A BRANDING CONTEXT: THE GUGGENHEIM & THE LOUVRE

A Thesis

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ABSTRACT

In the midst of globalization, where networks have steadily become more and more interconnected, and the exchange of information faster than ever, the role of museums has rapidly changed. Museum trends related to tourism have replaced the focus on collection with the focus on audience experiences and operation in a global framework. Marketing in museums have been increasingly important, in particular the practice of branding.

The term branding is defined as “an engineered perception made up of the name of an organization and the personality that goes with it. The personality is a combination of the organization’s products, services and perceived attributes” (Scott, 2000, p. 36). Branding has entered into the museum sphere as a viable solution to decreasing visitor audiences and an effective way to sustain institutional longevity. The practice makes museums aware of their presence within the public realm and gauge what methods are working or needs to be modified. The Solomon R Guggenheim in New York City, NY, undertook establishing a global brand identity through pioneering a franchise of satellite museums first in 1997. Satellite museums are business partnerships between the home institution and the city or business to create a museum branch for a cost. The city/business that houses the satellite museum pays for the building costs and administrative fees in addition to the fees paid to the home institution.
The Guggenheim has now four other locations besides their home base in New York. While first reprimanded, the practice has gained wider acceptance in the last decade.

One of the best examples is the Musée du Louvre in Paris, France. Known as being a national symbol for France, “Le Grande Louvre” project in 1981 launched the Louvre into a period of modernization. The results of the project included: the iconic I.M. Pei central entrance pyramid, underground shopping mall/parking, and major renovations to the museum’s wings. These renovations modernized the Louvre’s image. Since then, the museum has increasingly taken steps to solidify their brand identity through international partnerships to loan out signifying parts of their collection and a creation of a regional branch in Lens, France. These activities have set a platform for embarking on future radical projects, including a recently signed contract with Abu Dhabi to help create a “cultural hub” in the Middle East. The central question of my research is to speculate if smaller museums can take aspects from these two contexts and apply it to their own strategic plans.
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CHAPTER 1

Introduction

Visual art museums in modern society have a unique role that is vastly different than its predecessors. Each museum is different in terms of mission, collection, or size, but each has an underlying goal of benefiting the public. Museums offer an interpretation of the past and present, usually financed in part through tax dollars. Because of this, public trust is linked with this responsibility. Public trust is the confidence and assurance that institutions will act in accordance with their missions and ideals inherent in museums. The International Council of Museums (ICOM) describes a museum as being:

A non-profit making, permanent institution in the service of society and of its development, and open to the public, which acquires, conserves, researches, communicates and exhibits, for purposes of study, education and enjoyment, material evidence of people and their environment (ICOM, 2007).

At the same time, museums are ever changing institutions that are subject to external factors. They are susceptible to the changing environment and evolve like any other institution. The rise of the globalization phenomenon has made the world more interconnected, with newer technologies that make communications and travel between countries more accessible. The tourism industry has grown to become one of the largest markets, with visiting cultural institutions among one of the top activities during visits.
At the same time, funding has been a constant issue for museums as governments continue to decrease assistance through budget cuts. Museums have responded in various ways to this, through a re-focus towards the visitor experience and exploration of new marketing strategies. Among the new strategies is the rise of the brand identity, where museums are made to be constantly aware of their presence within the community.

Described as a combination of the name and personality of an organization, brand identity determines the prominence of an organization, contingent upon perception, much like other forms of consumer product marketing (Scott, 2000). With museums being increasingly lumped in with the tourist category, the overarching goal is to be set apart from other leisure or cultural activities. The rise of brand identity marketing has given way to practices that raise questions about if museums are still keeping public trust in mind. Specifically, this translates into determining where the line stops between non-profit and for-profit actions.

This thesis investigates the current context through two cases, the Solomon R. Guggenheim and the Musée du Louvre. These two museums have taken the branding approach to extreme levels, both agreeing to participate in the Saadiyat project in the Middle East. The museums represent the contingency and circumstances behind branding practices.

Methodology

An examination of the contexts behind the practices of the Guggenheim and the Louvre will be outlined as radical examples of what is happening in the field of museums, and discuss what current museum trends are occurring and affecting their
actions. In turn, the latter part of this research will be focused on trying to see the feasibility of these marketing approaches for smaller institutions and apply some of the strategies on a micro level.

Case Study

In order to both investigate the contexts of these museums and analyze their applicability, the case study method will be used. Case study is best suited for this research because “a ‘why’ question is being asked about a contemporary set of events over which the investigator has little or no control,” and then used to “explain the causal links in real-life interventions that are too complex for the survey or experimental strategies” (Yin, 1994, p. 15). Both the Guggenheim and the Louvre are institutions where only secondhand accounts can be gained through examining news sources, written interviews, and other media. In addition, their actions are beyond anything that can be controlled because I have no direct tie with either institution.

Their contexts have been framed in various ways, across many different forms of investigation so that there is a blur in trying to understand what has happened. Case study would be beneficial because fundamentally it is “an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident” (Yin, 1994, p. 13). This thesis hopes to try and understand the phenomenological circumstances behind how and why these two museums are partaking in these activities. In part, there is an underlying question of if what is happening are isolated situations that can only occur under certain instances, or a legitimate museum trend that will become commonplace.
There are various types of case study that are being used, including intrinsic and instrumental interest. Intrinsic interest is aimed “toward understanding of what is important about that case within its own world,” while instrumental interest lures “the researcher toward illustrating how the concerns of researchers and theorists are manifest in the case” (Stake, 2000, p. 437). Case study research can sometimes be a combination of intrinsic and instrumental interest on the part of the researcher, where there is a “zone of combined purpose” (Stake, 2000, p. 437). Intrinsically, the Guggenheim and Louvre contexts, along with the culmination of the Saadiyat project are “in all particularity and ordinariness… of interest” (Stake, 2000, p. 437). Instrumentally, the exploration of these two institutions will be examined to “provide insight into an issue,” namely in trying to understand how museums are seeking to adapt in current contexts (Stake, 2000, p. 437).

Furthermore, more than one case has been selected because “it is believed that understanding them will lead to better understanding, perhaps better theorizing about a still larger collection of cases” (Stake, 2000, p. 437). The usage of both the Guggenheim and the Louvre will give a fuller picture than only using one or the other. They are the two most extreme examples of the current context, and researching them would be an ideal beginning for later cases and examples.

Design Overview

The design of this thesis will include a review of literature, followed by a pair of case studies, of first the Guggenheim and then the Louvre. Since the topic is very contemporary, parts of the context are represented in the literature, but not as a whole. As a result, the literature review will be a synthesis of museum studies articles, books, as
well as research from consumer product-marketing. The resulting conceptual framework will set the stage for examining the two cases. The contexts of the Guggenheim and the Louvre will be constructed through examining news sources and other written materials.

As a starting point and platform, the context of the Guggenheim will be presented first. The case is unique in being credited with pioneering satellite museums and subsequently introducing the expansionist model that has been criticized as resembling corporate practices. Satellite museums are business partnerships between the home institution and a city or business to create a museum branch for a cost. The city/business that houses the satellite museum finances the building costs and administrative fees in addition to fees paid to the home institution. This process has been a resource for the Guggenheim to gain monetary funds to build their endowment and pay for renovations to their home base.

In 1997, the Solomon R. Guggenheim Museum opened its first satellite venture in Bilbao, Spain as part of an urban renewal plan. The success of this outpost has been a turning point for the both the Guggenheim and the field of museum management. Bilbao, Spain was transformed from a dying industrial city into a tourism landmark. Since then, the usage of museums as a vehicle for urban renewal has been the subject of much research in many fields.

Since then, other museums have taken the model and fitted it to their own institutional plans. This mostly has involved creating branches within the same country. The expansionist model has gained leverage as a museum trend, where each new venture is larger and pushes the envelope further. Bilbao Guggenheim was a case of urban renewal, whereas now creating an outpost can be with private institutions or countries.
Currently, the Guggenheim has four other locations besides their home base in New York City. The director, Thomas Krens centered his efforts on creating a global network. In this thesis, the landmark case of Bilbao Guggenheim will be presented first, along with subsequent ventures after its success.

The case of the Louvre will follow the Guggenheim as an alternative vantage point. In order to understand the evolution of the Louvre, the chapter will begin with how the organizational structures and mission changed by means of Le Grande Louvre project. Le Grande Louvre project was one of several government building projects in President Mitterrand’s Les Grand Travaux, a plan to build contemporary monuments around Paris with an objective to stimulate the French economy and reaffirm its place in cultural leadership.

Le Grande Louvre project launched the Louvre into a period of modernization where visitor accommodations including the iconic I.M. Pei central entrance pyramid, underground shopping mall/parking, and major renovations to the museum’s wings were added. Presently, the Louvre is creating a new regional branch in Lens, France and has a controversial partnership with the High Museum in Atlanta, GA that rotates key artworks from the Louvre’s collection for three years.

These renovations and subsequent projects set a platform for embarking on future radical projects, expressly the recently signed contract with Abu Dhabi to participate in Saadiyat Island. Abu Dhabi hopes to create the premier cultural district for the Middle East. The agreement allows the district to create the first Louvre global outpost. Their decision to engage in the expansionist model builds on the Guggenheim case and gives
rise to the question of whether other museums will follow suit and extend their reach abroad.

Extrapolation

A secondary focus of my research concerns how the practices of the Guggenheim and the Louvre might be applied to smaller museums. My intention is to frame and utilize the two cases as a means for extrapolation in smaller museums. Extrapolation involves using an “account as a source of ideas for solving the design problem at hand” (Barzelay, 2007, p. 523). The basis for extrapolation is on learning from second hand experience through the case studies. Smaller museums can examine the contexts of the Guggenheim and the Louvre and “in moving toward a design solution,” can “use their minds to envision how the causal process” could “be made to occur within their own undertakings” (Barzelay, 2007, p. 523).

The purpose of this exercise is to provide a resource for other museums interested in undertaking these practices. It is important to underline that circumstances will not operate in the same way as the case studies presented. Instead, the studies “would narrow down the design problem to devise locally feasible contrivances that would intentionally activate a causal process” (Barzelay, 2007, p. 523). Extrapolation, not replication is encouraged.

Most specifically, I want to extrapolate how leadership, partnership, and architecture have exemplified the capabilities of the Guggenheim and the Louvre. The leadership function in both museums has been instrumental, with Thomas Krens (Guggenheim) and Henri Loyrette (Louvre). Both these leaders have engaged in business
partnerships that have benefited their museums monetarily and raised their profile internationally. Additionally, the Guggenheim and the Louvre have landmark architecture that sets them apart from other museums. The Frank Lloyd Wright building and Frank Gehry’s Bilbao design draws visitors to the Guggenheim sites, while the I.M. Pei pyramid is both the central entrance and iconic symbol for the Louvre. This architecture component is now also being exported to their outposts.

