

DONATIONS AND CORPORATE SPONSORSHIP IN MUSEUMS: AN ANALYSIS OF DETERMINANT FACTORS

Abstract

Faced with the gradual reduction in public sector funding and the changes taking place in the model of cultural management, museums must rise to the challenge of devising and implementing strategies to obtain resources that will enable them to secure revenue from a range of sources and thus reduce public sector dependence. Based on a sample of museums from various countries which use private funding, the present work examines different factors that can impact on private fundraising from donors and sponsors: social factors (reputation and social performance) and economic factors (fundable projects and transparency).

1. INTRODUCTION

Museums have become complex organisations which engage in an extremely wide range of activities and programmes in an effort to meet the challenge of emerging social demands (Tobelem, 2007). All of this has obviously led to a substantial increase in the required resources (Lindqvist, 2012). This greater need for funding has not, however, been matched by a similar growth in their usual sources of revenue (Weil, 2001; Johnson, 2003). In the specific case of public funding, the cutbacks in public budgets, together with a drive for greater accountability in public spending, have led over the last few years not only to a reduction in spending on culture but also to more stringent requirements for being allocated said funding (Bakhshi and Throsby, 2010). This situation is forcing museums to seek new ways of securing funding and to diversify said sources in an effort to ensure their sustainability (Weil, 2001; Johnson, 2003; Tobelem,

2007; Zorloni, 2012). In this context, fundraising from the private sector has become an essential alternative for museum funding.

There is currently abundant literature exploring the determinants of charitable giving and corporate sponsorship. The studies carried out span a wide range of sectors such as sport, health, religious organisations or education and, to a lesser extent, culture (Bekkers and Wiepking, 2007, 2011; Cornwell and Maignan, 1998; Walliser, 2003). Most of these studies adopt a supply-based approach, focusing on the role of donors and sponsors, exploring which factors determine the total amount of contributions, the characteristics and the motivations of those who make them as well as which factors explain the differences in the contributions received by the various sectors. To the best of our knowledge, very little attention has been paid thus far to the issue of how sponsors and donors choose which organisation or institution they will fund from among the many potential recipients (see, for example Bekkers and Wiepking, 2007 or Breeze, 2010). Nevertheless, as pointed out by Breeze (2010), the decision-making process which leads them to decide which organisation to support is a complex problem which has important repercussions for donors and sponsors, recipients, non-recipients and for society as a whole. This urges the need to gain further insights into the factors and motives underlying said process, which would explain not only the distribution patterns of private funding amongst the various organisations that seek it, but would also shed light on which strategies should be implemented to both attract and maintain sponsors and donors.

In an effort to fill this gap, the current work adopts a demand-based approach, focusing on the characteristics of the recipient cultural organisations and institutions as determinant variables of the contributions made by donors and sponsors. Specifically, the relevant issue we address is what motivations or aspects drive collaborators (donors

or sponsors) to contribute to one particular museum or another. The current study proposes two kinds of signals that determine museums' ability to attract donors and sponsors: social and economic signals. Social signals involve the museum's social performance (measured as the educational and social achievements) and the museum's reputation (among the community, the press, or tourists). Economic signals include accountability and fundable projects. Accountability refers to the museum's effort to become transparent towards donors, sponsors, public authorities, and society. Finally, fundable projects indicate a museum offering potential donors and sponsors flexibility when funding projects and a range of potential projects.

