

# **Museum Marketing Research: From Denial to Discovery?**

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# Museum Marketing Research: From Denial to Discovery?

## Abstract

Museum marketing has moved from denial to discovery. Not until the 1980s was marketing recognised as important to museums' sustainability. This leads to the question of whether museums can afford not to see their audience in a marketing light. This paper presents results of a research project that seeks to understand the use and impact of audience research in the New Zealand museum sector. The analysis focuses on the marketing implications of audience studies. Many audience studies have been completed in museums but were possibly not used for marketing advantage. The contribution of this paper is a critical review of museum marketing research activities of five New Zealand museums. There are implications derived from this study. Namely, research often studies visitor and sometimes non-visitor profiles but should extend further beyond demographic information towards psychographic and attitudinal measures. Second, marketing research should include an ongoing reassessment of the effectiveness of marketing instruments in use to allow a continuous improvement of marketing strategies and the marketing mix. Finally, the underlying dimensions of audience studies suggest that they are of great value for policy and marketing analysis and therefore can help museum sustainability in fulfilling their cultural mandate.

## Keywords

Marketing, marketing research, audience studies, museums

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# **Museum Marketing Research: From Denial to Discovery?**

## **Introduction**

Museums are institutions which collect, research, display and interpret objects. Their very existence depends on the possession of a collection (McLean, 1994). While collection care and interpretation are acknowledged as basic museum functions, declining public funding and accountability pressure have led to the discovery of museum marketing as an important contribution to museums' viability (Rentschler, 1998). Marketing has increasingly been seen as an essential museum activity (Kelly and Sas, 1998). It is argued that marketing can serve to achieve the museum's mission rather than compromising it (McLean, 1993; Reussner, 2001). This paper analyses the tension in museums between their object-based focus and their marketing needs. The examination of this topic is based on a review of audience research activities in five New Zealand museums. The aim of the analysis was to determine whether the discovery of marketing in the museum sector is reflected in the audience research activities of museums. The following questions were central to the analysis: First, what audience studies with marketing implications have been undertaken in New Zealand museums and over what time frame? Second, what aspects of marketing were covered? To examine this question in more detail, a conceptual framework has been developed which allows for a systematic analysis of marketing and marketing research activities.

The first two sections of this paper explain museum marketing as well as the contextual characteristics relevant to New Zealand and illustrate changes in the field, with some comparisons made to the UK and Australia. Next, museum audience research and marketing research are discussed, using our conceptual framework as a guide. Finally, the managerial and marketing research implications are gleaned from the study.

## Museum Marketing

Museum marketing has moved from denial to discovery (Rentschler, 1998). Museums often experience financial difficulty and many cultural organizations cannot exist on earned income alone. Funders, both corporate and government, and foundations, are asking for greater accountability for money granted. One way accountability can be documented is by sound marketing approaches (Laczniak and Murphy, 1977), which reinforces the drive toward formal accountability and increases the need for museum managers to have the orientation and skills of marketers. While accountability and funding pressure may drive museums' readiness to take advantage of marketing methods, there is also a more intrinsic value side to it. Marketing can be considered as those museum activities that pay tribute to the museums' social mandate and responsibility by broadening access, not only through increasing visitor numbers, but by increasing the variety of audiences reached.

The adoption of marketing methods by museums is of recent origin and their applicability to museums is still debated. Approaches to museum marketing are made via non-profit marketing and services marketing (Benkert et al., 1995; Kotler and Andreasen, 1996; Kotler and Kotler, 2000; McLean, 1994; Schuck-Wersig and Wersig, 1994). The commercial context of marketing is different from that in the non-profit museum. Smith and Saker (1992) take this into account by defining marketing as satisfying customer requirements *effectively* as opposed to simply *profitably*. Such an understanding of marketing allows for blending long-term social policy goals with individual needs, as represented by the *social marketing* concept (Kotler and Bliemel, 1999). Additionally, museums can be regarded as services institutions (McLean, 1994; Rentschler and Gilmore, 2002). This understanding reflects the development of museums from collection-care and research centres to public service institutions (Kotler and Kotler, 2000). The involvement of visitors while strolling through exhibitions or participating in public programs and events and their use of facilities, museum shops and cafés show characteristics of service delivery. Therefore this paper uses the marketing approach to services as its frame of reference. Another important basis of analysis is understanding

marketing as shaping the exchange and relationships with a range of partners (Kotler and Andreasen, 1996; Smith and Saker, 1992). Museum marketing is regarded as communication with museum stakeholders such as museum visitors, funding agencies, local authorities, museum staff, board members, museum professionals, researchers, sponsors and the media. This broadens the focus of marketing beyond the museum audience in a narrow sense.

