

Andrzej Szromnik

## Cultural heritage objects on the market: Features, conditions and functioning concepts

### Abstract

*Objectives:* The purpose of this paper is to present the conditions and possibilities of market reorientation of cultural heritage objects with respect to all the features of such objects including, inter alia, the historical, artistic and emotional values, forms of ownership, functions and previous market position. The author presents the main determinants and forms of “opening” the historical objects (antique properties) for existing and new markets through developing and widening the offering of services.

*Research Design & Methods:* This paper introduces a concept and a model that rely on the author’s original vision of diagnosing, shaping and implementing market restructuring for cultural heritage objects. From the methodological point of view the theoretical concepts of illustrating the gradual expansion of market relations between historical objects and their stakeholders rely on theoretical concepts of market, market economy, entrepreneurship and marketing management of NGO’s.

*Findings:* In market economy all organizations are included, at least to some extent, in a network of relationships and dependencies specific for the market and for the processes of exchanging values between partners. This also applies to the cultural sector and, within it, to various cultural heritage objects. The gradual reduction of financing of these objects by the State or regional budgets force the management of cultural objects to accept and apply a new functional philosophy – a philosophy of gradual expansion of its own market and increasing of additional financial revenues generated on this market.

*Implications / Recommendations:* The author does not question the supreme, social and civilizing role of many historic buildings, but he also claims that orientation for additional market resources should be treated and perceived as recommended and even necessary.

*Contribution / Value Added:* In the paper the process of market reorientation of cultural heritage objects has been introduced as a continuum – as a cycle of systematic changes, starting initially from traditional orientation for preservation and conservation and ending on the appropriate and final orientation for the market.

*Article classification:* theoretical article, conceptual article

*Keywords:* cultural heritage, market of cultural products and services, historical objects, historical buildings, economics of culture, marketing of culture, cultural tourism, non-profit marketing, market orientation, marketing of cultural heritage objects

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## Introduction

In the “broadening and deepening” concept of marketing formulated about 50 years ago by Kotler and Levy one can find an announcement of its constant, systematic development, adequate to the changes on the market, its entities, objects and network of market relationships connecting them in consistent structural and functional system (see Kotler & Levy, 1969; Kotler, 1972). In this vision evolution of marketing, such important sector areas of modern marketing such as service marketing, ideas marketing, marketing of places and real estate marketing, were shaped and distinguished. Generally speaking, it expressed in clear shifting of the field of interest of the marketing system of thinking and acting on the areas of intangible goods and non-commercial activity of individuals and social groups (see Kotler, 2013; Parsons, 2008; Sargeant, 2004). In the result, the process of marketing values exchange started to involve entities and their omitted and eliminated traditional offers, contributing thereby to significant enrichment of marketing itself and to market interpretation of the development mechanisms of new fields.

An important feature of the processes of broadening the field of marketing interests was concentration on the sphere of the needs and desires of a person and the group of goods which satisfy them. In this way, a relatively well-known market satisfying the physiological needs of individuals and appropriate processes of recognising, shaping or limiting them was completed with analogous processes relating to the needs of higher level, the needs of mental experiences, the needs of development and self-realisation. Simultaneously, the marketing approach in shaping and offering values was used with reference to benefits meeting the requirements of a modern market only to some extent – “quasi” market offers, offers provided to the public by public institutions.

The services of the cultural sector, in all their generic, functional and market diversity, have a special place among public offers. Their essence is expressed by experiences, feelings, emotions

and spiritual experiences accompanying and caused by people, objects, images or sounds, melodies and words deliberately prepared, arranged and made available to the public. Participation in relevant, cultural events, which have permanent or periodic character, is a confirmation of the market attractiveness of the offer, its programme accuracy and compatibility with the social needs, current preferences and expectations of the customers.

The considerations included in the elaboration concern a unique group of institutions, running businesses within widely understood culture, i.e. institutions, which perform various functions based on their location in historic buildings and in close connection with their unrepeatable, unique character. Such objects, or rather their architectural and environmental complexes, due to their material and symbolic values, were to be defined by the term of cultural heritage objects (*heritage sites*), emphasizing their importance and role in preserving the “past” achievements – the ones especially protected by public authorities.

Giving up, at this point, even from an attempt to completely define the “cultural heritage” or “a cultural heritage object”, the exhaustive terminological terminology of Murzyn-Kupisz deserves recommendation to those who are interested. In her pioneering monograph “Cultural Heritage and local development” (published by UEK in 2012) she cited different points of view, approaches and only distinguishing features of this conceptual theory, including numerous definitions suggested by authors from other countries and relevant possessions that are in legal acts (The Venice Charter, 1964; the UNESCO Convention, the Hague, 1954; the UNESCO Convention, Paris, 2003).

Difficulties connected to defining a universal definition of “cultural heritage”, also including objects, resulted in that relatively general term being adopted for the purposes of the elaboration. It enables one to consider a wide circle of “immovable-building souvenirs from the past”, institutions regarded as deserving of preservation for individuals from present and future generations

reflecting the past and traditions of their ancestors regardless of the formalisation of their status at the international, national or regional level. This conceptual approach therefore leads to the contractual treatment of cultural heritage objects as historic building real properties – historic architectural complexes, in all their artistic, functional, technical and proprietary diversity (see Szmygin, 2007; Murzyn & Purchla, 2007).

### **The market in the activity of cultural heritage objects – a review of the literature**

The main stream of the considerations in this article are connected to the marketing approach of the functioning of cultural heritage objects, therefore with possibilities and conditions of using marketing in the realisation of current and prospective objectives of their activity in a specific social, economic, legal and natural environment. The marketing concept of managing this specific cultural resource in an institution, which has a unique mission in society, derives from the field of the economics of culture, the economics of cultural goods, also called the economics of cultural heritage. Accordingly, historic objects are treated on the contemporary market of goods and services as units oriented in specific scope for profit, for generating incomes and surpluses, which allow them to recoup part of their operating costs (see Throsby, 2010; Murzyn–Kupisz, 2010; Towse, 2011; Jung (ed.), 2011, Ilczuk, 2012; Barański, 2016; Murzyn–Kupisz, 2016; Kopeć, 2016).