2. PRIVATE FUNDING OF CULTURAL INSTITUTIONS

Funding culture and, in particular, the funding of museums, constitutes one of the main topics of research in the field of cultural economics (Frey, 2004; Prieto and Fernández, 2006). Over the last few years, the issue has acquired even greater interest, and has become the subject of much debate. The global trend towards a reduction in public spending in culture, coupled with the impact of the ongoing economic crisis facing the sector and the subsequent financial difficulties which many cultural organisations are experiencing, has led the various stakeholders involved in the field to undertake a re-appraisal of the existing models of funding and to think long and hard about how to achieve long term sustainability. In this regard, under the influence of the neoliberal paradigm that stresses the market-based philosophy in the supply of public services, the mixed model of funding culture is seen by many as the ideal solution, given that resorting to private funding to a greater extent will allow public funding to be supplemented (Srakar and Copic, 2012). Thus, the last few years have witnessed ever-growing agreement concerning the need to progress towards a fresh model of funding

culture. This must be characterised by a diversification in the sources of funding and should ideally, in the long term, help to maintain a balance in cultural organisations' income budgets between public and private funding and their own resources.

As a result, museums and cultural organisations worldwide have, over the last few years been forced to adopt proactive strategies to secure new sources of funding and to devise new ways of communicating with their stakeholders (Johnson, 2003; Tobelem, 2007; Zorloni, 2012; Bakhshi and Throsby, 2010). Given the differences between the various sources of funding, it is essential for cultural organisations to develop the strategies required to obtain resources from each source. In the present work, we focus on private funding from donations and corporate sponsorship. Despite their being framed within the same type of revenue, it is important to distinguish between the two sources of funding, not only because motivations and decision-making processes differ enormously in the two kinds of support but also due to the major differences between them in legal terms in the various countries (Schuster, 2006; O'Hagan and Harvey, 2000; Throsby, 2010)

2.1. Donations

Following Klamer (2003), we define donation as the transfer of a good without any explicit *quid pro quo*. Donations obviously differ, therefore, from the usual market exchange deals, which occur at a given moment and because the terms of the arrangement –generally a monetary payment in return for a good– are clearly set out.

Donations may be either monetary or in kind.

In countries such as the USA, private donations (charitable giving or philanthropy) play a key role in helping to maintain museums and other cultural institutions, whereas in Europe, by contrast, private contributions for funding culture and the arts have always

been less important. These differences are usually accounted for because of the strong tradition in European countries of significant state intervention in the cultural sector, which has tended to discourage private donations in the sector (Katz, 2006). As Heilbrunand and Gray (2004, p. 267) suggest, in Europe, "*private citizens, aware that 'the government' was subsidizing arts institutions and that they as taxpayers were footing the bill, felt no obligation to make voluntary contributions*".

Although donors do not expect to obtain any direct benefit from donating, this does not mean that they do not expect to gain something in return. It is clear that if the aim is to encourage private involvement in supporting the arts and culture there is a need to understand what drives potential donors to support such activities.

The issue of philanthropy or charitable giving has been the subject of extensive research in a number of differing disciplines, such that there is currently abundant literature exploring the variables which might impact on the individual decision to donate to all types of sectors (Bennet, 2002). Bekkers and Wiepking (2007, 2011) review this literature, drawing a distinction between two major streams of inquiry: the first focuses on analysing who donates and how much, with said stream including studies which examine demographic factors and donors' personal traits in an effort to determine how these affect the decision to make a donation and how much; the second stream encompasses all of the works which focus on exploring the motivations underlying the donations, in an attempt to ascertain what drives individuals to donate. Directing our attention towards the latter, from an economic standpoint, studying the motivations that drive individuals to donate may be addressed from three different approaches (Feldman, 2010; Bertacchini *et al.* , 2011; Andreoni, 2015): (1) *the public good model*, which assumes that donors behave in a purely altruistic manner spurred on by the desire to enhance the public availability of a specific public good, and without expecting any type

