent. A functional museum would operate under a much different marketing strategy than one guided by consumer indicators, and the context is largely defined by the museum’s collection. Despite these differences however, all museums are generally focused on non-profit objectives, and most museums operate within an environment in which funding is always a chief concern. Because of the need to obtain more funding with which to support their nonprofit missions, most museums in the United States (the Met and the Guggenheim fall into this category) have turned toward various forms of nonprofit based or what has become known currently as social marketing strategies to raise awareness about museum programming and raise the desired funding to mount the programming, exhibitions, and educational opportunities
expected by the public. The remainder of this chapter will be a general review of the related literature on the specific topic of museum marketing with an aim of examining how social marketing operates within overall management of the museum as a nonprofit organization.

**Defining Museum Marketing**

As discussed in Chapter One, the overall outcome of social marketing is to create public awareness and enhance the community. Museums, by their very nature serve the public interest, and therefore any marketing techniques practiced by museums fall under the construct of social marketing. In other words, social marketing is the promotion, in the non-strategic marketing sense, of nonprofit agencies. Neil Kotler has defined social marketing as follows:

> The design, implementation, and control of programs designed to influence the acceptability of social ideas, and involving considerations of product planning, pricing, communications, and marketing research. Social marketing has its roots in social advertising, and has evolved into social communication/promotion. By adding marketing research, product development, use of incentives, and facilitation, the move is made from communicating [the museum] to marketing [the museum].

Social marketing at its core can be seen as a relationship between those who seek a product or service and those who can supply that product. Marketing assumes that organizations will perform well when they offer relatively greater value to consumer groups than is available from competitors. In order to transpose the marketing concepts from the world of for-profit organizations the notion of exchange was used to characterize the nature of the relationship which is established between the
individual and the museum. According to Neil and Philip Kotler, exchange in the museum marketing realm takes place when five conditions are met: 1) at least two parties are involved, 2) each party has something of value to offer the other party, 3) each party is capable of delivering on its half of the exchange and of enjoying some satisfaction from the exchange, 4) each party is free to accept or reject an offering, and 5) each party believes it is appropriate and desirable to deal with the other party. In short, visitors to the museum pay an entrance fee or sacrifice time and in return gain access to museum collections, or to partake in an educational experience, or participate in a socially or culturally enriching experience that provides benefits to the community as a whole.¹⁰

The concept of exchange is a useful one for museums, particularly because it does not reconcile the notion of the consumer sovereignty. Instead, the exchange process is mutually beneficial to both parties, with the consumer or visitor and the museum each providing reciprocity of benefits to the other.

Additionally, Lovelock and Weinberg have further detailed three additional factors fundamental to the museum marketing concept besides exchange. These factors include: market segmentation, which is the process of classifying a market into distinct subsets (segments) that behave in similar ways or have similar needs. This technique allows museums to focus their attention on a particular set of visitors/consumers that are most likely to respond to marketing outreach. The second feature of a general marketing concept is the marketing mix. The marketing mix,
which involves using a variety of marketing tools to attract potential visitors and execute a successful marketing strategy. The marketing mix will be explained in greater detail in the discussion of strategic marketing. Competition is the final factor outlined by Lovelock and Weinberg and is a driving force in for-profit corporate marketing, but has been difficult for museums to adapt to since, until very recently, there has been little to no need for museums to respond to competition. However, with the growth and expansion of the leisure marketplace, museums have begun to feel compelled to compete in an environment to which they have been traditionally unaccustomed. Moreover, fiscal realities in relation to funding and demands from donors have forced museums to become more competitive in the cultural arena.¹¹

Application of these concepts has begun to fall to museum marketers, who pursue a response from potential consumers, embrace the fundamental view that the public has a set of needs and wants, such as the desire for sociability, entertainment, and educational and creative outlets that can be satisfied through museum products and services. Marketing professionals work to identify and satisfy museum patron needs by matching their organization’s offerings, products, and programs with those needs. These efforts at social marketing have manifested themselves in various ways; among them are 1) general fund raising, 2) ticket sales and admission – both to the museum generally or to exhibition programming, 3) retail stores which offer merchandising, licensing, and direct mail or internet retailing, and 4) restaurants.¹²

22
Each of the four concepts of marketing above (exchange, segmentation, marketing mix, and competition) fall into the framework of strategic marketing or the strategic communication of the museum. Every museum has an overall purpose that is translated into the museum mission or the goals and standards the museum hopes to provide the public. To accomplish these goals, museums define a set of goals that evolve into a strategic plan to implement the organization’s objectives. Strategic marketing becomes essential to the strategic planning process because it determines the target markets and the value offered to museum visitors, and allows the museum to look inward at its strengths and weaknesses in terms of communicating what the museum has to offer the public, and what visitors will gain from the museum’s collections.13

According to Neil and Phillip Kotler, museum marketing professionals develop what is often referred to as a tactical plan for the express aim of implementing the overall strategic marketing plan for the museum. The marketer is tasked with developing activities and programming that communicate and deliver value for the museum visitor/consumer.14 The tactical marketing plan often employs what Booms and Bitner first introduced in 1970 as the 5 P’s: product, price, promotion, place, and people. Kotler and Kotler further expanded on Booms and Bitner’s breakthrough definition offering that the 5 P’s were an integral part of the museum marketing mix, a topic briefly introduced earlier in this chapter, because they provide a variety of marketing techniques designed as outreach to the public.15
A major theme of the following chapter of this thesis will be the increasing prevalence of commercialism and consumer targeted marketing in current museum management. Because the services and activities employed using the marketing mix are so intertwined with commercialism, it is appropriate to expand on the definitions of the 5 P’s (product, price, promotion, place, and people) to analyze and build a framework for discussing the interconnectedness of marketing and commercialism.

**Defining Product**

Levy and Weitz equate the term product with a “merchandise assortment” that is sold by a retailer. However, a broader definition of product is any bundle or combination of qualities, processes, and capabilities (goods, services, and/or ideas) that a buyer expects will deliver satisfaction to a consumer. From the point of view of museum visitors, product can include exhibitions, programs, and facilities. Visitor surveys, focus groups and interviews help marketers identify needs of museum visitors with what the museum offers.16

Perhaps the most important aspect of product merchandise assortment from the point of view of museum marketing is the inclusion of the museum store within the same building as the museum collection. Museum stores are responsible for providing all of the merchandise visitors/consumers purchase when they visit the museum. Museum merchandising is planned by marketers and is normally intended to meet or boost financial objectives. Merchandise that has the best gross profit and the highest rate of sale in proportion to inventory are considered the best merchandise investment.
In the case of the museum store however, there is evidence to suggest that there are often trade-offs between items that are so-called financial performers and merchandise that is driven by things such as educational mission, tax codes governing non-profit merchandising, and the taste of the trustees and board members. The educational mission nature of the product assortment in museum stores is influenced in large part by the United States tax codes governing non-profit merchandise sales. In order to be qualified for tax exempt status, the products for sale by museums must be significantly related to the mission of the institution, and to advancing and promoting that mission. The US tax code views the mission of the museum to be educational, therefore most museum stores aim to protect their profit from taxation by carrying products which are significantly related to the collections. The related nature of the products of the collection is therefore to some degree a manifestation of both the educational orientation and the financial orientation of the museum store. The educational value however, of the products sold in the museum store, is manifested by the degree to which the educational nature of the products reflects the collection and the educational nature of the products. For example, many museums sell tote bags or stationery with the name or pictures of the museum, however there is little intrinsic educational value to these products, despite their considerable financial profitability for the museum.\footnote{17}

On the other hand, museums often sell products that are significantly related to their collections, such as carefully made reproductions crafted by manufacturers
especially for the museum store. These reproductions are created in very limited quantity, and usually do not have demand outside the museum setting, and because of the limited manufacture of these kinds of items, and the fact that sales may be restricted only to the museum the presence of a strong reproductions program tends to reflect a museum store with a strong educational orientation. Paul Hirsch has stated that when museum stores offer high quality reproductions, where lack of functionality and low demand in a competitive marketplace are present the educational opportunities for museums visitors/consumers is high because the museum is offering, through the museum store, a glimpse into the overall mission and purpose of the museum.¹⁸

Conversely, many museums use private labeling programs allowing many museum stores, as well as mainstream non-museum stores, to carry mass produced products that carry the museum label and are therefore in some way related to the museum. Here museum stores are trying to carry products that are lower in price – due to mass manufacturing – and still commercially viable in marketplaces outside of the museum store, while still protected under tax exempt status. Thus, when a museum offers a higher quantity of privately-labeled products, produced en masse, there is a greater likelihood of the museum being financially oriented. Employing private labeling may also indicate a marketing strategy that is strongly tied to the image of the museum, and is exemplary of a “branding” strategy designed to convey the museum’s philosophy. When a museum can claim a distinct identity from which is builds supporter loyalty, it has successfully become a brand name.¹⁹
This thesis will emphasize that both the Met and the Guggenheim are organizations with strong brand identity, however each institution has approached its brand name differently; the Met attempting to associate its image and brand name with the educational, acquisitive, and philanthropic endeavors it pursues, and the Guggenheim applying its brand with a greater degree of economic and financial focus in the commercial realm though global satellite franchises. Chapters Three and Four will offer more insights into how branding a museum’s name in order to increase public awareness can easily turn into uncontrolled commercialization of the museum name, as well as explore whether the Met or the Guggenheim has crossed into this sphere.

Instead of manufacturing high end reproductions or engaging in private labeling programs, many museums opt to utilize a strategy of licensing the objects in their collections. This allows the museum store to carry reproduction like products that are mass produced. The mass production allows for the products sold to be moderately priced, and therefore within the price point museum visitors/consumers are willing to spend. The museum is then paid a fee by the manufacturing company, and educational material about the museum or the reproduction is provided with the product. The presence of licensing programs in museum retailing is an indication of a museum which is both educationally and financially oriented.20

An important aspect of product merchandising that cannot be ignored is the role museums play as tourist destinations. Museum visitors and consumers view the
museum shop and the products available for purchase not only as souvenirs but also as signifiers of cultural awareness. The purchase of a souvenir or museum product is an affirmation of a pleasurable memory of appreciating and understanding culture. It represents the point where all aspects the individual’s experience, memory, and learning, along with their intellectual, emotional, and sensory feelings converge into symbolic material form. Falk and Dierking have stated that through the act of consumption the purchase is assimilated into the extended self. Museum visitors therefore equate emotional and intellectual growth with purchases made in the museum store, even though often their preferences for the product assortment available at the museum store have been carefully targeted by museum marketers. Falk and Dierking have further commented that the museum shop is the most commercially driven component of any museum visitor’s experience. However, their research notes that souvenir shopping may play an interesting role in reinforcing museum education and repeat visitation. The museum store purchase according to Falk and Dierking continues to stand in for the museum visit even after the visit to the museum and the experiences are over. When a consumer purchases a postcard or print and displays it, the product preserves the education provided by the visit.21

Overall, there are several product characteristics that serve to indicate whether a museum is educationally or financially focused. Educational indicators include: a high degree of product relatedness to the collection, educational value, reproductions and limited assortments. Financial indicators are: private licensing and labeling.
assortments, a high degree of souvenir shopping available, and a high volume of product availability. As noted these categories are not limited, however. Often a large degree of product and souvenir availability, while an indicator of a financially oriented museum, can also provide consumers a reminder of their learning experience, and inspire greater interest in the museum collection, and pursuit of educational opportunities provided by the museum.

*Defining Price*

The next cornerstone of the marketing mix is price, or the element of cost in the consumer – museum exchange process. By accurately estimating what the consumer is willing and able to pay for products sold by the museum, product pricing produces an income stream to help the museum manage its financial objectives. Since this thesis is not an examination of the economics of art museums, the concept of price will not be as scrutinized as the idea of product has been however, Lovelock and Weinberg have made a study of museum pricing and found that there are different pricing characteristics that serve as indicators of whether or not a museum is educationally or financially focused. Lovelock and Weinberg conclude that factors pointing to an educationally centered museum are pricing below the normal mark-up thus allowing patrons to buy museum merchandise who may not normally be in a position to purchase goods in the museum store, and thereby expand their educational experience beyond the museum trip. Museums that engage in high-low pricing, permanent
markdowns, higher mark-ups and discounts calculated into initial mark-ups are those that shift in the direction of greater interest on the financial aspect of the museum.²²

Product Place-Placement

In the context of retail museum marketing the concept of place and placement refers to the location of the retail store within museum space. Whereas department stores generally place their retail establishments in active shopping districts hoping to gain retail foot traffic from shoppers at other stores, museums place their stores inside or adjacent to the site that houses the collection. In so doing, the products available in the store are intrinsically related to the functional purpose and mission of the museum. The placement of a museum store within the museum space further adds legitimacy and educational value to the objects being sold. Levy and Weitz, in their studies of museum store operations, have found that a museum store placed near the exit or entrance of a museum will often maximize financial potential and therefore can be seen as an indicator of financial orientation. Unlike product or pricing however, there has been no clear research as to whether or not a museum is educationally or financially motivated based on where it situates its store. While the placement of a museum shop near the exit or entrance could be driven by the goal of maximizing revenue, it could be done to enhance the educational opportunities provided by the museum store, such as purchasing a book on a favorite artist or painting, or buying postcards that extend the museum experience once a visitor leaves the museum.²³
There is evidence that a museum with a store outside the boundaries of the museum area which houses the collection tends to indicate a financial oriented operating module, due to the fact that the off-site store is not part of the museum’s educational experience as a whole, except what may be reflected in products and promotional activities. Therefore, museums with a retail presence at malls, remote locations not affiliated with the museum generally are indicative of a financial focus.