Indicating the purposefulness of the market restructuring of activities of cultural heritage objects, the need to change their organisational and functional concept, and consequently the reorientation of the programs they offer, is not a new approach. The authors of many scientific publications referred to marketing and certain marketing strategies in historic building activity. They indicated and defined, adequately to specific features, positions and resources of these entities; the works by Thornburn (1986),

Dominquez (1986) and Herbert et al, (1989) deserve particular attention.

In Polish marketing literature, the first works devoted to marketing in the culture sector were the works of the Wrocław authors deriving from the previous Economic Academy (currently UE), i.e. monographs edited by Knecht and Styś (1990) and edited by Mazurek–Łopacińska (Wrocław 1997). The book by Sobocińska (Wrocław 2015) can also be included to the Wrocław current. Marketing, in relation to the functioning and management of cultural institutions, has been the subject of monographs written by many other Polish authors, including Niemczyk (2007), Wróblewski (2012), Łodziana-Grabowska and Wiktor (ed. 2014). This group of publications also includes the monograph written by foreign authors and translated into Polish Dragičević–Šečić and Stojković (2010). The cultural sector and its subjective structure, functional features and potential marketing strategies were treated in a subjective way by all the afore-mentioned authors in their publications. They concentrated on such cultural institutions as theatres, operas, cinemas, philharmonics, cultural centres and exhibition galleries. A few cases and practical references included cultural heritage objects as a whole market, as an integrated offering concept of movable and immovable cultural property, along with relevant special events, and involved creators, artists, designers (see Smoleń 2013). Parowicz (2019) had a different point of view in her monograph: she considered the marketing of cultural heritage on the grounds of the conservation services market.

Cultural heritage objects, historical, architectural and environmental complexes, as well as single, most valuable historic properties, have not been the subject of complex conceptual considerations and relevant project works which discuss their marketing strategies in a systematic and complete way, together with appropriate instruments and market simulation techniques. These objects were usually perceived as cultural tourism centres, so their marketing approach concerned tourist

services – product concepts, the structures of price instruments, promotion of the services and ways of their distribution – offerings for target markets. A tourist point of view in marketing considerations is visible in the works by Chhabra (2010), Fullerton et al. (2010), and McComley and Glimore (2015).

The functional approach, appropriate for the consideration of historic building activity through the prism of a narrowly understood leading function is a characteristic feature of many monographs in the field of marketing of cultural heritage objects. Their authors consider such objects as museum facilities. In this way, the market activity thereof is reduced to the paid provision of museum services. Without questioning the legitimacy and the needs to perceive a museum as a specific “enterprise” or more generally a “market subject”, an equals sign cannot be put between the marketing of cultural heritage objects and museum marketing. This is due to the obvious fact that not every museum is a museum of historical interiors, many of them are located in modern real properties, properties that do not meet the condition of “historicity”. Historic character and historical values have movable objects presented in them and made available to the public. Despite this limitation, the monographs devoted to “museum heritage” and services connected with it deserve attention (see Kowalczyk, 1995; McLean, 1997; Simm, 2006; Matt, 2006; Kotler et al., 2008; Montemaggi & Severino, 2007; French & Runyard, 2011).

Misiuna (2006) presented the extensive approach to “heritage marketing” in his unique monograph. He explained and developed the marketing concept of functioning of the “heritage industry” on 280 pages of text. He discussed, inter alia, such issues as the essence of heritage marketing, market segmentation, the concept of marketing-mix (in relation to the tourist services, the food and beverages market) and preparation of marketing campaigns. Despite the lack of direct reference to the marketing strategies of cultural heritage objects, the work of Misiuna deserves high assessment and recognition for the book’s position in the field of marketing literature.

Marketing of cultural heritage objects is, in many cases, considered in close connection with “Place marketing”: territorial marketing, also called in national literature “city and region marketing” or “location marketing”. This can be seen in the works of Karmowska (2002) and Napolitano and De Nisco (2017), but also, or perhaps first and foremost, the third International Caribbean Conference “Heritage – Tourism and Hospitality” (2014), at which Govers gave an introductory speech entitled “The Role of Heritage in Place Marketing and Branding”.

Apart from numerous domestic and foreign publications, the problems of marketing of cultural heritage objects can be seen in targeted didactic projects. “Marketing of Heritage sites” lectures, among others by Conderello (2015) as part of the European project “Lifelong Learning Program” an HISA course (Heritage Interpretation for Senior Audiences, Italy). It should also be emphasised that this issue has been included in the postgraduate studies project under the title “Academy of Heritage” initiated and successfully carried out in Krakow by the International Cultural Center and the Małopolska School of Public Administration of the UEK.

### **Cultural heritage: Preliminary systematics**

The economic point of view adopted in this elaboration on the functioning of cultural heritage objects in the conditions of market economy requires the acceptance of specific systems of the division of these objects. Only then will the transparency and logic of the argument, referring to specific cases, individuals or groups, be guaranteed. The variety of cultural heritage objects, their mutual significant diversity, in connection to the constantly expanding conceptual area generating further groups of objects qualified to the historical heritage of man, make the right area of interest more and more complex and extensive. And so, apart from traditional components included in the cultural heritage, more and more often such relatively new, independent parts are

taken into consideration as natural, archaeological or architectural heritage, abstracting from new, introduced spheres of immaterial cultural heritage (musical, religious heritage, culinary heritage, technological heritage and others).

The organisation of the components of the “cultural heritage” category is based on the initial, basic, object-functional distinction among objects with mutual, hierarchical order. And so, as an initial classification set a wide set of elements was adopted under the name of “historical effects of human activity” and thus, a set enabling one to separate, within its frames, smaller and smaller components in the following order:

- a subset under the name “historic buildings”, and then
- cultural heritage objects;
- material objects of cultural heritage;
- real estate objects of cultural heritage;
- building objects of cultural heritage.

In this way, a six-element structure of the hierarchical division of the whole set preserved, historical human works, in which a subset of the lower order is a component of a subset of a higher order, was suggested. In all the systematics, the main place is occupied by a group of objects classified as cultural heritage

in the strict sense, as opposed to a broad conceptual notion corresponding to the category of “historical objects” and, even more generally, historical human works (the effects of their activity in the past, fixed, preserved, being the subject of generational transmission).