of internal or external reward for their donation; (2) *the private consumption model*, based on the belief that donors are only pursuing their own private interest (selfish motivation) and, therefore, that what pushes them to give is the expectation of being rewarded with some kind of direct tangible compensation (such as free tickets to a show or exhibition) or intangible compensation (sense of contribution, community, honour or prestige); (3) finally, a third approach merges the two previous ideas in the so-called "*impure altruism*" model (Andreoni, 1990), based on the notion that individuals, in addition to concerning themselves with making the public good available, might also obtain some direct private utility in the shape of a certain internal satisfaction -a "warm-glow"- stemming from the act of donating, and that the more they give the better they feel (Andreoni, 1989). The literature would seem to back up this latter model, in other words, the idea of diverse motivations as determinants of the individual tendency to donate. Specifically, when reviewing the philanthropy or charitable giving literature of Bekkers and Wiepking (2007, 2011), the authors identify eight mechanisms as the most important forces that drive charitable giving: awareness of need; solicitation; costs and benefits; altruism; reputation; psychological benefits; values and efficacy.

2.2. Sponsorship

Sponsorship is a two-way commercial exchange through which the sponsored firm provides the sponsored organisation with resources, offering goods and services, either free or at a reduced price, experience, or financial support, and in exchange expects a tangible return in the form of some advertising or marketing advantages (O'Hagan and Harvey, 2000; Kirchberg, 2003; Throsby, 2010). By sponsoring an event or cultural organisation, the sponsoring firm seeks to enhance its corporate image and reputation

(Benhamou, 1996). Firms which provide support thus strive to achieve a higher profile, project their corporate identity and have their name linked to a good social cause.

Sponsoring the arts and culture has grown enormously both in scale and strategic significance in recent decades (Turgeon and Colbert, 1992; Vanhaverbeke, 1992; Kirchberg, 2003; Severino, 2014). Corporate sponsorship contributions are becoming an increasingly common part of museums and other cultural institutions' budgets. They complement public funding and, together with other private contributions, prove essential to the continuity and, on occasions, the very survival of these cultural institutions. Although, as is the case with donations, differences still exist between countries with regard to their relative weight in funding culture, said differences have begun to diminish in recent years (Kirchberg, 2003). Once again, scholars have sought to explain differences in corporate sponsorship between countries by stressing the varying traditions of public intervention in the cultural sector. As suggested by Mazza (1994, pp. 46-47), when providing cultural goods is principally the government's responsibility there is little social recognition of private contributions and, therefore, sponsors lack sufficient financial incentive to support the arts and only those private actors who do not seek social approval or recognition will support such activities.

Turgeon and Colbert (1992) identify different criteria used by sponsors in the process of selecting cultural events. Their results show that the most widely used criteria by arts sponsors are, in general, effect-related criteria (the type of outcome sought by potential sponsors), the event to be sponsored (where the primary concern deals with the fit –product, finance and audience– between the two organizations involved), as well as product and sales-related objectives. O'Hagan and Harvey (2000) also explore the motivations for companies to sponsor arts events, and suggest that the motivations for

such sponsorship can basically be reduced to four: promoting image/name, supply-chain cohesion, rent-seeking and non-monetary benefit to managers/owners.

3. DETERMINANTS OF DONATIONS AND SPONSORSHIP IN MUSEUMS

As private funding continues to grow in importance as a source of revenue, it is becoming increasingly essential to understand the preferences of these "clients". Obtaining, generating or attracting resources of all types, not only monetary or financial but also human, material and intangible, is known as fundraising. Fundraising involves creating networks of contacts so as to gather funds. It entails a series of techniques used to establish professional or personal contacts that will allow a broader range of possible funding possibilities for a firm or project. Obtaining private funding through fundraising should not only be considered in the short term but also envisaged as an ongoing activity requiring long-term commitment by both individuals and firms. To achieve this, the organisation (in our case, the museum) must be able to offer some kind of benefit that will be highly valued by those who provide the funding. In sum, when engaging in fundraising it is important for museums to send out the right signals if they are to attract the interest of potential donors and sponsors. As already pointed out, firms and individuals perceive this kind of cooperation as a combination of altruism and self-interest. With regard to this idea, the present work focuses on two kinds of signals:

- (1) *Social signals*, those which stress the museum's social initiative and good image and which, therefore, appeal not only to the altruism of donors and sponsors, but also to their desire to see their image linked to an important social cause. In this section, we include the museum's social performance and its reputation.
- (2) *Financial signals*, those which seek to highlight the economic benefits for donors or firms that might support a certain museum. We consider financial signals to be the

museum's transparency, in the sense that it conveys trust to donors and sponsors vis-à-vis their investment, and offers a range of financially viable projects both in terms of number and funding flexibility.

