

PRADO MUSEUM - SUCCESSFUL MODEL FOR RAISING COMPETITIVENESS IN THE ROMANIAN CULTURAL ORGANIZATIONS IN THE CONTEXT OF URBAN DEVELOPMENT

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Abstract:

The interest in the conceptual delimitation of the competitiveness of cultural organizations, as well as in identifying the sources of its growth, has increased in recent years due to the need to diversify the funding sources of this type of organization, urban development and the willingness to adapt to the requirements of customers who are more numerous and have diverse expectations. Practice shows that cultural organizations that have adopted a competitive economy vision and have applied specific management tools for increasing the organizational competitiveness, have achieved a good performance, becoming, this way, an example of managerial success story in the field. The experience of Prado Museum, one of the emblems of Madrid, falls in this direction. The substantial increase in the number of tourists, the decrease in state funding combined with the increase of proprietary financing resources, the enhancement of the national and international reputation, are just some of the positive results that prove the quality of used management. This paper presents and analysis these effects and the causes that have generated them, thus providing some possible suggestions for action for Romanian cultural organizations in order to increase their competitiveness.

Keywords: Museums, marketing, tourism development, cultural development, competitive advantage, marketing mix, visitors, best practices.

1. The importance of culture in urban development

"Arts and culture are tools that have a great potential in the economic and cultural development of urban centers" (Cheney and Will, 2009, p. 3).

"Museums, theatres, art galleries, historical sites animate the urban landscape through the complexity of the cultural offer, which combines entertainment, recreation and educational opportunities. The benefits of these cultural institutions aren't just about improving the quality of life, but also are reflected in the degree of development of the city" (Cheney and

Will, 2009, p. 3). Also, the cultural organizations have the potential to play the role of key stakeholders that can effectively shape a city branding strategy and provide cities with competitive advantages in attracting tourism. According to Popescu (2012, p. 497), "actors from cultural, educational and sports fields are usually involved in shaping and implementing the city branding strategy".

Urban centers renowned for the quality of residents' life and improved living conditions are very attractive for companies or firms that are planning to expand their businesses (Flynn, 2005). "When considering new locations, apart

from the taxes and the availability of labour, investors also take into account the city's quality of life" (Wells, 2002). For example, "when the investor has to decide between two equivalent locations, he'll choose the city where there are more cultural institutions, because cultural diversity attracts additional revenue and contributes to the overall economic dynamism of the region" (Will et al., 2001, p. 2).

The diversity of cultural institutions and the multitude of artistic events attract many skilled labour from outside the city, and quite a big number of artists, painters, sculptors, musicians - who see in this a good way to affirm themselves and a way to practice their profession / skill. So, "the unprecedented expansion of services and the increase of their importance in society involved adapting the work to the diverse requirements of the beneficiaries of these services" (Zamfir, 2011, p. 28).

Apart from their contribution to stimulating business environment, cultural institutions have a large force of attraction on the visitors / public outside the city (Moses, 2001). Cultural activities and tourism are in a very close relationship, museums are considered to be "magnets" for tourists.

Cultural institutions are both a source of leisure activities and a way "to promote the city, generate additional revenue, create a positive image and attract investments" (Saayman and Saayman, 2006).

The amounts of money that tourists spend are an external source of revenue for the town. Even if their visit is due to cultural offers, such as: concerts or art exhibitions, expenses will not be limited to this sector. Being in a new city, tourists are tempted to spend extra money on food, accommodation, parking, shopping, and visiting other cultural institutions than originally planned (Moses, 2001). All these revenues fuel the local economy and represent another way in which the

cultural sector helps develop urban centers.

2. Prado – the “emblem museum” of Madrid

Prado National Museum was opened to the public for the first time in 1819 (Museo Nacional del Prado, 2012a). In November 2003, the Law no.46 - for regulating the status of the Prado National Museum, was passed, and the museum has passed from being an Autonomous Body to an Entity Governed by Public Law. This implies a greater autonomy, without exceeding its public character. The new management of the museum is part of the trend that was successfully developed in other major European public museums.

