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## ECONOMIC NATURE AND ACADEMIC-THEORETICAL DEFINITION OF MUSEUM SERVICES

**Аннотация.** В статье рассматривается экономическая природа и научно-теоретическое определение музейных услуг, основанное на их экономических особенностях.

**Summary.** The article deals with the economic nature of museum services and provides an academic and theoretical definition based on their economic characteristics.

### Introduction

At present, the rise in importance of the economic analysis of cultural organizations and their activities makes the revision of the nature and direction of museum services a relevant field of research. The Decree of the President of the Republic of Uzbekistan No. PD-6000 issued on May 26, 2020 “On measures to further enhance the role and importance of the sphere of culture and art in the life of society” refers to an increase in the level of cultural services provided to the general population. The problem of increasing the level of efficiency of museum services is directly related to their economic review, and the theoretical definition of this concept.

Recently, issues related to the economic stability of the cultural institutions of society, which usually position themselves as non-profit organizations, have been subjected to in-depth analysis. In turn, scientific studies of the economic and financial activities of these subjects of the market of cultural and educational services have become very popular. If earlier the museum paid its main attention to its collections, then recently this focus has shifted towards museum visitors [1]. The museum, being a non-profit organization, nevertheless operates on the market [2]. Accordingly, all the economic laws of the market are also applicable to the museum.

Being an important social, academic and educational institution of the society, museums have come a long way from being seen as a temple of arts to a full-fledged complex and diverse cultural and educational institution. In recent years, the socio-economic image of the museum has changed significantly, and with it the attitude and perception of its main mission.

The possibility of carrying out serious transformations in the museum is usually expressed in the definition of its main mission and function. To date, there are a large number of academic definitions of the term museum, which are designed to characterize the main purpose and functions of this organization in society.

Among them, the most well-known and universal is the definition given to the museum by the ICOM charter “A museum is a non-profit, permanent institution in the service of society and its development, open to the public and engaged in the acquisition, preservation, study, communication and exhibition of material evidence of humanity and its environment for the purpose of research, education and enjoyment” [3].

From this definition, we can conclude that the main goal of the museum is the scholarly study of the material evidence of human history, the education and arrangement

of cultural leisure and, as a result, obtaining cultural experience for the consumers of museum services. In this context, the whole range of economic analysis of the museum's activities is expressed and focused on the supply and demand for museum services, as well as the possibility of increasing their efficiency.

For some museum specialists and sponsors, the main purpose of the museum is to expand, preserve the collection of exhibits and conduct various kinds of research. For others, it is to convey to society an understanding of the cultural value of the available exhibits, to ensure wide access to them and to solve other cultural problems. Both in the first and in the second case, the economic aspects of the museum's activities are of relatively little importance, despite the fact that it is the structure of income and expenses of museums that is fundamental for developing strategies and tactics for the functioning of the museum as a productive organization.

Museums play an essential role in cultural tourism and in themselves are important attractions of any tourist destination. Tourists leave a significant amount of money when visiting museums as payment for entrance tickets and expenses for visiting restaurants and shops located on the territory of museums. Thus, tourists have a strong influence on the local economy of the tourist destination.

Museum services are primarily determined by the functions that this cultural institution performs in society: storage, informative, integrative and communicative [4]. One of the important features of museum services, as an economic category, is the ability to express it in economic analysis, and the efficiency of museum services, as a tool for communicating with its audience, determines the economic sustainability of this organization. The theoretical definition of museum services, in turn, gives us the opportunity to determine the essence of this concept and its economic expression, and the mechanisms for using museum services in order to achieve the economic sustainability of the museum.

### **Literature Review**

One of the first scholars who proposed considering culture as a factor in economic development was the American scholar Edward Benfield, who pointed out a direct relationship between the pace of development of the national economy and its cultural systems [5]. A very significant contribution to the formation of the economics of culture, as a separate area of economics, belongs to G. Becker, who in his works points out the importance of economic rationality in the consumption of cultural products [6]. The recognition of the economics of culture as an independent area of scientific research was due to the works of D. Trosby, devoted to an economic review of the production and consumption of art products [7].