*Product Promotion*

Museum promotion enables the museum to attract a continuous stream of regular visitors. Promotion can take many forms including advertising, public relations, and direct marketing. The concept of promotion is fundamentally related to the commercializing of the museum that will be discussed in Chapter 3. Many critics have stated that the promotional techniques used by museum marketers are fundamentally at odds with the mission of the educational museum; and that while promotion may benefit in the short term by attracting larger crowds to experience the museum collection, there is less focus on educating patrons that have been drawn in via advertising, and more interest in the financial opportunities and greater revenue streams that are presented with larger audiences.24

Levy and Weitz have found that promotion is the best mechanism to communicate with potential museum visitors coining the phrase – Retail Communication Mix – in which via communications programs, the museum informs customers about the merchandise and services offered. Levy and Weitz have further
found that one of the key concepts of promotion is creating an image and a brand that attracts consumers. Their research has revealed that visitors are much more likely to turn into buyers if they associate the products being sold with a brand name. One of the key questions any museum must ask itself when it begins to establish a brand name is: does the museum store and the products sold therein promote itself, or does the museum and the programming and educational opportunities offered promote visitation with retail ventures benefiting by default?25

Kotler and Andreasen note that advertising and promotion are not merely aimed at producing a retail or consumer environment. They can be used as mechanisms to make a community aware of and interested in adopting new behavior and activities – such as visiting a museum. Non-profit organizations are increasingly marketing themselves as brands, and therefore promotional activities designed to increase museum visitation would tend to support the overall educational mission by encouraging museum visitation, which in turn would naturally produce revenue through the museum store. This type of promotion reflects both an educational and financial orientation. However, promotion aimed at only increasing store visitation without the benefit of the museum experience indicates a museum whose focus is more financially motivated.26

Identifying when a museum is most engaged in retail promotion is another indicator of whether or not a museum is revenue focused. Since sales are strong during the fourth quarter for retailers, promotional activities on the part of the museum and
museum store during the fourth quarter indicate that the advertising is done for the purpose of attracting retail commerce. This is not to say that all museums that engage in high levels of promotion during the fourth quarter of retail sales are ignoring the mission and original purpose of their charter, both the Met and the Guggenheim have strong retail sales during this time, from both their museum stores and direct marketing, however, it is important to note that museums that are engaged with the public through retail promotion and not educational programming, are financially oriented institutions.

People

The marketing mix, as defined by Kotler and Andreasen includes people, or the museum staff members who serve visitors and interact with a range of stakeholders in a variety of contexts. This can include the museum board, museum administrative managers, curators, and marketing and sale staff. For the purposes of this research and its relationship to the commercialization of the museum, an educationally focused museum will provide interpretative training and incentives for educational training and skill-building for its staff, as well as retail managers who come with professional museum experience and expertise in the specialization of the museum. Museums that allow for incentives or rewards for financial sales or performance, and employ store managers with a greater degree of experience in the professional retail environment are more likely to have a financial orientation. Figure 2 is a useful model for illustrating
the contrasting focus of an educationally and professionally driven museum organization versus a financial and consumer centered museum.27

![Diagram of Staffing Characteristics of Professionally Driven and Consumer Centered Museums](image)

**Professionally Driven Museum**  **Consumer-Centered Museum**

*Figure 2: Staffing Characteristics of Professionally Driven and Consumer Centered Museums (Adapted from Kotler’s *Museum Marketing and Strategy*)*

**Marketing Segmentation and the Risks of Uncontrolled Application**

Besides the application of the 5P’s in their marketing programs, museum marketing practitioners also emphasize marketing segmentation which is the assumption that the market consists of distinguishable groups with varying behaviors and preferences. Museums define groups they want to attract and then develop specific programs for each targeted segment of potential audiences. Bigley has defined market segmentation as, “the action of regrouping the units making up a market of sub-groups [wherein] groups are separated from each other by virtue of their differing
The consequences of this approach are that museum visitors are categorized and organized by their community and preferences, such as professionals, school groups, local visitors, foreign visitors, and so on. Accordingly, the educational programs are then directed towards a segmented or targeted public. This approach leads to the establishment of differentiated or segmented strategies, also known as positioning, using distinct and separate communication channels to address the target audiences. Research has shown that effective strategies for one population segment can be rejected by another target group whose motivations for visiting the museum are opposite of those of the first group.

A useful example would be to single out a segment of well-informed and educated art lovers who are interested in seeing an advanced exhibition on Renaissance drawings. A marketing strategy which consists of only publicizing the exhibition as an opportunity to discover new artists and new modes of artistry risks the potential rejection of a visitor segment which may be more interested in coming to the museum as an informal outing, and may feel intimidated by such a specialized exhibition program, while at the same time successfully promoting the exhibition to those with a specialized interest. This indicates that there are two distinct communication strategies which need to be utilized when advertising museum programming. Conversely many within the museum profession adhere to the principle that the primary objective for the museum should not be the type of marketing strategy it employs in order to attract the
highest percentage of visitors, and instead should be the definition, creation and promotion of projects derived from the mission of the institution.30

This is where the application of marketing in museums comes up against difficulties. Often performance measurements of the institution may result in the over-reliance and significance of quantifiable data. How is it possible to measure whether a museum visit has stirred inspiration, or provided an educational opportunity or revelation? How is it possible to gauge a museum visit in the improvement of one’s quality of life? The answer is that it is not possible to accurately evaluate the meaning and contemplative value museums provide. The temptation then is for marketing departments and a museum’s fiscal planners to prioritize areas where achievement and performance can be readily quantified, such as budget size, visitor numbers, and commercial and retail performance. For a museum, which must be operating as an educational institution to receive tax-exempt status, giving precedence to quantifiable profit margins is an inherent danger to the mission and purpose of the museum.

Every museum director, including the Directors of the Met and the Guggenheim, when faced with the prospective opportunity of increasing marketing budgets must ask themselves, would the introduction of marketing and advertising place at risk the professional standards and the integrity of the institution and its programs? Would marketing not, after all, be an attempt to try to please the greatest number of people, while at the same time being neglectful of the quality of programming and exhibitions? The next chapter of this thesis will be attempt to
examine this question using the Met and the Guggenheim as comparators, and investigate the costs and benefits of commercializing the museum name and whether or not there is evidence to suggest the public trust communities and citizens place in museums at keepers of historic, scientific, and cultural heritage is weakened by the escalating dependence museums place on marketing, advertising, and promotional practices.
CHAPTER THREE

THE INEVITABILITY OF COMMERCIALISM:
SHIFTS IN CULTURE AND ECONOMIC CHALLENGES

During the last half-century museum directors, managers, and curators have struggled with balancing and maintaining the integrity of museums as institutions dedicated to artistic preservation, education and conservation, while at the same time attempting to generate popular interest for the museum within the leisure-time marketplace in an increasingly fiscally competitive and entertainment oriented environment. Traditionally, the standard for collection-based, acquisitive museums has been about the material they contain. Sir David M. Wilson, the former Director of the British Museums, articulated this point saying, “…the first duty of the museum is to look after the material…[the] second is to make that material available to whoever wants to see it.”¹ Many museum activists, however, have begun to articulate that the current focus in museum management has shifted the museum’s role from its established tradition as a sanctuary for research, scholarship, collecting and the like, to an almost universal conviction that museums exist to serve the public in an entertainment capacity.

This dramatic development and shift in direction in the world of art museums can best be understood through an examination of the rise and increasing interdependence between museums and commercialism, and the way in which existing museum marketing practices connect the two. Commercialism, as defined in Chapter
One, can be seen the expansion of museum retail shops, the rise of blockbuster exhibitions and corporate sponsorship, and the influx of marketing and fund raising personnel for the purpose of generating larger audiences and pursing greater museum revenue through entertainment rather than via artistic and scholarly programming.

Many academics and curators working within the museum community have likened the new museum archetype to a theme park or shopping mall where consumerism is put at the forefront of museum operations and organization, with the viewing of art as a supplemental benefit, but not the principal motive for visiting a museum. James Wood, the Director of the Art Institute of Chicago, has lamented that new financial pressures have led museums to shift from “nourishment to gratification, from teaching and expertise to entertainment and celebrity, from memory to manipulation, from conservation to consumption.” Further evidence of the growing importance museums place in commercializing their institutions can be found in the press coverage of the art museum’s metamorphosis. The New York Times declared in 1997 that art museums were in their glory days since they were, “…fast, cheap, [offered] great shopping, tempting food, and a place to hang out. And you can even enjoy the art.” The Times announced a few weeks later that: “This Isn’t Your Father’s Art Museum: Brooklyn’s Got Monet, but Also Karaoke, Poetry and Disco.”

Many art and culture reporters began to question however, the value of the growing emphasis art museums were placing on entertainment and mass visitor appeal. Roberta Smith of the New York Times pleaded with museum curators “not to give up
Michael Kimmelman of the *Times* further questioned the integrity of museum programming asking, “Where are the ideals? Museums are putting everything up for sale, from their artwork to their authority. Money rules, and at cultural institutions today it seems increasingly to corrupt ethics and undermine bedrock goals like preservation.”

A growing number of museum leaders, concerned about the drift away from traditional museum standards, and the influx of influence upon the museum by entertainment, the internet, sports arenas, shopping malls, and theme parks came together to demonstrate and delineate clear and discernable differences between art and entertainment, and a sharper contrast between the role of the museum and those of the commercial world. In the words of Philippe de Montebello, the Director of the Met, “it is by differentiating ourselves from all manner of entertainment that we maintain our integrity.”

Despite the warnings, change and transformation are necessary, as is the importance of remaining competitive and valuable within the marketplace, not only for museums, but for all organizations. The boundaries which once separated museums from other recreational and educational outlets are blurring and in some instances are breaking down altogether. Ideally museum directors would not include retail shops, blockbuster exhibitions sponsored by corporations, or marketing personnel in their institutions. In the real world however, only extremely well-endowed museums like the
Getty, the Whitney or the Menil, can survive without foraying into entertainment and commercialism.

The purpose of this chapter will be to survey some of the existing research on the unique interrelationship between commercialism and museum marketing and management. This chapter will examine whether art and commerce are compatible, and if there is reason to believe the public would derive greater benefit from museums without shops, restaurants, and the like, or if to the contrary, they are now crucial ingredients to the museum experience. This chapter will further study the potential risks that may be incurred by permitting the museum to become a consumer driven organization focused on leisure and commerce, rather than continue in its traditional role as an educational non-profit institution. This chapter will be an important lead in to Chapter Four which will examine how the marketing plans and business models implemented by the Met and Guggenheim reflect how each museum views the integrity of their collections, and the value each places on the traditional museum functions of collection, preservation, and education.

Beauty vs. Business: A Short Overview on the Relationship Between Art and Commerce

Art and commerce have long enjoyed an uneasy relationship. With the creation of art academies during the Renaissance, artists and artistic patrons aimed to project an image of indifference to material and consumer concerns. Andrew McClellan has found that the purpose of the early art academies was to elevate the fine arts of painting, sculpture, and architecture, above the manual and material concerns of
the marketplace. Aristocratic patrons collaborated with artists to transform their work through academic art theory into symbolic manifestations of high art, asserting the artist had created something from the realm of imagination, intellect, and thus above material value and concern. Beginning in the 17th century art academies began to prohibit their members from engaging commercial activities such as advertising their work and setting up their own studios for the purposes of commerce. Due to the privileges of being associated with an art academy, such as tax exemptions, pensions, and housing, artists were intended to remain distanced and unconcerned with money, and instead focus on the creation of beauty and artistic appreciation.8

At the same time however, governments found that investing in the fine arts proved to be considerably lucrative, not only because producing superior artists glorified the nation but also because the market for objects created by artists was extremely profitable, especially among wealthy foreign patrons. McClellan identifies that high art began to be looked at from a commercial point of view. Art and commerce had begun to work in tandem with countries and patrons having the honor of producing excellent artists but also raising the demand for their artistic commodities abroad, thus increasing annual revenue.9

It is not surprising then that the very first museums were associated and often created by the art academies. The Louvre, which is seen by many as the first museum which many contemporary (that is to say current, not necessarily modern art) museums base their acquisitive and organization practices upon, was founded on the
Enlightenment principles of creating an encyclopedic collection of art and culture that allowed for democratic public access to a national collection of artistic treasures that promoted civic and cultural pride. Despite its dedication to high art, the early Louvre, which aimed to promote serious history painting and sculpture, found that creating commercially viable reproductions of their masterworks provided useful and substantial revenue for the museum and its operations.¹⁰

Moreover, when the Louvre opened in 1794, during the height of the French Revolution, its director insisted that only master works be featured and that the decorative arts such as aristocratic interiors or tapestries be shown in smaller museums throughout Paris. The early Louvre never compromised on its identity as a bastion for high art. What is interesting however, is that while the Louvre remained committed to its charter as an encyclopedic history museum, the commercial advantages it brought to the French economy could not be ignored. Visitors to the Louvre bought catalogs sold at the door, purchased reproductions of the masterworks hung on the walls, and had engravings made of sculptures and paintings they had seen. Moreover, the revenue generated from visitors to the Louvre for Parisian hotels, restaurants, and shops had never been seen before in history. It was the first large scale instance of cultural tourism.¹¹ Why is this significant to a study of the Met and the Guggenheim? It is important because it demonstrates the long standing tradition between the consumer, commercialism, and cultural consumption. From the very first inception of the traditional museum format (of which the Met and the Guggenheim are a part) art and
commerce have been connected and have never really been able to disassociate themselves from each other despite attempts to separate the two.

