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من المقتنيات إلى الاستدامة:
نماذج الأعمال للمتاحف الخاصة في المملكة العربية السعودية

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(قُدِّم للنشر في ٢٨/ ١١/ ١٤٤٦هـ، وقُبِل للنشر في ١٠/ ٠٥/ ١٤٤٧هـ)

الملخص:

لقد تسارعت الزيادة العالمية في المتاحف الخاصة بشكل ملحوظ في العقود الأخيرة، وهي ظاهرة تُعرف باسم "طفرة المتاحف الخاصة"، ويسري الأمر أيضا على السعودية.

أجرى هذا البحث مقابلات شاملة مع مالكي ومديري ثمانية متاحف خاصة في الرياض لاستكشاف وجهات نظرهم بشأن القيمة المقدمة للزائر. وتم إجراء مسح مخصص في نفس الوقت لمعرفة القيمة المدركة بواسطة الزوار مما أسفر عن ٢٠١ مستجيب.

أكدت وجهة نظر المالكين أن متاحفهم مدفوعة في الغالب بالشغف، مع تركيز أقل على استراتيجيات الأعمال والأنشطة التي تولد الإيرادات. تتماشى هذه النتائج مع ردود الزوار، لا سيما بشأن القيمة المقدمة ورسوم الدخول، كما هو واضح في الإحصائيات.

يعتبر نموذج الأعمال القائم على الشغف مفيدًا للمتاحف الخاصة؛ ومع ذلك، فإنه لا يضمن الاستدامة المالية، لا سيما في غياب الأنشطة التي تولد الإيرادات. هذا يكشف عن أهمية دمج المتاحف ضمن الأطر الثقافية والسياحية على المستويين المحلي والوطني. لتحقيق أكبر استفادة من المتاحف الخاصة، يُوصى بإدماجها في أنظمة الثقافة والسياحة، والتي تشمل تنظيم الفعاليات وبرامج الجولات.

كلمات مفتاحية: المتاحف الخاصة، نموذج الأعمال، رؤية ٢٠٣٠م، نموذج الأعمال المدفوع بالشغف.

Beyond Collections: Business Models of Private Museums in Saudi Arabia

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Abstract:

The global rise of private museums has significantly accelerated in recent decades, a phenomenon termed the Private Museums Boom. This is apparently a Saudi experience.

This research conducted comprehensive interviews with the owners and directors of eight private museums in Riyadh to explore their viewpoints on the value proposition, recognizing the significance of private museums within the cultural ecosystems. A tailored survey was conducted simultaneously to find out visitors' perceived value, resulting in 201 respondents.

The owners' perspective affirmed that their museums are mostly driven by passion, with less emphasis on business strategies and revenue-generating activities. These findings align with visitors' responses, particularly on value propositions and entry fees, as seen in the statistics. The passion-driven business model is beneficial for private museums; yet, it does not ensure financial sustainability, particularly in the lack of revenue-generating activities. This reveals the importance of integrating museums within the cultural and tourist frameworks at both local and national levels.

To achieve the greatest benefits of private museums, it is recommended to incorporate them into cultural and tourism ecosystems, encompassing event organization and tour programs.

Keywords: Private museums, Business Model, Vision 2030, Passion-driven business model

1. Literature review:

1.1. Private museums

Notwithstanding its origins dating back two centuries, the number of private museums globally has increased significantly in recent decades, a phenomenon referred to as the Private Museums Boom (Aengenheyster,2024; Walker, 2019).

In academics, clear and precise definitions of private museums are particularly limited. In multiple studies, the subject of investigation is defined by showcasing a restricted number of (historical or contemporary) cases.

Wide-ranging academic disciplines focusing on art collectors, cultural management, or hybridization implicitly provide conceptualizations of private museums. The beginning body of work used the art collector as the defining criterion and principal focus of inquiry into private museums (Adam, 2021).

The primary concern on private collectors can be observed in various alternative designations for private museums, including "collector museum" (Moustaira, 2015; Walker, 2019), "collection museum" (Coman & Casey, 2021; Higonnet, 2007; Moustaira, 2015; Walker, 2019), "donor museum" (Duncan, 1995), and "house museum" (Pachucki, 2012; Walker, 2019).

This type of literature often overlooks different characteristics, including accessibility, legal structure, public benefit, professional standards, and financial aspects, leading to a heterogeneous array of institutions—from private residences of art and heritage collectors accessible solely by appointing to fully trained entities attracting hundreds of thousands of visitors annually—being categorized together.