Another main objective of this reform was for the museum to have a greater responsibility in terms of its management and to increase its self-financing from 27% in 2003 to 50% in terms of operating expenses. This percentage was reached and was even slightly exceeded in 2009. This way, Prado was able to improve substantially the means to implement its main objective - the preservation, investigation and increasing its artistic heritage.

Prado Museum headquarters are in Villanueva building. The building was restored and reformed several times over the years, due to the need of space for exhibiting the increasing heritage. In addition to the main building, Prado Museum owns other secondary buildings, which were acquired due to the expansion need.

2.1. Collections

Prado Museum has one of the most interesting collections of European art from the XIV century up to the early XIX century.

Founded as a *painting and sculpture museum*, "El Prado" has also an important collection of over 5,000 drawings, 2,000 posters, 1,000

coins and almost 2,000 decorative objects and works of art. Sculpture is represented by more than 700 works and by a smaller number of sculptural pieces. The exquisite gallery of paintings (8,600 painting) is the element that gives the museum its international renown. Undoubtedly, Prado has the largest collection of works of art belonging to the Spanish artists: Velazquez (48 paintings) and Goya (133 paintings). Also, the museum exhibits a series of excellent collections signed by El Greco (36 paintings and 2 sculptures), Eduardo Rosales (nearly 200 works of art, paintings and drawings), Tiziano (40 paintings), El Bosco, Patinir, Rubens, Ribera.

Prado Museum organizes over 10 temporary exhibitions per year that are available to visitors for 3 - 9 months, depending on the magnitude and public interest. For example (Museo Nacional del Prado, 2012b):

- In 2010, there were a total of 15 temporary exhibitions, the most successful of which were: "Turner y los Maestros" 1 (June 2 - September 19, 2010), "Rubens" (5 November 2010 - 23 January 2011), "Pasion por Renoir "(19 October 2010-13 February, 2011) and "Las Meninas" (23 March 2010 - 4 July, 2010);
- In 2011: 19 temporary exhibitions;
- In 2012: 15 temporary exhibitions.

2.2. Price policy

As a result of the changes it undergoes continuously in the increase of quality and number of its cultural offers, as well as strengthening the institution, it was required a revision of the visiting system of the Prado National Museum:

- "General Price: 12 €;
 - General admission + official guide: 22 €;
 - Reduced price: 6 € (citizens over 65, members of large families, holders of youth cards);
 - Free entry: 0 € (for different groups of people, such as: visitors under 18, students 18-25, visitors with physical impairments, citizens who are officially unemployed, personnel from the State Museums section of the Ministry of Culture, etc.)" (Museo Nacional del Prado, 2012c);
 - The price for temporary exhibitions varies.
- Visitors to the museum can benefit from the following type of *subscriptions*:
- Paseo del Arte (Art Walk): unique price of 21,6 €;
 - Annual membership card for state museums: unique price 36,06 €.
- Also, it must be said that there is a separate price for groups, depending on their type (cultural, tourist etc.).

2.3. Distribution policy

"Distribution policy is an important variable of the marketing mix because it is the very condition for cultural creation fulfilment" (Moldoveanu & John-France, 1997, p.172). Distribution means in fact - expanding the cultural access to all market segments. Although some heritage offers address certain well-defined categories of public, the distribution process must be designed in such a way that the product becomes available, at least partially, to other segments as well. The way products are disseminated influences decisively the efficiency of the entire activity of the organization.

Among the distribution methods used by the museum, there are:

- *Permanent and temporary exhibitions*;
- *Cultural events* that the museum attends: (for example, The Night of Books, The Night of Museums, The International Museum Day, Long

Night of Museums, Museum Day, Christmas Nights in Prado Museum etc.);

- *Publications* are both a means to disseminate and promote the museum's products. Through the products, the public comes in contact with different aspects of the work of museum's professionals and become familiar with its reference area. Here are some relevant publications: "*Prado Guide*", *catalogs of exhibitions* ("Francis Bacon", "Sleeping Beauty. Victorian paintings of the Ponce Museum of Art, "Joaquin Sorolla (1863-1923)", etc.); *catalogs of the "Prado itinerant" program*; *associated publications to permanent collection* ("Dutch paintings in the Prado National Museum", "Trinidad Museum. History, works and documents"); *magazines* ("Prado Museum Agenda").