### **The Museum Context**

There are good reasons why museums in New Zealand have changed over the last two decades. These changes can be charted at government and ministry levels, peak museum organisation levels and in the museums themselves. Until the 1990s, museum research was often conducted by the Australian government's arts funding and advisory body, the Australia Council, for both Australia and New Zealand (see, for example, *Australia Council Museum and Gallery Reports* from 1990, 1991, 1992, 1993), after which New Zealand commenced its own reporting. These historical shifts are clearly expressed in major New Zealand reports produced in 1995 on the emerging cultural industries. For example, in 1995 New Zealand saw the first comprehensive presentation of cultural statistics, *New Zealand Framework for Cultural Statistics* (Statistics New Zealand, 1995a and 1995b) which does two things. First, it seeks to define culture as affirming identity and achieving belonging (p. 3). In this view, the high arts, of which museums are a part, are seen as part of our whole way of life and therefore important. Second, the report articulates the need for a "Maori perspective" to guide cultural policy development. The importance of these two things is that they further move the debate towards the development of the cultural industry, and of the importance of bi-culturalism in New Zealand. In 1995, *A Framework for Funding and Performance Measurement of Museums in New Zealand* (McKinley Douglas Limited, 1995a and 1995b) targets the museums sector and their need to improve "facilities, performance standards and access" (p. i). This report illustrates the shift from a strong emphasis on production to a focus on marketing and bi-culturalism, which can make an industry successful as part of the creative industries and also able to fulfil its social mission. Marketing is part of the

changes needed in museums. While funding is the hook in the report, an underlying theme is the need to strengthen marketing so that artistic gains can also be made.

Throughout the 1990s, New Zealand's public sector was subjected to significant reform, leading to more accountability, performance indicators and transparency in reporting (Thompson, 2002). In Australia and in the UK, there has been a similar drive for reform. At the opening of a new century, New Zealand leads the way in cultural development, with the New Zealand Prime Minister, Helen Clark, taking the portfolio of Arts Minister as a signal of the importance of culture to New Zealand's economic, social and political position in the region.

With government initiatives encouraging the development of the creative industries, with a shift in focus to the importance of marketing for artistic success, with evidence suggesting that member numbers are static in museums, and with Disney-style theme shows and blockbusters overtaking audience activity, the need to review museums' approaches to marketing is urgent (Gill, 1996; McLean, 1995). Blockbuster entertainment shows have customer care and entertainment values at the forefront of their ethos. Museums are competing with these events for the leisure dollar of their audiences, and while the leisure environment is expanding and developing, competition is also increasing (McLean, 1995).

These various approaches to policy discourse for museums are not without their critics. So while reports "bristle with numbers" and the cultural sector now shares its policy platform with other figures in the expanded cultural or creative industries (Volkerling, 2001: 444), the impact on museums has been profound. As a result, this has led to a reassessment of the need for marketing in museums. Again, the similarity to the Australian and UK experience resounds.

In the intervening years, there has been a considerable amount of quantitative data produced on the cultural industries in New Zealand, such as cultural statistics, employment characteristics, attendance at arts events, sponsorship and government

support and public perception of the arts. However, there has been less theory building to develop models for management and marketing to ensure cultural sustainability. This study uses a conceptual framework to explore the audience research activities of New Zealand museums, which enables an assessment of their contribution to museum sustainability.