This report will begin with a review of literature that will explore the concepts of globalization, along with the shift from collection to visitor experience and the rise of the marketing function. A discussion of brand identity and how this consumer product-marketing tool has been translated into museum practice will round out the current context. The cases of the Guggenheim and the Louvre will be presented, detailing what has happened in the two institutions. The components of leadership, partnership, and architecture are highlighted as particularly important for branding success. Investigating these two museums will be beneficial because they are extreme examples of what is happening, and can serve to be a starting point for further discussion when looking at other cases. The discussion of these three attributes following the context will help address its transferability to other museums.
CHAPTER 2

Literature Review

Discussions about the current practices of museums have fueled much speculation and debate in recent years. This stems from an ongoing investigation of the rising corporate nature of museums. Museums have been observed to embark on increased marketing campaigns with corporations, and have engaged in expansionistic activities that place their institutional name all over the globe. These instances have put their intentions and actions under scrutiny in the nonprofit world.

Before jumping to conclusions, it is useful to consider the situation within a larger framework. Understanding the current context requires the examination of the variety of factors that have been instrumental in changing the operations of museums. These factors include: the shift from collection to visitor, financial capacity, globalization, and the rise of marketing. Together, these themes help to understand what is occurring in the museum world, as well as why it is being questioned.

The Shift from Collection to Visitor

The shift of focus from collection to the visitor has been an ongoing evolutionary change in museums. In the past, the role of the museum had been chiefly to preserve objects for display. The function of the visitor was secondary, even largely ignored.
The collection drove the legitimacy of the museum for people to visit. Present day
museums have changed their operations, turning to focus on their place within the public
realm:

The most fundamental change that has affected museums during the [past] half
century… is the now almost universal conviction that they exist in order to serve
the public. The old-style museum felt itself under no such obligation. It existed,
it had a building, it had collections and a staff to look after them. It was
reasonably adequately financed, and its visitors usually not numerous, came to
look, to wonder and to admire what was set before them. They were in no sense
partners in the enterprise. The museum’s prime responsibility was to its
collections, not its visitors (Hudson, 1998, p. 43).

This change outlined by Hudson (1998) is first a result of an increase in the
number and magnitude of museums during the postwar period. Three quarters of the
world’s active museums were established after 1945, and direct government support was
not able to grow with this trend. Due to necessity, the answer, “almost worldwide, has
been the same: to change the mix in the sources of support for museums” (Weil, 2002, p.
31), and rely partly on income that can be generated from “box office” sales (entrance
fees, shop sales).

Integral to this strategy is through understanding the visitor experience. Weil
details the change as from a “selling mode” to a “marketing mode” (Weil, 2002, p. 31).
The “selling mode” was concentrated on “convincing the public to ‘buy’ their traditional
offerings,” while the “marketing mode” is “concentrated on first trying to discover and
then attempting to satisfy those public needs and interests” (Weil, 2002, p. 31).

In addition, Weil also highlights the importance of distinguishing between the
function and purpose of the museum. Very often, the focus is on the function of the
museum. He states that “the very utility of a definition is to clarify what is different and
distinctive about the subject it defines,” and “what is distinctive and different about museums… is that they collect and display objects” Therefore, the function of museums is to collect, but this is used for a “larger and publicly beneficial purpose” He concludes that “the museum’s raison d’être is to provide an important public benefit” (Weil, 1990, p. 33). Ultimately, the necessity of the post-war museum boom for diverse funding coupled with understanding the function and purpose of museums has re-oriented the focus to engaging the public through visitor experience.

Public Trust

Integral to this shift from collection to visitor and inherent in the very function of museums is the ethical ideal of public trust. Fundamentally, public trust refers to the assurance that the museum will above all, be entrusted with making decisions that are in alliance with their missions, goals, and ideals. The museum is a unique entity that has the ability to benefit the public. James Cuno, editor of Whose Muse? Art Museums and the Public Trust comments on the mission of art museums: “The public has entrusted in us the authority and responsibility to select, preserve, and provide its access to works of art that can enhance, even change, people’s lives. And in turn, we have agreed to dedicate all of our resources – financial, physical, and intellectual – to this purpose. Art museums are a public trust.” He continues that: “the more art museums look like multinational corporations and the more their directors sound like corporate CEOs, the more they risk being cast by the public in the same light” (Cuno, 2004).
Glenn Lowry, director of the MoMA, discusses how the current activities by art museums are being questioned:

Public Trust has emerged as a central question for art museums in large part because while museums appear to be pushing the boundaries of acceptable practice in terms of their marketing, fundraising, programming, and ambition, there are as yet no clear rules as to what is appropriate behavior. Shifts in museum practice are being driven by the fact that art museums have changed from quiet sanctuaries of discovery and learn to intensely visited sites, often frequented by thousands of people a day. How similar to a for-profit corporation can an art museum be, for instance, before it is no longer a not-for-profit institution? (Lowry, 2004).

Financial Capacity

Despite the shift to visitor experience, the financial dilemma that was presented in museums during the post-war period has persisted in today’s museums around the globe. The question of funding persistently challenges and affects the activities of museums. In Europe, museums have been forced to find alternative ways of support to finance basic operating costs. The decrease of government support for cultural institutions in Great Britain resulted in the creation of a national lottery as an alternative revenue stream. The lottery money supports capital investments and infrastructure, along with the conservation needs of cultural institutions, including museums. Even with the lottery, British museums are competing for a limited amount of funds among many cultural institutions. In France, despite drawing six million people annually, the Musée du Louvre has to find 30% of its yearly operating costs and has reworked their institution to include fundraising activities. As a whole, most European museums have increasingly become more involved in fundraising activities to reach out to donors, patrons, and corporate sponsors.
While American museums are accustomed to operate with very minimal government support, the United States further stresses the importance of finding finances through a myriad of revenue streams: “Only about 13 percent of arts support in the U.S. came from the government and only about 9 percent from the federal government, of which less than 1 percent came from the National Endowment for the Arts” (NEA, 2007). Government support decreases further when the small percentage is divided among the various art forms.

American museums annually are forced to deal with the decrease in corporate funding, and the constant struggle of having small endowments. For even large museums in New York, “income from their endowments covers only a small percentage (20% or less) of their operating costs” (The Economist, 2001). Thomas Krens of the Guggenheim emphasizes the quandary of operation for non-profits:

We live in a complex cultural environment. Governments are wanting to get out of the cultural support business. You have more government support for culture in Europe, but proportionately it’s coming to the same conclusions as in the U.S: if you are trying to make a budget balance with a 10% to 15% unemployment rate, culture is one of the first things you cut out, because the constituency for culture tends to be relatively small. And that’s happening. The cultural budgets are being scaled back almost everywhere I look. (D’Arcy, 1998).

Moreover, corporate sponsors, a major source of funding to combat the effects of government cuts have become more demanding in seeing returns for their investments in the form of larger audiences and reliable audience data.
The Changing Museum Context

In addition to these internal changes, the museum as an institution is positioned at a point where it struggles with balancing public trust and the changing context. Primarily, museums are social institutions that are constantly evolving with the sociological and political contexts in which they operate:

Museums have always had to modify how they worked, and what they did, according to the context, the plays of power, and the social, economic, and political imperatives that surrounded them. Museums, in common with all other social institutions, serve many masters, and must play many tunes accordingly. Perhaps success can be defined by the ability to balance all the tunes that must be played and still make a sound worth listening to (Hooper-Greenhill, 1992, p. 1).

The changing museum context involves trying to operate in an atmosphere where there is competition from other cultural institutions, the struggle with trying to balance out which activities can help capitalize on their resources (collection, staff, reputation) and maintain the public trust. Forces such as globalization have contributed to the rise of marketing, in turn fostering the usage of branding as a means to cope with the changing environment.

Globalization

Museum activities have evolved in part because of the changing external environment specifically globalization. The term globalization has many definitions that are applied to many disciplines, chiefly politics and economics. The literature on globalization and the arts and culture is less comprehensive, but the effects are nonetheless apparent.
At its very basis, globalization is a term that describes how people around the globe are increasingly becoming more interconnected and unified with the rise of technologies that have lowered physical boundaries. Countries have the ability to interact and exchange information with each other faster than ever regardless of geographical location, and it has in turn changed cultural communication. Thomas Friedman describes the phenomena as “the exorable integration of markets, nation-states and technologies to a degree never witnessed before- in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper and cheaper than ever before” (Friedman, 2000, p. 9). In the arts and cultural sector, globalization has had a significant effect in greater cultural exchange between greater numbers of people:

Free trade, the Web, and cheaper international travel have combined to help museums achieve recognition as places of exchange and communication between cultures. New communication technologies and the removal of trade tariffs have made for the easier exchange of cultural goods and services, and cultural products have become more accessible to greater numbers of people (Müller, 2006).

The increased access has also evoked concern of “worldwide dominance of an American mass culture,” since globalization “has accelerated the scope, speed, and depth of cultural diffusion” (Müller, 2006). Cultural diffusion has both mass culture and high culture manifestations. Particularly in high culture manifestations, the creation of outposts by American museums in other countries have raised concern about “western-dominated homogenization, the often feared McWorld,” and questions if cultural heritage will “be consumed by an imported Western model” (Müller, 2006).

On a smaller level, most museums have made strides towards embracing the effects of globalization through the Internet. The Internet has increased access to a wider range of audiences through the development of museum websites. The medium has made
available diverse information about museums and their collections, with “potential to
build new cultural environments through sophisticated exhibitions and educational
offerings” (Müller, 2006). A discussion of globalization can serve as one starting point
for understanding the current context of activities within museums.

Most blatantly the rise of tourism can be seen as a product of the globalization
phenomenon. According to the World Tourism Organization (WTO), there were 689
million international tourists in 2001, and $476 billion generated in 2000. More and
more, cheaper international travel has greater numbers of people going to different
countries to experience different cultures. Among the top activities for tourists are
visiting museums (Müller, 2006). Fundamentally, this increase in tourism translates into
a larger audience base and increased awareness of what visitors want. In the cases of the
Guggenheim and the Louvre, these museums have embraced tourism on another level,
literally bringing themselves to new international audiences.

The Rise of Marketing

Significant to the changing context is the rise of the marketing function in
museums. As discussed earlier, American museums are dealing with rising financial
pressure to remain afloat. Looking at the current realities for museum institutions, there
seems to ring a constant theme: to find alternative ways to garner finances. Increasingly,
more museums have taken steps to understand the basics of consumer product marketing
as a solution.
The museum’s responsibility to the public, coupled with decreased funding has dramatically changed institutional operations to incorporate marketing components. The increasing pressure for leaders of museums to walk the fine line between treating their institutions like businesses and still work to maintain the “performance measures of the museum industry” (Caldwell, 2000, p. 28) has required a re-orientation of marketing strategies. The rising costs of operating expenses, decreased funding avenues, and drop in audience attendance have signified this change. Museums have to respond to public needs and wants, as well as garner revenue.

Traditionally, marketing practices in museums has been met with distrust and seen as a last resort to generate income. The mistrust stems from the view that marketing is reserved for the private sector and is a manipulation tool. Very early on, authors Kotler & Levy (1969) addressed the role of marketing in organizations, making a claim that it is an activity that cannot be avoided. Their claim called for a more expansive concept of marketing, so that the definition encompasses non-profit organizations, including museums. They refer to the indifference that the general public had at the time for museums. They challenge: “is this indifference due to failure in the manner of presenting what museums have to offer?” (Kotler & Levy, 1969, p. 11).