3.1. Social signalling: social performance and reputation

Social performance. Together with demand from current users and the private use value involved, museums also have a social demand stemming from their cultural value and the important social benefits they provide for society as a whole. Prominent amongst these are their external effects (option value, existence value, legacy value, prestige value and educational value), as well as the induced effects on other sectors, mainly the tourist and hospitality industry which help generate revenue and employment in local economies (O'Hagan, 1998; Frey, 2004; Johnson, 2003; Frey and Meier, 2006).

In this sense, museums' performance is not only reflected in financial results (their own increased revenue through ticket sales or sale of merchandise), but also has its social side, in keeping with the museum's main mission. This social performance covers aspects such as the museum's contribution towards protecting and preserving cultural heritage and raising awareness amongst the various audiences of what it has to offer in the way of exhibits (visitors, local residents, people with problems of exclusion), contributing to knowledge and research or fostering an area's social and economic development (creating jobs, attracting tourists, improving the quality of life, etc.).

This kind of performance is of particular importance to donors in the sense that their interests are more closely linked to the idea of social responsibility and of helping museums to preserve, disseminate and cultivate culture. Also worth stressing is the donor's desire to share, in other words, to try to get the works they have amassed to reach the general public.

In sum, donations are particularly closely linked to the museum's own social and cultural goals. As a result, donors will feel more inclined to make a contribution (by offering money, works, space, etc.) to museums which highlight their capacity to spread culture and knowledge, as well as other social initiatives. Nevertheless, sponsors who seek to link their image to institutions which make a positive social impression are also more likely to fund those museums which perform best in social terms.

Although, as we have seen, the decision to sponsor an event or cultural activity depends mainly on marketing considerations, other kinds of motivation also seem to influence sponsors' choice of event or institution. In this sense, the study of Frank and Geppert (2004) on corporate sponsorship of arts in Hamburg and Berlin found that when selecting which cultural institutions to sponsor, altruistic reasons played a key part, guiding company investment towards cultural activities that were deemed to be good for society or which have a greater external effect.

As a result:

H1: A museum's social performance has a positive influence on donation (H1a) and sponsorship (H1b) fundraising.

Reputation. A cultural organisation's reputation appears to be closely linked to both a positive donor as well as sponsor attitude towards funding cultural activities (Remacha, 2014; Frey and Meier, 2006). Organisations or individuals are willing to help fund a museum provided it can offer them visibility and an enhanced image arising from the institution's positive social reputation. In other words, the sponsor will seek social recognition by belonging to a particular organisation, by creating for themselves the image of philanthropist or by being seen with other sponsors whom they wish to emulate. Roschwalb (1990) states that business support of the arts is pragmatic and that

corporations link their support to the kinds of organisations and programmes that relate to their own marketing and audience needs.

Remacha (2014) concludes that there is a link between the most prestigious museums and the number and kind of friends and collaborators (donors and sponsors) who contribute. Rizzo and Throsby (2006) indicate that empirical evidence in Italy shows that private contributions tend to favour the more prestigious and well-established institutions and seek to finance restoration activities that have a significant impact or media visibility activities. The study by the Public Laboratory of Museums (2013) evidences that a museum's reputation and the social prestige linked to cooperating with the museum impact on its ability to attract resources from donors and sponsors, since the latter social actors will demand the same social recognition for themselves as is enjoyed by the museum.