## **Audience and Marketing Research**

### Audience Research

The term audience research is applied to empirical research that deals with audiences of public institutions and events of any kind, not only in the cultural field (Almasan et al., 1993). This study focuses on research dealing with audiences of museums and art galleries. Audience studies have long been undertaken in museums. A good overview of the history of visitor studies up to the 1980's can be found in Loomis (1987). As early as 1916 Benjamin Gilman examined the issue of 'museum fatigue.' During the 1920's and 30's, Edward Robinson and Arthur Melton applied observational methods to determine how visitors used exhibits, and with the same educational focus, C. Hay Murray used the length of visitor stay and additional questions in exit surveys to understand what visitors may have learned during their visit. The 1950's and 60's consolidated two main streams of visitor research that are still dominant today: visitor surveys to determine who visits and attendance patterns and research into museums as learning environments, usually via exhibition evaluation (Shettel et al., 1968). During the 1970's and 80's, the number and variety of audience studies increased more and more. Apart from the 'classical' audience profile (Miles, 1986), research into visitor behaviour became more sophisticated (Treinen, 1988), resulting in advice for exhibition design, for example, how to design labels (McManus, 1986).

Audience research since the 1990's brought a deeper understanding of the visitor experience and motivation (Doering, 1999; Thyne, 2001) as well as visitor learning (McManus, 1993), together with more sophisticated methods of segmentation such as lifestyle and psychographic profiles (Todd and Lawson, 2001). But museums also

broadened their focus beyond the single organisation and their actual visitors. They discovered the area of multicultural audience research, looking at the needs of and relations with different ethnicities and indigenous communities (Conaty, 1989; Robertson and Migliorino, 1996). Other areas of interest are arts participation and non-visitor studies, allowing museums to obtain information about the profile of the people museums do not reach, their attitudes towards museums and the nature of the barriers which hinder them from becoming visitors (Kirchberg, 1996; Prentice et al., 1997; Schäfer, 1996; Schuster, 1991), and whether it is worthwhile stretching limited resources to extend relationships (Rentschler et al., 2002). Recent trends in audience research are evaluations of multimedia applications (Economou, 1998) and museum website usage (Dyson and Moran 2000; Sarraf, 1997). The growing understanding of museums as service institutions has led to service delivery studies (Johns and Clark, 1993). Interestingly, first steps are being taken towards assigning audience research a corporate role, broadening its application beyond the public service area towards strategic planning and performance reporting (Sullivan, 1998; Museum Victoria, 2001). In that context, we find research on questions of general importance for the museums sector such as a study on changes in people's leisure behaviour and what implications this yields for museums (Lynch et al., 2000).

### Marketing Research

With the shift to embrace marketing in museum operations has come the need for information to make marketing decisions, which is provided through marketing research (Jensen, 1997). Marketing research is considered the first stage of the marketing process (Smith and Saker, 1992). Kotler and Kotler (2000) emphasise the important role of audience research for planning and implementing marketing strategies, although not all authors agree with this position (Bradford, 1991). Museum marketing research here is understood as a subset of audience research, as there is no difference in method. The distinctive character of marketing research lies mainly in the purpose for which it is conducted and used: to inform marketing activities. Apart from general visitor and non-visitor research with marketing-related implications, the body of museum audience research undertaken to date also includes studies with an explicit marketing focus. Davies

(1994) conducted a meta-analysis of visitor studies to determine the market potential for museums and art galleries in the UK. Jensen (1997) reports on research undertaken for the National Museum of Science and Technology in Ottawa, Canada, that focused on the classical marketing mix: product, price, place and promotion. Yucelt (2000) and Meehan (2002) deal with monitoring visitor satisfaction and identify factors that influence satisfaction levels. Even relationship marketing is covered: Bhattacharya et al. (1995) investigate the bond of identification of art museum members with their institutions.

However, there has been criticism that museum marketing research has been sparse and partly inadequate, resulting in a lack of available information (Davies, 1994; McLean, 1994). Kelly and Sas (1998) align with this criticism when emphasising that audience studies traditionally focus on educational as opposed to marketing questions. With incomplete and one-sided information, museums suffer from an insufficient understanding of their visitors and non-visitors (Kawashima, 1998). Based on these shortcomings, there has been recent discussion of the need for audience research to have a greater impact on museum work in general (Loomis, 1993; Reussner, 2001) as well as on museum marketing activities in particular (Rentschler, 1999).

## **Methodology**

The purpose of this study was to explore marketing research practice in selected New Zealand museums, so that a link could be established with theory. In order to determine whether the discovery of marketing in the museum sector is reflected in the audience research activities of museums, two research questions were examined: First, what audience studies with marketing implications have been undertaken in New Zealand museums and over what time frame? Second, what aspects of marketing were covered?

