

Integrating Marketing Research into Museum Management - The NMSTC Experience

James Jensen
National Museum of Science and Technology
One2 Research
Ottawa, Ontario

Introduction

Of late, using 'marketing' has been depicted as necessary for museums and similar institutions (Maher, 1992; Friedman & Sikora, 1986). Others have warned museums to consider the implications of using marketing (Hoy, in press). Moving to a so-called 'marketing model' of operating has been difficult for many institutions, requiring an enormous rethinking of their management processes and structures.

With this shift has come the need for information to make marketing decisions. But where is this information to come from? The simplest answer is 'effective market research'. Of course, the solution is not so simple. Research about what? What do we need to know first? What can wait? Is everything important, or can we ignore some facets of our operations? These are not easy questions to answer. This case study is meant to provide some guidance in those decisions, by presenting the experience of one institution that has undergone this change.

Marketing - What is it?

Before beginning, a basic understanding of marketing is helpful. But defining what marketing is can be somewhat difficult. It is perhaps easier to start by noting what it isn't. In very simple terms, marketing is not just advertising, it is not just 'selling' things, nor is it intrinsically unethical. So what is it?

Marketing is a buyer-oriented mix of organizational activities planned and implemented to facilitate the exchange or transfer of products,

services, or ideas so that both parties gain in some way (Papadopoulos et al., 1988). In other words, it is bringing buyers and sellers together. This can be done in a number of ways, but is essentially a four-stage process:

1. Analyzing markets to understand needs
2. Selecting and targeting groups of customers whose needs match up with the institution's capabilities
3. Tailoring the product to achieve customer satisfaction
4. Choosing the right marketing mix to achieve your goals

As is clear, this process is customer (or user) centered, and cuts across most facets of museum operation. Using this process requires well planned and focused research to identify opportunities and customer needs in the marketplace. It also requires that the institution understand what its present capabilities are, and what may need to be changed, added to, or deleted from them to effectively achieve customer satisfaction.

The Four P's

The four P's make up what is commonly referred to as the 'marketing mix'. By manipulating these variables, it is possible for an institution to achieve its goals effectively. The four P's are:

- **Product** - what it is
- **Place** - how we distribute it
- **Price** - how much we charge for it
- **Promotion** - how we tell people about it

The emphasis placed on each P, or the overall 'mix,' is changed as buyers' needs or the environment change, or other problems manifest themselves. Marketing is dynamic -- it allows the institution to adapt as its environment (i.e. competitors' actions, shifting demographics, etc.) changes.

What is NMSTC?

Armed with a basic understanding of what marketing is (and isn't), it is possible to examine how one organization, the National Museum of

Science and Technology Corporation (NMSTC) has adapted to a market driven model of operation. NMSTC (Ottawa, Canada) is a former Canadian federal government department, composed of the National Museum of Science and Technology (SAT - a hybrid science museum/science center), the National Aviation Museum (NAM), and an Agricultural Museum with associated animal herds (the Farm).

NMSTC is now what is known as a Crown Corporation. It operates at arm's length from the government, and has the ability to behave in a much more business-like fashion as a result. This shift has not come easily. The Corporation had a serious lack of information about its market and its place in it, and knew little about its customers and their needs. Further, NMSTC has experienced funding cuts in recent years, making the need for effective decisions and efficient operation paramount. Faced with this situation, a great deal of market research has been conducted, all of it centering around the four P's. Importantly, most of this research might be called 'non-visitor studies', as most of the data were collected outside of the museums themselves.

