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Corporate sponsorship and museum development

Strategic corporate sponsorship and audience development for museums in Sweden

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Abstract

Corporate sponsorship of a museum needs to be understood as a legitimised marketing method to create higher value for the audience. Effective strategic sponsorship has proved that it can help museum organisations create a variety of programmes for the public and increase competitiveness at the same time. This dissertation studies the recent managerial transformation process of the museum sector in terms of audience centred programme development and organizational competitiveness.

This study provides readers with three concepts; *audience*; *marketing*; and *corporate sponsorship*, which are closely linked to achieve fundamental development for museum organisations. The second, third, and fourth chapters give overall information about each concept with theories, interviews, empirical studies, and some analysis. These three chapters will help readers understand the objective of this museum study. Furthermore, it provides all the essential information to understand the characteristics of museum sector and institutional structure of Swedish public museums. The fifth and sixth chapters introduce the case of Universeum, Natural science museum in Gothenburg, and describe how today's museum can satisfy its audience. This case will also help other museums understand how museum organisation can effectively use the corporate sponsorship to develop the programmes for the audience. In addition, future direction of Swedish museums and the current challenges are also discussed.

This dissertation study shows that the corporate sponsorship has an influence on audience centred programme development. Consequently, it can lead to an increased attendance at museums and improve the quality of programmes at the same time. As a result of this study, I suggest how today's Swedish museums can prepare for the future. The idea of strategic corporate sponsorship does not demand that museum organisations, abandon their unique mission statement, artistic value, or commitment to society. In order to create audience value,

Swedish museums should take inspiration from other successful museums in terms of strategic marketing & corporate sponsorship. At the same time, museums must fundamentally develop their own managerial framework and audience philosophy linked to the particularity of the mission and the social commitment of Swedish museum sector.

Museums, corporations, and the government can start finding a mutual understanding of why today's Swedish museums should also focus on their audience. The corporate sponsorship needs to be considered as a great opportunity to establish a more financially sound future, close to the public. In order to achieve these goals the Swedish government must provide a proper environment to encourage private sector's participation in the museum sector. Consequently this will help museums cultivate competitiveness in the future.

Declaration

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Chapter 1 Introduction to the research project

In recent years strategic collaboration between arts and business has become a significantly growing mechanism as a progressive method of sustaining the arts. Through sponsorship activities, companies and sponsored arts organisations share each other's missions and achieve defined objectives.

From my understanding, one of the most crucial objectives in the arts organisations today is developing new audience programming and I believe that strategic corporate sponsorship should be considered a realistic alternative for achieving this goal. Of course, most arts organisations recognize that developing a new audience does not come cheaply and easily. It requires significant effort and also huge amount of money to accomplish a very small increased number of new audiences.

When I started to look at the corporate sponsorship environment in Swedish museum sector, the one question arose as to the reason why people feel uncomfortable to visit museums. *How can you make people feel comfortable about visiting museums?* I assumed that many Swedish museums might fail to meet public expectations in the sense of providing exciting programmes. It seems that many of Swedish museums do not share the unique experience with their audience and, according to my previous experience as an ordinary museum visitor, most museums here in Sweden have been strongly focused on the role of academic and conservational institutions. From my understanding, the Swedish museums might be ignoring one important role of the museum; providing exciting experiences to the public. One of my initial hypothesises is that the Swedish government and museum authorities have debarred this element from the museum function and this situation has caused many museums to lose their audience. In the current state of the museum sector, the strict corporate sponsorship policy has also dictated the marketing approach in the long term. Through this research, I did want to find out the potential possibility of the audience development programme in the Swedish museum

context. I think that it is time for the Swedish museums to move from being the storehouse of dusty collections towards a customer oriented organisation. The customer orientation means that museum organisations need to fully understand their current and potential audience's needs, wants, perceptions, preferences and satisfactions.

1.1 Background to the problem statement

The strategic corporate sponsorship programme must be considered as a long term relationship between the arts and business sectors. Through the successful relationship the sponsor can have the opportunity to establish a significant corporate image in certain segments of the market, such as, for example, young generations who could be considered as potential customers in the future. From the museum's perspective, the successful business collaboration can be also used as a good instrument for increasing their visitors and attracting new audiences to the museums.

Sponsorship is a business relationship between a provider of funds, resources or services and an individual, event or organisation which offers in return some rights and association that may be used for commercial advantage.

(BDS Sponsorship Ltd, 2003)

Previous research about corporate sponsorship in the arts sector by Arts & Business, the UK based sponsorship consulting organisation, shows that strategic corporate sponsorship has been an effective mechanism for helping to encourage positive public attitudes towards the arts sector. The findings demonstrate that various cultural activities with corporate sponsorship can provide entertainment, valuable experience, and understanding of the arts to the public. One important idea is that a museum organisation's audience development programme must be in line with the museum's mission and

commitment. Therefore, museum organisations should ask themselves whether the audience development is a priority of all other activities.

Before discussing the relationship between museums and business it is necessary to identify the concept of corporate sponsorship. It is not charity, which is often given by companies or individuals without any reward, nor is it patronage because that is supporting without any specific commercial incentive. Corporate sponsorship is a mutual agreement between two equal partners. Furthermore, I define this sponsorship activities as including not only those involved in the sponsoring relationship, but also all kinds of stakeholders that are involved in the interaction, exchange of resources and continuous communication process in order to create mutual benefit. Colin Tweedy, executive of Arts & Business, describes corporate sponsorship by saying that corporations provide financial assistance to the arts sector in various ways according to their different motivations such as brand name, corporate image, products or service. (Arts & Business, 2001)

Through this study, I hope that I can help Swedish museums create the appropriate framework to develop audience programmes, which need to integrate all strategic functions in order to acquire the competitiveness in the global arts market. This dissertation is mainly focused on museum organisations, with particular emphasis on some types of museums and galleries. It tries to deal with audience development in the context of a fundamental paradigm shift for the successful sponsorship programme.

1.2 Research problem Statement

Why is audience development important for today's museums?

Understanding the audience perhaps means more than just knowing each visitor's preference, priorities, or complaints. Many previous researchers and museum professionals have pointed out that audience development is mainly about relationship and communication between museum organisations and their visitors. Audience development is probably one of most fundamental

commitments which today's museum must have. I believe that certain strategic marketing plans and participation of the private sector are essential to reach today's museum audience. In this study, it is important to help museums find an appropriate collaboration model which reflects the potential of corporate sponsorship for audience development. In the second chapter, this study will discuss today's museum audience and its aspects, why it is important to understand the audience, how museums can learn about the audience, and how to build a relationship with them will be discussed.

Why is the strategic marketing important for museum audience development?

From my point of view, strategic marketing is one of the primary challenges for the Swedish museums. I believe that the fundamental concept of strategic marketing should be positioned in the centre of museum management. As a matter of fact, each museum organisation has its own mission and commitment which should not be compromised. However, today's museum also needs to adopt advanced marketing practices to satisfy today's museum audience and meet their expectations at the same time. This research will examine how the museum can use the marketing mechanism to create audience value. The importance of effective market research and audience communication will be also discussed with some examples.

Is the corporate sponsorship in the museum sector needed in Sweden?

In order to answer this question, the current situation of the corporate sponsorship in the Swedish museum sector has been investigated. It includes main characteristics of Swedish museum sector, government tax regulation and cultural policy, and the museum's perspective on the sponsorship. The uniqueness of Swedish cultural policy has been often discussed by many researchers, therefore, I think it is primary task for me to understand the sponsorship environment in Sweden before starting discuss detailed sponsorship matters. For this research I have selected a couple of museum organisations and interviewees because they could help me understand the

overall aspects of sponsorship. The concept of corporate social responsibility regarding sponsorship will also be discussed in this research.

1.3 Aims of research

This study will examine a couple of hypotheses such as the idea that the continuous decrease in museum audiences is due to the lack of managerial autonomy and weak strategic planning of the Swedish museum sector. In this research paper, I tried to find out whether strategic corporate sponsorship could act as an effective mechanism for developing new audience programmes for Swedish museums.

This is the overall objective of this dissertation. This study will also examine current practices and sponsorship circumstance in the Swedish museum sector. This investigation will help to analyse prevailing corporate sponsorship practices and will then go on to critically analyse the implications of recent developments in the sponsorship market. In this study, I will investigate the overall aspects of the sponsorship activities in the museum sector. Furthermore, the strategic marketing scheme, including experimental marketing practices which other art organisations have developed, will be studied. Then, various aspects of arts & business collaboration will be discussed in order to determine whether such activities provide the added benefit of developing new audience for the museums. It will be also discussed how customer centred marketing and business practices can influence museum organisations and attitudes towards their audiences.

Based on the findings, this dissertation research will aim to encourage Swedish museums and authorities to adopt proactive attitudes and ideas of the corporate sponsorship. Besides, the relationship between strategic sponsorship and museum's audience development issue will be identified. Therefore, the subject of this dissertation is primarily focused on the sponsorship and marketing techniques that Swedish museums can easily apply to their current situation.

Consequently, I will try to provide ideas on how Sweden's museums and corporations can develop long term relationships for the future development. In order to balance the knowledge development, I have conducted several interviews from different fields, such as museum organisation, sponsorship managers of major Swedish companies, museum audiences, academic professions, and other interest parties. I believe that these interviews added great value to this research work.

However, this dissertation research should only be seen as an introduction into the innovative discussion of the subject, and although the findings from this research cannot be conclusive, I hope it can offer the most appropriate sponsorship model for both museums organisations and business corporations.

1.4 Methodologies

The general research objective and the detailed questions were generated through casual meetings and discussions with people who have a variety of views about the museum environment in Sweden. In order to make it easier for readers to follow the research questions and content of this study, the main structure of this dissertation has been designed such that each independent chapter is followed by the theoretical framework, empirical descriptions and key interviews, and analysis & short summary of the subject.

Chapter 2 Museum audience and new role for museums, why is audience development important for the museum?

Chapter 3 Marketing and museum audience programming, why is marketing important for museum audience development?

Chapter 4 Audience development and the role of corporate sponsorship, what role can corporate sponsorship play for the audience development?

Although the research was initially influenced by museum professionals and academics in museum studies during the preliminary research stage, the objective of this research and overall framework were conducted using my own

decisions and intentions. The detailed process of data collection was designed based on a primary objective and formulation of the main problems. In order to follow each research question, relevant interview questions and primary and secondary resources have been sometimes revised during the research period.

The primary information used in this dissertation has been mainly collected through conducting interviews with museum experts. According to the main objective of this study, an empirical audience survey with 100 visitors of Universeum was also carried (see appendix 4). During the research period, over 15 interviews were conducted with museum directors, sponsorship managers of Swedish major companies, arts consultants, administrator of arts sponsorship, and the ordinary museum audience. Sometimes, primary questionnaires were sent to the interviewees before the meeting. The possibility was given to interviewee to add their own opinions and proposals regarding the topic. As the secondary information, primary literature including books, articles from museum journals, and materials from arts sponsorship consultants and several organisations were also used. In order to formulate the theoretical background some secondary information has been collected and revised before the primary information at the beginning of the research period.

Unlike the general structure of dissertations of providing a theoretical framework through the independent chapter followed by empirical findings and analysis in a separate chapter, this dissertation does not follow the classical approach. Instead, I tried to help readers understand the research problems and subject in an easier way. After introducing the background of this study, chapters two, three, and four mainly focus on three subjects which are strongly interdependent and also all subjects needed for analysing the current situation of Swedish museums. Each chapter provides answers to the main research questions. Therefore, the reader can easily follow chapter after chapter to understand the overall content. Chapter five introduces a case study of *Universeum*, which I considered highly relevant and significant to support

findings and descriptions in the previous three chapters. Finally, chapter six provides recommendations and proposals on how the Swedish museums should react to the current situation and prepare for future competition in the market. As a conclusion of the research, chapter seven will summarise aspects of each concept. It will also propose the guidance for the future research.

1.5 Delimitation

There is no doubt that public museums exist for the social benefit and they usually have commitments to society. I would like to indicate that it is very important to know how we understand the commitments of museums in Sweden. Some museums might believe that they exist to provide public education or to help local residents improve the quality of their lives. On the other hand, some museum organisations exist as the academic institutions. In this sense, I assume that different types of museums might have different understandings of museum commitment. Besides, the attitudes and perspective are also different regarding the audience development issue.

During the research period, I realised that there could be an argument about participation of private companies and individuals in the museum sector and I had to deal with the current situation that each museum could have different ideas on the museum development and future direction. Therefore, my dissertation will provide useful advice for museum organisations, especially those that believe the importance of audience development and are seriously considering developing a strategic collaboration with the business sector. I believe that this study will help many Swedish museums solve current problems such as financial difficulties or the audience unawareness issue.

1.6 Literature review

This section describes some theories and some recent studies that have been performed by academics and arts organisations on corporate sponsorship and audience development programmes. The study will consider the work of

several authors. I found it very useful to be aware of the overall environment of the museum sector through previous academic research. Although the corporate sponsorship environment in Sweden is different from that of many other European countries, I thought that previous research and literature might be useful to develop a creative model for Swedish museum context.

In the application of marketing & audience development in the museum sector I have carefully reviewed four studies, “*Museum Strategy and Marketing*” by Philip Kotler & Neil Kotler, “*Marketing the Museum*” by Fiona McLean, “*The museum experience*” by John Falk & Lynn Dierking, and “*Standing Room Only*” by Philip Kotler & Joanne Scheff as excellent guides to understanding overall museum management, corporate sponsorship, audience development issues, and the marketing environment in the museum sector. This literature contributed the main theoretical framework to this dissertation paper. In “*Museum Strategy and Marketing*”, Kotler & Kotler discussed many subjects from fundraising schemes, customer relationships, strategic marketing to the audience development issues. I believe that most museums could establish sound marketing plans & strategies through this well structured guidance. As a marketing guru, Philip Kotler uses a lot of useful cases and descriptions to enhance his theories. He also applies the full range of marketing principles to a museum sector which has long refused to go along with the market. Fiona McLean also introduced a number of important marketing techniques for museum management through the “*Marketing the Museum*”. However, she mainly focuses on the marketing issues of museum organisations and approaches many issues with academic theories and knowledge. On the other hand, “*Standing Room Only*” introduces a number of case studies. From my point of view, this book effectively delivers primary ideas of arts marketing with apparent examples, although all cases are selected from US arts organisations.

As an important process of the academic study on corporate sponsorship, I

found a lot of important reading material providing practical information and discussing the current sponsorship issues. However, there was very little literature on the museum sector. Most literature, including main academic journals such as “*Museum management and Curatorship*” discuss the general background of corporate sponsorship with cases of UK and US museum organisations, as well as providing practical advice for museums organisations on how to develop sponsorship programme. The museums journals in general had quite optimistic attitudes towards museum’s strategic marketing and corporate sponsorship performance, although a couple of articles showed skepticism about business involvement in arts sector.

I also consider “*Sponsorship Manual*” by Arts & Business and “*A comparative study on the right to tax deductions for cultural sponsorship in Sweden, Denmark, Great Britain, Germany and France*” by Kultur och Näringsliv as practical introduction materials designed for both museum organisations who are looking for sponsorship partners and for companies who want to establish an effective marketing programme through the strategic collaboration. These two useful studies include all essential principles of corporate sponsorship, successful case studies, an outline of a tax deduction scheme, sponsorship evaluation matters, and government regulations & cultural policies. In addition, several printed materials by Arts & Business UK present practical guidance on acquiring and developing effective sponsorship programming step by step with descriptions of recent sponsorship trends.

Another piece of interesting and well researched literature is “*Aspects of Sponsorship*” written by Robert John Hampson, as part of his MA studies at City University in London. This research paper discusses general phases of corporate sponsorship, its impact on arts organisations including museums, and its detailed functions. It is also interesting to look at different the stakeholder’s diverse perspectives on the cultural sponsorship, although his dissertation paper is based on the situation in the UK.

Glossary

Many terms used for the purpose of this study may have distinct meanings according to different people, therefore by including a glossary I want to make clear what I mean in this dissertation paper:

Art and culture: Art and Culture are sometimes given the same meaning, which is due to the broadening boundaries each term is experiencing.

Audience: The groups or members of the public whom an institution wishes to reach, or for whom a message is intended. A museum audience is also whoever enjoys the museum experience, whether they are the paying customer or not. In this dissertation, *audience* means a group of *visitors* or types of visitors. Therefore these two terms are often used with the same meaning.

Corporation: A legal classification of business, in which there can be any number of owners, but the company is organized according to a set of laws and tax codes which are designed to regulate larger firms. In this paper, however, corporation and company are given the same meaning.

Customer: A person who exchanges something of value for the organization's artistic product. Usually, that thing of value is money, but it can also include the customer's time and effort.

Donation: A donation is money from individuals, businesses, trusts and foundations for which no return is sought other than a 'thank you' and perhaps a line credit in a programme. A donation is a gift for which no return is asked or given.

Entertainment: Amusement or diversion including public performances or

exhibitions. Entertainment is usually created with the needs of the audience in mind, first and foremost. However, the meaning of '*entertainment*' in museum or arts organisations includes the meaning of '*learning experience*' in this paper.

Grants: Grants are slightly different to subsidies and will become of increasing importance in the future. A subsidy is the statutory responsibility of a government body. Grants can be understood better as a discretionary decision to fund as part of a wider set of objectives. The money still comes from the public.

Public museum: Non-profit making, permanent institution in the service of society and of its development, 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.

Chapter 2 Museum audience and new role for museums

The aim of this chapter is to introduce the audience concept and identify how the audience has a crucial role in the museum performance. Hooper-Greenhill(2002), historically the Swedish museums have been seen as purely conservational and educational institutions and recently some significant changes are taking place in museums and other arts organisations (Hooper-Greenhill, 2002). The concept of museum audience and innovative museum practices have emerged in United Kingdom and Unites States. Except for specific types of museums which are designed as pure academic or research institutions, most UK museums have started replace their main target objectives from preserving museum collections to audience development. At the same time, the audience became seen as one of primary concerns by many museums. Hooper-Greenhill (2002) argues that museums must continue to show the justification of a public service, the demonstration of a professional approach to the management, the development of knowledge, and the improvement of performance. Hooper–Greenhill defines the museum as a public service provider. If this definition could be accepted as a general concept of the museum, it could be important to investigate how the service can be adapted by the museum sector. How can the public use the museums?

This chapter will identify how today’s museums can learn about the audience and encourage audiences to participate in the museum experience through academic theories, empirical studies, and analysis. I will also discuss how museums can be more open, more democratic, more responsive, and more professional for their audience.

2.1 Understanding museum audiences

The making provision for people’s common needs and reviewing the experience from each target group’s perspective must go along way

towards enabling majority of public to enjoy visiting museums.

(Dickerson, 1991)

A traditional definition of museum audience has included only public who physically visit museums. However, today's progressive museums consider their potential visitors as significant resources for the future and other entities such as private donators, media, and business partners are often considered as important as actual audiences. These stakeholders have potential influence on the overall museum development process. In the traditional museum situation, the audience is identified by only gender, age, social class, educational background, and so on. However, today's museum organisations identify audience according to diverse factors such as the frequency and the length of their visits; whether they are local residents or tourists from other cities; their different motivations; interests; expectations; and their knowledge of museums. These factors used to define each audience group.

What kind of benefit can people gain from the museum experience? Falk & Dierking (1992) provide a good theory of audience and museum visiting which is that the museum experience focuses on the role of public learning, which requires precise analysis and systematic planning process. The museum experience often examines the conditions from many different perspectives and the museum audience is usually motivated and engaged if they want to learn something from the museum experience. Motivations and proactive participation are the basic elements of effective education in all museum settings. Falk & Dierking (1992) examined how the public uses museums. Why do people go to museums? What does the audience do once they are in the museum? What do they remember after the museum experience? According to Falk & Dierking, many common elements run through the museum experience regardless of museum types and behaviour patterns which depend on different visitors. These patterns depend on a number of variables, including the

frequency of visiting, the expectations which each audience usually has when they visit museum, and the knowledge & experience they bring to museums. In order to describe the general museum experience, Falk & Dierking (1992) created a simple framework for making sense of the museum experience. They called this '*The Interactive Experience Model*' and conceptualised museum visiting as involving an interaction between three different contexts; the personal context; the social context; and the physical context. (Falk & Dierking, 1992)

The personal context

Each museum visitor has a unique personal context which consists of a variety of experiences and knowledge. The personal context also includes each individual's motivations and interests. Such characteristics provide crucial information about what the audience enjoys and appreciates from their museum experience, how they want to spend their time, and what kinds of experiences they expect from the museum visit. All these characteristics show that each individual visits the museum with their own personal agenda and set of expectations.

The social context

Visiting a museum usually occurs within the social context because people usually visit museums in a group. Although there are some people who visit museum alone, they usually come into contact with other visitors or at least museum staff. In general, museum organisations have relatively strict norms and values compared to other types of organisations, therefore, each museum visitor's perspective is strongly affected by certain social contexts. According to Falk & Dierking (1992) understanding the social context of museum visiting generates ideas on variations in behaviour between different audience groups such as the adult in the family group and the adult in the tourist group.

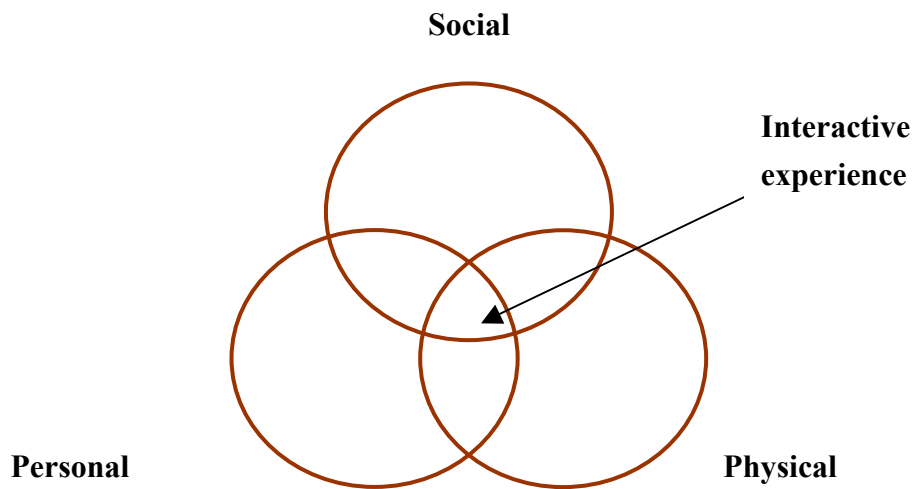


Figure 2.1 The Interactive Experience Model by Falk & Dierking, 1992

The physical context

The physical context influences audience behaviour, attitudes, and overall museum experience. The primary distinction between art museum and a science museum is derived from the elements of the physical context. For example, these two different types of museums have different architecture and ways of displaying collections. The physical context significantly influences their visitors.