A case study methodology was chosen because of the exploratory nature of the research interest. This approach was also expected to provide deeper insights into the organisational context in which audience research occurs. Case study strengths are well documented as going beyond the limitations of surveys, providing great searching ability

and enabling the researcher to “better understand the subtle institutional processes” (DiMaggio et al 1978). Cases were selected on the basic condition that the institutions needed to have undertaken audience research, which limited the number of possible cases as not every museum has the means or the intention to undertake audience studies. From this group, cases were selected according to the criteria of geographic spread in the North and South Islands of New Zealand and variation in size.

The researchers designed a case study protocol and interviewed key people in the five museums studied, including the director, marketing staff and audience research staff. Using content analysis (Krippendorff, 1980), soft and hard data supplied were analysed. Interviews were considered soft data. Documents, such as strategic plans, marketing plans, position descriptions, annual reports and promotional material were considered hard data. Interviews were transcribed and coded. People interviewed were sent the interview transcripts for verification, and were also consulted over the preliminary findings of the research.

There are some limitations associated with this research study. The main limitation is that a small number of cases were used for the study. As a case study methodology does not allow *statistical generalisation*, a generalisation to the broader population, irrespective of the number of cases, the intention was to build a systematically structured set of case study data which is *analytically* generalisable and generalisable to a theoretical proposition (Yin, 1984). The items to measure marketing thrust were developed specifically for this study, which limits their validity and reliability. However, as all elements of the conceptual framework are derived from relevant literature in the field external validity should be maintained.

### **Conceptual Framework**

The conceptual framework defines the dimensions of analysis and provides criteria for the classification of audience research and evaluation activities in the museum marketing context (see Appendices 1-3). Its components have been developed from Davies (1994),

Kawashima (1998), Kelly and Sas (1998), Kotler and Kotler (2000), Rentschler (1998), Schuster (1991) and Smith and Saker (1992). While reviewing audience research activities in the marketing context, three main questions are considered: What is their position in the context of marketing as customer-oriented culture? Second, what aspects of marketing strategies are examined? And thirdly, what elements of the marketing mix are considered?

### Marketing as Culture

Marketing as culture reflects the philosophical base of marketing: a clear customer orientation (Smith and Saker, 1992). With a traditional product-oriented view, museums are highly unlikely to derive and define their products and services based on a demand in the market, but may rather be ready to invest in promotional activities to make their (given) product attractive or perhaps even to make adjustments to exhibitions and services according to customer preferences (Colbert et al., 2001). Customer orientation in museums is therefore thought to be evident in “an organisation’s commitment to integrate customer preferences into the product development and marketing process” (Voss and Voss, p. 67). Audience research activities can be classified according to their position on the continuum between a strong product and a strong customer focus.

### Marketing as Strategy

Marketing as strategy focuses on the major goals and strategies of marketing activities. Audience development and stakeholder satisfaction can be considered the two overarching goals of marketing strategies.

### *Audience development*

Audience development embraces two aspects. On the one hand, the aim is to increase attendance figures, whether through increased market share or higher attendance rates within the given market, for political purposes (accountability) as well as economic reasons (generating income; McLean, 1994). On the other hand, in the cultural policy context, the social mandate of museums and obligations derived from cultural diversity and equal access policies require the development of a broader variety of museum

audiences. The aim is to expand the reach of museums into previously unserved or underserved segments of the community (Kotler and Kotler, 2000, Schuster, 1991). Cultural inclusivity, reaching out to minority and underrepresented groups and building long-term relationships to keep visitors connected to the institution are emphasised as survival strategies for museums (Larson, 1994).

### *Stakeholder satisfaction*

Stakeholder satisfaction is considered the baseline of marketing philosophy and should be one of the primary strategies of museums (Kotler and Kotler, 2000), helping museums maintain their existing audience base (Smith and Saker, 1992). Audience research can help determine stakeholder needs, wants and interests as well as their level of satisfaction and the outcomes and benefits derived from the interaction with the museum, as shown in a study conducted among visitors to 24 Historical and Museum sites in Pennsylvania (Yucelt, 2000).

