

**Erasmus University Rotterdam**

**Master Cultural Economics and Entrepreneurship**

**Final Thesis**

***More than Sales that Pay the Bills:***

***Best Practices for Commercial Activities in the Experience of Dutch Museums***

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## Table of Contents

1.	Introduction .....	1
2.	Theoretical framework.....	3
2.1	Commercial activities in museums: an economic perspective .....	3
2.2	Museums as multi-output firms and the interaction among revenue sources.....	4
2.3	Testing the cross-subsidization theory: in search of ‘crowding-out’ effects.....	5
2.4	What negative impacts from commercial activities? The concepts of ‘mission displacement’ and ‘mission drift’ in hybrid organizations.....	6
2.5	Drift from what mission? Defining the mission and values of museums: a practical tool.....	8
2.6	Broadening the mission of museums: the centrality of the visitors’ experience and new values for commercial activities .....	10
3.	Data and methods .....	12
3.1	Data collection.....	12
3.2	Data analysis .....	15
3.3	Limitations.....	16
4.	Analysis and Discussion.....	18
4.1	Mission and values of the museum.....	18
4.2	Are museums becoming more ‘commercial’?.....	20
4.3	Are commercial activities creating tensions within museums? .....	23
4.4	How can commercial activities be managed successfully, while minimizing their negative impacts? .....	26
5.	Conclusions.....	27
6.	List of References .....	29
7.	Appendixes.....	34
7.1	Interview Guide .....	34
7.2	List of codes.....	37

*“Primum manducare, deinde philosophari.”*

*First eat, then do philosophy.*

[Attributed to Thomas Hobbes, English philosopher (1588-1679)]

*“I’m not interested in money, I just want to be wonderful.”*

[Marilyn Monroe, American actress (1926-1962)]

## I. Introduction

The balance between curatorial and commercial goals in museums and cultural organizations – or, in Ahneier and Toepler (1998)'s words, the relationship between “commerce and the Muse” – is a topic that has received considerable attention from museum practitioners, policy makers, and scholars in different fields. Global transformations in the context where museums operate, particularly in terms of funding, institutional setting, and competition with other firms and industries (Cray, Loretta, & Freeman, 2010), has made this matter even more central. In their quest for financial sustainability at a time of steady decline in public subsidies (Anon, 2001; Bonet & Donato, 2011), museums have in fact progressively incorporated in their practice a wide array of activities aimed at increasing their earned income: from museum shops to restaurants and cafés, to renting out their premises for private events.

While positively contributing to revenue generation, these developments are not without criticalities. The addition of commercial sources of funding to the production function of organizations characterized primarily by non-commercial goals is a potential source of strategic, managerial, and reputational challenges for museums, both internally and towards their stakeholders. As Shubik (1999, p. 22) puts it, “The danger in adding these features is that ‘the tail may wag the dog’, the museum collection may become an ancillary product to the store”.

Such double-edged nature of commercial activities in museums makes them a particular interesting topic for study. Theoretical and empirical research in the field of cultural economics has produced contrasting results on the effects of these activities on revenue generation. Furthermore, the ways and extent to which such activities should be developed, and the potential trade-offs with core activities, are matters of crucial importance in the management of museums.

In this dissertation, I have tackled both points by collecting and analyzing a set of qualitative primary data on a number of Dutch museums, with the goal of understanding if – and how – commercial activities can be managed in a way that does not compete with the core objectives of the museum, but rather contributes to the fulfillment of its mission. This entails reflecting on different – and potentially contrasting – views of the vocation of museums in society, on their underlying values, and on organizational dynamics, in search for emerging tensions and effective ways of minimizing them.

The conception and data collection for this thesis started during my master in Cultural Economics and Entrepreneurship in 2016, in what feels like a very different world from today. The ongoing Covid-19 pandemic has heavily impacted the cultural sector, making both the museum community and the public even more aware of structural fragilities in the system, but also of the

irreplaceable role and value of culture in our lives. For this reason, the question of how museums can sustain themselves in a rapidly changing world is more relevant than ever.

Besides scholarly interest, my motivation to engage in this research is also rooted in a personal and professional belief that museums and similar institutions have still a crucial role to play in our societies. With my background as a researcher and a professional in the cultural field, I started this thesis with a set of assumptions concerning the function of commercial activities in museums and their potential negative impacts. In particular, I expected to find significant internal tensions within museums in relation to commercializing trends, and a hyper-awareness of how the pressure to generate income through commercial operations could produce unwanted consequences in terms of loss of focus on ‘art for art’s sake’ goals.

However, interviewing a number of professionals in the Dutch museum sector has produced some unexpected results, and transformed my understanding of certain trends in the museum field, as well as on the challenges for its present and future. In this sense, this thesis has also provided me with more knowledge and tools for my career as a professional in the cultural sector.

## 2. Theoretical framework

### 2.1 Commercial activities in museums: an economic perspective

My interest in this thesis is to tackle the question if, and how the engagement of museums in commercial activities can be managed successfully, while mitigating the negative impacts that may result from commercialization in organizations whose primary goals fall into the cultural and social spheres.

In order to address this research question, I initially looked into cultural economic literature on the interdependencies among different revenue sources in museums. In particular, the cross-subsidization theory conceptualized by Weisbrod (1998) for nonprofit organizations offered an interesting point of departure. In Weisbrod's model, commercial activities are considered 'non-preferred', due to the fact that they might distract the organization from its main mission. I found the concept of 'mission displacement' introduced by Weisbrod to be particularly fitting to describe one of the potential risks of commercialization in museums, and I decided to focus my attention on how museums navigate the complex relation between their 'core' mission and the commercial activities they engage in.

In order to investigate this aspect, the literature on the management of cultural organizations offers an essential contribution. In particular, from an organizational and behavioral perspective, museums can be understood as 'hybrid organizations' (Glynn, 2006), which need to balance the pursuit of their cultural and social mission with the imperative of being financially sustainable. To guarantee their own survival, hybrid organizations are often forced to add for-profit outputs to their range of activities, at the risk of deviating from the mission itself (Young & Kim, 2015; Battilana, Sengul, Pache, & Model, 2015). The concept of 'mission drift' (Cornforth, 2014) comes very close to that of 'mission displacement', and the literature on the management of competing goals – cultural/social and financial – in social enterprises offered valuable concepts for the preparation of my interview guide.

At a later stage in my analysis, I included in my review a third branch of literature, which highlights a progressive transition, in the museum sector, from an 'internal' to an 'external' focus; from an emphasis on curatorial goals and custodial concerns, to the primacy of the visitors' education and entertainment. Although this phenomenon is not strictly economic in nature, the analysis of emerging codes and themes from the data I collected made it apparent that the centrality of the visitors' experience is a key element to understand the rationale for museums to engage in commercial activities.

The combination of concepts and insights from these three frameworks allowed me to address the research question at hand, while also using the collected data to critically examine some of the underlying assumptions and findings in the extant literature.

## **2.2 Museums as multi-output firms and the interaction among revenue sources**

Over the last 30 years, economic literature has shown an increasing interest in commercialism in museums and similar institutions. Research on the topic, however, has not produced univocal results. Even the basic question of whether museums are actually becoming more commercial has found different answers (see Heilbrun & Gray, 2001, on the increase of museums' commercial operations in absolute numbers; Anheier & Toepler, 1998, for considerations on the parallel growth of income earned from other revenue sources; Toepler, 2006, for considerations on how the lack of historical data makes any quantification arduous).

Equally debated is the question whether the particular cost structure of museums offers a justification, from an economic perspective, to engage in commercial activities (for a review see Towse, 1994; Frey & Steiner, 2012). Museums can in fact be described as a decreasing cost industry, since they incur a large set of operating costs, and the marginal costs of a visitor are close to zero (Heilbrun & Gray, 2001; Frey & Meier, 2006). With this type of cost structure, the adoption of a free entry policy, or of paid membership schemes (Rushton, 2016) could be an efficient solution in a Pareto-optimal pricing perspective (Fernández-Blanco & Prieto-Rodríguez, 2011, p. 293). Losses from admissions would in fact be compensated by larger sales in the museum's shops and restaurants (Frey & Meier, 2006). However, empirical evidence does not always show a positive effect of lower entrance fees on sales (Steiner, 1997), while it points definitely at the fact that demand for museums is price inelastic (Marburger, 1997; Frey & Meier, 2006; Lin, 2008). The peculiar cost structure of museums is therefore not a solid argument to justify the engagement in commercial activities.