In gaining understanding of how to broaden the field of marketing, Kotler & Levy illustrate that like a business, organizations are inclined to be “concerned about their ‘product’ in the eyes of certain ‘consumers’ and are seeking to find ‘tools’ for furthering their acceptance” (Kotler & Levy, 1969, p. 12). Products can be physical products, services, persons, or ideas. Consumers can be clients (immediate consumers), trustees or directors (those with a vested interest), publics (who have a vested interest), and general
public (those who might develop attitudes toward the organization) (Kotler & Levy, 1969). In order to communicate the products to the consumers, marketing tools are utilized. These tools are focused on product improvement, “especially when [organizations] recognize the competition they face from other organizations” (Kotler & Levy, 1969, p. 12). The authors argue that the field of marketing is pervasive and integral to any organization. They conclude that ultimately,

Marketing is that function of the organization that can keep in constant touch with the organization’s consumers, read their needs, develop ‘products’ that meet these needs, and build a program of communications to express the organization’s purposes. Certainly selling and influencing will be large parts of organizational marketing; but, properly selling follows rather than precedes the organization’s drive to create products to satisfy its consumers (Kotler & Levy, 1969, p. 15).

McLean (1997) has written about how to integrate marketing into a museum context. Her focus also reworks the notion of marketing in museums to see the practice as a beneficial component instead of a negative one. Similar to Kotler & Levy, her reasoning follows that the practice of marketing has a diverse set of definitions fitted and changed in different situations. Most specifically, the basic core is to identify and be considerate of the concept of a ‘customer.’ The visitors and general public is the ‘customer’ base for museums.

Viewing the marketing function as a bridge between the institution and the larger public helps to understand the benefits of its incorporation. “Marketing is a process that brings together an organization and people, whether it be for profit, to satisfy their needs or wants, to increase visitor figure, etc” (McLean, 1997, p. 47). A true integration of marketing into a museum context is to apply the fundamental concept of the ‘customer’
and build a relationship that makes the museum responsive to its public. Marketing is seen as:

A set of tools used to achieve a philosophy - a philosophy that sees what museums are doing through the eyes of the people they are doing it for: both the people who use museums and those who support museums. Marketing is an attitude of mind, an attitude that permeates throughout an organization. These attitudes are then transmitted into actions which are implemented through the marketing tools (McLean, 1997, p. 49).

Branding

Central to the incorporation of marketing practice in museums has been the rise of a brand identity. The term branding is defined as “an engineered perception made up of the name of an organization and the personality that goes with it. The personality is a combination of the organization’s products, services and perceived attributes” (Scott, 2000, p. 36). Contrary to first impressions, the concept is far more than just a logo. Companies such as SUMO Museum Branding™ have been established with the focus on helping museums re-create their brand images. This form of marketing “represents the integration of consumer product marketing approaches and traditional museum management” (Caldwell, 2000, p. 29).

Branding can serve as a viable solution to decreasing visitor audiences and an effective way to sustain institutional longevity. The practice makes museums aware of their presence within the public realm and gauge what methods are working or needs to be modified. Literature about museum branding has been limited in contrast to the vast numbers of publications intended for use in consumer product marketing. Authors such as Margot A. Wallace and Niall G. Caldwell are contributors to the rising field of
literature in museum branding. Their work indicates specifically how to best integrate and measure branding in museum practice.

In *Museum Branding*, Margot A. Wallace highlights that each museum already has a brand identity, and this is communicated through how the public views the museum. She stresses the importance of how this identity must be in correspondence with the mission, “a promise that every member of the museum family can agree with and adhere to” (Wallace, 2006, p. 2). When instituted well, “branding a museum gives it an image and personality that supporters can identify with, and an institutional ally to whom they want to contribute funds” (Wallace, 2006, p. 2). To achieve this status, she stresses that there are various elements museums can focus on in order to strengthen the brand name. These aspects are consciously linked to the existing functions of the museum, including: the architecture, exhibitions, education, volunteers, membership services, graphics, website, corporate partnerships and leadership.

Wallace’s literature views the re-orientation of museums through branding as making each institution uniquely aware of their presence in the community and what values they are communicating. Branding acts as a compass for understanding what a museum’s values are, and how they are achieving their mission. She concludes, “Branding consists of creating and maintaining a body of programs and attitudes that convey a clear promise, encourage familiarity, and generate ongoing support” (Wallace, 2006, p. 1).
Brand Equity

Niall G. Caldwell’s work (2000) introduces and explores the concept of branding through brand equity. The term ‘brand equity’ refers to “the set of brand assets and liabilities” linked to a brand. Branding is understood as the practice and overall image of the institution, while brand equity is the elements that make up the brand image. Business practice has used this concept to determine what attributes are successful in strengthening their visibility. A number of categories narrow the facets most important to brand equity, including brand awareness, perceived quality, and brand association.

Brand Equity is considered the best method for gauging the success of branding. The measurement of a museum institution’s branding power is difficult because most literature has been written for business organizations that have a focus on products and profit. Namely, this translates into looking at numbers and figures. When utilized in a museum setting, there must be a modification of branding that can fit museums, which are mostly service oriented and not easily quantified. The key point of brand equity is in understanding how fundamentally every museum can use this tool as a means to gauge their success among other cultural options. The practice is vital to the method of branding.

Branding in the Current Context

Margot A. Wallace’s work underlined the importance of utilizing branding as a means to stand out among other cultural options. She highlighted how components such as: architecture, exhibitions, education, volunteers, membership services, graphics, website, corporate partnerships and leadership all can have an effect on brand image.
Niall G. Caldwell’s work discusses brand equity as an essential tool to branding, utilized as a means to test awareness, perceived quality, and association. Taking into consideration both authors, museums in the current context heighten their brand image and equity through three main components: leadership, partnership, and architecture. Each factor has a lesser or larger role depending on the institution, but a combination of the three is seen in most cases. These three components are all integrally linked together as a recipe for a successful brand identity, where its essence “is its high level of name awareness and the positive associations which attach to the name and are called to mind by the name” (Caldwell, 2000, p. 29).

The leadership component stems from the shift of museum directors having a business background in their repertoire in addition to Arts. The leadership succession lends insight into how museums are being run with a business edge that entails more aggressive programming and risk taking. The recent job vacancies for museum directors further highlights the importance of this new type of museum director, where the ideal candidate “needs an improbable combination of skills to land, not to mention retain, the job: an advanced degree in art history and curatorial experience — essentially an academic profile — as well as the financial acumen and managerial skills befitting a corporate chief executive” (Finkel, 2007). Museums are demanding “a museum director with a new set of skills as project manager and merchandiser, rather than curator and connoisseur” (Abruzzo, 2008).
The increasing interconnectedness, a product of globalization, has garnered a lot of motivation for partnerships between public museums and other entities. Public partnerships are a way of insulating institutions from risky ventures, so the responsibility is shared and not solely reliant on one or the other. It opens up possibilities for institutions to help each other and capitalize on increased resources. Lately in museums, partnerships have been created so that the museum is responsible for the creative and programmatic activities, while the other fronts the money for the venture. The separation of the creative and the financial means to pay for it can be seen as more freedom, but can pose a testy relationship where museums can be coerced to represent values not inherent in their missions.

Lastly, Architecture has become an increasingly important component in building museum brand identity. Audiences have gone to museums with the motivations to see the building as much as the artworks that are housed within. Recent new museums have been built with this idea in mind. Buildings such as the Guggenheim Bilbao, Musée du Louvre, and Centre Pompidou, are considered architectural landmarks. Architects such as Frank Lloyd Wright, I.M. Pei, Jean Nouvel, and Zaha Hadid are consistently being commissioned for new museums and their buildings are a part of the collection.

Conclusions

My thesis research hopes to explore the current context of museums and help to investigate the implications behind how they are operating like corporations. In this chapter, I framed the current realities of the museum world through a review of literature. I have highlighted how fundamentally, museums have shifted their attentions towards
visitor experience instead of the collection, making the ideal of public trust more important than ever. Externally, globalization has proliferated the rise of the tourism market. Coupling with the decline in funding, museums have increasingly changed the internal operations to include marketing practices such as branding. The branding component indicates how museums are using aspects from consumer product marketing to separate themselves from other cultural institutions and to be cognizant of their place within the public realm.

The three main branding components that have come to the forefront of the discussion is: leadership, partnership, and architecture. In the subsequent chapters, my methodology highlighted earlier will include investigating the cases of the Solomon R. Guggenheim in New York, NY and the Musée du Louvre in Paris, France. Their analysis will in turn help to understand the current museum context, as well as investigate how that can be used for smaller museums.
CHAPTER 3

THE CASE OF THE GUGGENHEIM

Introduction

“It’s become old hat to describe me as a pioneer. But you know the definition of a pioneer. They're the people in a group who walk at the very front, who are the first to fall face down in the mud and the first to be shot in the back with an arrow.”
-Thomas Krens

Among the branding components, catalytic leadership characterizes the case of the Guggenhein museum. Thomas Krens, a debated figure because of his unconventional approach to museum management, took over the Solomon R. Guggenhein Foundation in 1988. His leadership style borrows concepts from business administration that treats the museum like a corporation, both in leveraging the Guggenheim’s collection as assets and pioneering the concept of satellite museums. Catalytic leadership summarizes the Guggenheim’s approach because Krens saw the value of the Guggenheim brand and employed architecture and partnership as mechanisms for the Guggenheim’s prominence through the satellite model.

His first venture, Guggenheim Bilbao, was indicative of this. The Guggenheim Bilbao project has been deemed an urban renewal success story, helping to transform an insignificant dying port city into a major tourist attraction.
It was the success of this endeavor that started the campaign of satellite museums, which have been criticized as resembling a large franchise like Starbucks or McDonalds. The subsequent ventures and failures of the Guggenheim satellites have arts administrators questioning Krens’ practices, placing both him and the Guggenheim in the limelight.

The context of the Guggenheim case will be presented through: a brief background look at the Guggenheim museum prior to 1988 (along with a brief biography of Thomas Krens), the circumstances surrounding the Guggenheim Bilbao, and the satellite projects post-Bilbao. The presentation of this information will not only provide a chronological synthesis of the events surrounding the Guggenheim, but also highlight Krens’ leadership of capitalizing on architecture and partnership components. This examination will also question the Guggenheim’s practices within a larger context and speculate if other institutions or even the Guggenheim itself can replicate the success of Bilbao.

The Pre-Thomas Krens Era

The Museum of Non-Objective Painting, otherwise known as today’s Solomon R. Guggenheim Museum was formally established in 1937 with the establishment of the Solomon R. Guggenheim Foundation. The early foci of the foundation were “for the promotion and encouragement and education in art and the enlightenment of the public” (Dennison, 2003, p. 51). It was the decision to change the museum’s name from the Museum of Non-Objective Painting to the Solomon R. Guggenheim Museum in 1952 that drastically changed the scope and structure of the institution.
The title was less specific, allowing the collection to expand and include genres such as expressionist and surrealist artworks. The change also pointed out a glaring flaw: Although identifying itself as a museum devoted to Modern Art, the collection fell short in the range of representation of Modern Artists. Gaps in the collection included the near absence of sculpture and an unsurprising emphasis on Non-objective Art.