One of the strongest proponents of divorcing art from utility and commerce was Benjamin Ives Gilman, the Secretary of the Boston Museum of Fine Arts (MFA) during the Gilded Age. For Gilman, who had reached the zenith of his career during the American Industrial Revolution, art was not a means to an end, but an end in itself. Inspired by famed art and culture critic John Ruskin, who deemed the 19th century’s pre-occupation with accumulating wealth and status through objects an example of an avaricious age, Gilman believed that art and culture were the sources of morality, transcendent beauty, and humanity and an antidote to the de-humanizing forces of capitalism and industry.12 Gilman’s treatise *Museum Ideals of Purpose and Method* insisted that art museums reject associations between money and commerce, beginning with the abolition of entry fees. Gilman stated, “Artists must make a living, and collectors must inevitably compete for achievements, [however], a work of art is rescued from this companionship with money when it reaches a museum.”13 He also deemed advertising and marketing inappropriate as it made a museum seem too much like a commercial enterprise, rather than aesthetic experience. For Gilman, museums were intended to function as temples to beauty and aestheticism, and enable individuals to experience art on a personal level. Gilman is an important figure in the history and development of the museum. His principled and rigorous rejection of utility, money, commerce, and commercialism and his dedication to the integrity of art being of
foremost importance to the museum experience would become the driving force behind museum philosophy during the first half of the 20th century. Indeed his ideals resonate among current museum directors and staff even today, however as times changed and the generational and economic shifts of the second half the 20th century became more complicated so to did museum philosophy.  

In the United States, where commercial interests were inescapable as early as the 19th century, Gilman’s philosophy, while widely praised by museum professionals for its almost utopian idealism, seemed untenable to the modern world and economy. George Brown Goode, one of the first directors of the Smithsonian Institution, while an early proponent of Gilman’s philosophy, eventually came to believe the United States was defined by consumerism and an economy of consumption, which could not be divorced from museum management. He stated, “the museum of the past must be set aside, reconstructed, and transformed from a cemetery of bric-a-brac into a nursery of living thoughts, and adapted to the needs of the [working man] as much as those the professional and man of leisure.” Goode’s ideas were embraced by John Cotton Dana, the Director of the Newark Museum until 1930, and one of the most influential museum directors in the history of museum organization. Dana, recognized as a prescient and radical thinker on the relationship between museum display and everyday life of the visitor, is credited with conceiving the first modern theory of museum practice, which a number of prominent art museums including the Brooklyn Museum, the MoMA, the Met and the Guggenheim, all subscribed to in their founding charters.
Though Dana was primarily concerned with formal aesthetics and design, he did not view the museum as a temple to art. He believed the museum should exist as an active learning center rather than a passive receptacle of artifacts. Concerned with promoting public taste and reflecting the values of visitors, he advocated for an art museum with close ties to an audience and its needs. Dana further argued that art museums should display objects that establish continuum between common household items and art while encouraging aesthetic discrimination. In this way the museum would “add to the interests of visitors lives and to the improvement and general efficiency of their appreciation for art.” Dana’s theories are important because they establish continuity and cooperation between art, taste, and consumerism that has direct relevance to the organizational practices that formulate current museum operations. Moreover, Dana established a technique for promoting art design and aesthetics while simultaneously experimenting with strategies pioneered in the commercial realm.

If Gilman and Dana represent poles in museum theory and practice, a number of prominent art museums early on their establishments, including the Met and the Guggenheim, searched for middle ground, promoting art and design while at the same time experimenting with strategies derived from the commercial realm, most notably from department stores, which would become the inspiration for the museum store or shop, an idea which would aid in propelling museums toward becoming popular urban destinations.
Andy Warhol once remarked, “All department stores will become museums and all museums will become department stores.” Neil Cummings and Marysia Lewandowska have proposed in their research that Warhol’s quote was remarkably prescient stating as follows:

The long history of convergence between the museum and the store is just part of the previously clear demarcation between the cultural and the economic. Indeed, any notion of the two institutions being radically opposed can now only be supported as an ideological proposition, rather than by reality.

From the late 19th century through the 1960s museum shops were often no more than a desk or a corner in the lobby selling a few postcards or scholarly publications. These kinds of materials were viewed as educational and offered as a public service. However, the influence and growing popularity of the department store, which since the 1920s had assumed a central place in the life and economy of North American cities, greatly influenced museums to exploit novel advertising, marketing and retail strategies to seize the public imagination in order to rival the department store as a source of visual and cultural stimulation. Museums became invested in consumer psychology and began organizing their spaces for the purpose of selling products, such as photographic reproductions of the objects they housed. Applying a consumer friendly retail model to the museum witnessed a shift and a greater emphasis on the importance of the museum store, not only as a source of revenue, but also as a defining factor in the public’s museum going experience.
At the Boston Museum of Fine Arts (MFA) gift shop accompanying the Monet in the 20th Century Exhibition (1998) for example, visitors were tempted to purchase the following products: scholarly catalogs and books, videos, posters, framed reproductions, t-shirts, postcards, pens, paint sets, chocolate, toys, cosmetic bags, purses, napkin holders, address books, personal organizers, stationery, aprons, pillows, and Christmas ornaments, to name a few. During the exhibition’s two month stretch, the museum sold fifty thousand postcards, thirty-four thousand catalogs, and ten thousand posters. The MFA proved what every marketer of culture espouses: “Anything Monet sells – anything.”

Many critics have questioned the consequences of this kind of increased commercialism in the non-profit sector. Stefan Toepler identifies a series of recent crises in the non-profit world that have dramatically altered the funding of arts organizations. These include: a fiscal crisis brought on by substantial cutbacks in federal support since the early 1980s, and an economic crisis which has blurred the boundaries between non-profit and commercial sectors. In addition, an effectiveness crisis has led to an increased professionalization in the field of museum curators and directors, and a series of scandals has prompted a legitimacy crisis. According to Toepler, museums have responded to these challenges by moving toward self-sustainability via earned income. This new focus in the museum community based on self-sustainability brings with it with the threat of goal or mission displacement, which Toepler defines as “the possibility that increasing emphases on, as well as the lure of
success with, commercial activities will tempt non-profit managers to lose track of what the organization originally has set out to accomplish."\(^{23}\)

He singles out the museum store as the most visible form of commercialization in the non-profit sector stating, “while it can be argued that retail [marketing] and merchandising activities help increase the visibility of the museum and therefore further the educational mission, the core incentive is the potential revenue.”\(^{24}\) Museum stores are thus only about money.

In recognition of issues associated with earned income, museums must display sensitivity to both the educational and financial imperatives of being a non-profit organization. Of particular relevance is the Unrelated Business Income Tax (UBIT). Both Congress and the IRS have responded to questions about potential unfair competition between non-profits and small businesses. Museums’ tax exemption rests on their status as educational institutions, but museums are subject to UBIT if their merchandising and retailing earn income from a trade or business which is carried on with regularity and which is unrelated to the institutions exempt purpose. Simply stated, museums cannot earn income on merchandise sold that is not within the educational framework of being a non-profit and still claim tax exempt status. As a result, museum stores and their products are repeatedly under investigation to determine if their products are “related” to their educational mission.\(^{25}\)

Three factors influence IRS rulings on this subject: the connection between the item and the museum collection, the extent to which reproductions reflect the original
item, and the overall impression conveyed by the article. The more a non-profit tax exempt museum begins to resemble a commercial operation, the louder become questions as to why they should be exempted from property tax, which is a vital source to local government revenue.26 Both the Met and Guggenheim museums receive tax exempt status because the objects they house are considered to be educational in nature, and because the buildings in which they display the objects in their care are considered historic. In light of the recent economic downturn however, it is likely that cash strapped governments may pay greater attention to the well-endowed museums that occupy prime city space in the hopes of extracting financial benefits. Therefore, having an organization that appears to be economically self-sufficient by virtue of large endowments and a highly commercialized income structure is bound to raise questions about whether UBIT is valid for particular museums.

The museum store phenomenon and its commercializing aspects has been substantially researched by Janeen Arnold Costa and Gary Bamossy. Costa and Bamossy identify three organizational goals with respect to a store: “a focus on the sanctity, authenticity, and protection of the object, realizing economic goals of the museum, and democratization of education, knowledge and access to the object.”27 Often the first goal can be in conflict with the second and third goals. Tourists seek a memento that validates and prolongs their museum experience, and it is the responsibility of the museum to pay close attention to respect and preserve the object’s sanctity as authentic. At the same time the museum must offer a customer oriented
store that simultaneously respects the patron and the object. Costa and Bamossy suggest that control and broad access to the collection via reproductive images cannot be seen as incompatible. The museum must exercise control over the objects they house while at the same time infusing their organization with a commitment to education and conservation via retailing.²⁸

Andrew McClellan has remarked that the “challenge for museums is to be able to take advantage of commercial opportunities without sacrificing their rhetorical withdrawal from the everyday world.”²⁹ One of the problems facing museum directors is that no one is certain where the line can be drawn between retailing for educational purposes and overt financial autonomy as a result of commercial enterprise. The role of reproductions is itself a source of contention. Museums have worked to defuse the tension by insisting that the display masterpieces in their care and their reproduction are both a form of educational outreach to the public. The following statement from the website of the Met store is indicative of how museums attempt to explain how the museum shop is key to its overall mission as follows:

Every product created by the museum is the result of careful research and expert execution by the Met’s staff of art historians, designers, and craftspeople, who ensure that each reproduction bears the closest fidelity to the original. The Met’s reproductions and publication programs are a source of pride to the Museum, not only because they are executed with a focus on quality and attention to scholarship, but also because publication and reproduction from our collection is part of the original mission of the Museum, and has been a tradition here for a century.³⁰
Leading theorists believe that cultural consumption, the kind of purchasing described above wherein a consumer can take reproduction of an artistic masterpiece home with them, has a critical role to play in the formation of self-identity. Patrons of museum stores make thoughtful choices about the symbolic materials reproduced by the museum in order to perform and build a narrative of self-identity. John Storey has observed that by purchasing a postcard, tote bag, or set of stationery, the museum visitor is participating in a process of social self-creation in which they are directly able to understand themselves and others through material objects that have cultural meaning both on an individual and communal level. The object has been democratized through reproduction, and made available for public consumption while the original remains safely protected by the museum institution. In this way, the museum store purchase becomes a form of bricolage — part of the semiotics and iconography of pop culture.31 Dick Hebdige has explained that when objects are removed from their contextual spaces and juxtaposed against other objects and symbols from other contexts they enter into a dialogue based on a new contemporary setting. For example, if a patron of a museum store purchases a reproduction of a Monet painting, and places it among personal photographs, the objects take on individual meaning, and are therefore disassociated from their original historical, cultural and social context.32

This act of contextual displacement indicates to some scholars that cultural consumption is a beneficial, useful, and socially progressive opportunity to extend the art museum experience into everyday life by preserving a memory associated with
education and learning; that the objects purchased in the museum store represent, in a material and symbolic way, the abstract ideas that have been experienced and processed during the museum visit.\textsuperscript{33} Most museum scholars and curators agree there is no harm in museum patrons purchasing postcards of treasured artworks, or collecting prints by a favorite artist. These kinds of purchases are viable sources of revenue and extend the museum going experience by stimulating the senses and memory. There is disagreement in the art world however, about the value, necessity, and risks of rampant consumerism, such as Cezanne inspired olive oil, and Rodin autographed baseballs, both of which were products sold at the most recent exhibitions of the two artists at the MFA.\textsuperscript{34} According to Michael Kimmelman, an arts and culture reporter for the \textit{New York Times}, museums are at a crossroads and require “less blurring of the line between commerce and content, and a reassertion of authority which [restates] convictions about the ethical import of aesthetics and the power of the things museums house.”\textsuperscript{35} For Kimmelman one of the problems with increased commercialization and consumer oriented museum shops and merchandising is the very real threat of mission and goal displacement. Similarly, Stefan Toepler, drawing on research from Burton Weisbrod, has offered that the key distinction between profit and non-profit organizations is that in the case of the former, financial objectives (i.e. profit, shareholder maximization, stock value) are the main driving force behind the organization, whereas the choice of products or services to be provided (i.e. the market in which the firm operates) is secondary.\textsuperscript{36}
Conversely, non-profits only generate revenue to enable them to fulfill their mission by producing replications of their objects. Having a balanced revenue mix comprising public, philanthropic, and earned income allows these organizations to prevent dependence on any one source. There is a possibility therefore that museums that come to rely too heavily on commerce and consumerism and ignore the mission of their organization will lose the secure revenue that comes from philanthropic efforts and endowments. In this respect, the explosion of retailing activities within the American museum field seems worrisome, especially since the actual financial benefits of the museum shop appear to be negligible compared with the investment in the overall mission of the museum. Cultural organizations relying too heavily on earned income associated with commercial retailing might be enticed to shift from artistic programming to more entertainment oriented offerings.37

Along the same line, many within the museum profession feel that the contextual displacement of museum objects on billboards, mugs, totes, olive oil, pens, and the like, is a disservice to the educational, historical, and intellectual purity, free of marketing influences, the museum as an institution is intended to symbolize. According to David Carr, “the primary role of the museum has been and should always be preserving the canons of taste, and avoiding commoditization of museum objects. The museum should be thought of as a living trust.”38 For museums, the marketing of objects through the museum store can often run afoul of taste. Commodifying, or transforming artistic masterpieces into sale brands for mass consumption, while
lucrative, can be potentially polluting, and damage the artistic and historic value of a work of art. David Freedberg has found that when the marketplace of ideas has been flooded with a particular visual image or piece of iconography, the image over time will become stale, uninteresting, and eventually lose meaning due to over-saturation.39

This is a phenomenon that has been widely studied in the Impressionist movement, which at its inception was one of the most avant-garde, unique, and anti-establishment artistic styles in the history of art, but which has become, due to mass commercialization and heavy marketing, the movement most closely associated with product merchandising. Amy Ninetto has commented that the commodification of Impressionism has directly altered its historical and cultural legacy. This is one of the greatest costs of the commercialization of art. The selling of tote bags, stationery, pens, calendars, and other commodities potentially endangers the significance of art, because it turns art into a consumer brand whose purpose is not educational or edifying, but instead commercial and targeted to consumers as a brand, much like a sneaker or soft drink, to be bought and sold based on the most sophisticated marketing techniques.40

The Blockbuster and Corporate Sponsorship: The Fusion of Art and Business

Along with the development of the museum store over the past two decades, the commercializing aspects of the art museum have further been witnessed in the rise of the so called “blockbuster” exhibition. A variety of developments beginning in the 1950s, including federal insurance indemnification and exhibition support from
corporations and national endowments led museum directors to stage what were known as 19th century style “treasure” exhibitions reminiscent of exhibitions displayed during the Centennial celebrations and World’s Fairs. In museological terms, the 1950s were a period of consolidation following the expansion of museums with the great wealth and artistic philanthropy of the robber-barrons during the previous decades. Museum budgets were under control, the art market was robust, and museum curators priorities were aligned with patrons and collectors, and museum audiences were generally elite and content with the museum as a place of contemplation and solemnity.

