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**WHY ENTREPRENEURS SUSTAIN CULTURE? AN ANALYSIS OF
INVESTMENT MOTIVATIONS AMONG MEDIUM FIRMS**

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INTRODUCTION

The Italian country owns an incredible cultural heritage, whose roots started growing long time ago. Hundreds of painters, poets, sculptures, writers and actors born and grew up in Italy, home of incredible artistic masterpieces built during the past centuries. Historical sites as the Coliseum, Pompei, the ancient Romanian ruins or the Verona arena, draw the attention of tourists from all over the world, who visit “*la bella Italia*”, being impressed and delighted by the beauty of the national patrimony. In addition to the archaeological sites, the territory is home of many museums, which host paintings and sculptures created by the most Italian famous artists.

The prestige of the Italian patrimony drove the UNESCO to recognize 50 secured sites on the territory, which represent 5% of the entire Human Patrimony. Moreover, the Italian Ministry of Cultural Heritage and Activities and Tourism secured 18% of the country surface and 51.639 real estates. These numbers, deeply treated in Chapter 1, have been reported to provide an idea about the piece of gold that we own, although they represent only the secured patrimony, excluding all those artistic initiatives and events that populate the Italian territory.

After this brief explanation, a spontaneous question arises: how they wish to promote, protect and maintain this patrimony?

This question finds an answer in the two different sectors that finance our cultural heritage, namely the public and the private sector.

Focusing on these two players, we can note that both public and private domains are decreasing the investments in favour of culture year by year.

During the period 2008-2013 the public intervention reduced by -24,1%, until arriving in 2014 to an amount lower than 1,4 billion of euro. This decrease is then worsen by cuts of -21,4% and -45,8% in the municipalities and provinces cultural budgets.

The private sector does not show a better situation, since comparing 2013 vs. 2008, the percentage loss in sponsorship initiatives amounts to -40,9%, a result that if added to the decrease in donations and funds coming from banking foundations, arrives to a loss of about 333 million of euro.

The panorama presented allows to realize that the safeguard of a part of the patrimony can no more be assured, since financing and donations drastically reduced.

However, a possible solution may be to focus on those private entrepreneurs who maintain a dedicated part of the budget for social initiatives, making them aware of the national need to protect and safeguard the Italian patrimony.

The idea is born by observing that, besides data, several firms are financing the world of arts. Over the last years we read about major preservation actions as the Coliseum by Diego Della Valle (Tod's S.p.a.), Ponte di Rialto by Renzo Rosso (OTB Group), Ponte dell'Accademia by Leonardo Del Vecchio (Luxottica S.p.a.). Observing these interventions, we focused on the real contribution that the business industry can give to the artistic patrimony and we asked which could be the main reasons that drive the entrepreneurs in financing the sector.

Therefore, the "raison d'être" of this thesis is to find out what motivational processes drive the entrepreneurs in financing the cultural domain, in order to provide useful suggestions to those cultural organization that need to be sustained.

However, to better understand which reasons drive the entrepreneurs to act, we chose to omit from our analysis bigger and smaller firms and focusing only on medium-sized enterprises.

On the one hand, the role of the entrepreneur in the cultural investment may be more visible than in larger firms, on the other hand medium companies can afford a major contribution compared to smaller realities.

After the overview about the cultural sector in Italy and the financial situation, the work will be divided in two phases, outlining a theoretical and a practical part.

In Chapter 1 we will provide a comprehensive overview about the Italian cultural heritage, focusing also on the legislations concerning the theme of interest. Data about the patrimony preservation and promotion will be reported, outlining the public and the private sector contribution in favour of the cultural sector. In closing, we will explain also what can be considered as "culture", presenting which activities can enter in this definition.

In Chapter 2, we will approach the motivational analysis. First, we will focus on Corporate Social Responsibility (CSR), studying different theories that tried to classify the motivations behind social investments. Subsequently, we will report major researches concerning the corporate presence in the cultural sector. Among the reasons behind cultural investments, the

theories outline a distinction between motivations directly related to the business and motivations mostly related to the social field. On the one hand, we can consider the visibility impact on the firm; on the other hand, we note other altruistic reasons concerning the community and the patrimony safeguard.

In Chapter 3, we will provide our own vision about which motivations lay behind cultural investments. We will ascribe these ideas to an existent motivational framework, part of a peculiar study, named Self Determination Theory.

Belonging to the motivational literature, the main subject of Self Determination Theory is the individual. It focuses on his fundamental needs, providing a detailed analysis about the nature of motivations and the regulatory styles that drive the individual's behaviors. It follows that we will use the model in order to assess the entrepreneurs' reasons to invest.

We will implement the existent framework for the cultural subject, since it has never been used before for similar purpose.

In Chapter 4, we will approach the empirical part of our research by providing a cluster analysis concerning 160 cultural initiatives, financed by 95 firms from Veneto region. The aim of the statistical study will be to identify different groups of homogeneous investment strategies, from which we will select possible firms to analyze.

In Chapter 5 we will focus on the qualitative part of the empirical analysis, presenting the interviews of four entrepreneurs that invested in the cultural sector during the period 2008-2015. We will explain the motivations adduced by the firm owners through the implemented cultural framework of the Self Determination Theory. In closing, we will provide a comparison among all the entrepreneurs' motivations, giving useful suggestions to the artistic organizations.

During this last part of the thesis, therefore, it will be possible to combine theory with practice, providing the reader not only a way to study and analyze the entrepreneurs' motivations, but offering him a useful tool and important suggestions that can be used in order to attract potential investors.

The work intends to furnish a comprehensive picture about the entrepreneurs' reasons to act, studying the cultural subject in the business world and collecting information from the main players.

Chapter 1

OVERVIEW ABOUT THE CULTURAL DOMAIN

1.1 INTRODUCTION

The aim of this chapter is to give a comprehensive overview of the Italian cultural heritage, its promotion and preservation. The first paragraph will introduce us to an overall picture concerning the distribution of the artistic patrimony in the Peninsula, while explaining, at the same time, the regional situation. For the purpose of this dissertation, the Veneto region will be treated more in detail.

After having described the size of the Italian heritage, the study will focus on the domestic legislation in order to provide an exhaustive summary of the regulations concerning the theme of interest. The presentation will be divided in three parts in order to provide first a vision upon the artistic safeguard, second an explanation of the organizational aspect and third the definition of the financing perspective. Moreover, through the different rules, it will be possible to define the terms “cultural heritage” (“*bene culturale*” in Italian).

Next, the description of the domestic law will be completed by the European policies, focusing also on the programs defined for the period 2014 – 2020 .

Furthermore the different sources of financing will be treated as well, analyzing public and private funding. The explanation will be provided considering also domestic statistics concerning these two types of financing. The study underlines that during these years of crisis, public financing is decreasing, followed also by the private sector.

In addition the private forms of cultural financing will be presented. Among them, sponsorship is definitely the most famous.

Finally, it will be explained what it is possible to consider as a cultural activity. In order to better define it, the framework by the *2012 European Statistical System Network on Culture* will be considered. Through the definition of cultural functions and domains, it will be presented what can be enter or not in the statistical analysis about this sector.

1.2 THE ITALIAN HERITAGE

Italy is characterized by a remarkable cultural heritage, which continues to grow up from ancient roots. Its prestige is recognized all around the world, although well-known works are usually reminded comparing to other smaller realities often ignored or not valued enough.

Data about the Italian patrimony are difficult to trace and really few statistics allow to outline the extent of it. Starting from the World Heritage list edited by UNESCO, Italy is the first country having the highest number of recognized sites, ahead of Spain, China and France. At the beginning of 2014, the 46 cultural plus the 4 natural sites represent 5% of the entire Human Patrimony amount. An important number which does not stop growing, considering that, during last four years, it increased from 47 to 50.

This first consideration allows us to realize the prestige of the domestic cultural context, but what really helps to better build the balance sheet of the Italian heritage are the statistics realized by the Ministry of Cultural Heritage and Activities and Tourism (*Ministero dei Beni e delle Attività Culturali e del Turismo – MiBACT*).¹ The last census, referred to the time range 1909 – 2004, presents the most reliable statistics available and, although it could be incomplete as missing of the last ten years, it may be an excellent starting point. The surveys shows that, during the period mentioned above, 18% of the country surface and 51.693 real estate have been secured (5.668 archaeological and 46.025 architectural). It is possible to realize that the protected portion is a very large one, above all if it is considered in comparison with other countries: for instance in 2010, 43.180 historical real estate were secured in France, 28.856 in England, 15.904 in Spain.

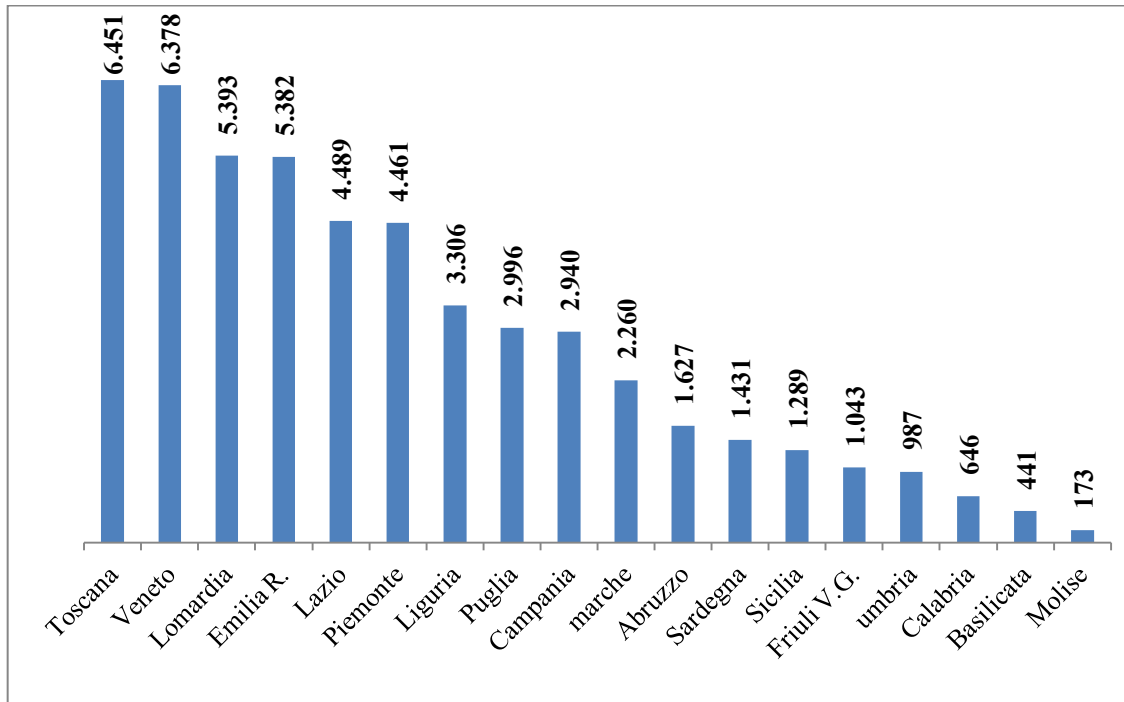
The representation stated so far is quite general therefore, in order to better clarify the Italian cultural situation, a more detailed survey will be illustrated below.

However, remembering that this dissertation is focused on a regional analysis, it follows that data must also be recalled for the situation in Veneto. Even more so, not only Italy will be considered in its entirety, but also this regional reality and its statistics will be highlighted all along the cultural heritage presentation.

It follows that, before moving on with a more detailed analysis, we believe essential to point out that in Veneto region, 16,95% of the surface is secured and 12,4% of the total Italian protected real estate are located in here (*Figure 1.1*).

¹ All data treated in the first paragraph of Chapter 1 refer to *Minicifre della cultura 2014*, MiBACT

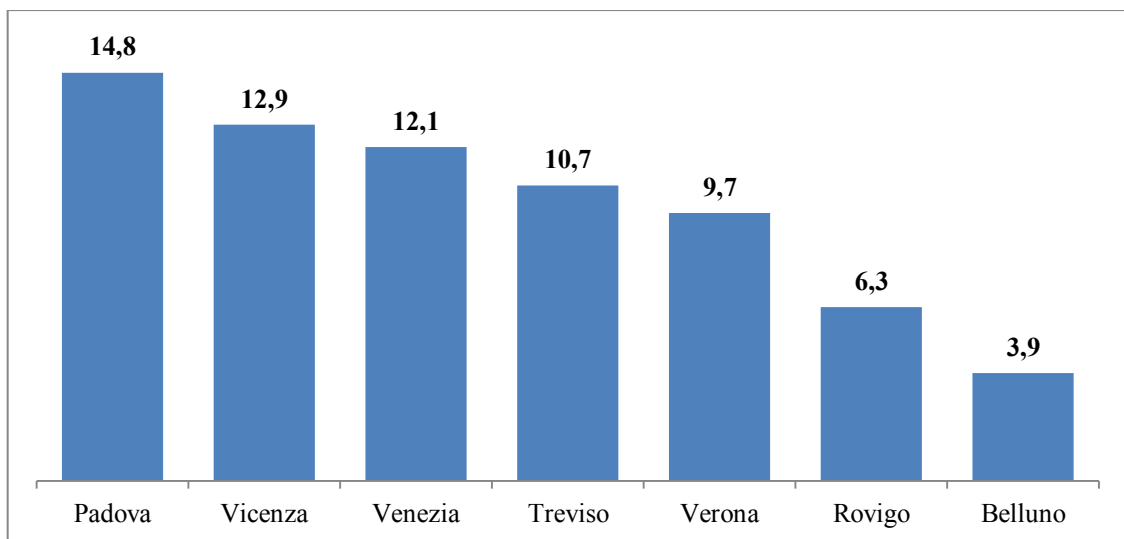
Figure 1.1: Secured real estates (archaeological and architectural) 1909-2004



(Reviewed data from “Minicifre della cultura 2014”, MiBACT)

Moreover, as showed in *Figure 1.2*, the territorial distribution of cultural heritage, varies considering the different Veneto provinces. Padua, is characterized by the highest artistic endowment, followed by Vicenza and Venice.

Figure 1.2: Distribution of cultural sites among provinces



(Reviewed data from Federculture presentation “Atlante Veneto della Cultura”, March 2015)

1.2.1 Museums, monuments and archaeological areas

The total amount of institutes opened to the public in 2011 is equal to 4.598, shared in 3.847 museums, 250 archaeological areas and 501 monuments. The number of people who visited these sites is equal to 103.888.764, of which 52,8% is paying. This data is not surprising, giving the fact that 49% of the cultural sites are free entrance.

Looking at the single regions, the highest percentage of institutes is observed in Lazio, where the largest portion of visitors is also registered (about 18.000 people). Tuscany and Campania follow it, although with a minor number of entrances.

Veneto is far away from the statistics of Lazio, but remains inside the top 10 regions, both for the percentage of institutes and amount of visitors. The number of museums in Veneto is equal to 281 and there is at least one institute over 3 municipalities. Moreover it is remarkable that during the period 2009-2013 the city with the major number of public museums is Venice, which shows also the highest amount of entrances. Followed by Rome and Milan, the ancient maritime Republic is characterized by an excellent number of visitors (about 2.300.000 in 2013) which increases year by year.

Going forward in considering museums, it is also interesting to study the typology of Italian institutes which may be divided by argument in several sub-categories. The presence of “art” is prevailing comparing to the other sectors, in fact this type of museums corresponds to 32%. This first category is followed by ethnography and anthropology with 16,9%, archaeology (15,5%), history (11,4%), natural sciences (9,3%), particular themes (8,5%), others (6,4%).

1.2.2 Archives, libraries and press

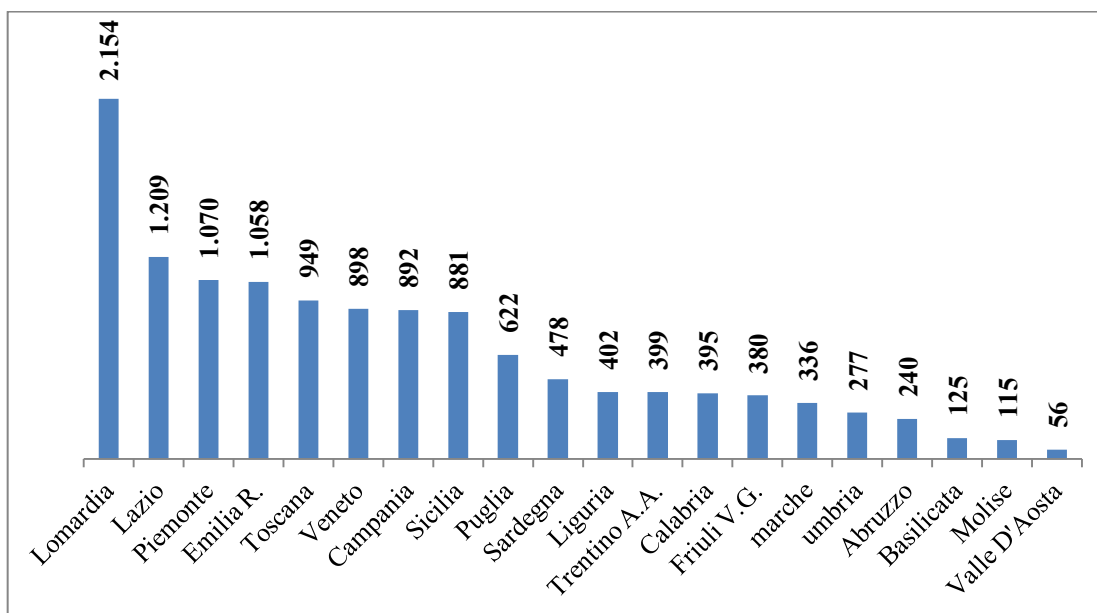
The archives are divided in several typologies : national (100), territorial and public (8.250), non territorial but public (more than 50.000), private (4.609). The majority of archive papers is owned by the region of Lazio, however the highest presence of archives is in the North of Italy where Piemonte, Lombardia and Veneto total up together about 3,5 million of papers.

Furthermore, for what concerns the national archives, the second most important one is in Venice (14.709 entrances in 2011), preceded only by that in the city of Florence (15.780).

Considering libraries, the total number of 12.936 can be classified in three different typologies which are territorial and public (66%), academic (19,95% domestic and 0,05% non domestic), ecclesiastic (14%). The libraries defined as that of “public reading” are 6.890.

The active users of the national public libraries amount to 1.394.719 readers, of which 6,4% are foreigners. Studying the regional division, Lombardia and Lazio show the highest number of libraries, while Veneto region ranks at the 6th position after Piemonte, Emilia Romagna and Tuscany. In the Veneto area there are 1,2 libraries every 10.000 citizens.

Figure 1.3: Number of Libraries for region



(Reviewed data from “Minicifre della cultura 2014”, MiBACT)

The publishing industry may be analyzed looking at three major press sectors: books, newspapers and magazines.

First, considering book industry in 2013, it is observable that 61.966 works have been published, with a circulation of 181,7 millions of copies. The remarkable element to be considered is that the majority of them (about 63%) is a novelty, means that the market is active and dynamic. It is also interesting to analyze the trend of the e-book titles, which in 2013 amount to 75.454 with a percentage of new works available equal to 40%.

Considering the press activity in each region, it is possible to underline that the majority of books are published in the north-west area (46%), followed by the centre (24%), north-east (23%) and south (7%). In the end, the turnover of the whole market is very high, equal to 2,66 billion of euro, 8% of which is referred to the whole digital market, while 1,3% only to the e-books sale.

Going on with the study, treating firstly the newspaper market during 2013, it is observable that in Italy there are 155 newspapers and 166 publishing companies which produce about

5,4 million of copies per day. The traditional sale is then matched with the online presence, where the daily amount of visits reaches 5,7 million.

The magazines sector decreases since 2012, selling less monthly and weekly press: 9,1 million of annual copies sold for 108 monthly magazines (- 15,4%), 7 million of annual copies sold for 49 weekly magazines (-10,7%).

Revenues from newspaper and magazine sectors amount to 1,1 billion and 2.369 million respectively. However, it is interesting to highlight that 44,1% of the first category turnover comes from advertising, while only 14,3% of revenues is due to ads for the second one.

Finally, for what concerns the sales divided by region, it has been possible to obtain data only for the newspapers sector. The highest rate of consumption is registered in the North of Italy, specifically in Liguria, Emilia Romagna, Trentino Alto Adige and Friuli Venezia Giulia. The 2012 statistics show that, in these areas, every 1.000 residents, 91 to 115 newspapers are sold per day. Veneto belongs to the second class, characterized by a sale of 71 to 90 copies per day.

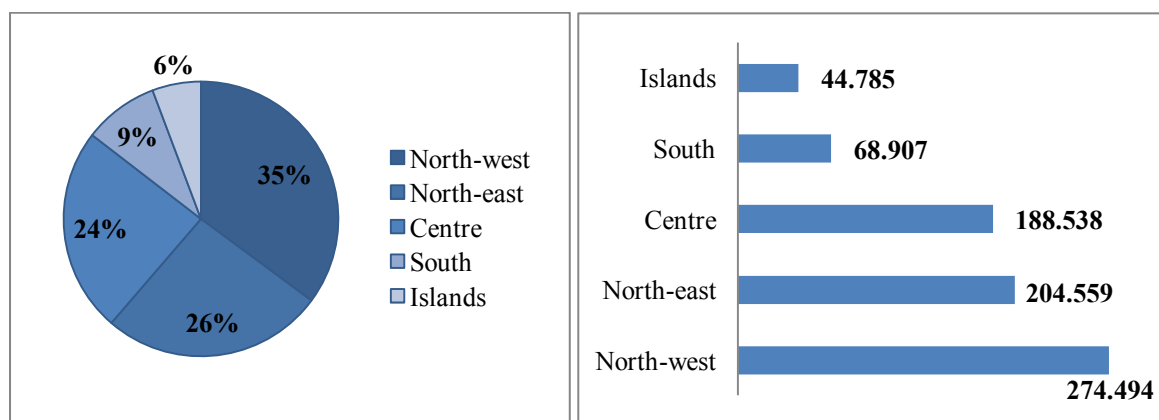
1.2.3 Performances, Cinema, Music and Television

During 2013, 170.000 performances have been organized in more than 25.000 locations dedicated to exhibitions and shows. The sales volume is about 781 million of euro, shared in the different geographical areas as it is observable in *Figure 1.4*.

The north-west of the country shows the highest turnover (about 274 million of euro), followed by the north-east (about 204 million of euro) and by the centre (188.538).

In Veneto, there are 450 places for performing arts, one theatre every 100.000 citizens.