Price

As mentioned, 'price' is what is exchanged for the product. In the case of NMSTC, 'product' includes visits to the museums and their programs. A few years after instituting admission fees, NMSTC decided to conduct a major study of pricing (NMSTC, 1995). It's main goals were:

- To determine optimum prices for both admissions and memberships
- To determine the elasticity of price
- To develop a pricing strategy

The data for the study were collected using large sample intercept (n=744) and telephone (n=407) surveys conducted by a local research company. The results were of great use. It was discovered that there was some room to increase fees at NMSTC institutions. More critically, it was confirmed that the museums had different clienteles; this meant that different pricing strategies were needed. Prior to this finding, an old 'departmental' model with identical price structures had prevailed. With this information, it was decided to raise fees and maximize revenue. In

the ensuing months, revenue increased and attendance declined slightly, as the study had predicted.

Place

Place refers to more than just physical location; it can also be viewed as distribution -- how the product gets to the customer. Signage is one way a museum can manipulate place (you cannot easily move the buildings!). This factor has a large impact on NMSTC, as none of its museums are located in the downtown core of Ottawa. In late 1993, very little directional road signage to any of the museums existed. The existing signage was considered inadequate, as it was known that some visitors were unsure of the location of the various museums (NMSTC, 1993).

A study, with the primary goal of determining the routes used by visitors that required signage (Jensen, 1993) was initiated. As a new signage system was just then being developed by a local extra-governmental body (the National Capital Commission, or NCC), the results would provide useful ammunition in any ensuing negotiations. Again, intercept (n=178) and large sample telephone (n=440) surveys were used to collect the needed data.

The study clearly identified the routes that needed signage; some have since received it. More importantly, unneeded signs (which the NCC was recommending be installed) were identified and avoided, saving a considerable sum in installation and maintenance fees. Finally, it was discovered that signs, to be effective, would be required some distance from the museums rather than simply in their immediate vicinity.

Despite the clarity of the findings, some problems ensued. There was intense disagreement between the Corporation and the NCC about the graphic 'look' of the signs, in particular what icon or logo was to be shown on them. Two critical routes remain unsigned as a result of jurisdictional disputes. This illuminates the fact that good research can be stymied by bureaucracy and politics.

Promotion

Promotion is communication -- to inform, remind, and persuade potential customers. In marketing circles advertising and promotion are often seen as separate, with promotion taking the form of coupon deals,

public service announcements, etc., rather than being a subset of paid advertising.

At SAT, the Communications and Promotion (C & P) Department's budget has increased significantly in recent years, particularly compared to programs and exhibit development. This change has come from a feeling that the product as it existed (mainly exhibits) was not 'doing it' on its own anymore. As a result, the stakes are high for C & P to prove it is achieving its objectives. (It is worth mentioning that exhibits and programs are not yet subject to the same level of scrutiny.) As a result, C & P is eager for and responsive to research results.

Because of this pressure, C & P has initiated a large amount of research. This has included a positioning study, five summative advertising studies, formative studies of ad copy and radio jingles, and logo development research. As it is impossible to discuss all the studies, the more innovative of them will be touched upon.

One such study (Jensen, 1996) involved a pre- and post-test study of an advertising campaign. It measured conditions in the market prior to the implementation of a combined print and television campaign, and then sought to capture the effects of the campaign once it had concluded. This was achieved using two large sample size telephone surveys, one just prior to the campaign's commencement (n=503), the other just following its completion (n=519).

The major effect the campaign had was to increase 'top of mind recall' of SAT. That is, when asked to identify a local museum (unaided recall) a greater proportion of respondents recalled SAT after the campaign (32.7 %) than before it (27.7 %), dethroning the major competitor in the market (which dropped from 38.7 % to 31.7 %). However, the product the ads were promoting (a 'virtual reality' area in the museum) was not recalled in the market. The ads had, in effect, sold the wrong product - the museum rather than the virtual reality offering.

The study, although primarily focused on advertising, also uncovered valuable information about SAT's main product -- exhibits. Respondents were asked to identify any local exhibits they could recall (unaided recall). SAT did quite poorly overall compared to its competition, particularly in terms of its permanent exhibits. Interestingly, 'Blockbuster' exhibits at competing institutions were very dominant, rendering much of SAT's activities ineffective. Studies such as this one have allowed C & P to continue to tune its operations, and will soon have an effect on the exhibits end of the museum's operation as well.