"The promotion policy includes a complex of activities aimed at informing the target audience about the cultural products and services provided on the market. [...] Promotional activities are focused on raising awareness about new offers, attracting new market segments, building confidence in certain works and building identities for new services. [...] The success of promotional activities consists in the ability to focus on the main reason that convinces potential customers to become actual customers" (Moldoveanu & Ioan-Frânc, 1997, pp. 190-191).

Although Prado Museum is one of the most important museums of the world, its name is a true brand (see Figure 1), the museum continues to promote itself intensively, the number of visitors growing each year.

2.4. Promotion policy



Figure 1. Prado Museum's Logo

Source: <http://www.museodelprado.es>

The promotion of the museum is complex and is achieved by:

A. Mass-media. Prado Museum implements constantly a policy for *informative communication* by using national and international media. For example: in 2009 there were a total of 6,354 news and reportage (Museo Nacional del Prado, 2010, p 151) published, which had a close relation with the information and press releases made by the museum. They rose in 2010, reaching 6,608 (Museo Nacional del Prado, 2011, p 159);

B. Online and direct marketing:

– The **website of Prado Museum**
(<http://www.museodelprado.es>) (see

Figure 2a) is considered the main communication and information channel for both virtual visitors interested in museum's collections and activities, as well as real visitors. The website enjoys success, registering in 2010 a total of over 4.3 million visits (11.5% more than in 2009), and about 4.2 million in 2011 (see Figure 2b) (Museo Nacional del Prado, 2011a, p. 159). Here you can find information about schedule, address, how to get to the museum, the thematic of the temporary and permanent exhibitions, the programs of activities with the public, museum's activities, development plans.

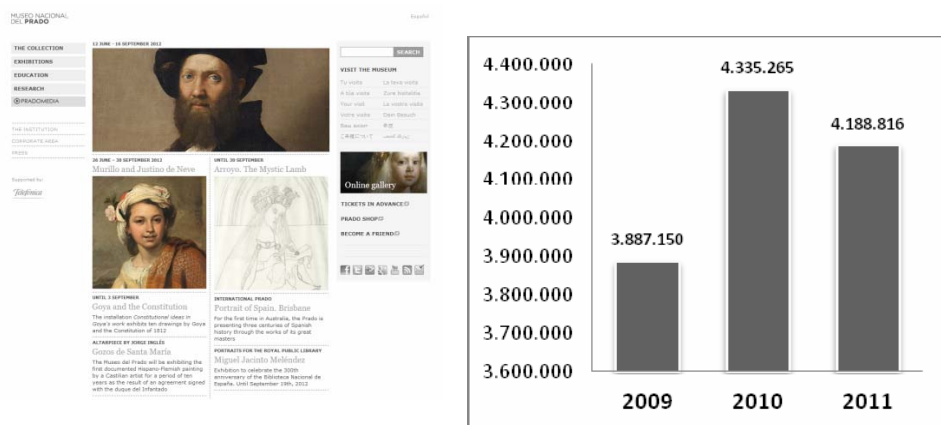


Figure 2. (a) The website of Prado Museum and (b) the evolution of the number of site visits in the time frame 2009-2011

Source: <http://www.museodelprado.es/>

– **Social networks.** Prado Museum has a **Facebook** page, which has gathered 183,000 "friends" (august 2012). Through this social network, the museum can "not only to inform and keep the public up-to-date regarding its activity, but also to familiarize visitors with different parts of collections, with a certain theme, in other words it can be a distribution channel" (Zbucnea, 2010, p 17). Currently, **Twitter** (see Figure 5) has 107,000 visitors, (January 1, 2012), but due to its limitations, it is regarded as an informative tool about the museum's events. The museum aims to firstly attract visitors and the public to the museum's various events.