Figure 1.4: Total sales volumes for the performance market (in % and in thousands)



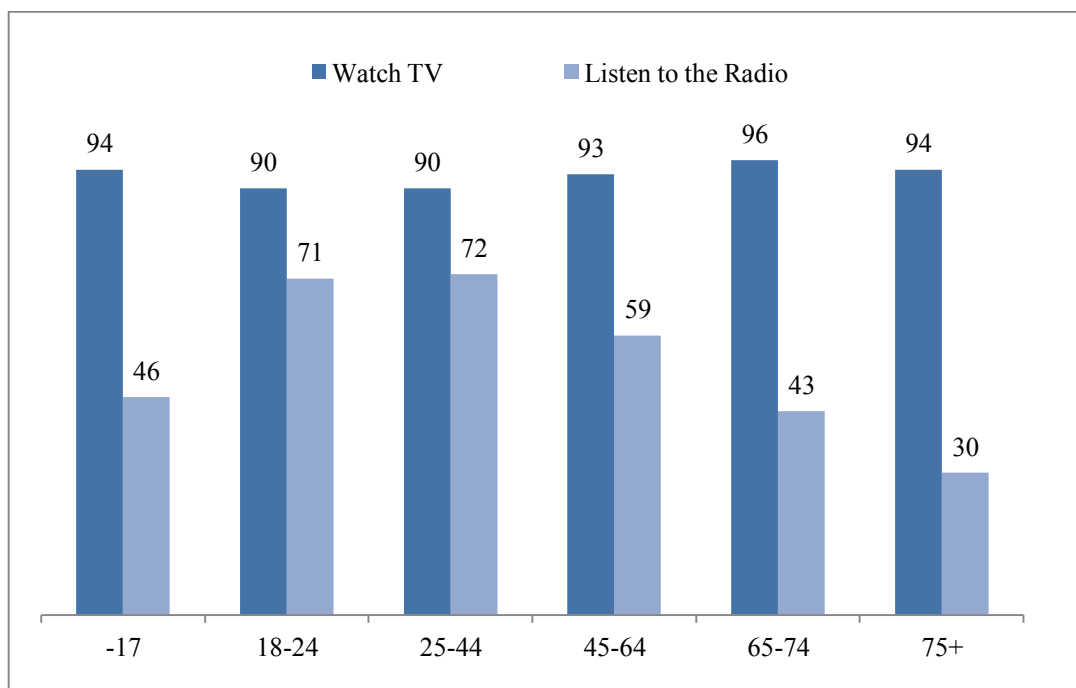
(Reviewed data from “*Minicifre della cultura 2014*”, MiBACT)

For what concerns the cinema industry, starting with the enterprises involved, the total number of production companies is equal to 175, while 71 are the distributors ones. The number of film in circulation amounts to 981, of which 335 are Italian, 318 American and 261 European. The spectators amount to 97,4 millions, hosted in 1.708 theatres. The turnover is about 618 millions of euro.

Deeper exploring the digital market, some statistics can also be studied for the music industry. Live music, shows and performances have been considered above. Data highlight that among the top 10 albums sold, 9 are Italian: interesting element to be considered in a market so contaminated by foreign artists. The whole volume of sale produces a total turnover of about 118 million of euro, 67% of which comes from CDs and videos.

Furthermore, considering radio and television, it is interesting to observe that the audience for the 27 national television channels is equally distributed among all ages, while for what concerns the radio (19 national broadcasting stations) the majority of audience is among people of 18 – 44 years old.

Figure 1.5: Radio and Television users divided for age



(Reviewed data from “Minicifre della cultura 2014”, MiBACT)

Unfortunately there are not more detailed statistics about these markets, therefore it appears difficult to extract a deeper regional analysis.

1.3 THE ITALIAN CULTURAL LEGISLATION

Studying the cultural steps that came in sequence in the Italian Legislation, it is possible to build up the definition of the term “cultural activities”² and to observe the history concerning the safeguard, the organization and the financing of the Italian patrimony (Comunian, 2010).

1.3.1 The Safeguard of the Italian Heritage

The protection of the cultural heritage is born long before than the Italian unification. However, due to the territorial division and the individualism of several states, the legal regulations appear only with isolated rules. Therefore, the history about the legal protection concerning Italy in its entirety, starts after the Unification process, more precisely with the Nasi Law n. 185/1902.

This first rule introduces several concepts as the “monuments protection” but it also explains themes like the number of years that have to elapse in order to consider the safeguard applicable, the pre-emptive right and the prohibition of cultural works exports.

In addition, the Nasi Law is too restrictive, considering the fact that it is centred only on monuments safeguard. The promulgation of the new Rosadi Law n. 363/1909 overcomes this limit, by extending the monuments protection to all “movable or immovable properties which bear historical, archaeological, paleontological or artistic interest”³. In 1912 the amplification of this same law introduces the first action for the territory protection.

However, the real fundamental contribution is given by the Minister G. Bottai in 1939, at the beginning with the Law n. 1089/1939 and then with the second Law n. 1497/1939⁴. Both regulations, which born during the fascist regime, consider the social role of the cultural heritage and the fact that it could be the fundamental reference for the identity of the country. The elements of the Rosadi Law n. 363/1909 are recalled by the Minister Bottai in the first regulation, although the domains to be protected are extended once more, including also the contemporary arts, sport, preservation, archives, press, the urban subject and the relevant administration.

² Translation of the italian concept “*beni culturali*” from the Constitution of the Italian Republic, 1948, Section II Rules on Jurisdiction, Title V Regions – Provinces – Municipalities, art. 117, comma s.

³ Legge Rosadi n. 364/1909, art.1, comma 1: “*Sono soggette alle disposizioni della presente legge le cose immobili e mobili che abbiano interesse storico, archeologico, paleontologico, paleontologico o artistico*”.

⁴ L.n. 1089/39, Tutela delle cose di interesse artistico e storico – 1 giugno 1939

L.n. 1497/39, Protezione delle bellezze naturali – 29 giugno 1939

The L.n. 1497/1939 is then dedicated to the natural beauties protection. With this regulation the concept of environmental patrimony is definitely included in the national heritage which, therefore, can be divided in cultural and territorial.

Furthermore, both laws also regulate the activities of safeguard, management and promotion for cultural activities.

In closing, it is very important to underline that reading carefully these two legal regulations, the term “cultural activity” is not yet present. In fact, it may be possible to observe that the terminology used is “movable or immovable properties” (in Italian “*cose mobili ed immobile*”) and natural beauties.

1.3.2 The Organization of the Italian Heritage

The theme of interest is barely treated inside the 1942 Civil Code, nevertheless this lack no longer exists in the Constitution of the Italian Republic (1948). Here, it is possible to read a clear reference to the cultural heritage domain in three different articles: 9, 117 and 118⁵.

The article 9, included in the “Fundamental Principles”, states : “The Republic promotes the development of culture and of scientific and technical research. It safeguards natural landscape and the historical and artistic heritage of the Nation”. In this statement it is critical to underline the presence of four essential words, means promotion, development, safeguard and heritage. These terms highlight the fact that Italy is a “Cultural Country”, aware of its potential, which can be realized exploiting the internal possibilities, developing its patrimony and protecting it.

With the article 117, the study moves on the legislative power vested by the State and the Regions (Title V). Considering only the part concerning the theme of interest, it is defined that “[...]The State has exclusive legislative powers in the following subject matters: [...] protection of the environment, the ecosystem and cultural heritage.” (comma s) and that “Concurring legislation applies to the following subject matters : [...] the development of cultural and environmental assets, including the promotion and organization of cultural activities [...]”. Also this article defines the promotion and the value increase of the cultural heritage; moreover it is possible to underline the first presence of the terms “cultural activity”.

⁵ Every translated article refers to the “*Costituzione della Repubblica Italiana tradotta in inglese, Pubblicazione realizzata nell’ambito del Programma di Formazione Integrata per l’innovazione dei processi organizzativi di accoglienza e integrazione dei cittadini stranieri - II Edizione*”

The article 118 considers the co-ordination between the State and the regions “[...] in the field of cultural heritage preservation”.

The next step is the “Convention for the Protection of Cultural Property in the Event of Armed Conflict” (1954). For the very first time, the concept of “cultural activity” is defined, but under the terms of “cultural property”.

In fact, the article 1, titled “Definition of cultural property”, states: “For the purposes of the present Convention, the term “cultural property” shall cover, irrespective of origin or ownership:

(a) movable or immovable property of great importance to the cultural heritage of every people, such as monuments of architecture, art or history, whether religious or secular; archaeological sites; groups of buildings which, as a whole, are of historical or artistic interest; works of art; manuscripts, books and other objects of artistic, historical or archaeological interest; as well as scientific collections and important collections of books or archives or of reproductions of the property defined above;

(b) buildings whose main and effective purpose is to preserve or exhibit the movable cultural property defined in sub-paragraph (a) such as museums, large libraries and depositories of archives, and refuges intended to shelter, in the event of armed conflict, the movable cultural property defined in sub-paragraph (a);

(c) centres containing a large amount of cultural property as defined in sub-paragraphs (a) and (b), to be known as ‘centres containing monuments.’⁶

Therefore, the notion of “cultural property” or “cultural activity” has been defined firstly in the International Law and only after it appears in the National Legislation. Only when, in 1963, it is established the Commission for the safeguard and promotion of the cultural heritage, the definition of “cultural property” arrives in Italy too: “cultural property is any property which constitutes a testimony with civil value”.

Moreover, the very first precise definition in Italy may be read inside the D.L. 112/1998 (V), for the execution of the L.n. 59/1997, also known as Legge Bassanini, which outlines the “cultural properties” as “that properties which compose the historical, artistic, monumental, anthropological, archaeological, archival, librarian heritage and other properties which constitutes a testimony with civil value”.⁷

⁶ http://portal.unesco.org/en/ev.php-URL_ID=13637&URL_DO=DO_TOPIC&URL_SECTION=201.html

⁷ D.L. 112/1998, capo V, art. 148: “*Ai fini del presente decreto legislativo si intendono per: a) "beni culturali", quelli che compongono il patrimonio storico, artistico, monumentale, demotnoantropologico, archeologico,* 10

Continuing to study the steps of cultural legislation, it is now important to consider the organizational aspect. This perspective leads back to the creation of the Ministry of Cultural and Environmental Heritage constituted in 1975⁸. Depending on it are regrouped all the responsibilities that beforehand were held by several other institutions. All the affairs concerning the cultural safeguard and promotion are now trusted to this Ministry.

The 1970s are important, not only for the creation of the Ministry above mentioned, but also for the subdivision of regions in common and special administrative area. The first typology of region obtains, in 1972, the cultural competences concerning management and promotion of the heritage, while the second one gains the overall authorities upon their patrimony. This decision creates disputes between the State and the regions which are aware of the positive relevance of their cultural properties.

Going back to the Ministry of Cultural and Environmental Heritage, with the D.L. 368/1998, all the competences of the Performances Department (abolished with the 1993 Referendum) and that concerning sports activities are absorbed by the new Ministry of Cultural Heritage and Activities (MiBAC). After the D.L. 300/1999 emission, the new Ministry is entrusted also of the authorities belonging to the Information and Press Department, concerning the right of use, the literature property discipline and the cultural promotion.

During 1999, in order to clarify the fragmentary cultural legislation, it is recognised the need to create a consolidated act concerning all cultural and environmental regulations. Therefore, the D.Lgs. 490/99 comprehends all the precedent National Legislation, the International Conventions and the European Settlements.

However, five years later, the 1999 act is abrogated in favour of the new Cultural and Environmental Heritage Code⁹, the Consolidated Act composed by 184 articles.

In part, the Code recalls several notions of the precedent legislative decree, but it defines, in a more specific way, the concept of “cultural property”, introducing the argument of “possession”. It states that “Cultural properties are that movable and immovable properties which belong to the State, to the regions, to the regional and local authorities, as well as any other public authority and private legal person characterized by a non-for-profit system, which

archivistico e librario e gli altri che costituiscono testimonianza avente valore di civiltà così individuati in base alla legge”.

⁸ Ministero per i Beni Culturali e Ambientali (MBCA). D.L. n. 657, 14 December 1974, converted with changes in L. n. 5 29 January 1975, published in G.U. n. 43, 14/2/75

⁹ D.lgs. n. 42/2004: Codice dei beni culturali e del paesaggio

present artistic, historical, archaeological or anthropological interest” (art.10, comma 3)¹⁰. What is remarkable is the fact that not only the State is cited as a “cultural heritage possessor”, but also the regions, the local authorities, other public authorities and legal persons characterized by a non-for-profit system. Moreover, in the article 10 are also defined public and private goods (comma 1,2 and 3 respectively).

Nevertheless, from 1998 until now, the MiBAC faced several changes, concerning both the territorial articulation and the competences externalized to the different local authorities.

Today, this Ministry includes also the Tourism domain.

1.3.3 Financing the Italian Heritage

For what concerns the financing perspective, it is useful to pull back in the years, until the 1980s. During this decade the safeguard and promotion of cultural activities are postulated by 49 laws, which directly or indirectly concern the cultural heritage. It is essential to consider the nature of these regulations: the majority of them (75%) are distributive rules. However, this overproduction of laws show the limit to be an extra-ordinary fact and so, with a short life (Comunian, 2010).

In any case it is important to report at least two among the 49 regulations, the Law 512/1982 and the Law 163/1985. The first rule defined that all the expenditures sustained for the protection of the cultural heritage are deductible. Moreover, the original law met several changes which conducted the rate of 100 % to be reduced to 27 % in 1994, followed by a percentage of 22 % in 1995, arriving at 19% in 1997. Instead, the next 1985 Law introduces tax exemptions for those who invest in performing arts or in the cinemas and theatre preservation.

An important change is then registered during the following years, more precisely with the Ministry of G. Melandri. On the one hand, the article 10, D.Lg. 368/1998 opens the management of the National cultural heritage to the private sector, by externalizing the public administrative authority; on the other hand, the Law 342/2000 regulates private donations.

Therefore during these years the phenomenon of the “privatization” seems to increase. Furthermore, considering the fiscal regulation, an essential contribution is given by the

¹⁰ Codice dei beni culturali e del paesaggio, art. 10, comma 1: *“Sono beni culturali le cose immobili e mobili appartenenti allo Stato, alle regioni, agli altri enti pubblici territoriali, nonché ad ogni altro ente ed istituto pubblico e a persone giuridiche private senza fine di lucro, ivi compresi gli enti ecclesiastici civilmente riconosciuti, che presentano interesse artistico, storico, archeologico o etnoantropologico”*.

Minister Urbani during the years 2000 and 2002. According to him, in order to re-launch the cultural heritage in Italy, it is very important to work on tax deductions and on facilitations.

Therefore, during the Ministry of Urbani is approved the Law n. 342/2000, which regulates the deductibility from the IRPEG (*“Imposta sul reddito delle persone giuridiche”*) of the expenditures in favour of the cultural activities. The facilitations introduced are in addition and do not substitute the precedent regulations.

In 2002, under the Fiscal Law, the article 33 defines that the legal entities can manage galleries, public museums and archaeological sites through a 5-years concession, paying the lease in advance.

The decade which follows the 2002 Fiscal Law does not present consistent implementation about deductions and facilitations. In order to observe another change in this discipline it is essential to consider the new ArtBonus decree, proposed from Franceschini in 2014. The D.L. n. 83/2014 represents a real revolution for the cultural sector due to the introduction of operative and concrete tools in order to sustain the National Heritage. The decree states that it is possible to deduct 65% of the whole expenditure provided in favor of museums, archeological sites, archives, libraries, theaters, lyrical and symphonic foundations¹¹. Moreover, the decree characterizes a different subject in comparison to the other precedent tax exemption laws and it is more referable to the Law 512/1982. The Art Bonus, in fact, considers the protection of the private heritage searching for new investors which can partly substitute the Government intervention where it can not afford to invest. The other regulations concern all the sponsorship activities, different from the preservation, and they state that the related expenditures can be ascribed as advertising until the limit of Euro 200.000¹².

In closing, recalling the region treated in this thesis, it is fundamental to explain how the Veneto Region faces the domain of culture.

It is exactly in the major cultural centre of the territory, Venice, that the Cultural Regional Department is located. Above all, this institution executes a coordination function and more precisely its authority concerns three issues. First of all, it creates projects with the purpose of homogenize the regional cultural activities. Doing this, the Department connects the organizational structures which are involved in these actions. Secondly, it coordinates the cultural system by managing whatever resource is needed to realize the regional initiatives.

¹¹ http://www.beniculturali.it/mibac/export/MiBAC/sito-MiBAC/Contenuti/MibacUnif/Comunicati/visualizza_asset.html_1137023887.html

¹² Article *Sport e cultura, sponsor è bello, per il Fisco meglio accordi scritti*, Inserto di Repubblica, 04/20/ 2015

Moreover, it plans how to use the funds coming from the European Union. Finally, the Department also takes in charge the communication of the regional cultural initiatives in Italy and outside the country.

Inside the web site of the Cultural Regional Department it is also possible to observe several notices about the regional contributions. The majority of financing concerns the preservation of the cultural heritage, but there are also some communications about the Venetian identity promotion.

1.4 THE EUROPEAN CULTURAL POLICIES

The European Union actively contributes to the protection and promotion of the European Heritage. Since its constitution, several conventions about the cultural heritage safeguard, the protection of regional minority languages, the transportation and export of cultural goods, came in succession.

The cultural support from the European Community is principally observable in the article 3, paragraph 3, in the “*Treaty on European Union*”. In addition, to underline the respect for different culture and language, it is defined that the EU “shall ensure that Europe’s cultural heritage is safeguarded and enhanced”¹³.

Furthermore, the article 167, in the “*Treaty of the Functioning of the European Union*”, adds that the Union shall contribute to the cultural development of the Member States, always respecting national and regional origins while underling the common European heritage. Moreover the cooperation between the States shall be encouraged and their cultural conservation, as well as creative actions, must be supported¹⁴.

It is also important to recall two previous fundamental rules concerning the cultural safeguard issue: the Regulation CEE 3911/92 and the Directive 93/7/CEE. The first one focuses on the control of the cultural properties extra-Europe-exports with the intent of aligning all the inspections and supervisions at the frontiers¹⁵. Instead, the 1993 Directive defines the return of cultural objects unlawfully removed from the territory of an EU country¹⁶. This regulation

¹³ Official Journal C 326 , 26/10/2012 P. 0001 – 0390, Title I : Common Provisions, Article 3 (ex Article 2 TEU) - <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12012M/TXT&from=IT>

¹⁴ Official Journal C 326 , 26/10/2012 P. 0001 – 0390, TITLE XIII CULTURE Article 167 (ex Article 151 TEC), paragraphs 1 and 2 - <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:12012E/TXT&from=IT>

¹⁵ <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=URISERV:l11017a&from=IT>

¹⁶ <http://eur-lex.europa.eu/legal-content/IT/TXT/?uri=URISERV:l11017b>

considers the definition of a Community Commission in charge of the patrimony reintegration procedure.

1.4.1 The European funds

After this brief excursus, for the purpose of this dissertation, what is really important to focus on, are the financing procedures proposed by the European Union.

The European investments can be classified as direct and indirect. The first typology are allocated by the European Commission directly to the cultural organizations which apply to obtain them. The beneficiaries are non-profit associations and companies whose business consists in cultural activities and whose registered office is in the following locations: EU Member State, Island, Liechtenstein, Nederland and other candidate countries which are going to join the Union. More precisely, in addition to those sectors interested in supporting cultural projects, the recipients may also be those companies which provides analysis and researches for social diffusion.

For what concerns the indirect investments, these are managed by national and regional authorities under the General Directorate of the European Commission supervision. The beneficiaries are the same mentioned above.

During the period 2014 – 2020 the European cultural heritage will benefit of several investments seeking to improve the local and regional development, the education, and the tourism sector.

Nevertheless, first of all it is significant to consider the precedent years 2007 – 2013, characterized by important sources of financing. For instance, the European Regional Development Fund allocated 3,2 million of euro which have been used also for some conservation works. The site of Pompei and the Parthenon are two relevant projects that received those funds. During the same period, the rural patrimony obtained the amount of 1,2 billion for its protection and development, while 100 million have been provided to the cultural research.

After having defined these figures, it results to be very interesting to deeply study the period mentioned above, 2014 – 2020. These years will be characterized by major investments in comparison to the previous time frame. For example the Structural and Investment Funds sustains a budget of 351 billion of euro for the regional policies, while the project Horizon

2020 guarantee 80 billion for the research domain. Furthermore, the program Creative Europe allocates 1,5 billion to the cultural and creative industries¹⁷.

Considering this last project, “Creative Europe” it is one of the new actions which focuses on the cultural diversity protection while strengthening the cultural sector competition in Europe. The program supports all activities like the creation and production of artistic goods, diffusion plus conservation of cultural properties, education and the relative administrative functions. The sectors interested by “Creative Europe”, are that of architecture, archives, libraries, museums, tangible and intangible culture, music, performing arts, literature, press, audiovisual and radio.

In closing, there are also other projects, always part of Europe 2020, where the cultural domain is treated. In *Horizon 2020*, dedicated to research and innovation, the cultural theme is inside the “Social Domain” and more precisely in the wellbeing analysis; the *Cohesion Policy* creates a budget of 351,8 billion of euro in order to support regions and cities; the *Rural Development* project focuses on agriculture competitiveness and rural economies, while it is interested also in a sustainable management of natural resources.

1.5 FINANCING CULTURE

The sources of funding which cover the financial requirement of a cultural activity can be both internal and external. On the one hand, the internal sources are the natural channels through which a cultural institutions can finance its own activity (Trupiano, 2005). For instance, a theatre raises funds from the tickets sale, a museum from the subscriptions and membership fees.

On the other hand, the external sources can be divided in public and private contributions. The first typology of financing concerns public institutions, which include the central Government, regions, provinces and the local municipalities. Instead, private contributions come from religious institutions, companies, consortia, associations, foundations and individuals.

In the following paragraphs it is provided an explanation about these two last types of investment. However, for what concerns the data analysis about the division between public and private funds, it is not simple to create an exhaustive picture. The whole vision, in fact, is quite unclear and the statistics are not always updated.

¹⁷ Press Release 22/07/2014, Europe Commission

1.5.1 Public Financing

Public Financing include two types of funding: direct and indirect.

On the one hand, the direct financing concerns any possible financial aid which comes from public institutes. These could be contributions, subsidies or any other benefits in favour of the cultural sector.

There are 3 typologies of economic direct financing. First, there is the “annual common contribution”, which is given to those organizations included in a pre-defined chart. The list is re-evaluated every 3 years. For other organizations, not included in the chart, there is the possibility to obtain an “annual contribution”, delivered once a year. In conclusion, the third source of financing is the “extraordinary contribution” given to the entities of the above mentioned list in case of particular initiatives or scientific researches (Comunian, 2010).

On the other hand, the indirect form is different from the previous one as it is not characterized by a real money disbursement. Tax exemptions, reductions and benefits, all enter in this category.

The Ministry of Cultural Heritage and Activities and Tourism has a fundamental role in the public sector. The MiBACT is charged with the safeguard of the whole Italian heritage and its widespread presence on the territory strengthens its power.

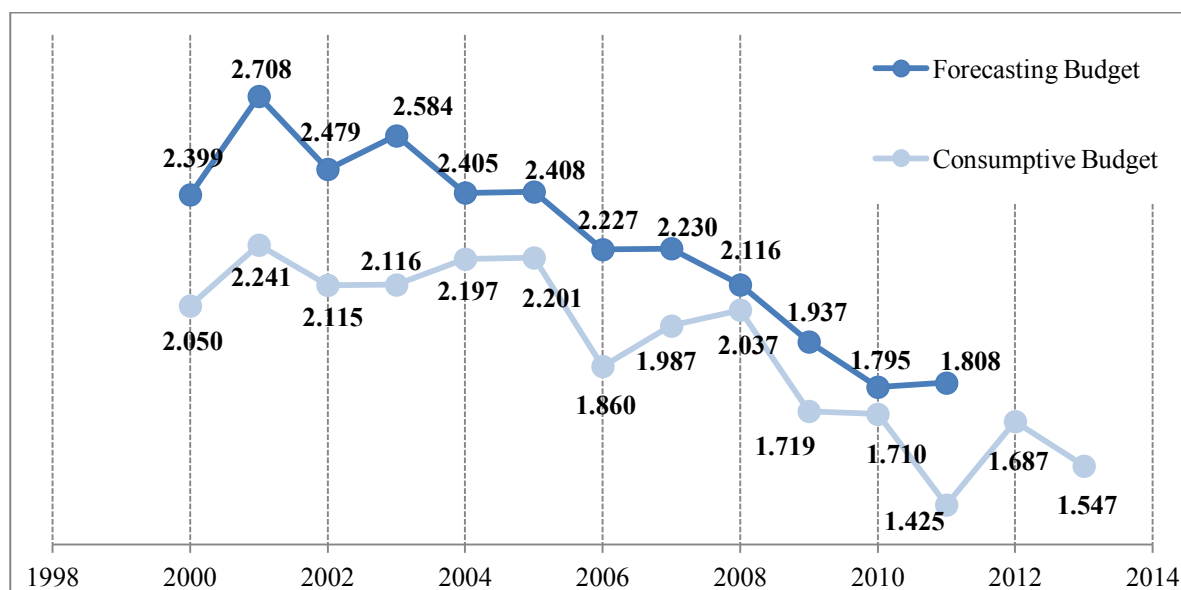
However, it is important to define that at a local level, the Ministry is determinant only in some regions. For example its presence is very important in Campania, Lazio and other realities as Calabria, Abruzzo, Molise, Puglia and Basilicata. In all the other local areas the Government barely participates. For instance, it is notable that in Veneto, among museums and similar public institutions, the MiBACT owns only 8%, while the municipalities 70%.