These notions began to change however in the 1960s and 1970s due to a resurgence of populism coupled with mounting fiscal challenges in the non-profit sector. For these reasons, both ideological and economic, museums turned to marketing and high-profile programming in order to increase revenue and diversify their audience base. Alvin Toffler has stated that the advent of the cultural consumer and the cultural tourist was simultaneous to the outreach of museums to the rising middle class. In 1963, as a demonstration of cooperation between World War II allies, the Louvre lent the Mona Lisa to the National Gallery in Washington, an event that drew nearly two million people. John Walker, the Director of the National Gallery, was somewhat dispirited by what he called the “…superficial, cultural sightseeing by the masses that did not justify the maintenance of public collections.” The Mona Lisa loan revealed however, the potential size of the public interest in art,
and the potential revenue that could be generated, despite the fact that the new audiences were not “truly devout art connoisseurs.” It was this exhibition where the concept for the modern blockbuster took root.

While the National Gallery in Washington was host to the first true 20th century blockbuster, the motivation, history, and ideological impetus behind the blockbuster age can be traced to Thomas Hoving, the Director of the Met during the late 1960s and 1970s. Hoving instituted widely influential policies designed to draw upon, and create broad-based public interest in the new art blockbuster, and employed sophisticated advertising and marketing techniques to tap into the new interest middle class consumers were demonstrating in cultural tourism. During his tenure Hoving oversaw the exhibition of prominent and groundbreaking blockbuster shows such as the socially progressive *Harlem on My Mind*, a presentation of photographs of prominent African Americans, which had previously been relegated to ethnographic oriented museums, and the hugely popular *King Tut*, which attracted unprecedented crowds and never before seen revenue generated from admission fees and sale merchandise. Indeed the *King Tut* exhibition was one of the most profitable enterprises in the history of the Met. The official sale of reproductions from that exhibit totaled $17.4 million. Further, of the $4.5 million from admission fees at the Met in 1979, $2.8 million was attributable to the *King Tut* exhibit. Approximately forty percent of the Met’s gross income that year was the result merchandising and auxiliary activities associated with *Tut*. It is important to note however, that despite the financial dividends that accompanied these
shows, for Hoving populism and publicity came before profit. Instead Hoving hoped, in the spirit ushered in by the egalitarian sentiments of the 1960s, to cultivate a public demand for high art, and remove the elitism (real or imagined) associated with museums and their patrons.

The momentum of the success of the Met exhibitions was undeniable, however, and by the 1960s the income from benefactors, endowments, and subsidies was no longer sufficient to meet the rising costs of building maintenance, new programs, and staffing in many private museums. Up through the 1950s marketing development offices, donor campaigns for capital, and membership drives were virtually unheard of in museums, and admission fees were rare. Gradually many museums were forced to join with universities and hospitals in charging for services and pursuing donations from a wider circle of friends and benefactors. The justification for new fees and solicitations required museums make themselves more appealing, which entailed architectural renovations and expanding programming, which then in turn necessitated more staff and higher operating budgets. The traditional art museum focused on contemplation and art education and preservation did not generate enough revenue to function, and the new patrons that were being pursued, surrounded by recreational alternatives required new and different types of stimulation to create interest and inspire repeat visits. Museums thus, started to become audience driven and increasingly oriented toward serving the public. As such, the well marketed and
heavily advertised blockbuster exhibition became the most effective mechanism to attract crowds and generate revenue.\textsuperscript{48}

Despite their fiscal benefits for the museum, blockbusters can be extremely expensive to mount. The costs associated with marketing campaigns and advertising, personnel requirements, insurance indemnifications against theft or loss, set-up, and removal of exhibitions are enormous, and call for a greater degree of capital than most museums have on hand, even those with large endowments or subsidies. Their proven popularity however, has made the blockbuster exhibition extremely attractive to corporations willing to exchange financial support for advertising. Corporations have found that sponsoring a blockbuster art exhibition at a renowned museum gives their company and their products a level of refinement and sophistication that no other kind of advertising can provide.\textsuperscript{49} Jay Gates, Director of the Phillips Collection in 1998 when blockbusters were in their zenith, summed up the phenomenon stating as follows:

It is no longer a revelation to observe that, over the course of the last thirty years, art museums in America have come to be driven, if not dominated, by their major exhibition schedules. Virtually everything that is quantifiable about America’s major museums follows the performance of their exhibitions…Attendance, ticket sales, membership, shop revenues, food sales, social functions – of these things are done in connection with the exhibitions.\textsuperscript{50}

This fusion of art and business has been one of the most sensitive funding issues the museum has faced in recent years. Museums need the large volume of people exhibitions attract, and exhibitions require outside funding and the advantage to corporate sponsors is association with an uplifting, chic and urbane product – art, and
access to an affluent public with dollars to spend. David Rockefeller encouraged his fellow business leaders to support art exhibitions stating as follows:

> [Art sponsorship] provides extensive publicity and advertising, a brighter public reputation, and an improved corporate image. It can build better customer relationships, a readier acceptance of company products, and a superior appraisal of their quality. [It can] also improve employee morale and attract quality personnel.\(^{51}\)

From a corporate standpoint there are very few drawbacks to sponsoring an art exhibition. However, many in the art community have voiced serious concerns about the looming presence corporations have in the day to day decision making in America’s art galleries. Sponsors expect good publicity for their financial support, and there are worries that corporations will interfere with the contents or cultural and historical message of an exhibition because it sends the wrong image about the company sponsoring the exhibition. Many curators have found themselves engaging in a kind of self-censorship, or planning and conceiving exhibitions that will be not sensational and instead will lend themselves easily to finding corporate sponsors.\(^{52}\)

Hans Haacke summed up this sentiment during a symposium of museum managers stating that it is fair to assume exhibition proposals that do not fulfill the criteria for corporate sponsorship risk not being considered. Shows promoting awareness, or questioning pre-existing power relations or economic concerns have a slim chance of being approved. Haacke believes that museums do not even plan potentially controversial exhibitions because they know there is little chance corporate funding follow and potentially may even sour relations with other exhibition investors.
Without exerting direct pressure it seems, corporations have effectively gained a veto in the museum planning process because of their deep pockets, and museums are running the risk of becoming public relations agents for the ideology espoused by corporations. There is evidence to suggest that if a corporation is given free rein to execute and promote an exhibition, the museum is reduced to a marketing tool, and in a market-driven environment in which curators are no longer needed, museums become merely spaces to rent as exhibition halls.53

In a seminal editorial published in the *Art Bulletin*, the editor of that journal found that the blockbuster exhibition phenomenon, along with the advent of corporate sponsorship, had four particular consequences for the art museum from a strictly art historical and curatorial perspective. While published in 1987, many of the arguments set forth remain relevant for consideration in current museum operations. According to the editorial the first result of a shifting focus toward blockbuster exhibitions is the substantial value placed on marketing considerations rather than intellectual or art historical priorities. Often exhibition catalogs are organized hastily in order to meet a corporate sponsor’s deadline rather than with concern for the overall quality of the exhibition based on a curator’s input. Secondly, coordination of the blockbuster exhibitions have placed curatorial staffs under daily pressure to attend and plan the exhibitions, some exhibitions following each other back to back for months on end, which in turn leaves the permanent collection neglected by those whose very title signifies caring for works of art both physically and through intellectual exercise.
Thirdly, the editorial identifies that works of art with the greatest aesthetic, historical, and commercial value routinely are circulated in exhibitions with little or no art historical coherence. Finally, the way in which exhibitions are organized, often only allowing several visitors to view the pieces at a time, or setting up the organizational flow of the exhibition, along with the crowded viewing conditions threaten to dehumanize the museum going experience. The editorial goes on to say that while the blockbuster may be a necessary source of funding, exhibitions must have substantive ideas based on sound art historical principles and research; they cannot merely be based on drawing crowds and making money, otherwise the art museum risks art-historical objectives in favor of mere institutional aggrandizement.

*Public Attitudes: The Importance of Flexibility and Continuity*

Absent a healthy endowment, museums must cater to broad audiences and corporate sponsors while not alienating their established constituencies, which include professional curatorial staff. There is no denying the economic benefits of the blockbuster exhibition, and shops along with other auxiliary activities have become vital to the day to day operations of most museums in the United States. There is evidence however, that the constant search for corporate sponsorship and the overarching importance placed on generating revenue erodes the public confidence and integrity of the museum as a scholarly and archival institution. One of the most important questions for current museum managers is whether the public trust is weakened by museums that embrace commerce, or if in fact shops, restaurants, and
blockbuster exhibitions are crucial ingredients to the public for an enjoyable museum experience.

Mario Malaro has defined the public trust as a term that implies a dual set of responsibilities – first to preserve, protect, and enhance property held on behalf of the public, and second a code of conduct to ensure this responsibility is discharged with the highest degree of skill and diligence.56 Glenn Lowry, the Director of the Museum of Modern Art (MoMA) has reiterated this philosophy stating that museums, as public institutions are expected to behave and act in a way that is in keeping with the perceived values their missions identify. For Lowry museums should be places of repose and contemplation; where discovery and learning are made possible and where visitors become absorbed by the power of art. As times have changed, so too have the dimension and scope of museums. Long since have they simply been quiet temples for artistic appreciation as Benjamin Gilman had hoped they would be, and instead museums have become highly complicated institutions with extensive collections, staffs, and perhaps most importantly different kinds of visitors. Visitors at today’s museums can be members, corporate sponsors, artists, cultural tourists, day trippers, scholars, and historians. Museums now compete fiercely for their audiences, not only with each other, but with other cultural venues and forms of entertainment. Further they must balance the pursuit of their core mission with the practicality of managing a budget and the responsibilities ranging from organizing massive artistic collections to the culinary offerings at the museum café.57
The perceived need to search for and cater to new and diverse audiences has led many museums to tackle exhibitions that normally would not be considered, such as the Guggenheim’s Armani show, as well as its display of Harley Davidson motorcycles in the main exhibition space.\textsuperscript{58} Moreover, the quest for greater visitor numbers has seen the museum community foray into terrain that would normally have been thought deeply incongruous to the mission and function of the museum. Recently MFA director Malcolm Rogers entered into a lucrative partnership with the Bellagio Casino and Resort chain, wherein the MFA would loan a certain amount of Impressionist paintings to the Bellagio for use in their casino space in return for funding.\textsuperscript{59} Additionally, the Louvre in Paris has agreed to a permanent loan of up to $400 million worth of the art it retains in storage to finance a cultural entertainment complex in Abu Dhabi, UAE. The complex, which will feature a Louvre satellite building designed and built by celebrity architect Jean Nouvel among other cultural attractions, will be owned and operated by the leaders of Abu Dhabi, and is being touted as the first cultural theme park in the world. There is widespread controversy over these plans, with the French cultural ministry alleging that French patrimony is on sale to the highest bidder.\textsuperscript{60}

Many supporters of these populist, entertainment oriented ventures argue that this type of programming expands the art public and encourages repeat visitation – much the way a theme park or casino would. However, many are concerned that the distinctions between the pleasure and enjoyment of experiencing masterful art and opportunistic values associated with entertainment programming are becoming too
blurry. The advocacy of art as entertainment ignores the difference between standardized, mass produced, commercial forms of entertainment and culture. Glenn Lowry has stated that equating entertainment and art is akin to equating the exploitative and the sincere, the ephemeral and the enduring, hype and history. Lowry goes onto to say that museums are indeed public and civic spaces as well as psychological spaces. They are premised on the notion that their contents transcend time and constitute a world of durable, artistic achievement, cultural symbols, and link generations to their past and present. As such museums must be perceived as acting responsibly and inspire confidence in their publics that considered judgment has been taken regarding programming, display, and collaborative efforts with other institutions and sponsors.61

One of the hardest aspects of being a museum manager today is making art galleries spaces of active engagement and learning for a broad spectrum of people with different expectations and different levels of artistic expertise while remaining consistent with the mission of the museum. Those in the profession who espouse the traditional values of curatorship, aesthetic contemplation, and object based scholarship are not averse to increasing the art museum’s audience base. Instead of pursuing the public through blockbusters and museum shops however, most traditionalists would prefer to reach out to new visitors by encouraging them to invest time in the appreciation of the permanent collection. James Cuno remarked, “How do we get
visitors to slow down and look closely at art; directing their curiosity to the subtleties of a painting without reducing ambiguities to sound-bite explanations.”