Based on the three contexts, Falk & Dierking (1992) created a number of principles which can help to increase effective communication between museums and their public. As discussed before, the exhibition of the museum collection is main physical context and it could be considered as the major communication channel by which museums can reach their audience groups. Thus, their recommendations refer to ways in which exhibitions can be designed for strengthening both the visitors who have had museum experience and those outside of museums before and after the visit. The first principle is

that each visitor learns in a different way according to their previous knowledge, experience, and beliefs. In fact, each museum visitor has a different learning style, with their previous experience influencing what they learn from the museum visit.

Another principle drawn by Falk & Dierking (1992) is that all museum visitors personally perceive the museum's message so that it confirms to their own understanding and experience. In order to provide a satisfying experience, the museums define the exhibition using their own agenda and understanding of the objects. The last principle is that every visitor comes to the museums with different expectations which significantly affects each visitor's behaviours, attitudes, and learning experience. It is difficult to estimate or generalise about the types of audience because museum visitors are different from each other. They include people who just wander and people whose visits are planned in advance. Audiences also differ depending the type of the museum. *Universeum*, the Gothenburg based natural science museum, has more children visitors compared to Gothenburg Art museum. And the *Fashion museum* in London usually has more female audiences than male. Academically it has been a commonly accepted idea that the most striking characteristic of museum audience is high educational background, followed by high income. However, the variations in educational level are associated with attendance at different types of museums. Therefore, this idea cannot describe today's museum audience anymore.

In order to investigate how the museums are, concerning the audience issue and the current situation of Swedish museums, the interviews have been conducted with both museum professionals and ordinary museum visitors. The statistic database of the National Council of Cultural Studies was also used.

Our museum competes with a variety of leisure activities as well as other tourist attractions. Thus, we should build a strategic marketing plan to attract new visitors. This is the new commitment of Röhsska

Museet. I am always worried about our current situation and often discuss with my colleagues the fact that we must have a strategy. Next year, the National Museum of World Culture will open and it will be located next to the Universeum and Liseberg. If people visit Gothenburg with their children, I think they will not come to our museum.

(Elsebeth Berggren)

Berggren also said that today's museum organisations need to be aware of visitor's needs and expectations. Otherwise museums are not able to survive market competition. I contacted seven city museums in Gothenburg. However, none of the museums have conducted any systematic audience research for over ten years although some museums have had very superficial and unsystematic audience surveys.

According to the Swedish National Council for Cultural Affairs, the audience in Swedish municipal and community museums has decreased during the past decade (Figure 2.2). All Sweden's municipal and community museums were counted and the figures include students who have visited the museums as part of educational programmes and tourist groups. *The National Council of Cultural Affairs* did not provide specific statistics about how many school children have visited the museums as part of their education programmes. Therefore we are unable to calculate the exact number of ordinary visitors who have visited the museums by their own decision.

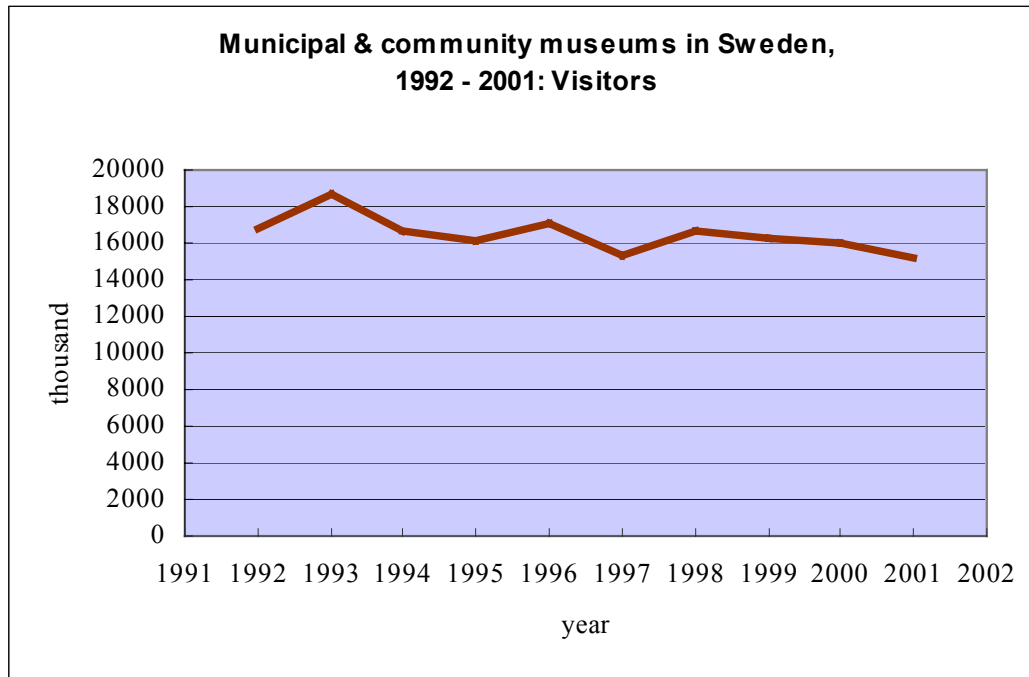


Figure 2.2 Visitors to Municipal & Community museums in Sweden, 1992-2001 (Source: *Kulturen i Siffror, Museer och Konsthallar 2001*, Swedish National Council for Cultural affairs & Official statistics of Sweden, 2002)

In order to understand the current situation of the museum audience in Sweden, I have also conducted several interviews with ordinary people during the research period. An interesting fact is that most adult respondents have not visited any museum or gallery for the past 12 months, mentioning common reasons why they do not go to museums. According to them, museum visiting does not provide any special experience or benefits anymore and they have always find other leisure time attractions such as going to cinema.

Kotler & Kotler (1998) define the concept of Lifestyle as an individual's pattern of living-interests, preferences, behavioural dispositions. Lifestyle is a dynamic factor so each individual may have a different lifestyle at different times in their life. It has been often discussed that Europeans spend more leisure time in museums than people from the United States. Because Europe has a relatively longer history, and Europeans tend to be more used to participating in museum activities and arts performances; for them it was not an unusual practice to visit museums. However, there must be some differences

depending on individuals. As Kotler & Kotler (1998) describe, the public arts sector has received more government support and subsidy in Europe than in the US. In the United States, on the other hand, arts activities, including museums visits, have been regarded as more elitist. People feel they must be highly educated and able to make sophisticated responses to be interested in opera, ballet, and museum exhibitions.

As Falk & Dierking (1992) argue, overall context of museum has composed by museum audience, and the interaction of different contexts finally generates the visitor's museum experience. This generates a picture of the museum experience as unique depending on each individual visitor. Besides, viewing the process in terms of the interactions between contexts can help museum organisations understand a variety of audience decisions, such as watching a film or listening to a lecture, visiting when the museum is crowded or empty, or seeing a specific room first. These make the difference between a potential museum experience versus actually visiting. We can visualise a three dimensional set of these different contexts through the *Interactive Experience Model* (Figure 2.1). People's museum experience is generated within the physical context of museum. The audience exists within the museum (as a physical context) and each audience perceives the reality through their own personal context. Sharing this museum experience is unique and it is different from other visitor's experience. At the same time, these diverse personal contexts create an entire social context by interacting with other visitors contexts in the museum space. Therefore, the visitor's museum experience can be generated through a continuous interaction process between these personal, social, and physical contexts. Through the interactive experience model, the museum is able to understand each visitor's museum experience as a series of critical intersections of contexts which finally function as an entire integrated model. Furthermore, if museums want to react quickly to changing audience demands and environment, they should try to take advantage of the opportunities for audience development. Understanding museum audiences

means more than just conducting audience research which shows their preferences.

As Kotler & Kotler (1998) argue, museum audiences usually have a number of alternatives to a museum visit: cultural activities such as attending the opera, theatre or a concert; watching television at home, visiting relatives; or reading arts magazines through the internet. Therefore, the previous principals could be significantly useful for museums, regardless of their size and characteristics, when modifying the museum experience programme for the different types of visitors.

2.2 Building quality audience experience and attracting museum visitors

Huizinga (1949), a well known Dutch historian, introduced a museum experience model with human aspects of play and playfulness in society. He studied the “*Play element*” in history and human culture. According to him, the concept of *play* is a universal need in learning, leisure, education, and entertainment. Based on this idea, he concluded that there is not a big difference between education and entertainment.

Today’s public visit museums as part of their leisure time activities and they expect to have fun through the experience. In order to build a quality audience experience for museums, Kotler & Kotler (1998) introduce the competition model through four different types of alternative leisure activities. The first competitor to museum visiting is home staying behaviours, such as watching television, reading newspapers, gardening, and visiting friends. The second form of competition is more active behaviours, such as going shopping, having dinner at restaurants, going to the cinema, and attending sports events. The third competitor of museum visiting is attending other cultural or educational activities, such as taking oil painting courses, attending opera, and going to the theatre. The last type of competition museums face is visiting other museums.

I have observed many types of museum visitors at a number of exhibitions and calculated that most of people spent less than 10 minutes on one medium size exhibition hall. More interestingly, they spent significant time in museum gift shops, cafeterias, and making use of other museum facilities. However, it does not mean that people spend more time at these service facilities as a priority. Rather, it seemed that people could not find any interesting elements from their museum experience.

For my research, I have visited several public museums in Gothenburg and Stockholm to observe audience behaviours and overall museum operations which I could experience as an ordinary museum visitor. Although I cannot generalise on all Swedish museums with this limited experience in two cities, these museums are considered Sweden's representative arts organisations. Therefore, I assume that they are relatively more advanced than other public museums in terms of audience programming and quality of service. In Stockholm, I interviewed one museum individual who visited the museum with his family. The primary reason his family visited the museum was for their children, to show them some museum collections.

This museum has not been changed since I visited four years ago. The museum has most the same collections and facilities. Nothing has been changed. I seldom visit museums or art galleries but I often go out to watch opera or music concerts with my wife.

While his wife and children looked around the exhibition halls, he sat in the cafeteria, waiting for his wife and children. He told me that he could not find any attractive things in the museum. From his point of view, collections are always the same and the museum is always dark and quiet. Can we blame this visitor for his uncivilised behaviour? Or do we have to blame the museum which fails to attract their regular audience?

Figure 2.3 shows the current situation in the Swedish museum environment.

The number of exhibitions in municipal & community museums is decreasing. According to one exhibition manager of Gothenburg city museums, one of main reason for decreasing visitors is because museums do not have enough money to prepare several exhibitions. She noted that the audience is not the museum's main concern in the current museum situation in Sweden.

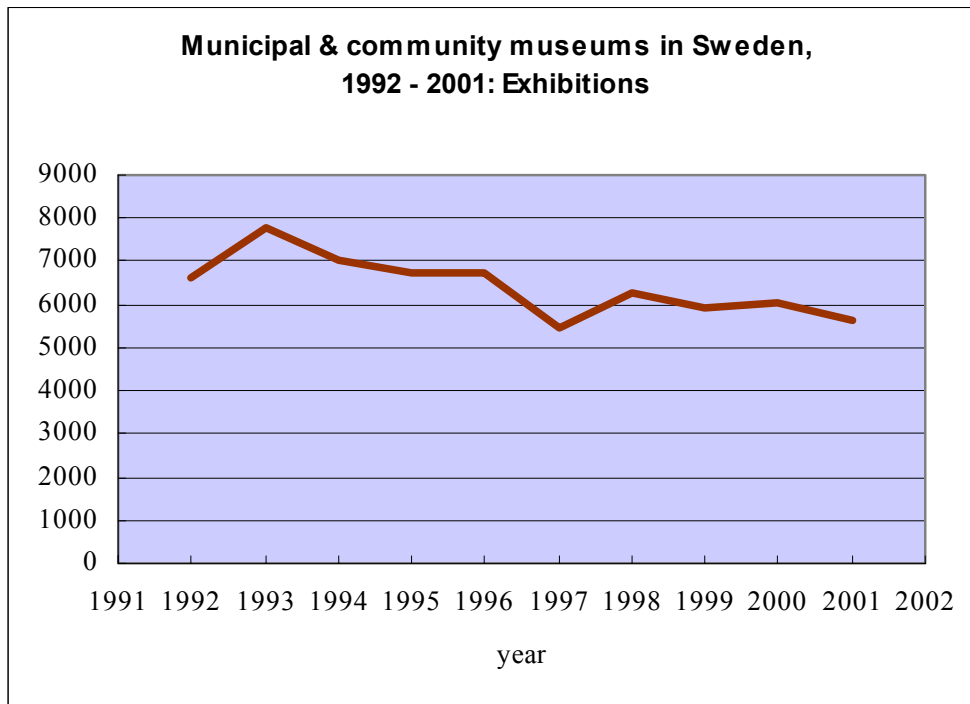


Figure 2.3 Exhibitions of Municipal & Community museums in Sweden 1992-2001 (Source: *Kulturen i siffror, Museer och Konsthallar 2001*, Swedish National council for Cultural affairs & Official statistics of Sweden, 2002)

There is no doubt that extending audience visiting time at museums is a way to enrich the experience of the audience. According to my audience survey at *Universeum*, Gothenburg based natural science museum, 89% of respondents said they spent more than one hour inside museum building and they also spent significant time at the cafeteria and museum store (Figure 2.4). I interviewed one family who visited Gothenburg as a weekend trip. They said that the family visits *Universeum* almost every year because the parents want to show and explain many scientific things to their children. According to them, the museum staff is very helpful and they believe that the *Universeum* takes its audience

seriously in terms of museum programming and the quality of service. Therefore, they feel very comfortable and like to stay inside the museum building for several hours.

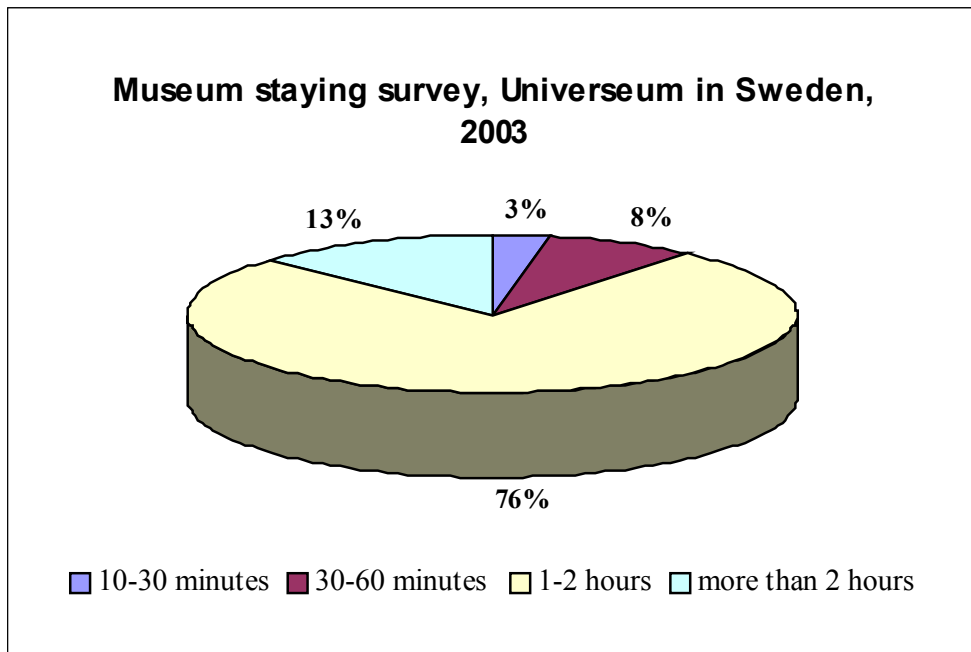


Figure 2.4 Audience survey at Universeum, Gothenburg (September 26-October 05)

During the research period I began to realise that many Swedish museums still want be defined as traditional concept of museum institutions which provide public education and preserve collections. They seem to believe that museums have certain social obligations to take care of cultural heritage and rare objects for the future generations. In fact, it is still one of most commonly accepted commitments of museum organisations.

First of all, Swedish museums seem to have some problems engaging audience attention and interest. We cannot say that the visitor who I met in Stockholm should be considered as a typical type of Swedish museum visitor. There is a possibility that his behaviour and my observations could have depended on that specific situation or his personal characteristics. In fact, there were many tourist groups all the time inside the museum and it seemed that they enjoyed the exhibitions. It was quite obvious that it was their first time to visit those

museums. Nowadays when we visit public museum such as *Göteborgs Stadsmuseet*, we only see groups of tourists from other countries or cities. This critically reflects the current situation of Swedish museums: local residents are closing their eyes to museums. If museum organisations are not able to share their values with local society, what do local museums exist inside the community for? None of the museum organisations have a mission and commitment to attract tourists. The museums do not exist simply for the nation's tourist industry, but for Society and the public. The museum should provide its audience with good reasons to visit again. According to the cultural policy in Sweden, the museum exists for public education and the education should be continued during people's entire life.

Today's museums need to better understand the existing audience, their demands, motivations and limitations. Then the museums are able to develop their current knowledge about people who do not participate in museum activities. Effective audience development looks to understand more about audience attitudes, perceptions and barriers to attendance. By recognising and challenging these factors of museum attendance, museums will be able to encourage more people to be involved in the museum society.

(Göran Andersson)

There has been a long held notion that museums never want to be defined as people's leisure attractions because it sounds cheap and commercial to them. However, museums should be aware of the reality that more and more people want to find the 'exciting' element in their museum experience. The "exciting" element does not only mean any event oriented activity or visible funny happenings in the museum space. People just want to feel comfortable in the museum space and enjoy the museum programmes. Why can't museums design exhibition spaces which encourage a variety of emotional responses from their

audience? From the empirical study, I became confident that most museum organisations have the capability to change this unpleasant situation. Although the audience and social achievement of the Swedish museum authority should be respected, museums also need to be aware of their other significant roles, such as providing interesting experiences to children, integrating their unique value into other social sectors, or developing museum space into a meeting point for the community. In order to provide visitors the quality experience, the museum should be balanced between their social commitment and creating valuable experience.

I believe that it is not that a black and white situation where the museum institution can choose between preservation and audience access. In our mission we have both audience development and preservation. It is really not a big issue or problem for us. In our own vision for Moderna Museet we aim to optimise the arena for people and art. I would personally stay away from trying to be “entertaining” as a museum of modern art. We aim to be excellent and never compromise our art. But we do our best to make the audience feel comfortable and very welcome in all other aspects.

(Lovisa Lonnebo)

Lovisa Lonnebo, head of communication at *Moderna Museet* in Stockholm, pointed out that today’s museum organisation must consider both its audience interest and museum’s artistic value at the same time. Although she has a negative point of view about museum’s *entertaining* elements, *Moderna Museet* has tried to make the audience feel comfortable and welcome in all other aspects. Alan Andreasen, professor of marketing at Georgetown University, argues that today’s museums need to learn from theme parks such as a *Disneyland* in terms of customer service. He points out that *Disney* successfully manages the visitor’s time, keeps the visitor from being bored,

offers pleasant and comfortable surroundings, and carries out extensive research on visitor's expectations, demands, and preferences. Although most museum professionals are sceptical about this kind of radical change in the public museum, as far as museums maintain their mission statement and commitments to the society the museum could apply some of Disney's strategies and practices to the audience programmes. Through this effort, visitors are able to maximise their multilayered experiences at the museums. Regardless, it is crucial for museums to look at their core missions and their range of potential offerings if they want make changes.

According to Kotler & Kotler (1998), museums can change their offerings periodically to keep audience satisfied. Although there is still possible to argue between a museum's modern definition and their commitment matters, there is no doubt that today's museum visitors want a variety of activities and the widest possible range of experiences during their visit. Although some leading public museums are becoming more aware of public interest and its importance, there are still so many barriers for museums to overcome to be audience centred arts organisations. In order to attract the public, Kotler & Kotler (1998) propose that museums must increase their visibility through effective image building schemes and promotion activities. They can allocate resources to build brand identities such as a museum names, messages, and images that lead the public to place their trust in the organisation and to shape a long term relationship with museums.

Through Figure 2.3 and audience interview in Stockholm, we could assume that a museum's lack of programme development might influence people's decision to visit. Not many people visit the same museum several times to observe same objects and collections. Kotler & Kotler (1998) argue that the length of a museum visit is correlated with the range and quality of museum's offerings, the depth of a museum visitor's experience, knowledge, and personal characteristics such as an individual's disposition to spend time in gift shops.

Today's museum organisation should be actively involved in upgrading their existing exhibitions and various audience programmes. As Kotler & Kotler (1998) described before, whatever its offerings, all museum staff need to be well advised to consider those offerings from audience point of view. And they have to reflect periodically on the types and quality of experience their museums offer. Then, the museum's newly developed and upgraded offerings will help them reach to a larger audience, including both their regular members and the hidden audience. Audience development is not just about getting more people through the door. Even though the situation can be different depending on a museum's space, types, and quality of facilities, museums need to consider establishing a strategic environment which is achievable. For example, Gothenburg city museums can concentrate on improving the quality of museum services and promoting the special exhibitions through an effective PR method in order to meet audience demand and expectation.