The opening of the iconic Frank Lloyd Wright building in 1959 garnered fame and large audiences, but the internal operations were still in a growing period. The Guggenheim museum’s focus and operations were centered on efforts to professionalize the administration structure and on building a more representative collection. Early museum directors focused on trying to fix collection issues and strengthen the administrative structure to increase the Guggenheim’s legitimacy among the other established museums in New York City.

Thomas Messer, director from 1961-1988 was one of the main figures focused on building the Guggenheim’s reputation. His museum management style rested in securing major Modern Artworks through strategic purchase and donation, an extension of his predecessor, James Johnson Sweeney. Under his leadership, he laid the groundwork for achieving the Foundation’s goals.

Messer initiated an ambitious publications programme focused not only on temporary exhibitions but also on the growing collection, which required in-depth cataloging of works as well as the institution of scholarly research projects. Under Messer, the curatorial and technical staff was enlarged in proportion to the increased exhibition and publishing activities that were taking place (Dennison, 2003, p. 52).

It was during his tenure when Peggy Guggenheim bequeathed her private Modern Art Collection and residence in Venice (Palazzo dei Leoni) to the Guggenheim
Foundation in 1976. This substantially added to the collection more than 300 artworks, helping to further close genre gaps, especially Surrealist works and early postwar American gestural painting. Peggy Guggenheim’s bequest was also by default the first extension abroad for the institution.

The addition expanded the collection and extended the Guggenheim’s reach. “When considered in concert these two collections form a bi-continental entity that begins to trace the complex and multivalent history of twentieth-century art. Their union is the foundation of the institution’s international orientation” (Dennison, 2003, p. 53). Despite this international sentiment, Messer’s tenure mainly focused on institutional sustainability in New York City, NY and on building a platform for the Foundation’s future success. His major achievement was creating a secure and stable environment for the Guggenheim museum. This stability made the subsequent leadership style of Messer’s successor possible, whose management strategy was drastically different.

Thomas Krens: Brief Biography

Thomas Krens is a native of New York, born in 1946. He attended Williams College and received a Bachelors of Art in Political Economy, as well as a Masters Degree in Art from the State University of New York in Albany. His subsequent career involved teaching at his undergraduate alma mater, eventually becoming Director of the Williams College Museum of Art (WCMA) in 1981. During this time, Krens received a second Masters Degree from Yale University in Public and Private Management.
Krens served as Director of WCMA until the Solomon Guggenheim Museum offered him an opportunity to head the Solomon R. Guggenheim Foundation in 1988. His fine arts background fostered an interest and passion for the visual arts, while his management education provided the business platform for his controversial museum practices. Furthermore, the antecedents of expansion and large-scale endeavors can be seen through Krens participation in the Massachusetts Museum of Contemporary Art (MASS MoCA), now the largest arts center devoted to contemporary art.

The then WCMA director was on a search to find space that would accommodate large-scale contemporary artworks. He found that traditional gallery spaces in museums were unsuitable and restrictive to large installations. With the suggestion of Mayor John Barrett III, Krens saw the opportunity to create a contemporary arts center for Massachusetts on a 13-acre campus of renovated factory buildings in North Adams, MA.

His vision was to devote the entire 220,000 square feet of gallery space to the display of contemporary artworks. The project was eventually scaled back due to financial limitations and support, with Krens leaving to take his Guggenheim post in 1988. Joseph Thompson, Krens’ colleague at WCMA, took over the project and MASS MoCA opened its doors in 1999. Although Krens did not carry out the plans for MASS MoCA into fruition, his visions for large-scale expansion can be seen throughout his career.
In 1988, the direction of the Guggenheim’s focus was re-oriented with the arrival of Thomas Krens, who “inherited a museum with a modest endowment, a quixotic exhibition history, a famous landmark in need of repair and not enough room for art” (Kimmelman, 1999, p. 52). First and foremost, Krens’ main concern was to fix the building itself. To pay for this, Krens stirred up controversy with his decision to de-accession three artworks from the collection and sell them through Sotheby’s auction house. A Chagall, Kandinsky, and Modigliani were sold to pay for the costs of remodeling the Frank Lloyd Wright building. The renovation was particularly important for the Guggenheim because the building had become a symbol for the institution and was as famous as its collection:

Since it opened in 1959, drawing huge crowds and controversy because of its design, the building, with its spiraled interior rising 96 feet, has been the primary reason many people go to the Guggenheim. A Gallup poll taken in early 1960 showed that nearly 4 out of 10 visitors (38 percent) said they came to the Guggenheim specifically for the building; 53 percent said they came to see both the building and the collection, and only 5 percent said they came just for the art (Vogel, 2004, p. B1).

The renovation was also seen as an opportunity to expand the gallery space. Krens found that while the Guggenheim had embarked on an aggressive collecting campaign with its previous directors, many of the artworks could not be displayed due to space limitations. The architectural firm, Gwathmey Siegel, was hired for the job. The remodeling and construction period lasted from 1989 to 1992, with the last two years requiring that the Guggenheim close its doors to the public. In the meantime, the Guggenheim’s collection was toured to different museums around the globe to generate income.
There was no question that the intention to remodel the building was legitimate, but the means to fund the endeavor raised a lot of concern. His intention was radical in the art community: treating the collection as assets that could be leveraged as collateral. The move challenged the conventions of museums, where the collection was its mission. The incident was one of the first glimpses into the business strategies that have defined Krens’ career at the Guggenheim.

Arts administrators saw the success and payoffs from the project. The Guggenheim opened its doors back up after its two-year sabbatical with impressive additions. A ten-story tower complemented the existing building, adding “51,000 square feet of new and renovated gallery space, 15,000-square-feet of new office space, a restored theater, new restaurant and retrofitted support and storage spaces” (Gwathmey Siegel, 2005).

Ironically, this renovation turned attention away from the iconic Frank Lloyd Wright building to the effects the Guggenheim’s identity can have on the rest of the globe. The time period where the Guggenheim closed whet the Krens’ appetite to offer opportunities to other cities and countries, fostering a sense of international globalization. After the Guggenheim renovation, Krens pushed an agenda that concentrated around international expansion through strategic partnerships. He envisioned a museum without borders, providing opportunity and access to audiences beyond the home Frank Lloyd Wright building. The partnership between Bilbao, Spain and the Guggenheim provided a jumping point for Krens’ aspirations.
The city of Bilbao is the largest city in the Basque country, located in Northern Spain. The Nervión River runs through the city, with the riverbanks home to numerous businesses and factories. The city was well known for having both a major seaport and immense mineral wealth throughout the Industrial Revolution. Bilbao was at the height of its prosperity during this time as Spain’s leading city in the steel and iron industries. The small city transformed the Basque region through its booming financial security in industrial activity.

Between 1955 and 1973 Bilbao led the Basque economy with the creation of 250,000 new jobs (enlarging the number of positions by 34 percent increase over the 1955 workforce). Seven out of ten new jobs were in industry, which grew at an annual 7.1 percent rate, while the services sector grew at a rate of only 4.2 percent. In 1975, 52.9 percent of the total Basque workforce was in industry and construction work (Zulaika, 2003, pp. 55-56).

The increase in jobs attracted many immigrants from Spain to the area. The population grew significantly in this time period, with a 77 percent increase from 1950 to 1975. The situation set a platform for many issues. There was a heavy reliance on variables beyond the control of the city. This economic model was vulnerable to external forces due to its small size and minimal diversification of industries.

Bilbao and the Basque region were heavily affected during the international economic crisis of the 1970s, where there was a “reduction of the National Economic product (NEP), a drastic fall in investments, and a significant rise in unemployment”
From this point on, Bilbao continued to steadily rise to a 25 percent unemployment rate.

The onset of technological advances further made the city unable to compete with the global market. The once prosperous businesses and factories along the banks of the river have become “kilometers of ruins, hundreds of building silently awaiting demolition, urban neighborhoods with deserted streets, industrial sites with dormant chimneys” (Zulaika, 2003, p. 61). Bilbao was in a state of industrial decline, desperate for urban renewal. As an answer to this call, Bilbao structured an ambitious $1.5 billion game plan in 1989:

1) A cleaned up and newly expanded commercial and recreational port; 2) new public transport facilities including a subway (Norman Foster), an airport (Santiago Calatrava) and a central transport hub for the subway, trains, and city buses (it was designed by the late James Stirling; Michael Wilford is now in charge); and 3) a new waterfront development comprising a one-million-square-foot office, retail and residential complex (Cesar Pelli), a conference and concert hall (Federico Soriano/Dolores Palacio), and, last but not least, a museum of modern and contemporary art (Bradley, 1997).

The deal between Bilbao and Thomas Krens was a situational match and a gamble. Krens was searching for a location to pilot a global satellite. His motives were centered on Spain because of his alliance with Carmen Gimenez, who was influential in the Spanish art world through being director of the culture ministry’s Centro Nacional de Exposiciones. She was famous for coordinating “a lively international exhibitions program which sparked excitement abroad about up-and-coming Spanish artists and generated terrific public interest” (Bradley, 1997). The Reina Sofía art center in Madrid

(Zulaika, 2003, p. 56).
showcased most of her efforts. With her help, Krens in 1990 secured 211 Minimalist paintings and sculptures from Count Giuseppe Panza di Biumo’s art collection.

The enormous addition bolstered the SRGF’s collection, but presented the dilemma of exhibition space in order to display them. The result was a collaborative national tour of Spain to find an institution willing to house a Guggenheim satellite, or rent out parts of the SRGF’s collection. Gimenez and Krens co-curated “Masterpieces from the Guggenheim’s collection: From Picasso to Pollock” at the Reina Sofia to generate interest for negotiation. “Kandinsky Watercolors” was also shown in Madrid.

Despite the efforts, Spain’s culture ministry was not receptive to the Guggenheim, and saw the partnership as “an imperialistic, speculative venture, particularly in the aftermath of the contemporary-art-market boom and bust” (Bradley, 1997). Madrid, Barcelona, Seville, Badajoz, and Santander all declined the prospect. Anti-American sentiment left Krens with few options.

The pieces fit together when Krens approached Bilbao. The Basques were on a quest to find the missing piece to their urban development plan: an architecture icon that would draw tourism into the declining industrial city. Krens and then Basque cultural commissioner Joseba Arregi signed a pre-agreement to create a Guggenheim Museum Bilbao in late September 1991. “The site, architect, preliminary building design, approximate cost and basic collection program had already been hammered out” (Bradley, 1997). In this agreement, Thomas Krens found a marriage between the partnership and architecture components that will be the hallmark of his leadership style.
The Key Elements to the Bilbao Project

Signed by the end of 1991, the official agreement was unprecedented in the museum world:

The Basques agreed to cover the $100 million construction cost, to create a $50 million acquisitions fund, to pay a one-time $20 million fee to the Guggenheim and to subsidize the museum's $12 million annual budget. In exchange, the Guggenheim would manage the institution, rotate parts of its own permanent collection through here and organize temporary shows. (Riding, 1997).