Separating the material cultural heritage, deliberately outside the suggested division, a wide and internally complex of objects belonging to the immaterial heritage, was left. Similarly, in the case of separating built cultural heritage objects, properties and the land were omitted, which may also be a separate, important class of cultural heritage objects (housing studios, conspiratorial premises, as well as battlefields, cemeteries, fortifications, hill forts (settlements), archeological excavations, etc).

A building, i.e. a cubature construction object permanently connected with the land, qualifying to the group of monuments of special value and importance for society, its historical identity, tradition and material culture, can take various technical and functional forms (architectural, urban). From this point of view, a distinction can be made according to the given criterion:

- a single building, a cultural heritage object with a specific utility function (current or original);

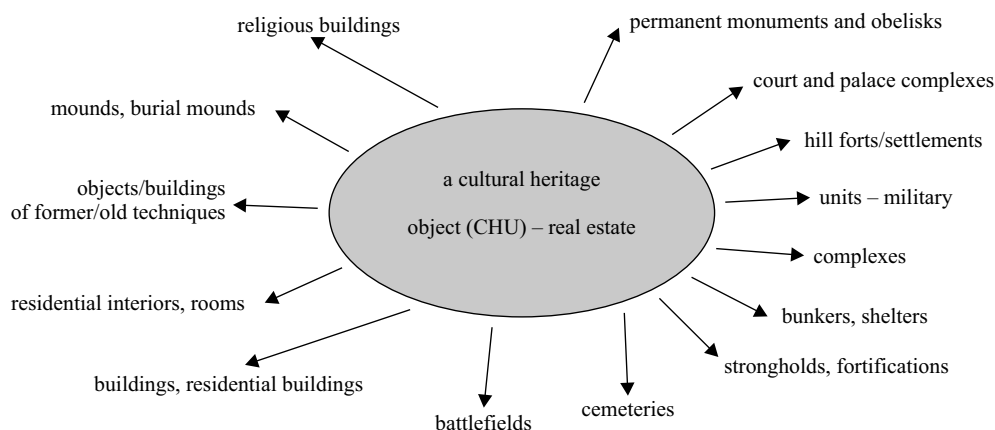


Figure 1. The main types of immovable objects of cultural heritage

Source: own study.

- a complex of historic buildings with homogeneous (two or several objects);
- a complex of historic buildings with various functions;
- a location complex, i.e. a group of historic buildings, structures, elements of small architecture and natural monuments.

The economic significance and market position of a cultural heritage object, depend, to a large extent, on two technical and constructional features, i.e.:

- the condition of the utility spaces of the building (open space, that is non-covered, which means ruins or usable closed space, i.e. what is known as a cubature object);

- the object’s mobility, corresponding to the division on the immovable cultural objects (buildings) and movable objects (objects, movable things).

The division of cultural heritage objects into “objects in the state of a ruin” and “cubature objects” is not a separable division (bipartite, dichotomous). It has been accepted as a certain simplified, existing state, although it is understandable that “ruin” can mean different technical states of a building, and thus from a complete ruin to a partial ruin. At the same time, many objects in the state of a ruin are the ones with small degree of structural degradation and can conditionally be included with cubature objects.

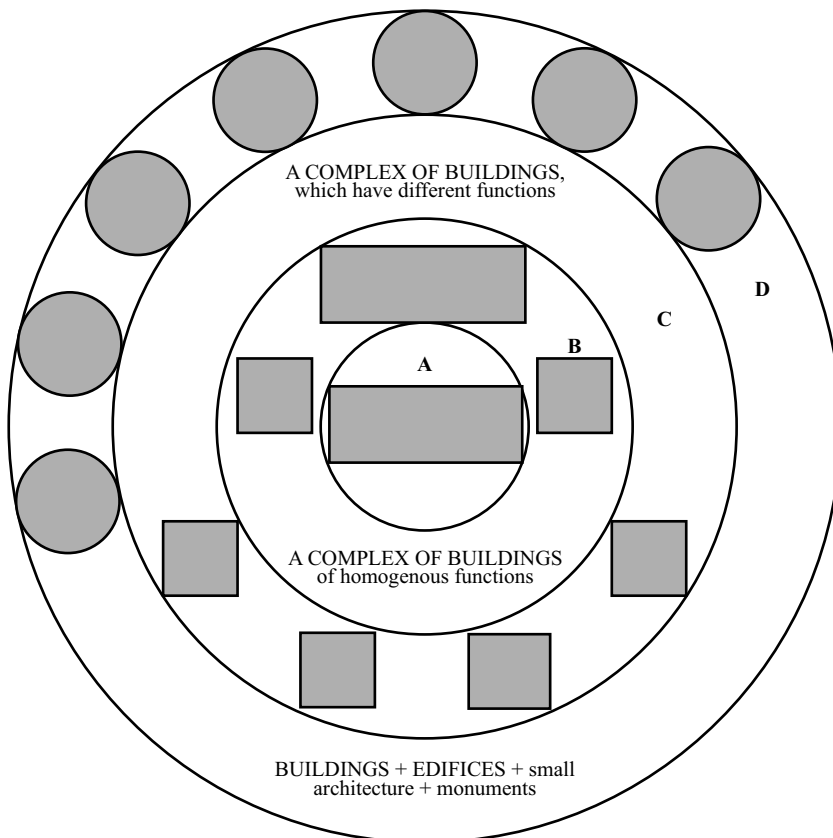


Figure 2. The groups of cultural heritage objects (properties) acc. to diverse architectural and functional features

Source: own study.

The full, complex characterisation of a selected immovable, building cultural heritage object should include the whole set of individual characteristics, that have opposite character, thanks to which subsets of completely and uniquely opposites can be created. Therefore, eight separate characteristics were proposed in order to arrange the analyzed objects in detail. They reflect respectively:

- ownership of the structure;
- technical condition of the structure;
- functional purpose and its changes;
- location;
- current utilisation status (use);
- scope of conservation protection;
- the degree of originality of the architectural design;
- scope of currently performed functions.