As a result, reputation is one of a museum's main intangible assets. It helps the museum to position itself and has an impact on its standing, acceptance, credibility and trustworthiness (Remacha, 2014). Remacha (2014) also points out that the presidents of the sponsoring firms pursue a position on the museum's board of trustees in order to be able to decide, by taking part in the institution's governing body, how their investment is spent so as to ensure that the social contribution made adapts to the firm's strategic objectives.

Finally, it must be stressed that fostering reputation is bidirectional. As well as sponsors benefitting from the museum's image, receiving support from a prestigious corporation may well foster the museum's own reputation, since it implies the organisation is a worthy recipient of other non-profit and public funds (Kirchberg, 2003).

In sum, a museum's capacity to attract funding from donors and sponsors will be directly linked to its recognition, reputation and prestige amongst both target audiences and specialists alike.

H2: A museum's reputation has a positive influence on donation (H2a) and sponsorship (H2b) fundraising.

3.2. Social signalling: accountability and funding projects

Accountability. In recent years, the numerous financial scandals, together with the effects of the crisis, have only served to heighten mistrust and social awareness regarding the use of ever-dwindling resources (Rey, 2010), making transparent management and accountability a necessary requirement for all kinds of organisations if they are to be awarded both public and private funding.

As for the relevance that accountability and transparency can have with regard to fundraising in the private sector, Breeze (2010) found that one criterion which commonly influences donors' decision making is their perception of a charity's competence when using their money. Efficient, effective and transparent organisations would therefore enjoy a competitive advantage when it came to attracting donors, given that the latter increasingly seek to invest in organisations they can trust and which have a tangible impact (Ledbury Research, 2009; Mermiri, 2010). In a similar vein, the findings of a study commissioned by Barclays in 2010 reveal that a belief in the efficient use of resources and the cost-effective use of administrative expenses are two of the main factors taken into account by donors when choosing which organisations they will support. As pointed out by Victoria Hornby (Sainsbury Family Trusts) "*With philanthropy, seeing is believing; the more 'seeing' we can do, the better*" (Ledbury Research, 2010). For museums and cultural organisations, accountability and

transparency emerge as particularly important factors when it comes to fundraising. The more efficient and worthy of funding a cultural institution appears to be will not only enhance its chances of securing resources but also belief in the ability to aspire to long-term projects and programmes (Basso and Funari, 2004). Regarding donors, as Frey and Meier (2006) point out, museums need to give the impression that the donations they receive are being put to good use, so that donors feel they are contributing to a worthy cause. In this vein, Bertacchini et al. (2011) found that a museum's accountability and transparency prove more relevant than other factors when creating the favourable conditions for attracting new individual donors. The same authors feel that transparency and accountability generate a crowding-in effect of latent prosocial donors, by increasing the benefits for donors driven by intrinsic motivations

Accountability and transparency also prove to be key factors when attracting sponsors. As pointed out by Frey and Meier (2006), when choosing which cultural activity to sponsor, firms will opt for activities that will enable them to exert greater control over where their contributions end up (such as special exhibits) and in which activities an efficient use is made thereof.

H3. Museum's accountability has a positive influence on donation (H3a) and sponsorship (H3b) fundraising.

Fundable projects. When seeking to secure external resources to augment a museum's holdings, it is important to bear in mind that the organisation must strive to give value to the target audience, in other words donors and sponsors. Museums must seek to convey the impression that they can offer the greatest value (Gómez, 2006). In a similar vein, Vázquez et al. (2002) states that the only way to retain current donors and sponsors is by providing programmes and activities that deliver value. As a result, one key

challenge facing these organisations involves presenting potential donors and sponsors with projects and activities that arouse their interest, with offers and benefits that appeal to them. In this regard, the most common projects and activities for cooperation between firm and museum entail supporting the various functions and tasks involved in temporary exhibitions, helping to acquire and donate cultural goods, publication of scientific catalogues, supporting publicity campaigns, organising courses or renovating facilities (Ministry of Education, Culture and Sport, 2016).