This agreement was wildly different from other partnerships chiefly because the Basques agreed to not only pay for the entirety of the project, but also paid the Guggenheim a fee. This partnership capitalized the Guggenheim brand name and generated profit, setting a new standard for this type of deal. In addition, this agreement effectively minimized risk for the museum. The role of the Guggenheim was stated as a managerial and advisory capacity. The Basques theoretically would have been the ones that had most to lose if the project failed. To ensure that their investment was safe, the Basques conducted a feasibility study. This study was conducted by Gestec, IBS and Peat Marwick and projected:

An annual income of 1.4 billion pesetas ($14 million at that time) based on generous private support (supplying up to 40-50 percent of the museum's annual budget) and in expectation of healthy attendance (estimated at 594,547 visitors annually, consisting of 24 percent from the province, 32 percent from nearby regions, and the remaining 43 percent Spanish and foreign). The GMB's estimated multiplying effect on the Basque economy would raise annual spending in the region by $35 million, plus generate $4 million in taxes (Bradley, 1997).

To further ensure economic success, the massive project was characterized by heavy promotional efforts and the usage of the Frank Gehry building as an architectural symbol.
From the onset, the Basques kept the promotion of their urban renewal project in high profile. They were consistently covered in the local and international press throughout the entire process. “Lavish press junkets, publicized site visits by political and art – world luminaries – designed to build a local and international base of support, boost the SRGF’s ambitious fund-raising efforts and secure good press for the Basque Country overall” (Bradley, 1997). In addition, Basque officials hosted tours for the correspondents of a variety of magazines. The continued promotion kept the major project in the press, and kept the world wondering if Guggenheim Bilbao would succeed in its gamble of revitalizing the region.

Architecturally, Frank Gehry’s design for Guggenheim Bilbao was conceived in the same spirit as the Frank Lloyd Wright building: a museum where visitors came for the building as much as the artworks in them. The building plans generated much international attention for the originality of its design. It was described as a “dramatically scaled limestone-and-titanium-clad conglomeration of vertical and horizontal volumes, united off-center by an enormous glass-walled atrium and topped by a cluster of organic forms suggesting a ‘metallic flower’… Its massive scale has allowed Gehry free rein to combine broad, expansive forms with relatively compact shapes, and thus arrive at a more appeal result” (Bradley, 1997).

Situated along the waterfront, the Guggenheim Bilbao’s exterior is a structural icon. The titanium structure links the region with the museum and alludes to the industrial past of the Basque region. Gehry stated, “The idea of this looking like a boat was my response to the river, the other side, more fragmented and covered with stone, is
more in scale with the city. The whole thing is about fitting the building into Bilbao. So for me it's about the imagery of the river and the imagery of the city (Riding, 1997).

The interior is centered on a 165-foot high glass atrium, which “serves as the focal point for three levels of galleries which radiate from it” (Bradley, 1997). The galleries are accommodating to a variety of artworks, with

Classically proportioned rooms for intimate viewing of modern works; small, irregularly shaped spaces for ‘living artists to fight with’ (according to Gehry); and the massive ‘boat’ gallery (450 feet long by 80 feet wide, with no columns to interrupt its sweep) designed with large-scale art from the ‘60s, ‘70s, and ‘80s in mind (Bradley, 1997).

In addition, most of the galleries get natural light, with “separate interior and exterior access to high-use areas, such as the bookstore and restaurant” (Bradley, 1997).

The planning process of the museum was a collaborative effort between Krens and Gehry. Krens wanted to address the lack of exhibition space for large-scale art, and the dismissal of the museum experience in contemporary art museums. Together, the two sought to create a museum that emanated the themes of scale and architectural experience.

According to Krens, this architectural emphasis is likened to the cathedral in Chartres, where “in the Middle Ages, when someone came to the city from a village, they had never seen buildings with more than one story before and then they stood in front of this massive cathedral. That’s the effect I wanted to achieve. It’s technology, cosmology, science, and religion, all thrown together. Breathtaking” (Speigel, 2008). The usage of architecture as another part of the Guggenheim’s branding recipe started with the original Frank Gehry building and continued with Bilbao.
The Bilbao Effect

In October 18, 1997, the first true Guggenheim satellite was born. The Basque region's President, Jose Antonio Ardanza commented that, “for us Basques, it is a message of confidence in ourselves, in our capacity to renew and innovate, in our determination to overcome the traumas of the past and to come back to the path that leads to the future," (Riding, 1997). Opening with the exhibition: “The Guggenheim Museums and the Art of this Century,” the Guggenheim Bilbao attracted massive numbers in attendance from the onset. The Frank Gehry building attracted audiences nationally and abroad, generating a large tourism component that was previously missing. In its inaugural year, “according to a Peat Marwick survey, most visitors--approximately 79 percent--traveled to Bilbao specifically to see the museum. Of those, 41 percent came from the local area, 32 percent were from the rest of Spain and 27 percent were from other countries, particularly France” (Bradley, 1999). In general, the first two years the museum generated a huge economic impact for the Basque region:

In 1997 approximately $120 million was spent in the food service sector. In 1998 that total increased to approximately $160 million. Also in 1997, an estimated $75 million was spent on purchases in local shops, $60 million on hotels, $15 million on fuel and transportation, and $17 million in the museum itself. In 1998 these figures increased in every area. Approximately $100 million was spent both in shops and in hotels; $17 million was spent on fuel and transportation; and $20 million was spent at the Guggenheim Bilbao. Economic activity associated with the effects of the museum totaled roughly $300 million in 1997 (0.47% of the Gross Domestic Product) and $360 million in 1998 (0.62% of the GDP) (Martinez, 2006, p. 37).

The success of the satellite has been coined “the Bilbao effect,” transforming the Basque Country identity, and attracting numerous cities to consider being part of the
Guggenheim identity. Ten years later, the Guggenheim Bilbao has become a tourist landmark, with the institution synonymous with the city.

A Foundation for Other Institutions

Krens gamble with Bilbao broke new ground for the museum world. Following the success of the Bilbao was a more receptive attitude for expanding the reach of museums. Several museums have taken steps to follow the satellite model in their own ways. In Europe, museums have taken to creating outposts within the same country. The Centre Pompidou in Paris, France and the Tate Modern in London, England constitute some of the current examples.

The Centre Pompidou celebrated its 30th year anniversary in 2007 and has decided to create a new branch in Metz, France, viewing the new addition as “an opportunity to reconsider the role of the centre in a new context. It will be essential for it to constantly remain a reflection of its times” (Centre Pompidou-Metz, 2008). The Centre Pompidou-Metz will be opening in 2009, boasting dual ambitions:

First, it's an encounter between two resolutely forward-looking institutions: the Centre Pompidou and the Metz Metropole region. It's also an encounter between the public and the Musée National d'Art Moderne’s collection of 59,000 works of art (Centre Pompidou-Metz, 2008).

In England, the Tate Modern has unveiled its plans to expand their facilities and reach in London. Already boasting the Tate Liverpool, Tate St. Ives, and Tate Britain in its network, the new Tate Modern Master Plan boasts creating a Tate Modern campus, with a new 23,400 building, a “potential for a further 7,000 of space for another cultural organization to complement Tate Modern and to strengthen the Cultural Quarter,” (Tate

Subsequent Ventures

For Thomas Krens, the success of Bilbao provided a convincing argument to the Guggenheim Foundation Board for further global expansion. Krens succeeded in creating two other satellites, Deutsche Guggenheim Berlin and the Guggenheim Hermitage Museum. The two complete the current network of four satellites in addition to the home institution in New York City.

The Deutsche Guggenheim

The Deutsche Guggenheim Berlin opened in the same year as Guggenheim Bilbao. The opening was unique because the partnership was with Deutsche Bank, clearly a private institution. Artworks were commissioned specifically for the new building, the first being James Rosenquist’s *The Swimmer in the Econo-mist*. The partnership detailed that the Guggenheim provided intellectual support while the Deutsche Bank paid for operational costs. In addition, both institutions shared collections. The satellite was an opportunity for the Deutsche Bank to gain publicity through financing cultural activities.
The Guggenheim/Hermitage Museum in Las Vegas

The Guggenheim/Hermitage Museum is a partnership between The Guggenheim and the State Hermitage Museum in St. Petersburg. The partnership came while Krens was in negotiations with the Venetian Hotel in Las Vegas. The Venetian was another private institution that saw the opportunity for profit through the Guggenheim brand name. Together, the SRGF and the State Hermitage Museum decided to share parts of their collections in an art space in the Venetian Hotel-Resort in Las Vegas, NV. The Venetian Hotel financed the entire project, with Dutch Architect Rem Koolhaas hired to construct the space.

The museum's exterior and interior walls have been constructed with panels of Cor-Ten steel, which has never before been used as the structure of a museum gallery. The lightly textured industrial metal is intended to evoke the traditional velvet walls of the Hermitage Museum while providing a stark modern contrast to the ornate architecture of The Venetian (Guggenheim, 2001).

The Guggenheim/Hermitage Museum in Las Vegas opened in 2001. The museum has generated continuous attendance numbers and revenue. The works are split half and half between the Guggenheim and the Hermitage museum, displaying universally recognized artists such as Picasso, Renoir, Cezanne, and Kandinsky (Martinez, 2006).

Rifts and Failures

Despite the creation of two additional outposts, simultaneously during both ventures were failed branches and negotiations between Krens and various institutions. Opened in 1992, the Guggenheim SoHo in New York struggled to stay afloat despite multiple efforts to attract audiences. Krens poured money into displaying impressive
multi-media and high technology art in hopes of revitalizing the space. In 2001, the branch officially closed.

Along the same vein, the Guggenheim Las Vegas was constructed along with the Guggenheim Hermitage Museum in the same hotel. Displayed in a much larger space in the Venetian, the satellite opened with The Art of the Motorcycle, a show that had garnered national and international success. The space was intended to attract casino tourists and be more daring than the Guggenheim Hermitage counterpart. After only 15 months, the Guggenheim Las Vegas closed after insufficient attendance.

The closure of the Guggenheim SoHo and the Guggenheim Las Vegas, coupled with heavily publicized plans that never made it into fruition for other outposts such as Venice, Rio de Janeiro, and New York put Krens constantly on the defensive with his board. The setbacks created through these failures placed the Guggenheim continuously in financial trouble.

In 2002, the Guggenheim’s operating budget forced a “dramatic reduction in staff, to 181 full-time positions from 339 in November 2001. In all, 102 people have lost their jobs through layoffs” (Bohlen, 2001). The Guggenheim Foundation shifted money from its endowment to even out the operating costs, usually reserved as a last resort for a museum.

The Resignation of Peter Lewis

Peter Lewis, the Guggenheim’s board chairman and largest contributor, states that Krens "first used yesterday's reserves and then used tomorrow's optimism" (Bohlen, 2002). Lewis was displeased with the deficit Krens was creating in trying to finance
Guggenheims all over the globe. He felt the need for the Guggenheim to scale back and take care of the home location in New York City. Continually, Krens and Lewis had different views on the subject, with Lewis financially bailing out the Guggenheim multiple times.

In 2002, Lewis contributed $12 million to the Guggenheim in order for the budget to be balanced in 2003. At this point, he had donated nearly $50 million since first serving on the board in 1993. However, the benefactor donated the money with an ultimatum to Krens: reduce spending or face unemployment. Lewis stated, "I like Tom, but I am down to tough love. We are going to make this right this time, or else someone is going to have to go" (Pogrebin, 2005).

Krens managed to appease Lewis for a short while before pursuing projects in Taichung, Taiwan and Guadalajara, Mexico. The exasperated Lewis had a showdown with Krens in 2005 during a three-hour board meeting, where he resigned completely from the Guggenheim board. At the time of his resignation, Lewis contributed to the museum “about $77 million over all, nearly four times as much as any other board member in its history” (Pogrebin, 2005).

