

*Copenhagen Business School*

*M.Sc. EBA – cand.merc. International Marketing & Management (IMM)*

*Master's Thesis*



# The Guggenheim Foundation Cross-Border Challenge

How can a given International Art Management institution maintain let alone grow market position with respect to Cross-Border Rivalries?

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18<sup>th</sup> May 2015

*No. of pages and characters (with spaces): 71/146054*

# Abstract

This paper displays the first attempt in the application of a new theory termed Cross Border Rivalry, which is derived from literature from the business of sports, international business competition and a review of the poor scholarship in the subject-matter: the competitiveness of International Art Management (IAM) institutions. As the subject of research, a large player, the Guggenheim Foundation, is tanke.

CBR represents both a strategy and an analytical framework, inspired by the philosophy of *rivalry* as mimicked from sports: it could be defined as the healthy and benevolent struggle between two or more competitors that are mutually motivated by confronting each other's achievements and do better "than the other." While rivalry is well known to sports fans and a few other industries (e.g. tourism, where it somehow originated), it has to date never been applied to culture institutions.

This research carefully develops this novel CBR framework based on previous research and cross-disciplinary fields, and it validates and improves its design on the example of the Guggenheim Foundation. Three methods are used: 1) a web-based collection and analysis of web-based data (which also serves as the novel market research methodology that CBR-adhering organizations are supposed to apply); 2) an online survey (N=91) studying mostly consumers' attitudes towards the museum "product" 3) in-depth, semi-structured interviews with two (anonymous) Guggenheim executives and one art management university professor. The research finds that CBR is a worthy framework deserving further research, although it is limited by its novelty and, as such, only partial validation despite the case study and empirical research. This paper advances scholarship in the now in transition field of cultural institutions, and provides a new perspective on international (cross-border) competition literature.

**Keywords:** International Arts Management (IAM), Cross-border rivalry (CBR), Coopetition (Cooperation in competition).

## **Acknowledgements**

There are many people I would like to thank for their help and support, without them this dissertation would not have been possible.

First and foremost I would like to express my deepest gratitude to my advisor, Prof. Daved Barry, for his excellent guidance, faith, caring, patience, and providing me with an excellent support during the research. To the staff at the Peggy Guggenheim Collection, thank you – especially to Dr. Silvio Veronese for giving me the opportunity to visit their beautiful museum and library, and for his help at the beginning of the research. I would like also to thank all the individuals who generously shared their time for the purpose of this project.

Last but not least, I would like to thank my family, friends and colleagues for their encouragement and support during this year. They were always present along the way.

Matteo

# Table of Contents

Abstract.....	ii
Acknowledgements .....	iii
Contents.....	iv
Table of Tables.....	vi
Table of Figures.....	vi
1.    INTRODUCTION.....	1
1.1.    Background: The Guggenheim Foundation .....	2
1.2.    Research Question .....	5
1.3.    Relevance of the research.....	6
1.4.    Scope of the research and limitations .....	6
1.5.    Structure of the thesis .....	7
2.    LITERATURE REVIEW AND THEORETICAL FRAMEWORK.....	8
2.1.    Culture becomes big business.....	9
2.1.1.    Marketing and Branding in Culture .....	10
2.1.2.    Experience Economy .....	11
2.1.3.    Rising Role of the Web.....	12
2.1.4.    Ineffective Metrics in Museums.....	14
2.2.    Novel Perspectives on Competition, Rivalry and Cooperation.....	15
2.2.1.    Stories from Sports, Tourism and Finance .....	16
2.2.2.    The Pitfalls of Competition .....	19
2.2.3.    Internal Competition .....	20
2.2.4.    Coopetition .....	21
2.3.    Cross-Border Rivalry: a Theoretical Framework.....	23
2.3.1.    Teachings from Sports Scholarship.....	24
2.3.2.    Location and International Rivalry .....	26
2.3.3.    CBR Levels of Engagement.....	27
2.3.4.    CBR and Performance Measurement .....	29
3.    RESEARCH DESIGN AND METHODOLOGY.....	31
3.1.    General Philosophy of Research .....	33
3.2.    Web Context: Secondary Data.....	35

3.3.	Online Survey .....	36
3.4.	Open-Ended Semi-Structured interviews.....	37
3.5.	Validity and Reliability.....	42
4.	RESEARCH RESULTS .....	43
4.1.	Web Context Analysis.....	43
4.2.	Consumer Engagement.....	48
4.3.	Location and International Rivalry.....	50
4.4.	Internal competition.....	51
4.5.	New Measurements.....	53
4.6.	Rivalry and Coopetition.....	54
5.	DISCUSSION AND CONCLUSION.....	55
5.1.	Analysis.....	57
5.1.1.	The Process of CBR.....	58
5.2.	Cross-border Market co-creation.....	60
5.3.	Limitations .....	63
5.4.	Further Research Agenda.....	65
	REFERENCES.....	67
	APPENDIX A.....	I
	APPENDIX B.....	V
	APPENDIX C .....	XII

## **Table of Tables**

Table 1: Current Guggenheim Museums.....	3
Table 2: Domains of Rivalry .....	30
Table 3: Social Media Sentiment Data about Major Guggenheim Competitors.....	43
Table 4: Guggenheim Online Presence .....	45
Table 5: Guggenheim Competitors with a Strong Online Presence.....	47
Table 6: Major International Art Management Institutions Daily Customer Population (Average).....	48

## **Table of Figures**

Figure 1: The Hermeneutic Spiral .....	34
Figure 2: Logical Path to discover and define rivalries.....	58
Figure 3: CBR data framework in Brand Competition.....	59

# 1. INTRODUCTION

Picasso once said: "*No one has ever looked at Matisse's painting more carefully than I; and no one has looked at mine more carefully than he*" (Richardson, 2003). The competition between the two artists has been considered causal to their greatness – a mutual incentive to improve oneself and measure one's work with that of the other, the *rival*. Henri Matisse and Pablo Picasso, entertained a close, but intensely competitive friendship. They were competing among themselves, not for public reputation, but for the opinion of the other. They engaged in neat painting-by-painting challenges; further, the two artists men competed in making charitable donations, each trying to outdo the other.

Their story is one of the many examples of constructive rivalry – a healthy competition that improves those engaged in it, and even inspires all those who witness it. This thesis aims at extending this philosophy into an exciting field that has remained largely underrepresented by research: museum, or International Art Management (IAM) institutions. This research proposes a new analytical approach termed Cross Border Rivalry, inspired by research and practice in sports and other industries, and by the forefront of research about competition in international settings.

The potential art museum visitor has considerable substitute options; there are historical museums and science museums, among others; they can choose a different art experience, whether a gallery or a class. They might choose something entirely different with their leisure time and recreation dollar, including shopping, tourism, playing in the park, sports or spending time online. For example, AECOM (2012) reports that in Europe the total attendance at museums was 71 million visitors, while theme parks had 58 million visitors. One can choose to bask in “winning” against the theme park, however the more pressing concern is how to convert the leisure time and dollar going to theme parks to the art museum industry.

Consumers of this “product” are today increasingly attracted by the experience it is able to offer. However, museums are lagging behind other substitutes, and the reasons are to be found in their recent shift from custodians of art to businesses resembling multinational enterprises (MNEs). A report by IBISworld, (2014) describes the size of

the art museum market in the United States alone as bringing in \$10 billion dollars in revenue through nearly 5.000 organizations and employing almost 90.000 staff. Clearly this is a big industry, but there is evidence (here reviewed) that it is not equipped to meet the challenges of internationalization and competition. This paper proposes the innovative concept of Cross Border Rivalry – a novel strategic and analytical framework – to solve this problem. As the case and subject of research, it uses The Guggenheim Foundation, a major global player.

### *1.1. Background: The Guggenheim Foundation*

The Guggenheim Foundation is well known in the IAM field, and it has the advantage of having been an early adopter of new, more accessible ideas about museums and art. It began with the vision of Solomon R. Guggenheim and Hilla Rebay and the original collection. The idea of the museum underwent turbulent changes in the 1960s through to the new management approach of the 1990s. Today it could be argued the maturation of the previous eras in combination with globalization and technology is such that today is the competitive age of the museum. The Guggenheim has consistently been one of the first to change and succeed in new paradigms. This is perhaps embedded in the artistic concepts underlying the collections, which include innovative and modern perceptions and approaches. There is a rebellious streak to modern art.

In this intense competition of art museum management, the Guggenheim Foundation is the leader, showing that branding and overseas expansion can complement and strengthen the maintenance of strong core organization of the art scene that is accessible and meaningful to the public. The Guggenheim family of museums excels in partnership; it was the first museum to realize the importance of international satellites; the demand is great, and networks and collections are planned years in advance. Table 1 presents more data about the institution (for even more info, refer to Appendix A, Exhibit 1).



**Table 1: Current Guggenheim Museums**

<b>Table 1: Current Guggenheim Museums</b>			
<i>Museums</i>	<i>City</i>	<i>C ountry</i>	<i>Year Opened</i>
<b>Solomon R. Guggenheim</b> <sup>1</sup>	New York	USA	1939
<b>Peggy Guggenheim Collection</b> <sup>2</sup>	Venice	Italy	1951
<b>Guggenheim Bilbao</b> <sup>3</sup>	Bilbao	Spain	1997
<b>Guggenheim Abu Dhabi</b> <sup>4</sup>	Abu Dhabi	UAE	In development

The Guggenheim has its choice pick in terms of lining up international companies and sponsors to ensure quality. The foundation has a strong international orientation, as does modern art itself. It is at the forefront of discovery and promotion of works and artists, thanks to this multi-polarity that distinguishes it from others. This very feature is an important foundation upon which a friendly CBR can be developed, both within the Guggenheim family and with competitor IAM institutions.

The museum, which came to be known as the Guggenheim New York, was founded in 1939 as the Museum of Non-Objective Painting with works by Solomon R. Guggenheim's personal collection such as Chagall, Mondrian and Kandinsky (Horowitz 2012). Over time plans progressed for a new building designed by Frank Lloyd Wright, and in 1959 the landmark location was finally ready. By this time the name had also changed, to the Solomon R. Guggenheim Museum. Thomas Messer became director of the Guggenheim in 1961 (Haacke 2005). He remained as Director for 27 years. One of his major successes was the persuasion of Peggy Guggenheim to leave her art legacy to her uncle's foundation, not an easy task as competitors such as the Tate Museum has been actively pursuing this goal. With an astute understanding of changing times, Thomas Messer was able to weather the dynamics of three decades of societal change. Messer was attuned to these changes, and in the 1980s, he was one of the first to build the business case for art, as well as a focus on business management (Haacke 2005).

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<sup>1</sup> Information from Guggenheim New York site <http://www.guggenheim.org/guggenheim-foundation/history>

<sup>2</sup> Information from the Peggy Guggenheim Collection site <http://www.guggenheim-venice.it/inglese/museum/peggy.html>

<sup>3</sup> Information from the Guggenheim Bilbao site <http://www.guggenheim.org/guggenheim-foundation/architecture/bilbao>

<sup>4</sup> Information from Guggenheim Abu Dhabi site <http://www.guggenheim.org/abu-dhabi>

The Guggenheim expansion journey is an epic tale with Thomas Krens as its strong leading character. It is a tale of caution and some successes with regard to forms of partnership for local and regional legitimacy, and one that may have turned out differently had it not been for the capital constricting financial crisis of 2008. For the most part, the saga has evoked strong feelings in academics, managers of arts and culture and the intellectual. His radical plan involved construction and financing, de-accessioning or sell-off of high value art, franchising of international satellites. Martinez (2006) sees Thomas Krens as having been visionary in positioning the Guggenheim in light of reduced sponsorship, increased competition and a need to stay relevant. Martinez (2006) identifies, as many do, Krens as the first to make the break with the traditional model of museum operation. Certainly, if he wasn't the first, he is both the symbol and reference point for it. Krens saw the survival of the museum as being dependent on its ability to participate with the financial and economic sophistication of the corporation. Thomas Krens' attack strategy was bidirectional; he wanted to grow the Guggenheim, and he required capital to do that. Construction, financing and new acquisition were supported by de-accessioning major pieces. Consumption can increase, and never decreases, the value of artworks. The value of works was to some extent developed by the consumption enabled by the presentation within the Guggenheim collection; Krens simply capitalized on this in order to further build the brand and develop collections. Krens believed that creating international satellites institutions was a logical way to achieve operational efficiency, since only a fraction of the available collection was being shown. This was an entirely new concept: the museum brand. It was this implementation of innovation, which provides a strong motivator for CBR within the Guggenheim family, which could give rise to further innovations and strengths. Dolan (1999) largely predicts that the “**world's first global museum brand**” will become a growing phenomenon that is less tied to nations than to corporate branding of the museum.

Today, the Guggenheim Foundation hosts an array of international offerings across the world, with more in development such as the Abu Dhabi museum. The Guggenheim museums have a reputation and branding which the IAM community as well as the general public recognize as excellence. The Guggenheim has become a partner with several cities and organizations as part of cultural strategies to develop

economic growth. This has been very successful in some cases, for example, the Bilbao Museum. The Guggenheim Bilbao has become a destination unto itself, while also contributing to the perception of the quality of the Guggenheim family of museums.

Marketing and innovation of the visitor experience build on this. It is difficult to innovate when there is the question of sustainability of operations, however, it is only in recent decades that this has received attention in the IAM professional community. IAM institutions were traditionally more concerned with conservation management. In addition to paying close attention to the actions, strategies and results of competitors and their innovations, provides a basis upon which to build further innovation.

## *1.2. Research Question*

It is hypothesized that the CBR approach, inspired by sports and, partly, international tourism industry practice, could be effectively applied to IAM institutions and transformed into a valid new framework. The Guggenheim Foundation is taken as the subject of research.

The Guggenheim Foundation, in order to defend its position as a leading art museum brand with significant market share in the leisure sector, must fully realize the opportunity of Cross Border Rivalries in order to maintain a leadership position while meet the challenge that all IAM Institutions face with regard to new market dynamics and constant change. Artistic products differ from the majority of products; unlike many commodities, they do not decrease their value with consumption; in fact, there is a direct relation between the rate of consumption and its value. This peculiar fact, in IAM, makes competition somewhat different from the typical substitution strategy. In light of this, the following research question is proposed:

**How can a given International Art Management institution maintain, and even advance, their market position using the Cross Border Rivalries framework?**

This question will be investigated through an applied case study of the Guggenheim Foundation, a prominent IAM institution. By focusing on the Guggenheim's CBR challenge, the intent is to advance our understanding of the challenges and opportunities

of CBR within IAM and more generally the possible responses to a new and changing context.

### *1.3. Relevance of the research*

This study will explore the context and factors that impact effective management and the role of cross border rivalries in the perspective of arts management research for Guggenheim foundation. The Guggenheim Museum, as a brand with international offerings, will benefit from understanding how to best find the opportunities in CBR.

Such competition in the IAM is a result of two forces that have arisen due to information and communications technology; they are the ability to market far beyond the local, and the ability of visitors to virtually connect with museums and their offerings. This gives consumers an unprecedented capacity to compare, contrast, and access the value of leisure and museum offerings, this is an opportunity for institutions within the international art market. With increased competition, however, comes increased opportunity. While art museums around the world competing for market share, every museum large and small can also participate. Counter-intuitively, international competition in a segment such as Guggenheim art museums, through cross-border competition, can build market share and positive brand recognition, which enables growth by as their rivalry strengthens efficiency, quality and innovation. An innovative application of competition is supplied by the concept of CBR and cooperative competition. These have not been addressed in previous literature on cultural institutions or art museums, and this paper represents the initial attempt to apply these concepts.

### *1.4. Scope of the research and limitations*

The scope of this research includes the world market for consumers of art, art museums as well as the potential art museum consumer; the competitors within the global IAM community and those who study, criticize and analyze that market; and

those industries in competition with the art museum. Of particular concern are the Guggenheim satellite museums around the world and their major competitors on multiple levels, including those that are location based, competing brands, and competing industries in tourism and leisure.

There are limitations to the literature review, as this paper would appear to represent the first consideration of the concept to this market. For this reason there is no other qualitative musings, empirical research or established data upon which to build. This represents only an initial attempt, with the hope that others find the CBR concept interesting and relevant, and continue to build on the idea.

Other limitations concern the methodology, data collection, and analysis that were used in this paper. Data collection and analysis will only provide limited access to IAM institutions on performances and data from covered companies, and possibly, will only reflect a theory that can be perceived on their respective areas wherever they are placed. However, together with the efficient methods chosen, data collection and analysis will be able to interpret efficiently the performance of IAM institutions in the market with respect to CBR. Further limitations in terms of field research, online surveys and executive and expert interviews include self-selection of respondents.