On the other hand, economic research on the interaction between commercial activities and other revenue sources in museums offers fruitful insights. In this view, a useful definition is that of museums as multi-output firms. According to this definition, museums' outputs can be divided into three main domains: collection; exhibition; and other services (Fernández-Blanco & Prieto-Rodríguez, 2011). The terms 'ancillary' or 'auxiliary' activities (found in Anheier & Toepler, 1998, and Toepler & Dewees, 2005, respectively) are analogous to 'other services' in that they are used as an umbrella term for a number of activities including merchandising, cafés, rental of the venue, etcetera. The view of museums as multi-output firms is not found in the economic

literature only: notably, the definition of museum adopted since 2007 by the International Council of Museums (ICOM) acknowledges that museums seek to achieve multiple goals, ranging from preservation, to exhibition and education, to enjoyment.

From an economic perspective, the definition of museums as multi-output firms has several implications, particularly with regard to the firm's preference for some types of activities over others, as well as to the interactions among different outputs. A milestone in this direction is the theoretical model developed by Weisbrod (1998) to describe the behavior of nonprofit organizations as multiproduct firms. Weisbrod distinguishes between 'private' or 'collective' outputs in nonprofits, depending on whether these products are excludible or public in nature; and between 'preferred' or 'non-preferred' outputs, based on whether they are related or not to the mission of the organization. Weisbrod's model is based on the assumption that nonprofits derive disutility from the engagement in activities that are not mission-related, which he therefore defines as 'non-preferred'. The main hypothesis that he derives from this assumption is that nonprofits organizations engage in mission-unrelated activities only as a way to cross-subsidize their preferred collective outputs, which are inherently harder to sell on the market – or which nonprofits may prefer to provide free of charge, due to equity considerations or redistribution goals.

### **2.3 Testing the cross-subsidization theory: in search of 'crowding-out' effects**

Several studies have focused on the interactions among revenue streams in nonprofits, mostly making use of quantitative analysis and trying to determine in particular whether commercial activities have a 'crowding-out' or rather a 'crowding-in' effect on donations, and viceversa. 'Crowding-out' effects indicate a negative relationship between two revenue sources, e.g. an increase in donations coinciding with a decrease in the income earned through commercial activities. If such effect is verified, Weisbrod's cross-subsidization theory would be confirmed in its assumption that nonprofits engage in commercial activities as a way to achieve financial sustainability, but prefer other sources of income if those are available (Segal & Weisbrod, 1998). At the opposite, positive relations ('crowding-in' effects) would imply for instance that donors reward nonprofits' commercial endeavors, seeing them a form of 'self-help', thus contradicting the premises of the cross-subsidization theory (Segal & Weisbrod, 1998, pp. 120-121).

Evidence from studies on 'crowding-out' and 'crowding-in' effects is, however, far from univocal. For instance, the aggregated results of Segal and Weisbrod's (1998) regression analysis on panel data from US tax returns for 'charitable' nonprofit organizations show a negative

correlation between donative and commercial revenues, which is consistent with the behavioral model described above. Other studies have found conflicting results (see for instance Kingma, 1995; Tinkelman, 2010). A recent meta-analysis of results from 25 primary studies dated between 1989 and 2017 (Hung, 2020) indicates that ‘crowding-out’ effects are prevalent, but small; furthermore, in some cases, decreases in one output may not be due to donors’ adversity towards commercial activities, but rather be the result of the nonprofits’ own preference for greater diversification in revenue sources, as a way to better cope with uncertainty.

## **2.4 What negative impacts from commercial activities? The concepts of ‘mission displacement’ and ‘mission drift’ in hybrid organizations**

As it appears from the review above, empirical evidence on the interactions between commercial and other revenue sources is not conclusive, and more research is often called for (Frey & Meier, 2006). In particular, the main assumption of the cross-subsidization theory, i.e. the notion that museums derive disutility from the engagement in commercial activities, needs further testing, and its causes better understanding.

For instance, James (1998, p. 272) posits that the reluctance of nonprofits in engaging in sales or sponsorships is not necessarily linked to ‘altruistic’ preferences towards collective outputs. On the contrary, nonprofits may be driven by opportunistic considerations related to the existence of external constraints (e.g. rules on tax exemptions), or by the preoccupation that an excess in commercialism could discourage donations or subsidies. In this sense, the choice to engage in commercial activities that appear to be a ‘natural’ overgrowth of mission-related outputs may be aimed at lessening the feared negative impact of such activities on donations (James 1998, p. 277): for a museum, selling in its shop merchandise related to the current exhibit carries less reputational risks than renting out the main hall for a dance party. This is supported by the results of Herman and Rendina’s (2001) study on donors’ reactions to commercial activities of nonprofits. Their survey among donors and volunteers in the US shows that while only a small percentage of donors is interested in how nonprofits fund their activities, those who state an interest tend to express higher approval of commercial endeavors that contribute to the advancement of the main mission.

Overall, the cultural economic literature building on the cross-subsidization theory posits that one of the main reasons why nonprofits derive disutility from commercial activities is the risk that the mission of the organization is partly blurred or compromised in the pursuit of commercial goals. Weisbrod (1998, pp. 54, 57) labels this risk ‘mission displacement’ and proposes that it is a

central issue because the sources used to finance an organization's outputs have a strong impact on the outputs themselves. In fact, if a museum is highly dependent on commercial sales for its own financing, then it will focus more on products that can be sold for a profit (Weisbrod, 1998, p. 17). Similarly, empirical research on orchestras has shown differences in the type of repertoire played, depending on the stability and nature of their funding. Orchestras mostly funded through public money are more likely to focus on artistic quality, while those earning revenues mainly from private sources perform works that are more renowned and likely to attract larger audiences (Stockenstrand & Ander, 2014).

Another negative impact of commercialization on nonprofits is 'managerial displacement', a concept used to indicate that the organization may start to seek leaders and employees with business-oriented professional backgrounds, rather than related the 'core' museum activities (Weisbrod 1998; Anheier & Toepler, 1998).

Especially the issue of 'mission displacement' is key – and, notably, it has been the subject of a number of studies not just from a cultural economics perspective, but also in the literature on the governance and management of cultural organizations.

A useful concept in this respect is that of museums as organizations characterized by a 'hybrid identity', i.e. an identity that mixes two components: one normative, and the other utilitarian (Glynn, 2006, pp. 57–58). In other words, museums and other cultural organizations are characterized by the coexistence of different commitments, the two main ones being artistic integrity and efficiency (Chong 2010, p. 19); or, as Chiapello (1998) puts it, by a dichotomy between two sets of goals – namely, aesthetic and organizational ones. At the level of the organizational structure, such dichotomy becomes apparent in the distinction between two components: an 'operating core', composed of professionals who are involved in the creation of artistic or cultural content and products; and the 'support staff', where managers play the leading role (Chong, 2010). Decision-making processes, and especially those concerning the definition of strategic goals (Castañer, 1997), are more likely to cause the 'clash' between these two components to become emergent.

At a strategic and behavioral level, hybrid organizations need to balance their engagement in activities related to their socio-cultural mission (i.e. the normative component) with the production of for profit-outputs that ensure the financial sustainability of their operations (i.e. the utilitarian component) (Battilana et al., 2015).

The main risk in this balancing act is that managerial expertise and efficiency considerations end up gaining prominence at the expense of artistic and cultural goals (Sicca & Zan, 2005). The expression 'mission drift' is widely used to signify this risk, in particular in the literature on social

enterprises. Mission drift occurs when organizations with a hybrid identity undergo a process of organizational change (Cornforth, 2014), which steers their main focus away from their social or cultural mission and towards for-profit activities and efficiency goals (Ebrahim, Battilana, & Mair, 2014, p. 82, 84; Young & Kim, p. 236), especially during a phase of growth or scale-up (Ometto, Gegenhuber, Winter, & Greenwood, 2019, p. 1004). One of the reasons for mission drift is that, between the dual objectives for which hybrid organizations are accountable, i.e. social and commercial ones, financial sustainability is vital to the survival of the organization. Furthermore, efficiency goals are also easier to assess in terms of performance compared to social results, which are notoriously more difficult to measure (Ebrahim et al., 2014, p. 82, 85, 87). This implies that commercialization is one of the main sources of mission drift in nonprofits, and hybrid organizations need to “manage the tensions arising from different institutional logics” (Cornforth, 2014, p. 4) in order to avoid such risk.