The Abu Dhabi Saadiyat Project

The most recent expansion for the Guggenheim has been agreeing to be a part of the Abu Dhabi Saadiyat project, which proposes to create a major cultural district for the Middle East. As the second largest city of the United Arab Emirates (UAE), Abu Dhabi hopes to lure more tourism through a massive project on Saadiyat Island, located along the coast of the city. In addition to the Guggenheim Abu Dhabi, the plan also includes:
Louvre Abu Dhabi, a performing arts center, maritime museum, and the Sheikh Zayed National Museum. The district boasts celebrity architects to build the museums, including: Frank Gehry, Jean Nouvel, and Zaha Hadid.

Not unsurprisingly, Thomas Krens has a hand in organizing the project. With Frank Gehry once again as the architect, the Guggenheim Abu Dhabi is expected to be the largest satellite to date. 35 percent bigger than Bilbao, Krens contends, “it will be truly global, representing art from the Middle East, Russia, Eastern Europe, Asia, Africa, as well as Europe and America. It will change the model of the art museum” (Vogel, 2008).

The most surprising addition has been the Louvre Abu Dhabi, an institution long known for its nationalistic image for France. The French museum decided to sign onto the project after negotiating a $1.3 billion dollar deal with the Emirate. The Saadiyat project can be seen as a large gamble for the Guggenheim chiefly because it is operating differently than Bilbao. Instead of using the Guggenheim brand as a means for urban renewal, Guggenheim Abu Dhabi is an additive to not only one of the wealthiest United Arab Emirates, but in a whole network of big name imports of institutions and architects.

Conclusions

On February 2008, the Guggenheim board announced that Thomas Krens is stepping down as director of the Guggenheim Foundation after nearly 20 years. He will remain at the Guggenheim serving in the capacity of a senior advisor for international affairs, specifically overseeing the Guggenheim Abu-Dhabi project. During his tenure, his controversial museum practices can be characterized as catalytic leadership. He is
credited with the urban renewal success of Bilbao and pioneering the concept of satellite museums, which emphasizes coupling strategic partnerships with landmark architecture. From this, the Guggenheim network now has outposts in Venice, Berlin, Bilbao, and Las Vegas. His efforts have increased the Guggenheim’s endowment to $118 million from $20 million when he first signed on as director.

On the flip side, Krens is also responsible for the contentions involved from turning the Guggenheim “into a McDonald’s-like franchise at the expense of expanding its collections and endowment” (Vogel, 2008). His efforts to re-create the Bilbao effect in various other ventures have landed the Guggenheim in financial troubles time and time again.

Regardless of opinion, Thomas Krens can be credited with being the first to apply business concepts to the museum world that are commonplace in any other field. His leadership style was centered on being able to capitalize on resources, creatively using architecture and partnership to leverage the Guggenheim’s reputation. Krens has pioneered and questioned a new wave of museum management in the midst of an ever increasingly global framework.

The question is how his departure from the Guggenheim family will effect the future operation of the museums. Aside from Guggenheim Abu Dhabi, the institution does not have plans for further expansion. The Guggenheim has constantly tried to re-create the Bilbao effect in the past ten years, and the question is if their recipe for success that includes: internationally renowned architects, collections, and partnerships will ever yield the same results. Does the international network of Guggenheims start and finish with Thomas Krens?
CHAPTER 4

THE CASE OF THE LOUVRE

Introduction

“We’re not selling the French legacy and heritage. We want this culture to radiate to parts of the world that value it. We’re proud that Abu Dhabi wants to bring the Louvre here. We’re not here to transform culture into a consumer product.”
-Renaud Donnedieu de Vabres, French Culture Minister

Partnership has been the defining attribute for the latest programmatic activities of the Musée du Louvre. The Louvre is not going to represent a parallel case for comparison, but rather as a domino effect of the Guggenheim’s earlier activities. As a platform and starting point, the discussion will start with Le Grande Louvre Project. The Louvre took on a series of institutional changes through Le Grande Louvre project to accommodate for a rising tourism market. President Francois Mitterrand initiated this key renovation in 1981. This project not only modernized the Louvre, but also set in motion more plans aimed at expanding the Louvre’s reach within a global framework.

A partnership emphasis can be seen in the Louvre’s current projects. This includes building a branch in Lens, France and expressly in a 3-year agreement with the High Museum in Atlanta, GA where key artworks in the Louvre’s collection are loaned out. All these smaller ventures have culminated into the current project: Louvre-Abu
Dhabi, where the museum has agreed to be a part of the highly controversial Saadiyat cultural district. The context of the Louvre will be discussed through: Le Grande Louvre Project, Louvre-Lens, High museum project and the Louvre-Abu Dhabi. This discussion will shed some light on the evolution of the Louvre from Le Grande Louvre to Louvre-Abu Dhabi.

Le Grande Louvre Project

Le Grande Louvre Project was part of President François Mitterrand’s *Les Grand Travaux* projects, which also included renovating or building: the opera Bastille, The Cite de la Musique, a new national library, and the Grande Arche at La Defense. Mitterrand hoped the undertakings would stimulate the French economy through the creation of new jobs, encourage the construction of new buildings, and reaffirm France’s cultural leadership in the world.

Le Grande Louvre Project was a “20-year reorganization costing over 7 billion francs (more than 1 billion euros) and laying the groundwork for a thoroughly modern, 21st-century Louvre” (Gombault, 2002, p. 75). At the time, the Louvre was in great need of renovation. The old facilities were unsuitable for the large amount of artworks and foot traffic. The institution was forced to move into attics, courtyards, and basements due to lack of space. Despite the amazing collection, the Louvre had severe problems:

“The building was dilapidated, having been ill maintained for over a century. Numerous rooms had to be closed to the public. Visitors were inconvenienced by the lack of logical sequence to follow and lack of services. Although the Museum managed to accommodate 2.5 million visitors annually, they spent an average of just 80 minutes viewing some of the most extraordinary collections in the world, while visits to other major museums lasted an average of three hours” (Gombault, 2002).
Le Grande Louvre Project was a turning point in the Louvre’s history. Chinese-born American architect I.M. Pei, an architect known for his architectural designs in the East building of the National Gallery in Washington, DC and the John F. Kennedy Library in Boston, MA was signed on for the project.

The 20-year Grande Louvre project succeeded in drastically reorganizing the institution through restoration and expansion. The exhibition space multiplied from 31,000 to 60,000 square meters. This has increased the number of artworks on display from 20,600 to more than 34,000.

The emblem of the project was the Pei Pyramid, which serves as the central entrance into the museum. The pyramid consisted of 105 tons of glass, attached with silicone onto a 95-ton frame. It stands at 71 feet high at the peak and 108 feet wide at the base. The pyramid is “the central access point for the three wings housing the permanent collections- the Denon, Sully, and Richelieu wings” (Gombault, 2002, p. 75).

The Pei Pyramid was first heavily criticized for its radical design and an unwelcome intrusion of modernism but the bitter sentiments subsided as construction went on. The opening in 1989 was receptive, with journalist Paul Goldberger stating that “Mr. Pei has played on the French love of both technology and monumentality, and he has created a structure that neatly marries the two. The pyramid is, first and foremost, an exquisite object, less a real building than an elegant abstraction, floating in the Louvre courtyard amid a set of new reflecting pools and fountains” (Goldberger, 1989). This addition has been symbolic for the Louvre, with the Pei pyramid as one of the first modern representative landmark architecture for the institution. The pyramid is now synonymous with the Louvre, and draws audiences in.
During the renovation, lead architect I.M. Pei also placed marketing and merchandising in the forefront, providing numerous amenities for tourists including:

“Information, cloakrooms, baggage checks, ticket sales, security, washrooms, a picnic area, a clinic, baby-changing rooms, a media centre, reception areas for groups taking workshops or guided tours, a 420-seat auditorium for lectures, films, concerts and readings, a conference room, a screening room, coffee shops and a bookstore and a boutique selling Museum merchandise” (Gombault, 2002, p. 75).

An underground mall and underground parking facilities completed the upgraded range of services.

Since the completion of Le Grand Louvre Project, the museum has enjoyed an upward swing in attendance, doubling its audience. Even during the initial years from 1988-1992, the numbers rose from 2.7 million to 4.9 million. Currently, the museum has around 6 million visitors annually, making the Louvre one of the most visited museums in the world. The project has succeeded not only an increase in attendance, but in modernizing the Louvre.

Furthermore, the Louvre also succeeded in gaining greater managerial autonomy in 1993. The Louvre convinced the French government to issue a statute that helped define new missions for the museum as well as endowed “a broad range of material and legal resources, including administrative and deliberative bodies” (Gombault, 2002, p. 76). In addition, this freed the museum from the control of the Réunion des Musées Nationaux (RMN), (of which all national museums in France were a part of) who had in previous years taken a share of the Louvre’s annual revenue to in turn distribute “to fund the purchasing and exhibition policy of all national museums” (Benhamou & Moureau, 2006, p. 23). This break allowed the museum to be in more control of its operations and
This new autonomy was brought to fruition through efforts of the then newly appointed president, Henri Loyrette.

Appointed in 2001, Loyrette was director of the Musée d'Orsay for seven years before taking the Louvre post. He determined that the government was impeding effective management of the museum. Problems were printed in January 2001 in *Le Figaro*, citing “that nearly one-third of the museum's galleries are closed at any one time, partly because employees disappear on four-hour coffee breaks. Inadequate security has led to the theft of art. In fact, the Louvre doesn't even have a precise inventory of its estimated 400,000 pieces” (Business Week, 2002). A greater control of finances and management was an attempt to address these issues. The new autonomy has allowed the Louvre to embark on subsequent ventures through tactical partnerships that has solidified both a national and international presence.

Louvre-Lens

Within France, the Louvre has decided to build a regional branch in Lens, France. The city is located in the between the two regional capitals Lille and Arras in Northern France. The site is a former mine yard, and commemorates the history of coal mining in the region. The project hopes to revitalize the area, which has an unemployment rate of 15%.

Henri Loyrette (President of the Louvre), states that the branch will “feature innovative displays of works from the national collections, including its own semi-permanent collection, and an ambitious program of temporary exhibitions” (Louvre, 2008). The Louvre-Lens will not have a permanent collection, but works from the Musée
du Louvre will be lent to the museum for different periods of time. One of the main purposes is “develop awareness of the Louvre's collection of artworks dating from between the 6th millennium BC and 1850” (Louvre, 2008). Additionally, it is the hope that “the constantly changing exhibitions will enable the museum to display masterpieces, and keep public interest alive” (Louvre-Lens, 2008).

The new space will provide an opportunity to experiment with more alternative forms of exhibition that the Paris location cannot, rethinking the presentation of artworks with the public in mind. The Louvre-Lens will also open the storerooms and technical spaces to the public, to provide a behind-the-scenes spin to the branch. The project is being financed by largely by the Nord-Pas de Calais region, as well as: Pas-de-Calais, Lens-Liévin urban area, Lens city council, and the European Union through the European Regional Development Fund. This partnership allows the Louvre to be able to embark on creative ventures not possible in the main building, while also being insulated from direct cost. The Nord-Pas de Calais Regional Council approved the project in May 2007, with plans to be completed by the year 2010.