### Marketing as Tactics

Marketing as tactics focuses on operational aspects that are within the museum's influence. The so-called marketing mix describes the instruments that are manipulated to achieve the overarching goals of audience development and stakeholder satisfaction. See Analysis focuses on the seven elements of the expanded marketing mix for services covering the four classical P's *product*, *price*, *place* and *promotion* as well as the additional service P's *people*, *process* and *physical support* (McLean, 1994; Smith and Saker, 1992). The eighth element, *persistence*, is a further extension of the marketing mix (Rentschler, 1998).

To determine what audience studies with marketing implications have been undertaken in the selected museums and over what time frame, the information sought on the museums' audience research activities was analysed according to the categories provided by the conceptual framework.

## Findings

All five museums invested in marketing related audience research activities from the mid-nineties, mostly from 1996, acknowledging marketing research as a base for marketing decision making. This is underlined by the fact that, in all cases, audience research is associated with the marketing department or marketing staff. The audience research activities of the New Zealand museums examined in this study basically cover all aspects of the conceptual framework on which this analysis is based, which indicates that marketing research seems to have been well embraced in the New Zealand museum sector. Appendices 4, 5 and 6 give an overview of the analysis.

### Marketing as Tactics

Appendix 4 shows how the eight elements of the marketing mix incorporated into our conceptual framework. The '*products*' museums review in marketing research cover general visitor experience, customer services and commercial activities such as museum shop and café. Only some of the museums use empirical research to develop or make changes to exhibitions. Apart from events and public programs, one of the museums covers more educational aspects such as interpretation strategies and education programs. In terms of *price*, museum marketing research is primarily concerned with visitor response to commercial activities, but is also used to explore spending patterns and attitude to admission charges to establish pricing structures for the museum or specific exhibitions. Pricing issues have also been found to be a barrier to attendance. *Placement* decisions, based on audience research, mostly refer to the time of exhibition scheduling to allow adjustments to different target markets and seasonal variations, such as the influx of international tourists during the New Zealand summer months. Related to that is the question of exhibition and program choice. Internal access issues are covered by signage review. Two museums examine external and remote access, focusing either on the use of their web site or on responses to regional resources and travelling exhibitions.

Audience research activities deal with a range of *promotion*-related aspects such as the awareness and perception of the museum, sources of awareness and the question of

whether visitors are at the museum for the first time, which gives evidence of successful promotion to underserved target groups. The likelihood of recommendation refers to the understanding of word-of-mouth as an effective promotional means, as Kotler and Andreasen (1996) have confirmed. One of the museums in this study also examined visitors' sponsorship recognition, aligning with the argument from two other museums that monitoring through audience research assists in the provision of government, sponsorship and other stakeholder support.

Concerns about service delivery by museum staff—*people*—are reflected in the examination of visitor perceptions of front-of-house staff. Here the studies distinguish either between staff in different public service areas of the museum or between staff friendliness, helpfulness and knowledge. For back-of-house staff, research relating to museum products and facilities might be more relevant to improve exhibitions, programs and services. But staff is only one specific aspect of service delivery. Examining the service delivery *process*, audience research provides visitor feedback on customer services, indicates their satisfaction with the experience and specific issues and investigates what could have been done to make the overall experience more enjoyable. Visiting circumstances, such as length of stay, can provide helpful contextual information. The question remains how actionable are study results, and if a more detailed examination of factors contributing to satisfaction may not yield more useful results (Meehan, 2002).

As museum 'products' and services cannot easily be separated from the tangible aspects on which they are based, issues of *physical support* such as commercial outlets, signage and, in one case, facilities are also covered by audience research activities. The issue of *persistence* might be covered by audience research that identifies how visitors are encouraged to visit more often.

### Marketing as Strategy

Appendix 5 gives an overview of marketing strategies covered by audience research activities of the five museums in this study. Concerning the *aims* of marketing research,

the most dominant goals found in our sample are increasing visit numbers respectively achieving predefined visit number targets and visitor satisfaction. Visitor satisfaction is even used as a performance indicator. The aim of an increased variety of audiences is not explicitly mentioned as an objective of audience research activities, although it can be found in general objectives of museum work in museum documents. For example, the engagement of new audiences was a performance target in one annual report, and another museum was bound to its council's arts strategy, which mentions the goal of developing opportunities for arts participation.