P. DiMaggio in his publications noted the place of the museum in the economy of culture, its belonging to the market of cultural services, and functioning according to the laws of the market [8]. The great importance of studying the activities of the museum within the framework of economic science and the importance of increasing the efficiency of museum services is noted in the works of Fiona McLean [9] and R. Rentschler [10]. The issues of serious changes in the activities of the museum, the shift in the focus of museum attention from its collections to its audience, and as a result, a scientific analysis of the role of museum services, are the subjects of Kotler's studies [11]. In the publications of a number of scholars, like R. Rovley [12], J. Otto and J. Ritchie [13], the importance of meeting the needs of museum visitors is substantiated. This process, in turn, gave rise to the need for marketing research aimed at studying the features of the economics of the

cultural sector and determining the role of museum services within this space. J. B. Pine and J. H. Gilmore proposed a new term "experience economy" in which the museum services should be customer-oriented, and the economic strategy for managing the museum services should focus on consumer experience. Also, the impressions from museum services should be evaluated in the context of four main areas: 1) education 2) entertainment 3) escapism 4) aesthetics [14].

Among the scholars from Uzbekistan, the issues of the nature of social services in the economic sphere, and the system of relationships between market entities are considered in the works of D. Ernazarov, which emphasizes one of the features of social services in a market economy, the importance of the solvency of a consumer of social services [15]. In the works of N. S. Ibragimov [16] and R. V. Almeev [17], issues related to the diversification of museum services are considered.

The purpose of our study is to reveal the economic phenomenon of the museum services and to determine its characteristic features.

### **Research Methodology**

When writing this article, the methods of systemic and comparative analysis were used. The systematic analysis method was applied in order to determine the place of museum services in the service economy, and the comparative analysis method assisted in highlighting the characteristic features of museum services in comparison with other types of services.

### **Analysis and results**

In order to formulate a scholarly definition of a museum service and characterize its economic essence, as well as to develop a conceptual apparatus of a museum service within the framework of the museum economy, first of all, it is necessary to give a general idea of the concept of "service", to determine the place of museum services in the classifier of services as a whole and to identify certain properties that are unique to museum services that distinguish them from other types of services.

In scientific papers and textbooks, it is quite common to cite the American scientist Johnson, who remembers that there is a clear distinction between a product and a service according to four main distinguishing features: impalpability, inability to store, inseparability from the source and variability in quality. The analysis of the characteristic features serves as a confirmation of the activity approach of services. Having an impact on the subject, as a result, the service cannot be separated or even isolated. In this regard, it is not necessary to talk about tangibility and storage. However, it should be noted: services have an impact on the quality and durability of the item. We are talking about the fact that the provision of services sometimes improves the quality and efficiency and thereby prolongs the service life. For example, a large number of museum equipment needs maintenance, without which it simply will no longer be able to maintain museum exhibits in proper condition. Keeping the equipment clean and timely repair directly affects its service life.

F. Kotler, in his scholarly definition of a service, indicates that it is any event, activity or benefit that one of the parties can offer to the other, while emphasizing that services are basically intangible and do not lead to the acquisition of anything [18]. Researchers have classified museum services according to various criteria; at present, more than 160 types of services are taken into account in the international practice of the WTO. A.N. King [19] proposes the following classification of services (Table 1)

**Table 1**

**Classification of services**

<b>Classification feature</b>	<b>Type of services</b>
By its functionality	<ul style="list-style-type: none"> <li>- production,</li> <li>- consumer,</li> <li>- social,</li> <li>- distribution.</li> </ul>
By its place in the process	<ul style="list-style-type: none"> <li>- final,</li> <li>- intermediate.</li> </ul>
In terms of legitimacy	<ul style="list-style-type: none"> <li>- legal,</li> <li>- illegal</li> </ul>
According to the degree of materiality	<ul style="list-style-type: none"> <li>- material,</li> <li>- intangible.</li> </ul>
By the nature of consumption	<ul style="list-style-type: none"> <li>- mass,</li> <li>- collective,</li> <li>- individual.</li> </ul>
By its role	<ul style="list-style-type: none"> <li>- main,</li> <li>- auxiliary.</li> </ul>
According to the degree of participation in international exchange	<ul style="list-style-type: none"> <li>-services that can be an object of foreign trade</li> <li>- services that cannot be exported</li> <li>- services that can be produced both for domestic needs and for export.</li> </ul>
According to the degree of complexity	<ul style="list-style-type: none"> <li>- factorial,</li> <li>- non-factorial.</li> </ul>
According to the method of delivery	<ul style="list-style-type: none"> <li>- services related to investments,</li> <li>- services related to trade,</li> <li>- services associated simultaneously with investments and trade.</li> </ul>
By the type of activity	<ul style="list-style-type: none"> <li>- services in construction,</li> <li>- services in mechanical engineering,</li> <li>- services in the textile industry, etc.</li> </ul>