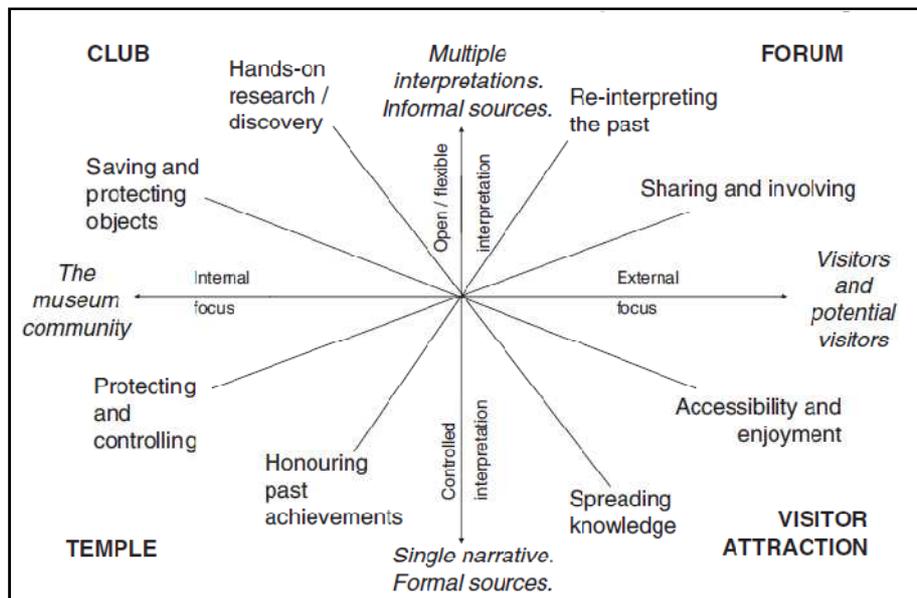
Most of the solutions adopted by social enterprises and nonprofits to balance trade-offs between their different goals entail either governance mechanisms, or the introduction of macro-level strategies and micro-level processes to promote some form of internal negotiation (Ometto et al., 2019) or integration among the different components, for instance through apprenticeships or socialization (Cornforth, 2014). Elements from the literature on the management of dual objectives in hybrid organizations has been useful in compiling my interview questionnaire.

## **2.5 Drift from what mission? Defining the mission and values of museums: a practical tool**

The considerations above are relevant for this dissertation, which is focused on identifying tensions within museums in relation to the engagement in commercial activities, as well as successful ways of lessening such tensions. In particular, one hypothesis worth investigating is that in museums, commercial activities that are closer to ‘core’ ones – or, in other words, are better aligned with the mission itself – produce less negative impacts and conflicts within the organization, because they reduce the risk of mission drift.

In order to verify this hypothesis, it is necessary to establish first what the mission of museums is according to the staff members, and what goals and core values underpin it. A useful tool to classify the organizational culture of museums in relation to such values is the Museum Values Framework (MVF) developed by Davies, Paton, and O’Sullivan (2013). This framework combines different variables – namely, the prevalent internal or external focus of the organization, and the preference for openness or control in the creation and communication of knowledge – in

order to identify four prevalent metaphoric views of the museum, each putting more emphasis on specific sets of goals and values.



**Fig. 1.** The Museum Values Framework proposed by Davies et al. (2013, p. 351).

There are two reasons why the MVF is a useful tool for the aim of this dissertation. Firstly, the application of this framework can help detect diverging views within the same museum among different staff members – namely, directors, curators, and managers. The emergence of competing perspectives and logics is likely to be associated with tensions in relation to commercial operations. Secondly, the application of the MVF can help identify trends in relation to the question whether, according to the respondents, the engagement in commercial activities is leading to mission drift within the museum or not. In particular, do respondents who place their museum in the ‘temple’ quadrant perceive the risk of mission drift caused by commercialization to the same extent as those who view their museum as a ‘visitor attraction’?

The question is central to this dissertation. In fact, the concept that for-profit activities may lead to mission displacement or mission drift, thus causing internal tensions in the organization, is only valid as long as commercial activities are perceived by the staff as falling outside the scope of the museum’s mission. Before starting the collection of data for this thesis, I assumed this would be the case for most interviewees. However, results soon pointed in a different direction, a fact that required drawing on additional literature to be explained.

## **2.6 Broadening the mission of museums: the centrality of the visitors' experience and new values for commercial activities**

The four metaphoric views of museums as classified by the MVF are an effective way to visualize how, within the museum community, different understandings (co-)exist regarding the mission and role of museums in society. This has not always been the case; traditionally, museums were characterized by a more monolithic focus on the collection itself, and only secondarily on its accessibility to audiences (Kotler & Kotler, 2000, p. 271). However, the museum sector has been witnessing over the past decades a general shift from a custodial emphasis – the museum as a 'temple' – to the primacy of educational and entertainment goals (Gilmore & Rentschler, 2002). The centrality of the visitor's experience (Kent, 2009, p. 68), often achieved through digital and immersive technologies, is progressively blurring the boundaries between entertainment and education, to the point where the term 'edutainment' has become a buzz-word (Balloffet, Courvoisier, & Lagier, 2014).

The emergence of the visitor's experience as a key goal for museums is at least partly due to external factors – specifically, the need to attract visitors as a prerequisite to receive subsidies, as well as the emerging competition with the leisure industry (Burton & Scott, 2003). However, evidence suggests that commercialization is also being embraced by museums as a way to better serve a more diverse and demanding audience, which – importantly – conceives the visit to a museum not merely as a moment of intellectual engagement with the collection or exhibit, but rather as a multi-dimensional experience, which starts upon entering the building and ends when exiting it.

Within this view of the museum visit as an "holistic experience" (McIntyre, 2010, p. 183), the restaurant and the shop – but even the toilets or the parking lot – are as important as the exhibit halls, if not more (Kotler & Kotler, 2000, pp. 276–277). In fact, these facilities are becoming more and more integrated in the museum itself, not just at the level of their location in the physical spaces of the museum (McIntyre, 2010), but also at a deeper level, as elements contributing to the achievement of the museum's goals. In particular, the role of the shop is shifting from a simple 'money-maker' to a tool to expand the informal learning experience of the visitor (Kent, 2009, p. 75). Contrary to objects in the collection, merchandise in the museum shop can be accessed more easily, can be touched and manipulated, thus adding a further sensory dimension to each visitor's experience (Kent, 2009). In virtuous cases, merchandise can acquire significant educational values and complement the museum's exhibit in spreading cultural content, by making it more accessible (Palù, Lerma, Bozzola, & De Giorgi 2018).

In order to pursue such educational goals through the museum shop, strategies such as the involvement of the curatorial staff in the development of products can be a winning tactic, although the results of a regression analysis indicates that this might impact negatively on financial performance (Mottner & Ford, 2005, pp. 836–837).

To conclude, the fact that museums are more and more putting visitors at the center, making their experience a key component of the institutional mission, has important implications for this dissertation. If museums' directors and managers interpret commercial activities not merely as a means to cross-subsidize the 'core' mission, but also as a way to pursue the mission itself – by educating visitors, or simply providing them with a nicer overall experience – then the assumed disutility derived from the engagement in such activities is at least open to discussion. Are museums really reluctant in engaging in commercial activities, or not? Even if this assumption is proven, what are its causes? Does such hesitation derive from fear of 'crowding-out' effects on other revenue sources, or rather from perceived risks of mission or managerial displacement? Is the clash between mission-related and commercial activities indeed a reality, or are museums actually able to cope with their multi-output production function without sacrificing core values and goals? If so, how? To answer these questions, further investigation is needed, building on insights offered by museums' managers and curators.

### 3. Data and methods

#### 3.1 Data collection

In terms of research strategy, I decided to collect qualitative primary data through semi-structured interviews, in order to ensure cross-case comparability, while also allowing for more flexibility in the conversation. Based on ethical concerns and on the willingness to make it possible for respondents to share their opinions as freely as possible, data on the individuals and their institutions have been anonymized.<sup>1</sup>

For convenience reasons, I started the collection of data by interviewing the Director of the Dutch Museums Association (Museumvereniging). The purpose was to gather information on the institutional setting in which Dutch museums operate – in terms of laws, regulations, and incentives – as well as to be advised on potential cases for the study and how to reach out to them. This respondent offered a shortlist of 7 museums, from which I selected 4 as cases for the study.