### *1.5. Structure of the thesis*

This research study is organized in five chapters. In Chapter One the topic is introduced. It includes the information, which positions this research on CBR in the current context of IAM in a global market, and describes in detail the research question. Chapter Two reviews subject-matter and related literature, including competition, cooperation and innovation as the underlying concepts of cross-border rivalry – all of which results in the description of the theoretical and analytical frameworks. Chapter Three includes the methodology that was used for field research. This chapter introduces all the necessary methods that were chosen by the researcher and at the same time, giving credits and elaborating extensively the concepts of the authors of the methods and its patterns respectively. An Online Guggenheim Foundation Questionnaire will seek insights, perception and awareness with regard to the

Guggenheim Foundation brand. The Peggy Guggenheim Collection Executives Interview will directly pose questions with regard to Guggenheim operations and strategies in order to better understand the executive perspective of the framework, challenges and opportunities. The Experts Interviews will provide an academic point of view and expertise within which to understand the collected data regarding perceptions, experience and insights. Finally, an in-depth analysis of relevant data on the Web frames the issue and provides a tentative application of CBR performance analysis, which entails using the Web as an important channel. Chapter Four provides the data analysis and results of the field research. Chapter Five provides discussion of the results in light of the research question and the context provided in the previous chapters, concludes and notes limitations and suggests an agenda for further research.

## **2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

The literature on innovation and museums presents a lonely tale of how the individual museum can innovate based on customer experience, use of technology and new forms of exhibit, but rarely does it discuss what may be the most important factor in raising the profile of the museum sector, museum brands as well as individual museums and cultural centers: competition and rivalry.

Perhaps the closest example of prior scholarship is Law's (2008) dissertation, which studied the branding of large museums with the aim of extrapolating findings, best practice and recommendations that would be applicable to smaller museums. Law (2008) employs the case study method and considers The Solomon R. Guggenheim in New York and The Louvre in Paris. This example is close mostly because the chosen subject is the same, although the branding perspective differentiates it considerably. Other examples are, e.g., studies of service quality as a competitiveness factor in museums (Chen, 2008), or a take on museums as marketers of experiences (Kim, 2009). More intriguingly, Mottner and Ford (2008) studied *internal competition* in the context of museums, suggesting generalization to non-profit organizations (this paper is treated

more in detail in section 2.2.3). However, no study has ever attempted to propose a novel viewpoint of the IAM institution landscape, one that would also consider competition in a different manner. This is what Cross-Border Rivalry (CBR) attempts at, and through the example of the Guggenheim Foundation.

In a study on institution building, based on the example of the Niagara Falls tourism destination (this crucial story is told in section 2.2.1.), Ingram & Inman (1996) made a proposition: the greatest barrier to institution building is Garrett Hardin's well-known Tragedy of the Commons, i.e. the cannibalizing competition of self-interested players with access to the same pool of resources. If the tourism-centered Niagara Falls story is a sad one, many positive stories are found in sports, the area from which this paper defines the concept of Cross Border Rivalry: a novel strategy that art institutions could use to compete, together, against substitute forms of leisure.

This chapter first outlines the specifics of the culture (IAM) business, which are indeed unique and particular, and then presents the key dimensions of CBR (2.2.). All these findings are used to develop a working theoretical model (2.3) that is then applied to the Guggenheim case in the remainder of the thesis.

## *2.1. Culture becomes big business*

Throughout roughly the first three-quarters of the 20<sup>th</sup> century, museums have been acquirers and protectors of cultural objects. The 1960s and 1970s saw an increase in the accessibility of museums to the public, but this custodial role remained dominant (Gainer, 1989). After the 1970s, museums have undergone a slow and still unfinished transition from custodians of art to public service providers. This slow shift has, most notably, been accompanied by an increasingly important role of marketing as an everyday activity supporting service provision (McLean, 1995).

Arts, perhaps more than anything else, have the ability to cross borders and hold powers of universal communication (Ostling, 2007). Thus, in a few short decades, the art museum has gone from the domain of high culture, controlled by the curator, to the cultural education venue, to multi-national corporate entity. What do multinational

corporations do to survive and thrive? They compete. And the way they do this are indeed increasingly alike to their counterpart in other fields, or industries.

Guggenheim itself is an excellent example –a leader in this culture shift that required refocusing from conservation to modern management thinking. The institution’s product is an artistic intervention that it devises and sets up in suitable venues, which it manages for a fee for up to 75 years (Bradley 1997, p.52). In this light, the Guggenheim’s collection can be seen as a ‘considerable cultural commodity’ that can be capitalized by circulating “to expand the image of the museum and to facilitate its own growth” (Rectanus 2002, p.180). In the case of the Guggenheim Museum Bilbao, the agreement formed with the Basque authorities is said to be no different from normal franchise contracts (Bradley 1997). GF is not the only example: many cultural industries in a city or region are clustering and collaborating under the city or regional brand. Indeed, culture and art have become a “big business.”

### *2.1.1. Marketing and Branding in Culture*

It was the new business paradigm of the art museum that led to efforts to implement modern marketing as well as understand the art museum from the marketing paradigm. However, as Gainer (1989) argued, even with this refocus, high culture has been unable to stem a decline in attendance. He sees this as largely a result of adopting marketing for growth, rather than competition. With the Toronto arts market and its evolution as a research area, Gainer (1989) showed how increased competition between arts organizations and companies requires a shift to competitive marketing for market share rather than for the purpose of expanding the market. The use of the appropriate type of marketing based on the appropriate market paradigm is key to capitalizing marketing efforts and budgets.

Law (2008) pinpointed branding as a way to sustain visitor populations and the creation of loyalty. Branding communicates the personality of the organization, allowing more personal relationships to form. This personality is also presented in terms of the position within the global framework of museums and the arts. Evans, Bridson and Rentschler (2012) considered the failure of museums, branding in the art world.



Establishing a strong brand orientation requires committing resources to establishing the brand by truly identifying and exploring the key organizational culture and philosophy that expresses itself to staff as well as the public. In a further study Evans and Bridson (2013) argued that given the increased competition in the arts sector and the broader leisure sector, public art museums need to strengthen their branding, and that requires engaging their consumers and communities and doing so would benefit the position of public art museums in the competitive broader leisure market through collective marketing capacity.

As the understanding of the role of museums was explored and developed, so too was the role of marketing. It was clear that marketing would be directed to stakeholders, but which stakeholders and to what end? Revenue, engagement and visitor retention were all identified as potential roles for marketing after some debate. Further research and development with regard to the role of marketing (especially in the information age) sees integration between marketing and experience.

### *2.1.2. Experience Economy*

Towards the end of the past century, Pine and Gilmore (1998) published a paper titled “Welcome to the experience economy,” which pioneered this term and its provocative central idea: “You are what you charge for.” They propose that success comes from determining what experiences the customer would value and even pay a premium for. Therefore, what’s being sold in museums is a highly subjective and customized set of value associations that leave the visitor with lasting impressions and memories.

The experience economy is an important dimension, because it entails the entirety of the culture industry, and sets the fundamental parameters for competition *and* rivalry within the landscape. The experience economy means that museums as a type of leisure in its own right must fight commoditization of the experience, if they are to stand out in the visitors’ decision-making process. The museum sector has, throughout its history, developed some cutting-edge ideas about how to engage and grow their visitor population, and primarily emotional attachment which leads to brand loyalty is

an experience that is valued, also known as the experience economy. If museums are to strive together towards a premium status, they must keep developing experiences.

In their later work, Pine and Gilmore (2000) further described the steps to transforming a product into an experience. It begins with customization, which turns a product into a service; customizing a service results in an experience; further customizing an experience results in meaningful transformation. The authors explain that customization must go further than typical market research and customer surveys, since they measure aggregated rather than customized satisfaction. The same year, Prahalad and Ramaswamy (2000) published “Co-opting customer competence,” suggesting a new take on the experience economy. In this new experience economy, *consumers are the source of competence*. A clear example of this is how software testing has moved from labs with experts to testing in customer environments. The online environment can be an excellent place to do this, they argue.

Museums and arts institutions can and should harness the experience economy and consumer competence. However, conceptually the museum has had difficulty moving past an exhibition paradigm to an interactive one that truly engages the user and potentially provides peer-to-peer transaction. Given that this has been the direction of growth in electronics and Internet startups in general, it can be expected that the art museum require such thinking in order to compete in the virtual world for visitors. Another important consideration is for the organization to determine what online visitors contribute to the organization. Clarity is important both ways, and not being able to answer that question may result in a lack of focused resources for the virtual museum. All these questions have remained largely unanswered in museum marketing and competition scholarship, which calls for their integration within the current research.

### *2.1.3. Rising Role of the Web*

In light of the previously outlined material, IAM markets are the product of recent transformation, and have many novel trends to cope with, all while being forced to mimic corporations while being historically unprepared for this shift. In particular, it

appears that brands and museums must provide an online experience that delights. The online dimension is central to cross border rivalry and performance in general.

Yet this field of scholarship still lies largely underrepresented. A recent study by Lehman and Roach (2011), titled “The strategic role of electronic marketing in the Australian museum sector” is one of the few examples in this scarce pool of scholarship. The authors looked at the role that the websites of Australian museums play in said institutions’ marketing efforts. Of interest was whether these websites were aligned with the wider marketing and branding strategies. This is one of the first papers to do so, despite the relative importance that websites play in globally establishing brand and allowing for discovery. While surveys and interviews with museum staff indicated that the websites are being increasingly used, and they are seen as a marketing tool, the full potential is not yet understood. It may be said that this is true of most art museum websites, even the big brands. There has been little innovation of the experience, which often falls flat on the computer or tablet screen. Ultimately the success of the marketing rests with the technological support and acceptance of museum management, and the extent to which they are capturing data about the performance and other insights to their online presence.

Even non-scholarly publications have little to offer with regard to empirical analysis of the art museum sector online. An article by Barnett (2013) in *The Guardian* is one of the few “authorities” online. It lists the Tate Museum and the Museum of Modern Art as having the best online presence, then goes on to list several others with merit as well as those with serious limitations. It can hardly be considered an empirical or thorough analysis. There is considerable opportunity here to direct the audience in a guided way through, for example, a directory of online art museums, which automatically includes and ranks performance data.

Yet the Internet is a key venue where the CBR-based advantages advanced in this paper can be implemented. While this point is elaborated on later in the text, for now it’s important to state that the Internet can provide the necessary communication of information to engage CBR, as **“fans” and “players”** could use a common framework to monitor and “cheer on” performance. Such projects would have the potential to organize to highlight this sector among other choices in online culture. Further, by

making competition clearer, there may be rapid adoption of best practices and friendly cross-border and within regional rivalry.

#### 2.1.4. Ineffective Metrics in Museums

Clearly, no analysis of an industry and the dynamics thereby could go without mentioning the measurement of performance and success. An area that, again, is fairly underrepresented in IAM literature. Anderson (2004) criticized an extreme lack metrics for the art museum. The reasons are rooted in history. Where fifty years ago the museum was, much like a library, rooted on the objectives of conservation and keeper of high knowledge, today that has changed but the metrics have not. The relevance of the size and importance of collections is debatable today, where objectives include engagement, visibility, branding and visitor demand.

The author argues that a considerable overhaul would be required, in order to not only compile required data for a real analysis of possibilities, that effort would need to be coordinated to ensure standardization and consistency of data. Further, the traditional methods of measurement, such as foot traffic and revenues, which themselves are hidden in disparate annual reports and internal files, are not on their own indicators that reveal the story. Foot traffic as an indicator, for example, only looks at a fraction of the reality, as admissions income is typically less than 15% of revenue for most art museums (Anderson 2004). A further issue, according to Anderson, is the lack of a shared and measurable *definition of success*.

This is extremely important. Data and shared determinations of what data constitutes “winning” is critical to any competitive/rivalry strategy. Without understanding performance and relative rankings, the communications that drive positive rivalry cannot occur. Just as every soccer game needs a score, and that score contributes to overall statistics of the team and ranking in comparison to others, so too do art museums require the basic data to make comparisons and communicate excellence and opportunities for excellence. Some data and information is available in

the annual reports of the various Guggenheim enterprises, but it does not have a standardized framework and there are considerable gaps.

The research hereby addresses this particular gap in scholarship by proposing novel measurement criteria derived from CBR theory. The next subsection introduces this concept, explaining its philosophy and functioning in detail. The next and this section then converge into the theoretical framework that the research at hand employs.

## *2.2. Novel Perspectives on Competition, Rivalry and Cooperation*

The economics of the professional business of sports entail that that profits ultimately depend on teams competing with one another. Yet the team themselves are not led by the business rationale in their struggle: like Picasso and Matisse, they are fair *rivals*. Rivalry is on a different level – one could say, of performance. And fans, the prime stakeholders, could care less about the business aspects: they are drawn by the performance and comparison of teams.

The application of insights from other industries includes sports as well as new concepts such as the experience economy may result in the art museum, and specifically the Guggenheim, finding their disruptive innovation that attracts demand and builds the brand. Seaman (2004) argued that the direction that leads to concepts such as CBR were on track with regard to competition, cooperation and rivalry in the 1970s and 1980s. But this stream of research was abandoned for an internal, transaction focused approach. He states that at this time concepts of competitive advantage through horizontal firm linkages in the cultural industries were developing but incomplete. Describing the current lack of emphasis as having its source in the narrow focus of non-profit arts firms acting as natural monopolies in isolation, Seaman (2004) greatly encourages reviving the study of the economics and dynamics of competition in cultural industries. And CBR is what can fill this gap in knowledge.

Sports fans are well aware of what CBR means. CBR is well known in football and other sports from the community level to the professional leagues as the intense concern in an outcome of competition, in a consistent framework (wins, losses and

ranking). The level of CBR is based on features of the players and their subjective understanding of rivals and personal feelings of rivalry, and these are on the level of performance but also history and proximity. As well it is based on the fans loyalty to their team, an intense emotional attachment and a keen interest in the performance data of their team and its rankings in a league. CBR and brand loyalty in this situation results everyday people engaging in a level of statistical analysis that is frankly stunning. The most hardcore fans go well beyond the primary framework to justify opinions about ones' team and to predict events by looking at trends in data. The quantitative and qualitative analysis is the subject of an endless number of television and radio shows as well as blogs and conversations between people. CBR is at its most intense in the international venues. The international competitions such as FIFA World Cup, AFC Asian Cup and the Olympic Games are good examples.

Another way to view CBR is the “Coke vs. Pepsi” debate of the late 20<sup>th</sup> century. These “cola wars” in the 1980s and 1990s were focused in North America. By making it clear the choice was between the two colas, other drinks ceased to be a focus. The question was not “what do you want to drink” but “Coke or Pepsi?”. The market for cola increased, as it became the default beverage. Consumers made decisions regarding their loyalty to one or the other. Other drinks and brands of cola were pushed to the fringe. Consumers sometimes had an emotional fervor to their brand attachment, even refusing to drink the other brand. As a result, both of the companies grew and grew. It hardly mattered which you chose; you were still choosing one of the top two colas, and ignoring all of the potential substitutes. The demand was such that those regions or countries that did not have access to Coke or Pepsi valued it even more highly; the two brands of cola practically became a symbol for the West, luxury and freedom.

### *2.2.1. Stories from Sports, Tourism and Finance*

Larry Bird of the Boston Celtics and Magic Johnson of the Los Angeles Lakers were two monumental figures in American and international basketball. They have been described as obsessed with being better than the other, a rivalry that became extended to

all the other team members. And in fact, when Magic Johnson announced his retirement, Larry Bird stated that he lost interest in playing the game as well (Kilduff, Elfenbein and Staw, 2010). Like Picasso and Matisse, Bird's and Magic Johnson's story is yet another example of a *rivalry* that does not undermine but rather motivates the pursuit of excellence. This rivalry was one of the key factors that revived the league, which had been stagnating, and it was fueled on purpose by then NBA Commissioner David Stern (Kilduff, Elfenbein and Staw, 2010).

Mason (1999) wrote of the "sports product," describing the lucrative business of sports and sports marketing. He explained: "Because the attractiveness of the product produced is dependent upon the appearance of rivalry between clubs, the sports leagues must be structured to foster the perception of inter-club competitiveness" (Mason 1999, p.404). The research implies that sports teams must unite in rivalry to produce their product to fans, media outlets, and sponsoring corporations. The marketing of sports is so powerful that producers of other commodities want to be attached to it. What's difficult, however, is defining what the commodity actually is. Some pose it is the league itself, and others the clubs which are independently owned (Mason 1999). Earlier concerns in this matter have concerned whether the economic construct of sports leagues encroached in anti-trust regulations regarding competition, namely the Sherman Act in the U.S. (Roberts 1984).