Although many pioneer museums try to place audience development at the centre of their main activities, the culture of audience development seems to be in the beginning stage in Sweden. Therefore, it could be a good opportunity for museums to stimulate and test creative methods of examining the audience. However, one thing should be clear. The entire task of audience development must be defined within the museum's mission statement, social commitment, identity, primary aims & objectives, and the situation each museum faces. In fact, the development of new audiences requires significant amounts of time, money, professional skills, and an effective network with other social factors. Most audience groups and individual visitors are open to approaches from the museum and are usually glad to be involved in this development process. As Hooper-Greenhill (2002) argues, a planned, resourced and sustained approach to this audience development programme must be part of forward planning. At the same time, it should be connected to all kinds of museum stakeholders, including all museum staff through an effective communication method. Museum visiting is an opportunity for public social interaction. People want to

share values, participate and learn together through the museum experience in a comfortable atmosphere. In museum studies, Walden (1991) emphasises the role of museum as a communication channel.

The role of museum is the presentation of the collections to the public through education, exhibition, information and public services. It is also the outreach of the museum to the community.

(Walden, 1991)

Although there could be many different types of museum organisations in a society, I assume that “communication” is probably one of the most essential mechanisms which any museum organisation can adopt in order to effectively deliver the museum’s knowledge and experience to the public. For effective communication, both the sender and receiver of the communication must share the same value, concepts, even the same passions for proper communication.

Chapter 3 Marketing and museum audience programme

Marketing as a consistent effort builds a foundation of public understanding and appreciation. Over time, the public learns about the values, on which museums are founded, the heritage they collect, the knowledge they embody and the services they perform. In turn, with greater understanding, the public will use and support museums more fully.

(American association of museums 1984)

I assume that marketing is one of the biggest challenges to today's museum organisations because it usually involves different aspects of the museum management in terms of both financial and audience development issues. It seems that today's leading arts organisations are aware of marketing concepts and principles due to the recent trends in the art industry. There is no doubt that today's arts organisations, including museums, still need to show enthusiasm for their artistic value and commitment to art and society. However, I assume that this concept needs to be combined with professional management ideas and understanding of marketing for continuous development of audience matters in the future. According to Dickman (1997), marketing has the capability to provide a framework to increase the range of museum offerings and to promote their activities through effective communication and promotion methods. More importantly, through a strategic marketing programme, it may be possible to improve levels of audience satisfaction and, finally, they will be able to successfully reach a potential audience for the museum.

According to McLean (1997), it is essential not to see the marketing in terms of *museum product*, but rather as the process of relationship building between the museum and the public. Therefore, this chapter will describe how marketing can be tailored to the needs of today's audience. It has been said that Swedish

museums have focused on their traditional roles as preservation and education institutions for a long period of time, and are somehow closed and insensitive to audience needs. In regard to the current situation where the public has closed their eyes to museums, the Swedish museum organisations need to consider creating a new role in society in terms of audience value creation. In this chapter, I will examine how Swedish museums can change from a closed system as conservative institutions to an open and more dynamic system by creative marketing value. Furthermore, how strategic marketing is crucial for the museums to develop audience programming will also be discussed.

3.1 Museum marketing and audience relationship

The marketing concept has had some difficulty gaining acceptance in the Swedish museum sector. One of main challenges is the view that marketing is not really necessary for museums. As a matter of fact, marketing is still such a sensitive topic that a lot of traditional museum professionals are hesitant to even mention the word, believing that art marketing means selling artistic principles and values to the commercialised market in order to attract public and investors. I assume that part of problem might be based on a misconception about marketing. The definition of marketing in arts management is relatively new and it is several decades behind most other business organisations. Besides, museum professionals, trained in conservation and preservation techniques, naturally have little comprehension of strategic management.

When defining the marketing requirements of museums, it is crucial for them to recognise the difference between business marketing and museum marketing. In arts and museum journals & magazines, marketing is no longer a dirty word. It has started to be considered as one of most fundamental aspects of today's museum organisations. However, there have been a lot of misconceptions about the role of marketing and criticisms about the marketing concept for long period of time. To understand the audience issues, it is worth considering where marketing is positioned in the overall museum performance. Marketing is not

simply a commercial function of the museum. Perhaps it can be used to achieve the goals of the museum. Is marketing to blame? Or are the wrong manipulators of marketing to blame? It is a major question also whether museum professionals can adapt existing marketing concepts to non-profit museum organisations for the mutual benefit of visitors and the museum itself.

The concept of marketing emerged in 1950's in United States. About 40 years after the marketing philosophy was recognised, a considerable number of both public and private organisations have adopted the concept in their management. During this marketing period, many organisations realised the importance of customer demand and needs. Drucker (1990) describes marketing as one of the most important single management functions and keys to success in business.

The customer is the foundation of a business and keeps it in existence. Marketing is not only much broader than selling; it is not a specialized activity at all. It is the whole business seen from the point of view of its final result, that is, the customer's point of view. Concerns and responsibility for marketing must therefore permeate all areas of the enterprise.

(Drucker, 1990)

Museums in Sweden are relatively small. They usually have a limited number of staff and the size of endowments is also relatively small compared to the museums of other European countries such as Italia or France. There is an assumption that this typical environment in Swedish museums limits various opportunities to undertake professional marketing techniques. However, it is critical to question whether Swedish museum authorities recognise the importance of being market and audience centred. Probably the most prominent aspect of marketing is its recognition of the importance of museum audience. Museums obtain information of their visitors' needs and wants through

strategic marketing research.

Relationship marketing is a recently developed theory by European academics such as Grönroos. Grönroos refines the definition of the relationship marketing.

The objective of relationship marketing is to identify and establish, maintain and enhance and, when necessary, terminate relationships with customers and other stakeholders, at a profit so that the objectives of all parties involved are met; and this is done by mutual exchange and fulfilment of promises.

(Grönroos, 1994)

Though there is no perfect definition of Relationship Marketing, Gordon's (1998) six dimensions are considered as the most commonly accepted description of Relationship marketing by many scholars.

- Relationship marketing seeks to create new value for customers and then share it with these customers.
- Relationship marketing recognizes the key role that customers have both as purchasers and in defining the value they wish to achieve.
- Relationship marketing businesses are seen to design and align processes, communication, technology and people in support of customer value.
- Relationship marketing represents continuous cooperative effort between buyers and sellers.
- Relationship marketing recognizes the value of customers' purchasing lifetimes (i.e. lifetime value).
- That Relationship marketing seeks to build a chain of relationships within the organisation, to create the value customers want, and between the organization and its main stakeholders, including

suppliers, distraction channels, intermediaries and shareholders.

(Gordon, 1998)

McLean (1997) argues that there would be no rationale for marketing without audience. According to her, marketing is a process which brings together a museum organisation and people. Marketing enables the establishment of a long term relationship between the museum and audience. There might be some people who wonder why the museum should relate to the public. In order to get the clear picture about how museums perceive the concept of relationship marketing, an interview with Elsebeth Berggren, director of Röhsska museum was conducted. She pointed out that there are actually some museum professionals who feel uncomfortable and hassled when they have a large audience in the museum space. According to her, those types of museums professionals want to maintain the museums as academic or research institutions rather than the public places. Museum professionals have argued for a long time about whether the museums should tailor their offerings to meet the target audience needs, wants, and preferences.

Today's museums cannot survive with only exhibitions and by preserving collections. There must be two roles for museums. We have to balance audiences and our art work. Museums should consider all kinds of ideas for future success.

(Elsebeth Berggren)

Audience loyalty schemes usually include membership programmes which offer special benefits, admissions, and so on. As a part of a strategic marketing scheme for the museum, a membership programme offers a variety of benefits to the museum members. Tate gallery in the UK has been famous for its successful membership programme. The Tate states that the membership

programme helps the gallery purchase new art works and preserve existing collections. Besides, they say that it develops the arts education programmes. The Tate introduces different types of membership depending on the additional benefits (appendix 5). One ordinary visitor, who I met in Tate Modern in London during the research period, said to me that he receives more benefits than he paid for through using the Tate membership programme. According to him, he paid £61 for the annual membership and this price includes several benefits. For example, he can visit any exhibition (they usually cost between £10 and £20) with one additional guest for free and he receives the free arts magazine which people usually purchase at Tate bookshop at £4 per issue. Besides, he gains a priority to using a museum cafeteria. He said that the membership fee is very reasonable and he is satisfied with the benefit the Tate gallery provides.

As a matter of fact, museum organisations are interested in creating a concept of ‘*audience loyalty*’ through constant relationships with their audience. Swedish museums have created their supporters through the *museum friends* scheme. Although this *friends* system is different from private sponsorship or donation groups, it has supported museums in terms of financial subsidies and other managerial support.

Our museum friends association was established in 1997, just one year after the Röhsska museum opened, and now has more than 500 members. In order to provide financial aid to the museum, the friends association usually organises income generating activities such as stock investment and product selling. The money is used to buy new books for the museum library, publish museum brochures, or develop the new exhibition programmes. Four or five times a year, Röhsska museum provides special lectures and dinners for the friends members.

(Elsebeth Berggren)

Elsebeth Berggren said that the friends association of the Röhsska museum has successfully grown as an independent organisation and they have their own management board and activities. This kind of *friends association* is very common in most museums and art galleries in Sweden.

According to my research and interviews, there are two different opinions about the museum marketing issue though both parties agree that today's museum organisations need to carefully consider its audience. Some museum professionals believe that an audience centred marketing philosophy should be reflected in the entire museum organisation. And there are other museum people who have more limited views on marketing as a single management function. However, one thing that is clear is that a well structured marketing scheme and implementation process enables museums to examine their market condition and critically analyse the current environment. The museum is then able to create audience centred marketing programmes for formulating their strategies and attracting the new audience groups. The decision is probably dependent on managerial capability and volition of the museum management board.

Museums have been always considered as non profit organisations. According to Lovelock and Weinberg (1988), non profit organisations are defined by the fact that they do not look to make a profit for owners or shareholders in the entire operation process and if they do generate a surplus, they usually reinvest it into the organisation. Besides, non profit organisations need to have a distinctive approach to marketing because of the following characteristics. Non profit organisations more often depend on the public, whereas a profit seeking business is primarily responsible to their shareholders, employees, and clients (Hannagan 1992). Stakeholders of the museum include audience, potential visitors, central & municipal governments, museum's authority board, business partners, museum employees, private donors, and museum friends. Non profit organisations may be subject to non market pressures. Particularly museums

such as a National museum in Stockholm, which are controlled by central or local governments, may be influenced by political wishes. McLean (1997) also describes the main difference between commercial business organisations and non profit museums. She asserts that they have different ultimate objectives for marketing activities. As a non profit organisation, museums generate income in order to return it to the museum. Therefore, museums use marketing as a method to attract new audience groups or sponsorship. According to her, museums are also service organisations and a museum's service activity is dependent on each museum's policy and mission. As museum audiences become more demanding about quality of service, customer service has become a competitive instrument and an important element of relationship marketing for museums and other arts organisations. From the perspective of relationship marketing, marketing is all about the exchange relationship between the museum and the public. Therefore, qualified audience service is usually a key element in this relationship.

The museum association in UK proposed a rationale as to why museums have to communicate with their audience. It is because they exist for '*the public benefit*' (American museum association 1984). The main questions are to do with identifying the '*public*' and establishing the '*benefit*'. The marketing approach to see the audience figures and '*profit*' concept have been at the centre of the argument all the time and now some museum professionals are trying to establish a progressive and instructive rationale about the new roles of the museum. Museums exist for public benefit and society, so museum marketing needs to reflect the fundamental goals and benefits for society.

As McLean (1997) argues, our society is becoming more aware of environmental concerns and museums also need to make sure that they are responding. An element of the museum audience is continuously increasing and sophisticated. Their attitudes reflect a view of quality of their life and cultural activities. People expect museums to offer high standards of programming as

well as the audience care. They want to believe that museums always provide valuable experiences to their audiences for their quality of life. As the most fundamental development process, we need to have more than just a superficial understanding of the museum audience in order to establish potential public awareness of the museum. In order to develop strategic marketing paradigm museum organisations need to understand how their audience feels about their existing programmes, and about other products and services, as well as people's interests, motivations, fears, and aspirations. By researching and understanding the needs of the audience, a museum may be able to develop creative audience programmes. As Hooper-Greenhill (2002) remarks,

The relationship between the museum and its many and diverse public will become more and more important in the future. And this relationship must focus on genuine and effective use of the museum and its collection.

(Hooper-Greenhill, 2002)

The challenge to today's museums is to arrange the rationale alliance for the three critical concepts, marketing, customer, and quality of service. Audience service and customer centred marketing have become key concerns of many museums and art galleries in recent years. Customer centred marketing became a crucial element of the modern approach to both profit and non profit organisations. A number of business organisations have systematically studied customer's needs, wants, perceptions, preferences, satisfactions, and even behaviour patterns. Therefore, the study of the museum audience is able to provide an opportunity to identify areas of undiscovered audience demand and the potential for developing creative museum programmes. Furthermore, by tracking information about the current audience in the database, the museum can create an excellent audience profile. As discussed before, museum customers can include individual visitors, tourist groups, sponsors, and other types of stakeholders who are interested in the museum activities depending on

different perceptions. Figure 3.1 shows that the public museum has many different types of customers. Of course, we also need to classify the difference between ‘*audience*’ and ‘*customer*’ here. From the perspective of the museum, well structured marketing should be considered as a fundamental tool for helping the museum audience find expected values from their museum experience. Museum organisations can realise their objectives through strategic marketing although it is not always necessary to position marketing at the top of the organisation’s management mission.

Kotler & Kotler (1998) argue that it is important to acknowledge that marketing cannot define the museum’s objectives. Instead, it can be considered as a practical system for supporting museums in achieving their objectives. They also describe the audience centred museum with the following characteristics:

- It will factor in audience interest in planning museum exhibitions, programmes, and activities.
- It will rely continuously on audience research to learn about their needs, wants, perceptions, and preferences.
- It will identify market segments with different needs and interests and arrange appropriate programmes and experience to satisfy each target segment.
- It will define competition broadly to include all other leisure time activities and recreational options that might compete with visiting a museum.
- Its market strategy will use a variety of marketing tools, not merely advertising and public relations.

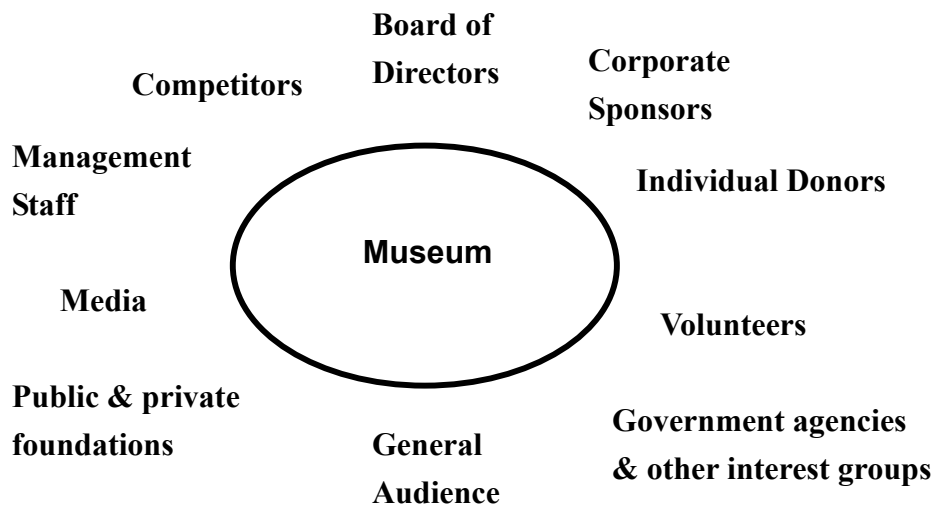


Figure 3.1 Customers of museum organisation (source: Standing room only, Kotler & Scheff, 1997:63)

If museum organisations agree that the audience is one of the most fundamental aspects of their future, museums should anticipate the needs of their audience, and develop or renovate various museum programmes to reflect those needs. It might be true that some museums became more commercialised in their approach to developing more diverse audience groups. In this situation, the crucial challenge for museum organisation is balancing an audience centred marketing approach with a mission reflecting the commitment of the museum. Besides, if there are museums that wish to be audience oriented and market responsive organisations, they need to consider designing the strategic planning, programme structures, and organisational culture which can support views of their audience and marketing matters.

Through effective relationship marketing, the identity of a museum can be cultivated in society. As McLean (1997) argues, the museum identity is created by a range of factors such as context of museum's exhibition programmes, the unique 'culture' of the museum, and different types of information which the museum generates. In order to deliver the museum's unique identity, the

characteristics of a museum and its programmes need to be clearly understood by an audience. The museum's identity should be established to be long lasting, not to reflect merely current trends which can easily change in the future. It takes a significant amount of time to develop an identity. A museum's identity could be examined through market research, which shows the public's perception.

3.2 Marketing research and segmentation

Market research is the planned, systematic, and organised acquisition and analysis of objective data for the purpose of improving the marketing management's decision making process.

(Dickman, 1997)

Kotler & Scheff (1997) defined the marketing management as the analysis, planning, implementation, and control of museum programmes to build the beneficial relationship with the museum audience and to achieve the museum's objectives at the same time. Market research is distinguished from simple observation which is not planned and does not influence specific decision making processes. Market research is systematic design, collection, and analysis in order to understand the museum audience and the specific market situation facing museums. The critical role of market research in terms of understanding the relationship between audience attitudes and objectives of museums needs to be studied.

As discussed in the previous section, audience centred marketing aims at giving the public what they demand. Then, how can museums be aware of public needs and wants? Do museums provide valuable experience to their visitors? What elements can encourage audiences to extend their visits? Do museums have enough social space? In this section, how museums identify their different

audience groups, how they can establish the effective positioning plan, and how strategic market segmentation and marketing influence the audience development process will be discussed. In order to identify the main problems, the following questions need to be asked. What are the basic elements that identify market segments of the museum? What criteria do museums consider when determining the target segments?

In order to formulate a strategic marketing plan Kotler & Kotler (1998) describe four levels of marketing approaches; mass marketing, segmentation marketing, niche marketing, and segment-of-one marketing:

Mass marketing This approach is based on the idea that all types of individuals have the prospect of using museum's offerings and services. Therefore, the museum which chooses this marketing approach can pay little attention to each audience group's different behaviour patterns and preferences. The problem of the mass marketing approach is that the museum's promotion campaign or communication activities can be designed indiscriminately and resources can be wasted.

Segmentation marketing Museums can define the audience groups which they need to attract and develop different museum programmes for these targeted segment groups, such as families with young children, senior citizens, and so on. Museums with a segmentation marketing approach believe that the market consists of distinguishable audience groups with different behaviour patterns, lifestyles, and preferences. Compared to niche marketing, the segmentation marketing approach can cover several market segments at the same time.

Niche marketing This approach focuses on just one or a limited number of audience groups rather than trying to attract large audience segments. There are several types of museums that choose niche marketing approach such as the Toy museum or the War museum. Museums with this approach usually focus

their collections, exhibitions, and various types of museum programmes to attract niche audience groups.

Segment-of-one marketing Museums which select this marketing approach usually try to know about their museum members in order to provide better service. Hence, this type of museum wants to collect a rich database about their audience, including their names, addresses, demographics, lifestyles, visitation history, donations, and other characteristics of interest. This information is often used to establish a customised marketing strategy because museums are able to customise different experiences for different members and donors.

The theory of marketing segmentation has continuously developed for a long period of time. Over three decades ago, Philip Kotler (1967) had already referred to it as '*STP marketing*' namely segmenting, targeting, and positioning. He described how organisations can target one or more segments which they wish to attract after identifying the different segments. Then, the organisation is able to competitively position the product or service offering in each target market. This process has been accepted as a principle and it seems to be believed that effective marketing segmentation often increases the organisation's effectiveness and profitability. One of main objectives of market segmentation is to attract people and develop the audience groups that might not participate in all museum activities or have specific preferences. As Kotler & Kotler (1998) described, the museum market is segmented in a number of ways depending on different variables and ways of seeing the museum's market opportunities.

In order to investigate the importance of market research and audience segmentation, a couple of interview questions were asked to the museum professionals and ordinary museum visitors. The example of the Tate gallery in London was also studied to investigate the current situation of audience development in the UK. Museum professionals, who have been conducting the

interviews, agree that Swedish museums have focussed less on the audience research matter than other museum functions. The reason is not simply because they have not recognised the importance of research, but because the public museums have always suffered from a lack of resources. Several museum directors complained that they do not have enough money in their annual budgets to invest in conducting market research or audience studies.

The Tate Modern and Tate Britain in London use a regular market research system which used according to the demographics of paid exhibition. (The Tate has a free entrance system for the exhibition of permanent collections. But the audience must pay for the specific exhibitions) According to the interview with Robert Heyworth, museum consultant and researcher, the Tate has a particularly loyal visitor base compared with other British museums and art galleries. He said that approximately 65% of total audience repeated their visit to the galleries in 2002 and the majority of visitors are female U.K residents. He also said that the Tate often tries to research particular audience groups at particular times to study their primary audience segments.

Tate galleries research their audience through a specially designed regular tracking study which it performs three times a year, with a more in-depth qualitative survey every three years. This research has helped the museum understand the visitors and respond to their views.

(Robert Heyworth)

The *Turner Prize* is one of the most famous awards for young artists and every year it has been given out by Tate gallery for the past 20 years. Robert Heyworth said that this particular prize at Tate attracts many young visitors. In 2002 over two thirds of the visitors for the Turner prize exhibition were under 40 years old. The visitors of Tate Modern are relatively younger than other museums in London. Besides, Tate Modern has continued to attract a higher degree of first time visitors through the free permanent collection rather than

specific exhibitions. In order to find out audience opinion about the Tate, one casual interview was conducted with a 19 years old girl who lives in London and visited the Tate Modern with her friends.

We always feel that the Tate Modern cares about their visitors, especially young people. The museum shops always have a variety of selections, such as nicely designed stationeries. The space of exhibition hall and even museum cafe maintain the active atmosphere and modern design. As you know, the building of the Tate Modern was used as a power station and it might be the one reason why young people think the Tate Modern is cool and creative. To young people like us, Tate Modern is one of the most attractive cultural places in the centre of London.