**Source:** [https://pnu.edu.ru/media/ejournal/articles-2014/TGU\\_5\\_357.pdf](https://pnu.edu.ru/media/ejournal/articles-2014/TGU_5_357.pdf)

The museum services, by its functionality, belong to the social and cultural services. From the point of view of the nature of consumption, it is a mass service. Museum services,

like all services in the field of culture, can be tangible and intangible. It has commercial opportunities that can be used to replenish the museum budget.

The museum product belongs to the service sector. It, just like a service, has formal characteristics: intangible, inseparability (continuity of production and consumption), impermanence of quality, fragility and lack of ownership. This is the difference between services and goods that are tangible and can have distinct functional characteristics, namely quality, durability, reliability, what can be guaranteed. The intangible nature of services means that it cannot be demonstrated, i.e. it is impossible to see, taste, touch, hear or smell it before buying a service.

The museum's services are specific: they can only be experienced, felt, created, and participated in. Such characteristics create certain problems for the museum: services cannot be stored. Services that are not implemented today lead to a loss of profit.

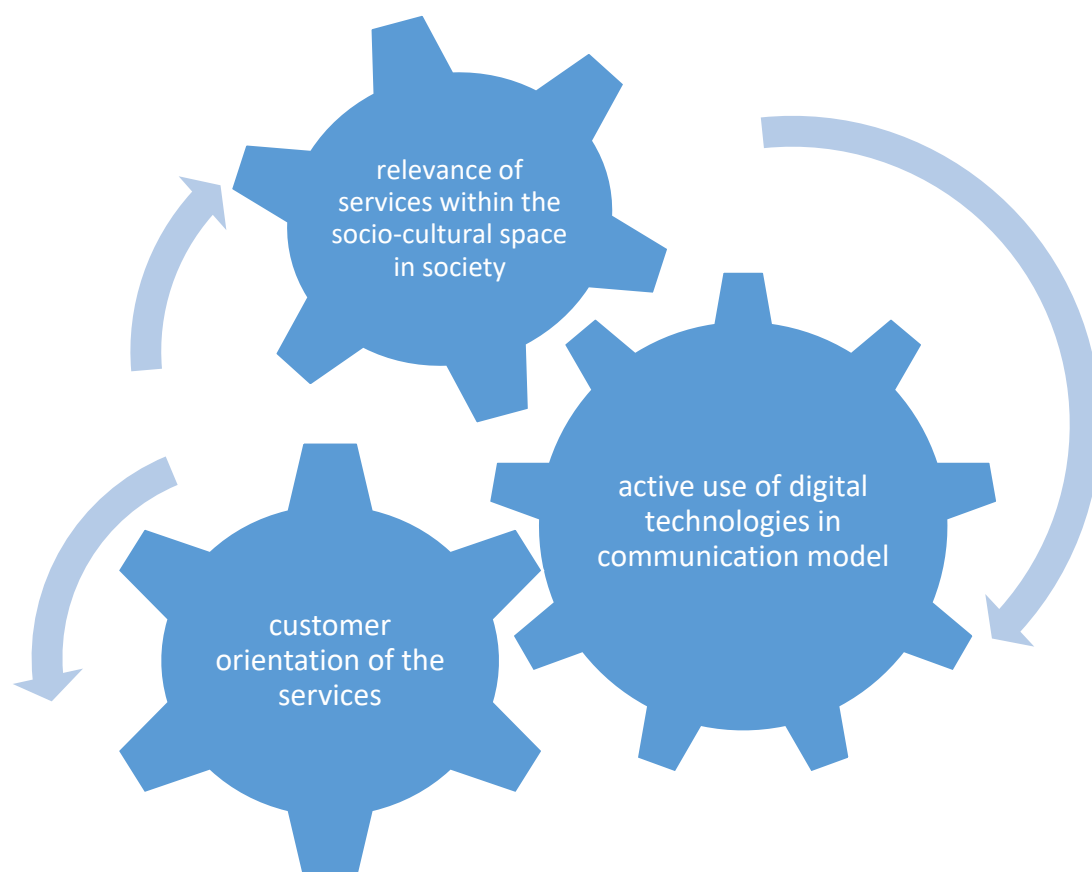
Goods are first produced, then sold and consumed; services are first sold, then produced and consumed, they cannot be separated from their source. In the museum, educational and entertainment elements are inseparable from the consumption of services. Visitors are in a position where the quality depends on their expectations and attitude to what is offered. Since the process of production and consumption of services involves the participation of people, there is a significant risk of quality instability. If the quality of the goods can be controlled, then the service must be of high quality initially. For example, no one can guarantee whether the guide will be friendly and friendly to the visitor at the end of the working day, whether the mood of the museum visitor is positive. External factors (weather conditions, geographical location, transport services, as well as increased demand for the service) can reduce the quality of the service.