Stories of rivalry are also found in the **tourism industry**. The border city of Niagara Falls is split into two by the US-Canada border. Cooperation between groups on each side of the border to compete against their rivals across the border encouraged various innovations. Ingram and Inman (1996) concluded that these cross border rivals could be viewed as a collective entity competing on the basis of location, but there are other lessons to be learned from the Niagara Falls story. The rivalry between the hotels on the two sides of the border has a history of more than one hundred years, and contains both grim tales of damaging competition as well as the more recent collaborative success. Of course, in the 19<sup>th</sup> century there were fewer regulations and ethical considerations in tourism, and the lack of institutional norms certainly played a part. A collaborative marketing event in 1827 involved sending a leaking ship filled with exotic circus animals over Niagara Falls, drawing fifteen thousand spectators and considerable media attention (Ingram & Inman 1996, p.631). In the late 1800s, to steal

the Canadian market share, the American hotels secretly paid cab drivers to pick up tourists on the Canadian side, take them across the falls, and leave them on the American side (Ingram & Inman 1996, p.630). Various abuses of tourists prevailed at that time. By the early 20<sup>th</sup> century it had been recognized that there was a common interest in repeat business and reputation; rivalry took a different form, the creation of public parks on each side in order to build interest and ensure access to the Niagara Falls for tourists. Rivalry began to be shaped in a different way, through collective action and cohesion of the hotels of each population. Although they were in competition with each other, there was more opportunity for all; to the extent they could work together to expand the market share on their side of the border. This rivalry further created the competitive advantage of Niagara Falls as a tourist destination. There were therefore at least three levels of competition which were engaged in; that with direct and local competitor, competition among the hotels on the other side of the border and competition with the rest of the world for tourists which benefited both sides of the border. Ingram and Inman believe strongly that the development of institutions and a framework for a cooperative sort of competitive rivalry was key to success and to ensuring that the competition did not simply wear down and damage the business of the rival, as occurred in the early years of the industry.

According to Posner (2009), in the early 1990s **stock exchanges** around the world did not perceive themselves to be in competition with each other or smaller exchanges. This changed with a European initiative that sparked a lively rivalry. The first was AIM; a London based exchange for smaller and growing companies, created over fears that a theoretical private European concept, EASDAQ, might succeed. The Paris based Nouveau Marché commenced soon after, in response. Various centers in Europe quickly realized that the race was on to become the European financial center. The introduction of the Euro across European markets intensified this competition, and many smaller exchanges were formed across the landscape. Despite little progress in market share and the failure of many of the listed companies, by the late 1990s, there was still an intense focus on the fledgling small exchanges. With the economic downturn at the turn of the century one would have thought these small European exchanges were soon to be done with, however the opposite occurred; AIM took on NASDAQ and began to take away American companies from the iconic exchange. AIM



remains a major competitor to the NASDAQ. Was it an accident that this occurred after a decade of internal rivalry in Europe, or was this the result of an organic development process? Posner (2009) conjectured that it was an incremental process of competition that built the necessary skills and instincts to displace the market leader.

In light of these stories, the question is: could cross-border rivalry build markets for museums and museum brands, in the same way that the AIM exchange became a contender?

### 2.2.2. *The Pitfalls of Competition*

The stories above are a testament of the different and complex relationships that competing entities can take one in respect to the other. There is a dark side to competition. It can tear an organization apart from the inside; it can result in competing companies hurting each other while not advancing a market; consumer brand loyalty and its alter ego oppositional brand loyalty can cause damage and even lead to physical conflict between consumers.

Competition between firms can sometimes lead to behavior that is no longer rational. This can take the form of valuing competition *per se* even more than economic rationality. An example is the case of Boston Scientific overpaying for the acquisition of Guidant, compelled by a desire to keep it out of the hands of its rival Johnson & Johnson (Kilduff, Elfenbein and Staw, 2010). In addition to causing firms to hurt themselves, there have been many instances of abuses and damages to rivals in such battles, and often this veered into unethical territory. British Airways, for example, were found guilty in 1993 of schemes to take market share away from Virgin Atlantic using tactics that included calling Virgin Atlantic's customers to advise that their flights had been cancelled. Competition between companies can hurt companies, as they compete away any advantage they have in favor of market share. Opposition brand loyalty can also have surprisingly devastating impacts, including vandalism and active hatred, due to the deeply emotional nature of brand loyalty (Muniz & Hamer 2001).

The dark side of competition is also bidirectional. On one hand, if competitors damage one another, either through reducing profitability (price wars) or by unethical

means (corporate espionage or reputation attacks) both competitors and even the industry can suffer. The other dark side of competition is related to illegal forms of cooperation, which damage competitive markets. The implications for the art museum are enormous; it involves breaking out of competitive silos in order to become cooperative rivals building the industry and their organizations through CBR in terms of physical museums, brands and online presence and offerings.

### 2.2.3. *Internal Competition*

Most executives shudder at the idea of internal competition, as it brings to mind duplication of efforts and resources, territorial battles, cannibalization and negative interaction that can bring down a firm. But internal competition, if harnessed in the right manner, can bring considerable advantage to for- and non-profit organizations. Understood in the positive light, “Internal competition means setting up system wherein teams of innovators compete with each other in idea fairs, funding contests, prototype races, market tests, and competing commercializations to bring innovations to the market” (Tellis, 2013, p. 40).

One of the first to study internal competition has been Birkinshaw (2001). On the example of MNEs, he outlined three possible advantages that could be attained by controlling internal rivalry: 1) flexibility, 2) challenging the status quo and 3) providing motivation. *Flexibility* is a required capacity in the environment of continuous improvement, dynamic markets, new technologies and seemingly endless change. Business plans and strategies depend on having several possibilities, structures and situations. Birkinshaw (2001) saw *challenging the status quo* as an important advantage of internal competition as the inertia of success worked against future innovation or disruption. The *motivation* of greater effort is a key feature of internal competition, even promoting greater cooperation within the subsidiary to take on friendly rivals within the MNE or external threats to business (Birkinshaw 2001).

Building on Birkinshaw (2001), Mottner and Ford (2008) undertook an isolated endeavor of studying internal competition in the museum and non-profit sector (an area that is still underrepresented in literature). They noted the following:

Internal competition in nonprofits anecdotally occurs because of perceived conflicts between the means for achieving nonprofit missions and the marketing activities that are undertaken to support that mission—particularly those that raise funds (Mottner & Ford, 2008 p.178)

Internal competition is relevant to the museum industry and museum families in a number of ways; at various times smaller or larger venues are better positioned to pilot new ways of doing business; museums with diversified locations can better whether regional economic or currency concerns. When the end goal is not clear, multiple paths increase the possibility of success. Museums, as well as corporations, must promote innovation and a culture of internal competition – as suggested by Tellis (2013). Intuitively, market leaders would be in the best position, but history had shown that the greater the market share, the more likely a firm is to continue doing what works, thereby missing their opportunity.

This discourse is relevant, in the case contemplated in this research, in the case of international branching. Becker-Ritterspach and Dörrenbächer (2009) suggested focusing on the power relationship between the “center” and the subsidiaries, and developing new philosophies of partnerships with stakeholders, since old paradigms of competition are starting not to hold true in the new cross-border competitive settings. This is where coopetition, the heart of the CBR approach, comes into play.

#### *2.2.4. Coopetition*

Business alliances and collaboration have become a normal part of competitive strategy. Alliances create new units of competition that is both internal and external, offsetting the others advantages, intensifying rivalry, and transforming competition (Gomes-Casseres 1996). Luo (2007) notably studied the increasing incidence of simultaneous competition and cooperation, known as “coopetition”. This term was coined in the 1980s by Raymond Noorda, the founder of Novell (Luo, 2007, p.130).

In order to develop an overall framework to analyze coopetition, the author introduced a new typology for understanding the intensity and diversity of coopetition with major global rivals. It looks at four situations: contending, isolating, partnering,

and adapting. This is further defined by four possible positions: dispersing, concentrating, connecting, and networking. The volume of rivals and market size is a major factor in determining situation, position and cooperation (Luo 2007). Moreover, studies conducted by Nieto (2007) show that institutions that usually engaged in a close collaboration with a rival will pose a high level risk regarding the benefits that might be explored.

Many factors weigh into the Cooperate vs. Compete paradigm, including communication networks, awareness of performance achievements and pride in the home subsidiary. Ferreira, Li and Serra (2009) showed how technology transfers within MNEs assume that subsidiaries will cooperate, but that is hardly the case. Various factors affect the placement on the cooperate-competite continuum, including the structure of the organization, the extent to which the individuals relevant to subsidiaries are connected and stated, and informal international policies (Ferreira, Li & Serra 2009). The various laws of various jurisdictions make the international landscape for such determinations extremely complex.

Given the importance of the cultural sector for competitiveness and development of the regional economy, a key tool for the competitiveness of the museum is the extent to which the city or region where it is located has made a determination to grow its cultural and artistic image and sector. Dziembowska-Kowalska and Funck (2000) examined the influence of such factors and concluded the competitive position of cultural producers was tied to the cultural strategy of their location. While the cultural economy is largely subsidized and administrated, the creative industry is highly entrepreneurial. They tend to fuel each other, particularly when they intersect in a geographic cluster or space (Cooke and Lazzarretti 2008). Relatedly, Gnyawali (2009) describe a beneficial advantage of an institution that is actively engaged in a cooperation. Gnyawali (2009) added that a systematic collaboration with a rival will open not only to new sets of essential information, but also it will provide insights into future possibilities of an extensive exploitation of the existing skills of its own or its rival.

Further evidence on was given by Florida (2004), who describes the rise of a new so-called creative class that includes scientists, educators, writers, entertainers,

architects and others who create new ideas, processes and technology that can be termed innovative or “new creative content”. It is estimated that this class constitutes more than 30% of the American workforce (Florida 2004). This creative class has become of intense interest to cities in terms of economic development as a critical factor in facilitating innovation in all sectors, and the extent to which such thinking and development is an advantage of the cultural institutions as building the reputation of the location as a cultural destination increases the possibility of tourism for that location. To that extent, **alliances across cultural institutions** in a location may also find advantages and compete on the level of location; to that extent, they may find themselves in competition with fellow subsidiaries and satellites on individual levels within a brand, as well as on a global level at the collective level of cities and regions. In addition, the location factor may lend itself to increased cooperation with competitor brands in order to increase the city brand, which is in direct competition to other satellites. One can see the potential, for example, of the Louvre and the Guggenheim is cooperating on marketing and friendly rivalry in order to increase art tourism to Abu Dhabi in the United Arab Emirates. Even Larry Gagosian has made an appearance in the city to show his personal collection for the first time. It is clear that the cross-border rivalry based on location will involve cooperation with competitor brands.

### *2.3. Cross-Border Rivalry: a Theoretical Framework*

It's useful to summarize the points made above. Art museums, along with other cultural institutions, have become a “big business.” While the Guggenheim has led the way for many decades, a new age of big data and systems theory, cooperation and views of art as leisure has again changed the nature of the game. Branding and technology adds complexity with abstract modification and virtual access and tourism to the museum. CBR has the capacity, as an international strategy, to not only revitalize the industry and the Guggenheim museums, but also to organize data and frameworks towards measuring and comparing performance. This requires a coordinated approach to ensure comparability as well as communication across the competitive landscape. It is not enough for the information to exist; it must be actively marketed and shared with rivals in order to call the players to action. Competition has its pitfalls, a “dark side:”

the practice of attacking competitors rather than building one's own worth and value. On the other hand, healthy rivalry, which builds skills, motivation and works towards excellence, has been a successful strategy to expand and improve market share.

Cross border rivalry and competition provide a real opportunity to implement the CBR concept based on systems thinking, data analysis and communicating that data to players to improve performance and provide information regarding potential common interests or contests

To represent and analyze the CBR phenomenon an Analytical Framework by aspects is proposed. The scope is to characterize cross-border rivalry in International Arts Management context and understand which factors are more relevant in this specific background, helping to explore the challenges and opportunities for the Guggenheim Foundation and for any other International Arts Management institution. This framework is later applied to the design and results analysis of primary research.

### *2.3.1. Teachings from Sports Scholarship*

The stories described in the previous section (2.2.1.) explain how cross-border rivalry works and why sport could be an important source of inspiration for the IAM "industry." Now, it's useful to review some of the scholarly models that are applicable to sports and that could be employed in the study of museums and the Guggenheim Foundation.

Like the NBA of Larry Bird and Magic Johnson, football fans are also well aware of the enthralling emotional attractiveness of rivalry, of how it motivates supporters to support teams and how it builds leagues through competition. In an very recent engineering study heavily substantiated by mathematics (meta-heuristic optimization, in particular) Moosavian (2015) used an algorithm based on the competition within soccer leagues to solve a famous logistical problem known as the knapsack problem. What's interesting about the study is that it deconstructed soccer competition (i.e. rivalry, according to our model hereby) into two components:

As well as the league competitions among teams, there is an internal competition in each team. Players compete with each other to attract the head

coach's attention by improving their performance. This internal competition leads to a growth in the quality and power of a team (p.14).

It's this precise quality, empirically derived from the world of sports, that enables Moosavian (2015) to drastically reduce computation times and solve the logistical problem better. If the dual quality of competition – i.e. the rivalry – in soccer can solve logistical problems, how could it not improve the position of IAM institutions?

Further evidence in favor is, again, multidisciplinary – from the field of psychology. Kilduff, Elfenbein and Staw (2010) studied rivalry as a psychological phenomenon, although it should be noted that the paper does not distinguish between rivalry and competition, as they were seen as aspects of the same phenomenon. The authors deduced competition to be primarily *relational*, inferring that competition manifests itself on several levels, including individuals, groups, and firms. Kilduff, Elfenbein and Staw (2010) They argued that these relationships were determined by specific factors – 1) location, 2) basic characteristics, 3) historical interactions, and 4) prior competition – and resulted in the “subjective interpretation of the other,” which was the main determination of competitive intensity and engagement. Rivalry, therefore, is relational and rooted in exogenous factors, but it results in some form of internalization of the figure of the “other,” the rival. This theory was tested using basketball teams. The teams' similarity, history and location were high predictors of rivalry. Interaction between the levels of relationships included the impact of intense team rivalry on individual players in terms of performance. The greater the rivalry, the greater the wider interest in the sport or league (Kilduff et. al. 2010).

When fans watch their favorite teams compete, they don't care about the profit agendas of the organizations behind them: they care about performance, rivalry, and the emotions that these foster. In line with the theory outlined above, we could say that, in sports, the experience economy stems exactly from the tension of the fair rivalry between the teams. This is directly correlated with the “experience economy” trend identified above.

Why, then, prevents the “experience-economy-intensive” museums from using rivalry as well as their way to create memorable experiences? Almost two decades ago,

Hutter (1996) found that the standard criteria for non-rivalry in the consumption of commodities is “very intricate in the case of artistic goods” (Hutter 1996). But such an intricacy can in fact be used as an advantage. Competition for a work of art, for example, raises its value and the value of that family of art. The Gagosian Gallery and others have exploited this concept well by ensuring that the value of their collections does not go down, and this includes buying non-bids at art auctions to ensure there is no loss.

### 2.3.2. *Location and International Rivalry*

It is well known in business studies that in most industries competition is becoming fiercer and fiercer. And indeed, it’s not difficult to suspect that there are specific spatial determinants to rivalry as well. From the theory built up to this point, we could simplify the difference by stating that competition is oriented towards and motivated by a goal, while rivalry entails a more important role for the rival himself. The psychology of rivalry, in particular, informs this view (Kilduff, Elfenbein and Staw, 2010).

Rivalry based on location is often a primary consideration, but it is often specifically local (again, a validation is in Kilduff, Elfenbein and Staw’s, 2010, “factors”). Local rivalry needs to be considered in a global context, and shaped to ensure that the total market share to that location increases. Local rivalry can create a cross-border rivalry to both to increase the share of art tourism, and to expand the market by increasing demand.

This is one of the core ideas of CBR: the cross-border dimension is essentially embedded in rivalry in any form. As shown earlier, collaboration at the location level is one of the key factors of coopetition. CBR takes this concept further by proposing that every spatial rivalry or coopetition has a cross-border dimension, even if often rivalries are based on competing on a specific advantage of the location. For the IAM, it means that the city or region where the physical museum is located becomes embedded with the features of the museum. This can include such things as historical value and natural features of a location, such as weather. Art museums with international appeal must take



into consideration what they can do to not only make their offering more attractive, but to make the location itself more attractive. *The location itself, therefore, becomes a “rival” in a necessary cross-border landscape.*

On the surface, this notion is nothing new. The dynamics of destination and nation branding in the context of IAM institutions and globalization has been researched for long. National interest and pride were for long embodied in museums, whether privately or publicly owned, given the place that the building of museums and institutions was an integral part of nation building (Prösler 1995; McLean, 1998). Also, olympic and international sporting events provide a forum for national pride and political posturing, and art and culture institutions are no different. They are a point of pride for the public, even if they are not in fact visitors to the institution.

