




HOW DO MUSEUMS CREATE VALUE?

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Three different regimes of value creation

- To understand in which sense and to what extent museums create value, we have to differentiate between different regimes of value creation through culture
- The three regimes have developed in time with the prevalence of different socio-economic and technological conditions, but today they coexist and support different, complementary forms of value creation for museums
- Different museums may be characterized by a different balance of relevance of the three regimes, but no museum can ignore any of them



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Culture 1.0: patronage



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- The pre-industrial regime: no possibility of organized markets; culture does not produce major economic value added but absorbs it; small, elite audiences that gradually expand as more sophisticated sub-regimes emerge
- Initially founded on the virtue of parsimonia: emphasis on human cultivation and balance
 - *Classical patronage*
 - *Strategic patronage*
 - *Public patronage*
 - *Committed patronage*
 - *Civic patronage*
 - *Entrepreneurial patronage*

Museums 1.0: temples of knowledge

- In the patronage regime, the museum is mainly focused upon the conservation, development and presentation of its collections
- The creation of value is connected to the strengthening and cultivation of the museum audience, and to the transfer of knowledge and competences that this implies
- Economic sustainability concerns are seen as an interference with the pursuit of the mission of the museum, and the very goal of patronage is that of freeing the museum from the pursuit of activities that are extraneous to its educational mandate



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Culture 2.0: cultural and creative industries

- With the massive urbanization that follows the industrial revolution, and with the 'cultural' industrial revolution that happens at the turn of the XX century, cultural markets can finally emerge
- The industrialized forms of culture become profitable, the size of the audience expands dramatically, and culture becomes increasingly linked to entertainment
- Emphasis on profitability and audience response:
 - *Proto-industry*
 - *Mainstream*
 - *Counter-mainstream*
 - *Subcultures*
 - *Fan ecologies*



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Museums 2.0: entertainment machines

- Although the museum cannot be properly ‘industrialized’, there is an increasing expectation that the museum is generating income, is managed efficiently, and contributes to the development of the tourism industry
- Economic returns are not seen as an interference in the pursuit of the museum’s mission
- Audience response increasingly becomes an explicit success factor and significantly constraints the museum strategies and policies
- The museum environment itself performs a spectacular function



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Culture 3.0: content communities

- Collapse of the separation between producers and audience: a blurred continuum of active/passive participation
- A new wave of technological innovation that enables massive, shared and shareable production of content and instant diffusion and circulation
- The production of value moves to the social domain and connects to all of the main dimensions of civic functioning: innovation, welfare, sustainability, social cohesion, lifelong learning, social entrepreneurship, local identity, soft power



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Museums 3.0: participative platforms

- The idea of a passive audience is gradually substituted by a spectrum of forms of direct engagement
- Museums can create value in terms of innovation hubs, welfare hotspots, sustainability facilitators, social cohesion gateways, etcetera
- The new forms of value entail different forms of social interaction and exchange as constituent factors
- The museum opens its collections to the possibility of creative appropriation and remix of its contents by users