The second type of literature emphasizes the economic and managerial dimensions of museums, or cultural institutions more broadly.

This body of work perceives private museums as autonomous from the state regarding operation and governance (Amenta, 2010; Camarero et al., 2018; Clarke, 1991), ownership (Bertacchini et al., 2018; Camarero et al., 2021; Paül i Agustí, 2013), and/or funding (Camarero et al., 2011; Esquivel Durand, 2018; Vicente et al., 2012), typically employing a 50 percent threshold. Museums are classified as private if they are owned, operated, or funded by NGOs, businesses, corporations, religious institutions, or foundations that are not managed by art collectors.

The third type explores the hybrid characteristics of museums and other cultural organizations, highlighting the indistinct borders between public and private spheres. Considering factors such as ownership of the building, operational responsibility, governing authority, and ownership of collections, Schuster (1998) contends that around 25% to 33% of museums in the United States are public-private hybrids. A number of studies examine the ratio of public to private funding (Frey & Meier, 2002, 2006) or create a composite index incorporating many criteria, including building ownership, management model, and collection ownership (Riu-s-Ulldemolins, 2015).

The distinction between private and public museums is a subject of debate. Some contrast the assumed organizational rigidity of public museums, often criticized, with the managerial autonomy and financial flexibility of private museums, which arguably enable them to be more agile, imaginative, and willing to embrace creative risks. (Brown 2020; Esquivel 2018; Frey &

Meier 2002; Gnyp 2015; Kiowski 2017). The literature is divided on whether private museums surpass public institutions in terms of audience engagement. Frey and Meier (2002, 2006) propose, based on a case study of the Beyeler Museum, that private museums prioritize visitor comforts due to the lack or scarcity of public funding. (Kolbe et al. 2022) confirmed that the question about difference between private and public museums is not just a descriptive one but comes with prescriptions: it is in the interest of private museums to

show that they are different from public ones if they want to endure.

A private museum is characterized as a nonprofit entity that curates and exhibits an art collection created and financed by an individual or a married couple. In contrast to public museums, private museums generally do not offer extensive services including conservation, research, education, and art curation. They can vary significantly in scale and emphasis, encompassing theme collections as well as institutions that engage in the borrowing and lending of artwork or the organization of exhibitions [1].

The inquiry into whether private museum management has genuinely adopted a more customer orientation reached mixed conclusions. Camarero et al. (2011) figure out from curator surveys that there is no distinction between private and public museums regarding their claimed willingness to comprehend visitor demands and to formulate museum strategic objectives accordingly. Camareroet al. (2018) discover that curators of private museums believe they have forged more robust connections with audiences.

1.2 . Business Models:

Generally, the business model has been characterized as a statement (Stewart and Zhao, 2000), a description (Applegate, 2000; Applegate, 2001; Weill and Vitale, 2001), a representation (Morris et al., 2005; Shafer et al., 2005), an architecture (Dubosson-Torbay et al., 2002; Timmers, 1998), a conceptual tool or simply a model (Osterwalder et al., 2005), a structural template (Amit and Zott, 2001), a method (Afuah and Tucci, 2001), a framework (Afuah, 2004), a pattern (Brousseau and Penard, 2006), and a set (Seelos and Mai, 2007).

Heritage institutions implement diverse business models to guarantee financial sustainability while preserving cultural assets. These approaches frequently merge traditional funding sources with creative techniques that use community engagement, technology, and commercial activity. Below is an overview of common approaches:[1]

1. Public-Private Partnerships (PPPs): Governments collaborate with private entities to fund and manage heritage sites. For example, the Colosseum in Rome benefited from restoration funded by an Italian luxury brand, PPPs provide access to private sector expertise and financial resources while maintaining public oversight.
2. Revenue-Generating Activities: Heritage sites increasingly depend on generated income through. This includes: Ticket Sales, Retail and Catering, Venue Rentals.
3. Innovative Funding Strategies: Adopt a Monument Programs individuals or corporations financially support specific historical items in return for acknowledgment or tax incentives. Crowdfunding Campaigns, Endowments Funds.
4. Digitalization and Virtual Access: Virtual tours and online experiences engage worldwide audiences and generate cash.