But what’s new in the CBR perspective is the fact that art institutions can now proactively manage their relationship with their micro and state-level locations in order to foster rivalry and improve their industry’s attractiveness in respect to leisure substitutes in a more meaningful way. The empirical research conducted in this paper sheds more light on this dimension.

It’s also worth mentioning – and this is also treated directly in the empirical research – that the location remains an important consideration in the online presence. that a gallery or museum originates in Italy produces a different meaningful emotional image to the online art consumer that visits it than a museum that originates in Asia. Subjective understanding and bias shape the context of the museum, even if the tourist is entirely virtual, by association. The online presence of a museum should therefore carefully consider the perceptions of their location, and inherent rivalries between the location and other locations. Rivalry might be on the level of architecture, fashion or another feature.

### *2.3.3. CBR Levels of Engagement*

CBR can provide opportunities to increase performance by engaging in aggregate rivalry against other locations with local competitors, brand to brand rivalry as well as internal competition between satellite sites. Coopetition with local

competitors is necessary in order to take on global market leaders as an aggregate, as the branding of a city or location is critical to tourism decisions. Brand to brand rivalry ideally builds the reputation and awareness of both brands in the rivalry, and engages consumers on an emotional level. Internal competition becomes the basis for the internal strength to take on one's rival in performance. This competitiveness does not take "dark" or unethical forms. The comparative performance measurement must result in a focus on one's own performance, not an attack on competitors that damages rivals and the industry. Systems thinking and its various scopes and levels of analysis of relationships provide a framework for understanding relationships in the context of performance, but performance data is a clear weakness in moving forward with a CBR in IAM.

This view is informed by a critical assessment of the literature presented so far. A further source of insight, in this area, comes from Systems Thinking, which entails seeking to understand using multiple levels of scope as well as a focus on the interactions, behaviors and systems of each level. It is an alternative to reductionist approaches and converges with multiple modes of analysis to better understand the ecology of various scopes of understanding. As argued in the Von Bertalanffy's (1950) early but still popular "General System Theory," there are three levels of organization. This idea has come time and time again in various disciplines, but particularly is thought to originate from the understandings of biology. The concept is that aggregate units such as states are composed of smaller units such as groups, which are composed of a yet more micro perspective of people. In this way organicist and atomicist theories would be understood to be focusing on different parts of the whole; however they impact one another and work in tandem. Von Bertalanffy (1950) found this to be true of all disciplines and sciences that are concerned with systems (Von Bertalanffy 1950). It therefore takes a plurality of theories in order to understand the dynamics of a relationship, or relationships, between organizations.

Where competition is what fuels innovation, efficiency and interest, there several levels, dynamics and scope. The impacts of rivalry at one scope affect the rivalry at other levels, and this is a prime consideration in the analysis.

### 2.3.4. *CBR and Performance Measurement*

It was argued that a lack of performance metrics is a severe shortcoming of existing literature (Anderson, 2004). The basis of CBR is measurement of performance, comparison of performance with competitors, and using that as a basis to determine where improvement and change efforts will be focused.

Ideally this performance measurement feedback is regular and provides for *iterative development*. A framework and infrastructure for dissemination of the information is necessary, otherwise it is not CBR, but rather it business intelligence gathering. Communication is the key to the relationship, which is the basis of rivalry, and performance provides the framework for the values in that relationship. In order to reach the point where the theoretical construct could be tested, it is first necessary to better understand the constraints and barriers to rivalry such as data collection and marketing approach. The legacy of the conservation focus has not led to the robust collection of performance data and economic indicators as with other industries and sectors.

The first step is, therefore, to understand the status and intention with regard to such data collection. Next would be the extent to which there is buying into the concept – a dimension that can be termed **Readiness for CBR**. Conducting CBR necessarily involves goal setting and communication, as we can see from the example of sports or the international competition of MNEs. This requires, first of all, capturing and with regular periodicity communicating the relevant statistics to the museum itself as well as feedback to other art museums to provide relative rankings. That would be a long-term political and technical project, which first of all requires considerable lobbying, and persuasion; it is therefore beyond the scope of this analysis. The **first level of analysis**, however, is to better understand *to what extent the art museum understands itself in comparison to other brands*, to local competitors and within the brand family. CBR requires knowing oneself, and also who one's rivals are.

Table 2 below presents a schematic view of how the issue of performance measurement and Readiness can be tackled. Note that the dimensions – i.e. the *domains of rivalry* – are informed by the previous literature on the new “big business” of culture,

and the individual features of today's competitive struggle, which form the basis for the CBR concept.

**Table 2: Domains of Rivalry**

<i>Area</i>	<i>Scope of Competition</i>	<i>Geographic Scope</i>	<i>Opportunity of Competition</i>	<i>Resulting Scope</i>
Virtual museums online	All other art museums, Global Competition	International	Better quality and virtual experience of visiting online museums that increases demand and distracts from other markets of attention online.	International, online
City/region	Local Competition	Local	Compete with other cities globally for share of art tourism and branding of a city or region and affects the image of the museums therein.	International, physical
Brand	Other brands	International	Expand the demand for the offerings of art museums, increase virtual and physical tourism.	International, online and physical
Internal to Brand	Other art museums in the brand family	International	Increase the performance, quality and offerings of the brand.	International, online and physical

Now, a **second level of analysis** entails looking at is how well-known and understood the internal data and the data of competitors are. Reviewing dissemination infrastructure for performance data, where possible, may contribute to a second crucial step in order to practice CBR philosophies. Competition between brands will require a data framework that includes the IAM brands of interest and data points that indicate success, or are the basis for competitive improvement. Also, the study of relations among local rivals will requires a data framework that lists, for each city or region where a museum brand (Guggenheim) site is located, the competitors of that site alongside the possible indicators that can be extrapolated.

Further information regarding city and regional culture and tourism policies and any institutions or organizations that include IAM can provide another framework. It is suggested that an assessment of the status, opportunities and challenges in tourism may provide important information applicable to the Guggenheim sites as well as ready networks for dissemination of such data when completed. Most importantly, such data is readily available online and in industry publication – it's there for the forward-thinking art manager to take. Even the smallest museum or arts venue has the opportunity of the largest, both because of the potential online presence and the equal capacity to market physical tourism to that location. This may be more difficult than it sounds, given that currently the big brand art museums that are online have difficulty attracting online engagement. In this paper, such supporting analysis was conducted for Guggenheim as a proof of concept and in line with one of the three research methods employed - see Appendix A, Exhibit 2, for the template and the results.

To recapitulate, as noted earlier in the paper, since currently there is little available data beyond foot counts, CBR-led preliminary research may focus on web statistics and features of the online experience. Completion of all the proposed frameworks is advised for the best results in practice, although this is beyond the scope of the present exploratory project on the subject (remember that this paper has the primary goal of validating the CBR framework – its practical application serves more as a proof of concept).

### **3. RESEARCH DESIGN AND METHODOLOGY**

Considering the complexity of the topic of this paper and the minimum availability of existing subject-matter literature, an empirical approach combining both secondary and primary data was devised. Its aim was to gather data whose importance could be validated against the existing and novel theoretical framework devised in the previous chapter.

For the sake of reference, it's useful to briefly reiterate some of the findings of the previous chapter, which motivate the methodological choices made in this one. International art institutions are today forced to compete more like for-profit corporations, rather than the privileged custodians of culture that they used to be before the 1970s. While cross-border competition is deeply changing for all organizations involved in international markets, IAM institutions are further pressured as a sector by the necessity to compete with other leisure substitutes, driven by the commoditization of culture. While commercial MNEs are starting to learn and adapt to new paradigms such as cooptation, innovation-fostering internal competition and marketing practice, IAM institutions are still lagging behind the implementation of these solutions. This is why cross-border rivalry, a model with roots in what could be called a philosophy of rivalry as healthy, motivation-enhancing competition, was devised. Examples of this approach are present in sports and a few other industry examples, and a careful survey of literature has succeeded in producing a working model that could – albeit only tentatively – be applied to art management institutions.

Now, to validate this model against the “real world” – i.e. the case of the Guggenheim Foundation – it's necessary to collect specific data about how this institution works in a CBR perspective, and substantiate these data with more general data about the workings of IAM institutions in general. Hence the need to collect both primary and secondary data. The latter, in particular, is highly engaged with the Internet as a medium, in light of the teachings outlined earlier (especially in section 2.1.3).

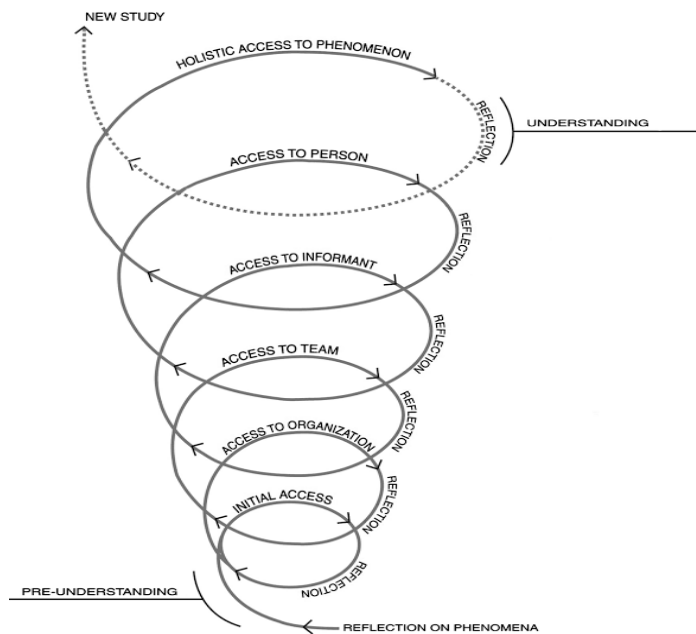
The next section overviews the philosophy underlying the methodological choices, while the remainder of the paper explains in detail the individual data collection techniques and the implications for the analysis of said data, which is the subject of the next chapter.

### 3.1. *General Philosophy of Research*

Given the complexity and underrepresentation of the issue within existing scholarship, it's necessary to engage in an extensive examination, interpretation and contextualization of data. This calls for a hermeneutical approach. Hermeneutics could be understood as the art of interpretation of the whole general theory through a wide-ranged investigation of its parts (Stenbacka, 2001). The core concept of hermeneutics was developed earlier by German philosopher Martin Heidegger, who notably explained hermeneutics on the example of the traditional election process. An individual casts a vote by writing his preferred nominee's name on a piece of paper and putting it in a box. The mere writing and putting a piece of paper in a box has little meaning *per se*, but by knowing that the act is part of an election process suddenly infuses it with far greater meaning.

The research hereby follows this principle. The “big picture” of the paradigm shift experienced by IAM institutions forms a theory that enables the researcher to find meaning in particular details. Thus, for example, when an interview respondent described the excitement that the whole team feels when it “scores a big fish” (*pezzo grosso*, in colloquial Italian, referring to sealing the deal with a major exhibitor) reference to the ‘big picture’ enables the researcher to see the act as the internal motivation stemming from a setting of rivalry.

Hermeneutics allows the researcher to have a precise understanding of the whole theory, as general, through extensive examination and interpretation of every single part, yet at the same time allowing the researcher to have a precise understanding of every single part through a clear interpretation of the whole theory (Stenbacka, 2001). In particular, a model better describing this is the so-called hermeneutic spiral, devised by Schokel (1998) and reproduced here (Figure 1) as it appeared in Stenbacka (2001).

**Figure 1: The Hermeneutic Spiral**

Source: Schokel (1998), as reproduced in: Stenbacka (2001)

Hermeneutics also demands that the researcher advancing the interpretation considers any additional knowledge of the topic. Kvale & Brinkmann (2009) argued that every single knowledge that was brought up by the researcher through the process of interpretation should never be disregarded, and must be added, gradually, to the whole idea of interpretation in understanding the research topic.

Furthermore, in general terms this research employs an approach blending **inductive and abductive reasoning**. Inductive reasoning – when multiple premises combined to produce a common conclusion – is useful in this case, as the research entails coming up with and validating a novel theory. The reasoning known as the *abductive approach*. This type of logical inference essentially goes from observation towards a hypothesis, or a conclusion that is not assumed to be surely true. Abductive reasoning here is concerned about polished, educated assumptions taken from different theories and facts (Kvale and Brinkmann, 2009). Such an approach is in line with the tentative and novel CBR approach advanced, which puts together diverse fields such as sports, contextualizes them within an already underrepresented scholarship on museums, and tries to produce conclusions.



All of this strongly vouches for the need to devise a robust research methodology. This is attained through the combination of three different approaches: secondary data, expert interviews and an online survey.

### *3.2. Web Context: Secondary Data*

Based on the theory reviewed and developed in chapter 2, a new set of criteria concerning the mission, factors on verifiability, and long-term engagement with customers is appropriate in order to assess the performances of the international art management institutions, and particularly the Guggenheim Foundation, towards maintaining its position on market upkeep. Measuring the performances of international art management institutions internal and external activities, preferably activities done within an active cooperation in a cross-border rivalry relationship, will depict both the institution's appearances in public and its actual outputs. Furthermore, the assessment will show any observed gaps between the international art management institution's appeal and its performance.

The section treats mostly the extensive collection and interpretation of web-based secondary data, although it is coupled with results from the other two methods as well. This section serves both as a background corroborating the findings of the two primary methods (the survey and the interviews), and as a proof of concept of the possibilities and modes of applying performance measurement following the CBR approach. For example, among the several ways of assessing an international art management institution's reputation, only a few are quantifiable. One of the few is assessing its local and international reputation physically. The most important guarantee in this assessment is the number of the local population who appreciate their experience in the art museums.

Another part of the assessment of an international art management institution's reputation is the percentage of the population of the total museum visitors who are taking a foreign tour in groups. This population will eventually try to reach destinations that are having significant reputations. Consequently, the amount of social media mentions, emails and other forms of correspondence done by the population of visitors

is likely to assess the institution's reputation, in a global perspective. Data collection was conducted by the researcher through several sites such as alexa.com and socialmention.com.

In this research secondary data are used to support and integrate the primary data in answering the research questions, but also in the attempt to develop a “backbone” for the contextualization of the studied dimensions – namely, the role of the Web in the competitiveness and, hence, *rivalry* of museums. As a note of warning, however, it must be remembered that secondary data is data that has been previously collected and originally generated for different purposes (Blumberg, Cooper, & Schindler, 2011). Therefore, it has to be taken into consideration that secondary data can be biased, due to the fact that it has been created for a different purpose. Furthermore, the data may be lacking in accuracy or may not be completely up to date (Malhotra & Birks, 2012).

### *3.3. Online Survey*

Museums compete for visitors, media attention, artists and collections. And yet, within the described increasingly complex international landscape they are facing – and in light of an experience economy as a paradigm on the rise – it's ultimately the visitor that “makes or breaks” a museum, this custodian of art turned commercial brand. This is why it makes sense to administer a survey to the general public – a survey that would be distributed through the Internet. The simplicity of sending out the questionnaire and the possibility of reaching a larger audience either by social media or e-mail makes it a very attractive marketing research tool. As a result, it leads to shorter data gathering time and is suitable for the time frame and resources of this research. The full survey is reproduced in Exhibit 1, Appendix B. A total of 91 respondents answered: 43 from Italy, 23 from Denmark, 16 from China and 6 from the UK and 2 from Serbia. About two-thirds of them were acquainted with the Guggenheim Foundation.

The survey was designed with the both the CBR framework in mind, and the reality of culture changing radically as a competitive landscape. Besides collecting standard demographic data, the survey mainly strives to define stakeholders' sentiment about the Guggenheim Foundation, and explore the spatial dimensions of CBR, i.e. the

idea that culture could be made into a competitive leisure variant within local communities – especially by targeting residents of said communities. The structure of the survey itself explains lots of its design choices.

- The **first section** (Q 1-7) is concerned with background demographic data (age, gender, education, country, employment, income). It aims at creating an understanding of the individuals and delineate their personal, demographic and social characteristics to get the basis for further segmentation.