Louvre Atlanta

In America, the Louvre has settled an unprecedented three-year partnership agreement with the High Museum of Art in Atlanta, GA, “to loan out hundreds of works of art from the Louvre’s collections to Atlanta through a series of exhibitions” (Louvre Atlanta, 2008). Loyrette decided to partner with a regional museum to reach new audiences, veering away from showcasing in places such as the National Gallery. He continues that the partnership is an opportunity for research and education. "Our
exchanges are usually linked to temporary shows, one-offs, where there is hard work and little follow-up, here we will have time to reflect, to share experiences in education and research. It has also given the Louvre’s departments the new experience of working together” (Riding, 2006).

From 2006-2009, nine temporary exhibitions will be displayed centered on the themes: the royal collections, the Louvre & the ancient world, and the Louvre of today and tomorrow. Highlights from the collection include “Raphael’s ‘Portrait of Baldassare Castiglione,’ Velázquez’s ‘Infanta Maria Margarita,’ Murillo’s ‘Young Beggar’ and Poussin’s ‘Et in Arcadia Ego’” (Riding, 2006). The High Museum has transformed the newly constructed Anne Cox Chambers Wing solely for the Louvre project. The $18 million dollar project is financed through private and commercial sponsors from America. The Louvre is profiting from this partnership, with $6.4 million given to refurbish their 18th-century French furniture galleries in Paris.

Louvre Abu Dhabi

Background: Abu Dhabi

Abu Dhabi is the capital of the United Arab Emirates (UAE), situated along the Persian Gulf, only two hours away from its glitzy neighbor, Dubai. It is currently the richest city in the world: “The emirate’s 420,000 citizens, who sit on one-tenth of the planet’s oil and have almost $1 trillion invested abroad, are worth about $17 million apiece” (Gimbel, 2007). The story of Abu Dhabi’s wealth began in 1958, when “British
explorers discovered what would turn out to be the world’s fifth-largest crude reserve, 90 percent of which was under Abu Dhabi” (Gimbel, 2007).

The resulting wealth from the discovery “made the Nahyans the dominant family in the region when the British pulled out in 1971” (Gimbel, 2007). Sheikh Zayed bin Sultan al Nahyan, ruler of Abu Dhabi, became President of the UAE and Sheikh Rashid bin Saeed al Maktoum, ruler of Dubai, became Prime Minister. Despite having immense resources, Abu Dhabi had been growing at a lesser rate than Dubai. The biggest hurdle was Zayed’s (ruler of Abu Dhabi) decision not to sell land. “Though most men received plots of land, transferring ownership required the Sheikh’s approval” (Gimbel, 2007). Dubai on the other hand, legalized property sales to locals and foreigners, attracting foreign investment (condos, hotels, malls) and creating a massive tourism industry where “Saudis shopped, Brits tanned, and Russians partied” (Gimbel, 2007).

The death of Zayed in 2004 marked a turning point for Abu Dhabi. The power went to his two sons, Sheikh Khalifa and Sheikh Mohammed. Their ruling is concentrated on catching up with Dubai and placing Abu Dhabi on the tourism map. Since then, Abu Dhabi has launched their own international carrier, Etihad Airways and built a $3 billion Emirates Palace hotel that boasts $1,000-a-night rooms, $10,000 suites. Most importantly, the property policy was changed with Law No. 19, which “formally abandoned the old property regime and permitted the sale of land by citizens and, in some areas, the purchase of 99-year leaseholds by foreigners” (Gimbel, 2007). Real estate has instantly boomed, putting Abu Dhabi in a strategic place.
The next step in Abu Dhabi’s plans is Saadiyat Island, a ‘cultural oasis’ that includes “29 hotels, three marinas, two golf courses, and housing for 150,000 people” as well as plans for a 670-acre cultural district which includes Louvre Abu Dhabi, Guggenheim Abu Dhabi, a performing arts center, maritime museum, and the Sheikh Zayed National Museum. The district wants to draw 3 million tourists by the year 2015.

The latest and most controversial venture has been the Louvre’s decision to be a part of the Saadiyat cultural district. The French institution negotiated and signed a $1.3 billion dollar plan with Abu Dhabi on March 6, 2007. The agreement was signed by French culture minister Renaud Donnedieu de Vabres and the president of Abu Dhabi’s tourism authority, Sheik Sultan bin Tahnoon al-Nahayan. This controversial partnership has sparked numerous criticisms and questions around the globe.

The Breakdown: Plan Details

For $520 million, the French museum agreed to allow Abu Dhabi to use the Louvre name for thirty years. A direct donation of $32.5 million will refurbish a wing of the Pavillon de Flore in the Louvre. The wing will bear the name of Sheik Zayed bin Sultan al-Nahayan (founder and ruler of United Arab Emirates). In addition, “Abu Dhabi will also finance a new Abu Dhabi art research center in France and pay for restoration of the Chateau de Fontainbleau’s theatre, which will be named after Sheik Khali Zayed al-Nahayan, the current president” (Riding, 2007). $247 million will be given for the rotation of 200-300 artworks in a 10-year period. The entire project will be managed by a newly established International Agency for French Museums. $214.5 million over 20 years will be given for the management expertise provided by the new museums agency.
Lastly, France will provide four temporary exhibitions a year for 15 years in exchange for $253.5 million (Riding, 2007).

Well-known French architect Jean Nouvel was chosen to design the building. He proposed a $108 million building spanning 260,000-square-feet, with a flying-saucer-like roof. The Louvre Abu Dhabi is expected to be a universal museum that will include artworks from all around the world.

Implications

The Louvre Abu Dhabi project has been the subject of criticism and inquiry since the project was first introduced in the press. The French art world has declared the project as an exploitation of art for money and “accused France of ‘selling its soul’” (Riding, 2007). Led by the art historian and critic Didier Rykner, he has collected 4,7000 signatures as an opposition to Louvre Abu Dhabi, stating, “the purpose of a gallery should not be to make money” (Astier, 2007).

The signatures include support from “numerous current and former directors and curators of leading museums, including the Musée de l’Organgerie, the Musée d’Orsay, the Pompidou, and even the Louvre” (Riding, 2007). French culture minister Renaud Donnedieu de Vabres responds that the agreement “is a way of enhancing our country’s image” and “the deal was a win-win situation because the revenues received from Abu Dhabi would be invested in French museums” (Riding, 2007).
In the Saadiyat debate, the main concern is with trying to understand what the implications are from one of the most well known institutions signing on to this heavily publicized project. Through this, the Louvre has now officially headed down the path of the Guggenheim museum, creating outposts in foreign countries. The Louvre was one of the institutions that had deplored the Guggenheim for such ventures, underlining that the museum are not to be exported.

Incrementally speaking, the Louvre Abu Dhabi was a culmination of many smaller projects. Starting from Le Grande Louvre Project, the institution was launched into a period of modernization that changed the structure of the museum. The technological advances and accommodations placed the visitor experience in a more important light. Subsequently, the Louvre-Lens and the partnership with the High museum in Atlanta, GA have widened the Louvre’s scope nationally and internationally.

The question now is if the current agreement with Abu Dhabi is the logical next step. While one can make a claim that the Louvre resembles the Guggenheim in this venture, there are some major differences. Juxtaposing the Guggenheim Bilbao and Louvre Abu Dhabi, there is little comparability between the two. Instead of using the satellite model as a means to help urban renewal, the Louvre has decided to create an outpost in one of the wealthiest places in the world.

The Louvre is seen as blatantly being used as a corporate label in a cultural district that bears other prominent brands including the Guggenheim. It is not clear who is benefiting from these partnerships. There are a variety of arguments that contend that this model: creates access to different countries, helps cultural diplomacy, and helps the home institution finance costly renovations.
Conversely, the model is seen as an exploitation of culture that has a bottom line. The evolution of the satellite model seen from this current project is most startling because there are no implications as to where the line will be drawn. The combination of leadership from Loyrette, partnership with Abu Dhabi, and landmark architecture from Nouvell is a culmination of what Lowry, director of MoMA, earlier questioned about the latest museum actions in regard to public trust:

Public Trust has emerged as a central question for art museums in large part because while museums appear to be pushing the boundaries of acceptable practice in terms of their marketing, fundraising, programming, and ambition, there are as yet no clear rules as to what is appropriate behavior. Shifts in museum practice are being driven by the fact that art museums have changed from quiet sanctuaries of discovery and learnt to intensely visited sites, often frequented by thousands of people a day. How similar to a for-profit corporation can an art museum be, for instance, before it is no longer a not-for-profit institution? (Lowry, 2004).

Fundamentally, what will separate the differences between museums and amusement parks?
CHAPTER 5

CONCLUSIONS

In this thesis, the current museum environment was discussed to address the increasingly corporate nature of museum actions. A review of literature was presented to provide a conceptual framework. It discussed how primarily, internal operations had shifted from the collection to the visitor experience. This shift has been important, identifying how significant the visitor was to the vitality of the institution. Along with this, public trust highlights how a museum has a responsibility to ensure that their actions will reflect the missions and goals. Financially, museums are also dealing with pressure to find funding alternatives as economic downturns translates into decreased funding from many sources.

Externally, globalization has made networks more interconnected, linking individuals and institutions through technology. The rise of tourism through globalization has museums pursuing different kinds of projects, including building extensions abroad. Lastly, the rise of the marketing function has incorporated the concept of branding into museum operations. Brand equity is linked to branding, determining: public awareness of the organization, perceived quality, and association among other cultural institutions. Currently, main attributes of the branding process in museums have included: leadership, partnership, and architecture. These three traits have
been used simultaneously to ensure a good branding image.

Case study has been utilized in this thesis to describe and critically access the branding efforts of two museums, the Guggenheim and the Louvre. The cases of the Guggenheim and the Louvre are extreme examples of what is occurring in the current context, and emblematic of the three components of leadership partnership, and architecture. While one or a few of the components can be seen dominant in either case, it is the simultaneous combination of the three that are consistently being effective in building brand equity.

The Guggenheim & The Louvre: Recap

The Guggenheim Museum in New York, NY is a case of catalytic leadership. The museum director, Thomas Krens, was able to capitalize on both architecture and partnership to facilitate the pioneering concept of satellite museums. His most successful venture, Guggenheim Bilbao, set into motion what has become a series of different museum satellites. The Guggenheim network includes four locations besides the original Frank Lloyd Wright site.

Among the successes, Krens has also numerous failed ventures under his belt that have put the Guggenheim in the red financially. This resulted in the departure of the Guggenheim’s biggest benefactor, Peter Lewis from the board. The Guggenheim’s future is uncertain, with Thomas Krens stepping down as director. The institution currently is involved in the Saadiyat project, a venture that also involves the Louvre and boasts building a cultural district in the Middle East.
In contrast to the Guggenheim, the actions of the Musée du Louvre are more geared towards partnership. The Louvre has embarked on partnerships nationally and internationally. These developments were made possible through Le Grande Louvre, a project that lasted from 1981-2001, which transformed the institution. The I.M. Pei Pyramid was built to serve as a central location, and other visitor amenities were included in the remodeling effort. The result was a complete modernization of the Louvre. This achievement built a platform for other ventures. Incrementally, the Louvre made strategic partnerships within France, and in the United States. Currently, the Louvre’s decision to take part in the Saadiyat project has catapulted speculations about public trust issues and how museums have increasingly pushed more corporate agendas.