In this sense, the sampling strategy adopted has elements in common with snowball sampling, a type of non-probability sampling in which data collection starts with a small number of respondents, who in turn suggest more potential interviewees to the researcher (Bryman, 2012, p. 524). At the same time, the overall data collection strategy can be defined as purposive sampling (Bryman, 2012, p. 418), since cases were selected based on their relevance to the main research question. Criteria for the inclusion of cases in the sample were identified in advance, as follows:

1. the organization had to engage in at least 2 different types of commercial activities;
2. the staff had to include at least 2 members covering distinct functions (commercial and curatorial, respectively). This was essential in order to detect diverging views and emerging tensions, both within and across organizations;
3. size of the museum, based on the number of visitors per year. The aim was to exclude obvious outliers and, in particular, the ‘superstar museums’, which enjoy the benefits of an exceptional status in terms of world-scale fame (Frey & Meier, 2006). Similarly, museums too small in size were excluded, based on the expectation that they would not engage in commercial activities on a big enough scale to produce significant data for this analysis. Out of the 4 cases that ended up in the final selection, 3 were ranked between positions #10 and #20 in the Dutch national ranking of museums in 2015. The fourth organization is

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<sup>1</sup> For enquiries on the museums that compose the sample and on the names of interviewees, it is possible contact the author of this dissertation. The possibility for the author to share the content of interviews and/or the personal details of respondents is subject to permissions given by individual interviewees.

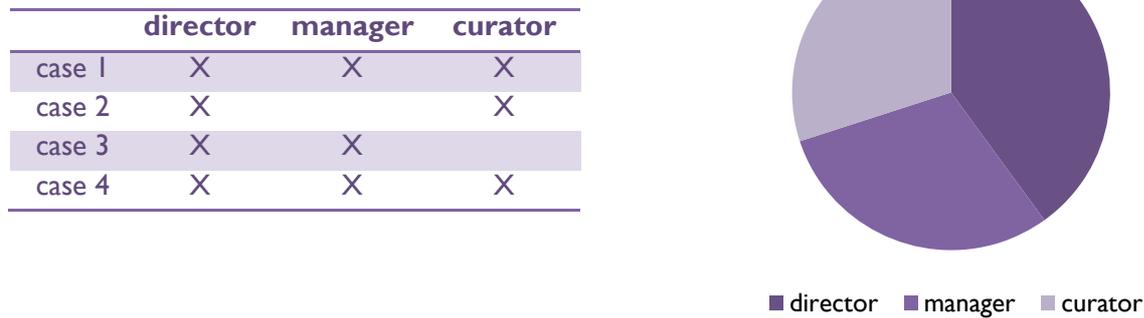
smaller in size, and cannot be properly identified as a museum, since it does not own a collection. Both characteristics may affect results from data collected there. Nonetheless, this organization has been at the forefront in the Dutch context in terms of adoption of commercial practices, and was therefore included in the sample as an extreme case under criterion no. 1.

This strategy resulted in a sample of 4 cases, listed in Table 1.

Case	Type of museum	Location	Legal form	# visitors in 2015	Income from commercial activities in 2015 (as % of total income)
1	National museum	Outside of the Randstad	Foundation	556,000	20-25% (source: interview)
2	National museum	Randstad (not Amsterdam)	Foundation	420,000	20% (source: annual report)
3	Museum and national research institute	Randstad (not Amsterdam)	Foundation	339,550	25% (source: interview)
4	Venue for exhibits. Does not own a collection	Randstad (not Amsterdam)	Foundation	200,000	20-25% (source: interview); 7% food & beverage + museum shop (source: annual report 2015)

**Table 1.** The 4 cases for study analyzed in this dissertation.

Based on my research design, I envisaged collecting data from 3 different respondents at each institution: the director; the manager of commercial activities; and a curator. However, at 2 museums I could only interview 2 different staff members, due to the specific distribution of functions in the organizational structure.



**Fig. 2.** Composition of the sample of respondents.

In total, 11 interviews were conducted in March 2016: 1 with the Director of the Dutch Museums Association and 10 with staff members of the 4 different institutions selected. The duration of interviews varied between 45' and 90', for a total of 10 hours 11'.

In addition to qualitative data, a small set of quantitative (secondary) data on the income earned through commercial activities was used to frame the size of such activities, both in absolute terms and as a share of total revenues. These data were extracted from the annual reports of the individual museums for 2015 (where available) and from the 'Museumcijfers 2015' publication of the Dutch Museums Association.

The interview guide (see Appendix 7.1) was compiled based on my preliminary literature review, which focused essentially on two aspects: i) the risks of mission displacement / mission drift in museums due to commercial operations; and ii) the tensions that dual objectives and logics (artistic/curatorial and commercial/managerial) create in hybrid organizations. The main sections of the interview guide reflect such focus:

- a section is devoted to the background of interviewees, their current function, their views of the mission and values of the museum, as well as their opinions on commercial activities and the (positive or negative) impacts of the latter on the museum. The objective was to detect diverging views and emerging tensions within and across the 4 cases;
- in a second section, interviewees were asked about the opinions – if known – that external constituencies (stakeholders, visitors, donors, etc.) had on commercial activities in the museum. The aim was to establish if, with regard to the interaction between commercial activities and other sources of income, respondents were

concerned of ‘crowding-out’ effects or rather perceived the existence of ‘crowding-in’ ones (cf. Weisbrod 1998);

- a third section collects data on internal organizational dynamics, with the aim of assessing if specific choices – e.g. processes to promote internal negotiation (Ometto et al., 2019) or integration (Cornforth, 2014) – contributed to lessening tensions and risks of mission drift.

### 3.2 Data analysis

Verbatim transcripts of the interviews were imported into ATLAS.ti for analysis. The decision to make use of computer software was based on efficiency considerations in the management of extensive text documents and of the related codes, as well as on the intention to use some of the functions offered by the program. A further advantage lies in the potential of computer software to limit anecdotalism and excessive use of quotations, two tendencies which are often associated with qualitative research (Bryman, 2012, p. 593).

In the coding phase, I adopted an approach that comes very close to the two-cycles coding process described by Saldaña (2015). I started by applying **structural codes** to each document, with the aim of facilitating later retrieval and comparative analysis of the same sections in different interviews. As a data management strategy, I coupled the structural codes with some **attribute codes** to label the function and background of each respondent in the museum (Saldaña, 2015, pp. 55–58). I then proceeded to assign **thematic codes** to the content of each document, initially in an open-ended manner, and then starting to merge, distinguish, or drop codes as soon as overlaps or potential confusions emerged in the list of codes. After reaching a point of saturation and completing the review of codes through several re-readings of all documents, I started a second cycle by merging codes into categories (see Friese, 2019). The final result is a list of 102 codes pertaining to 15 different categories and 9 codes not assigned to any category (see Appendix 7.2).

The coding process was in part based on an active search for themes that corresponded to key elements in my theoretical framework, such as ‘cross-subsidization’ or ‘resistance/tensions within the museum’. However, the open-ended approach adopted in the coding process led to the identification of other emerging themes, such as the centrality of the visitors’ experience (the code ‘visitors:experience’ is among the ones with the highest frequency) and the role that commercial activities can play in this respect. This prompted me to broaden the theoretical framework to include the literature on visitors’ experience (see §2.6), which in turn was essential in the discussion of findings, thus creating a cyclical process between theory and data.

For the analysis itself, I opted for a thematic content analysis, coupled with a cross-interpretation of results. I used some of the functions of ATLAS.ti to support the identification of emerging themes. In particular, I looked into co-occurrences between categories and codes, giving precedence to the codes with the higher frequency. I then proceeded to compare codes (similar or different) in segments of data relating to the same theme, within and across organizations.

### 3.3 Limitations

There are five main limitations to this study, resulting from both the data collected and the methods applied.

1. *Old data.* Data were collected in 2016, but the analytical and writing process underwent a long hiatus until 2020. Therefore, data allow to take stock of a specific (past) point in time in a long-term process (the ‘commercialization’ of museums), which has most likely further developed in subsequent years – last but not least, as a result of the ongoing Covid-19 pandemic.
2. *Punctual data collection.* Due to the strict time schedule at the time of the data collection, it was not possible to enlarge the sample of respondents or to introduce more questions based on the themes emerging from the initial dataset.
3. *Biases in the sample.* Since the data collection strategy was partly based on a snowball approach, with the first respondent being already informed of the intended goals of this dissertation, it is possible that the selection of cases is biased in favor of museums that are actually quite forward with regards to commercializing trends. At the same time, given the research questions at hand, a focus on relatively large museums, which engage in a diversified range of commercial activities, was more likely to produce tangible results.
4. *Country-specificity.* It must be noted that this study focuses solely on Dutch museums, and that all respondents are Dutch. While comparisons with other countries would have allowed more generalized conclusions, limiting this study to the Dutch context has ensured comparability across cases, since country-specific factors – e.g. in terms of regulatory setting, or cultural approach to commercialism – do not need to be accounted for. Furthermore, this strategy has ensured the feasibility of the data collection and analysis.
5. *Use of ATLAS.ti.* It is a known fact that the use of computer-aided analysis leads to risks of fragmentation of the data and loss of narrative coherence (Bryman, 2012, p. 592). This pitfall is avoided by the repeated readings I conducted of the documents in their entirety.