Museum services are the result of the activities of museum organizations, which are both material and intangible assets of the territory by creating the history and image of the territories by meeting the needs of society in socio-cultural development, as well as increasing budget revenues by attracting tourists, increasing the value of real estate located nearby and creating a brand of the territory. The peculiarity of the proposed definition is that museum services, initially being the result of non-commercial activities, are able to form the image of the territory, thereby improving the investment climate in the region. Based on the above, it is worth noting that increasing the efficiency of museum services has a complex effect of increasing the economic stability of the museum on the one hand, the development and development of a tourist destination on the other. In turn, the study of factors influencing the effectiveness of museum services is becoming more and more relevant.

Currently, much attention is paid to the study of the problems of the place of the museum in the cultural space of society and the competitiveness of this institution in the market of cultural services. Among the scholars dealing with these issues, the main factors influencing the effectiveness of museum services are formulated as follows:

- constantly changing socio-cultural space and the ability of the museum to skillfully and timely adapt to new parameters and requirements,
- compliance with the cultural needs of society, the ability to keep pace over time and at the same time without losing the course towards its main mission,
- close attention to modern technologies in building their communication models,
- a course towards the diversification of museum services and, as a result, focus on different social strata of society,
- orientation towards its visitors or client orientation, timely provision services in which there is a real need in society and, as a result, building a market mechanism for

relationships built on the principle of supply and demand.



**Figure 1.** Factors impacting the efficiency of museum services

**Source:** author's creation based on research results.

### Conclusions and suggestions

Having considered the museum services within the framework of the classifier of services, determining its place depending on its functionality and nature of consumption, designating its main goal and direction, emphasizing economic features and highlighting the characteristic properties, we can give the following scholarly and theoretical definition of museum service.

**Museum service** is a set of services belonging to the socio-cultural group of the service sector by the nature of consumption, which are mass, designed to meet the cultural, research, educational, aesthetic needs of society, having commercial potential, material and intangible properties. Based on this definition of museum services, it is possible to formulate some of their features:

- museum services are part of the cultural services market, an important aspect of which is the frequently changing consumer behavior;
- the museum services are primarily aimed at human capital and designed to meet the spiritual, educational, aesthetic and intellectual needs of society;
- the consumption of museum services should be considered in the context of the four main areas in which they are used: 1) educational 2) entertainment 3) escapism 4) aesthetics. Important in this matter is the development of adequate museum services that will be fully consistent with these areas;

- The effectiveness of the museum services should be considered within the framework of the experience economy. Accordingly, the very essence of the museum services is closely related to the expectations of visitors and the subsequent satisfaction of these expectations through the commercialization of museum services;
- The development of museum services should consider the socio-economic characteristics of society, as well as the motives that stimulate museum visits.

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