A positive development for the museum-going public in today’s market has been an appearance of new museums for different publics. The emergence of alternatives to the mainstream museum has allowed for a range of artistic representation, giving previously neglected voices a public forum. Where the Met primarily showcases Western European art, the Studio Museum of Harlem, and Museo del Barrio fill the gap. Further, where the MoMA tends to only exhibit conservative interpretations of modern art, other museums, such as P.S. 1, or the New Museum of Contemporary Art offer a more current and up-to-the-minute take on contemporary art. This is important because often institutional restraints prevent museum directors from trying to expand appeal to wider audiences. They must work within the framework of the way the museum displays and interprets its collection as well as the public it serves. Museums will survive the current crush to compete with entertainment in the leisure time marketplace if they remain flexible to different approaches, such as blockbusters and merchandising, while at the same time remaining committed to enlightening the public about the continuity of their collections and the larger purpose ascribed by their missions.
CHAPTER FOUR

A COMPARISON OF THE MARKETING MODELS USED BY THE MET AND THE GUGGENHEIM: SCHOLARLY REPOSITORY VS. GLOBAL BRAND

When Frank Lloyd Wright was approached by Solomon Guggenheim and the directors of the Guggenheim Foundation in 1943 to design the building which would become the Guggenheim Museum in New York, he prophesied that his creation would “…make the Metropolitan [Museum of Art] look like a Protestant barn.” Ever since, the creative, economic, and ideological forces driving the management of the two institutions have been at opposite ends of the museological spectrum. The Met, venerable and encyclopedic in its artistic coverage, insists that a museum’s traditional function of scholarship and preservation must be at the core of how it is managed; and that clear and discernable differences between art, entertainment, and a sharper contrast between the museum and the commercial world will determine whether a museum flourishes. Conversely, the sleek, hip, and trendy Guggenheim, a temple to modern art which has become an artistic brand name in four countries, has consistently and purposely utilized the blurring of the line between art and commerce to further its message of what it believes to be the importance of museum expansion and international visibility in a global economy.

Using the theoretical research from the previous chapters of this thesis as a catalyst, this chapter will examine the phenomenon of museum marketing and commercialism within the changing environment of museum operations in the 21st
century, and will explore via comparison between the Met and the Guggenheim, how the divergent marketing and commercial approaches of the two museums effect their status as cultural non-profits, in terms of the public trust as well as the value each institution places on its collection and mission of art education and preservation.

Paul DiMaggio has identified the paradoxical situation in which museums operate, finding that on the one hand, museums are sheltered from the broader marketplace by governmental policies which offer incentives for them to adopt a non-profit framework, but on the other hand, they exist in a free market economy and are expected to vigorously compete with other businesses (like theme parks, shopping malls, and restaurants) in a supply and demand framework. Additionally, notions of the self-regulating market can distort useful and productive discourse about public policy towards cultural organizations. This split view of operation and purpose, both in the theoretical realm and real world practice, creates additional complexity regarding the best marketing approaches within the context of today’s museum sector.²

Kotler and Andreasen have concluded in their research that marketing strategy for non-profit organizations, especially museums, should be consumer focused with appropriate initiatives taken toward creating a museum centered on the marketplace and auxiliary services.³ Similarly, Susan Sontag, the noted cultural observer, argues in her essay, Notes on Camp, for the importance of camp – or kitsch – as an important and useful aesthetic in “selling” and “marketing” the museum to audiences who
normally would not visit cultural institutions due to its witty playfulness, heightened sense of glamour, and exuberant nature.4

Other industry leaders stand in stark contrast to these interpretations, viewing a consumer oriented museum with concern. Shearer West’s critique of museums which engage in overt commoditization of their institutions is characteristic:

Most museums with a strong commercial focus are like Steven Spielberg movies, designed to attract [customers]. There are posters, t-shirts, paperweights, and pencils all for the intention of branding the museum. Media marketing consolidates the function of the museum as an outpost of commodity capitalism: although it may require a certain amount of knowledge to understand a piece of art, it does not require an equivalent depth of understanding to appreciate the same work when reproduced on the front of an address book, or viewed in between breaks at a casino.5

Further, at the 2002 America Association of Museums annual conference, National Public Radio journalist Susan Stamberg stated that a museum which places consumer consumption as a priority will erase the artistic encounter between the visitor and art.6

How then do we evaluate the best course for museums to engage with their publics, remain steadfast in their educational mission, and continue to be relevant in an expanding and increasingly complex global economy which is dominated by the free market? This thesis proposed in Chapter One that within the sphere of non-profit museum marketing there exist two competing opinions about the value and necessity of commercializing and branding the museum name. The first view is a narrow definition of museum marketing and can be applied to the museum philosophy adopted by the Met, wherein the role of marketing is integral and vital to the museum, however
it operates within a relatively compartmentalized sphere, offering public relations
services and promotional tools in an attempt to draw audiences to the larger missions
of visitor education. The second view which is characteristic of the Guggenheim’s
approach is a more all encompassing, overarching belief that marketing and
promotional practices must guide the entire organization. The perceived need to attract
audiences permeates the forces driving the institution, and communicating the museum
mission becomes less important to creating a consumer brand in a global marketplace.

While these principles could be applied to various museums, the Met and the
Guggenheim easily lend themselves to this study and are useful comparators due to
their international status, size of their collections, and the specific marketing tactics
and business strategies each institution employs. It is important to note that both must
be understood as museums which have embraced aspects of commercial practice.
Comparing the Menil or Getty to the Guggenheim would not be a practical exercise in
that a strong and robust endowment to the two latter museums have left them in the
black financially, whereas the Guggenheim, while it possesses a respectable
endowment must continue to raise funds to continue operating. Similarly, to compare
the Met to the MFA, for example, would not present a clear understanding of the cost
benefit analysis in relation to the recent trend in the museum world to begin global and
international outreach in the form of satellite museums. By contrasting the two
competing ideologies this chapter will illustrate the differences between the marketing
practices instituted by the Met and Guggenheim, and offer insights into how the
distinctions between the two organizations affect their overall philosophical approach to their role as a museum. Further, this chapter will investigate whether there is evidence to support the notion that museums that embrace a marketing focused concept of their mission weaken not only the trust the public places in the institution, but their own relevance in the museum field and the non-profit sector.

The Metropolitan Museum of Art: Mission and Purpose

According the 2007 Annual Report issued by the Met, the mission of the Metropolitan Museum of Art is stated as follows:

The mission of the Metropolitan Museum of Art is to collect, preserve, exhibit and stimulate appreciation for and advance knowledge of works of art that collectively represent the broadest spectrum of human achievement at the highest level of quality, all in the service of the public and in accordance with the highest professional standards.7

This statement of purpose has guided the museum for its 130 year history. The Met was founded on April 13, 1870, and was to be located in the City of New York for the purpose of establishing and maintaining in said city a Museum and library of art, intended to encourage and develop the study of fine arts, and the application of art to manufacture and practical life.8 Philippe de Montebello, the Director of the Met up until his retirement in November of 2008, has stated that the Museum is first and foremost a repository of works of art, and its mission centers and emanates from the works contained in its permanent collection. The extended Mission Statement for the Met is illustrative of these goals and is represented in the table below.9
The Met has adopted corollaries to these objectives recognizing that there are additional elements essential to the fulfillment of the mission but not necessarily
directly proportionate to the founding mission and charter of the museum. The following table exemplifies these elements.\textsuperscript{10}

\textit{Figure 4: Corollary Objectives of the Met in Relation to Mission Oriented Goals}

<table>
<thead>
<tr>
<th>Corollary Objectives</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustees</td>
<td>• Keep a board of trustees whose members are committed to ensuring the success of every aspect of the Museum’s mission</td>
</tr>
</tbody>
</table>
| Staff                | • Foster and support an outstanding staff at all levels  
• Build and maintain a volunteer organization to support programming and activities  
• Encourage and facilitate the professional growth, training, and development of staff and sponsor fellowships, internships and teaching programs |
| Facilities           | • Maintain superior facilities for the maintenance of the collection  
• Ensure galleries are conducive to a rewarding experience  
• Maximize use of Museum space |
| Financial Equilibrium| • Meet programmatic needs of the Museum  
• Provide infrastructure and support necessary to maintain excellence  
• Maintain superior record in endowment management, balancing present and future needs  
• Achieve a balanced budget |

These objectives set forth by the Met are instructive in understanding the guiding purpose behind how the Met focuses its perspective as a non-profit arts organization. The Museum views itself primarily as an artistic repository and beacon for education, scholarship, and preservation, and its mission statement points to this end.
The Metropolitan Museum of Art: Brief Overview

Visited by approximately five million people each year, the Met is a non-profit organization that is responsible for the guidance and operation of the one of the largest and most comprehensive encyclopedic art collections in the world. The Museum boasts over seventeen curatorial departments ranging from its East Asian Collection to the Masterpieces of Western Art, to its most recent acquisitions of Greek, Cypriot, Etruscan and Roman art which is housed in newly renovated space. Located in Central Park on the Upper East Side, the Met’s two million square foot building is owned by the City of New York, while the collections are held for the benefit of the public by the corporation’s trustees. In addition, the City subsidizes the Museum’s heat, light, and power as well as funding a portion of the costs of maintenance and security. The accounts in trust are responsible for a share of maintenance in relation to the collection, in addition to costs associated with acquisitions, conservation, special exhibitions, scholarly publications and educational programs.

In 2006, revenue and support for ongoing operations was $115 million. The Met receives funding for these operations from the following contributing sources: the City of New York, 15 percent; endowment, 22 percent, gifts and grants, including special exhibitions, 29 percent; membership, 14 percent; admissions, 12 percent; net income from auxiliary activities including shops and restaurants, 10 percent. In 2007 its net assets were calculated to be $3,552,179 after distribution of services.
Aside from its Central Park location, the Met owns and operates a branch museum, The Cloisters, located in Northern Manhattan, which is one of the sites for the Museum’s Department of Medieval Art. Until late in 2008, the merchandising arm of the Met’s flagship gift shop in Central Park was supplemented by thirteen satellite retail operations in the United States (with sales at the Rockefeller Center ranking second to the flagship location) and eleven licensed shops around the world. In December of 2008, the satellite merchandising shops were closed, with the Met reasoning that the recent economic downturn led to a need to conserve finances for the care and maintenance of the collection and to avoid lay-offs of in the curatorial department.14

*The Metropolitan Museum of Art: Brief History*

The seeds for the origins of the Met can be traced back to 19th century Paris in the year 1866 during a fourth of July lunch at which John Jay, grandson of the first Chief Justice, commented that “it was time for the American people to lay the foundations of a National Institution and Gallery of Art.” Among the Americans gathered that day were a number of New Yorkers belonging to the Union League Club who responded to Jay’s call and agreed to create such an institution in their city. The Club referred the idea to its arts committee, which deliberated for three years before recommending the establishment of a metropolitan art museum, provided that it was “free alike from bungling government officials and from the control of single individual, and committed to the improvement of public appreciation of art.”15
The Met’s first president was railroad tycoon John Taylor Johnston, who in 1870 initiated a $250,000 fundraising campaign. While Johnston was able to raise the necessary funding, the Met still was without artwork or a place for its display. The City of New York, believing a world class art museum would raise respect for New York on the international stage, offered to provide the Met with a location in Central Park. In 1874 construction began. Simultaneous to these events the Met secured its first collection of art, due to William T. Blodgett, a member of the Executive Committee, who on his own initiative bought three private collections of Dutch and Flemish paintings, including works by Hals and Van Dyck.\textsuperscript{16}

In 1880 the Central Park building was complete and the Museum moved permanently to its new location. To coincide with the grand opening, the Met trustees installed the Museum’s first paid director, Luigi Palma di Cesnola who would serve as Director for twenty-five years. While the Met had a permanent home and City support and subsidies for operations and management, it still lacked necessary funds to add to its collections, maintain current artwork, and fulfill its educational mission. All of this changed however, when Jacob S. Rogers, a locomotive manufacturer and an occasional museum supporter (he only donated ten dollars per year to the museum) upon his death in 1901, left the bulk of his estate to the Met, totally nearly $5 million. The result was a yearly endowment of over $200,000 that instantly transformed the Museum into one of the most highly endowed, financially stable cultural institutions in the world.\textsuperscript{17}
Jacob’s donation to the Museum ushered in a new era at the Met. Cesnola died shortly after, and famed banker J. Pierpont Morgan was installed as the next President, with Caspar Clarke serving as Director. Morgan expected the same kind of success from the Met as he did from business ventures, and applied the principles of finance he found lucrative as an investor to the management of the Met. By 1905 the Met had begun to grow into a world-class organization supported by a strong professional staff. Morgan insisted on the publication of the *Metropolitan Bulletin*, a semi-annual report of the Met’s acquisitions and exhibitions. Further, by 1910 the Egyptian and Classical Departments were organized, as well as the Department of Decorative Arts. Over time Morgan developed other curatorial departments including: the Arms and Armor department in 1912, Far Eastern Arts in 1914, the American Wing in 1924, and Medieval Art in 1931. By 1932 the Met had already established thirteen of the seventeen departments that exist at present. Morgan’s leadership was instrumental in the development of the Met’s strong and varied curatorial departments. He actively pursued prominent millionaires to serve in vacant board positions, requesting and occasionally bullying them for contributions, an act that proved crucial as annual operating budgets nearly doubled due to the institutional growth Morgan initiated.18

Indeed, the Met accumulated art at such a pace during Morgan’s tenure that by the time he left in 1939 the amount of city appropriations to maintain the collections had failed to keep pace, forcing the Museum to turn to the public by offering memberships, as well as engaging in auxiliary merchandising through the sale of
reproductions. This is the first instance of commercialism undertaken at the Met, and it represented a shift in how the Museum came to view its relationship with the public. Under Morgan, the Met remained very much an elite institution, dedicated to its privileged patrons and less to the community it served. However, to rejuvenate the Met, especially after tenuous years brought on by the Depression and World War II, the Museum named Francis Taylor to the position of Director. Taylor envisioned a museum dedicated to the public and to elevating the importance of arts appreciation not just the elite for the general populace. To that end he instituted free admission on alternating days, and began organizing a series of exhibitions that were intended to attract visitors that normally would not have attended an art museum. By the 1950s, due to the principles instituted by Taylor, the Met became second only to the Louvre in visitor numbers with two million people thereby doubling its 1940 total.19

Taylor’s innovative ideas further included opening a restaurant on the premises, a small shop with reproductions of the works from the Museum, and new style of fundraising. While Taylor’s temperament was not suited to the task of fundraising, his ideas, which included membership drives, benefits, and events for patrons were all transformational in how the Met pursued meeting its financial goals. Unlike the years of Morgan’s presidency where contributions were raised through pursuing elite donors, Taylor’s tenure marked an era of active engagement with the public, and attempts to make the Met more accessible to a more varied and wide-ranging set of visitors.20
The 1950s were a period of consolidation for the Met, and it continued to acquire art through endowment funds earmarked for that purpose. It was during this time that the Museum took advantage of the liberal tax laws of the day that encouraged patrons to donate works to the museum in exchange for generous tax breaks. Curatorial departments were added as well as additions to the building at the Central Park location.