– Another means of attractive and compelling promotion is **YouTube** [66,320 viewings in 2011 (127 videos uploaded)].

– Through the **PradoMedia channel** are distributed online - on the museum's website, the promotional media productions, educational and informative videos (presenting exhibitions, restoration processes, documentaries or other type of information), as well as multi-interactive video applications (for example: application "Rubens 360º", which presents and explains in an interactive

manner the artist's work exhibited at Prado).

C. Promotional objects. Each year, hundreds of souvenirs are made that are marketed in the **museum's shop**, in the **museum's bookstore** and in the **online store**.

2.5. Competition

Museums have started to compete for the control of a limited market, being forced to adjust their actions according to the pressures and strategies adopted by competitors.

Apparently, the main competitors of Prado Museum are: **Queen Sofia Museumⁱⁱ** and **Thyssen-Bornemisza Museumⁱⁱⁱ**. It is important to mention that the three museums have chosen to cooperate - policy that has brought success to all. Thus, the three museums have created the "**Paseo del Arte**" - a globally unique program quoted on the Madrid tourism website this way: "it's a unique itinerary in the world, where you can see both painting and sculpture, architecture and nature in one of Madrid's emblematic areas: Paseo del Prado, which can be crossed easily on foot, and where you can see three of the most important museums (...). This excellent location allows us to

contemplate, in a space of only a few meters paintings by Picasso, Velazquez, Goya, among other works of universal art" (<http://www.turismomadrid.es>).

This project allows visitors to purchase a single ticket, from any of these museums, the ticket provides access to all three institutions, of course at a lower rate, € 21.6 than sold separately € 22 (Prado € 12, € 6 Reina Sofia, Thyssen € 9).

Regarding the *collections*, we can say that the three museums complement each other. Thus, Prado Museum owns a large and varied collection of works of art by artists from around the world, Queen Sofia Museum (2012) holds works of art from the XX century, and the Thyssen-Bornemisza Museum (2012) presents works of art from the second half of the twentieth century, which complements the other two collections.

This is an example of how competition can be turned into cooperation with benefits for both

museums (by creating a complex and attractive offer of museums and increasing the number of visitors) and visitors (a better "product" and a lower cumulated "price").

2.6. Visitors

In 2003 the museum has reached for the first time in its history 2 million visitors. From 2007 until now, Prado Museum receives an average of 2,650,000 visitors annually, recording (Museo Nacional del Prado, 2012d) (see Figure 3):

- In 2008: 2.759.029 visitors;
- In 2009: 2.764.155 visitors (with 0,19% less than in 2008);
- In 2010: 2.732.000^{iv} visitors;
- In 2011: 2.911.767 visitors, plus 863.957 visitors (a total of 3.775.724 visitors) who have participated at the two exhibitions from Sankt-Petersburg^v and Tokyo^{vi}.

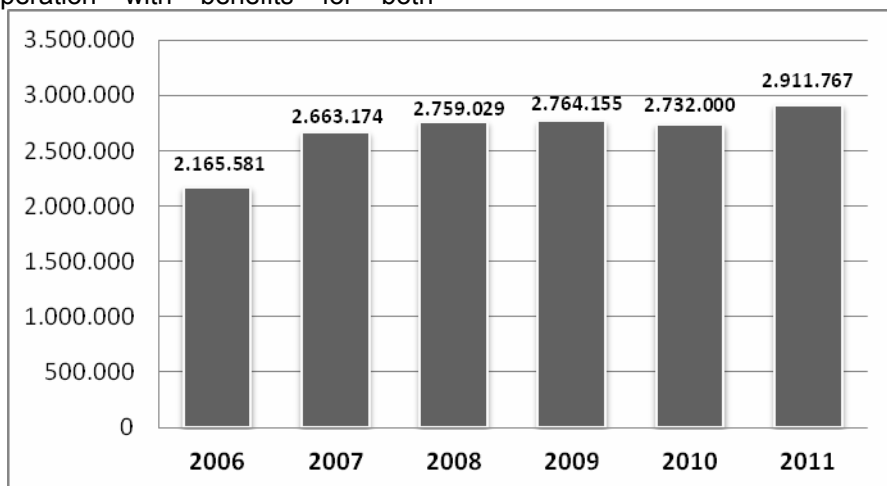


Figure 3. The evolution of the number of visitors during the period 2008-2011

Source: Museo Nacional del Prado, 2011b; 2012d

Regarding the nationality of the visitors, in 2011, the museum was visited by 41% Spanish residents (see Figure 4) and 59% non-residents (see Table 1).