The use of the above mentioned features for the full identification of the object (in contrast to basic identification) would require additional consideration of at least a few more characteristics, including, among others, the object's artistic value, its equipment/furnishings, the state of preservation of the park/natural surroundings, the media's recognition of the object and the degree of market "opening" of the object. These enumerated characteristics no longer express the state, legal, technical or territorial situation, but the active role and market potential.

The large number and diversity of the cited identification features of the cultural heritage object do not contradict the original, initial characteristics and appropriate concepts. In this case, the importance, significance and social impact of the historic object depends on its artistic value, historical value and emotional value. If the artistic value (a creator, style, form, architecture, technology, materials, equipment/additions) of the object does not raise any objections and above all depends on the uniqueness of the features mentioned, their individuality and exceptional quality, apart from the historical value expressing the age of the object or its relative time creation, most difficult of all is undoubtedly defining and closer characterisation of emotional value.

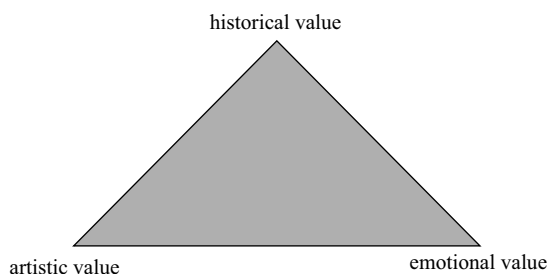


Figure 3. Historic building – real estate

Source: own study.

The "emotional value" category – a category that values cultural heritage objects and places them on a specific scale of "social feelings" – expresses the state of human emotions, opinions and references about assessments that are related to and concern a specific cultural heritage object. These sentiments are based on both formal and informal, purposeful and additional educational projects, and also media coverage and intra-community environmental messages. They generate widely understood historical awareness, shape social relations and opinions about specific objects in the country, region and one's own town. Such messages include "facts and figures" concerning people and events connected to a given object, its past, creators, users, and important development stages as well as stories and legends. The emotional value of a cultural heritage object is the highest in case of these units that define national, ethnic and group identity (see Figure 3).

### **A cultural heritage object as an entity of the market**

The market essence is the connection of various entities – people and organisations – buying and selling relations. These relations, i.e. market relations, form a complex network that combines various entities and market objects. Connections of entities – sellers and buyers – have the character of horizontal links, because they combine with each other buying and selling transactions equivalent and

equal entities representing the demand (a buyer) and the supply (a seller).

In developed market conditions there are various entities as sellers (bidders) or buyers, for which specific material goods or services are necessary for their operation, and which can be bought, primarily through purchases. These are both organisations and natural people running commercial activities, but also organisations – non-profit institutions fulfilling social (non-profit) purposes. At this point, the obvious question arises: whether cultural heritage objects, limited to historic building properties, are market entities, and if so, what are the necessary conditions which they must meet. It is understandable that these objects in all their diversity (previously signalled) are significantly different from each other, primarily in scope, organisation and operating conditions.

The answer to the formulated main question and the relevant conceptual issue concern the recognition of a cultural heritage object as a separate and independent organisation – an institution. Only a specific team of people with intellectual, material and financial resources is able to implement their own statutory use of a set of objectives. The cultural heritage object, as an institution, runs a socially useful activity for its own use and in its own name. It is also based on its own resources. In order to do this, it purchases necessary development factors (mainly service-providing ones) on full market conditions. At the same time, it offers (to interested entities), on a commercial basis, the effects of its own activity and possibilities potentially connected to it.

According to the presented statement, a cultural heritage object, as an entity of the market, should be an institution that ought to be characterised by:

- legal and proprietary distinction (be a self-reliant, independent, registered ownership entity with legal capacity);
- economic distinction (have its own resources that can be freely used by selling them or buying the new ones; if other regulations do not limit it, it can also take loans, regulate its commitments, liabilities and receivables);

- organisational separation (have a specific object management structure, internal organisational structure, precise organisational subordination, approved organisational statute);
- territorial distinction (have a seat of an institution, have strictly designated boundaries within the territory of its own building premises and land properties, including leased, usable and supervised real estate).

It is possible to talk about full decision-making independence of a cultural heritage object if all of the above-mentioned conditions are satisfied. In practice, it is difficult to find cases of such institutions. As a rule, this results from the complexity, ambiguity or imprecision of ownership relations and what comes after that, also organisational relations, as well as the sources and forms of financing the activities. As a consequence, many historic buildings, including cultural heritage objects, have only limited market independence and appropriate buying-selling decisions are made with the participation of many entities from the market environment of the object. Such restrictions, extending management and decision-making processes, make cultural heritage objects only “defective” market entities.

### **Ownership – a nodal feature of cultural heritage objects**

Among the listed, basic characteristics of cultural heritage objects as institutions, undoubtedly the primary feature is ownership – ownership of the object. Ownership is a feature that projects and determines other organisational and functional as well as economic and financial characteristics (see Figure 4).

From the point of view of ownership, the main and the most important group of cultural heritage objects are entities owned by the State Treasury. These include the largest, best-known and commonly recognised objects as national goods. They are mainly used by public institutions, above all, for civilisational, cultural, partly educational and expositional aims. They are financed and