One of the most pivotal figures in the history of the Met was Thomas Hoving, who guided the Met throughout most of the 1960s and 1970s. Hoving, unlike Taylor, was a master fundraiser who created a master building and renovation plan for the Museum centered around its centennial celebration. He modernized the merchandising arm, in particular its mail-order business, franchising, and reproduction sales. However, it was his revolutionary approach of instituting blockbuster art exhibitions that truly marked his directorship. His widely influential policies designed to draw upon communities that may not normally have been interested in art, and thereby create broad-based public interest in the Museum were tapped through sophisticated marketing techniques. Whether motivated by a new sense of social relevance ushered in by egalitarian sentiments of the 1960s, or the potential for mass public appeal, Hoving’s early blockbusters attracted enormous and unprecedented crowds which in turn created unsuspected revenue for the Met in the form of admissions and related merchandise sales. Hoving’s strategies to attract more diverse and varied visitors
catapulted the Met into a stratosphere of success not seen by any other art museum and
the revenue generated for the museum reflected that.

It is important to note that while Hoving’s exhibitions were widely appealing
and financially successful, capital was not the driving force behind his plans. As
Director, Hoving was motivated to propel the Met to success, however he was
primarily concerned with mounting scholarly exhibitions that were based on
substantive and original ideas stemming from the works that could be seen in the
collection. He believed offering unique, imaginative, and educational exhibitions
would create a natural public interest in the Museum which in turn would bring the
corollary of financial success.21

After Hoving’s departure in 1977, Philippe de Montebello became Director,
and following in Hoving’s footsteps remained steadfast in the Met’s commitment to
mounting innovative and educational exhibitions as well as continuing in the
acquisitive goals spelled out in the Met’s charter.22 Montebello will be further
discussed later in this chapter as a director who has consistently straddled the line
between a traditional museum director committed to the conventional and long-
established tenets of preservation, education, scholarship, and artistic integrity, but also
a master of museum marketing (especially merchandising) who has not shied away
from the potential benefits of merchandising and courting patrons through commercial
opportunities.
The Guggenheim: Mission and Purpose

The Guggenheim Foundation’s multi-national network of museums and cultural partnerships has been the vision of Thomas Krens, since his appointment as Director in 1988. At present, the Guggenheim own three museums (the flagship site in New York built by Frank Lloyd Wright, the Peggy Guggenheim Collection in Venice, and the Guggenheim Hermitage Museum in Las Vegas) and provides curatorial direction and management services to the Guggenheim Bilbao and the Deutche Guggenheim in Berlin. The Guggenheim Foundation is currently in the construction phase of another development project in partnership with the leaders of Abu Dhabi, UAE, wherein a cultural center within the city will be created with a Guggenheim satellite museum designed by Frank Gehry as the flagship attraction. Under Krens, the Guggenheim’s mission statement was re-worked to read as follows:

The mission of the Solomon R. Guggenheim Foundation is to promote the understanding and appreciation of art, architecture, and other manifestations of visual culture, primarily of the modern and contemporary periods, and to collect, conserve, and study art of our time. The Foundation realizes this mission through exceptional exhibitions, education programs, research initiatives, and publications, and strives to engage and educate an increasingly diverse international audience through its network of museums and cultural partnerships.

Believing the Foundation needed to branch out as an international brand, Krens incorporated the last sentence into the mission statement. As the Guggenheim’s Director, Krens offered the trustees a stark choice when he came on board: preserve funds and run the museum conservatively thereby risking the possibility of continuing
the financial instability the museum was experiencing, or attack through aggressive financial and marketing strategies normally applied to commercial enterprises. Krens believed the Guggenheim needed to revolutionize its perception of itself from a traditional museum devoted only to art preservation, and instead begin operating as a multinational corporation complete with an image and a brand to lure consumers. To that end Krens offered a three-pronged approach to bring about radical changes to the Guggenheim Foundation’s overall mission. The strategy initiated by Krens is illustrated in the table below.

**Figure 5: Table Representing Management Goals for the Guggenheim Foundation**

<table>
<thead>
<tr>
<th>Goal</th>
<th>Definition</th>
</tr>
</thead>
</table>
| **Architecture and Financing** | • Superlative/innovative architecture by “starchitects” like Frank Gehry  
• High-profile urban location with mechanisms for public interaction  
• Float tax-exempt bonds for financing without using endowment |
| **De-accessioning**       | • Auction famed paintings from the collection to finance global projects if endowment cannot cover expenses                                      |
| **Franchising & Licensing** | • Creation of satellite museums throughout the world  
• Creation of a Guggenheim international brand associated with high-end luxury tourism.  
• Apply business tactics and corporate marketing models to attract public  
• License works of art through international partnerships to generate increased revenue for Guggenheim Foundation |
The objectives set forth by Krens propose the survival of the Guggenheim as a viable cultural institution in the twenty-first century is dependent on a global vision for a network of museums coordinated from New York. By licensing and franchising the Guggenheim name, Krens envisioned that the Guggenheim would become less dependent on alternate sources of revenue and become a self-sustaining organization. Krens has couched the re-organization of the Guggenheim as a shift in priorities necessary to compete in a global economy, not an abdication of the Guggenheim’s mission. The notion of franchising is not in Krens’s vocabulary. Rather he insists the Guggenheim must exist in a sphere of mutual exchange, and has stated as follows:

The whole idea here is about a free exchange of commentary and ideas. It’s a discourse on an international scale. In a contemporary society, for contemporary art, with everything becoming ever more interconnected, I think it’s an essential aspect of how museums must confront the world.

_The Guggenheim: Brief Overview_

The Guggenheim museums have a worldwide annual attendance of approximately four million visitors per year. The foundation is a non-profit organization that is chartered to preserve and exhibit non-objective painting and contemporary art. The Guggenheim foundation is a global presence, with museums in New York, Bilbao, Spain, Berlin, and new projects currently under development in Abu Dhabi and Shanghai. At this time the paintings and artworks in the permanent collection are owned by Guggenheim Foundation and are held in trust for the benefit of the public. Recent trends in the management and organization of the Foundation have
led to discussions of franchising, licensing, and de-accessioning the works in order to
generate revenue and become a self-sustaining organization. The cities which are home
to a Guggenheim museum also subsidize many of the operating expenses, such as light,
heat and power, as well as security. The Foundation is responsible for the maintenance
and curatorial care of the artworks, as well as expenses related to acquisition,
exhibitions, publications, and education.\textsuperscript{28}

In 2006 total operating expenses for the Guggenheim’s worldwide network of
museums was $59,483,953. Its total operating support and revenue totaled
$67,266,335. The Foundation receives funding for these operations from: Admissions,
23 percent; Contributions, grants, bequests, 22 percent; Exhibitions (which includes
franchising and licensing), 25 percent; Auxiliary revenues, 12 percent; membership,
investment, and in-kind contributions round out the percentages. Its net assets were
calculated to be $7,782,382 after distribution of services.\textsuperscript{39}

\textit{The Guggenheim: Brief History}

Founded in 1937, the Guggenheim Foundation opened its first museum
dedicated to non-objective painting in 1939, and began to display work in a former car
showroom on East Fifty-Fourth Street in New York. The collection, amassed by
Solomon R. Guggenheim, gave many visitors their first encounters with Kandinsky,
Chagall, and Franz Marc. By 1943 the collection had grown too vast, and public
interest in the museum was too great to continue exhibiting in its current location,
therefore Frank Lloyd Wright was approached to design an inventive, innovative, and
exuberant building to best showcase the unique and unusual contemporary art from the collection. Throughout the planning process Wright made over seven hundred sketches and six separate schematics for the building until he and the Foundation were satisfied that the building would represent a new course both for architectural form and for how architecture engaged with the community and environment in which it was built.30

While Wright continued to work on the design of the Museum until 1959, the Guggenheim Foundation expanded its collection in 1948 with the acquisition of the estate of Karl Nierendorf, an art dealer specializing in German and Impressionist paintings. The institution’s holdings were further expanded in 1953 with the addition of sculptures, with works by Calder, Miro, and Klee acquired by Director James Sweeney. Expansion of the collection continued in 1963, four years after the construction of Wright’s designs had been completed, when Thomas Messer who succeeded Sweeney, arranged for the endowment of the estate Justin K. Thannhauser to the Foundation, adding the missing element of Impressionist paintings to the collection.31

In 1978 the collection Peggy Guggenheim had opened up to the public from her personal home at the Palazzo Venier de Leoni on the Grand Canal in Venice had come into the trust of the Foundation upon her death. The collection was soon after made into a branch museum, and this expansion became a crucial part of the Guggenheim’s identity as an international museum with a global presence. The 1980s and early 1990s marked an expansionist time at the Guggenheim. Vast collections were acquired from
Count Giussepe di Biumo in collaboration with his wife Giovanna Panza. The Panza collection, as it came to be known, was the first acquisition presided over by Thomas Krens, who became Director in 1988, and included works of abstract minimalist sculpture and painting. This expansion of the collection dramatically altered how the Museum came to view its holdings. There were now more pieces of art than showroom space, leading the Foundation to build upon the expansionist movement that had begun with the Venice collection.32

One of the most significant initiatives in expanding the Museum’s presence was to build on the trend of creating satellite museums. The Basque government in Spain had approached the Foundation proposing a site within the war-torn region of Bilbao be used for a third Guggenheim museum. Agreements were signed in 1991, under the guiding hand of Thomas Krens, and the Basque administration agreed to fully fund the $100 million construction project that would include a building designed by famed architect Frank Gehry. The Foundation agreed and offered to provide curatorial and administrative expertise, while the City of Bilbao along with the Basque government, would fund operating costs, and pay for licensing agreements of the artwork which would be loaned to the Bilbao site. Expansion continued in 1997 when the Guggenheim began collaborations with the Deutsche Bank to create an exhibition space owned and operated by the bank but exhibiting pieces from the permanent collection of the Foundation.33
One of the most controversial projects in the Foundation’s history came in 2001, when Krens began a partnership with the Russian Hermitage Museum to create a joint Guggenheim-Hermitage Museum at the Venetian casino in Las Vegas. Critics voiced concerns that Krens’s mission of mutual cultural exchange was shifting increasingly toward a corporate business model designed around consumer marketing and leisure-time commerce. Even while the debate continued about the ethical underpinnings of the Las Vegas enterprise, Krens pushed forward in 2006 with his latest project: a plan to franchise another branch of the Guggenheim in Abu Dhabi. Similar concerns emanated from critics who had been weary of the Las Vegas venture, insisting that unlike the Bilbao project, which was intended to bring economic opportunities to a financially depressed region, the Abu Dhabi project like the Hermitage collaboration, was going forward in a region dedicated to consumer consumption, potentially endangering the relevance of the art collection and placing profits ahead of art appreciation and scholarship.\textsuperscript{34}

\textit{Scholarly Repository vs. Global Brand: The Case of the Met and the Guggenheim}

As early as 1985 Paul DiMaggio assessed that, “…although most arts organizations are non-profit institutions, they are not non-market institutions.”\textsuperscript{35} It follows then that although historians have noted that commercial and marketing means have always contributed to the financing of charitable organizations, analysts have recently paid heightened attention to the commercial activities of non-profit institutions. Commercialization in the context of non-profit organizations can be
understood as a greater propensity of non-profit managers to rely less on donations as a source of income and focus more heavily on fees for related services, sales of goods and services that are either related or unrelated to the organization’s mission, and other forms of earned rather than contributed income. Generally speaking, two contrary lines of argument on this issue are clearly discernable in the current debate. The first standpoint holds that a decline of private and public contributed revenue in relative terms has reluctantly forced non-profit managers to seek recourse to commercial-like income sources in order to sustain growth and meet public expectations and needs. Charging fees and selling goods at best incidental to the mission only take place to cross-subsidize for the collective good of education and artistic preservation. In doing so, however, marketing practitioners and museum managers who believe this strain of commercialization to be true, feel that the self-generation of income – or “making money” – may become an end in itself and museums may become distracted from the pursuit of their mission, leading to the organization’s original goals being displaced.36

By contrast, the second view holds that self-sustainability and social entrepreneurship should be lauded within the non-profit industry. As such, the adoption of commercial means, and the mechanisms to manage non-profit institutions as though they are for-profit corporations should be seen as a positive development. A more business like approach to non-profit management is seen as resulting in greater efficiency, as well as an opportunity for new and innovative ways to address protracted social problems, or develop global connections via cultural commerce.37
In this thesis, focus falls onto two prominent cultural institutions – the Met (whose marketing and commercializing tactics can be applied to the first ideology cited above) and the Guggenheim (which has adopted a marketing strategy similar to the second) – to suggest that museums, such as the Met, which engage their public and visitors through a strategy of combining mission driven and educationally oriented programming with marketing practices substantially related to preserving the museum as an experience between the visitor and art, gain a competitive advantage. Conversely, museums, like the Guggenheim, that forgo the artistic mission set out in their charter and begin to emulate corporate business models will find the cultural marketplace will not easily sustain these ventures. Museum patrons are first and foremost interested in a meaningful experience with works of art, and while the diversions offered through marketing and commercialization are relevant and necessary to sustaining operations and revenue, a museum that behaves like a business is vulnerable to the financial instability of the marketplace and thereby potentially endangers its role as arbiter of culture and art.