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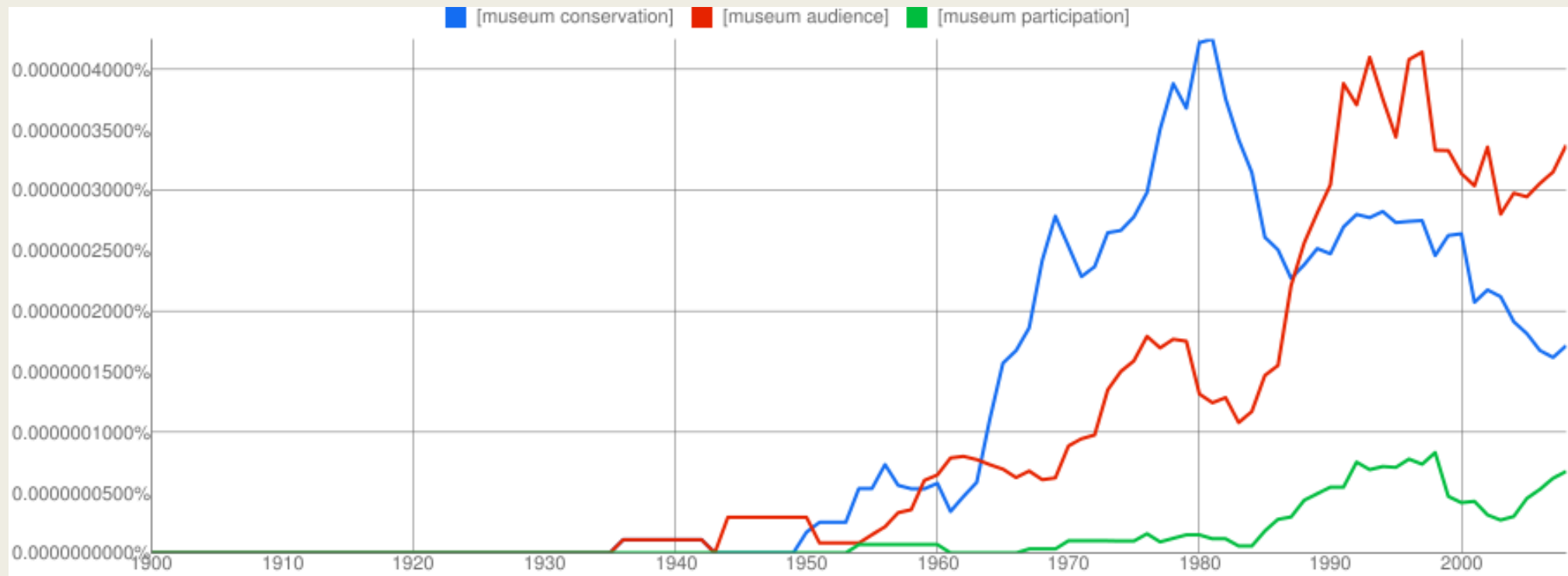
Understanding and measuring value



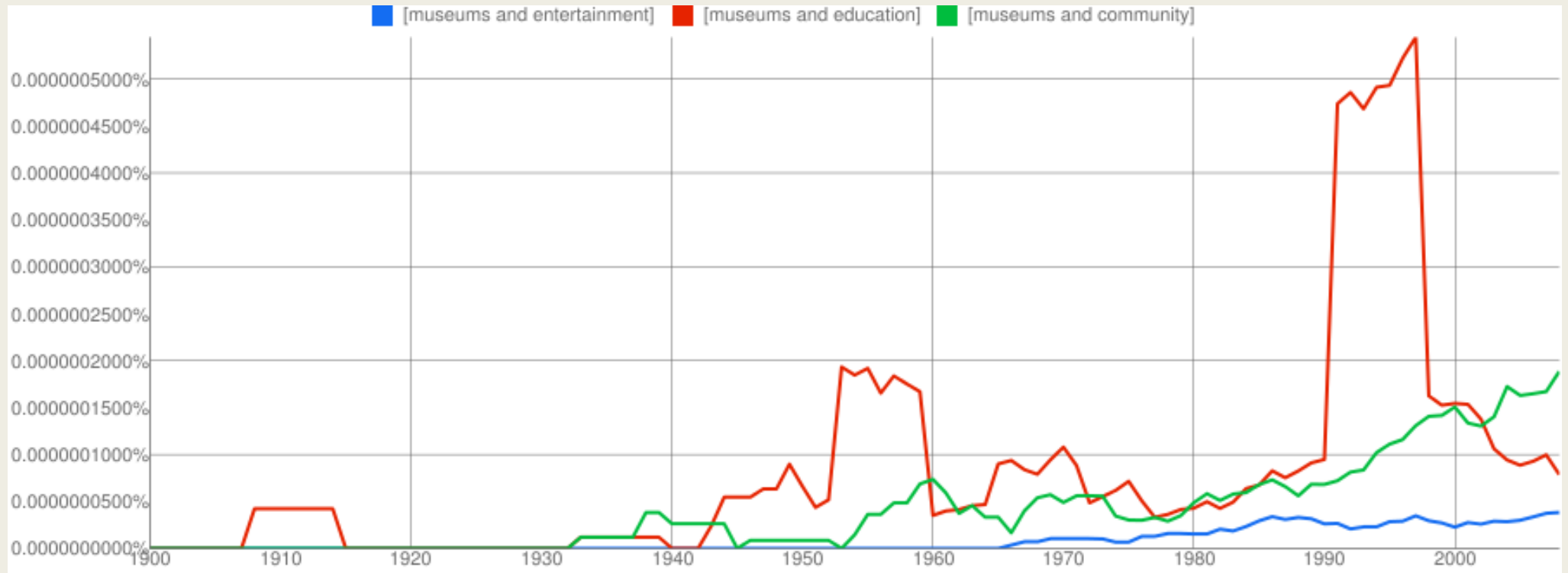
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- A museum that does not obsessively focus on economic return may make an even bigger impact, but the key issue is measuring it and making it intelligible to stakeholders
- One of the most straightforward dimensions to measure is the wellbeing one: PGWBI and cortisol levels, etc.
- A museum that significantly contributes to active ageing generates a clear *economic* benefit for the local community as a whole
- Likewise for a museum that develops and harnesses a culture of innovation, especially in young people
- In any case, the museum's value creation processes have always to be read in the context of the local, overall cultural and creative ecology