As a matter of facts, it is observable that in the North of Italy the responsibility for the patrimony safeguard is principally given to private players, while in the South and in the Centre the public presence is more relevant¹⁸.

For what concerns the budget of the Ministry, it is fundamental to observe that since 2006 it decreased under 2 billion of euro (with only one peak in 2008). During the period 2008 – 2013 its intervention is reduced by –24,1%. In 2013, the Italian budget is about one third compared to the French one, which is equal to 4 billion per year.

¹⁸ Relation *La Gestione del Patrimonio artistico e culturale in Italia: la relazione fra tutela a valorizzazione*, Centro Ask Bocconi e Intesa San Paolo, October 2011

Figure 1.6: MiBACT budget (in thousands of euro)



(Reviewed data from “*Cultura e Turismo Locomotiva del Paese*”, Federculture, February 2014)

In addition, the most recent statistics do not show a better situation for the future: the forecasts for the 3-years-period 2014-2016 show that the budget will decline until 1,4 billion of euro. Moreover it is essential to remind that in 2013, the tourism competences have been moved upon this Ministry, which finances this sector only with few million euro.

In 2013, the cultural investments represented only 0,2% of the Government budget, while in 2002 it was equal to 0,35%.

Furthermore, the “Fondo Unico per lo Spettacolo” has dropped from 507 million in 2003 to 389,8 in 2013 (-23,1%)¹⁹.

During the last years also the public intervention coming from the local entities decreased. The time frame 2008 – 2013 registered a loss of –21,4 % in the municipalities cultural budget and –45,8% for what concerns the provinces. In few years, the cultural resources dispensed by these institutions, diminished of 400 million euro.

Regional investments are not simple to map nor to analyze. Fortunately, for what concerns the Veneto region, in 2014 the organization Federculture realized for this territory the very first regional report on culture: “*The Cultural Atlas of Veneto*”. Inside this study it is possible to observe the numbers concerning cultural properties, real estates, consumption, tourism, but above all public investments.

¹⁹*Cultura e Turismo Locomotiva del Paese*, Federculture, February 2014

The study underlines how the effects of the crisis and the negative financing trend is observable also in this flourishing region. The Venetian municipalities and the provinces cut the public expenditure respectively of the 2% and 4%, while the transfers from the MiBACT diminished of 17%.

Observing this picture, during last years, the Veneto region had to consider the contraction of the cultural financing. Between 2010 and 2011, regional resources for culture decreased of -5,6%, arriving at -7,6% in the next period. However, during the period 2012-2013 the budget starts increasing again, registering +4,2%. Moreover, the financial drop forced the region to make some selections on what to invest in: the majority of the resources were devoted to the protection of sites and cultural events (85% in 2011 and 88% in 2013).

1.5.2 Private Financing

In addition to the public source of funding, it is possible to observe all the financing initiatives pursued by private entities.

The term “*mecenatismo*” historically indicated the protection of arts and literature. Today the definition is more extended and it includes private financing activities in favour of artistic or cultural initiatives as performances, expositions, scientific researches, works of art preservation and further more²⁰.

Among the players mentioned at the beginning, for the purpose of this study, it results essential to focus on companies. However, it is important to remind that also other characters as foundations, associations and other entities bring fundamental resources to the cultural sector. For example, in 2012, the 88 Italian banking foundations developed 22.204 interventions, investing 965,8 million euro. The average number of actions per foundation is equal to 252 in one year and the corresponding amount is of about 43.500 euro²¹.

It is interesting also to mention other sources of non-traditional funding, as for instance the payroll giving or the crowdfunding. Both tools concern individuals, even if the second could also be used by enterprises. The “payroll giving”, first born in United States and almost exploited in Great Britain, arrived in Italy only in 2008. It is a simple tool which allows employees to donate money to non-for-profit associations with a direct retention from the monthly wage. This nice source of financing uses the firm as a first promoter and increases

²⁰ Translation from the definition of “*mecenatismo*” written in the Treccani online dictionary - <http://www.treccani.it/vocabolario/mecenatismo/>

²¹ Data from *Io sono cultura, L'Italia della qualità e delle bellezze sfida la crisi*, Fondazione Symbola-Unioncamere, Rapporto 2014

the social aspect of it²². More recent is the “crowdfunding” tool, the collective process which bring money principally from individuals who want to support an attractive initiative. The collection of money exploits the social-networks trend and the web virality that they bring with them. Although it is not possible to observe precise data about the cultural crowdfunding in Italy, it results that, during 2013, 11 platforms concerning culture have been registered. In any case, the fulfilment of the project “Do It Yourself” in 2012 and the accomplishment of the first street art participated work in the following year, highlight that this tool can help and work well.

Moving the analysis on the enterprises side, it is easy to immediately think about the initiatives of the big market players. During the last years for example, Diego della Valle financed through Tod’s the Coliseum renovation (investing 25 million of euro)²³, Renzo Rosso funded the “Ponte di Rialto” restoration with OTB group (5 million of euro)²⁴ and Leonardo del Vecchio (Luxottica) invested 1,7 million in order to preserve the “Ponte dell’Accademia” in Venice²⁵. These are only some of the firms of the Veneto region, which could be added to a comprehensive list that includes Bulgari, Fendi, Hp, Hermes, Euronics and many others.

However, there is not only the reality of big companies to recall because many resources come also from medium and smaller enterprises. Their contributions, although fundamental, do not pass on television nor they are mentioned on newspapers. Therefore, the impression that only the market giants can afford the cultural heritage preservation is biased. For this reason it is important to overcome the media barrier and look what there is hidden behind.

The different types of investments can be classified in six categories.

- Sponsorship is the most famous typology of financing and it entails a disbursement of money in favour of the artistic organization. The sponsor will benefit in terms of image and promotion during the interested period. The investment may concern events, museums, performances, concerts but also artistic competitions and awards. To this kind of funding source can be also associated the sponsorship “in kind”, means

²² Article *Payroll Giving, il sostegno sociale "trattenuto" nella busta paga*, R. Orsi, Repubblica.it, 01/31/2012

²³ Article *Il nuovo Colosseo di Della Valle, autore il Segretario Generale dell’Unione Cristiana Imprenditori e dirigenti*, La Repubblica, 07/30/ 2014

²⁴ Article *Rialto ingabbiato, il Patron Diesel “Obbligo morale aiutare Venezia”*, Il Gazzettino.it, 04/15/2015

²⁵ Article *L’impresa sposa l’arte. Ecco i mecenati veneti che fanno bella l’Italia*, Il mattino di Padova, 06/23/2015

services or transfers of material resources, done by the company in order to obtain an image promotion.

- An enterprise may also subscribe a partnership in order to create a deeper relationship with the cultural organization. This type of financing too, implies the association of the company's brand with the activities but, in addition, the synergies allow to obtain services or locations directly offered by the artistic counterpart.
- The firm can decide to use its premises as locations for events. For example, the headquarter can be used as a theatre stage, or some particular pictures can be taken inside the work environment.
- Moreover, there are companies which create and organize prizes in favour of the cultural sector. The idea of this kind of investment grows inside the firm and it usually follows the same values of the business.
- The company can chose also to collect pieces of art or to create a personal museum in order to increase its corporate culture and to maintain its heritage.
- The last category is related to corporate donations, those source of financing which do not imply any commercial impact.

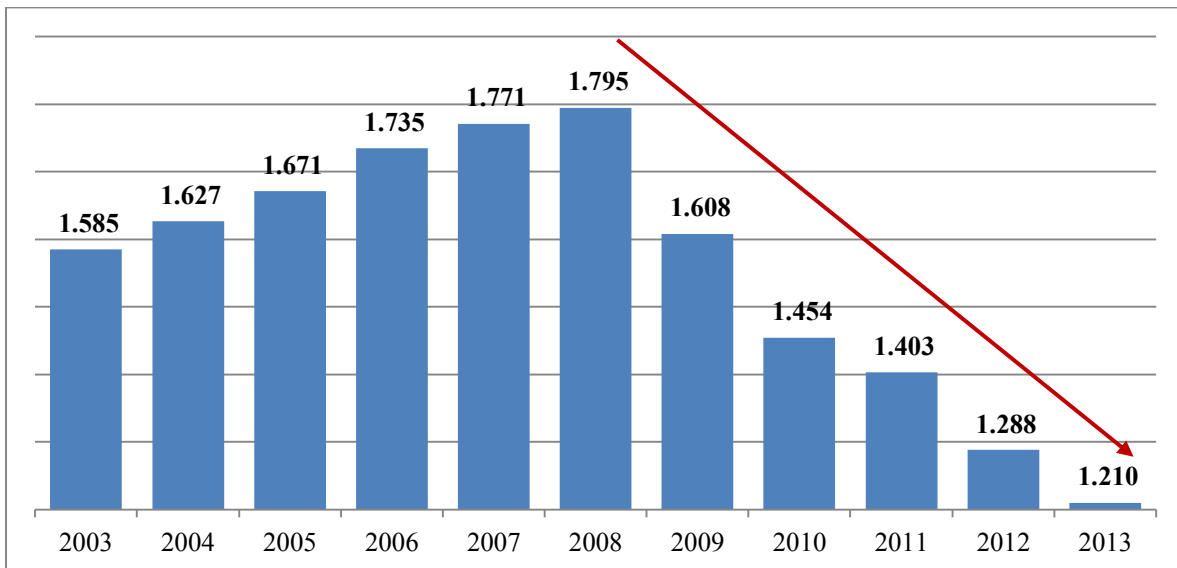
For what concerns the data analysis upon these categories, it seems quite complicated to obtain updated statistics concerning last years. Moreover, if it would be possible to find something at the national level, the regional one is quite an uncharted territory. Unfortunately, the "*Veneto Atlas*" cited above, does not include information about this issue.

Only the sponsorship phenomenon seems to be studied more in detail, therefore, please, find below some considerations about it.

The sponsorship trends, in favour of culture, can be analyzed considering the research "*Il futuro della sponsorizzazione*" edited by StageUp and Ipsos in 2014. The study reports that the private support distributed among culture, sport and performing arts, is equal to 1.210 million euro. This amount is -7,2% less than the previous year, and even more going back to 2010 (*Figure 1.7*). This contraction is mostly due to the fund decreasing in sport and social sectors, while for what concerns the cultural one, the percentage is positive and equal to +6,3% (*Figure 1.8*).

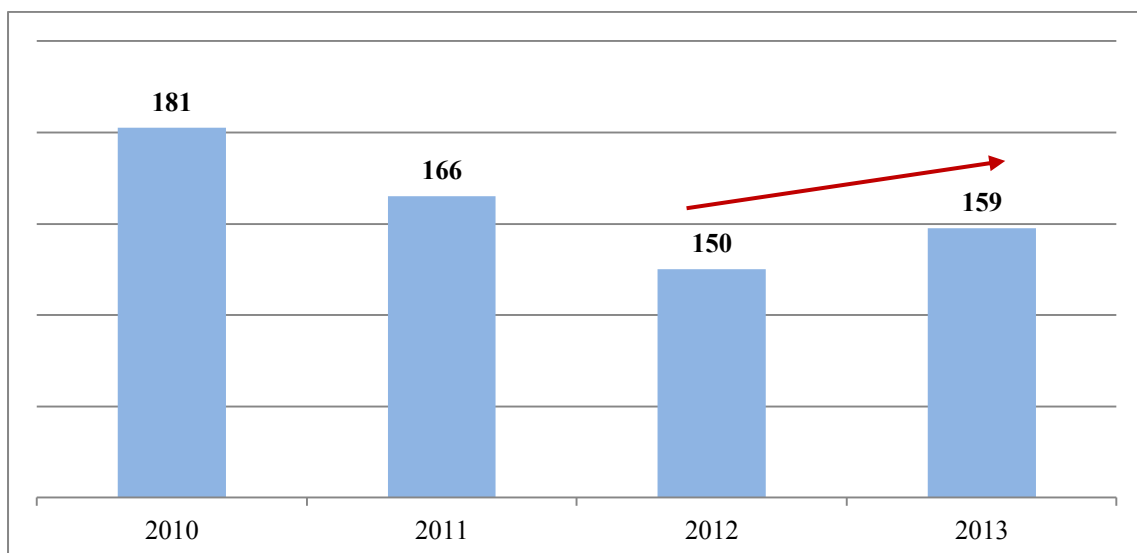
Therefore, from these statistics, it seems that the private investors bet on culture, which in 2013 obtains 13,3% of the total amount of sponsorships (percentage equal to that one of 2010)²⁶.

Figure 1.7: the Italian Sponsorships (in thousands of euro)



(Reviewed data from the article “*Sport e cultura, sponsor è bello, per il Fisco meglio accordi scritti*”, Ipsos StageUp, Insetto di Repubblica, 20 aprile 2015)

Figure 1.8: the Italian Sponsorships in culture and performance arts (in thousands of euro)



(Reviewed dati “*Io sono cultura, L’Italia della qualità e delle bellezza sfida la crisi*”, Fondazione Symbola-Unioncamere, Rapporto 2014)

²⁶ Data from *Io sono cultura, L’Italia della qualità e delle bellezza sfida la crisi*, Rapporto 2014

However, comparing 2013 with the numbers of 2008, the percentage loss in cultural investment is very high (−40,9%). A result that, if added to the donations decrease of −25% and to the −40,5% of the banking foundations, brings to a total loss of 333 million euro²⁷.

Unfortunately, as stated above, seems hard to find more data concerning the other types of investment. The only reference that can be considered is the conclusive statement written inside the 2014 report *“Io sono cultura. L’Italia della qualità e della bellezza sfida la crisi”*, which explains that nowadays the relationships between companies and cultural institutions are more and more characterized by partnership preferred to sponsorships. This happens due to the fact that players want to have an active relation rather than a passive one, fruitful for both.

1.6 THE STATISTICAL DEFINITION OF CULTURE

In order to study and classify different cultural activities, it is fundamental to explain how culture is considered.

Defining “culture” is complicated as it is not an homogeneous practice and it is usually contaminated by the economic and social sectors. Indeed, cultural activities are influenced by industry, trade sectors, consumption, finance and services, but they also show social features concerning values, aesthetic and perceptions. The UNESCO states that “Culture should be regarded as the set of distinctive spiritual, material, intellectual and emotional features of society or a social group, and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs” (UNESCO, 2001).

Moreover, it is possible to report also the main criteria used to classify this concept, which are: creativity, intellectual property, method of production and use value. Usually the most abused word is the first one, in fact sometime is defined as “creative” a business which is not. This criterion has to be observed in the sense of the ability to invent or create, but also this explanation holds too big boundaries, making more confusion. The “intellectual property” is related to a legal concept, and it protects cultural assets in the public domain. The “method of production” is then recognized as the most effective criterion in order to define the cultural businesses. It relies on economic concepts as economies of scale, costs, reproducibility and so

²⁷ Data from the presentation of the Annual Report 2014, Assemblea generale Federculture, 06/26/2015 - document available on <http://www.federculture.it/assemblea-generale-e-presentazione-del-x-rapporto-annuale-federculture/>

on. In closing, the “use value” stands for two types of functions: the technical value and the symbolic value. The first one is characterized by the operative aspect (for example a hat protects from the rain); the second is closer to the cultural sector and it could be also called “cultural value”.

However, these concepts, even if they show features which characterize the cultural sector, do not give a clear explanation about what can enter or not in the artistic domain. Therefore, in order to figure out a more functional definition, it is useful to observe what has been classified by the European Statistical System Network on Culture in the “*Final Report 2012*”.

The purpose of the ESSnet Culture is to develop an exhaustive and helping tool that can be used in studying cultural statistics.

In doing so, it has considered previous researches, published by the *Leadership European Group* (LEG-Culture, 1997-2000) and by the UNESCO (2009). Below, a brief presentation of these two studies.

LEG-Culture, in order to create a common cultural statistical framework, developed the explanation of “cultural activity” considering two aspects: domains and functions. On the one hand, the domains were eight, namely: heritage, archives, libraries, books and press, visual arts, architecture, performing arts, audiovisual and multimedia. On the other hand, the functions were six, means: preservation, creation, production, dissemination, trade and education.

In 2009, UNESCO presented its updated framework, the new *Framework for cultural statistics* (2009 FCS). This document replaced the previous one published in 1986, which divided culture into categories (e.g. heritage, music, pictorial and plastic arts,...) and functions (e.g. registration, communication, consumption,...).

Comparing the LEG-Culture study with the 2009 FCS, it appears that the fundamental activities, which usually define culture, are present in both frameworks. Therefore they include: heritage, performance, books and press, audiovisual, visual arts, design and architecture. However, in the UNESCO classification are missing two over the eight domains by LEG-Culture, i.e. archives and libraries. Furthermore, on the top of this six, the 2009 FCS showed cross-sector domains (equipment, archiving/preserving, education/training, intangible cultural heritage) and related domains (tourism, sport, recreation and intangible cultural heritage). In LEG-Culture presentation, archives represent a cultural area, while education is defined as function.

Moreover in the 2009 document, the activities were grouped in a different way, compared to the work of 2000: UNESCO mixed domains with services and goods.

In conclusion, considering these two structures, the European Statistical System Network on Culture developed the new 2012 European framework, which allows measures and comparability.

1.6.1 The ESSnet Cultural Framework

The classification by ESSnet Culture, is characterized by three concepts: domain, function and dimension.

The cultural domains is defined as “a set of practices, activities or cultural products centred around a group of expressions recognized as artistic one”. The domains considered in 2012, are equal to those reported in the 2000 LEG-Culture framework, but with an addition of two areas: advertising and art crafts. The advertising domain is considered only for what concerns the creative function, therefore production and promotion (marketing) have not to be included inside the cultural areas. Art crafts defines the creation of original cultural assets and therefore, they are linked to the traditional heritage.

The functions are presented in sequence, and they go from creation to education and management.

The first one considers activities which are linked to the invention of artistic ideas and products. It is considered as the core function, because basically, before production, trade, preservation or management there is always the elaboration of contents. For example, the origin of a film production is the definition of the script.

Publishing and production follow creation and they are precisely the activities transforming ideas into available works.

The dissemination function allows to share the produced works and it includes communication, exhibitions, shows and galleries expositions. The cultural trade function comprehends buy and selling activities of products with no or very little transformation (for example the books sale).

Preservation is a maintenance function, concerning protection, conservation and restoration of the cultural heritage.

The education function includes all those activities which influence the individual growth of a person, including skills transfer and training.

In the end, the management function has been added in order to define all the activities carried out by organizations and institutions, as administration and technical support.

Moreover, it is correct to cite also other external tools used by non-cultural sectors. These mechanisms are inside economy, employment, consumption, financing and social practises. However, the above mentioned dimensions are cited only to complete the explanation of the framework because they will not be used in the research presented in the following chapters.

Through the definition of domains and functions, the different activities can be classified. In the ESSnet culture 2009-2011 Final Report, it is possible to observe a clear matrix, which relates the ten domains (in column) with the six functions (in line). For instance observing the first line, it is reported that “museums exhibitions” are inside the heritage domain and they correspond to a dissemination function.

All the activities that enter in the framework are observable in *Table 1.1*.

It is remarkable that ESSnet Culture excluded some activities, which are considered not to be related to artistic expressions and values. These are: creation and application of software, telecommunications, leisure activities (games, gambling,...) and tourism, natural reserves, zoos, botanical gardens, manufacture of ornamental products as ceramics and jewellery (but not their museum exhibition).

In closing, it is important to point out that this framework does not prioritize the cultural domains and that, as said before, the function of the artistic creation is at the core of the statistical structure.

The circular re-presentation in *Figure 1.9* visually explains these key concepts.

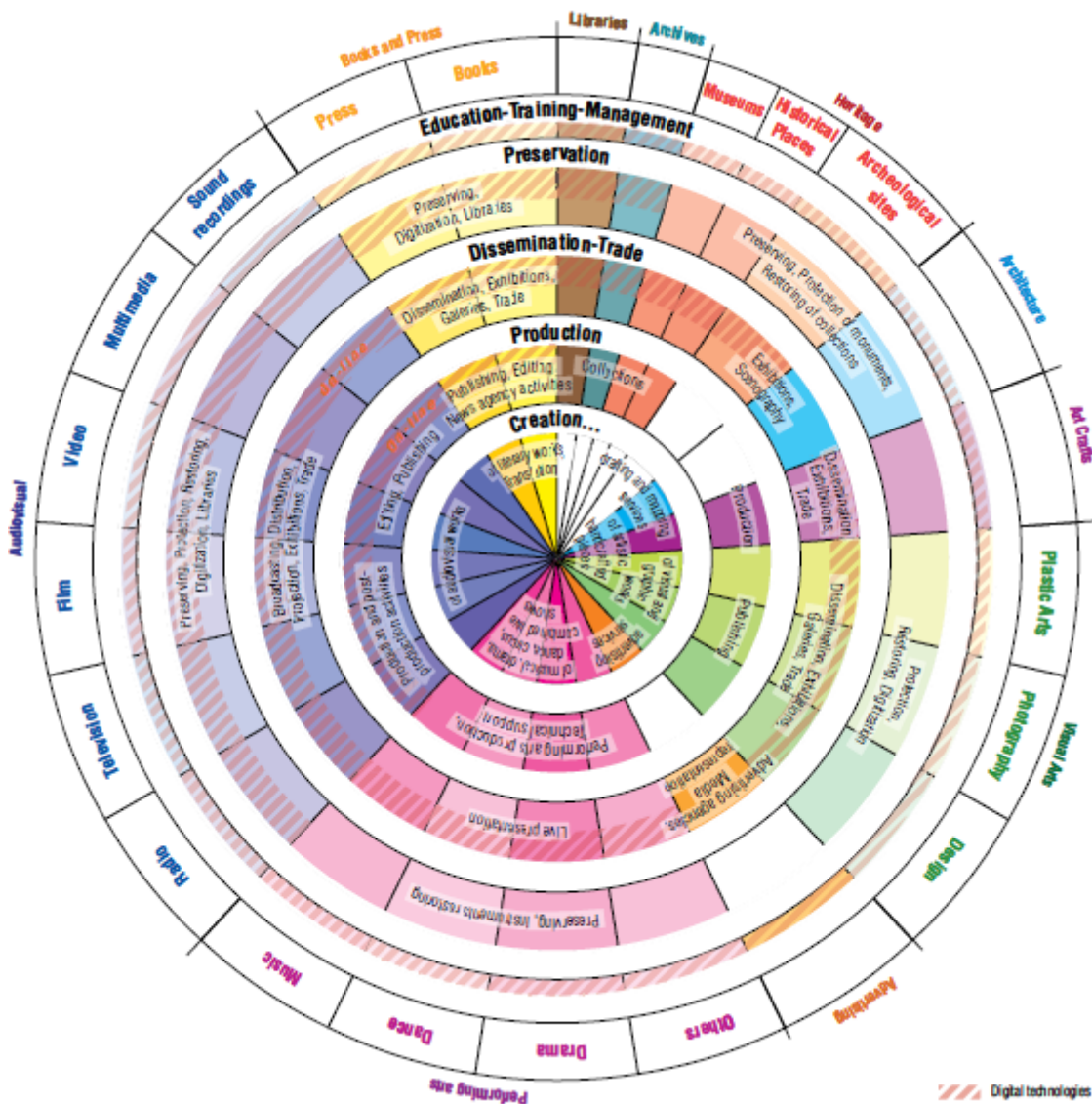
In the picture it is possible to observe that creation stands at the centre and its importance it is also stressed by the darker colour. All along the rings, are defined the other functions, while domains are positioned in the external circumference.