Overall, the methods adopted in the sampling, collection, and analysis of data have yielded interesting results that in part support, in part contradict some of the assumptions and findings in the theoretical framework. These will be discussed in chapter 4.

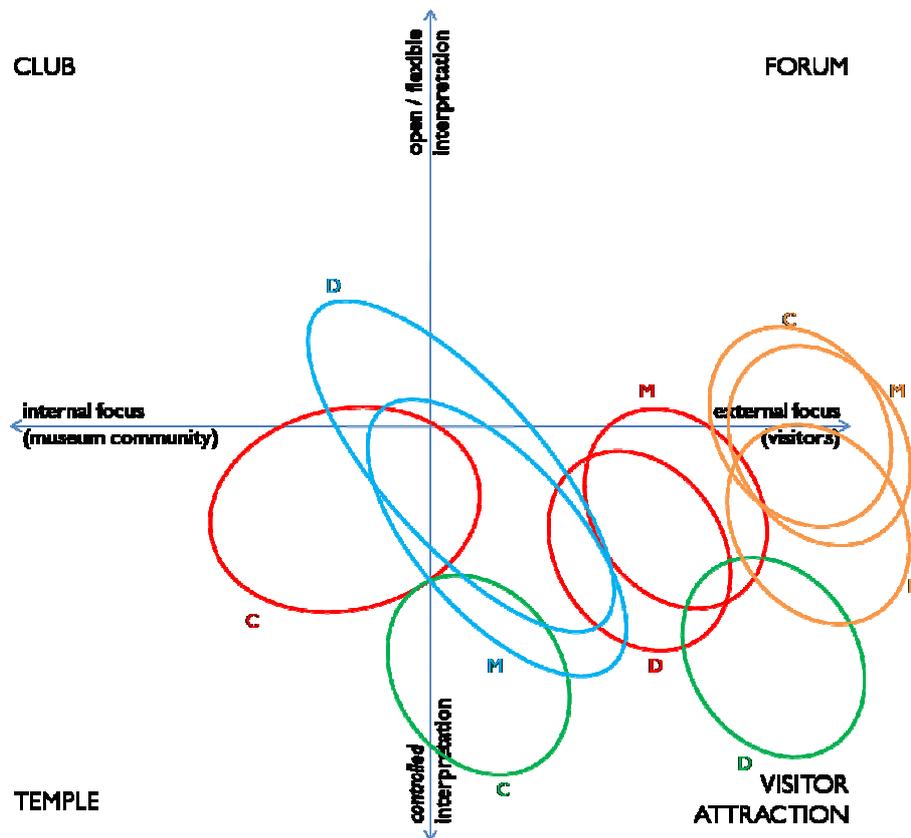
## 4. Analysis and Discussion

### 4.1 Mission and values of the museum

Respondents were asked to define – according to their own view – the mission, goals, and values of the museum. Responses were analyzed using the Museum Values Framework (Davies et al., 2013; cf. fig. 1) as a reference. The purpose of this analysis is to facilitate cross-comparisons between specific trends – e.g., emerging forms of resistance against commercializing options within the organization – and the respondents' view on the vocation of museums in society.

Notably, all respondents listed more than one element as essential to the mission of the museum, thus backing the definition of museums as multi-output firms (Fernández-Blanco & Prieto-Rodríguez, 2011). The definitions provided are generally quite consistent among respondents within the same institution, but nuances emerge as far as the relative importance of specific goals is concerned.

- **Educational goals** are cited as a central element by 7 out of 10 respondents, indicating that spreading knowledge is perceived as one of the key functions and commitments of museums in society.
- The second core element is **attracting and engaging visitors**. The central aspect is not just the sheer number of visits, but rather the ability of the museum to tease the visitors, invite them to learn and explore, and ultimately to make the content easily accessible. This ambition has connections with the previous one, since educational goals can be more easily attained if visitors have an overall pleasant experience: “(...) *if that experience is nice, they [i.e. the visitors] not only want to do it again, but also they ‘open up’ and they are interested in what they see and they are open to learning.*” At the same time, engaging visitors is a goal on its own, which is underpinned by a specific set of values and implies a shift in the methods, technologies, and overall approach to the dissemination of knowledge. Notably, two respondents explicitly define the mission and identity of their organization as closer to those of attraction parks (cf. Macdonald & Alford, 1995), in opposition to ‘traditional’ museums with their top-down, non-interactive ways of presenting their content.
- Only 3 respondents mention the **collection** itself as a core value, and only one explicitly includes its preservation and documentation among the components of the museum's mission. Notably, 2 of these 3 respondents have a curatorial role within their institution.



**Fig. 3.** Visual representation of the respondents' view of the mission and values of their museum, using the 4 metaphoric views of the Museum Values Framework as a reference. Each circle represents the view of one respondent. Color coding is applied to differentiate the 4 cases (red = case 1, green = case 2, blue = case 3, orange = case 4). Letters are used to label the role of each respondent (D = director, M = manager, C = curator). The background image is a simplified version of the MVF (Davies et al., 2013, p. 351).

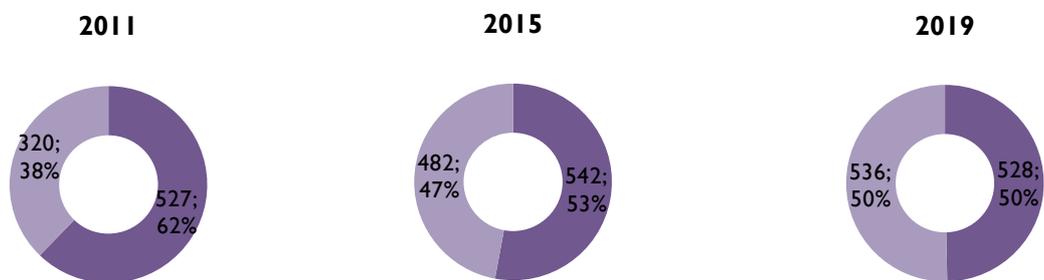
Based on these results, it appears that most respondents prioritize goals and values with a strong external focus – i.e., educating visitors, making content easily accessible, and transforming the visit into a pleasant experience – thus suggesting that within the sample, the prevalent view is that of museums as **'visitor attraction'**. This hints at the existence of a trend promoting the opening up of museums towards society, sometimes in explicit opposition with the 'traditional' view of museums as top-down, internally-focused, high-brow institutions (i.e. the museum as 'temple'): *"I don't want to say something critical about my colleagues, but some museums are a little bit like a church, with a sacred surrounding and atmosphere; while we want to be very easy to enter."*

These results are consistent with the literature discussed in §2.6, which highlights a progressive shift in museums from a custodial vocation to an emphasis on educating and entertaining the visitor (Gilmore & Rentschler, 2002), to the point where the line between the two concepts becomes blurred (see Balloffet et al., 2014 on 'edutainment'). Whether this shift is

creating tensions within the organization, and what is the role played by commercial activities in the process, will be discussed below.

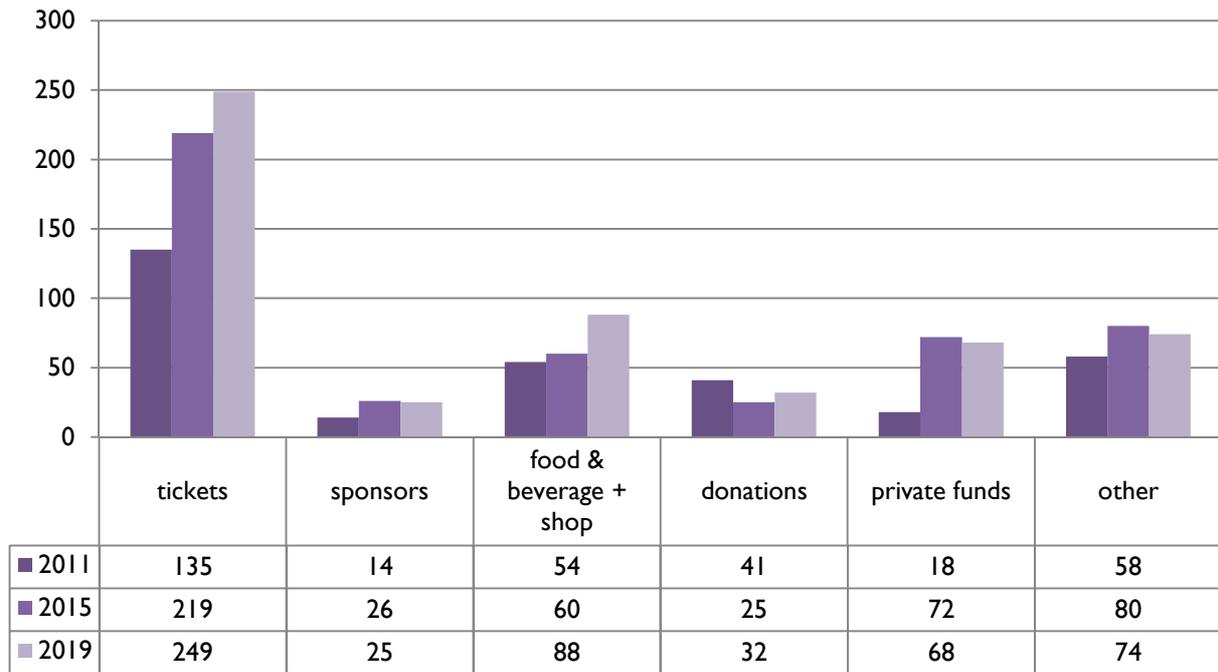
## 4.2 Are museums becoming more ‘commercial’?