(1) For more details, see: RECHARGE Participatory Cultural Business Models.,Clements, J. (2024). Private art museums and their local creative communities: A case study of Mona. *City, Culture and Society, 36.* https://doi.org/10.1016/j.ccs.2023.100565

5. Community Engagement Models: Institutions incorporate local communities into governance and operations, including: Participatory Governance: Communities engage in decision-making, maintaining authenticity (e.g., Gion Festival in Kyoto) , Community-Based Tourism: Initiatives such as Rwanda's Iby'Iwacu Cultural Village enable residents to promote traditions while producing revenue.
6. Social Enterprise Approach: Large heritage institutions are progressively embracing social enterprise models. Revenue generated from services and contracts (such as educational programs and asset rentals) distinguishes larger businesses from their smaller counterparts, Non-monetary benefits include improved visitor experiences and mission delivery.
7. Grants and Donations: surprisingly vital for several institutions, contributed revenue frequently stabilizes as organizations expand. Grants furnish capital for repairs or new initiatives, facilitating trade and corporate growth. Donations are essential but are augmented by additional revenue sources.
8. Adaptive Reuse: Historical sites have been renovated into museums or cultural institutions, capitalizing on its importance to produce income while maintaining architectural integrity (e.g., Alhambra in Spain).

Undoubtedly, the majority of these models might be implemented by private museums.

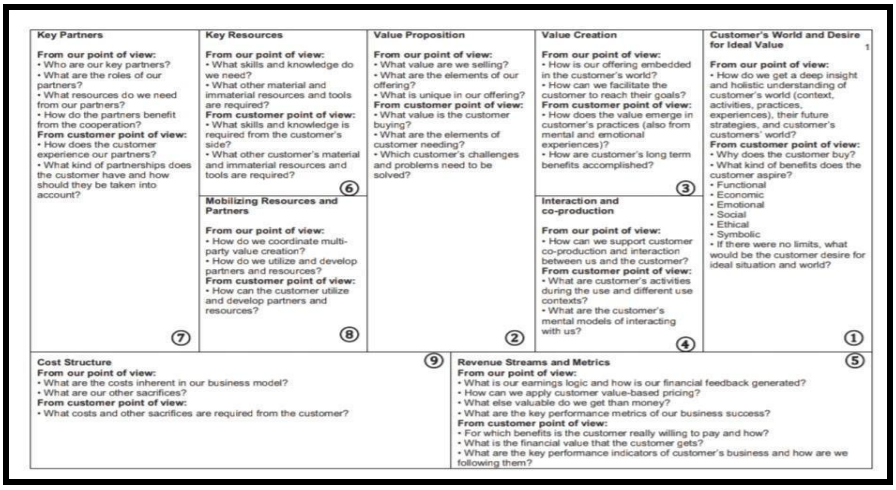
Considering the attributes of the digital age, the co-creation of value emerges as a fundamental pillar upon which cultural business models are established, consequently emphasizing that museums now provide not only visits but also experiences that may be beforehand, subsequent, or entirely separate to the visits.

Ojasalo and Ojasalo (2018) affirmed that the business model framework is termed the Service Logic Business Model Canvas. During the interactive research process, each component of the canvas was examined individually, as well as the canvas in its entirety. The canvas was incrementally produced and underwent multiple revisions

throughout the study process. At the outset of the process, the primary developmental requirements of the BMC were conceptualized: emphasizing the customer's active engagement and including the idea of the customer as a value creator, with the company facilitating that value creation (Grönroos, 2008; Heinonen et al., 2010).

Figure 1

Service Logic Business Model Canvas



Ojasalo and Ojasalo (2015a, p. 321)

2. Private museum landscape in Saudi Arabia:

surprisingly primarily focused in the Riyadh region, private museums are distributed throughout the kingdom.

Private museums in Saudi Arabia generally showcase collections that chronicle everyday life rather than only emphasizing rare or valuable artifacts. Typical displays comprise:

1. Household tools and traditional equipment that represent everyday living activities.

2. Regional garment and textile practices that reflect cultural identity.

3. Weapons and equipment that symbolize periods of history and craftsmanship traditions.

4. Items connected to economic activities and business units unique to various regions.

The curation practice frequently prioritizes authenticity and contextual presentation, arranging artifacts to replicate historical settings instead of displaying them as isolated items. This immersive method encourages visitors in comprehending not only the artifacts but also the cultural settings of their implementation.

Identically, private museums in Saudi Arabia symbolize a community-based approach for heritage preservation that supports state cultural agencies. Through the conversion of personal collections into instructional tools, private curators engage in essential cultural endeavors that link historical traditions to contemporary communities and future generations. These museums not only conserve objects but also sustain living cultural knowledge that may otherwise disappear.