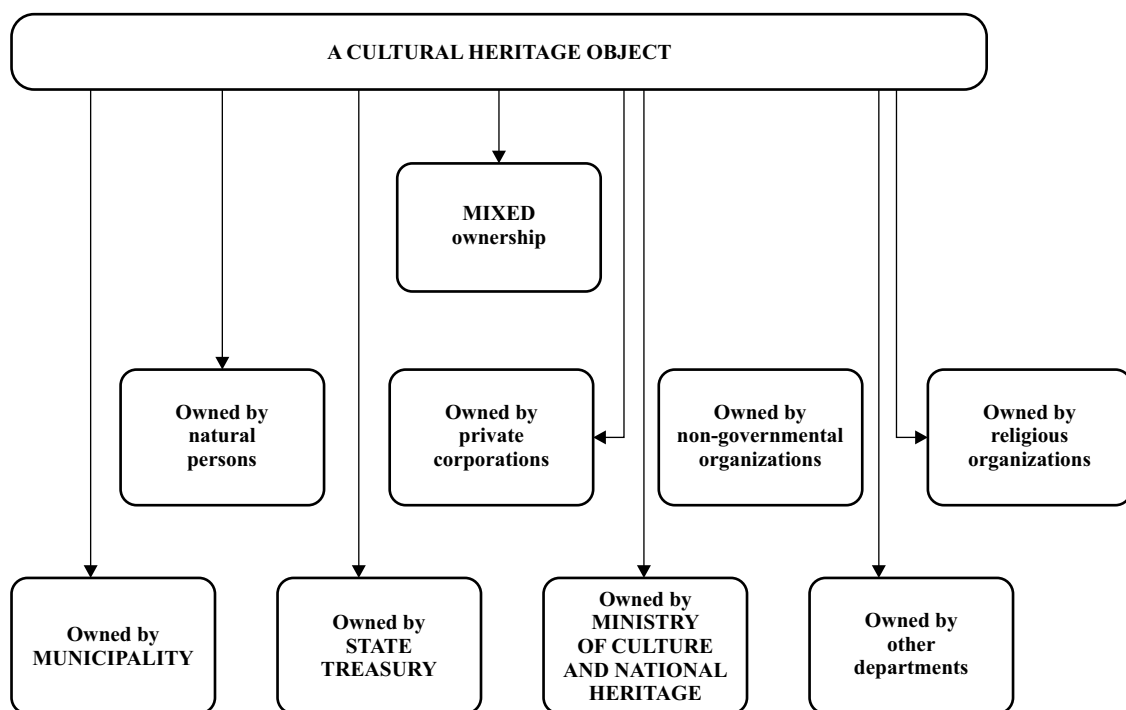


Figure 4. The main owners of cultural heritage objects

Source: own study.

developed thanks to funds from the State Treasury distributed by the Ministry of Culture and National Heritage.

A sizeable group of historic buildings with high cultural values is made up by objects directly owned by the Ministry of Culture and National Heritage. As a “central” property, as well as the previously characterized group of objects, they remain outside the regional and local authorities. At this point it should be mentioned that there is an additional group of public facilities, resort buildings, which are owned by other ministries with all organisational, functional and financial consequences.

The largest group of historic buildings with limited artistic, historical and emotional values is directly or indirectly managed by local governments on a municipal, district or voivodeship level. These are thousands of various usable and unused facilities, which are often doomed to local authorities, are

in a poor technical condition, and with no prospects for future changes.

The private sector is a dynamically developing property sector among objects of cultural heritage. It mainly includes the ownership of natural persons and private corporations, including foreign entities. Apart from the examples of negative use of historic buildings by private owners, it should be emphasised that from the market point of view it is the most developmental group of objects.

Among the owners, and at the same time users of cultural heritage objects, it is impossible to omit social organisations, including organisations and religious associations. They belong to the most numerous, permanent, often primitive (long-term) owners – users of monasteries, churches, chapels, eastern orthodox churches and religious complexes. The vast majority of them are in a satisfactory technical and maintenance condition.

According to the applicable legal articles regulating the purchase or sale of a historic real estate, the acquisition of ownership of a cultural heritage object takes place through a notary contract, but the price does not always reflect the market value of the object, in many cases it is only symbolic. In selected cases, the change of ownership as the result of the sale of an object is limited/conditional, because it depends on the consent of the Ministry of Culture and conservation services.

Concluding the remarks about the properties of cultural heritage objects and major entities in this respect, it should be noted that many objects do not have valid, credible and unambiguous certificates of ownership. A large number of historic buildings are the subject of reprivatization and compensation claims. Such situations limit their market position as sale-purchase transaction entities. Using and possessing an object also does not give full rights to the owner, including privileges and obligations associated with it.

### A cultural heritage object on the industry markets for goods and services

The market-based character of cultural heritage object activity means that it provides its mobile and immovable resources for a payment, at the same time providing adequate services. Payment for services is tantamount to establishing commercial relations with recipients, clients of the facility. The most frequently offered paid services can include:

- visiting the whole interior of a building;
- visiting part of a building`s interior;
- visiting the area surrounding a building;
- providing mobile equipment (selected exhibits);
- visiting exhibitions, permanent and temporary ones;
- participation in artistic events (event organising);
- hiring rooms for one`s own events;
- hiring the whole object or a part of it (lease or short-term rental);

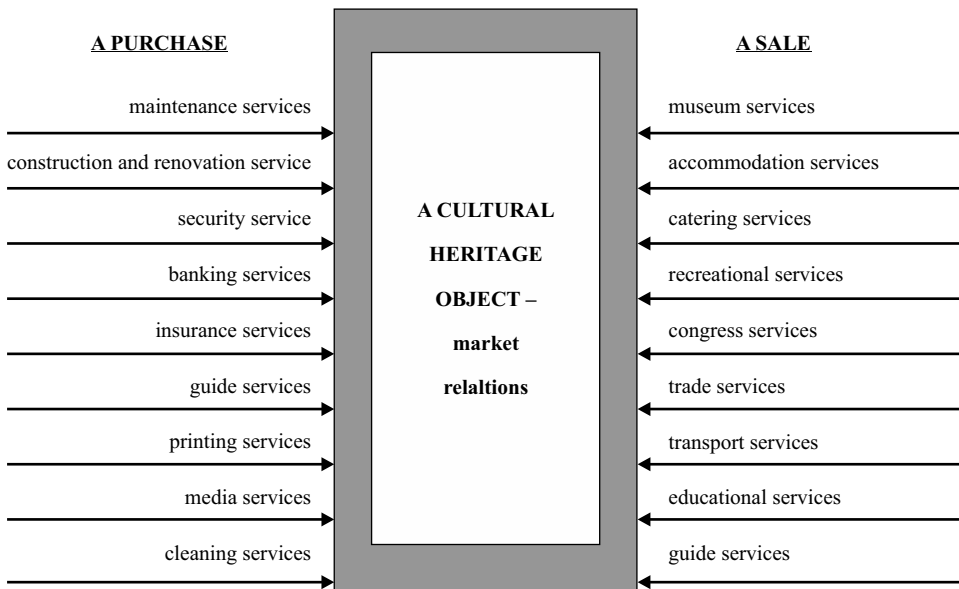


Figure 5. A cultural heritage object as an entity of the service market

Source: own study.