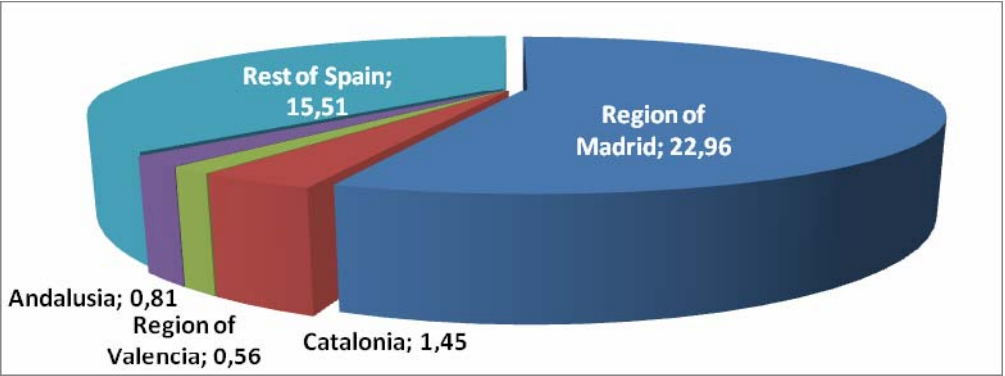


Figure 4. Spanish residents visitors, 2011

Source: Museo Nacional del Prado, 2012d

Table 1

Foreign visitors, by country of origin (2011)

Foreign visitors, by country of origin (2011)	Percentage (%)
Italy	9.71
France	5.30
UK	0.35
Rest of Europe	0.44
USA	6.26
Japan	2.17
Mexico	0.68
Brazil	0.50
Argentina	0.38
Rest of the world	32.92

Source: Museo Nacional del Prado, 2012d

A share of 36% of the visitors that Prado Museum has received in 2011 have at least made one previous visit (see Figure 5), down to 7.9% from 2009.

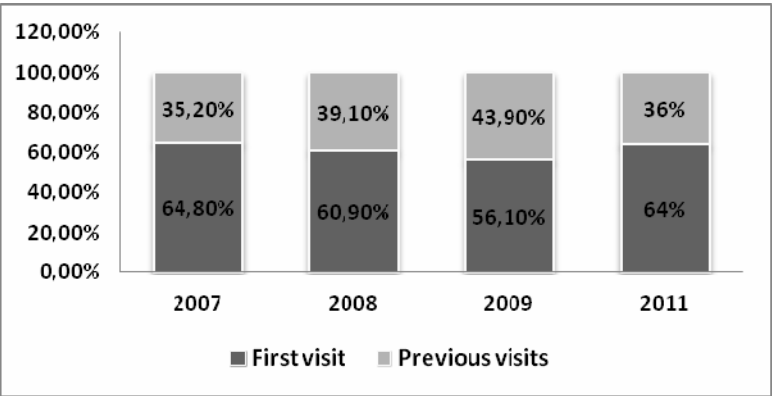


Figure 5. The frequency of visiting the museums

Source: Museo Nacional del Prado, 2012d

3. Recommendations for the Romania art museums

Prado Museum is a famous museum in Europe and the world, with an experience of almost 200 years. Over time, the museum has adapted its offer according to the needs of culture consumers, has enriched exhibitions and has always organized new activities that have attracted the public attention. What could Romanian museums learn from Prado Museum?