There are two general assumptions that shape the debate on commercialism and marketing in the museum field. According to Young and Salamon, the first assumption concerns the historical roots of the commercialization issue. It is generally believed the increased commercialism seen in museums today is the result of developments in the 1980s and that entrepreneurial approaches to financing the museum have only been adopted since. Smith and Lipsky have stated that in the past prevailing notions held
that non-profits were largely funded through private philanthropy. Beginning the post-war era and amplified in the 1960s, government funding became prevalent in non-profit policy areas from health education to social services, to community development and the arts. The tremendous expansion of the non-profit sector in the second half of the 20th century was thus largely fueled by donative sources of income – whether from private donations or public subsidies and contracts.39

Changes began to prevail in the 1980s, however. The federal government sharply reduced overall support, while social needed and demand for non-profit services increased. While private philanthropy remained an important source of income, Jennifer Alexander has found that it did not compensate for losses in public support or help close funding gaps due to need-based growth of non-profit programs. The resulting decline in private support for the arts thus forced cultural organizations to rely increasingly on programs and market based revenue. Therefore, the assumption is that commercial activities are not preferred by museum managers if there is sufficient philanthropy, thus there is reason to believe non-profit cultural institutions did not engage in commercial activities prior to the 1980s.40

The second assumption underlying the commercialism debate suggests that commercial and marketing activities are pursued to generate new resources in order to offset declining income from philanthropy in an effort to subsidize mission related goals. Dart and Zimmerman have concluded that undertaking commercial ventures thus implies the success of these enterprises since there would be little reason to
engage in them if they did not produce significant income. While there is concern about negative impact on the mission, there is little debate about the viability of business related strategies. The fact that non-profit managers are increasingly reverting to commercialism and marketing should be taken as an indicator that outcomes are achieved. John Zietlow has found however, there are reasons which should lead practitioners to suspect the opposite is true. First, the majority of start-ups in the business sector fail within a few years, and there are few substantiating reasons to believe that commercial ventures undertaken by culture organizations would fare better. Secondly, business planning is not widely employed in the non-profit cultural sector and commercial undertakings are much more likely to be based on perceived intuition about potential opportunities than on sound financial planning.

Given these findings what conclusions can be drawn about the way in which the Met and the Guggenheim have applied commercial principles to their organizations? Both institutions have made significant shifts towards adopting more consumer focused methods. The Guggenheim Foundation however, has implemented commercial strategies that have permeated and guided the mission of the organization. Rather than keeping a fine balance between the museum as a school and theater, a place of enjoyment, it has focused its energies on becoming an entertainment center, and appears less interested in and committed to the ideas and the art that were present at its founding.
The Met conversely, has worked toward compartmentalizing the commercial principles it has found necessary to adopt now that endowments and contributions have diminished. While the Museum has pursued merchandising of reproductions from its permanent collection as well as from exhibitions with some degree of intensity over the past couple of decades, the advertising, public relations, and promotional practices appear to be employed in an effort to attract audiences to the larger mission of art appreciation.

Hypotheses

Based on the theoretical assessment of the two museums’ marketing and commercial practices, the following hypotheses provide additional substantiation for the conclusions outlined above.

Hypothesis 1 – Branding: In attempting to create a brand name image for the Guggenheim as a global cultural network for mutual exchange, the Guggenheim Foundation has neglected its mission as a repository for contemporary non-objective art.

Discussion 1 – Branding: What is branding? Denise Cole has stated that branding uses marketing tools to convey the museum’s philosophy, including what it represents, its fundamental goals, and how it hopes to achieve them. Further, Anne Hede has suggested that successful branding should be used in communications to raise the organization’s profile, reinforcing its identity at every opportunity. By differentiating the museum within the marketplace, branding helps the museum to compete at winning
audiences, government funding, and corporate and private philanthropy. Branding also functions to bring together tools of the marketer to communicate a clear message to consumers by conveying a philosophical position about the corporation to consumers. Key to branding’s success is the creation of an image or product to be marketed via commercial mechanisms to consumers for consumption. Hede goes onto say that brands exist as symbols of what the organization wants to promote and is formed as a result of external and internal forces on the organization.44

One of the greatest challenges for museum marketers responsible for creating a brand for a cultural non-profit is to promote and uphold the distinctions between the organization’s identity as an art museum and the brand image manufactured to support consumer consumption. This is where many critics have found the Guggenheim Foundation has failed. Joseba Zulaika has argued that instead of reinforcing a strategy for international visibility to encourage global cross-cultural artistic partnerships, the Guggenheim organization under the leadership of Thomas Krens, has developed a unique but fundamentally flawed strategy of creating “Krensified” museum brands that bear the following characteristics: 1) is a franchised, global institution; 2) relies on political and financial obligations to governmental and corporate entities; 3) emphasizes the experience of the architecture supersedes the works in the building; 4) uses media produced images to fuel tourist interest in one time only visits; 5) offers blockbuster exhibitions where although quality art is not necessarily on display; 6) the
“Krensified” museum is emblematic of the irrational exuberance of the financial world during the 1990s and early 2000s – that is, all show and little substance.⁴⁵

Critics have stated despite the somewhat alarming nature of the “Krensian” museum brand, complaints would be moot if there was reason to believe the brand identity offered what it implied, that is a relevant experience between visitor and non-objective art. After all, as early as 1997 UNESCO explored the relationship between culture, tourism, and the globalization of economics and found that the corporatization of institutions and declining public-sector funding has led to increased autonomy in the museum field and a necessity to develop marketing practices more in line with business models.⁴⁶ Many in the art community have found, however, that there is very little substantive art to be found in any of the Guggenheim satellite branches; and while the branches and their exhibitions attract tourists, there are very few repeat visitors in relation to the flagship museum in New York – with the exception of the Bilbao enterprise, although there is evidence to support a decline in visitor numbers to that site, as well.⁴⁷

By contrast, the Met has consistently attempted to utilize its brand image to further the mission of art appreciation. Phillipe de Montebello has reiterated this point stating, as follows:

If, in their promotions and branding, museums convey that they are uncomfortable with the notion of being no more than what they are, then what can we expect the public to think? And if in their promotions intended to entice visitors, museums feel they must skirt the issues of art and excellence and speak their primary role only obliquely, then what they themselves indicate is a
lack of regard, indeed a lack of trust, in their public. There is a need for reciprocity between the museum and its public, for matching faith in one’s own mission with faith in the public’s ability and willingness to share in it, and without selling the public short, for this is the precious colloquy engaged by the principal players on the museum stage: the art, the curators, and the visitor.48

Hypothesis 2 – Role of the Director in Sustaining the Mission: Montebello vs. Krens:

*Thomas Krens, the celebrity Director of the Guggenheim and maverick businessman, has been praised and condemned for his very unique brand of global marketing and satellite museum franchising. Conversely, Phillipe de Montebello has long been described as the classic museum director; mindful of the need to enter into the realm of commercial and marketing ventures, but committed to the principle that communicating the museum mission is paramount in sustaining long term success.*

Discussion 2 – The Role of the Director in Sustaining the Mission: Montebello vs. Krens: During an interview by the *New York Times*, in which Judith Dobrzynski interviewed Montebello and Krens together, she asked each to name the components of a great 21st century art museum.49 Their responses are shown in the table below.

*Figure 6: Components of a 21st Century Art Museum: A Comparison*

<table>
<thead>
<tr>
<th>Montebello</th>
<th>Krens</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Great works of art</td>
<td>• Great location with urban interaction</td>
</tr>
<tr>
<td>• Intelligent presentation of art</td>
<td>• Great architecture by innovative/celebrity architects</td>
</tr>
<tr>
<td>• Highly accomplished curators</td>
<td>• Great collections</td>
</tr>
<tr>
<td>• Substantial acquisitions funds to procure more works</td>
<td>• Unique special exhibitions</td>
</tr>
<tr>
<td>• An endowment large enough to ensure integrity and independence from market-driven decisions</td>
<td>• Even more special exhibitions</td>
</tr>
<tr>
<td>• Committed trustees</td>
<td>• Two shopping opportunities</td>
</tr>
<tr>
<td>• Staff members who believe in authority and discrimination in</td>
<td>• Two eating opportunities</td>
</tr>
<tr>
<td></td>
<td>• Economies of scale via global networks</td>
</tr>
<tr>
<td>Montebello</td>
<td>Krens</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>judging and presenting art</td>
<td>• Satellite museums for cross-cultural mutual exchange</td>
</tr>
<tr>
<td>• Intellectually stimulating programs that deepen an understanding for art</td>
<td></td>
</tr>
<tr>
<td>• Access to collection via up to date technology</td>
<td></td>
</tr>
<tr>
<td>• Unwavering belief in the primacy of the experience of art over the experience of the museum</td>
<td></td>
</tr>
</tbody>
</table>

Examining the list above provides a useful guide into how the Directors of each institution interpret the role of the museum. Montebello’s list attests to the Met’s commitment to art and art programming. He has further stated, “Our purpose is not to pull in crowds. Museums will lose in that instance. We are not Disney. We are in the business of preserving art – which is a commitment every organization must make if it bears the name museum.”

Krens’s list by contrast, while compelling as a corporate business model, only contains one clear listing of an art related component – having great collections.

While there is no doubt that because of the Met’s generous endowments it is better placed to shun populism and the shifts toward commercializing the museum in order to generate funds than the Guggenheim, Krens seems to have ignored the fact that art museums need art. Deborah Solomon has found that not only are all of the Guggenheim satellite museums deeply inhospitable to showcasing art, there is a surprising lack of art to be displayed and viewed. She writes as follows:
The supply of museum-quality art on this planet is vast, however the Guggenheim branches have neglected and betrayed art in favor of highly accessorized shells. The Guggenheim has become like the man who puts the biggest house on the block, and then realizes he doesn’t have enough money to furnish it.\footnote{51}

Even the Bilbao venture, which has been marked by success in terms of visitor numbers, increased regional prosperity, and a euphoric response to Gehry’s daring architecture, has been widely criticized for its lack of substantive artwork. Robert Muschamp, the New York Times architecture critic has written, “Gehry’s work is remarkable and bold, but the art inside is poor with few exceptions.”\footnote{52}

Many within the museum field contend that the lack of quality art pieces within the Guggenheim branches point to the fundamental flaw of the “Krensian” art museum. Glenn Lowry has commented there is a great deal of style and little substance behind Krens’s corporate model. Lowry goes on to say that art museums have to define themselves as unique and necessary institutions whose value comes from a commitment to art and their non-consumerist status as non-profit institutions, and that commitment must be insisted upon by the director.\footnote{53}

Hypothesis 3 – “Edutainment”: The museums of today are dramatically different from their earlier counterparts. Trends both internal and external to the museum sector have combined to necessitate that institutions adapt at an extraordinary pace in order to survive. As such, the older notion of museum as an antiquary have given way to the notion of the museum as a site of leisure, entertainment, and identity formation. The term “edutainment” has been coined to categorize this shift. The Guggenheim has

97
adopted this philosophy, and there is evidence pointing to an over reliance on entertainment and financial offerings instead of educational programs.

Discussion 3 – Edutainment: In the late 1980s, when he took over as Director, Krens revitalized the Guggenheim. He refurbished Wright’s building which was crumbling due to neglect, and acquired a relevant and important collection of contemporary art owned by the Panza family. Then by the mid 1990s Krens saw that culture was going to be big business and that institutions like the Guggenheim could capitalize if they franchised and built satellite museums which would combine art, entertainment, and leisure time commerce into one experience.

While Krens has said that his vision for the Guggenheim is one of global interconnectedness, as Director he has gone farther to emulate the entertainment business model than most any other cultural non-profit. Krens, up until his retirement as Director in January 2009, was the venture capitalist of the museum world, leveraging the collection through de-acquisition and exporting a “Krensian” museum model around the world. However, he has pushed the boundaries of what it means to be an art museum and what can serve as an exhibition.54 For example, his Rubens and His Age: Masterpieces from the Hermitage Museum was featured at the Guggenheim-Hermitage Museum, leaving many in the art world concerned that Rubens masterpieces exhibited in the backdrop of a consumer driven landscape sent the wrong message. Krens furthered extended the realm of what could be deemed an exhibition when he mounted a collection of Armani dresses for display in the New York flagship
museum in 2001. The Armani corporation paid $15 million for the exhibition space, leading many to assert that the Guggenheim Foundation had “rented out” its space for a fee. Critics and trustees were further concerned when Krens organized a traveling exhibition of BMW motorcycles to the Guggenheim satellite branches in the same year as the Armani show. As the New York Times culture critic, Michael Kimmelman has repeatedly emphasized that these kinds of shows are distractions and congruous with exhibition programming for an art museum. He stated as follows:

…beyond leisure and entertainment, our perception of a museum, and its moral value, still has to do with our desire for sacred space, even if we are reluctant to put it that way. Museums exist to give us something beyond what can’t find in a department store or shopping mall, or a movie theater: an encounter, whether with an object or an idea. If we stray from that, museums are just fancy storage facilities and gift shops.55

The Met has undertaken similar exhibitions such as, Jacqueline Kennedy: White House Years and Art and the Empire City: New York 1825-1861. These exhibitions were widely criticized and disregarded due to their lack of genuine artistic merit, however there seems to be a greater tendency by the Guggenheim in recent years to stage exhibitions because of entertainment which may lure greater audiences, or due to a corporate financial contribution, thereby rendering the museum an exhibition rental hall.