The Wrinkle: A Change in Models

The beginning of this thesis was based on looking at the cases of the Guggenheim and the Louvre comparatively. It was assumed that both museums were operating under two very separate models, and the information can be used as a template for extrapolation. In addition, the investigation was a speculation into what museums without the same magnitude of resources can learn from these two museums. The speculation was based on trying to understand the branding phenomenon and see if these practices can become commonplace within the museum realm.

Ultimately, the main discovery coming into the final conclusions is the actual similarity between the original two museums as branding models. The main logic of this exercise was to first assume that the Guggenheim and the Louvre were both using the
practice of branding, but in two different ways. However, throughout the exploration of these two contexts, the real comparison is between the Guggenheim and the Abu Dhabi Saadiyat Project. The Louvre is a component within the Abu Dhabi Project.

The popular press has painted the Guggenheim and the Louvre as two different competing models, but arguably, the Guggenheim and the Louvre are operating their institutions through branding in very similar ways. Their model is based on incrementally moving towards larger projects. For the Guggenheim, Bilbao was the success needed to move forward, as Le Grand Louvre was for the Louvre. Both now have culminated in agreeing to be a part of the Abu Dhabi Saadiyat Project.

The Guggenheim remains as one of the comparative models because of their evolution as a museum, especially in being the first to reach abroad through satellite museums. Their story offers a stark contrast to the Abu Dhabi Saadiyat Project’s attempt at being able to quickly buy and establish satellites. The two models of operation are fundamentally different. To be able to understand and extrapolate what this means for other museums, the more accurate comparison would be between the Guggenheim and the Abu Dhabi Project.

**Branding vs. The Brand**

A major difference for clarification that was hinted but not explicitly discussed is between branding vs. the brand. As discussed earlier, branding is explained as “an engineered perception made up of the name of an organization and the personality that goes with it. The personality is a combination of the organization’s products, services, and perceived attributes” (Scott, 2000, p. 36). Through this description, branding is in
essence the process that an organization embarks on to establish their brand. To link up with the earlier discussion of the three themes (leadership, partnership, architecture) in the current context, branding as a process has operated through partnership and leadership.

Conversely, the brand itself is made up of the physical assets and attributes. The brand can be a physical emblem of an organization or an institution. Architecture is being utilized as a representation of the brand. This clarification between branding and the brand is key when discussing the Guggenheim and the Abu Dhabi Saadiyat Project. The Guggenheim model mainly represents the process of branding, while Abu Dhabi is focused on the brand.

The Guggenheim: Branding

According to Margot Wallace, the process of branding requires a correspondence of a museum’s mission with the activities associated with the institution. This process is key to establishing the actual brand. For the Solomon R. Guggenheim:

The mission of the Solomon R. Guggenheim Foundation is to promote the understanding and appreciation of art, architecture, and other manifestations of visual culture, primarily of the modern and contemporary periods, and to collect, conserve, and study the art of our time. The Foundation realizes this mission through exceptional exhibitions, education programs, research initiatives, and publications, and strives to engage and educate an increasingly diverse international audience through its unique network of museums and cultural partnerships (Guggenheim, 2008).

From the onset, the Guggenheim has evolved their institution in accordance with its mission. The beginnings of the Guggenheim were initially centered on Non-Objective Painting, to be consistent with their first name. The decision to change the name to the
Guggenheim expanded the scope as well as the collection of the museum. The first directors looked to build the foundation of the collection in New York City.

The arrival of Thomas Krens extended the Guggenheim internationally, but each successful venture also added to the collection. This is consistent with the actions of the former directors, and also built on the major extension abroad in Venice that first added substantially to the collection under Messer. The evolution of the Guggenheim thorough the leadership of Thomas Krens has taken substantial time and effort. When Krens first became director of the Guggenheim, he was given a museum that had a relatively small endowment, and an emblematic building.

At the time, the Frank Lloyd Wright building was the symbol or brand for the Guggenheim. Consequently, it was the renovation of this icon that created an opportunity for the new director to pursue possibilities abroad. In his tenure, Thomas Krens has succeeded in creating a whole network of Guggenheims, corresponding with the mission statement in efforts “to engage and educate an increasingly diverse international audience through its unique network of museums and cultural partnerships” (Guggenheim, 2008).

Many scholars and the popular press first investigated the success of the first satellite, Bilbao, as an urban renewal project. For the city of Bilbao, the Guggenheim Bilbao was a source of tourism and revitalization. For the Guggenheim and Thomas Krens, the satellite was indicative of what components were important and constituted an effective satellite. Thomas Krens spent many efforts after Bilbao to re-create this success, resulting in many failed ventures and financial turbulence for the institution.
What is most important is that the most successful satellites added not only an outpost, but contributed to the Guggenheim’s collection as a whole. In addition, the Guggenheim reached out to the areas where the satellites are located. It is different because each new outpost did not just contribute a physical building where the Guggenheim spread bits and pieces of their collection from New York.

Instead, new artworks were acquired to bolster the collection as well as to signify that area. This represents a true network of Guggenheims, each unique to its own cultural surroundings. Through time, Krens managed to create a network and build the collection at the same time. This strategy further completes the mission, “to promote the understanding and appreciation of art, architecture, and other manifestations of visual culture, primarily of the modern and contemporary periods, and to collect, conserve, and study the art of our time” (Guggenheim, 2008).

His efforts can be seen as an example of the evolving museum context, where globalization and tourism are major components that attract cultural institutions to reach out internationally. Furthermore, the Guggenheim is representative of the effectiveness of leadership and partnership in branding. Thomas Krens’ unwavering, unabashed leadership towards reaching out globally and in the pursuit of strategic satellites are key in establishing the Guggenheim’s overall brand. These two components have driven the branding mechanisms that have culminated in the prestige of the Solomon R. Guggenheim.
The Abu Dhabi Saadiyat Project represents a fundamentally different model than the Guggenheim’s branding model. They are starting out with no cultural credibility or collection and are utilizing their immense resources to buy it. The Guggenheim started with a permanent collection and reputation that Thomas Krens was able to build on. The Guggenheim has spent years embarking on strategic partnerships to develop their collection and prominence.

Abu Dhabi is bypassing this cultivation by utilizing the component of architecture in order to create a brand. Their plan is not to embark on a long-term branding process, but in a short-term brand process. To clarify, Abu Dhabi is contracting and buying credibility in the forms of celebrity architects (Frank Gehry, Jean Nouvel, Zaha Hadid), and big name institutions and their collections (Guggenheim, Louvre). Through this package strategy, Abu Dhabi hopes to be able to capitalize on a group of already reputable brand names and make up for not having an established collection or standing to build upon.

The component of architecture is the personality and image of the Abu Dhabi project because they are starting from square one. Celebrity architects such as Frank Gehry, Jean Nouvel, and Zaha Hadid are being used to sensationalize the district. They are buying partnerships with the Guggenheim and the Louvre, knitting together a hypothetical collection. This project is a major gamble for the emirate because there is no indication of if Abu Dhabi will succeed in being able to compete with Dubai, which
boasts attractions such as: indoor ski slopes, an underwater hotel, a $4 billion dollar theme park, and its own elite island development known as The World.

The Extrapolation Piece

In terms of extrapolation, lessons can be learned from both models. While there are very few museums that have the same level of resources as the Guggenheim or the Abu Dhabi project, the usage of brand identity in all museums is feasible. Since fundamentally, the practice is based upon understanding a community’s perception of the organization, brand identity can be extremely useful in strategic planning. The practice will be helpful to gauge how museums are being perceived, the expectations visitors harbor, and if they are meeting their institutional missions or goals.

Brand identity makes organizations constantly aware of the surrounding contexts, especially changes. This proactive approach will help sustain and prepare museums when dealing with economic downturns. The Guggenheim and Abu Dhabi offer two very different possible approaches to branding. Either approach, or a synthesis of both can be taken at various levels and fitted to any museum. In addition, these strategies can be a starting point for the identification of other valuable resources.

The Guggenheim represents utilizing branding as a process to build credibility as an institution. Their reputation has been built through a series of additions to the Guggenheim name over a few decades. For museums with fewer resources, this long-term approach can be extremely beneficial. Fundamentally, this model has shown that
leadership is an integral component. The leadership of Thomas Krens has been a hallmark for the museum because of his radical insistence on strategic partnerships.

An Art museum director has to be cognizant of both internal and external factors. The position requires the ability to be creative when economic or political constraints are placed on the museum. This position can set the tone for the entire museum, with the Director unifying staff and setting a clear mission. Thomas Krens was extremely effective in setting the tone for their museums, pushing a clear vision through many different projects. He was successful in constantly looking at opportunities to expand and create satellite branches in many countries. Despite criticisms and apparent failures, the Guggenheim has pioneered a new way of museum management through his leadership.

Leaders of the current museum context must have a variety of skills past art appreciation. These skills relate to entrepreneurial activities such as taking advantage of museum resources and being attentive to possible opportunities that are available.

Another key strategy from the Guggenheim is the importance of innovative partnerships. Each new venture for the Guggenheim succeeded in bringing more resources in terms of money, collections, or credibility. Through time, these partnerships have culminated in expanding the entire institution. There are various advantages that can be gained through partnerships in all museums. They can be seen as an effective way to minimize risk in larger ventures. Partnerships can be made in many different forms, with collaborations being made with corporations, cultural institutions, or non-profits. Museums have to be creative in order to sustain themselves in an ever-changing environment. Partnerships are also a useful strategy for many smaller cultural institutions in a community to pool together resources and achieve goals that are not feasible alone.
For museums that have more resources or are in the beginning stages of establishment, the Abu Dhabi Saadiyat Project is a useful model. The project is based on trying to generate credibility through buying already established brands. Mainly, Abu Dhabi is focused on creating a brand through its repertoire of celebrity architects and reputable museums. Museums that are fortunate enough to alter or make additions to their building can take into consideration how architecture can affect visitor experience and generate more audiences. Abu Dhabi represents relying on being able to sensationalize potential audiences.

Ultimately, the importance of public trust is an underlying lesson that can be learned from Abu Dhabi. The changing museum environment has created opportunities for new ways of operation, including ventures that have questioned corporate like practices. While fewer museums will have the magnitude of press and criticism that have been generated from the Saadiyat project, the ethical ideal of public trust must be taken into consideration during new museum activities. Since the community is important and integral to the museum, consideration of public trust is essential. Museum operations, missions, and goals must be in alliance with community needs. A good sense of public trust will in turn facilitate a strong relationship between the community and the museum.

The futures of the Solomon R. Guggenheim museum and the Abu Dhabi Saadiyat Project are uncertain. The departure of Thomas Krens at the New York site will bring an opportunity for very different management, and it is unclear if Abu Dhabi will be able to convince the masses of its credibility or compete with Dubai. However, the vision of Thomas Krens will be at Abu Dhabi, where he will serve in an advisory capacity on behalf of the Guggenheim. His joking affirmation, “When you are in the missionary
business, which we are, you go where the heathens are” will be challenged (Glancey, 2001).
LIST OF REFERENCES