An analysis of quantitative data as reported in the ‘Museumcijfers’ publications of the Dutch Museums Association highlights two trends over the past 10 years: on one side, a decrease in subsidies; and on the other one, an increase in the income that museums earn from other sources (fig. 4).



**Fig. 4.** Composition of the income of Dutch museums in 2011, 2015, and 2019, in million Euros; subsidies in dark purple, earned income in light purple. The earned income has been growing steadily, both in absolute terms and as a % of the total income (data source: Dutch Museums Association, ‘Museumcijfers’ 2011, 2015, 2019).

However, if we disaggregate the earned income in its components, it appears that while profits from commercial operations have certainly been growing in absolute numbers, so have revenues from other sources, in particular tickets (fig. 5). In other words, numbers alone do not necessarily prove that museums are becoming more ‘commercial’, since the relative percentages of revenues from different sources have remained overall quite stable. This observation is in line with the remarks of Anheier and Toepler (1998).



**Fig. 5.** Composition of the earned income (excl. subsidies) of Dutch museums in 2011, 2015, and 2019, in million Euros (data source: Dutch Museums Association, ‘Museumcijfers’ 2011, 2015, 2019).

While secondary quantitative data do not necessarily confirm the existence of commercializing trends, opinions of respondents interviewed in this study offer an overwhelmingly positive answer to the question at hand. According to all respondents, the commercialization of museums is definitely a trend, not just in their own institution, but also at a national and global level. Different elements are mentioned by respondents to support this claim:

- according to all managers, gross **revenues from commercial activities** have been growing over the past 10 years and do currently make up between 20 and 25% of the total revenues.<sup>2</sup>
- The **composition of the staff** has also changed, with the departments of sales, marketing, and fundraising growing over the years. This is an interesting point of departure for a discussion of risks of ‘managerial displacement’ (cf. Weisbrod 1998; Anheier & Toepler, 1998), which will be addressed below.
- Commercial activities are being given more and more room within the **physical space** of the museum. This includes increasing the square meters of cafés, restaurants, and shops, but also multiplying the number of locations where sales of food, beverage, or

<sup>2</sup> Notably, for case #4, this statement is not supported by the annual report for 2015, according to which the income from the museum shop and café only makes up 7% of the total income. Revenues from the rental of spaces and from special events are, however, not indicated in the report as a separate line, thus making it impossible to verify the correct total income earned from commercial operations.

merchandise can take place. In other words, commercial activities are becoming more numerous, larger, and more **integrated** in the museum. Examples include adding small cafés at each floor or wing, but also establishing pop-up shops where merchandise is sold, which matches the topic of the current exhibits. This evidence is in line with what highlighted in some literature on museum management (McIntyre, 2010).

- When museums undergo **renovations** – a trend that also emerges quite clearly within the sample (at the time of the data collection, 3 out of 4 cases had recently undergone, or were undergoing some form of major refurbishing) – the planning and shaping of spaces devoted to commercial activities are quite crucial in the process. In one case, the entrance to the exhibition space was moved with the explicit goal of creating a separate route to access the Auditorium, thus making it easier to rent this space out for third parties' events. The main reason why commercial facilities are growing in number and size or changing location is, according to respondents, the need to better serve the audience.
- At 2 of the 4 museums examined, during renovations the café or shop were moved from *inside* the museum to a location placed *before* the ticket barrier. The consequence is that these facilities become **free entrance areas**, which can be accessed by guests independently of the purchase of a ticket and a visit to the museum. In this case, the decision is driven by a desire to attract (different) target groups, give exposure to the museum, and enhance its function as a landmark in the urban fabric of the city.
- The desire to attract 'new' visitors, also from groups that would normally not visit a museum, is behind another form of growth in commercial operations highlighted by respondents, i.e. the organization of **special events** – often in collaboration with commercial parties – which bring a very high number of visitors into the museum. Special events do not per se sustain educational goals, as overcrowding hinders the possibility for visitors to focus on content and learning. In fact, attendance to special events is characterized by different expectations and motivations (Axelsen, 2006) compared to a visit to the permanent collection. Still, the assumption made by respondents (also supported by some literature: Kuusika, Nilbeb, Mehinea, & Ahasb, 2014) is that if visitors enter the museum for the first time during a special event, they are more likely to repeat the visit on a separate occasion, when they will devote more time to get a deeper understanding of the collection itself.

### 4.3 Are commercial activities creating tensions within museums?

In order to test the validity of Weisbrod's (1998) cross-subsidization theory, and in particular his assumption that museums derive disutility from the engagement in commercial activities, I applied a code co-occurrence analysis to the sections of each interview that focus on the reasons, pros and cons of engaging in commercial operations. Some interesting trends emerge from this analysis.

In general, the attitude of respondents towards commercial activities is not openly negative. To indicate why the latter are beneficial to museums, most interviewees refer to two main concepts:

- **financial sustainability.** Commercial activities are an important source of income for the museum, which through these additional revenues can fund its core activities. In other words, **cross-subsidization** is indeed one of the reasons why commercial activities have a positive impact.
- A concept that emerges with an even higher frequency is the idea that the museum's shop and restaurant are not just money-makers, but also tools to enhance the quality of the **visitors' experience**. This is a central aspect because visitors expect a good customer service, and if they are satisfied, they are more likely to extend the duration of their visit or to repeat it, thus ensuring that the museum's **educational goals** are met. The respondents with the most positive outlook on commercial operations affirm that the latter can 'boost' the core mission of the museum, or even that they should not be considered 'ancillary' at all, since they have the key function of serving the visitor.

Results discussed so far provide evidence against Weisbrod's assumption that nonprofits would rather avoid engaging in commercial operations, but decide to pursue them nonetheless in order to cross-subsidize their 'core' outputs. In fact, concerns or tensions within the organization in relation to commercializing trends are way more limited than expected based on the literature on cross-subsidization.

However, it must be noted that 6 out of 10 respondents made statements that point to a rather **mixed** attitude. In fact, a code which appears with a high frequency is '**survival**', a concept indicating that respondents may perceive commercial activities as an inevitable necessity, rather than a desired development. In particular, the progressive decrease in subsidies is cited as a reason why museums are forced to find other sources of income and, more in general, to reinvent themselves in order to adapt to the new circumstances.

A strong link can be identified between the concept of ‘survival’ and that of ‘legitimacy’. Some respondents in fact highlight that museums nowadays need to prove their value and to be accountable towards society, instead of simply assuming that they are worth receiving public money: “(...) ‘commercial’ means you make money: no museum in the world makes money. It's not the goal. But earning money for free and making your own money, the percentages are changing. Which is... from my point of view, I think it's logic. (...) the trend of being more self-supporting, I think it's legitimate to do that.”

2 out of 10 respondents have a more openly **negative** view of commercial activities. Notably, both these respondents are **curators** within their institution. For how anecdotal, this evidence supports my hypothesis of a relation between the role of the respondent (curator or manager/director), their view of the museum’s vocation (‘temple’ or ‘visitor attraction’), and their perception of the impacts (negative or positive) of commercial activities. Curators tend to view the museum’s vocation as mostly geared towards custodial or ‘art for art’s sake’ goals and they also perceive more risks of mission displacement in relation to commercialization. On the other hand, respondents who embrace a view of the museum as ‘visitor attraction’ tend to highlight the benefits of the engagement in commercial activities.