Hypothesis 4 – Sustainability: The Guggenheim model of expansive branch museums will be difficult to sustain. Museums should concentrate on making their collections
better and provide greater education opportunities in order to generate higher audience visitation and thereby raise revenue.

Discussion 4 – Sustainability: Another important question at the heart of the commercialism debate is one of sustainability: will the Guggenheim be able to fulfill its mission as an educational outlet if it keeps expanding? How will the Guggenheim sustain itself and remain a productive non-profit art institution that fits within the tax-exempt status it receives from the IRS? Evidence already points to the fact that the massive growth projects undertaken by Krens have been overly ambitious. In 2002 billionaire philanthropist Peter Lewis withdrew his $12 million donation to the museum, and withdrew as the Chairman of the Guggenheim Foundation, citing lack of a balanced budget and excessive spending as his reasons. Lewis also inferred that Krens’s model of museum management potentially could put the reputation of the Foundation at stake.56

The model of constant growth had not worked according to Lewis. Krens had imagined a worldwide network of museums across which to spread exhibition costs. However, the savings shared between the outposts turned out to be much less than what Krens expected. Lewis was also disappointed to learn of Krens’s plans to go forward with a Guggenheim Abu Dhabi project wherein the Guggenheim would franchise with Abu Dhabi, giving the tiny Emirate use of the brand name for a period of time and the Guggenheim Foundation would manage the new museum’s exhibition schedule, manage acquisitions and develop programming. The costs of building and
operating the museum would be the responsibility of the Abu Dhabi Tourist Authority. In line with the rhetoric that has surrounded all the Guggenheim global projects, the Abu Dhabi venture is not just about tourism. It is instead, as Krens consistently insists, on cultural understanding between nations. Lewis however, did not believe the Foundation could sustain another global expansion, citing projects in Brazil, Mexico, and China which eventually had to be withdrawn due to insufficient support and lack of capital and withdrew his support in protest to Krens’s continued insistence on growth.57

In recent months the Met has experienced difficulty related to the economic downturn that began in the Fall of 2008. Seventy-four employees were laid off from the marketing and merchandising staff. In addition 23 satellite stores were closed. Thomas Campbell, the curator who replaced Philippe de Montebello in February of 2009 as Director, insisted that only merchandising positions would be affected, and while there would be a hiring freeze, no jobs in the curatorial department would be slashed, nor would funds related to potential acquisitions be sacrificed. Montebello has commented on issues related to limited funding and cutbacks before, stating museums engaging in global outreach via satellite outposts are not well equipped to handle economic and financial declines. The Met therefore has avowed never to physically disperse globally, as distribution of the collection would be a great weakening of the institution, both financially and intellectually.58
Conclusion

While this chapter should not be seen as an unabashed apologia for the Met, and a harsh censure of the Guggenheim, criticism that sparks reflection and debate is good for any institution. Those who have worked in or long enjoyed the purified high-art museum inevitably resist its passing. On the other hand, the art museum is a fairly recent invention born of conflict between those who valued utilitarian principles and aesthetes. The crucial difference between the past and the present is that money is now the motive. Traditionalists who worry of the end of the museum as sanctuary will continue to clash with the post-modernists who believe art no longer carries as much weight, and equally important is the experience of the museum as a destination, rather than the experience between visitor and art. What is essential is that museums serve their purpose and the missions laid out in their charters. Globalization and outreach is not a negative development if it is done so sincerely and for the purposes of cross-cultural fertilization. In addition, commercial practices have entered into the dialogue of nearly every museum in the United States, and to eliminate gift shops, restaurants, and merchandising opportunities would be alienating to visitors. However, museums cannot shun their roles as intermediaries between the works of art they preserve and the patrons who flock to appreciate them. Audiences are hungry for real experiences with art, and it is the responsibility of the museum to provide that encounter.
CHAPTER FIVE
DISCUSSION AND CONCLUSION

This research explored commercialization and marketing in two of New York’s most prestigious art museums. Specifically, it examined the definitions, patterns, and trends associated with commercialization and the reasons that lie behind it. The objectives of this study were three-fold. First, it differentiated the marketing strategies employed by cultural non-profits, and the Met and Guggenheim specifically, detailing how those two institutions view their missions and how this view of their larger purpose affects their approaches to commercialism and the demands for funding. Secondly, this thesis examined the costs and benefits of commercializing the museum name into a consumer brand through advertising, blockbusters, museum shops, and global outreach, and how in turn commercialism affects the public trust. Finally, this research demonstrated that museums that pursue engagement with their public through a strategy of combining mission driven and educationally oriented programming with auxiliary marketing gain a competitive financial advantage and outperform museums that lose sight of their artistic mission in favor of profit margins and commercial objectives.

Given that special exhibitions, shops, and other amenities tied to commercial marketing are now standard and tied to the success of many museums, what benefits and disadvantages do they bring? On the positive side new buildings, shops, restaurants, and facilities brought about by increased marketing and commercial
practices have in many ways made the museum of the 21st century a lively neighborhood destination, as evidenced by cities like Bilbao which have been rejuvenated due to commercial ventures undertaken by the Guggenheim Foundation. Furthermore, there is no refuting that enterprises such as blockbusters raise the profile of art institutions and attract new audiences, often times in record numbers, and allow for the opportunity to see a collection of masterpieces assembled together.

Despite these outward signs of success however, commercialism has brought with it negative aspects, as well. By attempting to enter into the entertainment and leisure commerce market, museums run the risk of jeopardizing their roles as academic resources, and endanger their missions in pursuit of enhanced revenue. Many museums that have become deeply entrenched in commercial retail marketing argue that shops and blockbuster exhibitions lead visitors to discover art they normally would not have experienced and guide audiences to discover the permanent collection. However, in most cases crowds linger in the shop or congregate in the exhibition halls popularized by blockbusters. Furthermore, the constant search for corporate sponsorship of exhibitions creates the appearance of museums for hire, thereby eroding confidence the public has in the scholarly integrity of the institution.

Evidence posited in this paper has provided support that the Guggenheim has in recent years neglected its more vital responsibility of providing a meaningful and substantive encounter between its visitors and its collection of abstract contemporary art in favor of becoming a global commercial art brand. Additionally, the trend in
museum franchising, and emulating corporate business models for museum governance puts the museum in a tenuous economic position, wherein the finances of the museum are susceptible to the volatility of the marketplace.

This is not to say there is anything inherently wrong with a shift toward commercial ventures, as long as the ventures continue to contribute to the cross-subsidization of the mission of the institution. This is where the Met has been consistently unwavering. While it has become more commercial with the installation of museum shops and blockbusters, the Met remains committed to preserving and displaying art for public benefit. Where the Guggenheim commercial satellites fail to provide an encounter between viewer and art, the Met has never neglected its traditional role as a museum. Moreover, the kinds of entrepreneurial ventures the Met has engaged in over time have largely been sustainable in the face of economic decline. While the Guggenheim Foundation has engaged in a kind of venture capitalism applied to the art market, where the potential for high risks and financial losses are abundant, the Met has chosen to capitalize mainly in the auxiliary services arena. This allows the institution to combine its mission driven and educationally oriented programming with consumer driven marketing at a low risk, thereby gaining a competitive financial advantage over museums like the Guggenheim that endeavor into high risk business partnerships with corporations and governments that may not hold the same artistic standard held by the museum thereby potentially endangering the mission.
Because non-profit art institutions have become subject to the same challenges as the for-profit sector, it will be necessary for them to develop new and different conceptual frameworks and a new base for legitimizing support and the extension of privileges beyond market fluctuations and economic declines. This is especially important for the Guggenheim, which has more fully embraced a market-based fiscal plan to subsidize operating costs and expenses but has become less committed to its artistic mission of acquisition and scholarship. While the Guggenheim has become broad based economically, it might be necessary to develop additional conceptions of what effects the arts have on the wider civil society, and search for measures that may aid in understanding what special functions the museum can play beyond a corporate franchised arts center. Hems and Chinnock have suggested that arts institutions which have become more economically focused can re-affirm their mission by adopting the following roles within the communities they serve¹:

- **Service Function**: Non-Profit art centers provide services that are not typically provided by the government or market and therefore must remain committed to their unique mission through community service and volunteerism.
- **Innovation Function**: Non-profit art centers provide innovation approaches being pursued in the realm of creativity that cannot be replicated by market forces. Using their innovative function art institutions can provide innovation in the realm of culture to financial and governmental entities.
- **Advocacy/Social Change Function**: Art museums should utilize their service and innovation functions to provide cultural advocacy and promotion vis-à-vis social change in the art and culture sector.
- **Expressive Function**: Non-profits need to provide a meaningful outlet for expressing diverse values in the cultural realm.
• Community Building Function: Non-profits build communities and strengthen social and cultural capital and should embrace this role.

Some of these hypothesized roles and functions are in need of validation. Moreover, some of them are more applicable to non-profit art organizations than others; however further inquiry along these lines, drawing together existing evidence and presenting it in a larger frame, like this research, has the potential to present new insights at the current intersection of cultural policy and cultural programming, insights which go beyond the mere study of museum operations and allows for art appreciation.
ENDNOTES

CHAPTER ONE


2 Sandra A. Mottner, “Strategy Implementation Effectiveness in a Non-Profit Environment: The Case of Museum Stores” (Ph.D. diss., Old Dominion University, 2001), 2.


4 John Falk, Thriving in the Knowledge Age: New Business Models for Museums and Other Cultural Institutions (Lanham: Altamira Press, 2006), 78.


6 Ibid., 291-292.


CHAPTER TWO


3 Ibid., 295-296.

4 Sandell and Janes, Museum Management and Marketing, 22.


6 Ibid.


26 Kotler and Andreasen, Strategic Marketing for Non-Profit Organizations, 51-54.

27 Kotler, Museum Marketing and Strategy, 33-34.


30 Ibid., 309-311.

CHAPTER THREE

1 N. Kotler and P. Kotler, “Can Museums be All Things to All People?: Missions, Goals, and Marketing’s Role,” Museum Management and Curatorship 18, no. 3 (September 2000): 271.


9 Ibid., 198-200.


13 Ibid., 381.


17 Ibid., 34-36.


20 Stefan Toepler and Volker Kirchberg, “Museums, Merchandising, and Non-Profit Commercialization,” National Center on Non-Profit Enterprise, http://www.nationalcne.org/index.cfm?fuseaction=feature.display&feature_id=144 (accessed March 18, 2009). Toepler and Kirchberg argue that visitors now expect museums to have shops, forcing those that did not use retail merchandising to establish stores; also see Zelda F. Popkin, “Art: Three Aisles Over,” *Outlook and Independent* 156 (November 26, 1930): 502. Popkin’s article is an early article on how the department store and the museum borrowed merchandising ideas from each other.


23 Ibid., 516.


26 Ibid., 134.


28 Ibid., 310-312.


33 Mary A. Littrell, “Shopping Experiences and Marketing of Culture to Tourists,” in *Culture as the Tourist Product, Tourism and Culture Towards the 21st Century Conference Proceedings*, ed. Mike Robinson, Nigel Evans, Paul Callaghan (Newcastle, United Kingdom: University of Northumbria at Newcastle, 1996), 107, 120.

34 Christopher Bowden, “Marketing a Rediscovery: Renoir at the Boston MFA,” 42-43.

35 Kimmelman, “Museums in a Quandary: Where are the Ideals?,” I.


37 Ibid.


45 Ibid.
54 Editorial, “Art History and the ‘Blockbuster’ Exhibition,” 358
55 Glenn D. Lowry, “A Deontological Approach to Art Museums and the Public Trust,” in Whose Muse: Art Museums and the Public Trust, ed. James Cuno (Princeton and Oxford: Princeton University Press, 2004), 131-135. Lowry, a traditionalist, believes the public visits museums for art, not for ephemeral entertainment or for retail purposes. His view is that museums must stay true to their mission, or they run the risk of institutional failure and potential collapse due to visitor rejection to mission displacement.
58 Smith, “Memo to Art Museums: Don’t Give Up on Art,” I.

60 Zvika Krieger, “Buying Culture: By Luring Western Institutions Like the Louvre and Yale, Abu Dhabi Hopes to Become a Global Arts Center,” Newsweek, 6 August 2007, 27.


CHAPTER FOUR


8 Charter of The Metropolitan Museum of Art, State of New York, Laws of 1870, Chapter 197, passed April 13, 1870 and amended L. 1898, ch. 34; L. 1908, ch. 219.

9 The Metropolitan Museum of Art: Annual Report 2006, 3-4. This table has been adapted from a set of guidelines set forth in the Met’s Annual Report.

10 Ibid.

11 For a complete listing of the Met’s curatorial departments along with descriptions of projects, recent acquisitions, and upcoming exhibitions see: http://www.metmuseum.org/Works_of_Art/curatorial_departments


16 Ibid., 34-38.

17 Ibid., 54-61.


20 Ibid., 8-12.


DiMaggio, “Can Culture Survive the Marketplace?”, 67.


Ibid.


50 Ibid.


57 Ibid.

CHAPTER FIVE