The General Authority for Statistics conducted the "Culture and Entertainment Household Survey" in 2018 to assess household demand for cultural and entertainment activities. The poll encompassed the entire country, covering a sample of 16,974 households. The poll revealed that merely 22.9% of the sample frequented museums and heritage sites.

Undoubtedly, this percentage increased in 2023 when the Museums Commission and Morris Hargreaves McIntyre conducted the "Audience Atlas - Saudi Arabia." 34.9% of the sample (3005 respondents) reported visiting a museum in the previous year, in contrast to 22.9% in the 2018 survey. This significant growth is indicative of the recognition of heritage and the effects of Vision 2030.

3. Research Problem:

This study examines the business models of private museums in Riyadh City from the viewpoints of museum administrators and visitors. It examines sustainability prospects within the cultural and tourist sectors.

4. Case Study

In-depth interviews were conducted with the owners and directors of 8 private museums [1]in Riyadh to investigate their perspectives on the value proposition. Simultaneously, a customized survey was carried out to

ascertain visitors' perceived value, resulting in 201 respondents.

A. Private museums owners ‘perspectives:

Conduct in-depth interviews with 8 owners to investigate their perspectives about value proposition, partners, revenue streams, and customer/ visitor segments. Figures illustrate findings.

Figure 2

Value proposition

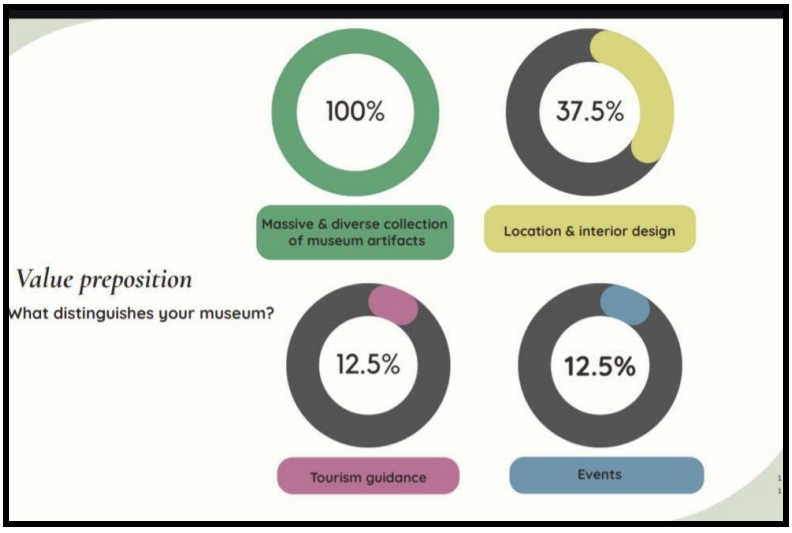


Figure 3

Visitors segments

(1) Hamad AlSalem Museum, Bait Al-Dhwaihi Museum, Moshawwah Al-Moshwwah Museum, Al-Waily Museum, Al-Hamdan Museum, Saleh Al-Musa Museum, Al-Turath Muuseum, Shibh Al-Jazeera Museum.