The aspect of *demand estimation* is covered through museums projecting overall visitor numbers and establishing visitor targets based on past attendances. One of the museums even established projected penetration rates, i.e. likely visitor numbers for exhibitions. Another museum wished to identify the demand for late night museum opening. Looking at the *sources of demand*, there is a clear focus on visitors, with the exception of one museum that determines satisfaction with their services by key stakeholder groups, such as Iwi and Maori<sup>1</sup>.

Audience research activities also delve into visitor *motivations of demand*. One museum even undertook research into the values on which motivations for visiting are based. The issue of *unsatisfied demand* is also covered quite well in the museums' research activities, looking at visitor needs, wants and interests as well as desired services and exhibitions and areas that might need improvement. Only one museum looks at the needs and wants of non-visitors, a part of which could be converted to actual visitors, if approached effectively. Only some of the museums in our study undertook research into barriers to museum attendance and how museums can encourage repeat visits. If increased visitor numbers are an important goal, barriers definitely are an issue that deserve to be examined in more detail.

To determine areas of *underdeveloped demand*, the museums in our study seem to rely heavily on conclusions based on their actual visitors' profiles. While target audience

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<sup>1</sup> Maori are the indigenous people of New Zealand; their different tribal groups are called Iwi.

research and general research on a national scale certainly yield helpful information, the potential of non-visitor research is not used much, even if its value is acknowledged and plans are made to undertake more research in that direction. In general, empirical research activities are to a large extent confined to the organisation frame itself. *Developments and trends that affect demand* are not systematically examined but conclusions may be drawn from tourism statistics and, in the case of one museum, research related to leisure and museums in general. In this area, potential for strategical studies might pay off by further exploration.

We find that the museums are aware of their role within the tourism and leisure *markets*, while only one museum sees itself explicitly as part of the educational market. All museums collect attendance figures to determine their actual *market size*. The museums had similar criteria for *market segmentation*, the most common being a combination of demographic and geographic segmentation. An interesting result of this study is the use of ethnicity or nationality as segmentation criteria, specific to the New Zealand museum context, paying tribute to the country's biculturalism. Alternative approaches are the use of visitors' leisure participation behaviour or visitors' self-descriptions of art knowledge as bases for visitor segmentation.

There is a certain awareness of *competition* as several museums try to find out about their visitors' attendance at other local leisure facilities, but approaches to determine the nature of competition could be enlarged by taking into account competing stay-at-home activities and comparing the offerings and services of competitors. One exception, where the latter is done in a rather informal way, is a museum which each week reviews a staff member's visit to a competitor.

Research dealing with *relationships* focuses mainly on visitors, with the exception of a study on the 'Friends' organisation and key stakeholder groups (ie, Maori). Relationships with other stakeholders such as sponsors and funding bodies are not examined in audience studies. The main focus is on establishing repeat visits and identifying how visitors could be encouraged to return. Evidence of a relationship with visitors is sought

from their visit history (if they are first-time or repeat visitors), their frequency of attendance (how often per year) and their likelihood of repeat visits. To overcome the limited use of this quantitative information for improving and extending relationships, one of the museums examined reasons for possible repeat visits, and another asked its visitors if they feel a sense of pride in the museum.

The museums are starting to think about branding *reputation and brand value* but only one museum actually initiated audience research activities in regard to brand awareness and brand value. The question of *general relevance* of museums to society may not be an issue to be researched by a single museum, but suggests the need for cross-institutional research. Nonetheless, a related aspect is covered by one of the museums in our study that asked visitors the importance of general museum functions such as collection care and research. A particular museum in our sample investigated its *relevance in the museums sector* by asking visitors to rate the museum compared with other New Zealand museums and with museums in other countries.