As a result, in order to obtain monetary support, museums need to offer a wide range of funding possibilities or fundable projects as well as flexibility in the form of funding. As regards the number of projects, Kotler and Kotler (2001, p. 345) state for American museums that mass fundraising campaigns prove more effective when the museum has drawn up a list of innovations or new projects it can show to donors. When it has completed a large number of projects, the museum is reflecting its commitment to disseminate knowledge or to innovation. In consequence, there is a greater likelihood that donors will be attracted by the accountability and the cultural work the museum has managed to successfully undertake. Likewise, a greater number of fundable projects offer sponsors more possibilities of funding and a greater likelihood of finding projects that adapt to their needs or interests. As a result:

H4. A museum's number of projects has a positive influence on donation (H4a) and sponsorship (H4b) fundraising.

For its part, flexibility in funding refers to the extent to which museums afford private entities various funding alternatives, both with regard to the type of project and to how long cooperation will last. In principle, sponsors and donors alike will be more willing to support museums which offer them a wider range of opportunities and which more

closely fit in with their investment needs. Nevertheless, we believe flexibility to be particularly relevant in the case of sponsorship. Whereas donations tend to be long term, sponsors tend to seek short-term action and, as a result, prefer to support museums which allow them to choose between various methods of funding (e.g. exclusive or shared sponsorship of projects) and which enable them to choose between different types of projects or ones of differing duration. Indeed, since corporate support may be necessary as a fast response to a sudden financial emergency (Kirchber, 2003), flexibility in funding proves appealing not only to the sponsoring firms but also to the museums themselves when the latter seek a quick and non-bureaucratic response. Thus, *H5. Museum's funding flexibility influences donation (H5a) and sponsorship (H5b) fundraising.*

4. METHODOLOGY AND ANALYSIS

4.1. Sample selection

A questionnaire was designed to measure the variables in the model. The questionnaire was sent via postal mail to museum curators in France, Spain, the United Kingdom, the United States, and Germany. The domain consisted of 3,500 museums (800 British, 1,000 French, 1,300 German, 800 North-American, and 900 Spanish). The questionnaire was translated into the different languages by professional translators in order to ensure equivalence of measures between languages. The questionnaire could be answered and returned via postal mail (we included a stamped addressed envelope) or online (we included a cover letter with the questionnaire in which we offered a URL address to answer the online questionnaire). The cover letter indicated that the questionnaire should be completed by the manager or curator. The total number of responses collected during the process, once incomplete questionnaires had been

removed, was 556. From this sample, we eliminated museums which were totally publicly funded. The final sample consists of 296 museums. In Table 1, we describe the sample according to the type of museum, the country, the type of funding, ownership status, and visitor numbers.

Table 1. Sample description

Type of museum (*)		Country		Public funding		Visitors	
Archaeological	24.3%	France	18.9%	Up to 25%	35.8%	Up to 15,000	41.2%
Contemporary Art	12.5%	Germany	25.3%	26-50%	12.8%	More than 15,000	58.8%
Decorative Art	11.8%	Spain	28.4%	51-75%	14.2%		
Fine arts	24.0%	United Kingdom	14.9%	75-99%	37.6%		
House-Centre	12.5%	United States	12.5%				
Science and technology	19.6%						
Natural sciences	12.5%						
Place	8.8%						
Specialised	14.9%						
Ethnography & anthropology	18.6%						
History	41.2%						
Other	15.5%						

(*) These categories are not exclusive. Several museums are included in more than one category.

4.2. Measurement of variables

As for the measures of the various concepts, we created ad hoc scales based on a review of the literature but adapted to the context of museums. Items were measured on a scale of five points, 1 indicating “Strongly disagree” and 5 “Strongly agree”.

The dependent variables, *fundraising through donations* and *fundraising through sponsorship*, were measured, respectively, by an item indicating the increase in the total amount of income through donations or through sponsorship over the last three years.