- The **second section** (Q 8-15) seeks to understand the individuals' awareness and perception about the Guggenheim Foundation and its international constellation of museums. It is to identify whether or not there are certain correlations between the different levels of importance of certain features and the general feeling associated with the Guggenheim Foundation. This section aims at studying the engagement that (potential) visitors might have, mimicking the well-known feelings that sports fans have towards teams.

- The **third section** (Q 16-23) is there to investigate the individual interest towards International Art Management Institutions and assess whether respondents value museums as a qualitative leisure alternative. A further objective is the understanding of which arts management organizations features are more valuable for the individuals, and how respondents rank museum visits in comparison to other leisure activities. This section gives a backbone for the study of coopetition (or, at least, its potential) and the location-based dimension CBR.

### *3.4. Open-Ended Semi-Structured interviews*

In the section on CBR Readiness (2.3.4.) it was explained that the first step is to assess to what extent the art museum understands itself in comparison to other brands. A good way to do this – but also to gather invaluable insights about external dimensions – is to engage directly with practitioners involved in the management of Guggenheim, or otherwise engaged in the industry.

By definition, qualitative data seeks to give a deeper understanding about the subject's nature. The two most common techniques used to gather qualitative data are: in-depth interviews and focus group (Bryman & Bell, 2011). Given the time and resource constraints of this research, in-depth interviews were chosen over focus groups. In-depth interviews are conducted with one respondent. One big advantage is the possibility of asking further questions based on the respondent's answers. However, a weakness of this method lies in the fact that the respondents can consciously or subconsciously modify its answers (Bryman & Bell, 2011).

Two kinds of semi-structured in-depth interview guides have been conducted in this research. The full set of questions is provided in Exhibits 1 and 2 of the Appendix C. The topics that were covered in the interview guides were adapted from the literature review previously mentioned in this paper. The first one was submitted to major Peggy Guggenheim Collection executives, in order to grasp the organization's perspective about the IAM competitive landscape. The second interview guide was developed for art management professional and experts in order to collect third-part authoritative insights on how IAM institutions can deal with current market challenges and opportunities utilizing a CBR perspective. With this technique, broad questions are asked in a predetermined manner, but allowing a free-flowing conversation to ask the respondent for additional important information, issues and ideas. Respondents were one art management professor and two Peggy Guggenheim executives.

A set of preliminary personal question was prepared by the researcher in order to effectively utilize the efficiency of Kvale and Brinkmann's (2009) approach. The authors have argued that having a narrative type of interview has a high level of importance. **Narrative interviews** will create an intimate and mutual interpersonal relationship between the researcher and the participants of the interview concerning the communication during an interview session. Failure to create an educated scene of an interview will greatly impact the results of the interview, as the participants might show hesitation and feelings of insecurities toward the interview materials and the researcher. As Barthes (1993) pointed out, there is no truth that cannot be expressed in the form of a narrative. In any form of literature, and in an interview, the structure of a narrative resembles the structure of an orientation where there is a clear context given, there are sequential and chronological steps followed, there is a particular end point that implies

singularity, and finally there is an effective evaluation of the target outcome (Bauer, 2000). Narrative forms of interview allow a reconstruction of the contextual phases of actions in a very educated way. In a narrative interview, the influence of the researcher should appear at the very least on the part of the participant and at the same time, pursuing a solid attempt at trying to pull out the necessary information that is needed for the data collection. The setting of a narrative interview must be prepared and organized chronologically and conceptually in order to achieve a minimal appearance of the influence of the researcher. To Bauer (2000), narrative interviews will always appear to be a better method than any other forms of interview. In a very distinct manner, narrative interviews, different from any other forms of interview, will try to avoid a pre-structured format exploring the insights of the participants more than a mere question-answer type of interview. In attaining these concepts of the narrative interview, the researcher should be able to incorporate the questions in a very simple, inoffensive form similar in an everyday communication in order to achieve an effective interpersonal communication with the participant.

While methodology would require this chapter to describe how the reviewed subject-matter literature and the proposed CBR framework informed the design of the interviews, this would be counter-productive. Since the interviews cover virtually the entire framework and are very loose and rich due to their narrative format, it is more useful to present their findings in the next chapter, structured around conceptual units of the model. Therein, the design of the interviews is discussed as well, right next to their results.

For now, a quick presentation of the process employed in the interview process (from conceptualization to analysis) will be given, as it follows a highly reputable seven-step methodology set forth by Kvale and Brinkmann (2009).

### **First Step - Thematizing**

Thematizing is the first stage of Kvale's approach that was taken into account and utilized in this paper. Thematizing includes the process of formulating the purpose of the interview questions before the researcher will engage in the actual interviews.

Kvale and Brinkmann (2009) suggest that the researcher needs to formulate questions asking *what* and *why* before he can assess *how* effective the methods are being used.

### **Second Step - Design**

The second step is the design. This stage consists of processes of planning and organizing all the seven steps. Logically, design is done before the actual initiation of the interviews. To comply the purpose of this paper, this stage consists of preparing a guide that would function as an outline for the interviews and questionnaires, and preparing all the topics that are necessary to discuss during the sessions.

### **Third Step - Interview**

The third step is the interview. This step pictures the entire core of the whole, without this step, the rest of the steps would make no sense (Kvale & Brinkmann, 2009). The interview consists the whole process of conducting and the initiation of the actual interview with respect to the interview guide that was prepared from the second step. Kvale and Brinkmann (2009) implied the importance of the presence of an interpersonal relation of the researcher and the participants of the interview.

### **Fourth Step - Transcription**

The fourth step concerning the empirical data collection is the transcription. This step consists of the preparation of the information that was taken from the interviews and questionnaires material, for analysis. As Kvale and Brinkmann (2009) described this step as the transformation of the information taken from the materials into conceptualized text. In this paper, the information taken was gradually converted into text as per suggested by Kvale's seven steps of the interview. Considering the issues that would concern the confidentiality of the participants of the interview, the actual names along with other sensitive information are omitted by the researcher to protect the participants of the interview. According to Kvale & Brinkmann (2009), the reliability of the information taken from interviews will be greatly affected by

participant's comfort and feeling of vulnerability. Translations from Italian were performed by the author.

### **Fifth Step - Analysis**

The fifth step is the analysis. This step, logically, will mainly consist of the entire analysis of the transcriptions of the information taken from the interview and questionnaire material. Analysis, as the fifth step on Kvale's seven steps of the interview, was described as collecting the research topic, the purpose of the research and the character of the collected data altogether into consideration. At this point, the researcher will have to effectively determine the most efficient manner of analyzing the transcriptions of the information.

### **Sixth Step - Verification**

The sixth step is the verification. This step was described by Kvale & Brinkmann (2009) as the process of determining the reliability and the validity of the results of the interviews that were conducted. The whole process will indicate that the assessing the validity of the study will allow the researcher to determine if the whole process of the research had successfully complied the information that was required to answer the core ambition of the whole research or simply, to determine whether the methods used were valid enough to be able to actually or partially pull out what was being searched in the research.

### **Seventh Step - Reporting**

Kvale & Brinkmann's (2009) seventh step of the interview is reporting. This step is the process of communicating the results of the whole research in an educated, readable format that is widely accepted and complies with the scientific criteria available. According to Kvale & Brinkmann (2009), new knowledge is worthless if it is not shared. This paper, as a whole, will serve as the compliance of the report following the standards set by Kvale & Brinkmann (2009). The foundation and the framework of

this paper is elaborated and explored in every separate section made available to each and every part of the methods used.

### *3.5. Validity and Reliability*

Validity and Reliability are a fundamental part of a scientific research that determines its scientific quality and whether it can be classified as knowledge scientifically tested. This means that, in order to draw valid conclusions from the primary and secondary data used in the research, it is of great importance to ensure that sources are valid and reliable. Validity refers to the degree on how much the research corresponds to reality, whereas reliability discusses whether it is possible to replicate the research or not.

Although various form of validity can be examined, the most important distinction concerns internal and external validity. Internal validity refers to whether the measurement is actually measuring what it claims to measure. External validity refers to the possibility to generalize the findings coming from a measurement across times, person and settings (Blumberg, Cooper, & Schindler 2008). Clearly, external validity is desirable, but researcher sometimes conduct their research in a specific setting; therefore, it can be difficult to accomplish complete external validity. Thus the researcher aims to create external validity but the focus is on developing measures that are internally valid.

Reliability is the extent to which a study yields the same result and consistency on repeated trials (Blumberg, Cooper, & Schindler, Business research methods, 2008). This research is defined as reliable as the same results are likely to occur in further researches on the topic. The reasoning behind this lies in the chosen research method. Honest answers are likely to be given since anonymity has been granted. Moreover, during the interviews, the respondents were encouraged to talk as freely as possible in order to exploit the topic and related sub-topics. The preliminary questions are in fact intended for creating a friendly pace for the entire session of the interview, to create an efficient transition to prepare the participants to the objective of the interview. As



described, questions of the online survey and the interview guides were structured to Kvale & Brinkmann's (2009) seven-step approach.

## 4. RESEARCH RESULTS

### 4.1. Web Context Analysis

This section incorporates the empirical material retrieved from survey sites, main sites of the International Art Management institutions focused, the Guggenheim Foundation, the Louvre, The Metropolitan Museum of Art and the Museum of Modern Art. Additionally, the concept of cross-border rivalry is hereby elaborated with respect to the proposed framework.

The Guggenheim Foundation, in line with its major competitors such as The Louvre, The Museum of Modern Art, and The Metropolitan Museum of Art, yielded balanced scores ranging from 300.000 to 450.000 total number of local visitors per year. This depicts an improved understanding that visitors who had given the institution a great value of reputation will desire to have a visit in the near future.

Empirical data shows that in web rivalry the Guggenheim Foundation, among other international art management institutions, is having social media mentions as the following. It should be noted that the table below is created utilizing the results and the empirical data combined together to further elaborate analysis.

**Table 3: Social Media Sentiment Data about Major Guggenheim Competitors**

	<i>Mentions</i>	<i>Strength</i>	<i>Sentiment</i>	<i>Passion</i>	<i>Reach</i>
<b>WITH CBR</b>					
Guggenheim	80	31%	18:1	37%	25%

Le Louvre	20	2%	1:1	31%	8%
The Metropolitan Museum of Art	40	8%	8:1	27%	17%
The Museum of Modern Art	60	30%	54:1	40%	26%
<b>NO CBR</b>					
Guggenheim	75	15%	20:1	40%	18%
Le Louvre	10	1%	2:0	15%	5%
The Metropolitan Museum of Art	50	5%	8:1	20%	16%
The Museum of Modern Art	40	2%	20:1	20%	28%
<p>- Strength is the likelihood of being discussed in social media in the past 24 hours.</p> <p>- Sentiment is the ratio of positive to negative mentions in social media.</p> <p>- Passion is the level of repeat commenter, a measurement of level of engagement.</p> <p>- Reach is the number of unique authors mentioning brand divided by the number of comments.</p> <p>- The number of mentions is set in a 10,000 scale</p>					

However, while the Guggenheim has made strides in offering innovative online offerings such as are exhibits, art books, e-cards and even a smartphone app, thus far there has been little attempt to market aggressively or to market a rivalry, whether with another brand or internally. This was confirmed by both “insider” respondents. One of them noted: “we still seem to do these things because it seems as the right thing to do. However, the market is changing quickly, and I sometimes feel that we don’t have a clear direction. I mean, we pride ourselves of our history of innovation – always at the top of the game – but right now it’s difficult. I believe there are great possibilities in the Web, but still there’s much work to be done to harness its full potential.” There often

isn't, it appears, a central "red thread" in IAM institutions' strategies, which suggests CBR is at least an attractive alternative.

Furthermore, the Web analysis has uncovered these specific aspects of the IAM institution's web presence (also, refer to Appendix A, exhibit 1 for a full competitive comparison, which is treated in other parts of this chapter as well). Table 4 presents a summary of three Guggenheim's web real estates.

**Table 4: Guggenheim Online Presence**

(All analytics from Alexa.com taken 2015-03-04)				
<i>Online Museums</i>	<i>Link</i>	<i>Global Ranking</i>	<i>Time on Site</i>	<i>Bounce Rate</i>
<b>Main site<sup>5</sup></b>	<a href="http://www.guggenheim.org/new-york/">http://www.guggenheim.org/new-york/</a>	46.284	4:24	44,20%
<b>Peggy Guggenheim Collection Venice</b>	<a href="http://www.guggenheim-venice.it">http://www.guggenheim-venice.it</a>	579.756	2:08	38%
<b>Guggenheim Bilbao</b>	<a href="http://www.guggenheim-bilbao.es/">http://www.guggenheim-bilbao.es/</a>	389.186	2:27	49,20%

Currently, visitors are staying for only a few minutes, and the bounce rate (leaving after viewing only one page) is exceptionally high. This indicates two things. First, many visitors to the Guggenheim sites are either simply checking a quick fact or piece of art, then leaving; the second is that virtual tourism and marketing for said tourists has yet to begin. The online world would be an excellent way to begin a CBR pilot project, while the required data and statistics are not currently compiled or consistent. From the web statistics it does not appear that current virtual visitors are finding the experience to be on the level of the physical visit. The web is an excellent

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<sup>5</sup> The Solomon R. Guggenheim Museum in New York cannot be separately extracted as it uses a subdomain of the primary domain, i.e. <http://www.guggenheim.org/new-york/>. It is not possible to access the statistics relevant to a subdomain using Alexa.

medium and a focus on marketing from an experience economy perspective may change the rankings substantially. The web provides many other tools that provide ranking and information about performance. Social Mention is an analytics tool that provides public sentiment with regard to what is said on social media about a company, celebrity or anything that can be formed as a search term.

Furthermore, based on the international art management institutions' records that were obtained through the narrative interview process, the following results were gathered. The Peggy Guggenheim executives, familiar with metrics pertinent to their organization and to competitors, reported that Guggenheim had an average of 108.000 monthly positive feedbacks across its museums, Le Louvre has a monthly average of 76.000 positive feedbacks across its museums, The Metropolitan Museum of Art has a monthly average of 85.000 positive feedbacks across its museums, and finally, The Museum of Modern Art has an average of 54.000 positive feedbacks across its museums.

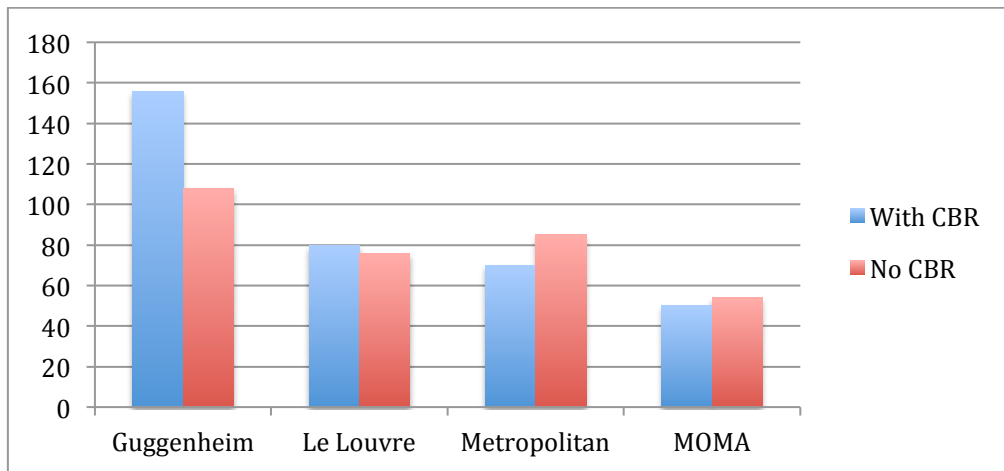
On the other hand, considering the activeness of each international art management institution towards competition within the scope of a cross-border rivalry, the Guggenheim and Le Louvre increase their average monthly positive feedbacks respectively of 48.000 and 4.000, due to their international presence and activities (some in development, as the Abu Dhabi projects). Contrarily, The Metropolitan Museum of Art and The Museum of Modern Art, which are focusing less on international competition dynamics, have decreased their monthly average of positive feedback respectively of 15.000 and 4.000 across its museums.

Below is a table consisting of survey results on the online presence of the major competitors of the Guggenheim Foundation. Results other than Le Louvre, the Metropolitan Museum of Art and the Museum of Modern Art were also shown to further illustrate the trend in online mentions. Due to the activeness of its public mentions online, the results were said to be conclusive for the year 2015.