### Marketing as Culture

To summarise the attitude of museums towards their customers, audience research activities in the sample have been classified according to their degree of customer orientation (Appendix 6). The attitude towards museum customers can be characterised as a clear departure from product orientation. None of the examined institutions restricted its audience research activities to mere data gathering, while nevertheless particular studies fall into that category and the actual understanding of visitors seems to be somewhat scant in some cases. One museum sought general information and evaluative feedback to be incorporated into exhibition development, while no evidence was provided of further marketing applications of audience research data. Audience studies in two museums focused on the marketing process, both excluding an impact on the ‘core product’ exhibition, with findings used to inform customer service improvements and promotional campaigns. Finally, two museums used audience research findings both during the development of products and services and to inform promotional campaigns. It is stressed that customer requirements are blended with curatorial considerations and a

balanced view of both sides is necessary. In summary, the importance of acknowledging the audience perspective is evident in these museums.

## **Discussion**

While maintaining their distinct character as collecting and exhibiting institutions (Kotler and Kotler, 2000), museums studied show a heightened interest in marketing as well as marketing research. Not only have museums created marketing positions and employed people skilled and experienced in that area, which ensures a professional approach to marketing activities, but since the mid-nineties there also exist new, specialised positions dedicated to audience research. So a positive approach to marketing and its research possibilities is developing. Within the limitations of the small number of museums studied, there are indications that not only museum marketing, but also marketing research has been well embraced in New Zealand museums.

The museum audience research activities show that a constant pool of available information on audiences and marketing-related issues is being built. Education-related research does not dominate, with a clear association of audience research with marketing activities being prevalent. Nonetheless, some museum professionals still feel they have insufficient understanding of their visitors and especially non-visitors. To what degree the information obtained through marketing research is translated into practice and to what degree it improves marketing efforts, cannot definitely be determined from this study, but it is not surprising that a remark was made that visitor research may not always change the ways in which things are done. This is particularly the case if the main data collected are visitor numbers and demographics, as practical applications of these data are limited.

Building audiences is seen as a core function of museum marketing, and audience information is considered a base for audience development. For the museums in focus, there was no question that an assessment and review of museum work is an important base for improvements. If the museum is clear about its performance, goals for improvements can be set and their achievement informed by data. New Zealand museums

have also learned that they can benefit from enlarging their focus beyond the boundaries of the organisation and its visitors: they show interest in non-visitors, in leisure preferences of the general public, and in how they could benefit from tourism. Nonetheless, non-visitor research and studies into barriers to museum attendance are areas largely unexplored. While non-visitors are rarely the subject of a differentiated analysis, there are signs of more sophisticated approaches to audience segmentation such as using ethnicity, leisure participation behaviour or level of arts knowledge as segmentation criteria. Another area with unexplored potential is relationship marketing. Audience research could yield useful insights in motivations for museum membership and measures to build, maintain or foster relationships.

Even the issue of competition was raised, but museums could enlarge their focus through analysing the offers and services of their competitors (as one of the museums in this study has done) and recognising that there is competition not only from similar institutions but from a range of leisure activities such as sport and library usage as well as home-based leisure activities such as television, reading, computer games and internet.

The issue of persistence appears to be the weakest aspect in this study. There is more to persistence than building relationships with visitors. It relates to a sustained effectiveness of marketing activities. Marketing efforts can be reviewed, with the help of audience research, by looking at the number of first-time visitors to determine if promotion was successful in attracting new audiences; by doing a follow-up survey after signage has been changed to see if the change was an improvement; or by determining if staff training resulted in higher satisfaction with service delivery. Audience research can identify the need for changes in the marketing mix and where improvements are necessary.

## **Conclusions**

From our review of audience research activities of five selected New Zealand museums, there are indications that the discovery of marketing in the museum sector is in fact reflected in the audience research activities of museums. This development of museums

adopting marketing research is an outcome of public sector reform, government policy changes on accountability and the need for increased audiences, as well as recent government cultural policy profiling the arts as a means of boosting tourism. These pressures for change are similar to events that occurred in England and Australia. However, as Kotler and Scheff (1997) state, there is a danger of competitive myopia where museums view their competitors as only museums: a segment that is too narrow a focus for instigating effective competitive strategies. While there is verbal recognition of the broader leisure industry, an adequate strategic approach—entailing its closer examination and developing targeted strategies—is still in its infancy, even though it had been stated as important by the McKinley Douglas (1995) report on the New Zealand museums sector.