The independent variables were measured through formative scales. *Social performance* was measured through a scale of seven indicators, which include several aspects reflecting the social contribution of the museum’s activity: content dissemination, audience development, contribution to research, job creation, or development of tourism. *Reputation* was measured by five indicators related to the museum’s overall image and reputation, and its reputation amongst the local community, the press, and

tourist agencies. For *accountability*, we included three items that indicate whether the museum has become transparent and accountable to donors, sponsors, public authorities and society. *Funding flexibility* alludes to the museum's offer of different kinds of projects regarding risk, the funding structure or duration. Finally, to measure the *number of projects*, museums were asked about the number of exhibitions held over the last two years. Since the range of this variable was excessive (from 0 to 270), we transformed this variable to the logarithm.

As control variables, we considered the percentage of *public funding* the museum receives, and the museum's *size*. Museum size was measured as the number of visitors. We considered it as a dummy variable (0: less than 15,000 visitors, and 1: more than 15,000 visitors).

The mean and standard deviation of the measures are shown in Table 2.

Table 2. Descriptive statistics

	<i>Mean</i>	<i>SD</i>
Fundraising: <i>Over the last three years there has been an increase in the total amount of income through...</i>		
...donations	2.58	1.35
...sponsorship and patronage	2.34	1.29
Accountability: <i>Over the last three years. we have become a transparent museum and one which is accountable to ...</i>		
...donors and sponsors	3.26	1.45
...public authorities	4.20	1.11
...society as a whole	3.36	1.24
Social performance: <i>Over the last three years...</i>		
The museum has contributed to a greater dissemination of its content among residents	3.91	0.90
A wider audience has been achieved	3.74	1.00
The museum has contributed to student or researcher training	3.62	1.27
The museum has broadened its audience of people suffering problems of exclusion	2.86	1.28
Jobs have been created	2.44	1.49
The museum has helped boost local tourism	3.59	1.24
The museum has helped improve residents' living standards	2.71	1.34
Reputation: <i>Over the last three years...</i>		
The museum's image within the museum community has improved	3.69	1.07
The museum's reputation in the specialised press has improved	3.53	1.09
The museum's reputation amongst tourist agencies has improved	3.47	1.12
The museum has become a cultural reference in the area	3.74	1.09

The museum has boosted its reputation and prestige	3.87	1.03
Funding flexibility		
The museum combines risky projects (which might fail) with other successful ones	2.93	1.28
The museum has a flexible funding structure and adapts to the needs or preferences of private investors, donors, or funding agencies	2.59	1.34
Donors and sponsors who wish to contribute long term to the museum can find new projects	2.97	1.40
Number of projects		
Number of exhibitions held over the last two years (log)	1.68	0.91
Public funding: Percentage of public sector funding	49.02	37.18

4.3. Analysis

In order to test the proposed hypotheses, we performed a hierarchical regression. Previously, the scales measuring accountability, social performance, reputation, and funding flexibility were reduced to an indicator as the mean of the measured items. Regression analysis was performed in two steps. In the first step, we introduced the control variables, public funding and size, and in the second step the remaining independent variables. The results are shown in Table 3.

Table 3. Hierarchical regression

		Donations		Sponsorship	
		<i>Step 1</i>	<i>Step 2</i>	<i>Step 1</i>	<i>Step 2</i>
<i>Control variables</i>	Public funding	-0.157*	-0.187**	-0.179**	-0.188**
	Size	0.156*	-0.031	0.203**	0.016
<i>Direct effects</i>	Social performance		0.194**		0.128
	Reputation		0.141*		0.174**
	Accountability		0.155**		0.084
	Number of projects (log)		0.112*		0.125*
	Funding flexibility		0.177***		0.295***
<i>R² adjusted</i>		0.043	0.290	0.068	0.346
<i>F (sig.)</i>		6.172 (0.002)	14.449 (0.000)	9.437 (0.034)	18.495 (0.000)
<i>Sig. change in F</i>		0.002	0.000	0.000	0.000

As expected, public funding and size are related with donations and sponsorship. The larger the percentage of public funding, the lower the amount of income through

donations and sponsorship. Similarly, larger museums receive more private funding (donations and sponsorship) than smaller museums.