- catering services;
- comprehensive hotel services;
- training services (talks, workshops, training, conferences);
- film services;
- transport services;
- guide services.

Paid services shape the circle of recipients, i.e. the market for a given facility, thus the basic parameter enabling the measurement of the scope of this market (in this case it is tantamount to the number of individual and institutional clients served). The size of the market – the other market parameter – expresses the total size (value) of services provided.

Each cultural heritage object has two roles on the market, i.e. as a provider (a supplier of material goods and services) as well as a buyer (a recipient of purchased goods and services necessary to run a business – implementations of the statutory functions of the facility).

And thus it acquires a variety of goods and services for a payment. In the second of those (the object is a buyer of services) it is mainly about maintenance, construction and renovation, security, banking, insurance, guided tours (external), printing, cleaning and media services (probably the list of these services is much wider).

The dominating, in the market orientation of cultural heritage orientation, role of the service market does not mean that these specific entities do not appear in the roles of sellers or buyers in other industry markets. Historic buildings are important “players” in the cultural tourism market, which results from the essence of their activity. Many of such facilities are active entities on the market of articles and works of art, making complementary purchases that enrich their own resources of exhibits. Owners/managers of cultural heritage objects are also active on other markets, such as labour market, real estate market and broadly understood media market (see Figure 6).

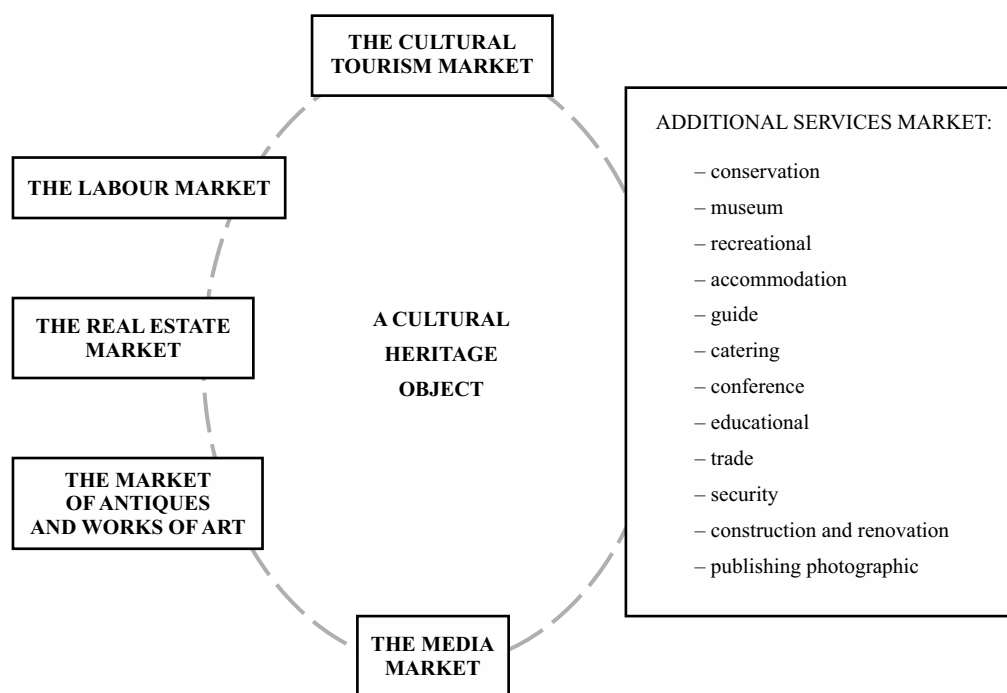


Figure 6. Cultural heritage objects on industry markets

Source: own study.

The observation that cultural heritage objects under certain circumstances operate as market entities is fairly general. Making a purchase or selling your own resources can take various institutional forms and different solutions, depending on the detailed characteristics of the market transactions involved.

In general, it can be assumed, for the purposes of further, in-depth classification of market forms, appropriate for cultural heritage objects, that market transactions involving historical objects concern, on the one hand, movable and immovable items, and, on the other hand, from another point of view, such separate types of market transactions, which are “sales” and only “presentation”. Thanks to the introduced distinctions, by connecting the two given divisions, four organisational and legal forms and functional markets can be distinguished, i.e.: antiques trade (offering moveable antique objects for sale or buying them from other market entities);

- istic real estate trade (paid offering or buying historical properties);
- museum exhibitions (displaying paid presentation of antique, moveable items connected with visiting places where they are made available);
- isiting historic interiors, interior museums (paid display/presentation of historic interiors, most often connected with a guide service).

Using the applied matrix (tabular) approach, a more detailed and illustrative division of institutional markets, appropriate for cultural heritage objects, was made (see Figure 7).

A similar method of two-criteria division of markets relevant to historic buildings, both movable and immovable, was used for a more advanced systematisation of forms of market exchange based on slightly different criteria, i.e.:

- the historical value of the market transaction object;
- the form of transaction making the subject available on the market.

In this case, three-stage states of the given criterion were used (for both features), as a result

of which nine different solutions – forms of market transactions and appropriate institutional and functional solutions – were obtained. Therefore, in relation to the first criterion, the “historical value” was distinguished, small, medium and large states, and for the criterion of “form of transaction – a form of paid access” presentation, loan and sale states (see Figure 8).

The 3x3 table identifies nine forms of markets (three criteria, with three states). It is worth commenting on the two extreme cases of markets. In the first case it is the presentation market – displaying and paying for watching objects with a relatively small historical value (often private or communal collections, collections shared in local and regional museums or memorial rooms) and on the “sales market”, on which the antique goods of great historical value are offered. In the latter case, the purchasing and selling transactions are concluded on special terms. Often there are limits on what individuals or institutions can buy, or what can be taken out of the country. Finally, priority of purchase may be granted to certain specialized public institutions (museums).