Audience research is approached positively, even in an environment of change and resource scarcity, as audience research is still mostly funded from grants. As we looked at the studies of museum audiences, it was obvious that the field is in transition (Table 1). Some research is still done for organisational legitimacy reasons, while other research is done for providing better targeted offers and services through segmenting audiences (however broadly) and understanding their needs and wants. Among the museums in focus, we found a clear departure from pure product orientation and a distinct shift towards customer orientation, which puts the museums studied between what Morris et al (2002) call a ‘marketing science’ focus and an evolving audience focus. Increasingly, these museums know a considerable amount about their audiences, but individual museum employees are still learning themselves. Considering the often limited resources for audience research that restrain museum possibilities, it is even more remarkable that so much audience and marketing research has taken place within less than a decade.

The relationship between cultural policy, museum objectives and audience needs is central to the functioning of the modern museum. This relationship is complex and is a two-way street, as is shown in Table 2, where cultural policy, museum objectives and audience needs are seen to mesh. Better understanding of the relationships in this complex sphere may help provide a basis for planning and policy making that ensures a

more prosperous future for museums. This paper looks at a specific way in which museums strive to improve this relationship: through audience research and marketing, which are clearly considered as a valuable means to enhance museum sustainability. As an extension to this work, museums would also benefit from a broader understanding of the complexity of the social context in which they exist.

**Table 1 Evolution of New Zealand Arts Marketing Research**

<b>Evolution of arts marketing research</b>	<b>Product focus</b>	<b>Selling focus</b>	<b>Marketing Science Focus</b>	<b>Audience Focus</b>
<b>Product</b>	Object-centred	Need effort to sell	Enhance with services	Differentiate segments
<b>Marketing function</b>	Data gathering	Sell benefits; build brand identity	Communicate efficiently (promotion centred)	Shared philosophy
<b>Marketing position</b>	Low resources; low status	Increase resources	Management status	Strategic integration
<b>Market Knowledge</b>	Irrelevant	Need to locate	Profile	Needs, wants, attitudes, behaviours
<b>Segmentation</b>	General, socio-demographic	Use visitor studies to get repeat visits	Locate precisely with geo-demographics	Understand and change attitudes and behaviours

Source: Morris Hargreaves McIntyre, 2002.

There are three implications from this relationship. First, research on visitor studies and sometimes non-visitor profiles, and efforts are made to extend target group segmentation beyond demographic information. These alternative segmentation approaches could be developed further via psychographic and attitudinal measures, as they promise to give a more accurate picture of society and provide information that is of more practical use than mere demographics (Schulze, 1992). There is also an opportunity to further segment the audience into occasional visitors, regular visitors and members, as other research suggests that there is more variability in these groups than there is in users and strict non-users (Johnson and Garbarino, 2001).

**Table 2 Meshing Policy, Museum and Audience approaches**

<b>Cultural Policy</b>	<b>Museum Objectives</b>	<b>Audience Needs</b>
Cultural identity	Collect, conserve	Identity and belonging
Learning	Study, exhibit, educate	Scholarly interest, personal interest, children's excitement and stimulation
Access and participation	Attract, enjoy	Social interaction, entertainment
Biculturalism	Social responsibility, public space	Diverse audiences, social inclusion, welcoming, secure, accessible venues

Source: Influenced by Morris Hargreaves McIntyre, 2002.

Second, the issue of persistence deserves more attention. As marketing efforts usually do not yield immediate success, persistence in ensuring the best combination of tools available to bring in and satisfy visitors, members and donors is crucial in achieving the museum's goals in the medium and long term. With regard to marketing research, this implies an ongoing reassessment of the effectiveness of marketing instruments in use to allow a continuous improvement of marketing strategies and the marketing mix.

Finally, the underlying dimensions of audience studies suggest that they are of great value for policy and marketing analysis. Only one institution in our study raised the issue of institutional politics and cultural policy in relation to marketing and marketing research. Market research is not merely for income-generating purposes, but helps answer policy questions such as: what parts of the population the museum is serving; what segments of the population are underrepresented; how these underrepresented parts could be encouraged to participate, if product and programming are meeting the needs of the targeted audiences; how the museum compares to competing attractions and activities; and what demographic, social and other trends the museum should respond to in order to fulfil its mission (Schuster, 1991). Museums should reflect on the purpose of their audience research activities and consider that audience research can help them fulfil their cultural and social mandate.

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