**Table 5: Guggenheim Competitors with a Strong Online Presence**

<i>Online Museums</i>	<i>Objects with Images Online</i>
The British Museum	500.000 - 1.000.000
Rijksmuseum	100.000 - 200.000
The Metropolitan Museum of Art	500.000 - 1.000.000
MOMA (The Museum of Modern Art)	30.000 - 50.000
Boston Museum of Fine Arts	300.000 -500.000
Fine Art Museums of San Francisco	50.000 – 100.000
Harvard Art Museums	50.000 – 100.000
Le Louvre	100.000 – 200.000

**Figure 2: Monthly Positive Feedbacks on Major IAM Institutions (Average)**



Note: the number of feedbacks is set on a 1.000 scale

Guggenheim’s and its competitors daily average customer population (online) is shown in the table below. The information was taken from [www.alexa.com](http://www.alexa.com) on its data on International Art Management institutions average daily online visits.

**Table 6: Major International Art Management Institutions Daily Customer Population (Average)**

<i>Institution</i>	<i>Visitors / open days</i>	<i>Daily average people (online)</i>
Guggenheim	508.760 / 316	1,610
The Louvre	515.125 / 317	1,625
MOMA	457.704 / 312	1,467
Metropolitan	449.280 / 312	1,440

How does all this relate to the organization's rivalry position? The external respondent (art management scholar) explained that today large IAM institutions largely depend on external online media reports rather than their own websites. Websites are regularly visited only by art aficionados, while the general populace follows and shares media reports about major exhibitions. Recently, art is becoming "hip", the respondent pointed out, which is reflected on the Web as well. Confirming this there is the "serial reproduction of culture" (Q13), to which one executive agreed strongly. This person explained that culture consumers today are always looking for something new. Sometimes, they are not really into art, they are not well-educated, but they will always be attracted to something perceived as new and even 'trendy' – and social media have a decisive role in this. The art management scholar also agreed with the latter aspect: social media, the respondent explained, are somewhat commoditizing culture.

## *4.2. Consumer Engagement*

In line with the background described in section 2.1., and with regard to the experience economy, the concept of customer experience's role in assessing the performance of an International Art Management institution must be treated. Insights came out of mostly the online survey ranking and data that were extracted together with the cross-border rivalry analytical framework.

Understanding and exploiting this customer experience is already competitive; applied research is already giving many institutions an edge. Differentiation in this area

is key. Certainly one aspect of this is the location, but more and more branding is also a playing key, as with the Guggenheim and satellite museums. Several museums have been looking for a new ways to improve their customer's feedbacks. The Louvre for example, really strove hard and invests fully on researches to identify major factors that could affect customer experiences. Progressively, the results of their marketing strategies have led to educational and economic developments that contribute to their search for a maximum customer satisfaction. The implication is that a satisfactory experience in the arts and culture context is not enough to keep people coming back. Knowledge of the tour guides, opening hours and other service aspects of the content were also areas for improvement.

It's useful to contrast these findings with previous research. Chen's (2008) "Study of Service Quality and Satisfaction for Museums-Taking" at the National Museum of Prehistory in Taiwan is a network of several museums, archaeological sites and ecological parks sought to understand why tourism had not reached set goals and were decreasing. A survey was conducted with regard to tourist satisfaction and service quality. It was discovered that the visitors were equal in gender, ranged from 21 to 51 years of age, most were married, had a university education and arrived at the museum in their own cars. While tourists were satisfied with peripheral services such as air conditioning and ticketing processes, and there was little expression of dissatisfaction, the experience itself did not delight.

In Kim's (2009) "The consumption of museum service experiences: benefits and value of museum experiences", the author describes an increasing orientation to the visitor and intention to satisfy the visitor more deeply; this experience is best understood by actually capturing the consumer experience by observing behavior and asking the consumer. The study was initiated at the Sabah Museum in Malaysia with a sample of 53 foreign visitors. Findings then revealed four categories of benefit that were identified by the visitors. Cognitive, affective, reflective and recreation were the four categories, which were further categorized as mindful (learning and cultural experience) and non-mindful (social and leisure). The traditional theoretical underpinning of understanding the experience of the consumer has been overly focused on mindful aspects, and a focus on the non-mindful can strengthen rapport and satisfaction of

visitors. In light of this, the last of the executive questions (Q14), asked whether it would be a good idea to maximally leverage unique competencies, but that are detached from the artistic content itself (location, architecture, service), and both agreed. They agreed that service quality is required, because the ‘business’ has now become dynamic and consumers tend to be more impulsive and more informed. While this is more or less common knowledge, one of the respondents said that – in personal opinion – that although more diverse demographics of visitors “wander inside” the museum, it’s the collection that still plays the dominant role for most. Collection exclusivity and diversity play are also still main drivers of competitiveness *between* IAM institutions.

### *4.3. Location and International Rivalry*

We now move away from the market and focus on the providers of service – the competitors that should, according to CBR, become more rivals than competitors. Recalling the research by Dziembowska-Kowalska and Funck (2000) and Cooke and Lazzeretti (2008), the cultural strategy of locations has a decisive impact on IAM institutions’ competitive positions. Moreover, let’s recall that the framework has found that CBR has also the capacity to leverage the advantage of that national pride, both by participating in location based cooperative competition as well as by strongly associating with the national level of the location. Further, there are opportunities to make those who take pride in having a Guggenheim in their city and country by converting them to visitors.

It’s useful to start with the interview method responses. To answer 9 (are there collaborative practices in place aimed at increasing location attractiveness?) one executive gave a – maybe deservedly – ironic answer, which however provided useful information: “There are. There are oodles. But really, you have taken the wrong location to study. At Peggy, we are in fact a museum within a museum! I think there are a few people in the world that have never heard about Venice. But there is a catch. All these short-term tourists know about *gondolas*, San Marco and the canals. But few have time to plan a visit to an art exhibition. However, the locals always amaze me: especially the well-off expats. They are quiet but assiduous visitors.”



Another question, Q4 for executives asked whether international rivalries between the cultural capitals could take museums and arts to a new level of expertise. Both agreed that that should be the agenda, of course, but that the policy and infrastructure requirements are too high and, most importantly, since becoming “big business” museums have become – for better or for worse – more independent in their marketing and innovation efforts.

#### *4.4. Internal competition*

As explained in the background, Krens was the visionary leader who broke off with the traditional model of museum operation: he was the one that triggered Guggenheim’s (rather pioneering) transition towards a more market-oriented enterprise. Question 14 to external experts was about Krens, i.e. the opinion they had about his transformation. “In our world,” argued the interviewed scholar, “it’s more difficult than in others to find change. The historical development of the museum as a venue and a business that you are aware of is a proof: we (I mean, the world of art management) are still less adaptable than other fields. Of course, the “saga,” as you say, was inspiring to academics and practitioners, but too often museums are slow in reorganizing their business models – especially when multiple properties are involved. But one thing is sure: Krens has brought a deep change from *within* the organization, something that the industry needs.” Thus, the expert has, in a way, confirmed the importance of internal competition and cooperation.

Concerning Guggenheim, every satellite can be considered in some ways as a unique entity. Each one of these museums is in fact immersed in a particular social, economical and geographical context. Thus, every satellite is virtually exposed to peculiar CBR challenges and opportunities, which are not necessarily shared within the Guggenheim family of museums. However, since they are all part of a globalized context some CBR dynamics are in common.

More insights are also found in the web-based research. Based on the current visitor profile from Alexa.com, thought is required to determine how to ensure the value of the online experience. Initial performance goals could be simply to reduce bounce rate and attempt to increase the time spent on the site. A further comparison in terms of

rivalry is the other high-end museum brands. Tools providing web analytics provides soft data that assists in comparing performance. The current leader in the online art museum world given the provided data is clearly the Metropolitan Museum of Art (see Appendix A Exhibit 2). Still, while visitors spend considerably more time on that site compared to other museums, and while the global ranking is much higher than even in the second rank, the bounce rate is still very high and the time spent on the site is still less than six minutes.

There is also a clear gap in that none of the reviewed museums have captured a significant share of the possible markets in Asia. With the emerging markets of the developing world growing rapidly there is a considerable opportunity to direct efforts towards ensuring availability in the languages of Asia, directing marketing, and having specific online offerings of interest to the developing world could go far to establish dominance in the online art museum industry. CBR is most easily implemented on the virtual level, but the question remains: what is online traffic is for, and how does it contribute to organizational goals? It is difficult to justify resources towards the online departments if there is no clear benefit to online visitors. This is another area of potential competition, as determining how the online visitor has value to the art museum may identify innovative business models that improves the capacity of the virtual, the art museum and the art museum brand.

There is considerable room to improve the experience economics of the online museum, and in this lies the key to understand how internal competition works in this industry, and in the case of Guggenheim. Strengths and weaknesses indeed come from internal sources, and opportunities and threats come from external sources, but the complex nature of the Guggenheim international franchise blurs some of these distinctions. For example, while the Guggenheim Bilbao is external to the Peggy Guggenheim Collection in Venice, it is internal to the Guggenheim brand. For simplicity, this analysis looks at the extended scope of the Guggenheim brand internationally.

No longer is the Guggenheim in competition with local museums, but rather today the Guggenheim museums are in competition with global leisure activities. Generally, the threats to IAM generally and the Guggenheim museums more specifically are substitute offers. The culture, creative and leisure industry as a whole is

now in competition. Historic sites, ecotourism and other cultural and historical offerings are potential alternatives to a day at the museum. Trends in the sector may undermine marketing efforts, and innovations in leisure technology use the limited time resource that people have available for such activities.

#### *4.5. New Measurements*

Question 7 of the interview asked “*It is necessary, in your opinion, to collect and standardize relevant data to communicate excellence and opportunities for excellence in IAM?*” All interviewees agreed to the statement, and they had positive feelings towards the proposed Web-based methodology. Although both executives obviously noted that theirs and other IAM institutions have mechanisms of marketing analysis, also based on the Web, they expressed interest for this methodology after understanding, from the conversation, that this strange ‘rivalry’ discourse was in fact about reinventing the way museums compete. One executive noted: “Of course, gathering data better and better is a prerequisite nowadays: we have already become marketing-intensive businesses, as you also pointed out. It’s inevitable, at this point. But when I think about it, all the economy today seems to be about collaboration and sharing. Think of *Kickstarter*, which I think might be the future of art production. I think that some approach that would make all museums better off would be very welcome!”

Indeed, there the online presence of art museums is already collected and analyzed by many different approaches and web tools, but embracing CBR would entail sharing data and using it with a “broader picture.” This provides the opportunity to kick start CBR by sharing data regarding online performance, in ranking with competitors. This alone has the potential to increase the quality and performance of the online art museum and may provide new motivation to focus specifically on that segment of the experience.

#### 4.6. *Rivalry and Coopetition*

Finally, the research gave answers to the most pressing question: can IAM institutions join forces and promote the dignity of their field to make it more competitive vis-à-vis other leisure providers?

There was, in the interview, one very straightforward question for executives on the matter: Q6: “*In your opinion, market the rivalry between arts institutions can contribute in placing arts museums as valuable competitors in leisure activities?*” This question was designed to assess whether Guggenheim Foundation, and several international art institutions as well, have a mere perception or experience of having a sense of cooperation in a setting that is having a cross-border rivalry relationship. This, in particular, fits within previous works by Coblenz & Sabatier (2014) Riding (2007) and Anderson (2004).

The respondents were puzzled by the question, and later confessed that they liked this perspective. Of course, it had crossed their mind, but this question, coming after the one that asked whether the *marketing of rivalry* that is visible to potential art consumers could benefit the industry, intrigued the respondents. They agreed that the idea could definitely be interesting. It’s interesting to consider the issue of the “big fish” – *pezzo grosso*, earlier quoted in the paper. The competition for valuable collections – which are, after all, the legacy of decades of “custodianship,” not marketing – is very known to museums. Their staff loves art, and they love handling it and enjoying this competitive thrill. From talks with the executives, it emerges that an excessively *internal* perspective is what prevents art management people from seeing the “big picture.” Of course they believe that high culture should stand out with a special dignity, and through some form of collaboration was needed (brokered by the public administration or not): but the idea of using rivalry as a *marketing tool* was surprising and welcomed by the experts.

Take the example of Abu Dhabi, the future site of a Guggenheim satellite. The future Guggenheim museum will not be far from the Louvre in Abu Dhabi, the first international satellite for the museum, which is now aggressively building its brand. It appears there is considerable demand, despite a high price tag. Abu Dhabi authorities paid \$520 million to have the Louvre brand attached to the museum, with an additional

\$747 million intended for consultations, loans of art and exhibition expertise (Riding 2007). Coblenz and Sabatier (2014) describe the Louvre and its pursuit of cultural innovation, which has driven the museum's recent business model in the direction that the Guggenheim has taken. *Why would they not, then team up to increase art tourism in Abu Dhabi?* If an art lover goes to Abu Dhabi to see art, it is hardly likely they will only see one and then, like a cola aficionados in the 1980s refuse to partake of the other brand. Art tourists will be going to both and they will of course be comparing the experience. It is in the interests of both brands to sell the rivalry to potential tourists. Further, market rivalry leading to innovation and top quality offerings will only increase the reputation and demand for both museums in the ideal situation.

Friendly internal rivalry based on performance is a preliminary project that could be used in terms of internal competition, but could also provide a framework for a wider data collection across the market of art museums globally. Currently there are no published sources of comparative data on the Guggenheim sites, and of course none about comparative data of IAM institutions (e.g. GF and the Louvre) from a rivalry perspective.

## 5. DISCUSSION AND CONCLUSION

The research results above are many, variegated, and scattered across a still tentative and very novel methodology. However, they do possess a central thread that sheds some light on the perspectives facing Guggenheim, and the world of culture as a candidate for constructive rivalry.

The web-based analysis has been extensive, and it has shown that Internet metrics can be used to yield some more insight if considered within a CBR perspective. Cheap and relatively available online data can give away some realities about the external competition of IAM institutions, but also on the internal competition dynamics, when they do have satellites (especially in cross-border environments). Slightly corroborating this methodology are interviews and the survey (which has mostly been

useful to assess some reinvented “branding” measures of the actual museum and the business/leisure activity in general). What’s more valuable about these two other methods, however, is that they provide satisfactory validation of the applicability of CBR. Using rivalry with competitors as a *marketing tool*? Why not? Competing not only to procure the best art, but also to deliver better service, which is crucial in a now marketing-intensive business? A good idea! These are, colloquially described, the main findings.

This research makes two important contributions: to the art institutions literature, especially to the strategic management of arts institutions, and to the general rivalry and “new competition” literature. Most importantly, it was found that competition among different distinct institutions can really help explain the importance of having rival firms in the market. In two occasions, Gnyawali and Park (2009; 2011) had previously argued that cooperation could be logically considered to be a unique strategy that will allow a major capitalization concerning the remunerations of an existing competition together with an active collaboration. Museums can indeed use cooperation in their advantage, but they are still in a “transition limbo,” not adapted to rapid innovative change and, as executive hinted at, too used to “keeping to themselves” and rely on institutions that are leaving art institutions more and more to their own devices.

In these settings, internal competition emerges as an unexpectedly valuable aspect of the CBR tale. With his vision and proactive thinking, Krens has done something remarkable for Guggenheim: it has led it towards a radical transformation – one that is still ongoing, according to what emerges from interviews. The challenge now is developing better internal competition, because this area (notably underrepresented, as shown by the poor literature building on Birkinshaw (2001) – Mottner and Ford (2008) has some serious potential. Furthermore internal competition is conveniently linked to location-based advantage in the case of IAM institutions, especially given current customer preferences. For an international organization with satellites in many locations such as the Guggenheim, location-based competition requires analysis of each location, and each location might require a specific strategy based on the opportunities and challenges. In doing so, Guggenheim museums would be both cooperating and competing with other satellites in other nations, as well as the cluster of art and museum

offerings with whom that satellite is in local or regional cooperation. The many Guggenheim sites (see Table 1 in Appendix A) each offer advantages and features based on the locale, its history, culture and branding. Leveraging the competitive advantage of one another had incredible potential.

In general, competition in general can stimulate organizations' willingness to seek for a brand new set of strategies and resources, while cooperation can grant complementary access to essential resources that can only be available through a systematic dissemination of information from one institution to another.

In conclusion, it is possible to re-define a re-interpretation of the CBR model based on the findings of the research.

### *5.1. Analysis*

The activeness of an international art management institution in a cross-border rivalry can be able to provide opportunities that will increase performance by engaging in aggregate rivalry against other locations with local competitors, brand to brand rivalry as well as internal competition between satellite sites. The internal competition between international art institutions actively competing in a cross-border rivalry becomes the basis for the core strength of one another to overcome the performances of one's rival.