Another case of the systematics of specialised markets with various leading functions is analogical to the previous method of the two-criteria classification of historic buildings, the case of division of market functions (carried out against payment, often outsourced) according to the criterion (see Figure 9):

		Object mobility	
		Moveable	Immovable
The way of	Sharing	Antiques trade – shops, galleries, auctions	Historic real estate trade (CHU – Cultural Heritage Objects)
	Presentation	Museum exhibitions, shows, collections	Open antique objects – interior museums

Figure 7. Basic division of the market of antique objects, according to their character, forms of making them available to the clients

Source: own study.

		Historical value		
		Small	Medium	Large
The form of market sharing	Presentation	Private collections, local, regional museums and exhibitions	Regional, museum exhibitions, professional collections and private collections	Professional, open exhibitions by public museums
	Lease/hire	Market sharing in an unlimited (short- and long-term) offer	Conditional sharing for public institutions of culture and art	Limited, unique, short-term sharing for artistic purposes
	Sale	Antiquarian trade offer and direct, non-institutional exchange	Trade offer of specialized auction and real estate companies	Limited sales – an exchange within the public sector

Figure 8. Extended division of the market of cultural heritage objects (historic buildings)

Source: own study.

- type of cultural heritage object, with a detailed identification of “moveable” and “immoveable” objects;
- technical condition of the facility, with the distinction of “good” and “bad” state.

The result of the combination of these two criteria and the two conditions of occurrence of the respective feature, taken into consideration every time, is another table with dimensions

of 2x2 and the appropriate four sets of market functions (market transactions). These are the objects:

- immoveable in good technical condition;
- immoveable in bad technical condition;
- moveable in good technical condition;
- moveable in bad technical condition.

The offered sets of functions – market transactions (usually done against payment or with financial

		Material objects of cultural heritage	
		Immoveable	Moveable
Accessed March 10, 2018	Good	Enrich Present Share Lease Sell equivalents Sell non-equivalents	Maintain Present Lend/borrow Exchange Sell equivalents
Technical condition	Bad	Protect Present Share Lease Sell equivalents Sell non-equivalents Give	Maintain Present Lend/borrow Exchange Sell Give

Figure 9. Division of market transactions for material cultural heritage objects according to their type and technical condition

Source: own study.

compensation) include ordered lists of activities differentiated to essence but also to their market-financial character and potential benefits of their implementation.

### **Market orientation of cultural heritage objects**

Acceptance of the thesis about the market nature of cultural heritage objects, in this case buildings, is synonymous with the recognition of these objects as important, active entities on many industry markets. Therefore, it can be assumed that the market orientation of historic buildings with recognised cultural values is their new strategic option – an option that does not replace the leading conservational, civilisational or educational priority, but is a special supplement to them. This special role of the market option is based on the integration of all strategic goals set by the society and its authorities managing cultural heritage objects.

The market orientation of cultural heritage objects means in fact, in the reality of the market economy, approbation and full acceptance of including to the criteria set and areas assessing the results of activity of these sales measure objects, and in fact the measure of income from the sale of offers/products. Traditionally, the leading and even exclusive socio-civilization goals are developed, completed or corrected by market objectives. The functioning of cultural heritage objects will become an offering function, and external offers of participation, sightseeing or organisation of an event will be specific products prepared consciously and purposely for the needs and desires of potential recipients (interested entities or people).

New, appropriate for the market concept of the functioning of independent historic buildings, such as profitability, efficiency, financial liquidity, investment return time and other economic and financial categories, will be included to the terminology and issues traditionally accompanying conservation and socio-civilization missions.

The process of conceptual restructuring of the activity of leading historic objects can be defined as shifting from the protection-conservation orientation and its proper social and civilisation priorities to strictly market orientation, assuming the priority of rationally satisfied needs and desires of clients.

There are no contradictions between these orientations and the conflicts of goals and tasks. Unquestionable changes should be made in the traditional “know-how” of the institutions management managing major historic objects and their new role – the role of cultural managers, managers able to overcome new market challenges and even use them as development opportunities (see Figure 10).

Smooth transition to the market orientation of cultural heritage objects may consist in a modernized, developed and updated continuation. Typical and repeatable permanent exhibitions, although in many cases still attractive to visitors, should be complemented and extended by developing the area and object range of the exhibition (simple development) or adding new utility services – various, accompanying or “free” of charge services (independent of the basic exhibition). In this way, the function and the traditional operating area under the name “sightseeing” will change its market character – the passive function will be expanded to active participation in special ventures. These are usually additional services, ordered events, “custom-made” exhibitions, stage productions, shows and other events. The range of benefits (satisfaction) offered to visitors will be significantly increased and made more attractive. It probably will not remain without additional sales effect / income stream.

The vision of new priorities, objectives and tasks will usually encounter resistance, and the main argument in criticising the new orientation of cultural heritage objects will be a well-known phrase about the superiority of protection-conservation and socio-civilisation goals over ad hoc and “base” commercial purposes.

The basic assumption in the market reorientation of cultural heritage objects concerns the necessary