Formative work has also been performed, and this is particularly innovative in a museum setting. Ad copy, proposed images, and radio jingles have been tested with the public prior to implementation (Boudreau, 1995). SAT's advertising agency initially resisted this shift, but has recently tested TV ads with focus groups.

Product

How often have the following been heard to echo through the halls of a museum?

- "I know the people want my kind of _____ (fill in exhibit subject)".
- "Who cares what they want, we have a mandate to fulfill, so the exhibit has to be about ..."

Product is a combination of WHAT the product should be like (the benefit it gives the customer) and HOW a product can be built to meet those needs.

NMSTC has tended to develop ideas internally using traditional visitor studies, doing front-end research, some formative, and then summatively evaluating the whole experience. (It is worth mentioning here that for all the specialized names, these all simply represent basic product related research.) The notion that customers might actually have some preference as to what they would like to see was not even considered - until recently.

An earlier study conducted for NAM (Jensen et al., 1995) had discovered that many visitors had unspecified 'hopes and dreams' about aviation. A study was commissioned to explore this in greater depth (Boudreau & Hoy, 1995). In-depth interviews were used to produce a questionnaire administered on site during a day when NAM has a large proportion of non-typical visitors (Canada Day -- Canada's national holiday).

The results were at the same time revelatory and confirmatory. It was no real surprise that aviation enthusiasts and military veterans wanted to be able to get closer to the aircraft and see inside it. Among groups that are traditionally less interested in aviation, important information was also uncovered. Overall, a visit had to be an emotional experience for

visitors -- whether they were ex-World War II pilots or teenagers who had only seen aircraft in the air or on television. More than just looking at artifacts was required -- the museum needed to create a feeling of 'flight' for visitors if it wanted to attract new audiences.

One of the surprising findings of this study was the gap between *knowing* and *doing* present within the museum's staff. During initial interviews (while setting up the study), senior staff were very emotional about aviation and flying. Even so, the museum had been developed using 'cool, clean, and contemporary' as a guiding vision. The result was a building and exhibit style totally at odds with their own feelings and, as it turned out, their customers'. Armed with the study, this gap has begun to close - new ads produced by NAM have changed significantly, and the product will shortly.

Discussion

NMSTC has, for the most part, successfully moved to a marketing model of operating. This process has not been without difficulty, and much work remains to be done. What this experience shows, however, is that it is possible to blend customer desires with the objectives and mandates of the museum, without compromising either. Marketing is based on meaningful information about the environmental, psychological, and social influences that affect buyer behavior. It is worth remembering that product opportunities come from customer values. Rather than limiting alternatives to crass commercialism, many more possibilities have become available because of the market research NMSTC has conducted.

Of course, many commentators have pointed out the dangers that museums face by simply adopting business and marketing processes in managing their operations. As Riley (1996) points out, 'popularity' is not the only measure of success for institutions charged with collecting, preserving, and educating. Stephen Gould (1996) similarly asserts: "Commerce will swallow museums if educators try to copy the norms of business for immediate financial reward." Watkins (1994) sees the situation more evenly. He notes that although museums are not businesses, "they must be businesslike" and can clearly learn some lessons from business.

The solution to this conundrum may be in the work of Philip Kotler. He has advanced the notion of 'humanistic marketing' (Kotler in Marjolin,

1995) which views the customer as a *friend*, rather than *prey*. The customer is recognized as someone actively aware of products and services, seeking sufficient product information and good service, whose interests encompass the organization as well as the product, and who is responsive to new products and services. Developing products using this model requires a deep knowledge of who customers are and how they live. This requires a close relationship between the institution and its users - friendship, as it were. This seems to be a role museums and like institutions are well positioned, and inclined, to play. Good market research provides the link required by this kind of marketing relationship. It is up to individual institutions to decide if this is a role they wish to play, and then work with their customers to achieve success.

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