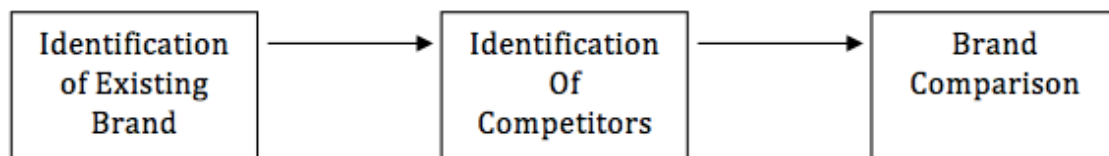
The competition now a turn to be an important part of each other's development, cooperation takes place. Cooperation with local competitors of each international art management institution's active museum becomes a necessity of each institution in order to actively influence their own market. Cross-border rivalry theoretically builds the concept of reputation awareness of different institutions in the rivalry; this can be seen noticeably on the consumer's perception. The cross-border rivalry itself will stimulate consumer's emotional quotients, dealing a great impact on the performance of each institution towards the market. The cooperation in an active cross-border rivalry will give the consumers the potential to distinguish the differences between different brands concerning the performances that each institution will provide, this can be very practical in the perspective of international art management institutions where

performance, with respect to the customer's preferences, is highly distinct. However, the concept of the cross-border rivalry should not be taken into unethical forms of the competition. The co-competition must, therefore, be taken as a strategy that is focused on improving each institution's performance and not a lethal strike against its rivals. As mentioned earlier, the impacts of rivalry at one scope affect the rivalry at other levels, and this is a prime consideration in the analysis.

### *5.1.1. The Process of CBR*

To re-iterate, the first step is to understand the status and intention with regard to the empirical data collection. Institutions engaged in an active cross-border rivalry necessarily need goal setting and communication. This can be seen evident as far as the results of the Louvre and the Museum of Modern Arts is concerned. This requires, first of all, capturing and with regular periodicity communicating the relevant statistics to the museum itself as well as feedback to other art museums to provide relative rankings. That would be a long-term political and technical project, which first of all requires considerable lobbying. A first level of analysis is therefore to better understand to what extent the art museum understands itself in comparison to other brands, to local competitors and within the brand family. In a cross-border rivalry, institutions are required to know who their rivals are. The following schematic shows the process:

**Figure 3: Logical Path to discover and define rivalries**

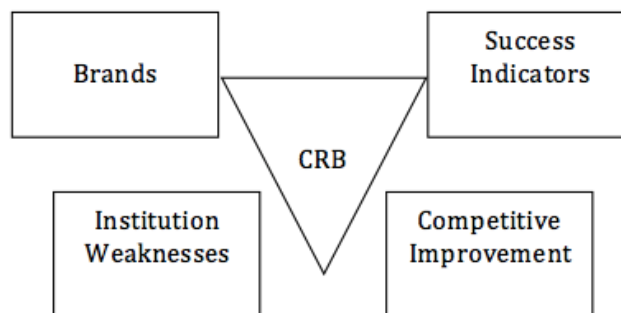


The second part of the analytical framework on cross-border rivalry shows how well known and understood the primary empirical data gathered and the data of competitors are. Reviewing dissemination infrastructure for performance data, where



possible, may contribute to a second crucial step in order to practice cross-border rivalry philosophies and concepts. Competition between brands will require a data framework that includes the International Arts Management brands of interest and data points that indicate success, or are the basis for competitive improvement.

**Figure 4: CBR data framework in Brand Competition**



Competition between local competitors, however, requires a data framework that lists, for each city or region where a Guggenheim site is located, the competitors of that site alongside the possible indicators that can be extrapolated.

Further information regarding city and regional culture and tourism policies and any institutions or organizations that include IAM can provide another framework. An assessment of the status, opportunities and challenges in tourism may provide important information applicable to the Guggenheim sites as well as ready networks for dissemination of such data when completed. Even the smallest museum or arts venue has the opportunity of the largest, both because of the potential online presence and the equal capacity to market physical tourism to that location. This may be more difficult than it sounds, given that currently the big brand art museums that are online have difficulty attracting online engagement. As currently there is little available data beyond foot counts, preliminary research may focus on web statistics and features of the online experience. Completion of all frameworks is an ideal, but may be beyond the scope of this initial project on the subject.

Lastly, and perhaps most importantly, are actual **data and rankings**. There is currently little consistency in internally collected and controlled data; however the

online presence of art museums is collected and analyzed by many different approaches and web tools. This provides the opportunity to kick start CBR by sharing data regarding online performance, in ranking with competitors. This alone has the potential to increase the quality and performance of the online art museum and may provide new motivation to focus specifically on that segment of the experience.

### *5.2. Cross-border Market co-creation*

The conceptualization of cross-border rivalry that was taken into account by international art management institutions effectively helps in the interpretation of how these institutions achieve strategic advantages and quality-evolved performances over another. Furthermore, the basis of cross-border rivalry would be the measurement of each international art management institution's performances, the comparison of performances over another, and finally, utilizing the competition as a basis in determining whether there is a necessity for improvement or there is not. Logically, the measurement of performances will provide a potential degree of improvement.

In order to distinguish whether there is already a posing active cross-border rivalry for an international art management institution to engage in, it should be noted that the concept of a cross-border rivalry requires having an educated framework with an infrastructure for the dissemination of the necessary information; there should be a systematic and frequent communication. Systematic communication is the key to the relationship, which is the basis of an active rivalry.

Particularly, existing concepts on the issues of the strategic phase of institutions would assess how can the pursuit of an efficient market upkeep motivates each international art management institution in setting up organizational systems and evolving strategies. The efficiency in maintaining the market upkeep and the strategies involved are then considered to be co-evolving and co-determined within an active cross-border rivalry.

Finally, CBR is a concept that has the potential to not only allow the Guggenheim to compete from a new perspective; it has the capacity to increase the market size of art museums and the industry generally. Not only do the Guggenheim museums and products compete in their local markets, but they also compete against rival leisure industries for time and revenue of visitors. Online the Guggenheim competes against other art exhibitions and brands as well as every other possible leisure activity on the Internet. Further, **IAM competes against apathy**, since the value of the commodity - the brand, the museum, the art and all products and commodities stemming from that - actually increases with use, interest and the resulting demand.

Certainly, throughout the decades, the Guggenheim Foundation had done several restructuring and innovations on its management and major exhibition museums. The Guggenheim Foundation had managed to change its established effective marketing strategies and internal management improvisation. Considering the contextual concepts of this paper theoretically, this paper suggests that, for the Guggenheim Foundation, cultural and internal innovations are the very means to maintain and sustain market upkeep. These innovations could only be effectively done through an active, positive participation in an open and collaborative competition with its competitors worldwide.

International art management institutions, along with several cultural institutions incorporating art, have become one of the major businesses actively operating both local and international. Guggenheim foundation had led the way on its own market for several decades. As a result, a new wave of systems theory of cooperation of international art management institutions within a cross-border rivalry seem to give the market a new label of definition and a brand new set of concepts and theoretical framework. The concepts of the cross-border rivalry have the capacity to drive the whole international art management industry, and the Guggenheim foundation as well, through the wide competitive landscape of leisure activities. Needless to say, the Guggenheim can therefore maintain or enhance its market position through reflecting upon the challenges of cross-border rivalry and considering it as one of the opportunities for further future innovations.

Furthermore, cooptation, as a major concept of cross-border rivalry, can be able to stimulate an extensive organization of data to undergo systematic dissemination from one institution to another opening the doors to potential future innovations. Additionally, the whole idea of having a positive engagement in a cross-border rivalry will allow any given institution to assess itself in several specific aspects. Finally, rather than taking a competition into the darkest side of the table, it would be best taken as a positive engagement and a strategy to further improve an IAM institution's performance.

The strengths of the Guggenheim family of museums include the international network, the reputation in the IAM community and the collections of the various museums. Few competitors can match this, particularly given the strong linkage with world-class architecture. The Guggenheim brand is so respected that it is a commodity in itself, as evident by the government and other organizations on the waiting list to partner with the Guggenheim to develop new museums.

The weakness of Guggenheim museums include the setbacks of museums closed over the past ten years, the global economic recession and the challenge of new competition in the leisure sector. Maintaining the vast empire of collections, locations and partnerships requires a vast effort, funding and coordination. Partners face economic, political and other challenges which therefore impact the Guggenheim and its reputation. The closing of several museums, including the Deutsche Guggenheim in Berlin, was a blow to the Guggenheim's track record. Political realities of partners can cause scandals. Ross, in his 2014 article "Degrees of Danger: In the United Arab Emirates" describes a level of intrigue not usually seen in the museum industry. While travelling in the UAE with Gulf Labor affiliation associates concerned about the treatment of emigrant labor used in building the newest Guggenheim museum near Abu Dhabi. The politics and implications of going global in the non-democratic world are explored in light of site interviews with workers and their substandard, less than promised conditions. Support for partners can strain the already stretched resources available to the Guggenheim Foundation.

The opportunities of IAM and Guggenheim family of museums are the collections, the capacity to form partnerships, and the use of new information

technology including emerging media platforms. Partnerships have been the basis of Guggenheim growth; partnerships with governments such as the Basque government in Spain to build and operate Guggenheim branded museums, partnerships with investors in the form of public bonds and more traditional partnerships with corporate sponsors. Partnerships reduce costs, and often the partner finances the project. There is a continued opportunity in this power of collaboration, and the Guggenheim Foundation has several programs in place to capture the opportunity of new partners in expansion.

### *5.3. Limitations*

Since this research is an initial attempt of assessing the International Art Management institutions', preferably the Guggenheim Foundation, ability to maintain and sustain the market upkeep considering the opportunities and the challenges of an active competition in a cross-border rivalry, there are a number of limitations in the whole paper.

There are limitations to the literature review that was included in this paper. Concerning the existing literature, including the current availability of the papers, studies and articles, that were used, the information gathered might have consisted of biased data and a collection of field errors. Some of the studies, articles and papers that was used were published at past early decades and will somewhat question the reliability of the information. Furthermore, the information that was utilized from the literature review might have been biased by previous authors "unguided" and "uneducated" assumptions, perceptions and priorities at the time of their writing. However, the researcher has established every effort in attempting to capture the contextual and core ideals, a relevant and as necessary.

Regarding the field research that was made, the main limitation concerns the choice of respondents. Due to the difficulty of establishing an extensive survey, the respondents of the online survey that was structured were chosen personally. Thus, the information might consist of biased and influenced information that might not be close enough to the actual events. However, the respondents and the survey questions, that were structured as narrative interviews, were efficiently formulated and established

utilizing and interpreting fully the context and ideals of major researchers that are experts in their specific fields. Furthermore, the survey questions were formulated following and adapting extensive set of procedures from researchers that are authorities in their specific fields as mentioned on the previous chapters. Any possible and necessary attempt has been made to interpret these researcher's concepts and techniques.

Additionally, there are limitations concerning the methodology, data collection, and analysis that were used in this paper. The methods chosen does not necessarily reflect the idea that International Art Management institutions, in general, will be able to maintain the upkeep of the market with performances acted towards cross-border rivalry. Fully interpreting and conceptualizing the context of the topic, the methods that were utilized in this paper is personally chosen and establish by the paper. However, the methods were chosen and utilized efficiently where they are relevant and necessary. The data collection and the analysis, on the other hand provides a concise reflection of the performances of International Art Management institutions through raw data gathered from concerned and participating companies, the Guggenheim Foundation is one together with its major competitors operating in private and public sectors. Considering this issue, data collection and analysis will only provide limited access to International Art Management institutions on their performances and data from covered companies, and possibly, will only reflect a theory that can be perceived on their respective regions wherever they are situated. However, together with the efficient methods chosen, data collection and analysis will be able to interpret partly the performance of International Art Management institutions towards market upkeep with respect to their engagement on cross-border rivalry relationships.

Another limitation in this paper is that the availability of the theories that challenge the theoretical data, the findings, and the research itself is only available in a nominal position. The prevalent availability of these theories could have strengthened further the whole understanding in International Art Management institutions and their performance in an existing market under the presence of an active competition in cross-border rivalry relationship. Thus, the researcher suggests further research on the topics that will be covered on the succeeding section of this chapter.

#### *5.4. Further Research Agenda*

In line with Anderson's concepts, key criteria for the assessment of the performance of an international art management institution should be formulated to give a fruitful interpretation on how, considering that it has already been influenced by the competition within the cross-border rivalry, a given institution can assess itself to consider major innovations that are necessary to undergo in order to achieve or to maintain a better market position.

These criteria should further be taken into consideration on future researches to further have the potential to assess the performance of an international art management institution according to its quality of exhibitions, scope and quality of collection, standards of governance or management, diversity of staff, contributions to art conservation, contributions to education, and the fulfillment of its own educational mandate.

Furthermore, additional explorations concerning cross-border rivalries on art management on different culture and languages is greatly suggested by this paper. Extensive researches on this topic can widely provide more flexible and firm insights on the understanding of the influence of competition, as an active component of the cross-border rivalry, to art management institutions.

The literature review of this paper, and the analysis as well, seeks to explore and interpret any relevant and necessary concept available. However, these are generally and typically an elaboration and interpretation of existing theoretical concepts and educated assumptions. A study where a thorough empirical data gathering research is possible could provide a more concise and important set of new knowledge concerning the effect of competition on International Art Management institutions. A study consisting of an immense amount of gathering of qualitative and quantitative primary data on the topic of competition among International Art Management institutions covering a variety of companies from different regions will basically provide a better understanding on International Art Management and their market performance under the presence of their respective competitors in the business.

Finally, this research will have similar context and established concepts on existing researches conducted towards topics concerning cross-border rivalries. This

paper will share concepts and framework to the existing researches and studies that was established concerning International Art Managements and their performances in this evolving market.



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<http://www.guggenheim.org/abu-dhabi>

## APPENDIX A

<b>Exhibit 1: Guggenheim Sites</b>		
<i>Guggenheim</i>	<i>Creation History</i>	<i>Description</i>
<b>New York Guggenheim Museum</b> <sup>6</sup>	Established in 1939 with Solomon R. Guggenheim's personal collection as the Museum of Non-Objective Painting	This is the birthplace and the headquarters of the Foundation, and although each international satellite has significant autonomy, it is the unquestionable lead and authority.
<b>Peggy Guggenheim Collection</b> <sup>7</sup>	In her will, Peggy Guggenheim donated her home on the Grand Canal in Venice, and her art collection, to the Solomon R. Guggenheim Foundation.	Having discovered the artist Jackson Pollock, Peggy Guggenheim had a career in art, but this was very much separate from her uncle's foundation and was earned in its own right. She chose Venice as her home.
<b>Guggenheim Bilbao</b> <sup>8</sup>	The government of the Basque region of Spain bought into the Guggenheim brand for their cultural economy strategy. They paid for the satellite museum, which has been attracting a million visitors a year since opening in 1997.	While urban regeneration plans which capture creative potential and build cultural economies are a trend, and modern art museums are seen as tourism magnets, the Guggenheim Bilbao is unlikely a situation which can be easily replicated. Three particular factors are identified: history and political circumstances, the local politics and the involvement of the Guggenheim Foundation.

<sup>6</sup> Information from Guggenheim New York site <http://www.guggenheim.org/guggenheim-foundation/history>

<sup>7</sup> Information from the Peggy Guggenheim Collection site <http://www.guggenheim-venice.it/inglese/museum/peggy.html>

<sup>8</sup> Information from the Guggenheim Bilbao site <http://www.guggenheim.org/guggenheim-foundation/architecture/bilbao>

<p><b>Guggenheim Abu Dhabi</b> <sup>9</sup></p>	<p>2006 announcement of the planned largest Guggenheim of all is just one aspect of a \$27 billion dollar creative city initiative, just one of three proposed museums financed by the government of Abu Dhabi. A branch of the Louvre will be opening in the near future.</p>	<p>There is some hope that the museum, which will showcase Islamic and middle-eastern arts and culture, may be completed by 2017. The development has not been without scandal.</p>
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<p><b>Exhibit 2: Guggenheim Competitors with a Strong Online Presence</b></p>					
<p><i>Online Museums</i></p>	<p><i>Link used</i></p>	<p><i>Global Rank</i></p>	<p><i>Daily Time on Site</i></p>	<p><i>Bounce Rate</i></p>	<p><i>Demographics</i></p>
<p>The Metropolitan Museum of Art</p>	<p>www.metmuseum.org</p>	<p>9.973</p>	<p>5:58</p>	<p>45,80%</p>	<p>US 68,8%, UK 4,2%, India 2,6%, Canada 1,8%, Italy 1,7%</p>
<p>MOMA (The Museum of Modern Art)</p>	<p>www.moma.org</p>	<p>14.308</p>	<p>2:48</p>	<p>51,50%</p>	<p>US 68,6%, UK 2,7%, India 2,7%, France 2,3%, Canada 2,2%</p>
<p>The British Museum</p>	<p>www.britishmuseum.org</p>	<p>36.698</p>	<p>2:28</p>	<p>55,40%</p>	<p>US 31,7%, UK 25,7%, India 6,2%, France 3,8%, Germany 3,6%</p>

<sup>9</sup> Information from the Guggenheim Abu Dhabi site <http://www.guggenheim.org/abu-dhabi>

Le Louvre	www.louvre.fr	43.608	3:04	50,20%	France 33,1%, US 21,7%, UK 5,4%, Japan 4,3%, India 3,0%
The Guggenheim	www.guggenheim.org	46.284	4:24	44,20%	US 70,1%, India 5,3%, Italy 3,4%, France 2,7%, Germany 1,6%
Boston Museum of Fine Arts	www.mfa.org	67.643	3:42	42,40%	US 76,1%, Canada 3,4% UK 1,8%
Fine Art Museums of San Francisco	www.famsf.org	73.021	3:28	35,50%	87,9% visitors from the US
Rijksmuseum	www.rijksmuseum.nl	86.563	3:53	39,60%	Netherlands 48,5%, US 17,3%, Germany 7,1%, France 6,7%, UK 5,2%
Harvard Art Museums	www.harvardartmuseums.org	196.191	4:58	40,20%	79,7% from the US
National Art Museum of China	www.namoc.org	426.477	2:50	56,60%	China 81,0%, US 2,5%
<p><b>All data from Alexa as determined by analysis accessed by identified link at <a href="http://www.alexa.com/">http://www.alexa.com/</a> on 2015-03-04.</b></p> <p><b>Data definitions:</b></p>					



Global rank: calculated using average daily visitors and page views for the past 3 months.