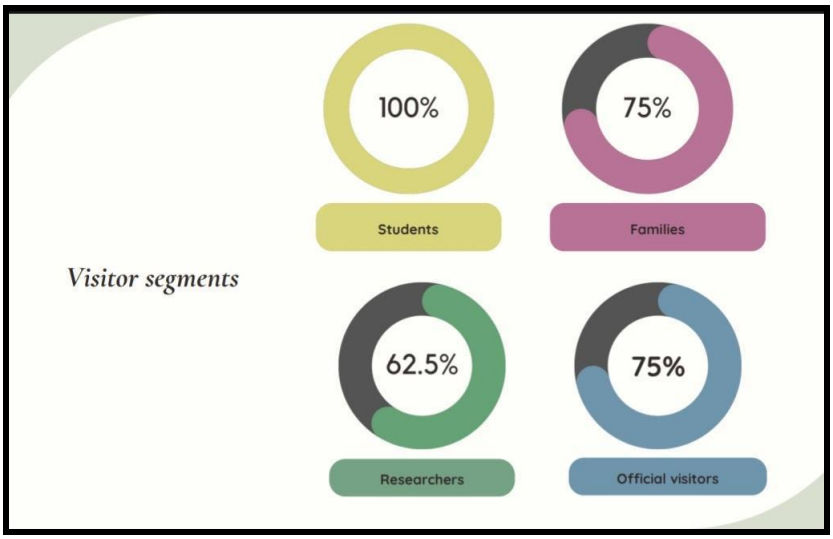


Figure 4

Revenue streams

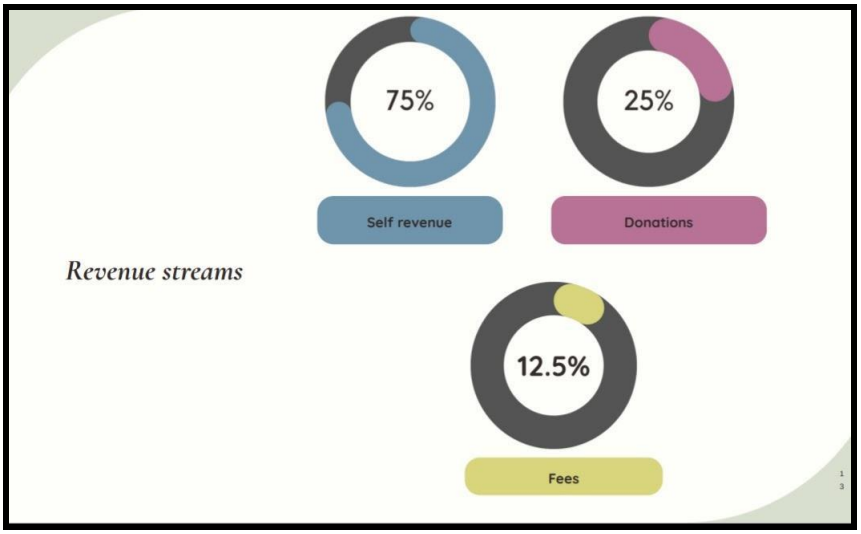
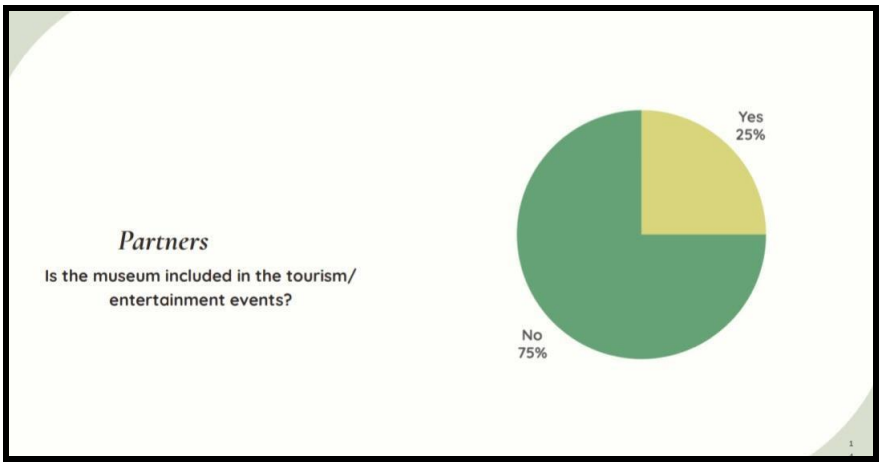


Figure 5

Partners



Clearly, the owners' viewpoint confirmed that their museums are mostly passion-driven institutions, with less focus on business strategies and revenue-generating operations.

These findings coincide with visitors' replies, in particular concerning value propositions and admission fees, as illustrated in the data.