The cultural activities can be read in the reference matrix parts, which sometimes are blank, due to the fact that the domains are not characterized by all functions.

Table 1.1: ESS-net Culture Framework on Culture (Ess-net Culture Final report 2009-2011)

	CREATION	PRODUCTION/ PUBLISHING	DISSEMINATION / TRADE	PRESERVATION	EDUCATION	MANAGEMENT / REGULATION
HERITAGE – Museums – Historical places – Archeological sites		– Museums sciences activities (constitution of collections) – Recognition of historical heritage	– Museums exhibitions – Museography and scenography activities – Art galleries activities (incl. e-commerce) – Trade of antiquities (incl. e-commerce)	– Operation activities for historical sites – Preservation of intangible cultural heritage – Restoring of museums collections – Restoring of protected monuments – Archeological activities – Applied research and technical preservation activities	– Formal and non formal: artistic, cultural teaching activities	– Administrative management (State, local or other bodies)
ARCHIVES		– Acquisition of documents	– Consultation of archives – Archives exhibitions	– Archiving activities (incl. Digitization)	– Formal and non formal: artistic, cultural teaching activities	– Administrative management (State, local or other bodies)
LIBRARIES		– Acquisition and organizations of collections	– Lending activities	– Preservation activities	– Formal and non formal: artistic, cultural teaching activities	– Administrative management (State, local or other bodies)
BOOKS & PRESS	– Creation of literary works – Writing of cultural articles for newspapers and periodicals – Translation and interpretation activities	– Publishing of books (incl. by Internet) – Publishing of newspapers and magazines (incl. by the internet) – News agency activities	– Organization of book conventions and event-organizing activities, promoting services – Galleries & other temporary exhibitions – Trade of books and press (incl. e-commerce)	– Protection activities for books and newspapers – Restoring of books	– Formal and non formal: artistic, cultural teaching activities	– Supporting activities for managing rights and royalties – Administrative management (State, local or other bodies) – Artistic agents and engagement agencies
VISUAL ARTS – Plastic/Fine arts – Photography – Design	– Creation of graphical & plastic art works – Creation of photographic works – Design creation	– Production of visual art works – Publishing of photographic works	– Organization of visual arts conventions and event-organising activities – Galleries & other temporary exhibitions – Trade of visual arts works/Art market (incl. e-commerce)	– Protection activities for visual arts works – Restoring of visual arts	– Formal and non formal: artistic, cultural teaching activities	– Supporting activities for managing rights and royalties – Administrative management (State, local or other bodies)
PERFORMING ARTS – Music – Dance – Drama – Circus – Cabaret – Combined arts – Other live shows	– Creation of musical, choreographic, lyrical, dramatic works and other shows – Creation of technical settings for live performance	– Performing arts production & organization – Support and technical activities for producing live performance	Live presentation activities – Booking services	– Restoring of musical instruments	– Formal and non formal: artistic, cultural teaching activities	– Supporting activities for managing rights and royalties – Administrative management (State, local or other bodies) – Artistic agents and engagement agencies
AUDIOVISUAL & MULTIMEDIA – Film – Radio – Television – Video – Sound recordings – Multimedia works (incl. videogames)	– Creation of audiovisual works – Creation of multimedia works	– Motion picture, video and audiovisual programme production – Television programme production (incl. Internet) – Publishing of sound recordings, films, videotapes (incl. by the internet) – Publishing of multimedia works – Publishing of computer games – Radio programme production – Audiovisual post-production activities	– Organization of film/video conventions and event-organising activities – Radio and TV broadcasting (incl. by the internet) – Film projection – Film/video distribution – Renting of video tapes and disks – Trade of audiovisual works (incl. e-commerce) – Temporary audiovisual exhibitions	– Protection activities for audiovisual and multimedia works – Restoring of audiovisual and multimedia works	– Formal and non formal: artistic, cultural teaching activities	Supporting activities for managing rights and royalties – Administrative management (State, local or other bodies) – Artistic agents and engagement agencies
ARCHITECTURE	– Architectural creation		– Temporary architectural exhibitions – Galleries exhibitions	– Architectural preserving activities	– Formal and non formal: artistic, cultural teaching activities	– Administrative management (State, local or other bodies) – Supporting activities for managing rights and royalties
ADVERTISING	– Creation of advertising works		– Distribution of advertising designs		– Formal and non formal: artistic, cultural teaching activities	– Supporting activities for managing rights and royalties
ART CRAFTS	– Artistic crafts creation	– Production of artistic craft	– Artistic craft exhibitions and trade (incl. e-commerce)	– Restoring of art crafts	– Formal and non formal: artistic, cultural teaching activities	– Administrative management (State, local or other bodies)

Figure 1.9: Cultural Activities – Visual matrix (Ess-net Culture Final report 2009-2011)



1.7 CONCLUSIONS

The aim of this first chapter was to present a comprehensive overview about the Italian cultural sector, providing statistics and trends cornering it. Among the different subjects treated, we searched also to define the financing situation, approaching on the one hand the public sector and on the other hand the private one.

We noted that the public sector increasingly shows a negative trend in supporting culture, registering losses of about 25% for what concerns the budget allocated by the Ministry of Cultural Heritage and Activities and Tourism.

On the private side, data do not provide a better image. Although it is possible to observe only statistics concerning a particular typology of investment (sponsorship), it is visible that the private support started to decrease since the beginning of the financial crisis. From 2008, in fact, private contributions reduced of -40,9%.

These data are fundamental in order to understand in what kind of arena are those firms that decide to invest in art. For this reason it has also been important to consider the situation of the Veneto region patrimony and data related to it.

The considerations reported in this chapter will help to specify other elements which will be treated in the next pages, therefore many concepts will be re-proposed after. In particular among these, the ESS-net Culture 2012 classification will be one of the most fundamental aspect to remind, since in Chapter 4 it will be used in order to collect and classify the artistic initiatives funded by the different companies of the Veneto region.

Chapter 2

CORPORATE SOCIAL RESPONSIBILITY AND MOTIVATIONS BEHIND CULTURAL INVESTMENTS

2.1 INTRODUCTION

This second chapter is focused on presenting the literature concerning corporate social investments. Arts financing is not a completely separate subject and in fact, it is included in the concept of Corporate Social Responsibility.

For this reason we will briefly present the evolutionary path of Corporate Social Responsibility (from now on CSR), starting from its first definition provided by Bowen (1954), who considers that entrepreneurs can not be interested only in profitability, as they have to care about the society as well. During the presentation it will be visible the opposition between two schools of thought. On the one hand some studies defines that the major purpose of corporate giving is related to the maximization of profits; on the other hand, other researches underlines the increase of social responsibilities in the decision-making process.

Next, the literature overview goes in detail by focusing on the decisional aspect of CSR. In particular, the four dimensions of Carroll model (1979) are presented. The pyramidal framework that considers economic, legal, ethical and philanthropic domains, is then re-examined in order to provide a better picture of the investing motivations. The philanthropic dimension is therefore incorporated in the ethical one, while the pyramid form is substituted by a Venn diagram, which allows to show the overlapping nature of motivations.

Another important theory is presented talking about corporate philanthropy, a concept that is different from the notion of CSR. Corporate philanthropy, in fact, is defined as a voluntary activity that involves a material or immaterial exchange. Young and Burlingame (1996) divide the motivations behind corporate philanthropy in four models, which concerns profit, altruism, political and stakeholders influence reasons.

Next, after having provided a complete presentation of the corporate social interest theme, the explanation moves on motivations behind cultural investments.

The literature concerning this subject is less significant compared to the CSR one and this is principally due to the fact that usually the artistic investments are explained under the lens of

Corporate Social Responsibility. In any case, it has been possible to develop a satisfying picture about the main reasons why companies fund culture.

The different motivations may concern business interests as well as the social ones.

For what concerns the corporate domain, among the most important motives there are the promotion of corporate image, the increase in brand perception and profits raise. Therefore, the investment is presented more as a mean to an end rather than the end in itself.

By contrast, a more altruistic motivation supports the cultural sector in the community field. This happens when the artistic activity is the real end and not "for profit purposes" are involved.

2.2 THE HISTORY OF “CORPORATE SOCIAL RESPONSABILITY”

Following the explanation provided by Carroll in 1999, it is possible to observe the evolutionary path along which several studies concerning Corporate Social Responsibility developed. In presenting the history, the author proceeds for decades, reporting all major researches defined until the nineties. In the following pages we will briefly focused on his explanation, reporting some of the authors who mainly contributed to the CSR field of study.

First of all, Carroll identifies Howard R. Bowen as the “Father of CSR”. It is him who marks the beginning of the modern literature with the book “*Social Responsibilities of the Businessman*” (1954). He states that the actions of big firms influence the citizens’ life at many levels. Therefore, he recognizes the social commitment of the companies defining, for the very first time, the CSR concept, underling the fact that firms must act making decisions that are desirable for our society. This means that businessmen have to be conscious about the consequences of their actions, considering a wider sphere and not only the profitable one.

During the next decade (1960s), the formulations about the meaning of CSR continue to be developed. Davis (1960) defines that Social Responsibility refers to those decisions taken beyond the mere profit interest. However, he also introduces the modern concept of gain. He asserts that some socially responsible actions are done in order to obtain a long-term economic gain, due to the firm’s investments. A similar concept is provided also Friedman (1962). He argues that the definition of CSR is characterized by the main purpose of the firm, i.e. maximizing profits. It follows that when a company takes a decision concerning the social domain, it is considering the increase of revenues as its ultimate goal.

Frederick (1960) is also an important contributor to the CSR early notions. He considers that the companies should overcome the common belief of the economic system, satisfying the public one not only with products and services, but also by enhancing the total socio-economic welfare.

During this second period, another major character is McGuire (1960) whose definition adds something interesting to the previous one. He specifies that firms have not only legal or economic obligations, but also social duties. Therefore, he extends the definition by considering responsibilities that go beyond legal sector too.

In 1967, Davis revisits his first concepts, stressing the fact that the hard core of social responsibility is visible in the ethical consequences that an act has on other people. With this definition, he also overtakes the person-to-person contact broadening his view to the whole social system.

The 1970s starts with a publication from Heald, "*The Social Responsibilities of Business: Company and Community, 1900-1960*". His understanding of social responsibility is in line with the definitions stated during the precedent decade, but his book is remarkable for what concerns the description of the historical fashion cited in the title. Heald notes that business people during that time frame gave a lot of importance to philanthropy and to social relations.

In 1971, Johnson highlights the stakeholders interest, explaining the existence of different groups on which the firm impacts. He takes into account "employees, suppliers, dealers, local communities and nation" (Johnson, 1971). Furthermore, it is observable that his first definition of CSR may recall Friedman's notions, due to the fact that, according to him, social responsibility can be a tool to increase profit in the long-run. However, the considerations that follow are characterized by deeper social aspects, which show the socially responsible entrepreneur as a person interested not only in his own business, but also in the others' well-being.

In 1972 Manne enters in the debate, recognizing that a social responsible activity derives from a pure decision concerning only the public good and not the economic intent. However, he immediately understands that is too difficult to establish which expenditure is related to a charitable motive and which is not: usually these business investments present multiple rather than single issues.

A step further in the motivation frame is done with Sethi (1975) who discusses the dimensions of corporate social performance. According to him, it is possible to talk about social obligation, social responsibility and social responsiveness. The first dimension characterizes the behaviour in response to legal constraints and market forces; the second

highlights corporate decisions which are in line with social norms and values; social responsiveness appears when the corporate behaviour responds to social needs.

During the eighties, more researches and less definitions are developed.

In 1980, Jones analyzes the CSR as a process rather than a set of outcomes. This idea raises by the fact that in order to take a final decision in the corporate social area, several steps must be faced.

This concept, although in a different way, is considered also by Tuzzolino and Armandi (1981) when they define the potential utility of a hierarchical framework. The authors starts from Maslow's needs pyramid and they illustrates how companies have the same hierarchy of needs. According to them, this could be a useful tool in order to assess Corporate Social responsibility.

In 1982, Dalton and Cosier defines a matrix model, structured using four variables (illegal, legal, responsible, irresponsible). These elements origins four frames, inside of which CSR is positioned (legal-responsible cell).

From the 1990s, it is observed that very few definitions of social responsibility occur. Several studies continues to grow in these years and among them it is useful to explain two in particular. These analysis, in fact, are concentrated on CSR investment decisions, therefore, for the purpose of this dissertation, they result to be very interesting in order to understand the entrepreneurs' motivations.

2.2.1 The pyramid of CSR and Three-Domain Model

The history reported above evidences how the definitions of CSR fall into two schools of thought: the first considers that the obligations of the firm are related only to the profit maximization, respecting law and minimal ethical boundaries; the second highlights greater responsibilities, which cover also the social domain.

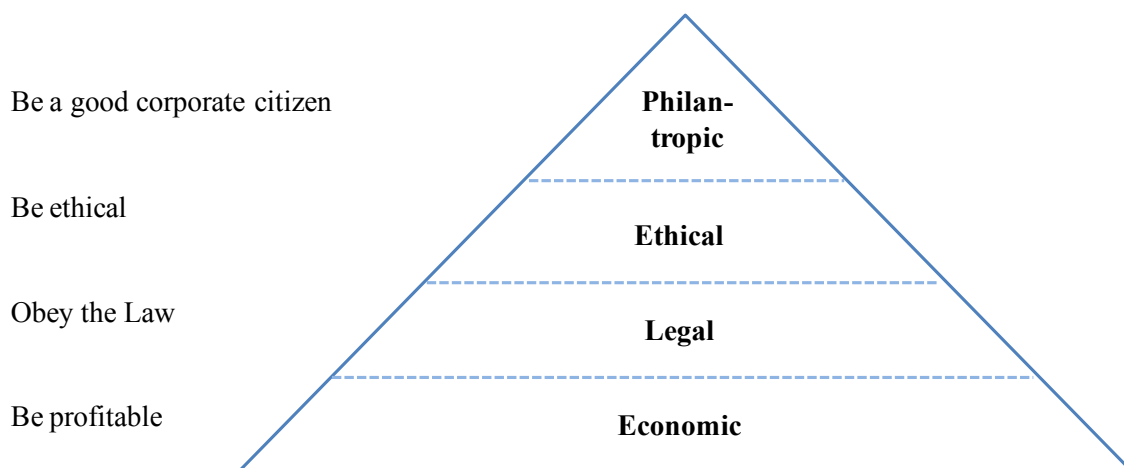
In 1979, Carroll searches to cover the gap between the two philosophies, including in his CSR definition the economic, legal, ethical and discretionary expectations. However, what is more interesting to observe is the expansion of this concept into a pyramid model, proposed by the author in 1991.

First of all, it is useful to notice that the "discretionary" dimension is substituted by the philanthropic one, suggesting that the firm is approaching "corporate citizenship". This category is positioned at the top of the pyramid, while at the base we can observe the

economic foundation. The profit motive establishes the first motivation for the entrepreneur, therefore, for this reason, Carroll decides to consider it as the first unit of the pyramid. Second, the legal dimension indicates that the company must respect laws and regulations. Legislation is defined at the step that follows the economic category, even if the company is expected to consider it in co-existence with the profit level.

The codified laws are followed by the ethical norms, which are standards that the community defines as fair. The third dimension is characterized by ethical responsibilities, so duties expected from the society. This is really the difference which separates, according to Carroll, the philanthropic category from the ethical unit. The top of the pyramid concerns decisions which are voluntary and discretionary, therefore they cannot be defined as responsibilities or duties. The philanthropic dimension highlights actions that are merely desirable and not required by someone else.

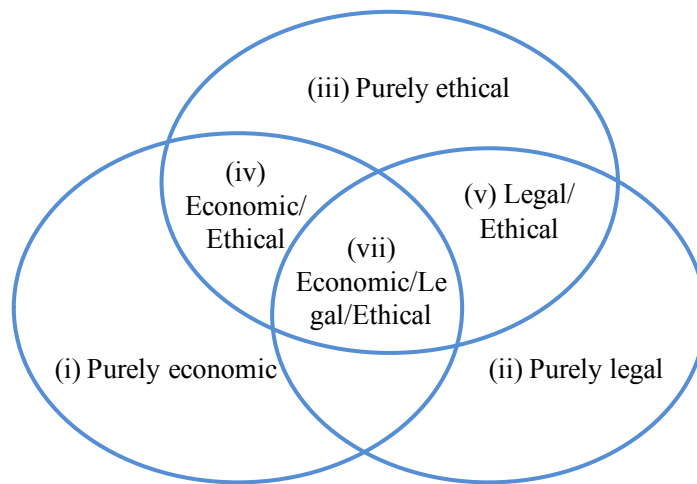
Figure 2.1: The Pyramid of Corporate Social Responsibility (Carroll, 1991)



In 2003, Schwartz and Carroll make two important changes to the precedent pyramid model. First of all, the philanthropic category is no more a stand-alone dimension and is incorporated inside the ethical one. Secondly, the pyramid frame is re-arranged into a Venn model, which allows to better show the overlapping nature of the CSR domains (Figure 2.2). In fact, although the precedent Carroll's framework was not built in order to indicate a hierarchy between different categories, the pyramidal structure produced misunderstanding by inspiring a sequential order. The use of dotted lines separating the categories, was not enough to capture the non-mutually exclusive existence of the domains.

The main purpose of CSR Venn diagram is to relate the three different units. In *Figure 2.2* it is possible to observe the definition of seven different sub-categories, three of which do not show an interrelation, so they are considered as pure. Moreover, by using a similar structure, the authors suggests that none of the three CSR domains is more significant than the others.

Figure 2.2 : The Three-Domain model of Corporate Social Responsibility (Carroll and Schwartz, 2003)



Deeply analysing the frame, it is observable how it is possible to regroup CSR motivations in the above mentioned sub-categories.

For what concerns purely dimensions, it is difficult to define what can enter or not in one group. Purely economic activities are characterized by an economic benefit obtained with illegal actions and they are considered as amoral or unethical. Actually, actions can be considered inside this category even when they comply with the law, but passively. This means that the companies are respecting rules, but in an opportunistic way: for example a firm can move to another country where labour legislation is less restrictive.

Purely legal activities are less simple to define, due to the fact that they have to be non-ethical actions but legal ones. Usually most legal activities are considered also ethical. Finally, decisions which are purely ethical, neither have direct or indirect economic impact, nor legal implications. Few corporate actions fall into this group: for example a firm which decides to cut pollution impact below the law limit, against its profits, enters in purely legal activities.

The analysis becomes more interesting by considering overlapping categories, which better represent the reality of facts.

First of all, we can observe the economic/ethical dimension, which does not include the legal one. However, virtually, all activities in this domain involve law respect, since usually an

illegal action is not considered as ethical. Many marketing strategies enter in this group. For example a fashion firm which gives away clothes for free, increases its image perception (indirect economic return) and accomplishes a charitable action.

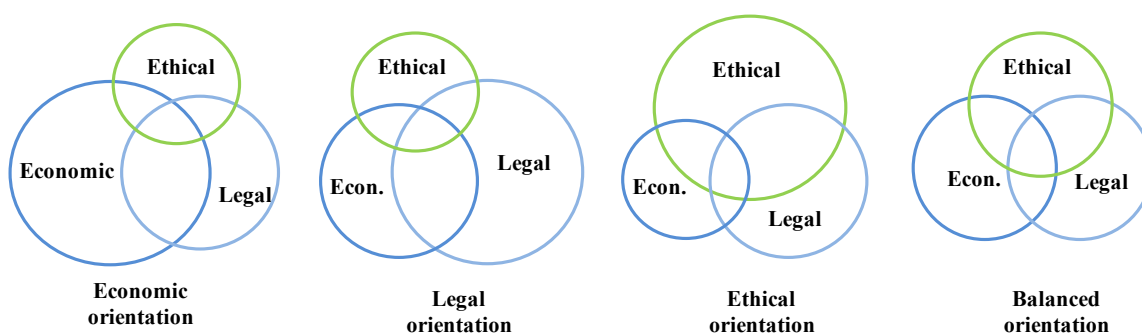
Very few activities can be considered economic and legal while defined also as unethical. Maybe, it is possible to recall those companies which opportunistically apply the law using legislative loopholes for economic profit. Instead, it is surely simpler to find companies that apply the law and comply with ethical norms. For example installing an anti-pollution device is motivated by legislative rules but also by ethical considerations.

In closing, actions which are motivated by economic, legal and ethical principles, are positioned in the centre of the diagram. For instance a firm which decides not to sell a toy considered dangerous for children but not yet forbidden by the law, enters in this group. The revenue losses are offset by the increase in public reputation (indirect return).

At the end of their study, Carroll and Schwartz propose also some interesting CSR “portraits”. Although they do not deeply analyze the different pictures, they consider that it is possible to define workers, managers, companies or industries considering the emphasis placed on each domain (including the overlapping ones).

For instance purely economic activities form an economic orientation, while decision taken for legal motives highlight a legal orientation. Actions guided by economic, legal and ethical motives are included inside a particular portrait, named balanced orientation.

Figure 2.3 : Corporate Social Responsibility “Portraits” (Carroll and Schwartz, 2003)



2.2.2 Corporate Philanthropy

In the everyday language, the two concepts of “Corporate Social Responsibility” and “Corporate Philanthropy” (from now also CP) are usually confused. For this reason it is

useful to observe what Corporate Philanthropy is, in order to provide a complete picture of the subject.

Considering the CSR notion stated above by Carroll (1991), we observe that the philanthropic aspect is one of the four dimensions cited by the author. The philanthropic activity is defined as that voluntary action that a firm accomplishes in response to society's expectations. It includes an active engagement, which can be translated into business contributions both of financial and in kind nature.

It is important to state the discretionary aspect of philanthropy, which therefore can increase the ethical perception of the firm when present, without causing a negative impact if not pursued.

Corporate Social Responsibility includes also obligations rather than pure voluntary activities and this is an important point which differentiates it from Corporate Philanthropy. Moreover, another characteristic of CP is the involvement of a material or immaterial exchange, which is not always visible in CSR (Burlingame and Young, 1996). The presence of this direct relation between the recipient and the firm intensifies the difference with Corporate Social Responsibility.

In conclusion, it is possible to state that CSR includes philanthropic contributions, but it can not be limited to them (Carroll, 1991). CSR in fact includes a wider range of activities which can be less credible and visible than the exchanges characterizing philanthropic actions (Haynes, Murray, Dillard, 2013).