If museums want to know about their audience and create effective audience programmes, it is only possible through systematic market research activities. However, market research has been often criticised for being misleading or too rational. According to Robert Heyworth and other museum professionals, in many cases people respond differently to questionnaires than what they really think because of emotional or psychological reasons. However, there is no doubt that museums needs to communicate with their audiences through the regular market research and audience studies. It is essential that museums should have the ability to learn about their public and their market. Market research can be undertaken on all aspects of the marketing mix, museum organisations, as well as on audience, including museum's potential visitors.

As discussed in the previous section, today's leading museum organisations such as the *Tate Modern* are aware of the basic functions of marketing and know what kinds of benefits the museums can receive from market research. As a matter of fact, none of municipal or community museums in the Gothenburg region have conducted systematic market research for various reasons. Kotler

& Kotler (1998) describe the main factors in museums that resist market research. These three factors can explain why museums in Gothenburg do not use any systematic market research method:

Cost As a matter of fact, most public arts organisations, including museums, have always suffered because of financial shortages in Sweden and the museums consider market research expensive.

Technical knowledge Perhaps it is understandable that museums are not familiar in using technical skills for market research. In fact, most small and medium size museums do not use a computerised database for market research.

Fundamental resistance Some museum professionals are still hesitant to adopt the marketing concept. They argue that marketing can be manipulated in a negative way. The misconception of marketing is one of the biggest barriers for effective market research.

Considering the case of the *Tate Modern*, market research should be regarded as an ongoing management function. However, due to the limited budgets and assigning higher priority to other museum expenditures, market research of museums often depends on the specific funds or financial support on the political use of government authorities. In fact, market research is usually treated as an optional activity by museums rather than a fundamental tool for effective museum performance. Besides, market research has not been considered as a continuing function, but understood as a discretionary activity due to the time, cost, and other efforts. Market research differs from simple, casual observation. It should be systematic, comprehensive, and sophisticated. The research process must involve careful examination of the sampling size, survey instruments, and areas of possible bias. As Kotler & Kotler (1998) argue, today's museums are often involved in many kinds of relationships with their different stakeholders. Through effective market research, all kinds of museum

organisations can look into the condition of their organisations, their objectives, and the demand to achieve the development of museum audience.

Successful market research can help museums formulate special exhibitions or museum programmes and furthermore, they can construct a theoretical framework about museum audience studies. Munley (1986) proposes how museums can use market research. According to him, market research can justify the museum organisation in terms of its worth and choice of exhibitions and audience programmes, while at the same time, the collected information can help museums to set up strategic long term planning. He introduces why museums need to undertake market research:

- To know about their audiences: people's profile of age, occupations, interests, preferences, and so on.
- To upgrade visitors' needs and demands; how can the museum's service satisfy the audiences?
- To understand visitors' opinions and tastes: what do people like or dislike in their museum experience? Do they want to visit the bookshop and café again in the future?
- To study non museum visitors; how can museum attract and persuade them?
- To support museum's marketing development plans: how can museum promote their programmes? And what kinds of media channel do they have to use? Should special audience groups be targeted?
- To define and solve the problems: why does a museum fail to attract audiences for a special exhibition?
- To attract additional funding and sponsorship;

Through identifying and analysing heterogeneous audience segments, museums can determine their target audience and accordingly developing the differentiated museum programmes. As McLean (1997) argues, marketing

segmentation of the museums enables them to focus potential resources and capabilities to meet their organisation's aims and objectives. She believes that effective segmentation helps museums identify their potential audience groups and priority activities. If museums plan to undertake specific actions to reach their target audience, they need to investigate their market segmentation because today's museum market consists of heterogeneous audiences with varying behaviour patterns. With this in mind the museums can consider how to attract and run different museum programmes for their targeted audience groups such as families with young children. Museums can concentrate on just a few segments in reality. It seems that only through strategic marketing can museums cultivate their market opportunities and to develop or adjust their offerings to meet the audience needs. If the museum has limited resources, it is important to consider how many segments the museum can concentrate on.

Kotler & Scheff (1997) note that lifestyle is usually identified as a better explanatory variable for museum audience than any other traditional socioeconomic characteristics such as people's income or education. It has been said that lifestyle is more dynamic than personality because lifestyle is likely to change several times during people's life. Although there are several different approaches to classifying lifestyle groups, people's activities and interests are commonly used. *Psychographic segmentation* provides vision of social class, personal values, and stages in family life cycle, and attitudes of audience groups. Therefore, psychographic segmentation analysis has been used by many arts organisations. People within the same demographic group can have very different psychographic profiles. With psychographic segmentation, museums are able to classify potential audience groups on the basis of social class, lifestyle or personality characteristics. As Hooper-Greenhill (2002) argues, the *demographic segmentation* should be carefully used by museum organisations because this segmentation's elements such as age, family composition, income, occupation, and gender certainly influence museum's exhibition programmes and objectives. Through effective market research and

audience study, museums should be aware of who can be their target audience and how to attract the segmented audience group. As the young interviewee emphasised, the *Tate Modern* has focused on the young audience group and the *Universeum*, the Gothenburg based natural science museum, has successfully attracted the young audience and family size visitors through the specially designed exhibition programmes and other events.

Thinking through what results will be demanded of the non profit organisation can protect it from squandering its resources.

(Drucker 1990)

In strategic marketing practice, performance evaluation and adjustment of strategy need to be considered by museum management with the effective control function. Service organisations use specially designed marketing control systems in order to recognize potential problems before they take actions. One of the most popular marketing control systems is monitoring the change of customer preference and satisfaction. Kotler & Kotler (1998) introduce the main customer satisfaction tracking systems which museum organisations can easily adopt:

Complaint and suggestion systems: customer centred museums should analyse and respond to all types of complaints that come from their audience and museum users. The museum management needs to classify the types of complaints according to the content and subjects. Then, the management board of the museum or relevant departments should analyse the problems through meetings. If the complaints are museum programme related, this information must be shared with the relevant decision makers. It is also significantly important to deliver feedback to the visitor who complained. More importantly, the museums must regard the complaints as a good opportunity to have a clearer picture of public reaction to the museum's programmes and services.

Customer satisfaction surveys: Museums are able to use a number of different methods to survey audience satisfaction. Of course they need to find the most cost effective and well designed for their situation. Museums often deliver periodic surveys to their potential audience or certain target groups, asking them to evaluate the quality of programmes, service, and other aspects of interest. This audience survey system allows the museum to identify its weaknesses and strengths in terms of both the museum product and service.

A *marketing audit system* is defined as a comprehensive, systematic, and strategic assessment system for improving an organisation's strategic marketing performance. Like other organisations, museum and arts organisations also need to undertake a critical review of their overall marketing activities and effectiveness. Kotler & Scheff (1997) argue that marketing is an area which is rapidly changing in terms of its objectives, policies, programmes, and strategies. Therefore, it is critical for service oriented organisations to evaluate their overall approach to the target market and the marketplace. The marketing audit system allows the museum managers to assess their internal condition, such as effectiveness of museum resources (museum employees, volunteers, a variety of facilities) and help to identify opportunities. Hence, the analysis needs careful understanding of market identity, the size of current market, and potential market. For example, the public museums in the Gothenburg region could consider building a strategic collaboration with city tourism. The tourist industry is growing and the numbers of tourists are also increasing in spite of the fact that the local economy is not doing well. Through systematic market analysis, museums can use this situation as a good opportunity.

Museums should not look at market research and segmentation as commercialised actions. They need to understand the objectives of the functions which study their audience and market. Well designed market research and segmentation are methods to identifying potential opportunities for the museum organisations to collaborate in establishing new visitors and

sustaining current visitors at the same time.

3.3 Audience communication and museum marketing

In terms of museum marketing, one of the key mechanisms is developing and retaining the relationship with their potential audience through the continuous communication activities. Before the museum decides which communication channel to use for their marketing campaign, it needs to have a clear image or a message to deliver to the audience. Kotler & Scheff (1997) note that museum communication is all about the entire process of informing, persuading, and educating their target audience in a particular way. If museums expect effective communication with their audience, they need to carefully define the objectives of communication. One of the most common objectives is making the potential audience aware of the museum products or services, providing information about museum offerings and changes, and diminishing public stereotypes or negative perceptions of the museum. In this section, the main aspects of museum communication and factors which influence the museum's communication mix will be discussed.

Drucker (1990) describes four fundamentals of communication. The first principle of marketing communication is that *communication is perception*. If the museum wants to have the audience in the centre of the communication activity, the museum must know all about the audience as message receivers. Second, *communication is expectation*. People perceive the message that they expect to receive. Therefore, if the message does not meet the recipient's expectations, it is often misunderstood. Third, *communication makes demands*. According to Drucker, communication often demands that people change something, do something, and believe something. Drucker (1990) notes that there is no communication unless the message can tap into the communication receiver's own values, to at least some degree. The fourth principle is that *communication and information are not the same but interdependent*. Communication is perception and interpersonal, whereas information is just

actual data and impersonal. It has been said that information should be reliable and valid. However, the effectiveness of the information often depends on the “*shared experiences*” without any true information. Therefore, the effective communication is often defined when the receivers perceive ideas about what the communication sender intends.

In order to investigate what factors influence the museum’s communication activities and how the museums effectively communicate with their audience, some interviews and studies of museum were conducted during the research period.

Through the green coloured icons of eye, light bulb, heart, and leaf, I think visitors can see what they will experience inside the museum building. Personally I think that Universeum’s creative logo and its distinctive image is a big difference from other public museums in Gothenburg.

(Stefan Stenberg)

It has been said that the Universeum has successfully built an outstanding image in the society. The museum’s modern architecture and exciting exhibition programmes create a distinct image in the public that Universeum is a progressive and innovative museum. One visitor, who answered the research survey, said that Universeum’s creative logo delivers a clear image and message to the museum visitors.

In order to develop effective communication with the audience, the museum often determines what elements of the promotional mix they should consider. The choice of combination depends primarily on the museum’s target market and how best to reach its potential audience. The museum’s current reputation and market position is important because it defines the degree of communication level which the museum might need to use. For example, a new

museum such as *The National Museum of World Culture* in Gothenburg is more likely use advertising and Public Relations to provide overall information to the public. On the other hand, a well established museum like *Universeum* focuses on their existing target audience to promote new programmes and services. Anna Berggren, director of Universeum, emphasised the importance of audience communication. According to her, Universeum is a quality driven organisation, therefore, it is the museum's primary objective to satisfy its audience. Universeum's marketing department is taking care of overall communication activities and some promotional campaigns are sponsored by their business partners such as TV 4, Göteborgs Posten, and Radio City.

The annual budget for public museums and operations is often influenced by politics, especially after an election, because each political party could have more or less different views on the cultural policy and regulations.

(Bibbi Wopenka)

The museum is often influenced by its external environment. This external condition includes all kinds of demographic, social, cultural, macro economic, and political factors. The external conditions are normally uncontrollable but can be always monitored and analysed by museum organisations. Through periodic monitoring and analysing activities, the museum organisations are able to change their approaches promptly according to the situation.

Communication in the museum is not only a matter of image building, but can be reflected in the entire museum experience for the audience. Exhibition programmes are important as main products. However, its infrastructures and other supporting service systems are all communicating a message to the museum audience. Therefore, the museum should understand communication and promotion activities more broadly, not just as a commercialised function to attract potential audience. McLean (1997) describes the museum's main

promotional objectives. Promotion is used by museums to develop and enhance its positive image to the public, inform its potential audience about the museum and its achievement, remind sponsors of the value of the museum, and develop motivation and high commitment among its employees. Museum's positioning can be defined as the designing process of museum's images in the target audience's mind and it is usually depending on the analysis of the museum's market segments, strengths, weaknesses, offerings, and its competition. Outstanding characteristics of the museum, such as exciting audience programmes, quality services, and unique experience will help the museum differentiate itself from other museum organisations.

Swedish public museums are not well focused on promotion activities because of two primary reasons. First, many city & municipal museum managers complain that they suffer from financial shortages all the time. According to these museum managers, museums are not able to invest enough money in communication activities of the museum with only government subsidies. Second, Swedish public museums have over emphasised their social commitment to public education and preservation of national heritage. During past century, the museums in Sweden have successfully performed the educational and conservational roles for society. It was the only role of the museum which most of the public expected. However, nowadays public expectations are rapidly changing and people expect some additional functions from museums. Some people want to visit museums as a leisure time activity rather than just for educational reasons. Interviews with ordinary visitors show that today's museums need to look at the wider range of their audience and understand the communication functions. In fact, it is already quite common in some countries including the UK to use a number of professional marketing promotion techniques such as systematic market research in order to communicate with their audience and people in society. During this research period, several interviews with museum professionals have been conducted. Regarding the museum marketing matters, some degree of resistance against

museum marketing was discovered. Museum's audience communication activities are not a trend, but more like a museum's fundamental commitment that Swedish museum organisations have not recognised. Therefore, museums need to define their target audience and try to find out the most appropriate method to communicate with their audience.

Kotler & Kotler (1998) argue that a museum's image should be simple, direct, appealing, and memorable because once a museum's image becomes familiar to the public, it usually becomes associated in their mind with positive expectations and image. The image of the museum can be created by a range of factors such as content of museum programmes (Kotler & Kotler, 1998). In the example of Universeum, the audience survey shows that many visitors had a common image of the Universeum as an exciting, creative, fun, or innovative place. As discussed before, an image of museum identity usually takes the form, as an important communication and promotion mechanism, of a symbol and a message, a special slogan, that work together in order to attract their audience. From this point of view, Universeum has built a communication linkage with their target audience.

According to Kotler & Kotler, Public Relations will soon exceed advertising in effectiveness. Today's advertising costs are increasingly expensive and it does not meet expectations to reach a number of potential visitors through the advertising campaign. The primary task of PR is to shape, maintain, or change public's attitudes toward the museum organisation itself, its exhibition programmes, or its services. In fact, successful PR has significantly influenced audience attitudes, publicity, and images of the museum. PR has a great impact on people's awareness so a number of profit & non profit organisations use the media to bring public attention to their products, services, and sometimes to organisation itself. Public Relations often provide updating information and remind the public that the museum is taking care of its audience. Besides, the museum delivers the message and promise to non visitors. It seems that people

trust Public Relations more than advertising because PR is somehow perceived as an honest communication channel. It means that effective PR activities of the museum can deliver a clear message of what benefits people will get through the museum experience. PR has a much higher level of credibility than any other type of promotion because it is often introduced by authorised media vehicle such as daily newspapers or national television programmes. Therefore, organisations with a limited promotional budget like public museums can maximise their use of PR. For strategic PR planning, Dickman (1997) proposes that museums should know their potential capability and current situation (Dickman, 1997). For example, large size major museums such as Universeum may have considerable potential for a regular and planned PR campaign. On the other hand, small community museums have limited opportunities for regular campaigning. It means that these two museums should have different PR structures and strategies according to their current situations and organisational capabilities.

In order to establish strategic positioning, museums need to know exactly how their visitors feel about the benefits which they gain through the museum experience. Therefore, museums must consider providing the wider range of offerings and benefits their target audiences are expecting. It is also significantly important to conduct periodic monitoring about their competitiveness and their own image. The roles of the audience and its definition in the society have changed dramatically. There are still many museums that do not recognise the importance of the audience or exclude the concept of audience relationship from their organisational mission even though some museums undertake continuous research on the public. I believe that today's museum organisations should consider the concepts of audience communication and strategic marketing at the same time.

Chapter 4 Audience development and the role of corporate sponsorship

Sponsorship is payment by a business to an arts organisation with the explicit objective of promoting the business' name, its product, service, or image. Sponsorship is a part of business' general promotional spending and may encompass staff development as well as a sense of corporate or social responsibility.

(Arts & Business, 2001)

There are a number of definitions of corporate sponsorship and perhaps it may be viewed different depending on the organisation's activities and objectives. One thing that is clear is that sponsorship has become seen as an effective and highly visible strategic method to reinforce a company's corporate image, and promote its products or services. Somehow, sponsorship is still regarded as less commercial and more reliable than any other marketing tools. It is important to remember that corporate sponsorship should not be confused with other types of corporate donations, patronage, or philanthropy. Compared to the traditional perception of the sponsorship, today's sponsorship is not just about the exchange of money and a company's brand awareness. It is also about mutual benefits for both the sponsor and the sponsored helping them to achieve their defined objectives through the agreement.

Sponsorship seems to be a convenient option for businesses because companies are looking for new communication methods all the time. I assume that the corporate sponsorship does not have any direct relationship to selling a company's products or services. Rather, it creates a long term relationship with arts organisations. Through this progressive relationship, companies are able to establish a solid image which usually appeals to its target segment of the market. Of course, there is no doubt that government subsidies have been decreasing in the arts sector. However, public types of museums still need to

consider the importance of communicating with their audience and satisfying their demands and expectations by developing new programmes. The museum organisations are aware of a variety of income sources which are available in each situation even though many museums mistakenly view sponsorship as a free gift from companies. Corporate sponsorship is an alternative, not a fundamental solution for the lack of resources in the museum sector. The business sector has been aware of the fundamental benefits which they can achieve by supporting the museums and galleries. On the other hand, there are still Swedish museums who wish that the government would provide stable subsidies and hope that they can develop all necessary programmes within their annual budget and government grants.

In this chapter, an overall introduction to the fundamental aspects of museum sponsorship programme will be introduced with some examples. Through research and several interviews, the relationship between arts and business will be analysed and, finally, the role that corporate sponsorship plays for developing the audience programme will be discussed. In order to understand the sponsorship situation in Sweden, it is essential to review and analyse the current tax framework regarding corporate sponsorship activities. Therefore, characteristics of the Swedish taxation system will be discussed with some examples and interviews.

4.1 Relationship shift in museums & Business and aims of corporate sponsorship

Support for the arts by business has been changing from the old approach of sponsorship as the gift of a sum of money to the present concept where, frequently, a partnership between business and an arts organisation develops, leading to long term support and involvement.

(ABSA 1997)

I assume that the relationship between arts and business is moving from a one side transaction towards forming a partnership. If this is true, museums need to focus on this significant change. This change shows that corporate arts sponsorship does not only play a role in improving a company's images or awareness, but also plays an important part in improving the company's business performance.

For a long period of time, service oriented companies have tried to communicate with their customers and they have spent a large amount of money to develop new marketing programmes which can attract more customers. For effective communication and precise information, it is essential to create a sense of shared value with their customers. Companies have realised that a strategic partnership with an arts organisation enables them to reach their target customers more effectively. As a matter of fact, business has supported the arts sector for long period of time through their direct contributions and in other indirect ways. Therefore, sponsorship needs to be considered as one of many alternatives which the strategic relationship between arts and business has created. I assume that the growing concern about arts sponsorship is because of its audience.

Corporations want to develop museums audiences as their customers and this fact has made the arts an attractive sector to invest in. Before going into the further discussion about the relationship shift between museums and businesses, it should be clearly determined that companies are not philanthropic organisations and that the money they provide is that of companies' shareholders. Corporate sponsorship could analyse a controversial issue. Sponsorship is a business agreement in which both sponsor and sponsored organisations try to achieve their own objectives through the relationship.

Patronage is the financial, material or professional expertise given by a commercial company to an activity for philanthropic reasons. The company does not look for any material reward or benefit neither

does it always expect recognition, but rather seeks to improve the quality of life.

(Arts & Business, 2001)

The corporate sponsorship has been often discussed by museum professionals without them really understanding its real purpose and characteristics. The sponsorship is often confused with the concept of patronage where the companies provide money, products, or services without any expectation of commercial return. During the 19th century in Europe, for example, it was quite common for wealthy merchants and high classes to provide monetary support to talented painters or music composers. Patronage is a type of charity giving event. In contrast, sponsorship requires a clear tangible or intangible return from the relationship. It may maintain certain social commitments as well.

The corporations initially want to know whom they are going to reach through the sponsorship activities. McLean (2002) describes the main reasons why the companies want to sponsor museums:

- Improving the general image of the company
- Improving or developing relationships with clients and influential people
- Attracting and retaining high quality staff and encouraging good public relations within the company
- Exposure of company name: when we visit museum's blockbuster exhibitions, we can easily discover sponsor company's logos and names on the programme catalogues and entrance ticket.
- The name in the title of the programmes or events: museums sometimes design special programmes with sponsor companies such as "*IBM summer museum school for the children*". Of course, the names of programmes depend on the types of sponsorship they have.

- Designing the special exhibition hall for the company: from strategic relation with companies, museums sometimes design the exhibition room which is named after the sponsor companies.
- Entertaining audiences (Promotional opportunities): this is one of the primary aspects of corporate sponsorship. It often offers opportunities for entertaining the audience through specially designed events. It usually costs a lot and companies use these events as promotional opportunities to introduce their services or products. Of course, it is important to select the right products for the events. Businesses and entertainment can be mixed and it is sometimes more profitable than we think.

In order to investigate aspects of corporate sponsorship and the current sponsorship situation, including the relationship between the museums and businesses, a couple of interviews as well as empirical research were conducted during the research period.

Our museum should aim not only at the conservation of cultural heritage, but also at other cultural initiatives. Therefore, it is important for us to encourage the company's active participation into the museum sector.

(Elsebeth Berggren)

From her point of view, there has been some degree of change in the public arts sector. Many museums and arts organisations have started to consider using the market mechanism to seek additional resources for improving the quality of their programmes. She emphasised that it is necessary for the art museum to establish long term relationships with companies in order to achieve managerial effectiveness and to develop better programmes for the museum visitors.

Business sponsorship of the arts is a mutually beneficial relationship which has been shown to deliver a whole range of tangible benefits. We always invite a number of our important clients and employees for the exhibition. Our arts sponsorship is the centre of a company's marketing activities.

(Thomas Jones)

In recent years there have been a number of creative and successful sponsorship partnerships such as *Ernst & Young's 1997 Cézanne* exhibition at the Tate gallery in London. The aim was to establish the company's brand awareness and better client relationships. According to the report by Arts & Business (2001), more than 5000 clients and employees were engaged in the exhibition and over 400,000 people visited the exhibition with approximately £500,000 of media value created. *Ernst & young* sponsorship is one of the most recognizable in the UK in recent years. The company has become synonymous with blockbuster arts exhibitions. According to the Arts & Business, in the research undertaken in 2001 on Ernst & Young clients, 69% of them named *Ernst & Young* sponsored events as the ones they had most enjoyed over the past three years.