Figure 6

Value proposition

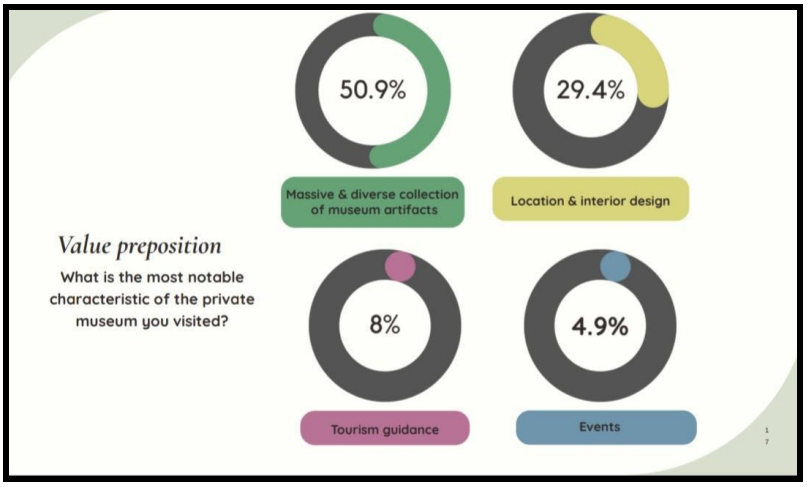
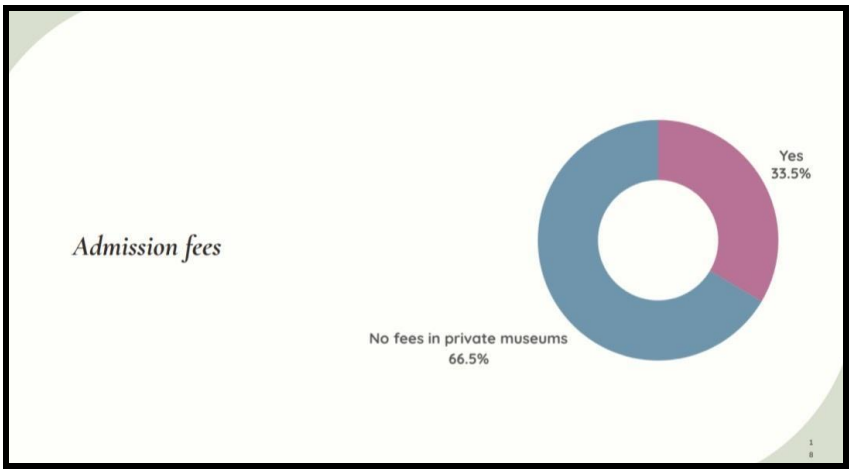


Figure 7

Admission fees

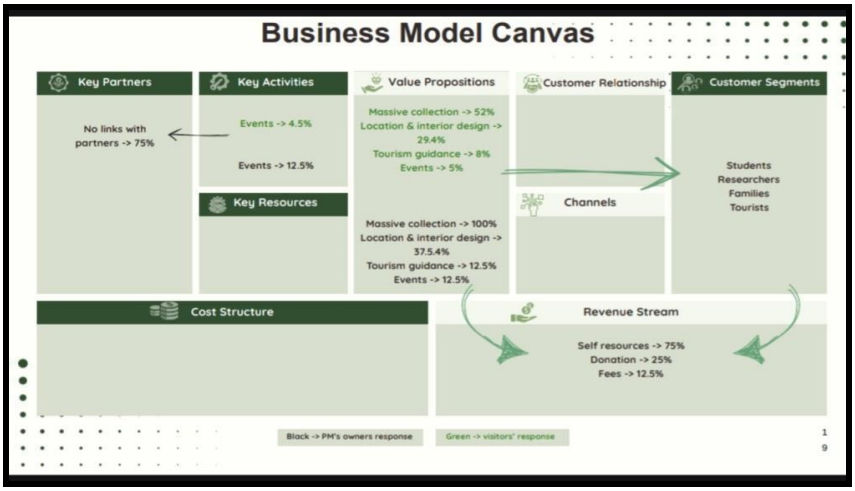


Based on this data, we can construct a business model canvas that incorporates the perspectives of both private museum owners and visitors.

We might customize Ojasalo & Ojasalo's Business Model Canvas (BMC) and propose a model that integrates the characteristics of museums within the traditional BMC and apply it to the case study.

Figure 8

Business Model Canvas



The data clearly demonstrates a consensus among owners and visitors, particularly with the value proposition, which serves as the core of the business model.

The passion-driven business model is certainly advantageous for private museums; nevertheless, it does not guarantee financial sustainability, especially in the shortage of revenue-generating activities. This emphasizes the significance of incorporating museums into the cultural and tourism ecosystems at both local and national levels.

Conclusion and Policy implications:

To optimize the advantages of private museums, it is advisable to integrate them into cultural and tourism ecosystems, which covers organizing events and proposing tours.

Detailed recommendations might include:

1. Establish partnerships with the Entertainment Authority making private museums a hub of intangible heritage.
2. Ensure the presence of destination mix (expand 5 A's)
3. Initiate sponsorship program
4. Integrate private museums into urban development strategies at both city and regional levels.
5. Promote private sector investment in heritage and art museums.

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