In 1996, Young and Burlingame provide an interesting model concerning philanthropic actions. For the purpose of this dissertation, it is useful to consider this study, which attempts to classify the motivations for corporate giving. The authors define four main conceptual frameworks in order to explain why firms engage in corporate philanthropy.

- The “Neoclassical/Corporate productivity model” follows the considerations stated by Friedman in 1962, who defines that the only objective of a business should be to make profits. Therefore, in this case, the motivation related to corporate giving, must be related to reduction of costs or increase in revenues (directly or indirectly).
- The Ethical/Altruistic model defines that the business can pursue charitable actions, not directly related to the interest of the firm. The company looks at the community and its well-being.

- The Political model underlines that the main firm's motivation to develop a philanthropic activity, is to preserve corporate power and autonomy limiting the government interference . Therefore the company shows its interest for the society's problems in order to maintain power in the community.
- The stakeholder model, rather than defining why corporate giving occurs, states that the philanthropic decision is influenced by many characters, who may be workers, customers, managers, suppliers, policymakers and community groups. This framework is particularly important, because it includes also the role of the entrepreneur and his influences in corporate social decisions.

2.3 REASONS BEHIND CULTURAL INVESTMENTS

The literature about cultural support is very limited in comparison to Corporate Social Responsibility, therefore it is complicated to provide a comprehensive picture about this subject. Usually arts financing is analyzed in CSR or philanthropic domains, while very few particular studies exist. Specifically, for what concerns firms' motivations of giving to the arts, Moir and Taffler (2004) recognize a lower number of researches compared to CSR or giving in general. Moreover, most studies concentrates on cultural sponsorships, marginally talking about the other forms of contribution. In any case, we will search to report the most important concepts related to the motivational aspects of cultural investments, even if usually the literature explains them inside Corporate Social Responsibility.

In doing this, we will present the theories following the years during which they have been written. This approach has been chosen in order to provide a complete overview about cultural investments studies, which usually provide a similar background, distinguishing only for how the results are presented. Grouping similar arguments in specific sections, in fact, would lead to a fragmentation of theories, whose topics would be repeated several times among different subjects. Moreover, providing a separate explanation for each author is also useful for the comprehension of what we will treat in the fourth chapter. During the empirical analysis in fact, we will consider what is explained in this paragraph and we will apply it in practice.

In 1989, Galaskiewicz and Wasserman focus on the motivations which influences firms in financing culture. They consider that the enterprises which invest in arts, decide to support this sector in order to match the interests of their customers and employees. Analyzing the industrial sectors, the authors underline that, for example, a service company is more likely to contribute to the cultural domain, since its clients should care more about it. Moreover, also the employees of a fashion firm can be positively impressed by an investment in art, due to the fact that they live in a creative environment which sometime has to be fed.

In 1992, through the study of nine sponsored events in Canada, Colbert and Turgeon establish a framework in order to explain the decision-making criteria in arts sponsorship. Although the study is only related to this particular kind of financial support, it is useful to analyze it in order to understand which selection elements are involved in the cultural sector. Moreover, the authors specify also that is essential for arts managers to be aware about the process used by the companies to assess the cultural investment.

The researchers report a list of 40 different criteria. These determinants are then grouped in five categories: event-related, sponsored-organization related, market-related, sponsor-organization related and effect-related.

The event-related group, includes criteria that characterized sponsorship and the primary issue concerns the type of fit between the two organizations. The compatibility includes the analysis of products, finances and the target audience.

Sponsor and Sponsored organizations, are two related categories which investigate the organizations' capacity to manage the sponsorship effectively.

The market-related domain underlines the external pressure that influences the decision to invest in art. Therefore, some criteria may concern competitors' involvement in sponsorship.

In closing, the effect-related category highlights the determinants that describe the outcomes desired by the sponsors as, for instance, the social contribution, the increase in public awareness, the employees' moral raise and further more.

Colbert and Turgeon conclude that usually, in order to decide if investing or not, the effect-related group of criteria is the most used. In this category, the fundamental aim is "to alter the public perception of the company" followed by "to contribute to society" and "to aid in staff relations". The second most referred category is the event-related, whose main criterion is represented by "integration of sponsorship with other promotional activities". Other important elements are "image association potential" and "media coverage potential".

The following step in this direction is done by Kirchberg (1995). By studying the relationship between corporate arts sponsorship and socio-economic conditions in urban areas, he finds

that there is a positive correlation between firms' profit and cultural sector contributions: donations raise when profitability increases. Therefore, he also explains that, although the role of the entrepreneur is key element in the decision of investing or not, this is not a sufficient condition for giving. Kirchberg defines that the CEO's personal interest in culture, even if necessary, is not the only element to be considered when funding this sector, because also the financial situation covers an important role.

For what concerns motivations, he is in line with previous studies, which explains that cultural support can be considered as a form of advertising (Mescon and Tilson, 1987) and that business promotion is always the starting point which drives the investment (Useem 1984). Kirchberg argues that the most important reasons considered in the investment decision are sales and image. Therefore, he recognizes the positive effect on profits and brand perception.

Considering what just said, it seems that the company does not simply donate money, but it actually purchases the required benefits. This "transaction" concept is defined by Kushner (1996) who explains that the relation between the business and the cultural organization is characterized by an exchange of reciprocal benefits. On the one hand, the firm invests in order to obtain defined rewards (e.g. brand awareness increase, raise in clients), on the other hand, the artistic organization sells services and benefits to those companies who fund it.

In 1996, Goncebate and Hajduk focus their study on the motivational pattern concerning cultural investments in Argentina. In addition to the rationales defined by Kirchberg (as enhancement of image, brand perception and personal interest of key executives), they also observe that companies finance the artistic sector in order to offset the trend of falling governmental support. It follows that the Argentinean firms present a high sense of social responsibility and they are aware of the importance to protect their cultural heritage. A similar finding is obtained also by Kirchberg (1996) who defines that East German firms are pushed primarily by social responsibility.

These authors underline the difference among nations, highlighting that some countries show a higher sense of responsibility compared to others.

For instance, considering Netherlands, Hitters (1996) demonstrate that firms in this territory are not primarily characterized by social motivations and they are rather pushed to give, in order to obtain an increase in public relations and a good marketing tool. So it happens in Brazilian enterprises which are motivated both by personal interests of executives and by image-making issues.

Something similar is visible also in Estonia, where large companies use corporate giving mainly as a promotional mean, financing more traditional organizations and well-known activities in order to capture a larger audience (Kivilo, 2005).

In 2000, O'Hagan and Harvey, summarize past sponsorship studies and they propose a new classification concerning motives for arts sponsorship. They provide four different reasons: promotion of image/name, supply-chain cohesion, rent seeking, non-monetary benefits to managers or owners.

The first "image promotion" category is different from pure advertising, since a company invests in this last activity in order to directly promote its products or services. Sponsorship enables the firm to obtain image promotion through a form of publicity, which is not the traditional one, gaining also more credibility. The "supply-chain cohesion" indicates that the sponsored event can increase production efficiency. In fact, if the investments are accomplished in favour of the employees or other external partners, goodwill increases, registering a positive impact on the overall company.

The "rent seeking" category approaches the economic sector, by introducing the concept of demand enhancement and costs reduction. Two forms of rent-seeking are defined: direct and indirect.

The first notion includes the effect of sponsorship on decision makers present in the business environment. For instance, the firm can profit from a cultural event that can positively affect politicians, civil servants or other important influencers. This allows to increase the consensus base.

The indirect rent-seeking underlines the aim of altering the firm's environment perception. For example, a company that maintains a monopoly position, by investing in arts it may positively influence people's opinion and change their perception.

The final category, concerns the private consumptions of managers and owners in the art sector. An enterprise may sponsor a cultural event in order to satisfy the executives' requests and not because it entails a direct increase in revenues. However, as defined by Kirchberg, usually this is not a sufficient reason.

A more statistical approach which allows us to better specify the promotional aspect given by cultural investments, is provided by Leclair and Gordon (2000). The study is based on the analysis of several variables inside the different domain of Corporate Social Responsibility. The principal aim is that to observe the impact of profitability, firm size, type of business and advertising expenditures on corporate giving activities. The consideration of educational,

civic and health causes allows to create a comparison with the cultural sector and to study what motivates the firm in financing it rather than others social domains. The results show one interesting contrast: on the one hand, for what concerns corporate donations to the arts, it is observable that there is a positive correlation with the advertising expenditures; on the other hand, considering education, health and civic sectors, the correlation is not positive and in two over three cases it is neither significant.

It follows that the promotional effects are fundamental elements which are mainly considered by the firm. However, the same determinants are not the key points which drive businesses in the other social investments. Therefore, Leclair and Gordon state that the previous conclusions on the importance of self-promotion in all social investments decision-making processes, are not correct, because this determinant is fundamental only for the artistic sector. Something similar is observed also by Trupiano in 2005. He states that the most important financing motivation for a business is related to the visibility of cultural donations. It follows that companies prefer to invest in museums, concerts and special events, where their name can be evidently shown. This happens because corporate giving may positively influence the community perception and firms recognize it. Furthermore, Trupiano underlines also that the company can choose to invest only for its own satisfaction but, he also explains that the business will probably want a recognition in any case.

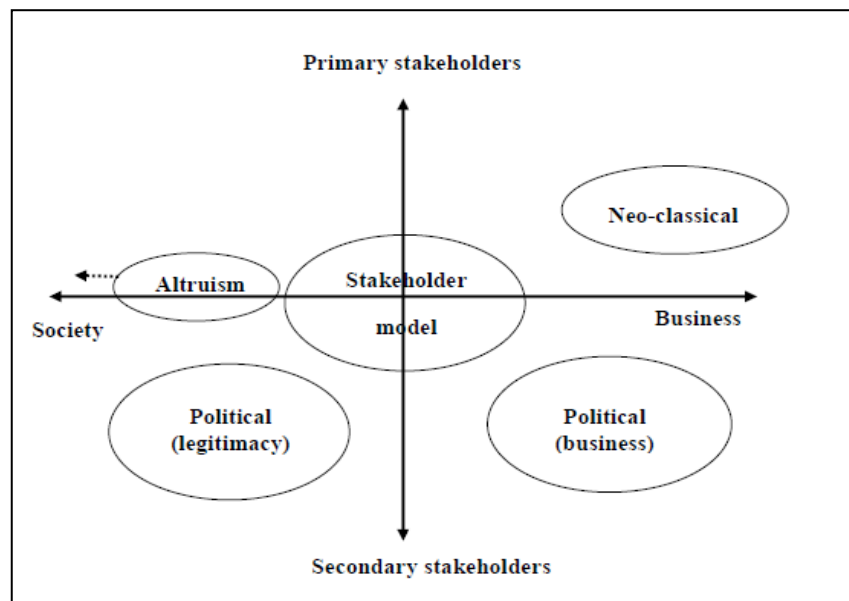
This concept is then explained through an empirical research by Moir and Taffler (2004), who define that corporate giving becomes a mean to an end rather than being an end in itself.

In order to classify the different investment motivation, the authors apply to the cultural sector the explanation about corporate philanthropy provided by Young and Burlingame (1996). The four different dimensions of corporate philanthropy (neoclassical, altruistic, political and stakeholder models) are then positioned inside a framework elaborated by Moir and Taffler. The defined model is built upon two dimensions, which are business/societal interest and primary/secondary stakeholder (*Figure 2.3*). It is observable that the neoclassical perspective is placed at the far right of the graph, where philanthropy is considered only as a source of profit for the firm. By contrast, the altruism dimension is at the opposite end in comparison to the neoclassical model and it represents the pure societal interest. Furthermore, the authors distinguish between primary and secondary stakeholders. The first category includes all those people who have a direct economic impact on the company, as for instance employees or customers. The second class groups those characters whose influence is defined as indirect (community and environment). It follows that the stakeholder model presented by Young and

Burlingame is positioned at the centre of the framework, in order to capture the firms' influence of its multiple stakeholders.

The political model lies in the lower quadrants, where it is split in two dimensions: legitimacy and business. In the left quadrant are included those motivations related to the achievement and maintenance of social legitimacy, while in the right one are taken into account those motivations concerning business interests and mediated by the community and environmental considerations.

Figure 2.4 : Integrative framework of corporate philanthropy (Moir and Taffler, 2004)



This framework is the tool used by Moir and Taffler to position the 60 cases from UK considered to explore the motivational common patterns in cultural investments. The different firms are placed inside the model considering the clustering division lead during the study.

Figure 2.5 shows the graphical plot with the 5 clusters positioned. Group 1, which is characterized by business benefit motivations and primary stakeholder interest, is opposed to cluster 4 whose firms are more focused on the community and on societal returns. It follows that usually the first group includes elements that are purely instrumental, whose involvement is related to the brand promotion. Arts are used for marketing purposes, so the businesses in this cluster are defined as “advertisers”. By contrast, firms in group 4 are described as “legitimators” given the fact that they largely focus on social benefits and community support. They fit with the political model of corporate philanthropy.

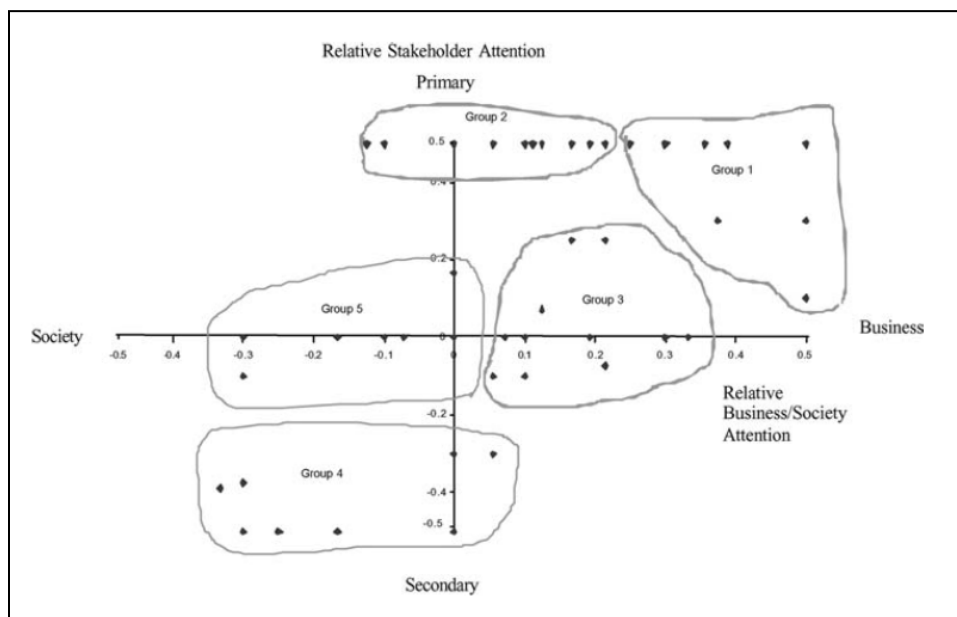
The other clusters are less clear and they present at least one neutral dimension. Group 2 shows a balanced business/society interests, while focusing on primary stakeholders. Firms

included in this cluster are categorized as “covertly instrumental”, because even if they say they do not present corporate interest, they try as well to impact on primary stakeholder as for example customers. Therefore, this group is still broadly neoclassical, but it shows a better picture of the strategic approach to corporate philanthropy.

By contrast, the cluster which can be identified with the stakeholder model of Young and Burlingame is the third. Firms in this group pay few attention on business interest and they are laid between primary and secondary stakeholders. Moir and Taffler define it as “stakeholder managers” cluster. The opposite group of this last cluster is number 5, which presents more attention to the society. These firms, although they are the closest to the pure altruistic dimension, do not yet corresponds to the ethical model. Moreover, the researchers do not label this group, because they observe it is too disparate in nature.

Large areas of the graphical plot are unpopulated, but this is not a surprise. For instance, it is normal that an entrepreneur does not want to talk about business benefits while he states his focus is on the community (bottom right quadrant).

Figure 2.5 : Scattergram of cases on relative business/society and relative stakeholder attention dimensions with cluster groupings overlaid (Moir and Taffler, 2004)



In conclusion, it is possible to observe that no evidence of pure altruism exists and that usually there is a focus on business advantages. This framework allows to study that there are some firms whose dominant motivation to invest concerns business promotion, while there

are others whose principal aim is to maintain a sort of social legitimacy. It follows that the new focus becomes the importance degree given to business interest rather than the society.

Another step in the comprehension of cultural investment motivations is done by Stanziola (2007), who, by going over the literature path, divides the reasons cited until now in three main groups.

First he considers the altruism aspect, defining that senior managers and directors pursue the investments even if it is not directly related to corporate profits. This highlights that the charitable side of entrepreneurs may considerably affect the choice of corporate giving, even if Stanziola explains that this could happen only in discretionary environments where the profit pressure is not high. This concept of altruism stays in line with Kirchberg (1995), O'Hagan and Harvey (2000) who define that, although the executives motivation influence the giving decision, they are not sufficient to make the final choice. In fact, considering the lack of profit pressure (Stanziola) and the good financial situations (Kirchberg) are two sides of the same coin.

However, the author takes into account the study by Moir and Taffler (2004) and he defines that, according to them, altruism is not the main reason behind corporate arts support. Therefore, we approach the strategic aims of the business. Stanziola explains that senior managers may use the cultural investment in order to influence the environment which includes government, clients and suppliers. It follows that they may want to influence the clients' brand perception, but also policymakers' attitudes toward the company.

Moreover, the investment may be also exploited as a support for the organizational strategy. Businesses may link their charitable activities with their strategic objectives as for instance increasing staff motivation, increasing productivity, meeting sales targets, increase profits, strengthen corporate image and profit from tax exemptions.

Stanziola defines that these last two ways of business involvement in culture, highlights how those companies, which are driven by these kind of motivation, are not giving money to the artistic sector, but they invest in it in order to obtain something in exchange. This concept brings back to what Kushner defined in 1996.

The researches by Comunian (2010) is totally in line with what has been said until now. By focusing on Italy, she explains that in this country investing in culture is mostly considered as a promotion tool, as an advertising campaign. She states that until now only few firms aligned their mission and identity with the external investments and with the communication strategy.

Therefore, there is not a whole comprehension about the potential of a cultural investment and what the firm observes is more the image impact rather than the positive externalities it can obtain.

She also presents a research from IEG (2001), an American agency which developed an international study about cultural investments. The analysis states that the most important objectives in choosing what activity to sponsor are brand fidelity increase, visibility creation and corporate image reinforcement. These three elements are followed by other aims, which concerns sales volume enhancement, CSR public perception, market stimulation, product tests, database creation and brand experiments.

The above-mentioned objectives are partly in line with more recent researches, which underline the peculiar importance of benefits perceived by the companies. Martinoni (2010) explains that nowadays, cultural organizations do not only have to inform the potential investor about the project and their identity, but they rather have to lead a sort of “marketing campaign” in order to provide the interlocutor the information which satisfies its needs. Therefore, a good fundraising activity must be driven by the presentation of several benefits that the artistic organization can offer.

In her study, Martinoni provides some benefits wanted by firms. She defines that, although before the cultural investment was mainly used as a marketing tool, now the interest is more focused on the enhancement of brand perception and the identity definition. It follows that increasing the firm visibility as well as creating a better image, is no more the ultimate goal of the company which rather wants to differentiate from its competitors, reaching new clients and indirectly improving the work environment.

2.4 CONCLUSIONS

The purpose of this chapter has been to provide a comprehensive overview about the literature, which constitutes the base of corporate giving studies. Indeed, the CSR analysis are wider than those considering cultural investments, which usually are explained inside the first subject.

It follows that there are not many studies concerning this particular field, although the presented researches provide a quite exhaustive scenario about reasons behind art investments. Business and social orientation can both characterize the investment decision, whereas the studies underline how image, brand and profit are the most common reasons.

However, the majority of researches, although they provide the definition and explanation of different motivations, do not study the decisional influence, which could be either external or internal. Then, some studies consider only the internal choice coming from the CEO's passion (Kirchbergh, 1995), but they do not present the other external contingencies which can affect his decision.

This consideration results to be very important, because by knowing how the firm can be influenced, the cultural organization may understand how to act in order to receive funds.

The framework presented in the next chapter will try to cover this lack, categorizing internal and external pressures. The entrepreneurial decision-making processes will be included in the model and divided according to the degree of internalized motivations. This categorization will help cultural companies in understanding how to behave in front of a potential investor.

Chapter 3

THE INTEGRATION OF THE CULTURAL SECTOR INSIDE THE SELF DETERMINATION THEORY

3.1 INTRODUCTION

In the previous chapter, we tried to outline a comprehensive picture about the different theories concerning cultural investments motivations. Although it has been possible to provide a quite complete list on this type of motivations, we note that the majority of studies do not consider who or what affect the firm decision in financing the artistic sector.

For that reason, after having defined the motivations that lie behind corporate investments, we will also classify them by considering the external contingencies, which may or not influence the financing decision. More precisely, we will analyse the role of the entrepreneur observing how he participates in the decision-making process.

To do so, it will be used a particular framework, included in the Self Determination Theory, a study which does not belong to the cultural sector or the CSR domain and which is ascribable to the motivational theories.

First, we will present this theory, which is going to be followed by the pattern explanation.

By observing the framework, it is possible to highlight several types of motivation, that may be divided in two categories: autonomous and controlled motivations. The first group corresponds to those behaviours that are motivated by the individuals themselves, while the second one includes those decision-making processes that are affected by external contingencies. This division is then followed by another categorization, which distinguishes intrinsic from extrinsic motivations: people may act because they are inherently interested in a particular activity or they may behave in a certain way because of external elements which influence them.

The ultimate goal of presenting a similar theory is the practical application to the cultural sector. This framework may be used by the artistic organizations as a tool in order to understand what causes the investment decision. Therefore, here is provided a key for reading the different situations, which can affect the decisional process, followed by several examples and reflections.

Moreover, are also defined some methods of communication, which can be used in order to highlight what the firm can obtain from a cultural investment. Furthermore, the entrepreneur is not always the main decision maker to be influenced, so other players are presented in order to complete the whole picture.

3.2 A DIFFERENT APPROACH: SELF DETERMINATION THEORY

The initial works on SDT started during the 1970s, but they did not arrive to a comprehensive definition until 1985, when Deci and Ryan published the book *“Intrinsic motivation and self-determination in human behaviour”*. Through the years, this theory attracted lot of interest, producing many studies upon it. Moreover, the empirical nature has always characterized SDT, which therefore has been applied in many fields of analysis as sport, education, health and environment.

However, it is possible to observe that the artistic sector has not been considered inside of the above mentioned researches. Therefore, it seems interesting to add something to the theory in these terms.

One of the most important concept in SDT is the notion of “need”. Deci and Ryan specify that needs are the “innate psychological nutriments essential for ongoing psychological growth, integrity and well-being” (Deci and Ryan, 2000).

Moreover, they postulate three universal needs, which are competence, relatedness and autonomy. Each of these elements plays a fundamental role in the optimal personal development and therefore, none of them can be omitted without consequence on well-being.

“Competence” refers to the performance feedback of activities and therefore, the satisfaction of this need will be fundamental for psychological health. “Relatedness” concerns the desire to feel connected to others, to be accepted, to love, to care and to be loved and care.

“Autonomy” is related to “the organismic desire to self-organize experience and behaviour and to have activity to be concordant with one’s integrated sense of the self” (Deci and Ryan, 2000). Whereas it could seem that the second and the third need are opposite, this is not true, since autonomy does not stands for individualism or independence, but for decisional freedom and integration of values.