As for the proposed hypotheses, the increase in donations is positively related with the museum's social performance ($\beta=0.194$, $p<0.01$), reputation ($\beta=0.141$, $p<0.05$), accountability ($\beta=0.155$, $p<0.01$), number of projects ($\beta=0.112$, $p<0.05$), and funding flexibility ($\beta=0.177$, $p<0.001$). Therefore, we accept hypotheses H1a, H2a, H3a, H4a, and H5a.

Furthermore, the increase in the amount of income through sponsorship is positively related with reputation ($\beta=0.174$, $p<0.01$), number of projects ($\beta=0.125$, $p<0.05$), and funding flexibility ($\beta=0.295$, $p<0.001$). Therefore, we accept hypotheses H2b, H4b, and H5b, but reject hypotheses H1a and H3b. The museum's social performance and accountability have no direct impact on the amount of income through sponsorship.

5. DISCUSSION

In light of the findings to emerge, we propose certain implications and recommendations that might prove useful for museum curators and managers vis-à-vis securing funding from donors and sponsors.

First, the findings show that social accomplishments help to secure funding from donors and sponsors. In this regard, it is vital for the museum to set out clearly what its mission is, since it is this mission that most attracts the support of donors, sponsors and engages the commitment of volunteers and workers. If, as our findings would seem to suggest, social achievements are able to encourage a larger number of people to cooperate, we feel that cultural institutions and museums are obliged to implement measures aimed at expanding their audiences, contributing towards training and research, and attracting visitors who have problems of exclusion, etc.

Secondly, the findings reflect that a museum having a sound reputation can increase the sponsor's standing, status and image. As a result, managers of this kind of cultural entity should promote projects or exhibitions which offer the possibility of achieving communicative visibility, not only for visitors, but also as regards having an impact in the mass media (e.g. press), in social networks (visibility), in travel agencies, etc. It is important for museum directors to issue press releases in which the museum's good reputation is highlighted. The new media, social networks and web 2.0 offer cultural institutions wide-ranging possibilities that help enhance their status, mainly because it is the visitors themselves –on site and on line- who post extremely valuable information on the various networks to such an extent that it also leads to greater trust and credibility in the information for other visitors and sponsors. What proves key is the museum's ability to convey how well it is doing things.

Third, our study highlights the fact that transparency proves crucial to donors. Museums rely on their donors' trust, the latter being one of their sources of funding, such that accountability to their donors is vital if their continued support is to be ensured. To achieve this, museums must implement a strategic plan that organises and focuses the museum's actions. Another important aspect is devising both general and specific policies with regard to collections (acquiring new works, loans, exhibits received for the collection, selling certain works, etc.) and implementing good governance practices. One means for the museum to show its transparency is to publish its financial accounts (balance, losses and gains, annual accounts report and an external auditor's report). Economic information proves absolutely essential to evaluating the museum's reliability and continuity.

In addition, the museum managers should encourage the development of numerous and innovative projects aimed at attracting potential donors. In this regard, Wagner (2002)

states that the profile of the “new” donor (social entrepreneur) is that of someone who places value on the museum implementing fresh initiatives and new ideas, etc. and who wishes to become involved in the organisation’s decision-making process, in addition to demanding accountability and performance.

Finally, it has also been shown that cooperation from donors and sponsors alike is furthered when there is flexibility in project funding. Consequently, it is essential for the museum to ensure that donors and sponsors are not made to feel like mere instruments who are simply there to finance projects. The cultural organisation must have a clear co-operator orientation. This first means understanding their needs and expectations so as to be able to offer them what they want.

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