The fact that curators and managers/directors seem to have a different view of commercializing trends and of their impacts suggests that commercial activities are a potential source of tension within organizations characterized by a ‘hybrid identity’ (cf. Glynn, 2006; Chong, 2010). This is supported by the literature on mission drift discussed in §2.4 (see in particular Cornforth, 2014; Ebrahim et al., 2014).

The fact that a positive or mixed attitude towards commercial activities is prevalent in the sample also supports another claim found in the literature (see Gilmore & Rentschler, 2002; Kent, 2009), i.e. that as far as the mission and values of museums go, educating visitors and providing them with a pleasant experience have caught up with, or even entirely surpassed custodial and curatorial goals. Despite nuances limiting the absolute value of this statement, the broadening of the museums’ mission to include the experience of the visitor as a key component has arguably been transforming the role of commercial activities, from a mere tool for the cross-subsidization of ‘core’ goals and activities, to a way to pursue the mission itself.

Data collected in this thesis also allow to verify what are the forms of disutility that museums supposedly derive from the engagement in commercial activities. The economic literature discussed in chapter 2 lists three main risks: ‘crowding-out’ effects of commercial

operations on other revenue sources (particularly, on donations); mission displacement; and managerial displacement.

- **‘Crowding-out’ effects** appear to have no importance at all in the view of respondents. At the opposite, some commercial endeavors, such as the creation of free entrance areas, or the possibility to rent the venue for events, appear to be beneficial in the relation with external stakeholders. Even more importantly, the ability of museums to be more self-supportive is explicitly encouraged and prized by governments and subsidy-givers at all levels, thus suggesting that ‘crowding-in’ effects might be counted by respondents among the positive impacts of commercial activities.
- Risks of **mission displacement** or **mission drift**, on the other hand, are one of the most common negative effects cited by respondents. The danger exists that commercial activities distract from the pursuit of the core mission, unless a good balance and clear boundaries are established.
- There is also evidence that **managerial displacement** or, more in general, shifts in **organizational dynamics** are a reason for concern in relation to commercial activities. Risks mentioned by respondents have mostly to do with excellence and efficiency considerations: museum staff are experts in content creation and presentation, rather than in commercial enterprises; furthermore, understaffing is a common issue, and the multiplication of activities requiring investments of time and resources may result in excessive pressure on the staff. However, 2 respondents indicated that the engagement in commercial activities has generated positive effects on the level of professionalism in the organization, since ad-hoc staff with experience in merchandising, management, and customer relations has been hired to run the shop or other commercial operations. Although apparently contradictory, these two viewpoints actually concur to indicate that commercializing trends are altering traditional balances in organizational structures and dynamics. As museums embrace commercial activities more and more, the traditional predominance of curators and custodial concerns is being progressively eroded, and other voices are becoming stronger within the institution. This might indicate that tensions and competing views between cultural/artistic (normative) and commercial/efficiency (utilitarian) goals are still present, but are less visible than expected precisely because the engagement in commercial activities has profoundly altered the composition of the staff within museums.

#### 4.4 How can commercial activities be managed successfully, while minimizing their negative impacts?

In order to answer this question, I looked at co-occurrences between the category ‘**success**’ and all other codes. The resulting network for this category offers interesting insights into how different respondents define this concept, as well as into what specific commercial activities they deem as the most – or the least – successful within their organization, and why.

Firstly, the ‘money-makers’, such as the restaurants or cafés, are rarely the most successful activity in the eyes of interviewees. Several respondents operate in fact a distinction between purely financial gain and a broader understanding of success, which embraces also other aspects such as giving exposure to the museum and attracting new visitors through special events (case #2) or using the merchandise to provide visitors with additional content (cases #1 and #4). This supports Kent’s (2009) finding that commercial endeavors – in particular, merchandising in the museum shop – have been gaining new values in addition to financial ones, thanks to their capability of becoming a source of informal, direct, sensory-based learning, which complements the more formal and intellectual education provided by collections and exhibits.

It is interesting to note that in 3 out of 4 cases, different respondents cite the exact same commercial activity as a virtuous example within their institution. For case #1, all 3 respondents (manager, curator, and director) indicate as the most successful enterprise a number of products, which are manufactured inside historical buildings by using traditional machinery or methods, and which visitors can purchase directly after witnessing the manufacturing process and learning about it. For case #2, events organized with commercial partners are picked as an example by both the director and the curator, not just as money generators, but also as occasions to give exposure to the museum and attract new visitors. Lastly, all 3 respondents for case #4 pick as a success story the pop-up shops, again not just as profitable ventures, but also because visitors appreciate the possibility of buying *in loco* merchandise that fits with the theme of current exhibits.

As explicitly indicated by respondents in these 3 cases, what turns these specific activities into successes is the fact that they do not simply act as cross-subsidizers for the ‘core’ activities in the museum, but they also directly support the pursuit of those very mission-related objectives – specifically, of the goals of educating visitors and creating a nice experience for them. This finding also contradicts Weisbrod’s theory, since it suggests that the engagement in commercial activities is not just motivated by the need to achieve financial sustainability, but also by other, non-financial considerations.

## 5. Conclusions

The analysis of data collected in this study has allowed me to critically examine some of the main theories and findings in the existing literature and to either contradict, or further corroborate them with new data. A number of emerging points of interest, which might be the subject for further research or become recommendations for museums, can be identified.

Firstly, commercial activities can serve **multiple goals** at once, acting not just as revenue sources, but also as amplifiers of the ‘core’ mission of the museum – especially insofar as such mission is geared towards educational goals and the creation of a pleasant experience for the visitor. The centrality granted nowadays to the visitor implies that commercial activities are not just additional attachments to the core outputs, but have rather become an essential element in the visitors’ holistic experience of the museum, as much as – if not more than – the collection itself (cf. Kent, 2009; Kotler & Kotler, 2000).

Secondly, commercial activities that are not just money-makers, but rather contribute to the achievement of educational or experiential goals, are more likely to find the museum staff in agreement in indicating them as exemplary cases of success. In other words, commercial activities that are better **aligned with the mission** and values of the museum are likely to generate less tensions or concerns within the organization, as hypothesized at the beginning of this study.

Although data are quite contradictory on this point, it appears that certain **organizational processes and practices** can help mitigate potential tensions. In particular, curators can be involved in decisions concerning commercial activities, either in order to preemptively check on their feasibility in the context of the museum, or to contribute with their expertise on content aspects. At least in one case (#4), the curator’s involvement in designing the merchandise for a pop-up shop is correlated with the identification of said shop as an example of success, according to all respondents within the institution. In sum, a deeper involvement of curators in specific commercial activities may have two advantages: on one side, ensuring that merchandise gains additional values and effectively contributes to the informal learning experience of visitors (cf. Kent, 2009); and on the other side, promoting forms of internal negotiation between the two main logics within hybrid organizations (namely, cultural and commercial ones), thus lessening tensions and risks of mission drift (Cornforth, 2014; Ebrahim et al., 2014).

A possible criticism to the point above is the evidence – found both in the data of this study and in previous research – that financial and cultural success are not necessarily positively correlated. In fact, interviewees operate a distinction between those commercial activities that generate the most income, and those that are most successful in advancing educational or experiential goals. Similarly, Mottner and Ford (2005) find that the involvement of the curatorial

staff in the development of products is negatively correlated with financial performance. This point is worth further research in the future for its implications in terms of relations between financial and socio-cultural outputs in museums.

Thirdly, museums should be able to keep some form of **control** on the commercial activities they engage in, in order to be able to set clear boundaries. Examples of this include the necessity to establish in advance what is desirable or allowed and what is not, before entering conversations with third parties for the organization of events or the rental of spaces; or, with regards to provision choices, the need to renegotiate agreements or even to start taking care of some activities directly, if the context allows this without too many risks linked to competitors or logistical constraints.

Lastly, the development and management of ancillary activities is part of a **learning process**, which should include some space for experimentation and learning from mistakes. Sometimes options that look great on paper do not resonate with the audience, or stop being successful after some time. In these instances, the museum should be able to stop engaging in those activities, even though they look important in the eyes of (part of) the staff. A case in point is, for case #3, the decision to exclude from the offer at the shop a number of high quality, content-driven books, which visitors leafed through, but never bought. This decision admittedly created a lot of commotion among curators, according to which the books were serving an educational purpose; but the lack of interest by visitors was deemed more important by the manager. This reconfirms the importance of bottom-up approaches that put the visitor at the center, replacing the traditional emphasis on curatorial goals.

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## 7. Appendixes

### 7.1 Interview Guide

#### Questions for all respondents

##### *Background of the respondent*

1. What is your position within the structure of the organization? How long have you held this position?
2. What is your background as a professional?