Swedish government always closes the door of museums to the market. Museums do not cooperate with auction house or art dealers because they are dealing with money. I think we should open it because there is lots of knowledge which museums need. We have to collaborate for that knowledge, not only for money.

(Elsebeth Berggren)

In general, corporate sponsorship enables companies to establish their image or public awareness, build a good relationship with the community, and often encourage their own employees and motivate their working effectiveness. From the company's point of view, however, it might be the most important fact that

the sponsorship usually influences audience attitudes and behaviours towards their companies. Ugo Bacchella (1994), professor at Carnegie Mellon University, argues that corporate sponsorship in the arts sector has a direct and an indirect impact on different audience groups and that it is interesting to observe how the companies reach these target audience groups and what benefits the sponsors can acquire through this relationship (Bacchella, 1994).

Through successful arts sponsorship, *Ernst & Young* has built on the success of the sponsorship recognition. The primary objective of Ernst & Young, which was to bring Cezanne to a new audience, was achieved. The business objectives were the following:

- *Make Ernst & Young “famous” in the business community*
- *Establish long term relationships with the company’s clients and contacts (especially to build and maintain relationships with so called “elite group” consisting of top executives in the UK)*
- *Pride of employees and client satisfactions*
- *High profile entertainment*

(Arts & Business, 2001)

Those objectives reflect the corporate values of Ernst & Young, which is perceived as one of the top art sponsors in UK. In fact, they believe that the sponsorship activities can create significant value and confidence for their clients through outstanding solutions and services and by giving the highest attention to their people’s growth and satisfaction. Ernst & Young did not want to show any financial figures regarding the sponsorship expenditure and its financial returns. However, it has been said that the company received the enough value for the investment.

As the example of the *Ernst & Young* shows, marketing has become the centre of museums in the UK as a response to social pressures to cultivate private

finance and create new museum programmes for their audience. Many museum professionals consider corporate sponsorship as the same as a commercial advertising. In fact, both *advertising* and *sponsorship* rely on the marketing communication process and have some similarities in terms of generating public awareness, establishing public attitudes, and stimulating purchase intentions. However, the message of sponsorship is less aggressively presented than in advertising or sales promotions. Besides, a sponsorship campaign does not always promise enough return on the investment.

Among arts organisations, including museums, the corporate sponsorship became considered as an important marketing method because it has the remarkable ability to get very close to target audience groups. Compared to advertising and other commercialised promotion methods, corporate sponsorship responds to the public demand where companies can give something back to society. Corporate sponsorship does not provide only monetary resources, but also non cash contributions such as exhibition equipments, advertising service, marketing, legal expertise, and other sponsorship-in-kind contributions (Figure 6.1). In case of Röhsska museet, most printings are sponsored by *Goteborgstryckeriet*, papers are from *Papyrus*, and museum's publishing work is sponsored by *Happy F&B*. Besides, Röhsska museet purchases their lightning equipments from one specific company at a discounted price all the time. These companies have sponsored most of the city museums for a long period of time. Thus, each company has gained a reputation as a good corporate citizen in the local community. Sponsorship in kind helps sponsors build a long standing reputation in society.

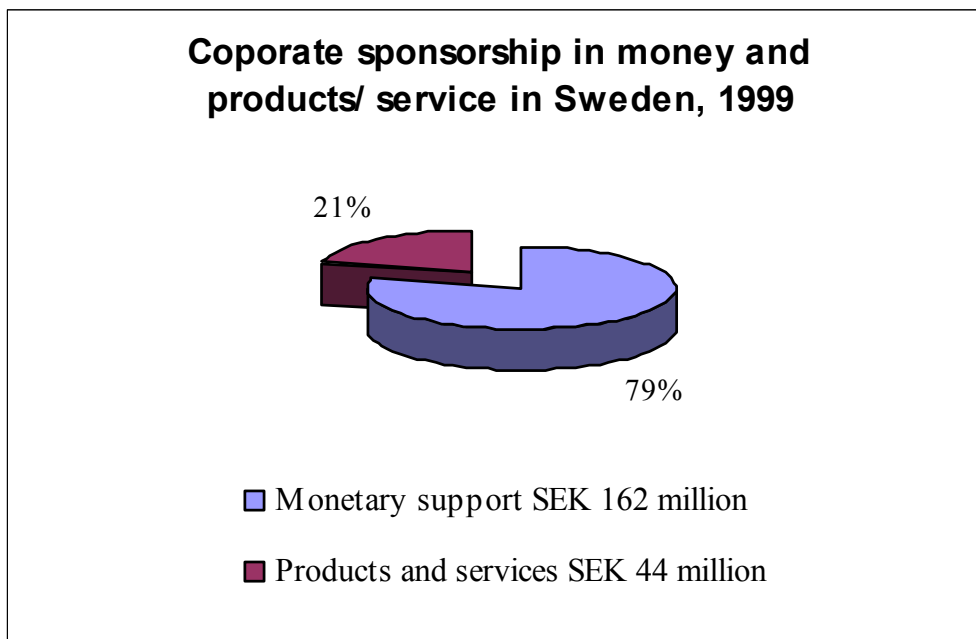


Figure 6.1 Corporate sponsorship in money and product/ service in Sweden (source: Kultursponsring I Sverige 1999, Kultur och Naringsliv, 2000)

Corporate sponsorship often tries to create an emotional tie with society and generate positive an image to the public. The sponsorship campaign usually provides companies opportunities to develop a more direct and deep relationship with their audience and this relationship often influences product purchasing or service using decisions.

4.2 Corporate sponsorship and social responsibility

Swedish museums have taken the role of public education in society for a long time and they are considered as one of the most intellectual and dominant parts of society. I assume that corporate giving has been historically viewed as part of a company’s social responsibility, which is usually designed to show them as a good corporate citizen. Even petroleum companies, such as *Shell*, have sponsored a number of environmental protection campaigns and it seems that no one really care whether these petroleum companies seriously cares about the environment.

Corporate Social Responsibility is open and transparent business practices that are based on ethical values and respect for employees, communities and the environment. It is designed to deliver sustainable value to society at large, as well as to shareholders.

(Arts & Business, 2001)

The role of good corporate citizenship has been emphasised by the society and businesses have always had to recognise this moral commitment. Companies have been forced by society to share their benefits according to this traditional idea of social responsibility. People believe that all corporate activities should have a commitment to society and this expectation has made companies review their strategies to face the social and cultural environment. Nowadays, we see a couple of global corporations which are actively involved in society through emphasising a variety of social commitments and looking for new types of effective marketing strategies.

Corporate Social Responsibility is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. Stakeholders exist both within a firm and outside. Consequently, behaving socially responsibly will increase the human development of stakeholders both within and outside the corporation. Corporate citizenship is concerned with treating the stakeholders of the firm ethically or in a socially responsible manner. The aim of social responsibility is to create higher and higher standards of living, while preserving the profitability of the corporation, for its stakeholders both within and outside the corporation.

(International Labour Organization 1999)

Like individual citizens, companies have an interest in the political, legal,

economic and cultural framework that supports their existence. To maintain the framework of society which supports them, companies play a wider role in society as well as pursuing the maximization of their self-interest.

In order to understand whether the idea of good corporate citizenship still exists among the business society, some questions about sponsorship activities were delivered to the sponsorship managers of the major Swedish companies. Museum's attitudes and perspectives on corporate sponsorship were also investigated.

Corporate sponsorship is a public outreach possibility explaining the common good that taxpayers get from space activities. It is also a way to show that we want to be a good corporate citizen. This is the most primary objective to sponsoring museums and arts organisations.

(Lars Nordfeldt)

Lars Nordfeldt, information officer of Saab, said that the company is always curious about sponsorship expenditure and they became prefer project oriented sponsorship, rather than traditional type of sponsorship where the company only provides money. In fact, Saab sponsored the exhibition of *Kalejdo* at Universeum. Saab has participated to design and build the ISS (International Space Station) model with other academic institutions. Although there is a small company logo on the ISS spaceship model with short description for the audience, it is enough to be recognised by audience. According to him, it seems that the traditional concept of corporate sponsorship is changing through the company's proactive participation.

ABB has actively sponsored a number of museums and arts organisations. It is mostly for good citizenship and to have a trademark together with other strong trademarks in Sweden, but also so that our

employees can use some of the museums and cultural organisation.

(Christina Alman)

ABB has sponsored a wide range of cultural, social, and sport sectors in Sweden. The company has participated as a member of an advisory board of *Universeum* and, at the moment, ABB is cooperating with *Nationalmuseum*, *Nobelmuseum*, *Västerås Sinfonietta*, and *Engsö Slottskonsorter*.

In our society, the arts have always played a crucial role in public education and creating the social value. Nowadays, more and more companies want to be involved in the public sector such as museums through direct or indirect ways. Companies are concerned with how their money is used and what kind of value could be generated through the sponsorship activities. Corporate sponsorship is not a donation, but business agreement between museum organisation and corporations. Although most interviews from the business sector emphasised that they support the arts sector purely as a social responsibility, *Good corporate citizenship* today is not just about doing business and giving to charity. The traditional model of good citizenship, with philanthropy divorced from mainstream business activity is hardly accepted today. In the current business environment, corporate citizenship is seen as the entirety of a company's impact on society through a variety of nonprofit activities. Companies such as *Marks & Spenser* and *Ernst & Young* have a code of business conduct. They produce, in addition to their annual report, separate reports on what they are doing for the community, the environment and their employees.

Today's companies often use their target customers to establish their corporate image. Although, the corporate citizenship is still considered as an important part of the sponsorship performances, today's companies are much more concerned with ensuring what the exact returns will be for their investment. By

giving money to the museums, a sponsor companies expect more than just the “*feel good factor*”. They expect a return so the companies can achieve their objectives. In fact, many companies choose well known and large arts organisations such as the National gallery, rather than small local museums, to reinforce their images as solid and reliable organisations. In the current business climate companies do not only need to be persuaded by society’s cultural value, but also want to be aware of what kinds of benefits they can gain through the sponsorship activities. It is a commonly accepted idea that corporate arts sponsorship can generate great value for money compared to advertising or other marketing methods.

In fact, sponsoring a cultural event may create greater promotional opportunities than company’s other marketing actions. According to McLean, sponsorship as a marketing tool is becoming increasingly popular in the business world. It is also important for a museum organisation to develop clear sponsorship priorities which fit museum’s primary mission and objectives (McLean, 1997). This overall picture of sponsorship activities needs to be designed for mutual benefits. Therefore, both parties should be placed in an equal position. In order to design the strategic collaboration, a large amount of time, money, commitment, and other resources are required. Many people mistakenly think that corporate sponsorship programmes should be conducted by marketing departments of the company and the museum. However, no single part of management can handle the entire sponsorship process alone because sponsorship is not just begging money from a company. It is essential to establish organisational commitment to attract sponsorship. As Kotler & Scheff argue, trust is the most crucial factor for successful sponsorship relations because only trust can build effective communication (Kotler & Scheff, 1997). Therefore, both company and the museum need to learn how to understand and respect each other’s culture, including the organisation’s mission and commitment.

4.3 Government regulations and tax incentives

Provision of culture should not be a state monopoly. It should be encouraged rather than controlled.

(Robbins, 1976)

All governments have national cultural policies which mainly consist of *regulations* and *taxation*. Each government mixes these two instruments according to a variety of circumstances. Considering the poor financial conditions of most public museums and arts organisations, governments cannot avoid these critical issues in order to support nation's cultural sector. My basic hypothesis on the tax deduction problem is that today's governments need to provide an adequate sponsorship environment for corporations if they do not want to just abandon the museum sector to the market forces. Therefore, the Swedish government probably needs to consider whether they should provide tax deduction incentives to the companies which sponsor the national arts sector. From my hypothesis, the principle is quite simple: the government tax authority reduces the company's tax liability by permitting money given to charities. In fact, this tax deduction system has been actively used by the UK government since 1986 and its tax policy significantly influences the arts industry and corporate sponsorship activities although there has been long discussion about the degree of incentives and how to classify the sponsorship programme as a non commercial activity.

The main framework of the taxation system and regulations will be discussed in this section through investigating the cultural policies in Sweden and the United Kingdom because I assume that the tax incentive is the most attractive and crucial method for any government to encourage participation from the private sector. Consequently, how the government's regulation and taxation system influences the company's decision to sponsor museum organisations will be analysed.

The main achievement of Kultur och Näringsliv is that it has created an ideological base for sponsorship and they have created good contacts with both arts organizations and business

(Schele, 1999)

Kultur och Näringsliv is a non profit organisation for partnership between private corporations and the Swedish arts industry, financed by membership fees. Princess Christina is the organisation's honorary co-president and today over 200 companies and 400 individuals are participating in this partnership programme. The primary aim of *Kultur och Näringsliv* is providing accumulated information, consultancy, education and seminars to achieve mutual benefits for corporations and arts organisations through strategic relationships. *Kultur och Näringsliv* also helps members to exchange sponsorship experiences and information among members in order to increase the quality of the partnership programmes.

I think corporate sponsorship could play a major role, in addition to resources-cash and in kind-and the possibility to reach a new audience. Lijevalchs Konsthall in Stockholm has an advisory board consisting of a number of business leaders. This can be further extended, and the Kultur och Näringsliv do it on a small scale. The tax regulation of the Swedish government is a major obstacle for positive development. Many business leaders I talk to feel that it is not ok for them to sponsor the arts since the marketing communication activity is not tax deductible. Companies only receive tax deduction if they get a so called direct return. Indirect return such as goodwill or corporate good citizenship is regarded as gift, and thus it is not tax deductible in Sweden.

(Mikael Strandaänger)

Based on my assumptions on previous research by *Kultur och Näringsliv*, several interviews with museum professionals and sponsorship experts were conducted during the research period. The main purpose of these interviews was to examine how the government regulations and cultural policy influence the sponsorship environment.

Swedish museums must collaborate with companies in order to develop quality programmes and survive in the future. If we were a football team, we would get more money than we are now. Tax deduction would be great to open museum's door to the people. There are many companies which are interested in culture. They could be involved in a proper way.

(Elsebeth Berggren)

The Swedish cultural policy does not include any corporate sponsorship of the arts as a part of fund. As described earlier, there is also a great resistance from the Swedish tax authorities. From her point of view, nowadays more and more museum organisations are interested in looking for the additional funds, such as the corporate donations, due to decreasing government subsidies. Furthermore, receiving cultural grants from the government and private foundations is getting more competitive. Berggren pointed out that the Swedish government gives money to the new institutions such as the *National Museum of World Culture*, which is going to be opened in 2004 in Gothenburg. She said that the situation is quite unfair and bad for old public museums.

Sponsorship of the sports is more common than arts sponsorship in Sweden. It has been said that it is because with sports sponsorship it is much easier to show concrete services in return through advertising such as a company's name and logo on the player's uniform. And one museum manager pointed out that it is because sports are by tradition an important symbol of social democratic Sweden. In fact sports has been much favoured before the arts in Sweden.

Several museum professionals, who I have interviewed, complained that the Swedish government provides unequal tax deduction policy to sport and arts sectors.

In Sweden, sport sponsorship is much more deductible than cultural sponsorship. I think this situation is totally unfair. Now this issue delivered to the tax committee and found as problematic. We will get the answer in next six months but it is hard to tell what the result will be because the Swedish Social Democratic Party has been very sceptical of corporate sponsorship. However, there has been political pressure from other parties so we hope the tax regulation will be changed. In the UK, the tax issue has been radically changed during recent years. Both tax and public funding, and general sponsorship policy have been changed but we are not there yet.

(Lars Nittve)

Other interviewees also described the critical situation in Swedish cultural sector, in which government subsidies are decreasing year after year while government does not encourage private company's sponsorship participation in the public arts sector.

Many sponsorship projects are not diffused through the whole museum organisation, leading to misunderstandings and that the museum staff do not understand why the institution collaborates with business.

(Mikael Strändanger)

According to the *Swedish National Council for Cultural Affairs*, the modern type of cultural policy has existed since the beginning of 1960's. In 1974, the Riksdag (The Swedish parliament) introduced the national cultural policy and the primary aim of the policy was to guarantee the freedom of expression,

permitting the individuals to act creatively, opposing the negative effects of commercialism and the free market, renovating the arts and related cultural activities, and preserving the cultural and historical heritages.

In December 1996, the Swedish parliament laid down new, national goals for cultural policy:

- *To safeguard freedom of expression and create genuine opportunities for all to use that freedom,*
- *To work to create the opportunity for all to participate in cultural life and cultural experiences and to engage in creative activities of their own,*
- *To promote cultural diversity, artistic renewal and quality, thereby counteracting the negative effects of commercialism,*
- *To make it possible for culture to be a dynamic, challenging and independent force in the society,*
- *To preserve use the cultural heritage,*
- *To promote education,*
- *To promote international cultural exchange and meetings between different cultures within Sweden.*

(National Council for Cultural Affairs, 2001)

The new cultural policy in Sweden contains negative attitudes towards commercialism and corporate sponsorship. Regarding the corporate sponsorship issue, the current situation in Swedish cultural legislation and tax deduction policy are the main barriers to museum organisations and companies which are interested in the museum sector. From this situation, it seems that the Swedish government may not want to recommend public museums to develop alternative funding sources from the private sector. Somehow they also give the impression that the government does not want to provide guidelines to the legislations.

What we are is a meeting place for business people and people from the arts world. Hopefully the Kultur och Näringsliv will be successful in our lobbying work to change the laws on sponsorship and tax deductibility for corporate purchase of contemporary art. That would be another achievement by us.

(Mikael Standäng)

Mikael Standäng, executive director of *Kultur och Näringsliv*, criticised the tax regulation of the Swedish government which seems reluctant and hesitant towards corporate sponsorship in arts sector. He asserted that the Swedish government should change cultural regulation and open the arts market to the business companies. In order to achieve this goal, he also emphasised the importance of the lobbying activities by *Kultur och Näringsliv*. In fact, many interviewees showed interest in *Kulture och Näringsliv* and the corporate members of this organisation have rapidly increased from 92 companies in 1998 to 200 in 2003.

Sponsorship shall be considered a deductible expense on the condition that the sponsor obtains the corresponding direct or indirect benefit. However, the expense may only be deducted if there is not a manifest lack of proportion between the sponsor's contribution and the benefit.

(Kultur of Näringsliv, 2000)

Lars Nittve, director of Moderna Museet in Stockholm, said that the success of *Kultur och Näringsliv* depends on the political situation. He asserted that the tax deduction issue has been pushed by *Kultur och Näringsliv*'s lobbying activities and he was quite positive about the future.

I think the tax regulation will change in a few years. There is a general tendency that government subsidies are going down and museums have to find new funding. Otherwise museum will be closed.

(Lars Nittve)

In fact, some museum and company managers criticised the activities of the Kultur och Näringsliv in terms of their organisational structure and less professional design of the sponsorship framework. However they consider Kultur och Näringsliv to be the only progressive arts & business partnership organisation in Sweden.

I believe that they have paved the way for increased professionalism in sponsorship of cultural institutions. Personally, I have not really seen much evidence of it leading to development of new audience programmes. Sponsorship can, if handled properly, of course lead to contact with a completely, and hopefully large, new audience.

(Lovisa Lonnebo)

Most public museum organisations face more or less similar problems across the world. UK museums are also being faced with financial difficulties due to the decreasing government subsidies and increasing costs. This situation made them look for the additional funding sources to cover both their capital and revenue costs over a long period. It seems that the UK museums used to be in a similar situation to today's Swedish museums. They have been supported by the central government and there had been a long tradition of government patronage for the arts sector.

The growth in the business support for the arts in UK can be attributed to an increased understanding on both sides of the potential mutual

benefits as well as government encouragement through the pairing scheme.

(Arthur Andersen, 1998)

When Margaret Thatcher became prime minister in 1979, the UK experienced radical changes in the political and socio economic environment. The new government's economic reforms were considered extremely radical and most of companies had to find ways to survive in the new free market. That is one of main reasons why corporate sponsorship activities became increased and popular in recent decades in the UK. According to Arts & Business, the growth of the arts sponsorship is unbelievable. It totaled £600,000 in 1978 and had grown to £150 million by 2001. (Arts & Business, 2003)

As in other European countries, the Swedish regional funding of culture is usually conducted by national councils who take responsibility for overall arts activities, including public theatres, orchestras, public libraries, and museums & galleries.

The primary cultural responsibility of municipal governments is taking care of the public schools, local libraries, public theatres, art galleries & public museums, and adult education. Each year funding is provided from the municipal income and additional cultural grants are sometimes given from government foundations. For example, the Swedish government gives the grants to the Swedish national council for cultural affairs and they distribute these grants to specific areas or institutions.

(Bibbi Wopenka)

It is essential to know the background of Swedish cultural legislation and taxation system in order to understand the Swedish museum environment. Although there has been a tough discussion on how the government should

define the sponsorship activities in the Swedish context, it seems to be a clear that the Swedish government should investigate current cultural regulations and the taxation system. It is obvious that current government subsidies to public museums are insufficient for developing the new programmes to satisfy audiences. And as the interviewees said, the Swedish government needs to consider encouraging the participation of the private companies to the public arts sector. This will be the crucial question for companies as to whether the full amount of sponsorship expenditure can be tax deductible or not. If the Swedish government does not provide a clear answer in advance, the companies cannot estimate the exact cost of the sponsorship. Furthermore, they will look towards other sectors such as sports which they can easily invest in and get the obvious benefits.