First of all, in order to organize several temporary exhibitions, activities and events, Romania art museums need more *financial resources*. It can be noticed easily the major difference between the budget of the Prado Museum (which in 2009 had revenues of over 48 million Euros) and, for example, the budget of the National Museum of Art of Romania (MNAR), which in the same year had revenues of approximately 4.7 million, 10 times less than the museum in Madrid. However, we should take into consideration that in the case of Prado Museum, in 2009, proprietary revenues represented approximately 45% of total revenues. On the other hand, MNAR revenues accounted for only 6% of the total. In the case of Prado Museum, most of its revenues come from ticket sales, followed by sponsorships, donations and rental spaces.

Also, it can be noticed the big difference between the number of visitors. Prado receives annually over 2.5 million visitors, while MNAR, the most visited art museum in Romania only reached 90,000 visitors in 2011. So art museums in Romania could increase proprietary revenues by attracting a bigger numbers of visitors or by raising sponsorship.

Regarding the increasing number of visitors, this could be achieved by increasing the *promotional activities*. Thus, our museums could use on a wider scale the current means of mass

communication, such as *social networking*, *closed-circuit televisions*, located at the subway, and *improve their websites*. The educational aspect of museums should not be overlooked, and as the "Prado" experience confirms it, it has become a promotional vector. Romanian museums could as well make use of branding strategies. Building a brand image is a difficult, complex, sensitive process (Nistorescu and Barbu, 2008, p. 12), which is at the same time an essential factor for competitiveness.

Another way to increase the number of visitors is by working with travel agents in order to create *tourism and cultural programs*, which to also include visits to museum's exhibitions. Also, an inter-museum collaboration, in order to achieve a "an integrated offer of museums" could be another possible action that has as an end purpose increasing revenues by increasing the number of "customers"

Increasing revenues through *sponsorship* could be achieved by creating partnerships. These way museums could attract the interest of companies by presenting their social and advertising potential.

Romanian museums could open within their premises *cafés or restaurants* with a specific cuisine. Besides the fact that such a service would bring additional income to the institution, this would also increase the level of comfort experienced during the visit.

Analyzing the work in Prado, it can be noticed that the museum prepares its offer primarily based on the requirements and needs of the public. This information is taken from the implementation of specialized marketing research, in collaboration with the Institute of Tourism Studies. The results obtained from the research are used in a productive way, improving the supply when it is perceived as being poorly by the visitors, or keeping it at the same standards, when the public is satisfied.

Following this example, our museums could periodically conduct specialized *surveys* that will gather information about the perceptions and the degree of satisfaction experienced as a result of using the services available to visitors. The pieces of information collected will be then used to further adapt the offer to the users' requirements. Also, museums could conduct *surveys* applied to potential visitors. The pieces of information collected this way would help improve the offer by identifying the reasons for "not visiting the museum". Thus, our museums will be able to attract more visitors, if their offer will target the visitors' needs.

Given the fact that currently, the internet is commonly used in order to access information of any kind, and more and more people make *online*

purchases, due to the lack of time, Romanian museums would benefit if their websites would have installed applications that would allow purchasing tickets online. When a person purchases a ticket in advance, the chances that he'll visit the museum are bigger than if that person only aims to go to the museum.

Regarding the funding sources, *Structural Funds* represent an opportunity for our museums. Within these types of funds, museum activity falls under Axis 5 "Sustainable development and tourism promotion" within the scope of intervention "Restoration and sustainable valorisation of the cultural heritage and the creation / modernization of related infrastructure".

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ⁱ The first issue was published in February 2009 and contains a complete tour of the permanent collection (Museo Nacional del Prado, 2012c).

ⁱⁱ <http://www.museoreinasofia.es/index.html>

ⁱⁱⁱ <http://www.museothyssen.org/en/thyssen/home>

^{iv} With regard to reasons for visiting, 57.58% of visitors only saw the Permanent Collection, while 42.42% came to the Prado to see the temporary exhibitions (Museo Nacional del Prado, 2011b).

^v *The Prado in the Hermitage*, 25 February to 29 May 2011.

^{vi} *Goya. Light and Shade*, 22 October 2011 to 29 January 2012.