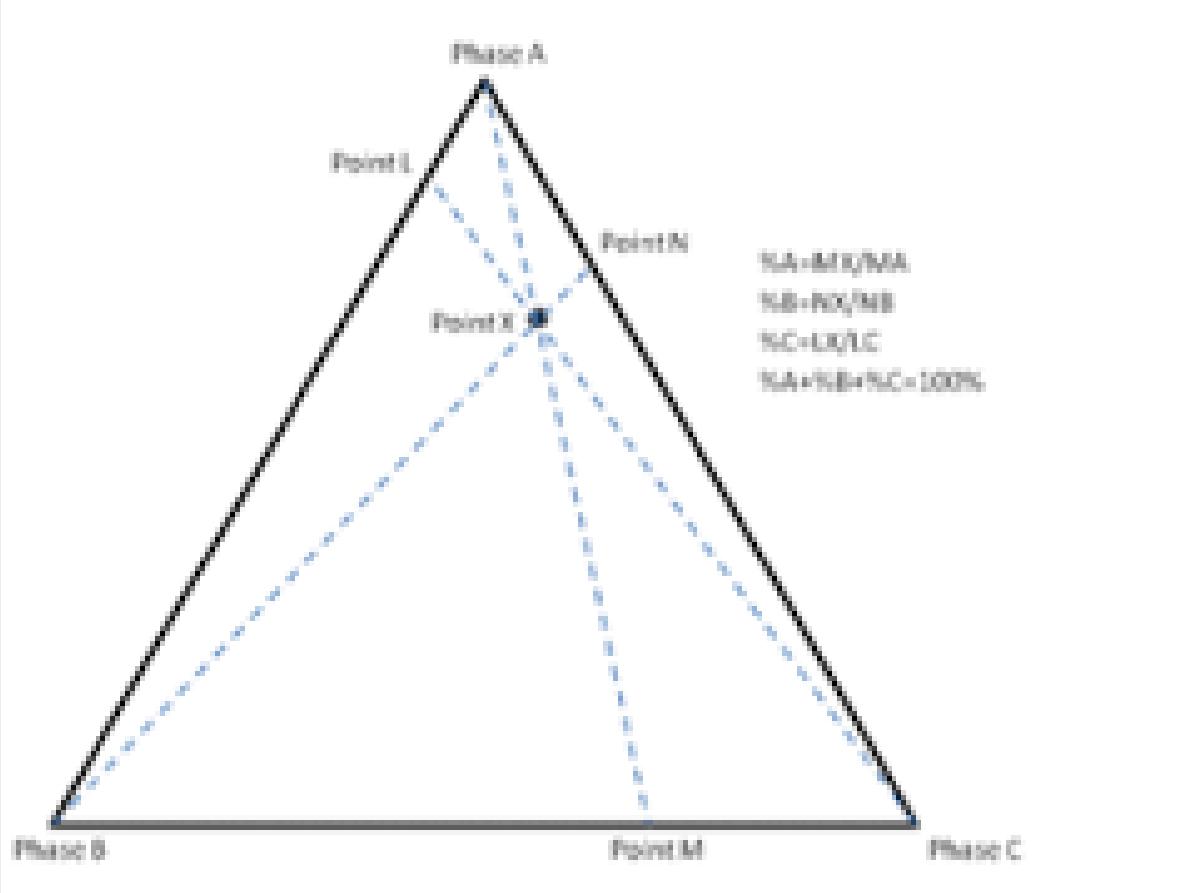
Shifting emphasis



A transition under way



The museum spectrum: Combinations of value creation channels



Implications



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- There is not a 'right' rule to value creation
- Every museum must find its own proper mix of value creation channels depending on its characteristics, mandate, context, and constraints
- The museum value creation philosophy needs to be clearly spelled, communicated, and accounted for: the crucial role of measurement
- The value creation philosophy is to be read in the framework of the local cultural and creative ecology
- Avoid being judged against an inappropriate benchmark!