Any payment that is destined for acquiring or retaining profits shall be considered expenses (chapter. 16 of Art.1 of the fiscal law on Profits (IL), Sweden)

This is the basic principle of taxation in Sweden regarding corporate sponsorship. According to *Kultur och Näringsliv*, Sweden's only arts & business sponsorship organisation, the definition seems to make people confused about how to decide the characteristics of the expenditure and who can decide whether the expenses are for the profits or not. The decision could be totally different depending on how one sees the sponsorship activities. This confusing situation shows that the Swedish tax authority has not been successful in providing clear information and guidelines about the tax deductible donation. (Kultur of Näringsliv, 2000)

It has been said that the principal rules the tax deductibility regarding corporate sponsorship in the UK and Sweden are basically the same. However, I began to realise that the strong tradition of corporate sponsorship, more market and service oriented business circumstances, the massive work of Arts & Business

(UK based leading sponsorship organisation in Europe), and, more importantly, the encouragement of sponsorship by the UK government are huge differences between the two countries. As Lars Nittve pointed, in addition, the social democratic principles have been strongly positioned in Swedish cultural policy and in implement cultural regulation. Therefore, it might be one of the biggest missions of sponsorship stakeholders to persuade the government to have an open attitude towards corporate sponsorship in the arts sector. As the only arts sponsorship organisation in Sweden, *Kultur och Näringsliv* should keep their genuine mission and commitment to provide useful information and encourage the company's sponsorship participation. Besides this, the management board of *Kultur och Näringsliv* needs to be carefully balanced between being a political lobby organisation and a professional sponsorship advisor. Furthermore, I personally believe that the conditions of small and medium size museums must also be considered by them. The current situation is that most corporations want to sponsor the well established and famous museums organisations because it guarantees a relatively stable return for the investment in terms of audience numbers and frequency of sponsorship recognition.

Is the tax deduction incentive needed in the Swedish sponsorship environment? My research shows that most major Swedish museums and arts organisations want to have a cooperative relationship with the private sector. This current situation reflects the fact that Swedish museums are considering new attitudes towards the strategic business collaboration. The interviews with several museum professionals and sponsorship managers of the major Swedish companies show that both museum organisations and private companies are interested in collaborating with each other. Of course, it is essential to find out how these two partners can establish a strategic relationship and create additional value from the sponsorship activities. However, the government also should show their proactive attitudes towards the current sponsorship issues. Many interviewees believe that the government's taxation system for arts sponsorship should be reinvestigated and equally applied to both sports and arts

sectors.

Chapter 5 Case study: Universeum

As a case study, I have selected Universeum, the Gothenburg based natural science museum. There are several reasons for the decision. First of all, I consider Universeum as one of the most innovative and independent museum organisations in Sweden. Although Universeum has a different history and background to other Swedish museums, I believe that museums in Sweden can learn Universeum's quality development process and audience oriented programme development practices. Its professional experience in corporate sponsorship could provide significant insight into the future of Swedish museum society.

5.1 Background of Universeum

The private natural science museum, Universeum was established in the centre of Gothenburg in 1998. The mission of Universeum is to encourage the younger generation to learn about and experience the natural science world around them. The museum's primary objective is to stimulate young children's curiosity and get them asking questions, rather than providing already designed museum guides and instructions.

One of our challenges is changing young people's attitudes towards natural science in a positive way.

(Anna Nilsson-Ehle)

Universeum believes that knowledge should be continuously developed and expended. Besides this, Universeum tries to guide today's younger generation to make new scientific discoveries in the next 20 years. When Universeum was founded, there was a great demand in Swedish society for well educated young people trained in natural science and technology areas. Members of Universeum project seemed to strongly agree that Sweden will need to maintain its standard of living with limited resources in the future. And in order

to achieve this objective, education of young children in natural science & technology might be essential. Universeum is intended to support science education for the future in Sweden.

Universeum aims to be more than that (the natural science museum). It's designed as a forum where schools, industry and society at large can meet to exchange and develop new ideas and activities. Already we have an active network of information exchange between industry, the academic world and other bodies concerned with science and research.

(Universeum, 2002)

It has been said that the successful network of Universeum has differentiated it from other Swedish museums. In fact, all the museum's stakeholders such as public schools, industry, and society have regular meetings in the forum to exchange their knowledge & ideas. Moreover, they sometimes develop new museum activity programmes and creative ideas. In addition, Universeum has built an effective information network system between industry, academic institutions, and other organisations which are interested in research programmes in natural science and technology.

Universeum is run as a limited corporation, *Universeum AB*, which is owned by the *Korsvägen Foundation*. In 1998, Universeum was established by four different parties, The Local authorities of the Gothenburg region, Gothenburg University, Chalmers University of Technology, and West of Sweden Chamber of commerce. These parties represent each different sector's opinions and interests. Anna Nilsson-Ehle, director of Universeum, noted that when these four parties discussed Universeum's foundation in the beginning, they had a common understanding that the museum should create the possibility to find funding without any government subsidies.

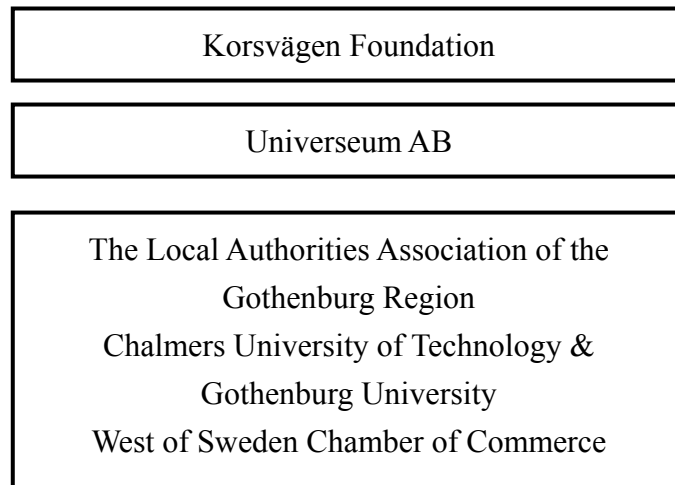


Figure 5.1 Museum organisations structure, Universeum 2003

Although the Universeum has faced financial difficulties several times, they found a number of business partners. Through this partnership, Universeum was able to create independent museum programmes and exhibitions for their audience.

At the same time, I understand that Universeum can adopt many professional management skills from their business partners to ensure high quality in the overall organisational performance. In fact, Universeum has a highly customer oriented structure and it has been said that they provide quality programmes and services compared to other public museums. This situation shows how a business partnership can add great value to the museum organisation.

Business and industry have an urgent need to recruit people who are well-qualified in the fields of technology and the natural sciences. Our common goal is to contribute to increased levels of recruitment to science courses at technical colleges and universities and so into industry. Universeum is presently offering three distinct levels of partnership or collaboration: key partner, partner and product partner. By working with Universeum, companies can help to stimulate young people's thirst for knowledge.

(Universeum 2002)

ABB	Christina Alman , Group Sponsorship Officer
Astra Zeneca	Anna Josefsson , Communications Director
Ericsson Microwave Systems	Evakarín Nilsson , Director of Information and Public Affairs
Saab	Lars Nordfeldt , Director of Information - Saab Ericsson Space
Skanska	Inger-Lena Bennman , Head of Corporate Affairs Skanska Väst
SKF	Pär Malmberg , Project Leader
Stena	Joakim Kenndal , Head of Corporate Affairs Stena Line
Telia	Claes Larsson , Director of Information Telia Sverige
Tetra Pak	Eva Milton , Communications Manager

Figure 5.2 Member of Universeum partner's advisory committee

(Source: <http://www.universeum.se>)

Universeum's advisory committee consists of representatives from corporate and academic partners. The primary mission of this committee is supporting and exchanging knowledge for Universeum's future development strategies. Universeum believes that they can gain access to the latest technologies and commercial development through this relationship. The partner's advisory committee has a regular meeting four times a year.

When the Universeum was established, it was a national level project and SEK 364 million was spent in total, which includes the capital investment in museum building, equipment & facilities, marketing, and other costs for launching the museum. So far, about SEK 300 million has been successfully financed by society, corporate partners, academic institutions, and other foundations. Figure 5.3 shows that Universeum's business partners are the key sources of the museum's funding.

Corporate sponsorship is very important for us to improve the quality of our audience programme and develop new exhibitions. Universeum is very dependent on corporate sponsorship and to keep the partnership, quality is very essential.

(Anna Nilsson-Ehle)

According to Anna Nilsson-Ehle, director of Universeum, corporate sponsorship is very essential to the Universeum because it provides for high quality museum programmes and services. In this sense, corporate sponsorship is a quality driven element for Universeum. It provides a variety of values in the development and creation of new exhibition programmes. In fact, most facilities and models of exhibition halls are produced or sponsored by these companies. So far, Universeum has three distinct levels of corporate partnership, primary partners, partners; and product partners. The total number of these sponsors is 44.

Partnership with industry: 72M
The Knut and Alice Wallenberg Foundation: SEK 70M
Gothenburg Region Local Authorities Association: SEK 50M
The KK Foundation: SEK 35M
Gothenburg University and Chalmers Technical College: SEK 20M
The Confederation of Swedish Enterprise: 20M
West Sweden Chamber of Commerce: SEK 15M
Other bodies and foundations: SEK 14M

Figure 5.3 (Source: <http://www.universeum.se>)

5.2 Universeum as audience centred organisation and its competence

Universeum is a highly customer centred organisation. The audience is the primary concern of all programmes and Universeum’s overall performance. The survey result shows that Universeum has successfully achieved their

commitment and that most visitors seem satisfied in terms of quality of programmes and services. Universeum has been well aware of their responsibility and the reasons why they exist in society. It seems that Universeum opens their doors to everybody who is interested in natural science and technology. Universeum's new audience programme, "Meet science" also shows how the museums care about visitors' interests and demands.

Liseberg and Universeum are physically connected. Through our lift, visitors can reach Liseberg. We have designed the school trip package programme together and school children can visit both places at the same time. For ordinary visitors, we have a combination ticket, though nowadays most visitors purchase a Göteborg Pass which allows them to use all transportation, the amusement park, and museums. Besides this, we also have a practical relationship with Liseberg. We often meet and discuss many practical cooperation issues.

(Anna Nilsson-Ehle)

Through a strategic collaboration with *Liseberg*, Universeum has learned how to add new value to the existing museum practices. Universeum and *Liseberg* introduced a joint product which enables visitors to go to both places at a discounted price in the same day. Other museum organisations can learn from Universeum's attitude which responds to changing circumstances with creative ideas all the time. More importantly, museum organisations should remember that they exist for the public and museums have a commitment to satisfying public demands. Some museum professionals may argue that Universeum's collaboration with *Liseberg* is just originated from their commercialised ideas and the museum wanted to develop this relationship in order to generate additional income.

Anna Nilsson-Ehle asserted that there has been a strong mutual understanding

about the direction of museum from the beginning. Universeum's business partners agreed that they would support any type of creative, progressive, and interesting activities for the museum in the long term perspective. Although Universeum does not generate any profit at the moment, the museum's business partners seem very satisfied with the museum's recent achievements and overall activities.

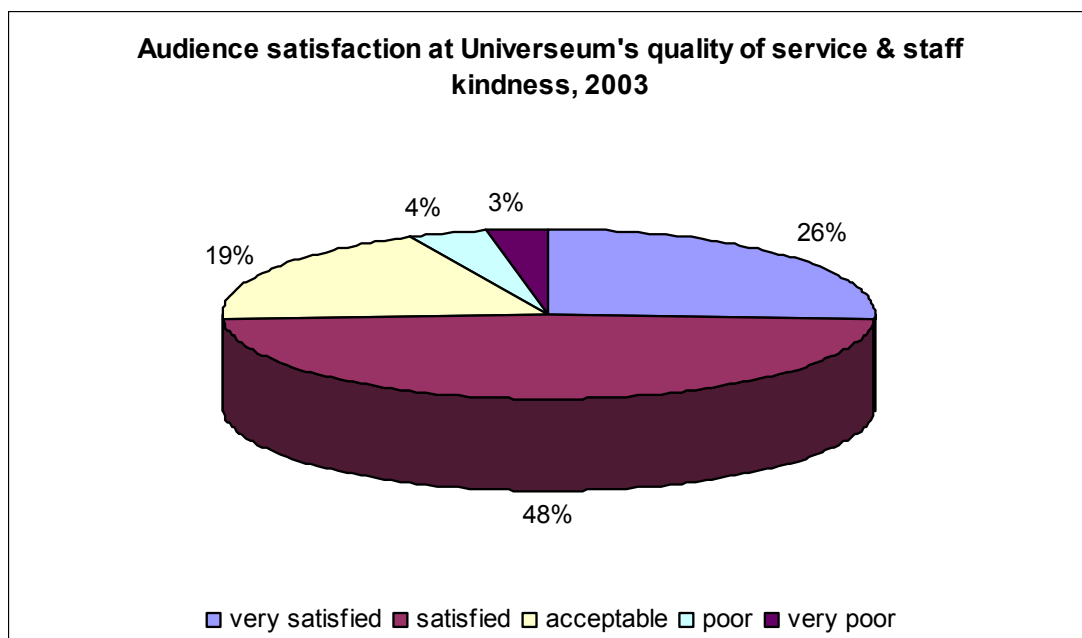
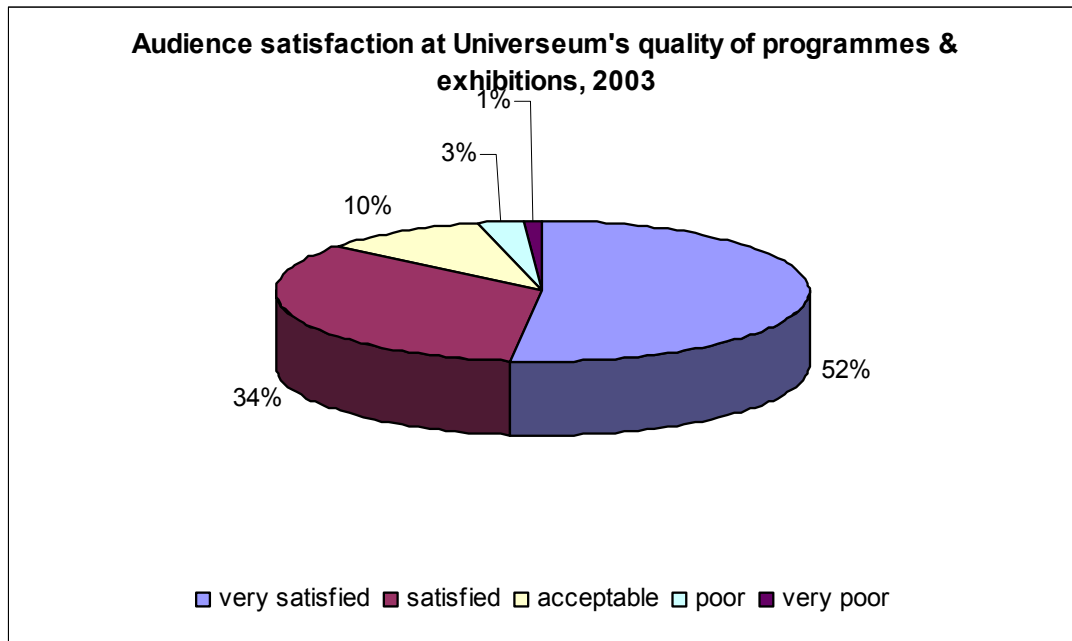


Figure 5.4 & 5.5 Source: Audience survey from Universeum, Gothenburg (September 26 – October 05, 2003)

Universeum also has a strategic collaboration with the academic institutions, Gothenburg University and Chalmers University of technology. A number of scientists and scholars have participated in various programmes and a couple of major projects have been successfully conducted. For example, Universeum's water management system (water recycling system) is part of a project in the department of applied environmental science at Gothenburg University.

5.3 Universeum's JASON project

“Real Science. Real Time. Real Learning” The JASON project is a specially designed education programme by Universeum for school children. The aim of this programme is to spark the scientific imagination of students and enhance the classroom experience. The JASON project covers a variety of subjects from the Earth to the South American rainforests. Through the JASON projects students can experience scientific experimentation which they could not have in the classroom.

The aim of the JASON project is entirely in agreement with Universeum's mission to stimulate and encourage children and young people in Sweden to study the natural sciences and technology. With its involvement in this project, Universeum wants to bring scientific research to life and show what modern science can mean for today's Swedish school students. And we also want to offer teachers new teaching resources with which to investigate and complement their classroom work. The JASON project is being developed in close cooperation with the Swedish Department of Education, amongst other bodies.

(Universeum, 2001)

According to Universeum, as of 2002 over 350 classes in about 100 schools had already joined the programme and it has been said by many people that the

JASON project is one of the most creative, advanced, and successful science education programmes in Sweden.

5.4 Challenge for Universeum

Universeum has a different managerial structure and overall operations compared to other museums in Sweden. Universeum is one of the most innovative and successful museum organisations in terms of exhibition & education programmes, quality of audience service, and management operation with partnerships. However, I realise that there are also several challenges that Universeum should carefully consider. First of all, the commercialism criticism seems to be one of the primary barriers for Universeum.

I do not think our museum is commercialised even though we were established with commercial funding. We are a quality driven museum and we try to do what our audiences want. Some people may say that we are doing what people want, not we think it is important. As a matter of fact, Universeum uses minimal brand names or logos for sponsorship. I have noticed that we use it less than other public museums.

(Anna Nilsson-Ehle)

It seems that Universeum is very concerned about this criticism. In fact, Universeum has many business partners compared to other museum institutions in Sweden. Besides the Swedish context and cultural circumstance, it can be considered as an extremely ordinary museum. Somehow I would feel that other public museums are jealous of Universeum's situation because universeum has an excellent reputation in the market, a relatively good financial profile, and more importantly Universeum has the freedom to design and develop its programmes and exhibitions.

Universeum needs to keep a resolute agreement with their business partners

about the limit of corporate involvement regarding programme development. The Guggenheim museum has already been criticised by the arts and museum society because of the *Giorgio Armani* exhibition in 2000. The exhibition of the famous designer, Giorgio Armani was sponsored by a large private donation to the museum. The public became suspicious and reacted negatively towards the exhibition of the great Italian fashion designer. Regardless of its commercial success, consequently, the reputation of the Guggenheim museum and their sponsors was seriously damaged because of this exhibition. This example shows that museums should be careful when they design the creative programmes or when working with sponsors even though corporate sponsorship has great potential to cultivate the museum and art industry. Therefore, when museums choose business partners they need to carefully think who their target audiences are, how the public will receive the images of the sponsors, and how the museum can approach specific segment groups through effective sponsorship activities. Museum organisations also need to understand the sponsoring company's funding structure, aims & objectives, and policies. Universeum should carefully design certain types of exhibitions such as "*Solar vehicles in the future*" which was sponsored by their business partner, Saab. Although there is no doubt that it will be an interesting exhibition, Universeum could damage their reputation because of harsh public criticism about commercialism. As Anna Nilsson-Ehle argues, it is important to share the museum's values and primary mission with its all stakeholders, including sponsorship partners and the museum audience because it can ensure that the museum has integrity.

We have not used any audit system like a balanced scorecard. But we regularly choose 50 museum visitors and survey them about our programmes, service, and so on. Besides this, we have a research project at school. Universeum measures the quality of the museum system. Though it is unsystematic we check how many problems happen in each five areas of the museum building. We are aware of the need of

a well structured quality measure system and sometimes we discuss this issue with our corporate sponsors in our regular meetings.

(Anna Nilsson-Ehle)

Universeum needs to develop systematic measurement methods regarding overall museum performance. According to Anna Nilsson-Ehle, Universeum has not adopted any regular measurement system which can audit how the various museum operations perform. At the moment, Universeum uses very superficial evaluation methods. Besides this, Universeum evaluates its functional standards by reviewing how many disorders and accidents happened in a specific period. A systematic audit method would help the museum measure the overall performance which includes effectiveness of corporate sponsorship activities, quality of museum products and services, employee satisfaction, and so on. Through an effective audit system, Universeum would analyse their current situation and position in the market. Furthermore, they can cultivate the competitiveness in the market and establish a strategic plan for the future. Universeum is probably able to design an effective audit system sponsored by one of their business partners. One option could be for the museum to work with outsourced consultants through sponsorship.

Taxation is a very critical issue for museums in Sweden because it is always difficult to classify corporate sponsorship. In our case, we had an agreement with the tax authority in the beginning about our corporate sponsors' tax deduction incentives. However, today most companies do not fully receive the tax deduction benefit. I think that the Swedish government should make it easier for companies to support museums. From the long term point of view, central and municipal governments cannot take care of all museums alone. So, they need to encourage private companies' participations. I think we will need more and more sponsorship to develop new programmes and provide better

circumstances. We also want to exchange ideas through the sponsorship programme.

(Anna Nilsson-Ehle)

Universeum needs to build a price strategy. From next year, all public museums in Sweden will start a free entrance system. There has been a discussion about Universeum's entrance fees for long period of time and according to my audience survey, 78% of respondents think that Universeum's entrance fee is expensive even though they show high satisfaction about the quality of programmes and services. (Figure 5.6) If Swedish public museums adopt the new system in year 2004, more and more people will criticise Universeum about its price policy. Anna Nilsson-Ehle also considers this matter as one of their critical challenges. Universeum could focus on cost effective practices in order to reduce all unnecessary costs. For example, in order to save on staff salary, which is highest percentage of annual costs, Universeum could develop new volunteer system. There are a number of potential volunteers for Universeum such as local residents or school teachers. Even school children could participate in Universeum's volunteer programme. *Brooklyn children's Museum* in New York has a programme called, "*Museum team*". The basic idea of this programme is that museums can help young people by adding to their knowledge, interest and skills. Through this experience, young people can learn the positive role in helping museums to develop new audiences and programmes. The Brooklyn children's museum started this programme since 1996 and it has become nationally recognised as a successful youth development programme.

Depending on the age group (between 12 and 18 years old) and working session, young people are actively involved in museum operations. Universeum could consider developing this type of volunteer system as museum's new education programmes. Through this programme, they could create a new identity as Sweden's only experimental educational institute. From another perspective, working with young volunteers can bring great benefits and values

to the organisation because these volunteer children know what the target audience wants and needs in their museum experience. Children’s opinions can be effectively reflected in new programme development. According to Rider & Illingworth (1997), authors of *Museums and Young people*, the “*Museum team*” project has shown the long term effectiveness for the museum programmes and it has changed the lives of young people.