According to SDT, the satisfaction of all three needs together brings to an higher psychological development. Therefore, these needs must be considered in the achievement of well-being as they provide that psychological aspect of goals and they influence the regulatory processes of behaviours. It follows that competence, relatedness and autonomy are

considered fundamental in order to explain the content (“what”) and the process (“why”) of goal pursuit.

This last “why” element corresponds to the regulatory style which drives human motivations. It follows that, for the purpose of this thesis, we shall mostly focus on this subject.

Previous works approached human motivation by studying the amount of motives which drive a person to accomplish a certain action. Self-Determination Theory, instead, provides a more specific definition of them, by differentiating types and quality of motivations. The macro-distinction postulated in SDT, regroups the different motives typologies in “autonomous motivation” and “controlled motivation”. These two categories include “intrinsic” and “extrinsic motivation”, which are then divided in regulatory styles.

On the one hand, autonomous motivation defines activities which are well integrated in the individual identity. People are motivated by their Self, the experience decisional volition and freedom. On the other hand, controlled motivation comprises the effect of external contingencies on the individual actions, which may concern punishments, rewards, public perception, self-esteem and further more. Both categories direct and influence behaviours and they differentiate from “amotivation”, which indicates a lack of intension and motivation.

However, what is more interesting is the difference between intrinsic and extrinsic motivation.

Intrinsic motivated activities are those actions that are interesting for the individual also in the absence of benefits and positive outcomes. People are intrinsically motivated in doing activities which represent a novelty or a challenge and which enhances their curiosity. Rewards, fame, punishments, deadlines are not related to this kind of motivations and behaviours are rather driven by spontaneous interest, exploration, enjoyment and passion. Therefore, intrinsic motivations provide active engagement, which enhances growth and well-being. Moreover it is fundamental to explain that the activities which arise from this kind of motives, are intrinsically regulated and self-determined, so autonomous motivated. It follows that, according to Deci (1975), the introduction of extrinsic rewards can undermine intrinsic motivation, due to the fact that they are perceived as an external form of control. It follows that the need for autonomy is that one which characterizes the spontaneous nature of this motivation.

Furthermore, intrinsic regulation is also related to competence and relatedness. The first one is another important factor, in fact a positive feedback will imply a higher engagement, while a negative perception will mine the related activities. The second one, does not directly

influence the motivation, but it is very important for its maintenance. For instance if a child does not capture the attention of his parents in doing a particular activity, although he enjoys it, he will probably shift to another one allowing him to attract their attention.

However, this is not the only type of motivation presented by the SDT. People, in fact, can be also motivated by the presence of external coercions.

As a matter of facts, during our daily life, we are influenced by external pressures and a variety of responsibilities which can be internalized or not.

Opening a parenthesis, the “internalization” concept is really important in SDT and it is defined as “an active natural process in which individuals attempt to transform socially sanctioned mores or quests into personally endorsed values and self-regulations” (Deci and Ryan, 2000). According to the authors, a major internalization leads to a higher performance and a better maintenance of the behaviour. It follows that this can be a fundamental tool in order to create long-term activities and better outcomes.

Coming back to the analysis, the motives linked to the above-mentioned external pressures are named “extrinsic motivations”. Deci and Ryan relate them to actions, which are performed in order to obtain an outcome. It follows that these kind of activities contrast with the previous ones, which are characterized by the enjoyment of the act satisfaction in itself.

It is possible to observe four regulatory styles concerning extrinsic motivation:

- The “external regulation” style identifies those behaviours that are influenced by external contingencies. People act to obtain desired outputs, as for instance a reward or a punishment avoidance. This undermines intrinsic motivation because it is characterized by control (controlled motivation) and poor maintenance. Once the obligation is withdrawn, the behaviour will no longer last. A good example can be a child who does his homework in order to obtain a new toy.
- The “introjections” regulatory style underlines how the influence of contingencies consequences on the individual’s behaviour are administered by himself. This is different from the previous style, where the contingencies outcomes are managed by others. As a matter of facts, introjections usually involves ego consideration, public esteem, self-consciousness, pride, guilt, anxiety and shame feelings. For instance a student who wants to finish his homework before going to play basketball, is avoiding anxiety and sense of guilt.

This type of regulations, although they influence more the self of people, are still out of autonomous motivations sector, remaining in the controlled one. Therefore, the perceived locus of causality remains somewhat external.

- With the “identification” style, the door of the autonomous regulations is opened. The individual recognizes and accepts the value of a particular behaviour and he finally identifies with it. For example, if people identify with the importance of respecting the environment, they will recycling more volitionally.

However, the resulting activity remains extrinsically motivated and this is recognizable by the fact that the behaviour is still an instrument rather than a source of spontaneous enjoyment. For this reason, the locus of causality is defined to be somewhat external and not totally internal.

- The “integration” is the last regulatory style, which is the closest to the intrinsic motivation form (locus of causality is perceived as internal in both). In this case, people do not only recognize the behaviour importance, but they also internalize the corresponding values with their aspects of the self.

The result of this complete integration is defined as “self-determined extrinsic motivation”.

However, although actions characterized by integrated motivation are very similar to intrinsic behaviours, they are still considered extrinsic because they are done in order to obtain a benefit or an outcome and not for their inherent enjoyment.

In order to better understand the regulatory styles of external motivations, we show in *Figure 3.1* the Self-Determination continuum, firstly defined in the above mentioned book “*Intrinsic motivation and self-determination in human behaviour*” and then reviewed during the years.

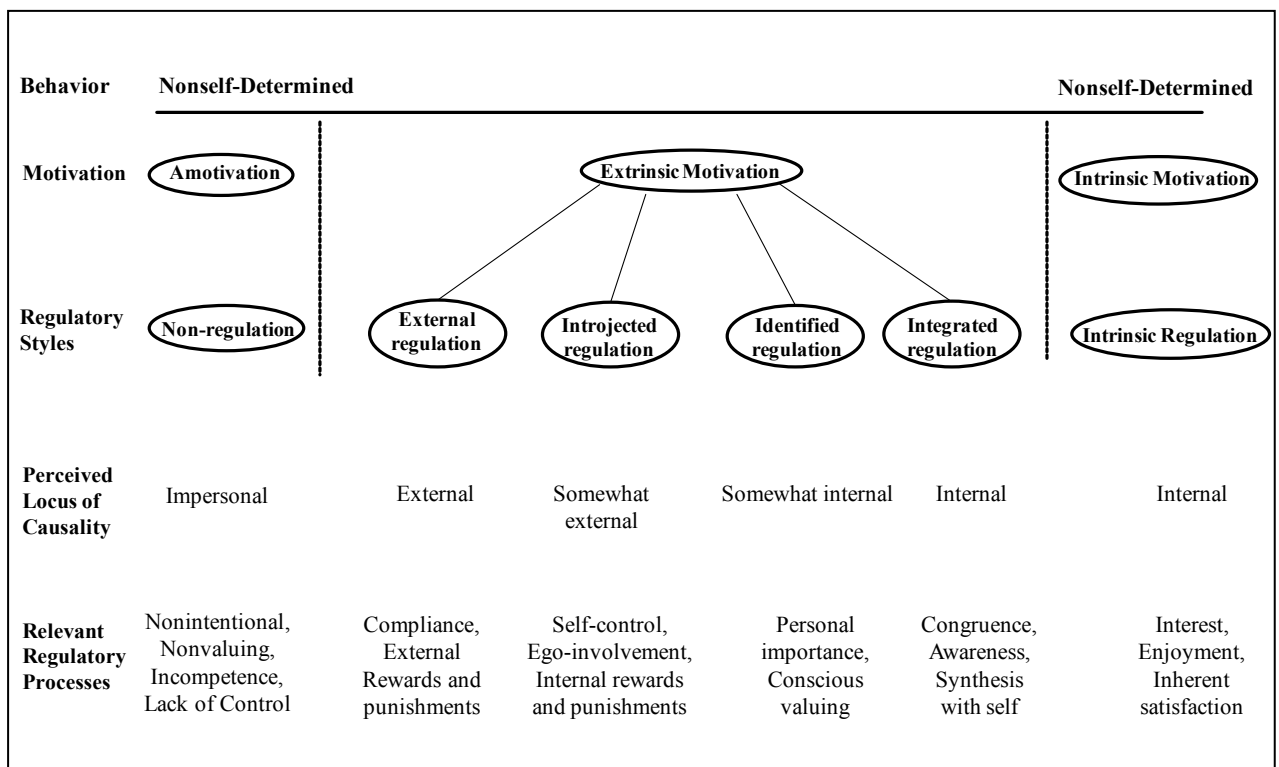
This graphic is built as a continuum in order to outline the internalization process explained above. At the far left of the process there is amotivation, the state of lacking the intention to act. Amotivation results from not valuing an action, so there is no internalization at all.

This is not true for the other typologies of motivation, which present a higher degree of values integration shifting from left to right. Moreover, as explained before, those extrinsic motivations that cover the continuum between amotivation and the intrinsic regulation, vary in their degree of autonomy. This element is very important because it is related to the performance outcome and people’s satisfaction. Deci and Ryan (1985) defines that if the

motivation present a more autonomous regulatory style, the behaviour quality will be higher, as the autonomous need satisfaction. It follows that the greater values are internalized, the bigger will be the final outcome.

In closing, it is important to define that this continuum does not intend to indicate a process in which all individuals must progress through. This process may occur in stages, but even do not occur at all. Furthermore, it can start at any point along the continuum, without the need to touch all the different stages. Someone can also remain at the same stage and adopt the related behaviour.

Figure 3.1 : The Self-Determination Continuum Showing Types of Motivation With Their Regulatory Styles, Loci of Causality ad Corresponding Processes (Deci and Ryan,



After having treated the processes (“why”) of goal-directed behaviour, in order to complete the theory explanation, we are going to briefly outline what the content of goal is.

In 1996, Ryan, Sheldon, Kasser and Deci define that the achievement of some life goals leads to a higher satisfaction of the innate psychological needs (competence, autonomy, relatedness) than the pursuit of other goals. This differentiation drives to the distinction of “intrinsic” and “extrinsic aspirations”. First of all, it is essential to define that the terminology can mislead the reader: here, the words “intrinsic/extrinsic” do not belong to the previous motives categorization, but they only describe goals which are referred to basic and non basic needs.

It follows that intrinsic aspirations related to innate needs include, for example, affiliation, personal growth and community contribution, while extrinsic aspirations are related to fame, image and external approval.

What we have just presented is related to the foundations of SDT. Therefore, based on the key elements reported in the precedent pages, the theory continues to explain more in detail concepts as development, growth and well-being.

For the purpose of this dissertation, the most important concept results to be the motivational framework. It follows that in the next paragraph, we shall focus on it in order to provide a comprehensive map, useful to explain the motivational pattern characterizing entrepreneurs investing in culture.

The ultimate goal of formulating a similar structure is that to provide a comprehensive picture to artistic organizations. By knowing what kind of motivation is involved in the decision making process of the owner, they could understand what to propose to the firm and how to satisfy it. Moreover, after having observed if the entrepreneur is moved by intrinsic or extrinsic motivations, the cultural organization can decide to provide information in order to influence the company with external contingencies or, it can also decide to elaborate a communication plan in order to encourage the internalization of artistic values.

3.3 MAPPING MOTIVATIONS FOR CULTURAL INVESTMENTS

After having presented the Self-Determination Theory and understood the purpose of the following analysis, we can start by considering the different typologies of motives, which induce the entrepreneur in funding culture. As stated above, the explanation takes shape on the previous framework, reconsidering the concepts of intrinsic, extrinsic and amotivations.

Starting from amotivation, it is possible to state that no motivation is involved. This first category, in fact, includes people who do not act at all or act without intent. Therefore, those entrepreneurs who choose not to fund culture definitely enter in this category. It is possible to ascribe in it also company's owners who say they will finance the artistic sector, but at the end they do not.

Furthermore, we can include in the amotivation class another situation, more atypical than the others. It may happen that managers or executives decide to invest in culture, but the owner is not interested in it. For example, to the question "why did you fund art?" the entrepreneur could replay that he knows little about that investment, because other people worked on it.

Considering the extrinsic motivation, we will approach the explanation of the framework by recalling the division of different regulatory styles that characterize this category.

However, before deeply analyzing the distinct regulations, we have to introduce a little preamble, which allows to better understand the relationship between the entrepreneurs' motivations and his firm. By recalling the division between controlled and autonomous categories, we may define that more the motivation is controlled, more the boundary between the role of the owner and his firm may be confused. Considering above all the first regulatory styles, the self of the entrepreneur may be less visible because he could mainly think about what is good or not for his business. Therefore, sometimes, during the explanation of the different categories, the owner and the firm will be overlapped and the motivations which will drive the first player, will be directly related to the second one.

The external regulation is the first type of controlled motivation, which induces the individual to act in order to obtain rewards or avoid punishments. Inside the theme of interest, the external regulatory style distinguishes those investing motives that are directly related to the enhancement or the safeguard of the business.

On the one hand, the entrepreneur may decide to finance culture in order to obtain new clients, more profits or sales increase. On the other hand, he may approve the investments in order not to lose the community acceptance and potential clients who attach particular importance to the cultural sector or to CSR in general. This includes the competitor comparison. The company can also choose to fund culture in order to test the entry in this sector, avoiding in this way significant financial repercussions if the new market is not receptive.

We can observe that the entrepreneur motivation in this case does not raise from his values, nor it is integrated with them. It follows that the influence comes from the evaluation of external contingencies. Moreover, other agents who can be internal or external to the firm can affect the entrepreneur's ideas. For instance the marketing office analyzes that investing in culture can contribute to create a better identity, which for the financial area is translated in higher profits (internal influence).

Among the external agents, the most important is certainly the government, which rather than persuade a company in financing culture, it may affect its choice concerning which CSR sector to fund. It does so through tax exemption regulations. For example, we can report the

case of Ard Racanello S.p.a. which financed the renovation of Santa Caterina Museums in Treviso. During an interview to “Il Mattino di Padova”, the president Carla Mascarello declared that, after having read about the new Art Bonus decree, she decided to invest in the project, taking advantage of the tax credit obtainable: the decree, in fact, recognizes to the firm EUR 65 every EUR 100 donated²⁸.

Moreover, financings characterized by an external regulative style usually concern short investments, where the relation between firm and organization does not last for too long. This happens because the entrepreneur is not truly involved in the cultural sector and he does not share the inherent values. He sees the investment as a tool, which allows to reach something else.

The introjected regulation, although including the first notion of ego-involvement, is still presented as a controlled motivation. Here in fact rather than consider the external rewards and punishment, are reported the internal ones who concerns fame, identity, guilt and shame. Of course, these elements are part of the self, but the motivation related to the enhancement or avoidance of them is caused more by the external environment rather than by the owner's values. By relating what just said to the entrepreneur and the company environment, this second style may include concepts as public opinion, brand perception, image and awareness. As mentioned before, here it is visible a clear overlapping between the owner's motivations and the firm, given the fact that fame, identity, guilt and shame are in this case extremely related to the business. The entrepreneur's self exists, but the impact on him should be perceived more as a reflection coming from the firm.

Therefore, the entrepreneur can be moved by the consideration that investing in culture may imply a good advertising for the company, which directly touches its image. This is different from the cases observed in the external regulation category, because before the ultimate goal was to raise money, gain clients or increase sales, whereas now the main issue concerns the external corporate image. Moreover, the introjected regulation induces the business safeguard, which may manifest after a bad publicity or with the feelings that "My social responsible activities are not enough for my firm".

Briefly, in order to better understand these concepts, we can report some examples from which we took inspiration to define this second category. Considering the corporate identity we can observe how the initiative sponsored by Euronics S.p.a. for the 25th year of presence in Europe directly impacts on the image of the firm. Alessandro Butali, president of Euronics

²⁸ Article *Racanello in campo per l'arte*, Il Mattino di Padova online, 10/29/2014

Italia, explains in fact that the choice of funding the exhibition “Il Filo Conduttore” is related to the anniversary celebration and to the intrinsic technological content of the work created by an artist known at the international level. These elements may be translated in an investment extremely related to the business image, whose impact should be seen mainly on the territory²⁹.

A second example may be referable to the firm Bortolo Nardini S.p.a., extremely active in the cultural field. The entrepreneur Antonio Guarda Nardini declares that in order to survive, medium-sized firms need to open their eyes and start thinking different. Therefore, being a company with high regional constraints, he explains that this firm has to strengthen its identity and it can do this by investing in culture³⁰.

Finally, talking about a big player in the world of fashion, it is possible to observe how the renovation of “Ponte di Rialto” in Venice pays in terms of image for the OTB group. In the communication plan signed by Renzo Rosso is in fact observable how the Municipality of Venice guarantees visibility to the brand³¹.

As mentioned before for the previous category, also in here we note that the influence is twofold: the market and the consumers represent the external dimension while the internal offices (e.g. marketing) and employees characterize the internal one.

It is notable that not only the employees can affect the investment motivations, but also stakeholders in general. The entrepreneur in fact may decide to fund culture in order to enhance the firm’s image in the eyes of its direct agents.

With the identified regulation, the decisional responsibility of the entrepreneur becomes more important. It is observable that in this case, the individual recognizes the importance of one behaviour and he starts sharing the associated value. For instance the firm’s owner, after having been involved in a cultural experience, he understands the relevance of the arts and therefore he decides to invest in it. Moreover, the entrepreneur who identified the importance of financing culture may promote and talk about the cultural sector needs, capturing the interest of a wider audience. This is the case of Diego Della Valle who financed the renovation of the Coliseum. During an interview to “Il Sole 24 Ore”, the patron of Tod’s S.p.a. affirmed that, after having experienced the restoration project, he understood the

²⁹ <http://labrouge.com/2015/05/16/un-filo-conduttore-nel-canal-grande-a-venezia-e-in-mostra-federica-marangoni/>

³⁰ Article *Il segreto Corporate identity*, Il Sole 24 Ore, 11/07/2010

³¹ <http://www.comune.venezia.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/61191/UT/systemPrint>

importance of preserving the Italian heritage and he decided to “contact other entrepreneurs, asking them to include in their budgets dedicated funds for the cultural sector”³².

The firm owner can also internalize values concerning the safeguard of the community and act in order to protect its cultural heritage. Moreover, also the market may influence him: by noting that many firms finance culture, he may search to obtain more information and, after having appreciated it, he may share the related values and start funding the sector.

These examples highlight how part of the owner’s motivation is now autonomously controlled, because it arises from his Self. However, the external influence is still present and it is certainly visible considering the origin of shared values.

The complete internalization of behaviours in favour of culture is achieved with the integrated regulatory style which is characterized by the alignment of the external values with the internal aspects of the self. For example, the philosophy of the firm proposed by the entrepreneur may integrate a few cultural values, which remain totally in line with those already present. Moreover, the owner may be already active in the social field and he may decide to include also culture among the sectors sustained by the firm. This is what happened with the investment done by Thun S.p.a., the South Tyrol firm specialized in ceramic products. Already active in the social field with initiatives concerning the ceramic therapy, in 2011 the company decided also to sustain the art sector by financing the renovation of the prophets statues in the Basilica of Saint Mark. Moreover, the president of the firm Peter Thun, during an interview affirmed that the city of Venice had been chosen for particular reasons related to his mother, and founder of the company, Countess Lene. He explained that she loved Venice and that she went there for long walks with their children. From this brief explanation, it is visible that also the affective component covered an important role in the selection of the initiative to fund. However, Peter Thun explained also that the Italian culture has always been a relevant element for their products, as it is documented by the most known Thun ceramic, which represents the angel of Bolzano³³. Investing in the Basilica, therefore, means also to safeguard and protect the Italian heritage, which has been fundamental for this firm. Financing art in fact may also reinforce the business and complete it, as it happened for Thun.

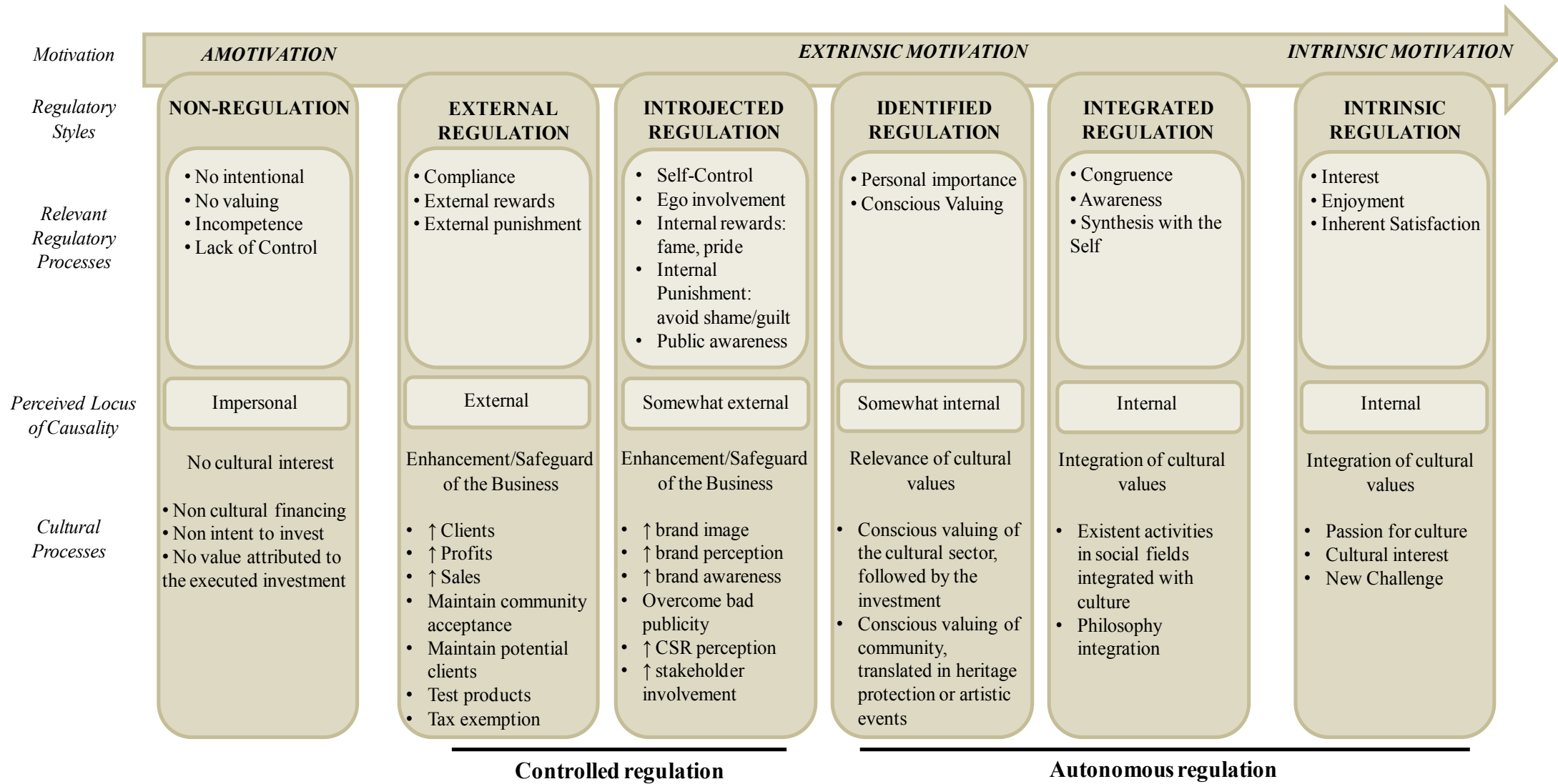
³² Article *Il Nuovo Colosseo di Della Valle*, *Il Sole 24 Ore*, 07/30/2014

³³ Article *Salvi i Quattro Profeti della Basilica di San Marco*, *La Nuova di Venezia e Mestre Online*, 11/17/2011

This last sub-category of extrinsic motivation is with no doubt the closest one to the intrinsic motivation. However, the integrated regulation, even if it is similar to the intrinsic one, is not equal to it. The first still considers the obtainable outcomes, while the second is not interested in possible gains and it defines only the inherent satisfaction in doing some activities. It follows that the entrepreneur, for example, may choose to finance culture because of his passion, which maybe is born during childhood or youth. The investment is done only because it is wonderful to do it, it represents a challenge and it is something new. However, the will of financing may born also for other reasons, as we can observe by reading the story of Antonio Ceccagno, an entrepreneur from Veneto region who founded the “Jeos Association” to honour the death of his child. Hitted by this tragedy, in 2012 Ceccagno decided to create an association, which allowed young graffiti writers to meet companies interested in street art. Therefore, the entrepreneur founded this amazing group only driven by the memory of his child, do not searching for any particular outcome related to his business. Another key distinction between integrated and intrinsic motivation is visible in the integration element: the second one, in fact, already includes the considered values in the Self. Therefore, for what concerns the entrepreneur, art can be already part of his values or it can be included in the corporate mission without being integrated after, at the time of the investment. Furthermore, these kind of financings will last in time, due to the fact that they raise from an entrepreneur’s passion or particular experience and they do not born only for profit reasons.