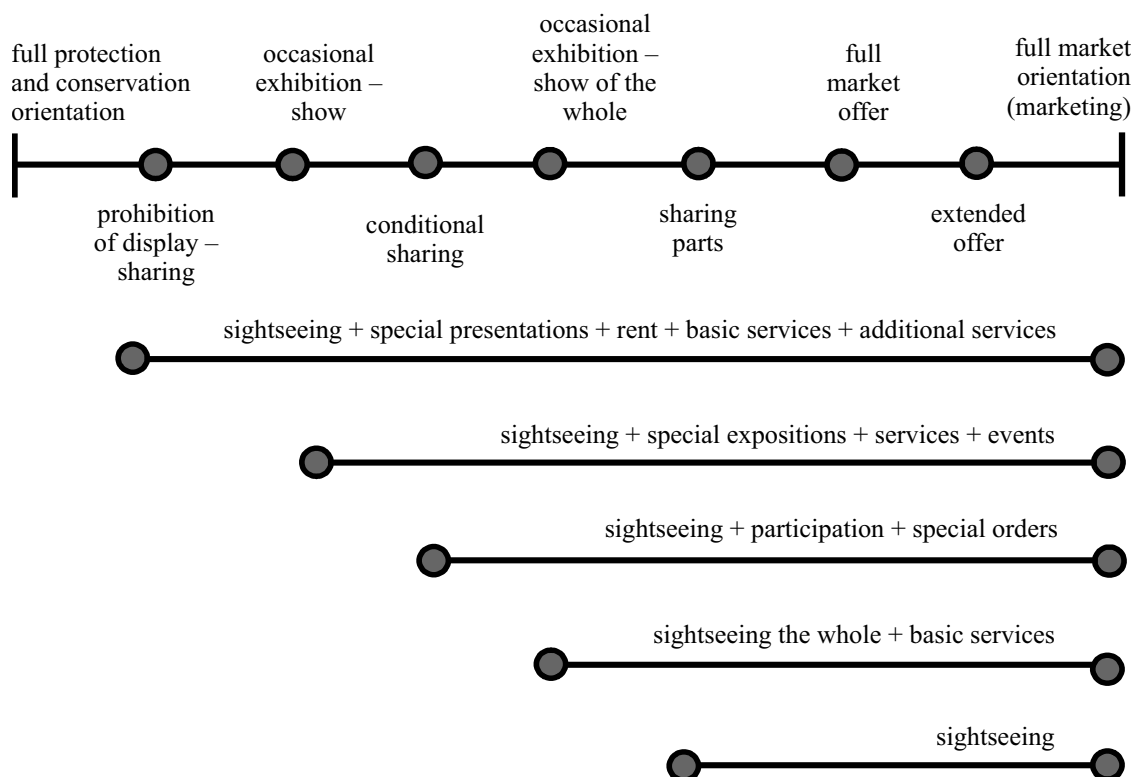


Figure 10. From protection-conservation orientation to market orientation

Source: own study.

protection of the object's assets, protection at all costs, protection, which has priority over other strategic goals. This is an element of the mission of the appropriate institution. The market "opening" of objects must take place gradually, and an appropriate process will always require proper adequate preliminary preparation, observation of the results and current monitoring of the effects.

"Opening" of historic buildings as independent market entities, that is their gradual commercialization through paid offering and providing free resources, can be brought down to several main stages, which can be listed consecutively:

- object identification;
- records – stocktaking of resources and possibilities;
- documentation;

- maintenance – security – preservation;
- institutionalisation;
- an account of the market opportunities and potential;
- market research;
- offering;
- commercialisation (price, profits, losses);
- communication – promotion of offers and attractions;
- integration of the functions– balancing goals and tasks.

The suggested structure of the marketisation process of the cultural heritage institutions activities, envisages a comprehensive and diverse preliminary stage. It includes, respectively, preliminary, identification and registration activities of the facility, to proceed to formal and legal

activities, making the facility independent as a separate institution.

Preparation of the market offer should be preceded by market research (external research) and analysis of one's own resources and capabilities (internal research). The proposed products (tangible, movable goods, premises, services, events) and the conditions of making such available (sales, benefits) will be attractive if they are based on the financial account of the possibilities of potential clients. The condition for success is, in the end, proper, multi-directional and adequate promotion of offers – proper market communication.

### **Closing remarks**

Perceiving and treating cultural heritage objects as entities of contemporary, developed market of goods and services requires fulfilling many general and individual conditions, conditions referring to a specific unit. Among the set of general conditions, the need to spread in the cultural environment – in the environment of guardians and conservators of historical objects, in the group of owners and operators of public and private heritage objects, – the belief that the units managed by them are largely subject to the laws of the market should be mentioned and particularly emphasised. Therefore, they are not “islands on the sea” of market relations, they are not isolated areas functioning outside the sphere of market exchange. It means that they participate in the process of buying and selling goods and services on general terms, the rules which have to be followed by all private, public, large, medium and small market entities as well as by the entities of the material and immaterial sphere of economy.

The special character of functions performed by cultural heritage objects – civilisation functions – does not exempt owners and managers from the “market concept” of their functioning, from the concept of rational management of possessed, unique resources, from the concept of continuous search in the environment closer and further to generating new sources, better and better

opportunities and higher income connected with them. There is no justification for the view, unfortunately occurring often in the environments of people of culture and art, about the uniqueness of historic buildings, about their social mission and objectives that are not allowed to be included in the market framework. Following such treatment of cultural heritage objects, in all their historical, scientific, artistic and emotional diversity, there is the need, and even the necessity, of their separation and unique placement in the market economy system.

The non-negotiable priority of the “higher” social functions of monuments with special qualities and significance for national or group identity, meaning in practice, the orientation to finance their statutory activities from public funds, national, departmental and regional budgets, does not mean automatic exemption of culture managers from the necessity to think in the categories of the modern market – categories of costs, profits, profitability, sales and benefits. The search for new markets, their selective valuation, creating new, more suited to the reported needs service offers, using flexible, variable price formulas are just some of the new ways of thinking, market orientation, the concept of marketing management of cultural heritage objects.

The mental and operational-functional change of approach to the social role of monuments does not mean that such contradictions as protect or share, limit or earn, continue or change and develop, will emerge. The new approach to the functions of cultural heritage objects in a society dominated by market relations results from perceiving these objects as specific, unique and one of a kind resources of social values subject to market laws regulating their use, sharing and presentation. It can be imagined that a “thin, red line” divides a non-commercial and commercial orientation in the activities of cultural heritage objects, a contractual line of conditional and monitored division of their spheres and forms of operational activity, a line of delimitation of interests, concepts and directions of functioning. The appropriate



division boundary, in the case of each individual facility, should be designated by its unique cultural features and values and, on the other hand, by external conditions and the circumstances of the implementation of the adopted strategies of operation and development.

The need for the mental reorientation of employee teams, groups and individuals emphasised above is undoubtedly not an easy matter, given their long-standing experience, entrenched practices, views and principles of managing cultural heritage objects. Therefore, it is necessary to consider targeted, broad programmes and informational-educational projects, presentations and analyses based on domestic and international case studies.

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