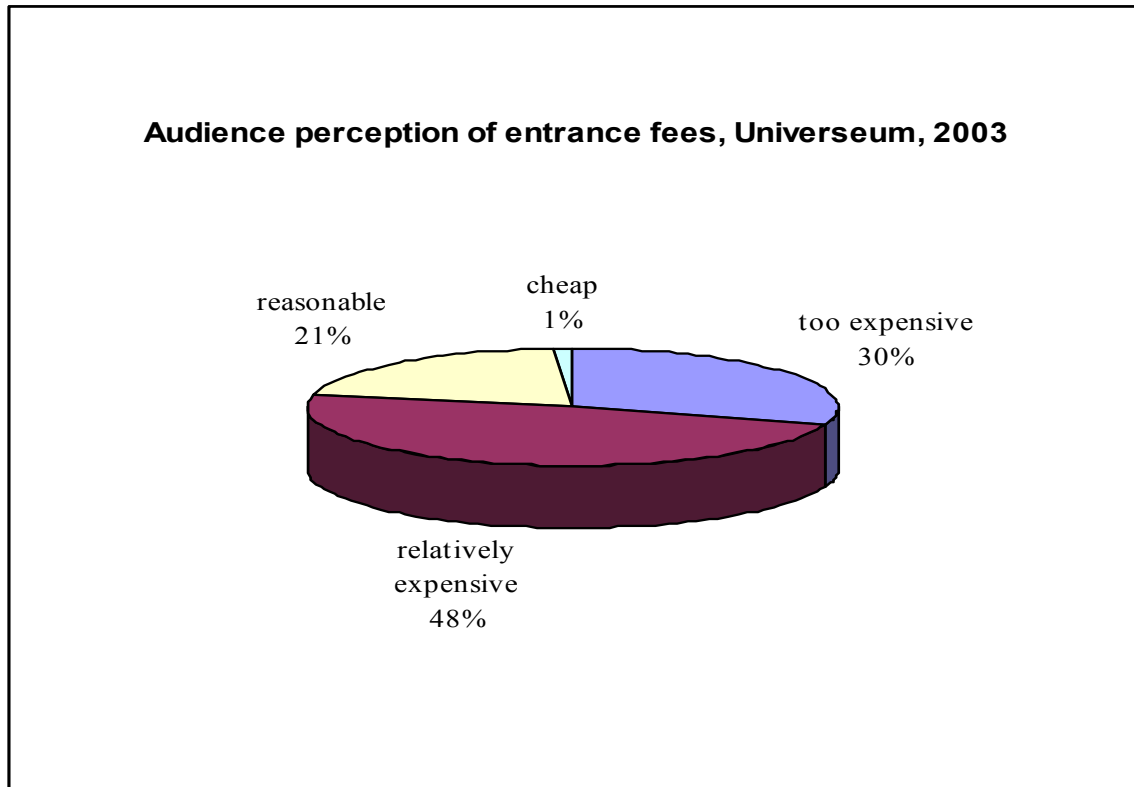


Figure 5.6 Source: Audience survey of Universeum, Gothenburg (September 26 – October 05, 2003)

Chapter 6 Development and museums in the future

In this chapter, I combined three topics which have been examined in previous chapters. I will discuss how museums can use strategic marketing and corporate sponsorship to develop new audience programming. In order to help museums create audience value some recommendations will be also provided.

Strategic marketing and effective business collaboration are essential for today's museum organisations. However, all museum performance must be in line with its mission statement and various commitments according to the current situation which the museum faces. Therefore, the museum organisation should make decisions or overall actions which are informed and inspired by its mission. The museum can also define its reason for being through the museum mission. Drucker (1993) argues that every mission statement must reflect two things. First, the mission statement should have a clear commitment to the various stakeholders. Second, each organisation member should understand and be able to support and articulate its mission (Drucker, 1993).

Regardless, the museum's current situation and potential ability should be carefully considered when defining its mission statement. For example, now *Moderna Museet* is in a special situation because they have closed the museum building due to renovation until 2004. However, museum management designed an innovative museum programme without its physical space. Now the *Moderna Museet* has various projects and exhibitions all over Sweden at the same time.

Now we have several projects and exhibitions without our museum building. Our main belief is that the museum is not a building but its content, activity, and relationship with the public. Our mission has been changed. The mission of museum is key in the relationship with the

audience. In principle, the relationship is historically important which country you are. Moderna Museet has had a strong background as an arts centred institution. However, our new mission focuses on the public, our audience.

(Lars Nittve)

Since Lars Nittve came to *Moderna Museet* from Tate Modern (London based contemporary arts museum), its primary mission has changed. Although it has been a strong art centred museum organisation since when it was established by the Swedish government about half a century ago, now its new mission statement focuses on the audience and audience issues. It seems that the new mission has the power to bring people together and to direct their potential toward a common purpose. Museums should carefully consider their mission statement and define their existence. They need to think whether the museum has an appropriate mission statement for the future.

In fact, the museum could have several stakeholders and they could be defined depending on the museum's mission statement and type of museum. As discussed in previous chapters, museum stakeholders can be diverse; from individual audiences, to other organisations which have interests in the museum matters to municipal governments and cultural foundations. For example, *Moderna Museet* regards *artists* and the *audience* as the most important stakeholders because of its characteristics as an art museum and position as a state owned organisation. In Sweden, education has been considered as the primary mission and commitment of most museums since the museum has been understood as a centre for public learning. Therefore, Swedish museums have focused on their role as educational institutions which require rigorous analysis and a systematic planning process. However, my research work and several interviews show that Swedish museums have a narrow range of audiences, such as tourists or school children. More importantly, many Swedish museums seem to have lost competence and failed to communicate with a diverse range of

audience groups in effective ways. They have, however, been successful in fulfilling their educational commitment to society. Motivation and engagement are the primary elements of a museum's effective audience programme. As Falk & Dierking (1992) assert, today's museums need to motivate their audience and the museum visitors should be engaged through the museum experience. According to Falk & Dierking, (1992) museums are also the centre of society's cultural civilisation. Museums provide significant experience in arts, history, culture, nature, science, and even the universe. The public can understand all different aspects of the human environment through their museum experience and this is significantly important for defining the direction of each museum organisation for the future (Falk & Dierking, 1992).

Museums are mission driven organisations and most Swedish museums have common elements in their missions which are education and public service. Therefore, overall museum operations and programmes must be designed for a diverse public even though museums have different forms, sizes, and different aims. There is no doubt that many museums have responsibilities to preserve objects and collections for the future generation. However, at the same time they must satisfy audience expectations.

Swedish museums have pretty strong taste more or less like the German tradition. If you see the German museums, especially old museums, they will say that museums exist for the arts and for taking care of them. Of course, German museums accept the audience. However, it is not their reason for existence. In principle, Sweden has a similar tradition. On the other hand, UK museums have very strong public service orientation. They say that the museum exists for the public and the museum is a public service organisation. From my point of view, neither of these positions is not really right. The museum should be an arena for the arts and the public. Art museums can be the best possible way to respect art in society. At the same time, they should provide access to the public.

(Lars Nittve)

As Lars Nittve argues, many Swedish museums have believed that preservation is the most important responsibility of museum organisations and even define their existence by their artistic and academic intentions. Although many museums understand audiences as their stakeholders, it is not a museum's reason for existence. As he proposes, the museum should be a bridge between arts and audiences. Therefore, the ideal model of Swedish museums is probably the balanced position between arts and people. The art museum is the place to present arts, thus, it is essential to show serious respect for the art. At the same time, museums should help people access the value of art.

Museums need to break down all barriers because most barriers are unnecessary. Creating a friendly environment is important and the public should feel welcomed. It does not matter whether they are regular museum goers or not. All public have the right to visit museums and they can use museums to learn about the arts and learn the rules of the game. When you go to an ice hockey game without knowing the rules, you will never understand what is happening on the ice. If you know the rule, however, you can enjoy the game and you can see much more. It is same in the Arts.

(Lars Nittve)

Although most Swedish museums have a similar mission in general of preserving their collections, there has been little change in their traditional ideas. In fact, I observed a couple of museums which are aware of the chronic problems linked to audience matters. These museums have tried to adopt an audience friendly management framework to improve their service as well as the quality of their programmes.

6.1 Museum future and audience education

Museum organisations have taken responsibility for providing meaningful, ongoing education opportunities for society. It is probably because they are realising that when they achieve this educational objective, it can have more meaning than just to cultivate public interest in the museum sector. As Kotler & Scheff (1997) describe, public art organisations, including the museums, need to reach their public with the goal of creating relevance. The combination of developing public interest and accessibility to museum programmes can add great value to the current and future museum market.

City Museum of Gothenburg's education programme (*Göteborgs Museer Lektionsprogram*) has shown the great potential of the local museums as effective learning driven organisations. More importantly, it also shows the importance of political understanding about museum education and how it is crucial to be supported by local politicians in order to promote such programme. It seems that city Museum of Gothenburg and education have undergone significant change during the past few years. The effects of the new legislation of school children's museum education scheme has generated dynamic atmosphere in society. Besides this, it may also provide a good opportunity for museums to rethink their missions and commitments to society. The success of this school education programme could be extended to the development of creative programmes for the entire local community and local residents. The youth and education have become increasingly crucial factors in arts & business partnership in recent years.

Since it will demand enormous amounts of money and time for the strategic planning, local government should not have to take all the burden of developing the public museum sector. Instead, the government should encourage the participation of the private sector through providing several incentives. This new circumstance could help museums open up many new possibilities for audience development and for society's benefits. As Elsebeth

Berggren asserts, the participation of the private sector can generate significant knowledge transfer between the companies and museum organisations. Many local museums compared their poor financial position to the situation in Stockholm museums. Although it is true that there exists unfairness in opportunity and problematic cultural policy, it seems that local museums are looking for excuses for their poor performance, rather than try to find solutions. Most museums did not explain how they could overcome this geographic disadvantage.

Furthermore, museums must carefully rethink their educational missions and develop new educational strategies. For example, public museums and local governments should consider developing an education programme for school teachers. Moderna Museet has a programme called, “*Contemporary art for teachers*”. This special education programme is designed to provide school teachers with more knowledge about contemporary art and how they can use it as inspiration in the school curriculum. Teachers from any subject can participate in this free seminar and several famous scholars and experts from different fields are usually invited as lecturers. “Contemporary art for teachers” consists of several series of lectures, seminars, events, and visiting trips. (Universeum, 2003)

As Kotler & Scheff (1997) point, museum education for teachers is an essential component of effective youth education in the future. To maximise its effects, school teachers and specially designed school committees need to be involved from the beginning stages of the education programme development. Through the strategic cooperation, both museums and public schools can provide effective museum education as part of their regular school curriculum. This museum programme should be designed for a long term relationship, not just as annual school performance which is forced by local politics and regulation. In order to achieve this goal, it is necessary to understand each stakeholder’s situations and exchange knowledge. “*A thousand and one worlds*” is a children

education programme which was developed by *Moderna Museet* and *Nationalmuseum* in Stockholm. This programme consists of an illustrated teacher handbook, 22 pieces of work materials, and a video tape with 10-15 minutes television programmes. This education kit contains a historical summary, several discussion topics, and suggestions on how school teachers can use arts for children between the age of 6 and 12. Although content of the programme is designed by two museums, the television programmes are sponsored by the Swedish broadcasting service, UR and SVT. This type of collaboration is probably something that most public museums could easily start with own resources.

Museums, especially small and medium sized local museums need to be aware of the value of engaging in strategic collaborations with a variety of organisations which include other museum institutions and government agencies. Göran Andersson, director of the Natural History Museum in Gothenburg, said that regional museums and cultural heritage organisations are planning to establish the network system. When joint activities or programmes are well conceived, all interested parties including the audience, museum organisations, business partners, and the local government will benefit. By working together, museums will be able to solve the current difficulties, financial and otherwise. Besides this, museums can be recreated as professional knowledge factories by combining their resources. Most importantly, museums can create better programmes and will attract more audiences as well as corporate sponsors. Kotler & Kotler (1998) propose the three main assignments to the museum organisations.

- Getting children to enjoy museums
- Getting adult non museum goers to become museum goers
- Getting museum goers to visit museums more frequently

(Kotler & Kotler, 1998)

Through successful collaboration, museums are consequently able to cultivate a large number of museum goers. At the same time, museums can add significant value to people's lives and to the development of society.

We can see our future society by observing our younger generation. In this sense, public museums have responsibilities to educate and cultivate young people's knowledge development. Perhaps it is the primary reason why Swedish government has heavily focused on museum's role as education supporters. As discussed before, museums need to break down all kinds of unnecessary barriers and should concentrate on creating innovative elements which can attract young audiences even though not all types of museums can contain the common elements of '*entertainment*'. Lars Nittve emphasised the distinction between *general museums* and *art museums*. From his perspective, certain types of museums, such as natural science museums, can adopt the concept of *entertainment* or *excitement* like Disneyland without any backlash. As much as audience can learn and enjoy museum programmes and its interesting activities, science museums can easily reach their primary objectives of delivering scientific knowledge to their audiences in effective ways. On the other hand, arts museums have a totally different situation. They always have to be concern with clear intention of art and its value which cannot be compromised. According to Lars Nittve, art museums exist for the arts as well as audiences. Thus, they are much stricter in what they can do and how they can find funding. Therefore, certain types of museums are not able to provide an element of "*Entertainment*" for audiences. Instead, they need to create other elements which can attract their potential audiences and satisfy their expectations. This must be part of the art museum's mission today.

Attracting non museum visitors is one of primary missions of today's museum industry. Museums have the ability to cultivate this segment and I believe that museums can use various methods and resources to do so. Many ordinary people think that they are not very welcome to visit museums or at least the

typical museum atmosphere makes them feel uncomfortable. To break this barrier, museums should design some programmes so that people consider it interesting and easy to participate. I recommend that public museums establish collaboration with community centres and other business units. For example, local museum authorities can provide regular lectures at adult education institutions such as *Komvux*. Or museums could design special events which make people feel close to the museum. They must also cultivate long standing relationships with society.

6.2 Future development for marketing the museum

Through this research paper, I have tried to describe fundamental marketing concepts and principles, strategic marketing plans and customer centred attitudes for the effective management framework of the museum. The museum environment has rapidly changed due to people's demands, needs, interest, and expectations. As far as museum has a social commitment to achieve and a responsibility to satisfy its audience, the museum should develop the best practice and strategy according to their changing circumstances. It seems that current Swedish museums lack a strategic marketing mechanism though a couple of public museums are aware of this problem.

In order to attract more visitors and develop the audience programmes today's museum must develop strategic marketing through the effective corporative sponsorship. There already exists some level of competition among Swedish museums. The government subsidies are decreasing and cultural grants are limited. So, museums should find additional resources to survive in the future. To attract better sponsorship and strategic business collaboration, we have to be strong in the market.

(Elsebeth Berggren)

As Elsebeth Berggren argues, today's Swedish museums must set up strategic

marketing programmes to achieve two main objectives. First, with a strategic marketing plan, museums will be able to understand what their audience expects. As discussed in previous chapters, today's museums should compete with other industries as well as other arts organisations. If people believe that museums cannot satisfy their expectations any more, they will be abandoned by the public. I believe that museums must be aware that audience expectations for the exhibition design or interpretation can change over time. That is why it is important to conduct a regular market audit in museums. Only effective marketing research and strategic planning process can help them prepare for their changing situation. Second, strategic marketing can help museums establish collaborations with their partners. Currently, each museum must create their own unique value and position in the market. Collaboration will bring more support from private sector.

Some people might say that non profit organisations, such as public museums, do not need to have a strategic marketing structure. However, previous case studies, the research examples, and several interviews proved how strategic marketing is essential to museum organisations. In fact, museums which were aware of the importance of strategic marketing effectively react according to their circumstances and consequently, these museums can differentiate themselves from the thousands of museum organisations. Marketing principles are the primary way that museums can support their missions and objectives. Of course, each museum may have different marketing strategies depending on their mission and priorities. Specially designed marketing should consist of a mix of its collections, exhibitions, educational programmes, and the quality of service.

Kohli and Jaworski (1990) proposed a number of methods which museums can adopt to achieve a marketing orientation. First of all, it is important to have a museum management board which has a good understanding and cooperative attitude about strategic marketing. Without proactive support from the

management board, it is impossible to bring any marketing concepts to the museum. Second, educating the museum staff is also essential. From the museum director to the manager of the museum store, everyone must be aware of the value of their audience and the reason why their museum needs to be market oriented. Finally, museums should conduct effective marketing research and collect required information. The research work is usually linked to the formulation of a strategic marketing plan. Small museums have often complained that they are not able to be marketing oriented organisations because of their size and lack of resources. However, as McLean (1997) argues, the size of the museum should not be a barrier to adopting marketing orientation. Small size can be considered an advantage because, theoretically, it might be easier for small museums to adjust to the marketing orientation. A relatively small number of staff and a simple management structure can save a significant amount of time. In order to be a marketing oriented museum, understanding that the existence of the museum is for the public is the most crucial.

Creating a marketing orientation in the museum sector is a long and complex process. However, a proactive attitude, museum management will find an appropriate direction for the future in terms of audience satisfaction and resource attraction. Since museums exist for the benefit of society, their overall marketing performance must be also related to social objectives. Building strategic marketing is not only the objective of the marketing department, but also the entire museum organisation. As audience expectations are rapidly changing, so must museum organisation's marketing structure. I believe that museums must consider this change as a new opportunity for the future. Museums have a serious responsibility towards audience development because museums are a storehouse of dusty collections without their audiences. Therefore, every current and potential museum audience should be respected and be part of a museum's fundamental commitment.

6.3 Corporate sponsorship for museum's audience development

Corporate sponsorship is a reality. Museums should be aware of the current situation and carefully consider how they can deal with their financial problems and create quality in the museum context at the same time. Every year government subsidies are decreasing, and if museum organisations do not try to find additional funding sources, there is no doubt that some public museums will be closed down.

The most serious problem for the museum management is when museum programming or content is driven by commercial decisions. If the audience gets the feeling that the specific exhibition was designed because it is sponsored by certain companies or sponsors, then the museum loses credibility really fast. Museums must know why they exist and what the key reasons are.

(Lars Nittve)

There has been a tendency among Swedish public museums for the corporate sponsorship to be understood as commercialism and Swedish government and cultural authority have had negative attitudes toward it. From my understanding, however, this misconception was originated from a stereotype of corporate sponsorship. As far as the museum has a well-built commitment and mission statement, museums can minimise the potential negative effects of corporate sponsorship. Through successful corporate sponsorship, museums can invest money to improve their programmes or quality of service in order to make audiences feel comfortable and relaxed in the museum space. This is the most important objective of corporate sponsorship.

6.4 Equal opportunity of corporate sponsorship

Government subsidies are decreasing and we got less money than last year. We must pay rent, staff salaries, and so on. Then, nothing is left

for the exhibition or museum's marketing activities. I always think who can I talk to and how can I get sponsorship for the future. I think it is very important to establish a long term relationship with the business sector, especially in Göteborg and other small cities, because everything happens in Stockholm.

(Elsebeth Berggren)

Through my research, I realised that most corporate sponsorships are given to arts organisations in Stockholm. Figure 6.1 shows that 53% of all corporate sponsorship in Sweden goes to the museum organisations in Stockholm. There must be several reasons. First of all, there is no doubt that Stockholm has more arts organisations compared to other parts of Sweden. Second, corporations seem to choose the arts organisations which can expose the corporate brand or identity to a large number of people. It is a fact that the art museum in Stockholm has many more tourists and regular visitors than the municipal museum in Malmö. Companies always select the partners who can promise a good return on investment and after all choosing their sponsorship partners is a company's own decision. No one can tell the company where they should spend their money.

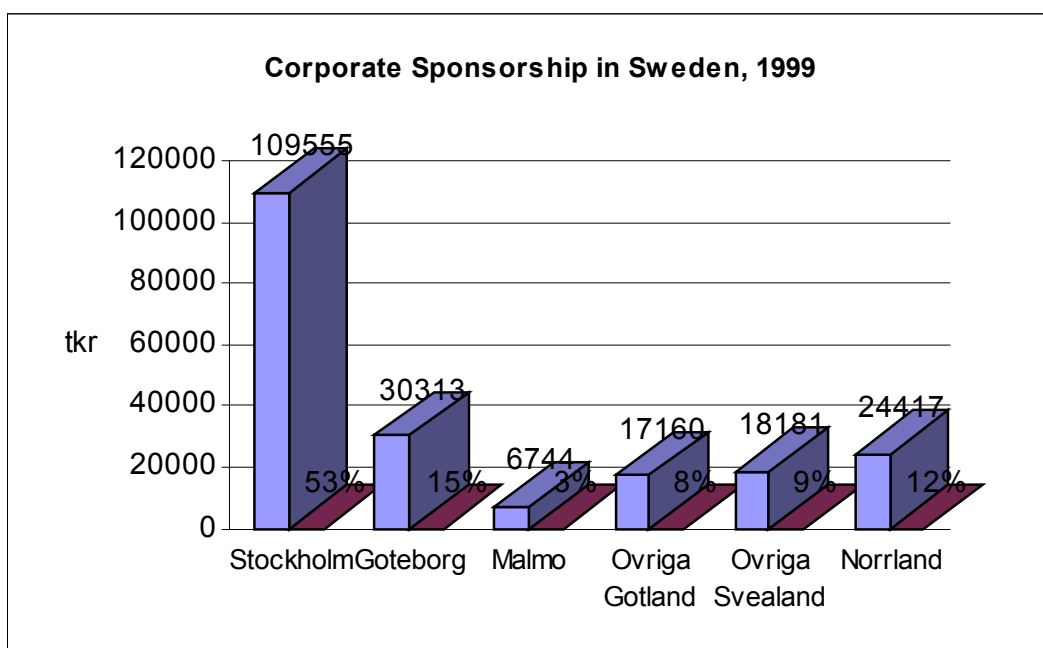


Figure 6.1 Corporate sponsorship in Sweden 1999 (source: *Kulturen I siffror, Museer och Konsthallar 2001*, Swedish National council for cultural affairs & Official statistics of Sweden, 2002)

From my point of view, however, this system is very problematic and the *Swedish National Council for Cultural Affairs* should consider what is good for the future development in nation's arts sector. Although small and medium sized museums must make an effort to develop their own competitiveness, it is also essential that the government provides a good environment for the long term. Under current conditions and government cultural policy, museums in small cities are not able to effectively promote themselves and reach larger audiences without government support. This government support does not mean only financial subsidies. I believe that the Swedish government should provide at least equal opportunities to the non Stockholm based public museums. There are several kinds of support the governments could consider. One of them must be the progressive tax deduction incentive. Central and municipal government should give special tax deduction incentives to companies which plan to support museum organisations which are located in small cities or less developed areas. This type of advantage system will attract many corporations and consequently, the museums in small cities will be able

to cultivate their competitiveness and increase the quality of museum programmes. From a sponsoring company's perspective, it can be a good opportunity to easily promote their corporate image as a good citizen.