In order to better explain the concepts treated until now, we provide the SDT original framework completed with our considerations (*Figure 3.2*).

Figure 3.2 : The Self Determination Continuum applied on cultural investments motivations



3.3.1 Action plan for artistic organizations: controlled regulations

The SDT model helps us to define the different motivations, which may influence the entrepreneur in financing culture.

Apart from amotivation, the previous framework highlights that is possible to act on different motivational aspects in order to obtain funds. During this paragraph, we will focus on people involved in the decision-making processes while considering also the communication methods that the artistic organizations can use to influence the potential investor.

Starting from the two forms of controlled regulation, it is possible to observe that the role of the owner in the investment process is visible only at the end, after having been influenced by external contingencies. Instead, for what concerns autonomous regulations, although in the identified and integrated case still remains a minor external component, the entrepreneur acts mainly following his ideas.

Considering the external and the introjected regulatory process, we can highlight that the investment project is not directly related to an owner's idea, since his decision-making process is affected by external contingencies. Therefore, there are additional factors, which considerably affect the investment decision.

Moreover, it is possible to study the presence of firms' individuals and external characters who play a role. Leaving behind the external contingencies that directly influence the entrepreneur and that we already mentioned, we can now focused on categories of influencers that can affect the investment idea.

The first class of influencers includes all those people inside the firm who are able to define what may positively or negatively affect the business. They can be employees, managers, executives and also suppliers. As stated above, for example the financial office can evaluate the increase in brand perception and communicate that this raise will positively impact on the budget. Moreover, the employees working in the marketing area can influence the owner by reporting that competitors, which invested in culture, experienced an increase in clients, due to a better image. It follows that also competitors indirectly enter in the influencers' classification. Their action in fact are observed by the firm that may decide to align its behaviours with theirs in order not to be outdone.

Among the external characters, also specialized agencies play a fundamental role. For example, a marketing agency can motivate the company in sponsoring a concert or it can also suggest to create an event which involves a big audience.

Indirectly also the government can influence the cultural investment decision. For example, the new Artbonus decree may impact on CSR strategy. The firm can choose to finance culture rather than another sector because in the first case it is possible to deduct 65% of the whole expenditure provided.

In closing, the influence can also come from the private sphere, means that the wife, the son or other friends can impact on the investment decision by sharing their thoughts or by suggesting the entrepreneur possible gains.

It follows that, if the artistic organization need an investment, it should influence the players stated above. In this way, it will indirectly impact on the entrepreneur's decision, using them as a bridge to reach him.

Moreover, the artistic organization can also directly communicate with the entrepreneur, without exploiting the other influencers' presence. However, this second plan is more difficult to apply, given the fact that is not simple to immediately talk with the owner.

After having provided this brief explanation about who can influence the entrepreneur decision, it is simpler for the artistic company to understand where to focus its effort when the owner is characterized by a controlled motivation.

However, it is also necessary to underline which elements to stress and what kind of communication to implement. Persuasive messages can in fact entails the achievement of resources.

It follows that it becomes fundamental to provide people involved with information that will persuade to change their behaviour and finally to act.

Anyway, it is important that major influencer not only listen to the message but also process and accept it. Pelletier and Sharp (2008) report three fundamental behavioural phases which help to understand how an individual may be supported during the decisional process. The first stage is called "detection" and it concerns the identification of the problem or the opportunity. This step is necessary because people do not decide to act if they are not aware that a problem exists or that there is an opportunity to exploit. The detection phase is followed by the "decisional" one, during which the person decides whether to act, but also what actions to take. Therefore, only with the last "implementation" stage we recognize that the intention is translated into action.

Obviously, the messages must be tailored according to the three different phases, in order to capture the attention of the audience in specific moments. We will now provide a useful

explanation about messages that the artistic organizations can use in order to attract potential investors.

During the detection phase, what is essential is to define the problems and opportunities involved in a specific behaviour. It follows that the artistic organization must highlight all possible rewards that the firm can obtain and all those punishment that it can avoid. People in fact is pushed to adopt available and effective behaviours which allow to realize wished outcomes and reduce the possibility to experience unwanted consequences.

It follows that, if the entrepreneur's investment decisions are motivated principally by the financial impact of its firm (external regulation), the artistic company should underline that investing in culture may entail an increase in clients, in sales or in profits stressing the positive outcomes that can be achieved. Moreover, it can also emphasizes that the enterprise can incur in some problems of social acceptance if its competitors starts investing while it does not.

For what concerns motivations driven by an introjected regulatory process, the message should move from the external rewards/punishment to the internal ones in order to deal with fame, identity, guilt and shame. For instance, it has to stress the opportunity to increase the brand perception through a cultural investment.

After having explained opportunities and problems, we can continue to analyze the decisional phase. During this step, it is necessary to define how the firm will act, therefore the artistic organization must explain the type of investment involved, what kind of output will be achievable and how the relation will be managed by the two players. For example if we consider a concert, the event organizers should define if they need a financial or in kind investment, if it is a sponsorship relation, the visibility granted to the firm and the impact on its brand.

The final phase concerns the implementation of the action. In the case that this process is applied to major influencer, the implementation phase will be visible in the investment proposal made to the entrepreneur. Whereas, if we consider the direct contact with the owner, the implementation stage will concerns the real investment.

3.3.2 Action plan for artistic organizations: autonomous regulations

Moving to the autonomous regulation, we can observe that the external and the internal agents that the artistic organization can influence are less and different. Considering that in the autonomous regulation cases, we are talking about corporate values, philosophy, social

commitment and proper passion, the only players that could be influenced are the members of the owner family. Therefore, by incorporating the thought of the owners, the entrepreneur may be identified as the only player to be influenced.

In truth it should not be correct to talk about influence, because, even if it is always visible an external element, the individual is more characterized by the internalization of values. Here, rather than talk about benefits to achieve, the owner recognizes the importance of the cultural sector and he integrates the associated values in his Self.

It follows that the artistic organization can not use the same strategy to impact on the investment decisions. It has to abandon rewards and punishment explanations and consider the internalization process, which starts to be increasingly visible.

Now, the message that is reported during the detection phase may concern for instance cultural awareness, heritage issues and community safeguard. The entrepreneur, who starts to understand the importance of the cultural domain, is interested in it and he realizes that something must be done in order to increase the availability of culture and to protect the patrimony. Therefore, during the detection phase the artistic organization should focus on ethical aspects in order to educate the owner about the importance of behaving in favour of culture. In any case, it is important to remind that motivations are autonomous, so the artistic organization must pay attention and do not obstruct the need for autonomy which implies a longer effort.

What said is applicable to identified and integrated regulatory styles. Both sub-categories can be included in this explanation considering that the education activity can be the same. In fact, even if only with the integrated regulation it is possible to observe a complete congruence with the self, the importance of cultural values is perceived also in the identified one.

However, the big difference is visible with the intrinsic motivation, where artistic values are already part of the self.

The external influence in this case is not present and the entrepreneur decide to financing culture for its own satisfaction. It means that he starts to invest because he loves this domain and he enjoys it.

It follows that the artistic organization does not have any power on this kind of individual, who already has his own motives to invest.

Anyway, it is possible to determine what is the origin of these motivations and try to understand how to recreate the situations experienced by the intrinsic motivated entrepreneur in order to influence the tomorrow investors. Unfortunately, by observing that during childhood the individual has been positively influenced by his family is not relevant, because

not much can be done in the private sphere. However, studying that during that period he attended artistic events or performances for kids, allows to understand the importance of children involvement in the art sector. Moreover, another important aspect is recognizable in the school, where subjects as music, art history and drawing are fundamental. In any case, in order to develop the intrinsic motivation, children must be followed (relatedness need) but also left in autonomy (autonomy need).

Therefore, it is visible that the educational dimension remains also in the intrinsic regulatory style, even if in this case it is not related to the present, but it refers more to the past.

3.4 SDT IMPLEMENTATION

In the previous paragraph, we explained how to influence each type of regulatory process.

In order to better define the analysis, we addressed separately the specific cases, apart from the internalized and integrated regulations, which present the same educational aspect.

This vision stresses the static approach of the system, which can be opposed to the internalization continuum, the dynamic part of the framework. Moreover, in our opinion, the segmentation provided in the analysis, allows to understand that it may be possible to affect specific behaviours only by considering particular stages of the process.

Therefore, the internalization continuum is not always satisfied and it may be highlighted how it can happen at any point in time, without the need to pass through all stages (Deci and Ryan, 2008). It follows that it is not necessary to experience first the controlled motivations and then the autonomous ones.

However, it results very interesting to study the internalization continuum in relation to the theme of interest, in order to observe if some entrepreneurs evolved from the first investment to the last one. For example, it may be possible that an individual, who at the beginning decided to finance culture in order to obtain an increase in sales, observed that the investment implied also the improvement in brand perception. For this reason, he continued to fund the artistic sector and he appreciated it, until he internalized the associated values.

Until now, we considered that different regulations originate different motivational outcomes, but we do not analyse the fact that one outcome can hide more regulatory styles.

For instance, we can identify that one individual's behaviour can be driven by introjected regulation or by intrinsic motivation. This means that the first regulatory style pushes the

person to act in order to obtain an internal reward, while the second underlines an inherent satisfaction in what the individual does. The example explains how different regulations originate different motivational outcomes, but could it be that a person is affected by both sources of regulations at the same time?

Coming back to the cultural sector it may be possible that an entrepreneur chooses to finance culture not only because he loves art, but also because he knows that the investment would positively impact on his business, both in terms of external and internal rewards.

As far as the theoretical framework should provide a complete vision of the motivational domain, we must consider that the reality may not work for closed compartments.

It follows that it seems more realistic to consider the co-presence of regulatory processes, not deeply treated in the SDT theory but studied more in detail by other authors.

Vallerand, Pelletier and Koestner (2008) report that a person involved in a certain activity may be driven by more than one motivation. In fact, talking about the possible outcomes to achieve, they define that we may reach what we desire pushed by different kinds of controlled and autonomous motivations. This point is also stressed in a precedent work by Ratelle, Guay, Vallerand, Larose, Senécal (2007) who study this combination of elements in the academic field. They define how students may be characterized by different forms of motivation and that they can act according to external constraints, internal pressure or both of them. Their analysis is also in line with the continuum framework provided by Deci and Ryan (2000), since they explain that a more controlled motivation is ascribable to high-school students, where more boundaries and constraints are present, while it is visible an increase of passion and interest at the college (autonomous motivation). This means that there is a sort of growth between the two academic phases.

However, although a number of controlled and autonomous motivations profiles exist, the authors outline also that it is possible to observe a “combined” aspect. They provide the definition of a mixed profile which combines high levels of both autonomous and controlled motivations, making integrated, identified, introjected and external regulation co-exist. This aspect is then confirmed by empirical data, which highlight that the above-mentioned profile identifies all girls at high school, who even if characterized by high level of controlled motivation, experience better school satisfaction, lower distraction, lower anxiety and positive academic outcomes.

Moreover, in order to strengthen the hypothesis concerning the possible co-presence of regulatory processes we can also cite the study by Vallerand and Losier (1999), focused on the sport world. The study, concerning the motivations that drive the athletes in practising

sport, includes the Self Determination Theory inside this domain and it integrates intrinsic and extrinsic regulatory styles with the existent researches. However, Vallerand and Losier define that it is not appropriate to define an athlete as only extrinsic or intrinsic motivated, since both types of motivations may characterize at different levels the individual. Therefore, they conclude that considering a multidimensional descriptive approach is more appropriate.

In conclusion, we can note that these researches may contrast with the continuum proposed by Deci and Ryan (2000), but this does not mean that the two process are opposite. In fact, it may be possible to observe an individual that experienced all the continuum (or part of it), leaving behind the previous regulatory process, while studying another person characterized by the co-existence of intrinsic and extrinsic motivations.

It is understandable that the internalization continuum has been provided in order to underline the psychological growth achieved thanks to the satisfaction of autonomy, competence and relatedness needs. However, even if we consider these elements, it is defined that, reached a higher level of internalization, the previous regulatory processes are no more part of the individual motivation.

Actually, they can have less importance but they do not totally disappear.

For this reason it may be useful to consider the co-existence of different regulations, which however should be identified by an importance classification, in order to understand which is the first reason that influenced the individual to act.

3.5 CONCLUSIONS

The provided cultural framework allows to show the different regulatory styles that drive the entrepreneur in the decision-making process concerning the artistic investment.

By knowing the multiple types of motivations and the causes behind them, cultural organizations can influence firms' agents in order to obtain funds. For this reason, it is important not only to understand the owner's behaviours, but also which players may affect the entrepreneur investment decisions. These agents may be internal to the company (e.g. employees, managers,...) or external (e.g. government, marketing agencies,...) and they can be considered as a bridge which may relate the artistic organization with the entrepreneur.

Furthermore, Pelletier and Sharp (2008) explained the importance of communication, defining that the agents involved in the investment decision do not only have to listen to the message, but they also have to process and accept it. The authors highlighted three phases which support the individuals in his decisional process and we explained them in relation to the

different types of autonomous or controlled motivation. For example when we consider external and introjected regulations the focus of the message must be on possible rewards to obtain and punishments to avoid, while, when we consider autonomous motivations it is more important to underline the contribution to the community or to the heritage safeguard.

Considering the intrinsic regulatory style, we discussed also that what said until now about players and communication can no longer be applied on the entrepreneur who is motivated directly by his Self. In this peculiar case, rather than affect the owner's decision, it is more useful to act on his past, following the individual's growth in the cultural sector.

In closing, we also provided adding features to the SDT theory, by stating that, although it is fundamental to delimit the different regulatory styles, in reality motivations can be analyzed separately. We expect that the entrepreneur is moved by different regulatory styles which may co-exist behind the final investment decision.

In any case, this is only an hypothesis which will be studied in the following chapters. More precisely during the last part of the dissertation will be reported the entrepreneurs' interviews, which will capture the reasons behind cultural financing. In order to do so, the previous SDT cultural framework will be used and it will be possible to consider in addition if to the owners' motivations will be associated a single regulatory style rather than more than one.

Chapter 4

THE EMPIRICAL STUDY: INVESTING FIRMS FROM VENETO REGION

4.1 INTRODUCTION

In the previous chapters, we focused on the theoretical approaches that have been used to understand which reasons stand behind cultural investments.

As mentioned before, the SDT framework could be useful to observe which type of motivations drive the entrepreneur in financing the art sector and to recognize his major influencers. So far, our attention has been concentrated on that issue defining the theory instead of the practice, which is one of the most important aspect.

Approaching the fourth chapter we will now move to real facts, partially leaving out the theoretical aspects and focusing more on the observation of what may happen when the corporate industry meet the cultural one. Therefore, in order to implement our theoretical framework, we will interview a few entrepreneurs who invested in the art sector. This research method will allow us to have a direct contact with the firm owner and to understand and classify the motivations characterizing his decisional process.

However, before talking with the entrepreneur, it is fundamental to define the area of analysis, from which it will be possible to choose the person to interview.

The purpose of this chapter, therefore, is to outline the data collection process defined to build up a comprehensive database from which we extrapolated the most interesting cases.

During the first part of the explanation, we will focus on the database construction, defining the boundaries that limited the number of firms to be analysed. First of all we will explain why we chose a time frame from 2008 to 2015. Second, we will briefly present why we selected the Veneto region as the geographical area of interest and finally the study will be completed by the third element explanation, concerning the medium size of the companies.

After the definition of the three boundaries, we will report the results concerning the database formation: totally, we identified 160 cultural investment strategies, funded by 95 firms.

These strategies, which for sake of simplicity we will also call “initiatives” or “investments”, are analyzed through the use of fourteen variables, related for example to coherence, domain, function or geography and which will be explained in detail. The definition of these factors is

in fact very important, since they represent the tools considered in the cluster analysis to classify the 160 cases.

The second part of the chapter, therefore, will focus on the definition of the statistical approach used to group the strategic initiatives in similar clusters. The results that we obtained from the cluster analysis highlight the identification of three groups, which show different features. The last paragraph will report the most interesting data, providing a characteristic profile for each cluster. The “coherent investors” group, as suggests the name will mainly be characterized by a high degree of coherence and interest for the art sector; the “visual arts lovers” will be focused on the visual art domain, while the “regional singers” cluster will be defined by a high interest for performing arts and for their regional market.

4.2 THE DATABASE CONSTRUCTION

So far, we concentrated upon the theoretical aspect representing the approach through which entrepreneurs’ motivations will be mapped. However, after having defined and established the theoretical boundaries, what remains to be explained are the empirical foundations connecting reality with theory.

As mentioned during the introduction, the research is based on the entrepreneurs’ interviews, which are studied through the SDT implemented framework presented in the previous chapter. Therefore, the first step of the analysis is to contact and talk with the entrepreneurs but, even before, it is fundamental to understand how to choose them. In this first part of the chapter, we will focus on the data collection process, defining every single choice, which drove the creation of the firms’ investments dataset.

4.2.1 The firms identification and the selection process

The first idea was to obtain a list of corporate cultural investments, from which it should be possible to extrapolate the names of the companies that funded the artistic events. However, to be exhaustive, the initiatives collected should have been referred to a sample extracted by a comprehensive list, which would have included all possible events in a defined geographical area. The initial proposal of finding out a similar report seemed therefore the safest step to do because it provided a complete picture of the whole cultural scenario. In order to obtain such a detailed document, we started by observing awards and competitions which gave special

recognitions to those firms investing in the cultural sector. For example, we considered prizes as “CULTURA+impresa” promoted by Federcultura and concerning sponsorship or partnership projects related to the world of art. However, by studying the lists presented in similar initiatives, we realized that they were far to be exhaustive because they usually mentioned only winners and they normally omitted initiatives of lower level.

Therefore, the required detailed report was difficult to get and neither reducing the field of research from a national to a regional level simplified the problem.

It follows that the next challenge was to try to build up a comprehensive list with all observable events happened in a certain time frame.

With reference to this last statement, it is necessary to underline that the research focuses on a specific time range, i.e. 2008-2015. We decided to chose this eight-year period, in order to include the economic crisis phenomenon in the analysis, although marginally. In fact, the aim of this thesis is not to study how the crisis affected cultural investments, nor to analyse the financing change in this sector before and after 2007. It follows that the economic crisis has been considered to define a new starting point after which private cultural investments could turn out in a decrease.

Defined the time frame, the study of how to create the list that should group all different cultural initiatives started. First of all, given the countless artistic events that could be observed in Italy, an initial creaming off was necessary. Comparing different regions, we observed that Veneto is the first Italian region for cultural tourism, followed by Lombardy, Tuscany and Lazio³⁴. Moreover, as mentioned in the first chapter, Veneto shows 12,4% of the total protected Italian real estates and it is beaten only by Tuscany (12,5%).

After these considerations, we selected the Veneto region as the area of analysis, reducing in this way the level of study and consequently the number of investments to be found.

However, although the creaming off considerably reduced the research field, the definition of a comprehensive list of events from which to extract a significant sample, would not in any case be classified as complete. This is due to the fact that there are some “micro” events which are not promoted that much, so they result to be complicated to track and observe. Moreover, by considering also bigger initiatives, the research would be roughly managed and biased by the researchers’ choices, which perhaps may concentrate more on certain cultural domains, omitting others. It follows that providing a similar list of Veneto region initiatives would still be incomplete and in some ways unrealistic. Therefore, the best solution seemed to

³⁴ http://www.regione.veneto.it/web/guest/comunicati-stampa/dettaglio-comunicati?_spp_detailId=2866001

be a change in perspective, which moved the focus from the artistic regional events to the firm panorama of the firm.

The definition of a list of companies from Veneto region seems to have a double advantage. On the one hand, being the firms included in the business register of the Italian Chamber of Commerce, the extraction of the regional companies results to be certified and complete. On the other hand, by directly studying firms, we get closer to the research object since the beginning.

Moreover, this last point moves the explanation to another important assumption concerning the size of the company.

Thinking about the characteristics of micro, small, medium and large-sized enterprises, we chose to analyze only the medium ones, which seems to better fit the survey based on the entrepreneurs' motivations. On the one hand, smaller enterprises, although they present a strong entrepreneurial presence, may not usually afford an extra-investment which is not fundamental for their business. On the other hand, bigger firms usually show a higher investment potential but the role of the owner may be less influential in the decision making processes. Medium-sized enterprises, instead, may show the combined presence of these two elements, since they can be characterized by a higher budget compared to small firms while showing also a bigger presence of the entrepreneur in the decision making processes.

For these reasons we considered only medium-sized enterprises and we extrapolated them using the definition of medium firm provided by the European Union in 2005. The Recommendation 2003/361/EC, in the article 2, states that the category of small and medium enterprises is made up by firms which employ fewer than 250 employees and presenting an annual turnover that does not exceed EUR 50 million. More in detail, it is explained that micro and small enterprises present fewer than 50 people employed and a turnover lower than EUR 10 million. This better defines what medium-sized enterprises are, namely firms with a number of employees between 50 and 250, with a turnover not exceeding EUR 50 million.

The next step is therefore the collection of the data concerning medium-sized enterprises located in Veneto region.

In order to extract the information, we used the AIDA dataset, a useful tool that allows to obtain the information about Italian firms, reporting data concerning a period of ten years. In addition to the specification of the geographical area, inside this program it is possible to insert both the number of employees and the turnover value. Defined these criteria and creamed off only those companies not in liquidation, the AIDA dataset shows a number of 1.218 medium enterprises in 2013. However, the definition of the year 2013 as the reference

time frame during which firms are classified as medium, is a strong assumption which can not be undervalued.

First of all it is important to explain why we mention the year 2013 rather than consider 2015. This choice is merely due to the AIDA program which collects data until the previous year of the current one. Due to the fact that, at the time of the database extrapolation (May 2015), data concerning the year 2014 were not available for all firms, we decided to consider the year 2013, or better, as we are going to explain now, we chose to collect the information until this year.