##### *The history, mission, and values of the museum*

3. How would you describe the mission of the museum?
4. Which are the three top values and goals that are relevant to fulfil such mission? How would you rank them?
5. Has the mission changed over time? If so, would you mind to explain the reasons and the process behind the transformation?
6. What is the legal form of the museum?
7. Do you think this is an ideal legal form for museums, and why?

##### *Commercial activities: goals and relationship with the museum's mission*

8. In your opinion as a professional, should museums engage in commercial activities?
  - a. If not, why?
  - b. If yes, with what aim?
9. Which commercial activities does your museum engage in?
10. Why did the museum choose to engage in these activities, and not in other ones?
11. Among the commercial activities in which the museum engages, which one(s) you think is (are) the most successful? What makes it (them) successful?
12. I am interested in the relationship between core and commercial activities in museums. Is there a concrete example that you can think about of an ideal mix?
13. And an example of a bad mix?
14. Has your museum ever experienced a trade-off concerning commercial activities, and how was it addressed?

##### *Commercial activities and their relationship with other revenue sources (subsidies, donations)*

15. In the relationship with external stakeholders (founding bodies and donors), are commercial activities a relevant factor? Does the museum have to report on them?
16. Does the museum run surveys on visitors' satisfaction with regard to commercial activities? If so, how have the results influenced the choices made thereafter?

*Commercial activities and their relationship with the organizational structure + allocation of resources*

17. How many people in the museum work at exhibitions and research, and how many at managing and running commercial activities? Have the relative shares changed over time?
18. How much space does the museum allocate to shops and/or restaurants? What do you think about that?
19. Has the allocation of spaces for commercial activities changed over time? If so, would you mind to explain the reasons and the process behind the transformation?
20. Would you say that the shops and/or restaurants are integrated in, or separated from, the museum tour? Is this an intentional choice?
21. Is there a goal or an activity you think it would be important for the museum to invest more in the future? Would you elaborate on the reason you think this would be important?

*Commercialization trends*

22. There has been much talking, over the last 20 years, about museums becoming more commercial. What is your opinion on this as a professional?

**Further questions for managers**

23. Which choice has been made in terms of direct provision or external contracting for the museum's shop/restaurant?
  - a. If provision is direct, how many human and financial resources does the museum invest in them?
  - b. If activities are contracted, what type of outsourcing agreements exist?
24. What are the reasons for such choice?
25. Which is the share of commercial activities in the total revenues of the museum? Has it changed over time?
26. In your opinion, does the offer in the shop reflect well the peculiarity of the museum? Why, how?
27. In terms of market segmentation, is there a segment you target more, or you think is served better?
28. Did the museum create a brand (for the shop only or for the whole museum) or is there a plan to do so? Why?
29. If the museum has developed sponsorships currently or in the past, which kind of sponsors did you try (and/or succeed) to get involved? Why?
30. Does the museum rent its venue(s) for private events?
  - a. If yes, what advantages and disadvantages derive from this choice?
  - b. If not, why?

### **Further questions for curators**

#### *Role of curators in the strategic planning of commercial activities*

31. Have you been involved in choices concerning the type of products sold in the museum shop?
32. What do you think about the role of the shop in respect to the educational goals of the museum?  
Are there any specific aspects you would suggest to improve?

## 7.2 List of codes

### CATEGORIES and codes

#### COMMERCIAL ACTIVITIES,TYPE

comm.act.:educational programs  
 comm.act.:events  
 comm.act.:events/during opening times  
 comm.act.:events/outside opening times  
 comm.act.:Food and Beverage  
 comm.act.:loans of collection/exhibitions  
 comm.act.:partnerships for research  
 comm.act.:renting out premises  
 comm.act.:selling collection  
 comm.act.:shop,online  
 comm.act.:shop,physical  
 comm.act.:shop,pop-up  
 comm.act.:traditional products

#### BALANCE

balance:N  
 balance:Y  
 balance:difficult  
 balance:efficiency considerations  
 balance:financial profit versus cultural profit  
 balance:keep control  
 balance:respect for core aspects  
 balance: boundaries

#### EFFECTS

effect neg:drawbacks of visits during special events  
 effect neg:loss of focus/mission displacement  
 effect pos:attract new visitors who might come back  
 effect pos:cross-subsidisation  
 effect pos:maximize income  
 effect pos:opportunities to create money

#### EXTERNAL PARTIES

external parties:alignment of interests  
 external parties:being attractive  
 external parties:competition  
 external parties:connect with outside world  
 external parties:expectations  
 external parties:legitimacy  
 external parties:needs

#### GOALS

goal:education  
 goal:engaging visitors  
 goal:historic content  
 goal:investing in collection/content  
 goal:preserving/documenting  
 goal:questioning& challenging visitor  
 goal:repeated visit  
 goal:research  
 goal:societal

#### LOGISTICS

logistics:collection is kept in storage  
 logistics:exhibition space(s) lacking  
 logistics:free entrance areas  
 logistics:issues  
 logistics:shop space lacking

#### MUSEUM IDENTITY

museum identity:attraction park  
 museum identity:exhibitioncentre  
 museum identity:natural history  
 museum identity:"not a shop"

#### MUSEUM,TRADITIONAL

museum,traditional:"old fashion" presentation  
 museum,traditional:high art

museum,traditional:passive  
 museum,traditional:temple

success:Y

## ORG. DYNAMICS

org.dynamics:curators involved  
 org.dynamics:curators not involved  
 org.dynamics:decrease in curatorial staff  
 org.dynamics:find shared solutions  
 org.dynamics:frustration  
 org.dynamics:governmental employees  
 org.dynamics:growth commercial staff  
 org.dynamics:inefficiency in subsidized orgs.  
 org.dynamics:investment in time & energy  
 org.dynamics:multivocality  
 org.dynamics:professionalism:N  
 org.dynamics:professionalism:Y  
 org.dynamics:reflection  
 org.dynamics:resistance/tensions  
 org.dynamics:salary levels  
 org.dynamics:understaffing

## RELATION CORE-COMMERCIAL ACTIVITIES

relation core-comm.act.:comm.act.  
 "enhancing" core ones  
 relation core-comm.act.:comm.act. "very  
 close" to core ones  
 relation core-comm.act.:incompatibility  
 relation core-comm.act.:integration,location  
 relation core-  
 comm.act.:integration,compatibility  
 relation core-comm.act.:comm.act. are core in  
 museum  
 relation core-comm.act.:separation

## SUCCESS

success,financial:N  
 success,financial:Y

## SURVIVAL

### TRENDS

trends:growth in commercial activities  
 trends:rebuilding/refurbishing  
 trends:subsidies decrease

### VALUE/ATTITUDE

value:accessibility  
 value:adaptability  
 value:audience-oriented/bottom-up  
 value:authenticity  
 value:collection  
 value:innovating  
 value:entrepreneurship  
 value:excellence  
 value:hospitality  
 value:sensitivity

## VISITORS

visitors:complaints  
 visitors:expectations  
 visitors:experience  
 visitors:needs  
 visitors:numbers  
 visitors:profiles  
 visitors:satisfaction

\*financial problems

\*financial sustainability

\*flexibility

\*"I am just a curator"

\*impulse buy

\*learning process

\*publicity

\*risks

\*variety

### Structural codes

Mission of the museum

Museum values and goals

Foundation as a legal form

Justification for engaging in commercial activities

Most successful activity

Mix core-commercial activities (good and bad)

Unsuccessful activities & processes to solve tradeoffs

Stakeholders perception of commercial activities

Visitors' opinions of commercial activities (surveys)

Human resources issues

Space and logistics issues

Integration core-commercial activities

Goal to invest more in the future

Pros and cons of commercialization in museums

Revenues from commercial activities

Alignment between shop products & museum identity/goals

Product segmentation

Museum brand

Sponsorships

Renting out museum premises

Involvement of curators in commercial activities

### Attribute codes

#### #BACKGROUND INTERVIEWEE

#background:accomodation industry

#background:art studies

#background:astrophysics

#background:biology

#background:board member association

#background:conservator

#background:engineer

#background:entrepreneur

#background:governmental bodies

#background:hotel school

#background:industrial business

#background:leisure industry

#background:management studies

#background:museum director

#background:public administration studies

#background:research

#background:transportation business

#### #FUNCTION INTERVIEWEE

#function:business development

#function:curator/collection

#function:director/deputy dir

#function:education

#function:events

#function:Food& Beverage

#function:Public& Markets

#function:sales

#org.structure:Collection smallest dept

#org.structure:Education biggest dept

#org.structure:operations&events biggest dept

#org.structure:Science biggest dept

#### #PROVISION

#provision:direct

#provision:external contractor