In order to maximise the sponsorship performance, all three stakeholders (the museum organisation, company, and government) should cooperate with each other and find a common understanding about the direction of cultural sponsorship activities in the future. In this sense, the role of the Swedish government is significantly important in supporting local museums. Nevertheless without the existence of an innovative collaboration model, it cannot maximise its effect if the plan does not find the appropriate condition to support the scheme. Therefore, I believe that the Swedish government must show a proactive attitude towards this issue and try to encourage the participation of business companies. The Swedish government and the *National Council for Cultural Affairs* needs to provide a realistic proposal linked to corporate sponsorship for museum organisations and the future of the cultural sector. When museums, companies, and the government work together, the results would be maximised. Since museum organisations are suffering from a lack of financial resources, the government needs to make available as many alternatives as possible.

6.5 Analysis of sponsorship activities

Swedish museums need to consider several possible directions and each museum organisation should analyse the situation they are facing. I have conducted several interviews for this research paper and it has been proved that most museums have not used any formal audit or self evaluation system. Although the city of Gothenburg is developing the *balanced scorecard* for the public sector (including museums and arts organisations), since each museum organisation has a different mission statement and primary objectives, they should use an evaluation and analysis tool which can examine their own museum's opportunities and challenges.

Developing new practices and partnerships is also essential to today's museum organisations. Museums should be aware that competition is increasing between museums and other leisure attractions. In fact, Swedish museums, including the city & municipal museums, are facing severe financial difficulties and a lack of support. There is no doubt that museums and cultural organisations should not exist to generate profit. However, that does not mean that museums should always lose money. (Figure 6.2) If they lose money because of ineffective management practices and unprofessional managerial skills, the government and museum management boards should analyse the problems and find a solutions. That is one of primary reasons why museums should develop new financial alternatives and partnerships with other sectors. Strategic collaboration with the business sector not only provides financial resources to museums, but also provides knowledge of marketing skills and other managerial mechanisms such as cost effective practices. Museums should learn how to improve their quality and how to cultivate their programmes through the relationship. Besides this, museum organisations need to develop strategic collaboration with other cultural or leisure organisations which have mutual an understanding of customer orientation and social commitment. As discussed before, establishing the network among regional museums is also worth considering.

Incomes and costs in Swedish museums, 2001 (SEK)

Types of museums	Current income	Current costs	Sum
Central museums	1,252,405,000	1,261,835,000	- 9,430,000
Other state museums	269,521,000	275,418,000	- 5,897,000
Regional museums	725,974,000	728,757,000	- 2,783,000
Community museums	498,816,000	518,738,000	- 19,922,000
Other museums	148,792,000	152,753,000	- 3,961,000
Total	2,895,513,000	2,937,500,000	- 41,987,000

Figure 6.2 Incomes and costs in Swedish museums 2001 (source: Kulturen I siffror, Museer och Konsthallar 2001, Swedish National council for cultural affairs & Official statistics of Sweden, March 2002)

The network will cultivate each museum's competitiveness in terms of audience service, marketing planning, effective working practices, cost effectiveness, and, most importantly, developing new audience programmes. For example, *Universeum* has a strategic partnership with *Liseberg*. Museums must react to changing circumstances with new approaches all the time. Museum organisations should be more proactive and anticipative attitudes. In addition, working together with other organisations has more advantages than working alone. Museums can establish strategic linkages with other leisure attractions and also develop strong ties with other cultural organisations. Furthermore, museums can enlarge their cooperation to the national and even international level. There is no reason to remain isolated.

6.6 Reacting to new sponsorship environment

I am very optimistic about the future relationship between companies and arts organisations. I have experienced so any positive results concerning close partnership between companies and the arts. Skills from the arts world can contribute a lot to the business world, besides unlocking

creativity and creating a healthy environment. The sky is the limit.

(Mikael Strandänger)

According to my interviews and other researches, it is obvious that Swedish museum authorities are aware of their critical situation and fact that they should find a solution immediately. All interviewees from the museum sector agreed that they need to build strategic collaborations with the private sector and cultivate more useful sources. However, they are not in a stage yet where they design strategic planning and the setting the objectives. In Sweden, sponsorship of the museum is still considered as museum director's personal responsibility.

It seems there are big misconceptions about sponsorship. Nowadays sponsorship partners increasingly want to see visible achievement of their support. If the museum fails to give their sponsors a satisfactory return, obviously none of companies will want to continue the relationship any more. I believe that museums must be serious about and responsible for their sponsorship activities and they should know in advance what the sponsor's expectations are. As Berggren argues, today's museums need to carefully reconsider what is their unique value and what they can offer to the sponsorship partners.

The independent museums first of all depend on visitors; they are customer oriented; they are user friendly, so they have an instinct and a need to reach out and serve their public. They have a dialogue with their clients; we cannot possibly forget that we are there to serve.

(Sekers 1984)

While Swedish museums enjoyed a faithful audience and stable subsidies from the government, they started to lose competence and generate an unprofessional

management environment. Consequently, today's museums are losing both their audience and financial sources. Government subsidies are decreasing year after year and museum organisations are confused about their unclear future direction. I believe that Swedish museums should take responsibility for the current situation. They need to be more accountable for the decreasing size of audiences and the critical finance situation. Swedish museums should be more proactive and analyse their current situation through the cooperation with the Swedish museum authority. Museums must understand what their visitors need and want, and create new audience programmes which can bring people back to the museums.

I believe that Swedish museums should also be aware of the rapidly changing environment and be prepared. From my perspective, this is one of the most crucial challenges for today's museums in Sweden. In this sense, cultivating new financial alternatives is not a fundamental solution for tackling the problems of Swedish museums, but it needs to be considered as a significant tool to improve the quality of the Swedish museum sector for the future. Museum organisations should not be afraid of negotiating within the market environment. Nobody is forcing museums to compromise their commitment to public education. Museums simply need to be more flexible and responsible for their overall activities and adopt professional management skills. The museum has a responsibility to be responsive to the benefits and needs of their audience. In order to achieve this goal, the museum should have a strategic marketing plan and ability to cultivate diverse resources such as corporate sponsorship. If the museum is not ready to satisfy these requirements, they are not able to create additional value to attract their audiences and, furthermore, they will not survive in the competition with other leisure sectors. That's why museum organisations must continuously monitor their situation and find most appropriate path. Considering the current situation, establishing strategic collaboration with the private sector seems the most realistic and beneficial choice for Swedish museums.

Chapter 7 Conclusions and future research

The first question this dissertation study intended to investigate was the possibility for the Swedish museum sector to redefine the concept of the museum audience and establish a quality audience programme. During the research period, I discovered many possibilities for the Swedish museum sector even though I have also found many chronic problems which have been generated over long period of time.

Swedish museum organisations have had a role as educational centres in society and they have faithfully delivered the message of artistic value to the public. From my point of view, the primary idea of Swedish museums, starting from their origin as cultural institutions, is going through a major transformation. Nowadays, museums are forced by their social environment and the public to create additional values through developing audience programmes. I believe that the museum does not need to be a storehouse of dusty collections all the time. Instead, museums can try to define new roles, responding to new demands and expectations of their audience. They must open their doors wide and respond to public demands. One of the new roles of the museum organisation is offering emotional and entertaining elements, as well as intellectual merit, through the museum experience. The museum sector must aim not only at the conservation of heritage, but also at the planning of a continuous stream of performance and cultural initiatives. From this perspective, it is significantly important for museums to have the courage to experiment with diverse formulas, which involve the public and the private sector.

Then, why is marketing so important for the museum to develop an audience? Museum's strategic marketing is an overall process which can bring together museum and audience. Most importantly, strategic marketing helps museums build a long standing relationship with society and their stakeholders. Through

understanding their own visitors, marketing effectively helps the museum achieve its primary objectives in relation to its audience. As discussed in this research paper, the starting point for the definition of a marketing strategy is the analysis of a museum's current and potential audience by a variety of effective marketing tools such as market research and audience segmentation. During the research period, several interviews were conducted with many museum professionals. As a conclusion, many museums showed their significant interest in marketing development though not so many Swedish museums have adopted the concept of strategic marketing. Therefore, it could be useful for future research discuss how the marketing function is perceived and what the opportunities are for further museum development.

Marketing exists where there is an exchange of benefits. Whether the exchange actually take depends on whether the two parties can find terms of exchange that will leave them both better off(or at least not worse off) than before the exchange. This is seen as a value creating process; that is, exchange normally leaves both parties with a sense of having gained something of value.

(Kotler, 1980)

In order to develop an appropriate marketing strategy, museum organisations should understand and analyse their current and potential visitors. Professionalism is essential for effective museum marketing. Some professional elements may not be incorporated into the museum. Thus, these could be dealt with through collaboration with experts and consultants in the private sector.

The Swedish business sector has started to see sponsorship as an effective marketing channel. The recent example of *Ernst & Young* and the interviews with sponsorship managers of ABB and SAAB show that more and more companies are getting interested in sponsoring arts organisations. As this

research work shows, an increased understanding of the benefits of publicity, goodwill and improved image has taken place. However, it seems that an understanding of what arts organisations can contribute to companies has not yet been developed. Due to financial reasons, today's many museum organisations show a positive attitude regarding the corporate sponsorship. However, a deeper exchange of values should be considered at the same time. From my point of view, museums need an increased understanding of what a company wants to get from a sponsor project, and museum organisations should learn how to effectively promote themselves in business terms.

Swedish museums need to know if they are ready to implement the concept of business collaboration in the entire museum management. This is because I believe that the museum's overall infrastructure will be more or less influenced by degree of business collaboration. Therefore, Swedish museums always need to study new perspectives in order to respond to challenging situations in the future. It is also essential for each museum to audit their entire performance for developing organisational competence. There is no moral justification for museums to take only be conservational and educational institutions. The Museums association states that museums exist for the public benefit. This means that Swedish museums have a good reason to change and adopt new behaviours for society's benefit if there are certain demands. Adopting new museum conditions doesn't mean that Swedish museums should abandon their original mission and role of public education. Museums just need to change with society in order to fulfil its other aims or new objectives as well as original missions and commitments. I believe that today's society demands two additional elements of the arts sector, *creativity* and *adaptability*. These two additional elements are essential for museums. They must develop creative programmes for their audiences.

In order to adopt creative managerial principles to the Swedish museum sector, the concept of autonomy is significant. Autonomy means to provide

management with accountability, and vital instruments for the creation of management with an awareness of their responsibilities. In the Swedish museum structure, managerial autonomy has been almost impossible to put into practice. Some degree of managerial autonomy should be applied to the museum's main performance and all the professional responsibilities, such as marketing strategy or fundraising activities, need to be delegated to the museum organisation. Adopting the concepts of customer orientation and strategic marketing are not designed to bring the cultural sector towards the market. After all, the role of the Swedish government in the conservation and education of national heritage will not be replaced by the private sector. Besides, the Swedish government can play a major role in working as a watchdog and link between corporations and art organisations. They should create an environment for the relationship between museums and companies to evolve, and should watch its development. This fact is not only a main issue for the museum sector, it embraces other public service sectors too.

Successful sponsorship cases such as the *Universeum* prove that only mutual understanding through effective communication can maximize the level of audience value and the benefit for both museums and sponsoring companies. We need to consider the sponsorship relationship as a development process of functional integration between museums and corporations. In order to be of interest to both sponsorship partners, sponsorship need to be addressed with professionalism.

I hope this dissertation study provided significant motives for the Swedish government and cultural authority to consider arts & business collaboration. Establishing corporate sponsorship is time consuming and requires lots of support, including positive political and socio economic elements. In this sense, this research paper suggests that the Swedish government needs to show their support to encourage proactive participation of the private sector in the museum audience development process. If the Swedish government is positively considering the private sector's participation in the museum matters,

the government should provide a concrete proposal such as tax incentives to for corporate sponsorship for museums. If the government, companies and museums worked together in a proper way, the results would be much better than those approached separately.

Corporate sponsorship is difficult to be measured because there is no universal measurement or evaluation method. That might be the one reason why most companies have not conducted any evaluation process. Based on interviews, I realized that corporate sponsorship in Sweden has been often confused with donations which are given as part of a company's social responsibility. From my point of view, the sponsorship evaluation can ensure that all stakeholders' objectives and expectations are clear from the beginning. Unclear aims and expectations can seriously damage a sponsorship performance. More importantly, evaluating the sponsorship performance not only provides information to the sponsoring companies about the ongoing measurement of the sponsorship, but also provides information that all stakeholders can use improve the overall quality of sponsorship performance next time. Therefore, it would be interesting to continue the research on how we can effectively measure the sponsorship performance. It will be also interesting to research what the awareness level amongst the target audience is, how successful sponsorship influences the attitudes of ordinary customers, and what kinds of tracking process the sponsorship partners can use to find out whether the sponsorship performance is on the right track.

In the future, I believe museums and businesses will develop more and more mutually advantageous methods of meeting a wider variety of each other's needs. Besides this, strategic partnerships between museums and businesses can easily lead to a wider range of services to a wider audience on the part of the museum.

(Dean Anderson)

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Robert Heyworth, Museum consultant and researcher in London, November 2003

Thomas Jones, PR manager of Ernst & Young, September 2003

Appendix

Appendix 1. Activities and interests of leisure lifestyle groups

Passive homebodies

They agree with or the following:

- Television is my primary source of entertainment
- I am a homebody
- I watch TV in order to relax quietly
- I would rather spend a quiet evening at home than go to a party

They disagree with or do not do the following:

- See a movie in a theater
- Go bowling
- Attend a sports event
- Work on an arts or crafts project
- Go out do dinner at a restaurant
- Play tennis

Active sports enthusiasts

They agree with or the following:

- Go bowling
- Go to a sports event
- Play tennis
- See a movie in a theatre
- I like to attend sporting events
- I can't see myself going to an opera

They disagree with or do not do the following:

- I would rather spend a quiet evening at home than go to a party
- Many of my friends are interested in the after symphony concerts
- I usually know which symphony concerts and plays are being performed around here

Culture patrons

They agree with or the following:

- To a play, symphony orchestra concert, and visited an art gallery or museum in the last 12 months
- The arts are more important to me than to most other people

They disagree with or do not do the following:

- My major hobby is my family
- Television is my primary source of entertainment
- I watch TV to relax quietly
- If cultural organizations cannot pay their own way, they should go out of business

Socially active

They agree with or the following:

- Go to a meeting of a social or service club
- Give or attend a party
- Go on a picnic
- I usually know which plays are being performed around here

They disagree with or do not do the following:

- I would rather read a good book than a newspaper
- I would rather spend a quiet evening at home than go to a party
- I can't see myself going to an opera
- I like to read nonfiction books
- I have less leisure time compared to other people I know

Source: Alan R. Andresen & Russell W. Belk, "consumer response to arts offerings: a study of theatre and symphony in four southern cities," in Edward McCracken, *research in arts*, 1979:13-19

Appendix 2 Arts & Business UK and the European Committee for Business, Arts & Culture (CEREC)

"A&B is the world's most successful & widespread creative network. We help business people support the arts & the arts inspire business people, because good business & great art together create a richer society." (Arts & Business webpage, <http://www.aandb.org.uk>)

Arts & Business was established as *the Association for Business Sponsorship of the Arts* (ABSA) by UK private corporate members in 1976. In 1999, ABSA changed their name to Arts & Business because they believed that the corporate partnership with arts sector must be more than just sponsorship. Now the Arts & Business have 18 regional offices around the UK and over 130 staffs. Although they are currently involved in many other programmes such as "Arts & Kind" and professional research projects, corporate sponsorship is primary work of Arts & Business. In fact, Arts & Business has successfully encouraged businesses to participate in the arts sponsorship programme. They strongly believe that the participating companies can find creative value through the relationship with arts and consequently they can embed this unique value into all levels of their businesses.

The European Committee for Business, Arts & Culture (CEREC)

CEREC was found in 1991 and initially funded by the EC, European commission. CEREC is an independent non governmental organisation which connects all official arts & business associations for the encouragement of corporate sponsorship programmes in Europe. The primary mission of the CEREC is to promote the relationship between businesses and the arts sector in order to generate mutual benefit.

According to CEREC, the common cultural policy of the EU does not include any sponsorship issue and it seems that encouragement of sponsorship is out of there interest. In fact, the EU has been criticised for avoiding sponsorship issues.

Appendix 3 SWOT analysis for the Universeum

Strengths

Located in the city centre, it is easy to access
Good public transportation
Excellent reputation in society
Major tourist attraction in Gothenburg
High quality of service and facilities
Audience centred organization
Positive image in the local community

Weaknesses

Expensive entrance fees
Lack of effective promotion techniques
Effective audit/ evaluation system
Lack of information in foreign languages

Opportunities

Strategic collaboration with *National Museum of World Culture*
Developing additional business partnerships
Establishing academic relationships with international science centre & academic institutions
Creating a new identity as an educational hub of natural science & technology
Expanding 'Universeum' packages with local tourism (e.g. Partnership with Scandic Hotel
Messa)

Threats

No government subsidies and cultivating new financial sources
Cost effectiveness
Competition in the leisure market
Criticism of being commercial

Appendix 4 Universeum audience satisfaction survey (26th September – 05th October, 2003) randomly selected 100 visitors

1. Have you been to the Universeum before?

Yes: 66%

No: 34%

If Yes, how many times have you visited Universeum in the last 12 months, including today's visit?

Once 34%

2 times 52%

More than 3 14%

2. How did you first hear of this museum?

Local newspaper/ television advertising 16%

From families/ friends 16%

Articles in magazines/newspaper 4%

School trip 24%

Tourist information 32%

Others 8%

3. Are you visiting Universeum by yourself or with someone?

By myself 3%

With my family 34%

With friends 31%

With organised groups (inc. school trip, tourist group) 32%

4. How did you come here today?

Car 22%

Public transportation 42%

Foot 4%

Coach 32%

5. Did you have any difficulty finding the museum?

Yes 3%

No 97%

6. How long have you spent in the Universeum today?

10 -30 minutes 3%

30 – 60 minutes 8%

1 – 2 hours 76%

More than 2 hours 13%

7. What do you think about the entrance fee?

Too expensive 30%

Relatively expensive 48%

Reasonable 21%

Cheap 1%

8. Which of the following areas of the Universeum have you visited today?

Café 72%

Universeum shop 92%

Exhibitions 100%

9. How would you rate the following in the Universeum?

(Please indicate on a scale of 5 to 1, 5 being very satisfactory)

Presentation of exhibit (quality of exhibit programmes)

5 52%

4 34%

3 10%

2 3%

1 1%

The café (regarding the space, service, price, and quality of food)

5	15%
4	12%
3	38%
2	27%
1	8%

Toilette and other facilities

5	25%
4	43%
3	23%
2	7%
1	2%

Staff kindness, service satisfaction

5	26%
4	48%
3	19%
2	4%
1	3%

10. Do you find the present opening times convenient?

Yes	76%
No	24%

11. How likely are you to visit Universeum again?

Very likely	28%
Likely	43%
Unlikely	18%
Very unlikely	2%
Don't know	9%

12. Do you have any suggestions for improvement?

13. Do you have a plan to visit Lisberg today?

Yes 53%

No 35%

Don't know 12%

14. Gender of respondents

Male 43%

Female 57%

15. To which age group do you belong?

Under 15 8%

16 – 20 17%

21 – 29 3%

30 – 34 26%

35 – 44 36%

45 – 54 7%

55 - 3%

Appendix 5 Tate Gallery Membership Programme, 2003

<p>Tate membership £45</p>	<ul style="list-style-type: none"> ● Free unlimited entry to exhibitions at all four Tate galleries ● TATE magazine sent directly to you ● Access to stylish Members Rooms ● Priority booking for Café 7 at Tate Modern and Tate Britain's Rex Whistler Restaurant
<p>Plus Guest add £16 (total £61)</p>	<ul style="list-style-type: none"> ● Free unlimited entry for you and a friend to exhibitions at all four Tate galleries ● TATE magazine sent directly to you ● Access for you and a friend to stylish Members Rooms ● Priority booking for Café 7 at Tate Modern and Tate Britain's Rex Whistler Restaurant
<p>Plus Guest plus Extra Card add £34 (total £79)</p>	<ul style="list-style-type: none"> ● Receive a second membership card which also admits two. With each card you can bring a guest and up to six children, all enjoying free entry to Tate exhibitions, making it perfect for family groups. ● TATE magazine sent directly to you ● Access to stylish Members Rooms ● Priority booking for Café 7 at Tate Modern and Tate Britain's Rex Whistler Restaurant
<p>Private Views - add £18 to any of the above</p>	<ul style="list-style-type: none"> ● You will be invited to exclusive daytime and evening Private Views of selected exhibitions at Tate Britain and Tate Modern, and you can bring a guest
<p>Tate Liverpool Extra Card - add £5</p>	<ul style="list-style-type: none"> ● Extra Tate Members card for another adult to receive free entry to exhibitions at Tate Liverpool ● You can both bring a guest and up to six children in total to Tate Liverpool

	<ul style="list-style-type: none"> ● Regular updates on exhibitions, courses and events at Tate Liverpool ● Special invitations to Tate Liverpool Private Views
<p><u>Tate St Ives Extra Card - add £5</u></p>	<ul style="list-style-type: none"> ● Extra Tate Members card for another adult to receive free entry to exhibitions at Tate St Ives ● You can both bring a guest and up to six children in total to Tate St Ives ● Free admission to the Barbara Hepworth Museum ● Special invitations to Private Views and Member Only events at Tate St Ives ● Regular updates on exhibitions, courses and events at Tate St Ives

Source: <http://www.tate.org.uk/members>