Bounce Rate (%): percentage of visitors who leave after looking at one page.

Daily Time on Site: time on site in minutes and seconds per visitor


## APPENDIX B

<u>Exhibit 1: Survey Questions Guide</u>	
<i>Questions</i>	<i>Answers</i>
1. How old are you?	<input type="radio"/> 5 - 17 years old <input type="radio"/> 18 - 25 years old <input type="radio"/> 26 - 35 years old <input type="radio"/> 36 - 50 years old <input type="radio"/> 51+ years old
2. Gender?	<input type="radio"/> Female <input type="radio"/> Male
3. Where are you from (country)?	
4. What is the highest form of education you have completed?	<input type="radio"/> High school <input type="radio"/> Bachelor <input type="radio"/> Master <input type="radio"/> PhD <input type="radio"/> Other


<p>5. Are you currently enrolled in a study program, which?</p>	<p><input type="radio"/> No</p> <p><input type="radio"/> High school</p> <p><input type="radio"/> Bachelor</p> <p><input type="radio"/> Master</p> <p><input type="radio"/> PhD</p> <p><input type="radio"/> Other</p>
<p>6. Are you full-time employed?</p>	<p><input type="radio"/> Yes</p> <p><input type="radio"/> No, I'm unemployed</p> <p><input type="radio"/> No, I'm a full-time student</p> <p><input type="radio"/> No, I have a part-time job</p>
<p>7. What is your average monthly pay (after taxes)?</p>	<p><input type="radio"/> 0 - 800 €/month</p> <p><input type="radio"/> 800 – 1.600 €/month</p> <p><input type="radio"/> 1.600 – 3.200 €/month</p> <p><input type="radio"/> 3.200+ €/month</p>
<p>8. How you get knowledge about the Guggenheim Foundation?</p>	<p><input type="radio"/> I didn't know the Guggenheim Foundation before</p> <p><input type="radio"/> Commercial on TV</p> <p><input type="radio"/> Ad in the paper</p> <p><input type="radio"/> Internet/Banner ad</p> <p><input type="radio"/> Through friends/family/contacts</p> <p><input type="radio"/> Read about in an article</p> <p><input type="radio"/> Through sponsors and collaborators</p> <p><input type="radio"/> Other</p>

<p>9. Have you ever visited a Guggenheim Foundation museum?</p>	<p><input type="radio"/> No</p> <p><input type="radio"/> Yes, ones</p> <p><input type="radio"/> Yes, more than ones</p>
<p>10. Which Guggenheim Foundation museum/exhibition have you visited?</p>	<p><input type="radio"/> I never visited a Guggenheim Foundation museum/exhibition.</p> <p><input type="radio"/> New York</p> <p><input type="radio"/> Bilbao</p> <p><input type="radio"/> Venice</p> <p><input type="radio"/> Other</p>
<p>11. How much time you spent visiting the museum?</p>	<p><input type="radio"/> I never visited a Guggenheim Foundation museum/exhibition</p> <p><input type="radio"/> 0 - 1 hours</p> <p><input type="radio"/> 1 - 2 hours</p> <p><input type="radio"/> 2 - 3 hours</p> <p><input type="radio"/> 3+ hours</p>
<p>12. What is the main reason behind your visit?</p>	<p><input type="radio"/> I never visited a Guggenheim Foundation museum/exhibition</p> <p><input type="radio"/> Leisure</p> <p><input type="radio"/> Work/Business</p> <p><input type="radio"/> I was interested in a particular artist/piece</p> <p><input type="radio"/> Research</p> <p><input type="radio"/> Other</p>

<p>13. Why did you originally choose a Guggenheim Foundation museum?</p>	<ul style="list-style-type: none"> <li><input type="radio"/> I never visited a Guggenheim Foundation museum/exhibition</li> <li><input type="radio"/> Collection</li> <li><input type="radio"/> Set-up/Outfitting</li> <li><input type="radio"/> Location/Building</li> <li><input type="radio"/> Brand/Reputation</li> <li><input type="radio"/> Price</li> <li><input type="radio"/> Recommended from others</li> </ul>				
<p>14. Please rate the following elements at the Guggenheim Foundation museum from 1-5. 1) Very Unsatisfactory and 5) Very Satisfactory: (Skip this question if you never visited a Guggenheim Foundation museum/exhibition)</p>					
	<p>1) Very Unsatisfactory</p>	<p>2) Somewhat Unsatisfactory</p>	<p>3) Neutral</p>	<p>4) Somewhat Satisfactory</p>	<p>5) Very Satisfactory</p>
Collection Diversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collection Exclusivity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Emerging Artists Promotion	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Up-to-date Collection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set-up/Outfitting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guide Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reception & Information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cafe	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shop	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>15. What is your general feeling towards the Guggenheim Foundation and its museums offer? Please rate your answer from a scale of 1 (Extremely Unpleasant) – 5 (Extremely Satisfied) Skip this question if you never visited a Guggenheim Foundation museum/exhibition)</p> <div style="text-align: center;">  </div>					
16. How often do you visit Modern Art Museums/Exhibitions?	<input type="radio"/> Less than 1 time per year <input type="radio"/> 1 - 3 times per year <input type="radio"/> 3 - 6 times per year <input type="radio"/> More than 6 times per year				
17. How often do you visit Museums in general?	<input type="radio"/> Less than 1 time per year <input type="radio"/> 1 - 3 times per year <input type="radio"/> 3 - 6 times per year <input type="radio"/> More than 6 times per year				

<p>18. Consider how important the following elements are to you. Please rate from 1-5. 1) Being Very Important and 5) Being Not Important At All:</p>					
	1) Very Important	2) Somewhat Important	3) Neutral	4) Not That Important	5) Not Important At All
Collection Diversity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Collection Exclusivity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Up-to-date Collection	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Set-up/Outfitting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Guide Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Education Activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reception & Information	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Price	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Café	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Shop	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Building	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Brand/Reputation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Location	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
<p>19. How often do you visit Museums in your geographical area?</p>	<p><input type="radio"/> Less than 1 time per year</p> <p><input type="radio"/> 1 - 3 times per year</p> <p><input type="radio"/> 3 - 6 times per year</p> <p><input type="radio"/> More than 6 times per year</p>				

<p>20. How important is the presence of major Museums when you plan a vacation? Please rate your answer from a scale of 1 (Not Important at All) – 5 (Very Important)</p> <div style="text-align: center;">  </div>	
<p>21. How do you mainly classify Museums as organizations? (Multiple choice questions)</p>	<ul style="list-style-type: none"> <li><input type="radio"/> Conservation Institutions</li> <li><input type="radio"/> Research and Education Centers</li> <li><input type="radio"/> Leisure Organizations</li> </ul>
<p>22. In which features do you believe the average museum needs to improve in order to become a valuable leisure alternative? (Multiple choice question)</p>	<ul style="list-style-type: none"> <li><input type="radio"/> Physical Structure</li> <li><input type="radio"/> Events and Activities</li> <li><input type="radio"/> Contents</li> <li><input type="radio"/> Collaborations with others institutions and organizations</li> <li><input type="radio"/> Other</li> </ul>
<p>23. During your free time do you consider museum visits as a valuable leisure activity to do?</p>	<ul style="list-style-type: none"> <li><input type="radio"/> Yes</li> <li><input type="radio"/> No</li> <li><input type="radio"/> Sometimes</li> <li><input type="radio"/> Often</li> </ul>

\* This Survey Guide made through [www.surveio.com](http://www.surveio.com)  
<http://www.surveio.com/survey/d/W7V5X7G9U2H6X7F7N>



## APPENDIX C

<p><b>Exhibit 1: Narrative Interview Guide</b>  <b>(Peggy Guggenheim Executives)</b>  <i>Questions</i></p>
<p>1. Can you please briefly introduce yourself and your background?</p>
<p>2. What is your role at the Peggy Guggenheim Collection and what are the main activities you are in charge for?</p>
<p>3. <i>The new strength of a business focus to support the goals of arts management in combination with global information connectivity has created a new environment for museums to compete on the basis of quality and for market share.</i></p> <p>Do you believe that this competition will serve to continuously improve the experience, the processes and the practice of museum management? What are the main practices of your organization in terms of competitive strategies?</p>
<p>4. Do you believe that competition, and in particular international rivalries between the cultural capitals, are likely to take the practice of museum and arts management to a new level of experience creating a shift in the perception of the cultural sector and institutions?</p>
<p>5. <i>If museums will be perceived as a valuable alternative leisure activity the greatest competition comes from other industries, and a marketing strategy for raising the profile of IAM might well benefit from a collaborative rivalry strategy between brands.</i></p> <p>Do you believe that a marketing of rivalry that is visible to potential art consumers and defines a choice to be made could be valuable in the case of IAM institutions?</p>

6. *Rivals in the IAM context can engage in a positive participation in an open and collaborative competition with its competitors worldwide to enhance the attractiveness of museums as a definitive choice in leisure.*

In your opinion, market the rivalry between arts institutions can contribute in placing arts museums as valuable competitors in leisure activities?

7. *One of the main challenges while analyzing the IAM industry is the lack of data regarding institutions performances.*

It is necessary, in your opinion, to collect and standardize relevant data to communicate excellence and opportunities for excellence in IAM?

8. *From web statistics it does not appear that virtual visitors are finding the experience particularly entertaining.*

Considering the importance of the online presence in the modern socio-economical system, is there room of improvement with regard to the Guggenheim Foundation online activities?

9. *Given the importance of the cultural sector for competitiveness and development of the regional economy, a key tool for the competitiveness of the museum is the extent to which the city or region where it is located has made a determination to grow its cultural and artistic image and sector.*

Can you please briefly describe how the PGC benefit from Venice as a major tourist destination and if there are any collaborative practices with the other cultural institutions to increase location attractiveness?

10. Peggy Guggenheim Collection is one of the different satellites of the Guggenheim Foundation. Can you please briefly describe your organization relationship with the other Guggenheim venues and with the Foundation as well?

11. What are the main social, cultural and economic variables that influence art museums demand?

12. *Marketing is now an accepted part of the arts management skill suite, however museum professionals and academics are hesitating to translate marketing into that specific context. In some cases it seems that this has been an emotional process, as marketing represented one of the biggest symbols of the paradigm shift of “businessification”.*

What are your considerations about the role of Marketing in Museum Management?

13. *Culture can be considered as the new means of both social and economic development in a global world where tourism brings in outside money. While this has resulted in many cultural products and attempts to leverage best practices elsewhere, consumers are becoming tired of “serial reproduction of culture”.*

Do you believe that the acquisition of cultural capital requires creativity, rather than perfect recreation, in translating the success of some cultural institutions to new developments and reinvention of established contexts? What is the strategy of the Peggy Guggenheim regarding this aspect?

14. *Art consumers are highly emotionally involved and it might be believed that some of the customers are tired of being marketed and hence need a change.*

In your opinion is becoming necessary for cultural institutions to make the use of articulate means to engage customers and to attract them towards themselves? Is that the case of the Guggenheim Foundation with its astonishing locations? Are the environments, the architecture, and all the other details and services used as leverages to stimulate positive feelings and memorable experiences about the Guggenheim brand?

\*This interview guide was made through the utilization of the researcher of the topic and Kvale’s approaches.

**Exhibit 2: Narrative Interview Guide**

(Art Management Professionals and Experts)

*Questions*

1. Can you please briefly introduce yourself and your background?

2. What are your main expertise and interests in the International Art Management field?

3. *The new strength of a business focus to support the goals of arts management in combination with global information connectivity has created a new environment for museums to compete on the basis of quality and for market share.*

Do you believe that this competition will serve to continuously improve the experience, the processes and the practice of museum management?

4. *The business and management aspects have become more of a focus than in depth academic knowledge regarding the arts. Arts management, as either its own discipline or new sub discipline, now becomes relevant to the study of management and the study of management becomes relevant to the arts.*

From what extent do you think International Art Management institution can benefit from business prospective and vice versa?

5. Do you believe that competition, and in particular international rivalries between the cultural capitals, are likely to take the practice of museum and arts management to a new level of experience creating a shift in the perception of the cultural sector and institutions?

6. *If museums will be perceived as a valuable alternative leisure activity the greatest competition comes from other industries, and a marketing strategy for raising the profile of IAM might well benefit from a collaborative rivalry strategy between brands.*

Do you believe that a marketing of rivalry that is visible to potential art consumers and defines a choice to be made could be valuable in the case of IAM institutions?

7. *Rivals in the IAM context can engage in a positive participation in an open and collaborative competition with its competitors worldwide to enhance the attractiveness of museums as a definitive choice in leisure.*

In your opinion, market the rivalry between arts institutions can contribute in placing arts museums as valuable competitors in leisure activities?

8. *One of the main challenges while analyzing the IAM industry is the lack of data regarding institutions performances.*

It is necessary, in your opinion, to collect and standardize relevant data to communicate excellence and opportunities for excellence in IAM?

9. *From web statistics it does not appear that virtual visitors are finding the experience particularly entertaining.*

Considering the importance of the online presence in the modern socio-economical system, is there room of improvement with regard to IAM institutions' online activities?

10. What are the main social, cultural and economic variables that influence art museums demand?

11. *Marketing is now an accepted part of the arts management skill suite, however museum professionals and academics are hesitating to translate marketing into that specific context. In some cases it seems that this has been an emotional process, as marketing represented one of the biggest symbols of the paradigm shift of "businessification".*

What are your considerations about the role of Marketing in Museum Management?

12. *Culture can be considered as the new means of both social and economic development in a global world where tourism brings in outside money. While this has resulted in many cultural products and attempts to leverage best practices elsewhere, consumers are becoming tired of "serial reproduction of culture".*

Do you believe that the acquisition of cultural capital requires creativity, rather than perfect recreation, in translating the success of some cultural institutions to new

developments and reinvention of established contexts? Is this contrast with the traditional understanding of cultural tourism reflected in the difficulty of some museums in gaining market share?

13. *Art consumers are highly emotionally involved and it might be believed that some of the customers are tired of being marketed and hence need a change.*

In your opinion is becoming necessary for cultural institutions to make the use of articulate means to engage customers and to attract them towards themselves? Is that the case of the Guggenheim Foundation with its astonishing locations? Are the environments, the architecture, and all the other details and services used as leverages to stimulate positive feelings and memorable experiences about the Guggenheim brand?

14. *The Guggenheim expansion journey is an epic tale with Krens as its strong leading character. For the most part, the saga has evoked strong feelings in academics, managers of arts and culture and the intellectual.*

Krens saw the survival of the museum as being dependent on its ability to participate with the financial and economic sophistication of the corporation. What is your stance about Krens initiatives and results?

15. *The Guggenheim continues on the same path, albeit with many lessons learned regarding doing business across jurisdiction and culture, and the image of the Guggenheim has become increasingly globalized.*

The Guggenheim multinational complex appears to be doing quite well; from you prospective is that a virtuous business model for the museum of the future?

\*This interview guide was made through the utilization of the researcher of the topic and Kvale's approaches.