It is fundamental to remind that the reason why we examine only medium-sized firm is not a choice on its own, because it is related to the cultural investments that a firm might have done or not. This brings out some questions concerning the size that characterizes the firm during the year of the art sector financing. Practically speaking, it means that if the company results as medium in 2013, it will be added in the list to study. By assuming that the same firm invests in culture during the same year, this enterprise is correctly included in the second list of possible companies to interview. However, if the art financing has been observed in a different year (e.g. 2010), it might be that the same company was not medium size at that time, therefore it should not be included in the list to study. In order to overcome this limit, we chose to assume that each company, which would have been medium for the majority of the time frame considered, would have been included in the list to study. This means that, remembering that the AIDA dataset shows complete information only until 2013 and our time period starts from 2008, the included firms must be defined as medium for at least four years out of six. For instance, a company which is medium-sized in 2008, 2009, 2011, 2013 will be included in the list; by contrast a firm which is medium only in 2009 and 2010 will not be considered as part of the analysis.

Through this “four years out of six” analysis, therefore, we defined a first list from which to start our study. The obtained number of firms is equal to 1.040 which, however, does not include only private companies, due to the fact that also public administrations are still in.

4.2.2 Retrieving information about cultural investments

After having defined the first list of medium companies of Veneto region, we started creating a second list, which contained all investments related to those firms that invested in culture at least once during the period 2008-2015.

The research methodology exploited the use of internet by searching the investments done directly from the firms' website (if there is any) and by surfing on Google. The majority of information has been obtained by looking at the web page of the companies, in fact 62% of cultural initiatives mapped has been found through this type of initial research. The other 32% has been observed thanks to the search engine analysis in which the name of the company was associated to the words "culture" "art", "music", "theatre" and "book".

It is important to define also that the initiatives considered as valid were directly related to the cultural sector and included inside the eight domains (e.g. heritage, visual arts, performances,...) and five functions (e.g. dissemination, preservation,...) provided by Essnet Culture (2012) and cited in Chapter 1. From this study, which has been managed between 06/06/2015 and 07/17/2015, the number of companies that invested in the artistic sector amounts to 95. The final number of the investment initiatives, instead, is higher and equal to 160, given the fact that 28% of the companies is characterized by more than one investment. Actually, the number of financing firms would amount to 96, since we decided to exclude the case of Euromobil Group presented in *Box 4.1*.

Box 4.1: The Euromobil Group case

Euromobil Group is characterized to be one of the most active firm in the cultural sector, supporting more than 300 artistic exhibitions and tens of different initiatives.

The Group, specialized in home furniture, is particularly attracted by the world of arts, which it finances driven by its high passion and without focusing on possible commercial consequences. The firm, approached the cultural sector starting from the region in which is located and making the urban area of Treviso its first theatre. During the years, the sustain of Euromobil Group spread also in other areas, overcoming the Italian boundaries and landing abroad. The company mainly helps the cultural initiatives by producing catalogues, volumes, calendars and graphics that accompany them and complete their offer. Moreover, it promotes the artistic award "under 30", it sustains about 40 artists using its web-site as a window for them and it also sponsors "Bologna Artefiera 2007".

The reason why we chose not to include this firm inside our analysis, is related to the abundance of events financed. Looking only at the considered time frame 2008-2015, Euromobil funded more than 140 artistic exhibitions, a number which is really close to the total amount of initiatives individuated for the other 95 firms. It follows that considering all that the company did during these years would have biased the results according to its data. For this reason we decided not to treat this atypical firm as the others and to only report it outside the database.

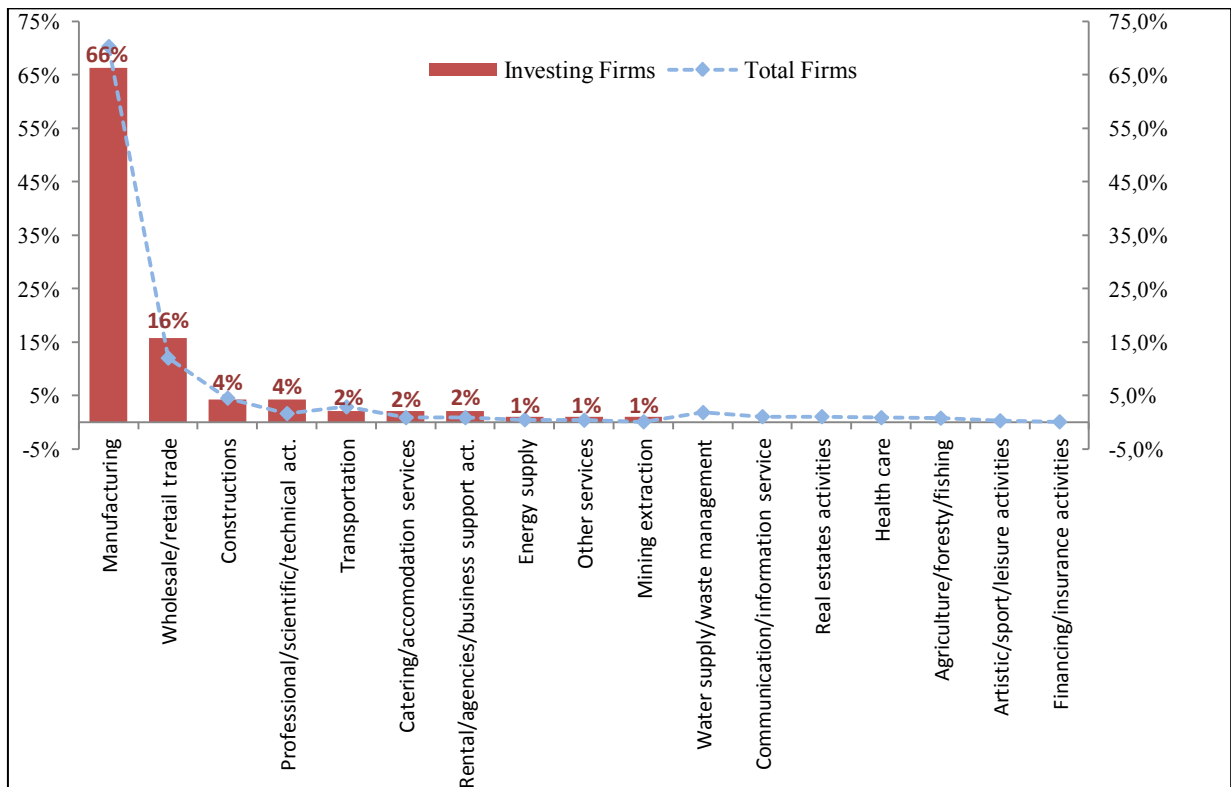
4.2.3 The characteristics of the firms

Opening a parenthesis about the individuated firms, it is interesting to notice some of their characteristics, which can describe them.

First of all, focusing on business activities, from *Figure 4.1* we can observe that the majority of companies (66%) operate in the manufacturing field. Wholesale and trade activities follow this first category, but the percentage of interested firms is really far from it (16%). The other operating fields are then very low, showing percentages all under 5%.

These data could drive us to think that it may exist a positive correlation between the manufacturing field and the investments in cultural sector. However, it is possible to note that the imbalance in favour of the manufacturing domain may depend by the high number of regional medium firms operating in this field (70,3%). Moreover, *Figure 4.1* highlights how the distribution of Veneto companies investing in culture shows the same path characterizing the entire group of the regional companies considered.

Figure 4.1 : Distribution of the total number of companies and the investing firms among the operating fields



For what concerns the distribution of firms throughout the regional territory, it is possible to note that Vicenza is the city with the highest number of companies financing culture, followed by Treviso and Venice. Thirty-two firms out of 95 are in fact located in the urban area of Vicenza so, more than one third. Cities as Verona, Belluno and Rovigo, instead, show a scarce number of investing firms, which is lower than 10. Padua is positioned at the half of the classification, characterized by 13 companies that fund culture.

Taking in consideration the whole number of medium firms of Veneto region, it is possible to observe that the distribution trend among cities is quite the same, except from Venice, which shows a percentage of medium companies equal to 11%. Vicenza and Treviso remains at the top of the ranking, respectively characterized by 27% and 21% firms presence. Padua follows them with a rate of 19%. It follows that the high presence of medium firms in Vicenza and Treviso, probably influences the higher number of investments undertaken in the cultural sector.

In closing, we note that, considering the year 2013, the mean value of employees and turnover is respectively equal to 101 people and EUR 23,5 million: two values that, as expected, are inside the boundaries of the medium firm criteria.

4.3 THE ANALYSIS OF CULTURAL INVESTMENT STRATEGIES: FOCUS ON VARIABLES USED

After the edit of the companies list, the next step focuses on the analysis and description of the cultural investments found. In order to create a structured study, we decided to develop a cluster analysis, which allowed at the same time to define the different artistic initiatives and to group them together. This type of statistical approach, in fact, allows to identify sets of objects which are similar among each others, but different from the elements of the other groups.

It follows that, through the cluster analysis, it is possible to separate similar cultural investment strategies and to organize them in macro-groups characterized by the same features. The choice of this statistical approach is reasoned in this sense, since groups do not stop at mere allocations of elements because they allow to develop specific profiles which describe the obtained clusters.

However, after this brief introduction and before talking about the results of the analysis, it is fundamental to explain what are the foundations of the dataset construction. The variables

used to describe the investment strategies are in fact an important stage in the presentation of the cluster analysis so, their initial selection results to be interesting to observe.

The variables choice has been made looking at those elements that may describe the investment strategy. On the one hand, during the selection, we considered that it was not appropriate to include elements related only to the business side, since, in order to build the motivational profiles, it appeared more coherent to focus on corporate strategies. On the other hand, considering the investment approaches implied some variables selection that are extremely related to the cultural events as such. However, this is given by the fact that, in order to describe the investment, it is necessary to consider what the firm is financing. Therefore, although it may appear that variables are mostly related to the nature of the artistic initiative, actually, they should be read through the investment strategy lens and also by observing the consequences that arise from it.

The total amount of selected variables is equal to fourteen, although we have to specify that eight of them are presented as dummies and they actually corresponds to two variables only. These last factors are domains and functions, which are then followed by the other variables namely, coherence, distance, visibility (split in two factors), period and financial investment. Starting from “coherence”, all along this paragraph, we will detail why these variables have been chosen and how they have been codified inside the statistical analysis.

4.3.1 Coherence between investment and firm strategy

The “coherence” variable has been included in order to capture the consistency between the investment strategy and the financing firm. This variable has been introduced looking at the theory presented in the second chapter, where it is reported that more than one author highlights a certain correspondence between the company and the investment.

Even if the majority of the considered authors do not narrowly talk about coherence, it is possible to indirectly identify this concept. For instance, Galaskiewicz and Wasserman (1989), by looking at the industry in which the firm operates, explain that there is a sort of parallel between the company and the financing act, given the fact that the enterprise may support the artistic sector in order to satisfy its clients or the employees’ interests. Therefore, if the company realizes that the potential investment is in line with its business and consequently it could benefit its customer, it will be more inclined in financing culture. As mentioned before, the example of the service company, which is more likely to invest in the

art sector because of its customer base, allows to better understand our interpretation of coherence in Galaskiewicz and Wasserman (1989).

Another notion of coherence is visible also in the analysis of Colbert and Turgeon (1992) who develop a comprehensive model about the decisional criteria which lay behind arts sponsorship. The authors group similar motivations inside five different categories, among which the “event-related” one may be read under the coherence factor lens. This category, in fact, show that in the motivational pattern which pushes the firm in financing the cultural sector, there should be a sort of compatibility between the two organizations involved. Moreover, the parallel should not concern only the financial side, since also the core business is an important element. Therefore, what is highlighted here is the compatibility between players’ products and sectors.

In conclusion, the above-mentioned authors focused more on the business industry, highlighting a notion of coherence related more to the core business. However, it is necessary to show also the other side of the coin, which presents the compatibility with the strategic objectives and the identity of the business.

On the one hand, talking about the instrumental use of the cultural investment, Stanziola (2007) considers this other aspect of the coherence notion by defining that there could be a linkage between the financing and the business strategy. He defines that corporate charitable actions may be related to the strategic objectives of the firm and this, consequently, involves a more or less high degree of coherence.

On the other hand, Comunian and Martinoni (2010) consider the identity of the company, by talking about the image consequence that the investment can have on the firm. They state that, during the selection of cultural initiatives, the company should choose a coherent area of investment, since an act which is more in line with the business will better impact on it. Therefore, in order to define the coherence they do not focus only on the core business but they include values and corporate features. For instance, they report the example of Vodafone which sponsored “Media Connection”, the exhibition about arts and culture which enhances the communicational value of technology.

Following the two theoretical perspectives illustrated above, we consequently decided to consider both the core business and the identity aspect in order to evaluate the degree of compatibility between the firm and the art investment in our sample. In particular, in order to assess it, we considered on the one hand the definition of values, mission, vision and generally speaking the image provided by the company, on the other hand we studied the description of the initiatives and their main characteristics.

To include the “coherence” variable in the cluster analysis, we approached a content analysis, studying documents and statements that provided significant information about the firm and the financed project. In order to do the coherence classification, we took inspiration from the qualitative content analysis, a peculiar methodology for analyzing text data (Hsieh and Shannon, 2005). This type of analysis allows the identification of similar words and the consequent count of them therefore, in assessing the compatibility between the two organizations involved, we considered the most representative words, which could describe the identity of the firm and the keywords related to the cultural initiative. Moreover, in order to transform this qualitative factor into a quantitative one, we chose only five words each, defining in this way a scale from 0 to 5.

However, it is observable how the qualitative content analysis may entail a high degree of subjectivity. More specifically, reading a text, a researcher may define as relevant some particular words, which could be different for another person. Therefore, it is important to report that the “coherence” variable assessment has not been managed by only one person, since two people have been involved in order to increase the objectivity.

This technique, also called “inter-rater reliability”, involves multiple researchers in the analytical process, providing a higher reliability of data collected (Kitto, 2008).

Briefly explaining the process used, we can start by saying that the combined analysis has been performed for a representative sample, equal to 10% of the total amount of initiatives mapped. After having individually assessed the different texts related to the firm identity and to the investment explanation, we compared the obtained words, by observing how much the collected information was distinct. The first results show a slight difference in certain words, above all for what concerned the initiative assessment. Values and core business were in fact easy to identify and they usually corresponded between the two examiners.

It follows, that a major alignment was mainly necessary for the artistic initiatives texts analysis, which needed a deeper codification.

After a detailed comparison of what we collected, the “code-book” has been developed considering words related to:

- cultural domain of the initiative
- type of activity involved to realize the initiative
- material/financing feature of the investment
- community involvement
- know-how involved in the investment

Following this specification, the reliability of the observed data increased, providing a better study, not biased by the judgement of only one person.

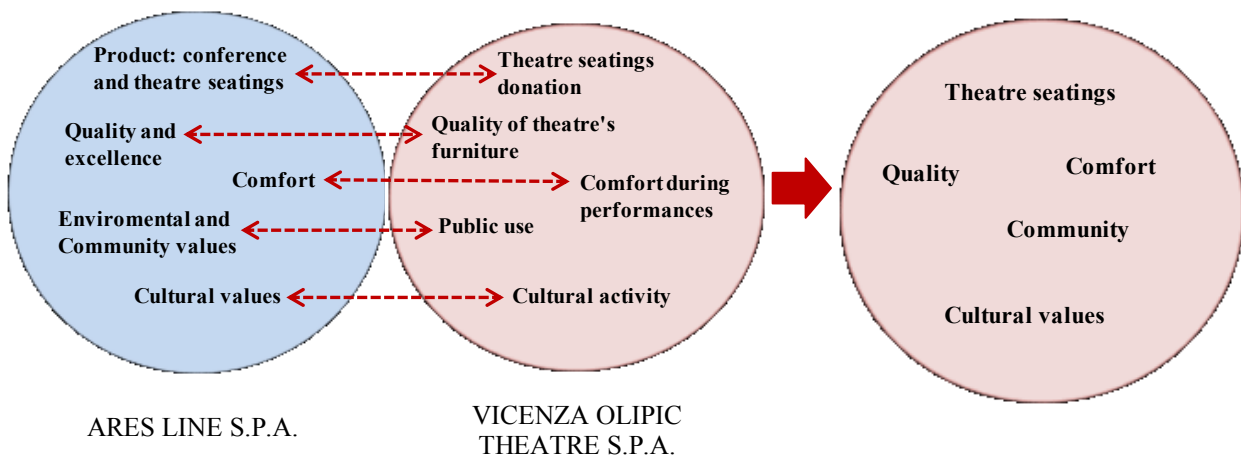
In closing, this primary assessment of the sample has been done in order to define some useful boundaries to continue the content analysis, which for the remaining cases, has been performed by only one researcher.

Coming back to the qualitative assessment process, it was not necessary that terms were presented as exactly equal, because it was sufficient that the basic meanings were the same. In this sense, each time a representative word was found both in the firm and in the initiative's description, it was computed as one degree of coherence. For instance if there was the compatibility of only one word, the coherence degree would be equal to one; it follows that if five words were found to be the same, the coherence degree would amount to five. In case the final frequency computation would be equal to zero, also the variable value should be zero.

In order to better understand the process of codification, we now propose a couple of examples extracted from the analysis.

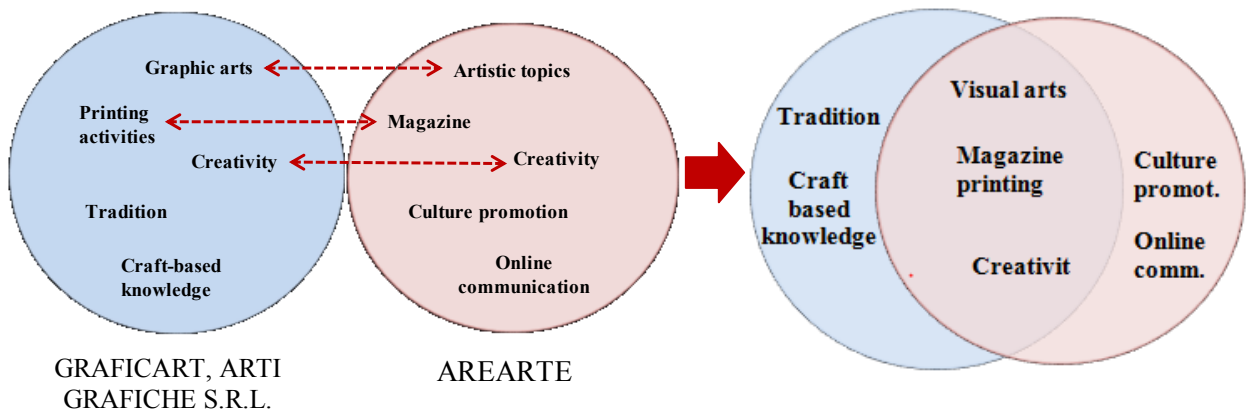
The first case shows an investment characterized by the maximum level of coherence. Here it is possible to observe that the first three elements that describe the firm Ares Line S.p.a. are related to the core business, while the other two are referable to the corporate identity. The graph on the right highlights in a visual way the compatibility between the two organizations and this is visible in the complete overlapping of the two circles (*Figure 4.2*). We will see in the next examples that the overlapping reduces as the coherence moves to lower degrees of value.

Figure 4.2 : Coherence degree between the firm and its investment – Example 1, Ares Line S.p.a. and Vicenza Olympic Theatre



The example of Graficart Arti Grafiche S.r.l. and its investment in Areararte Magazine shows a coherence of level 3 (Figure 4.3). This reduced compatibility is also visible in the graphic representation, where the decrease in coherence implies a lower overlapping of the circles. In this case there is not a complete fit between the organizations, therefore the graph shows also some words not in pair.

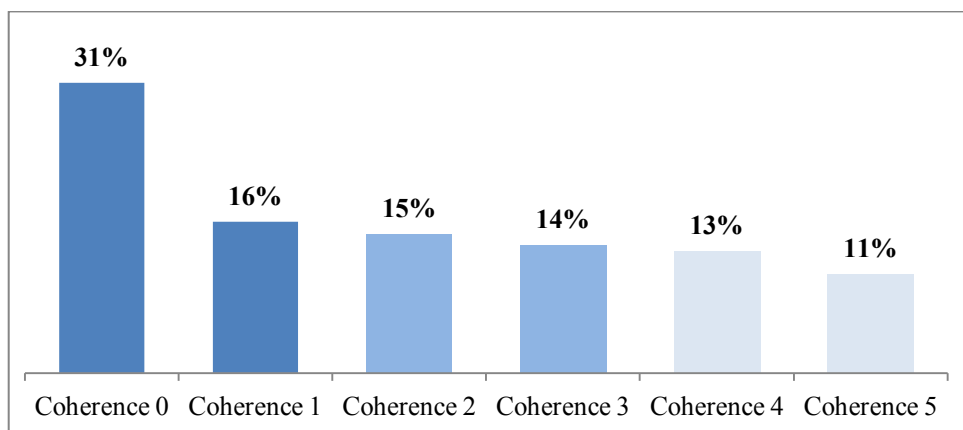
Figure 4.3 : Coherence degree between the firm and its investment – Example 2, Graficart, Arti Grafiche S.r.l. and Arearte



After the presentation of how we codified the coherence variable we analyzed the results obtained from the study of the 160 investment strategies.

In Figure 4.4 it is possible to observe how the majority of investments (31%) present a coherence equal to zero. By assembling the first two degrees (0 and 1), the cumulative percentage amounts to 47%, which means that almost half of investments shows a low level of coherence. The medium degree of compatibility (values 2 and 3) is equal to 29%, while the maximum coherence (values 4 and 5) characterized 24% of investment strategies.

Figure 4.4: Coherence levels distribution



4.3.2 Cultural domain and function of the investment

Two other variables that we considered in the cluster analysis are “domain” and “function”. These two factors have been previously explained in Chapter 1, where we reported the statistical definition of culture provided by the European Statistical System Network on Culture (2012).

Briefly, we remind that the cultural “domain” is intended as a group of practices, activities and products which are related to the artistic expression, while “functions” are all those activities which go from the creation process to management and education.

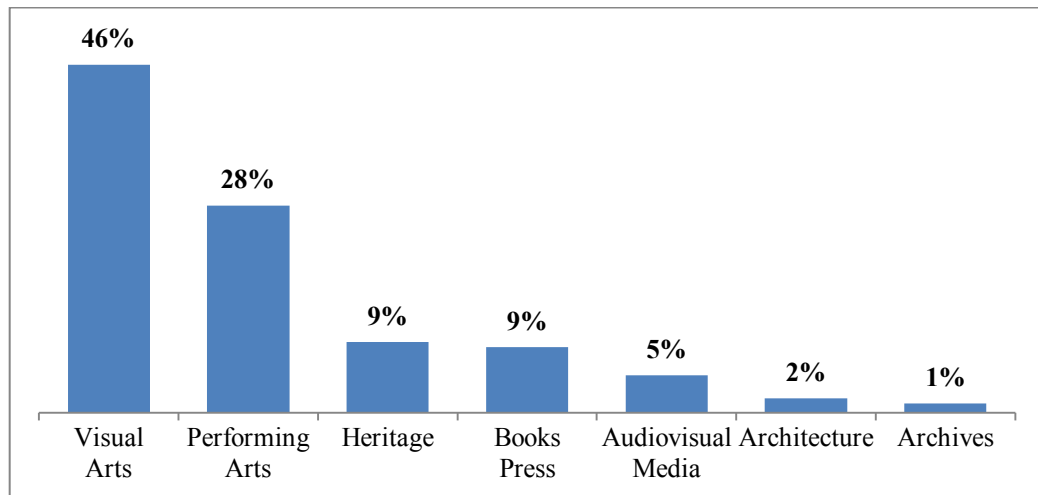
As mentioned before, domains are ten and these are heritage, archives, libraries, books and press, visual arts, performing arts, audiovisual and multimedia, architecture, advertising and art crafts. During the research, we collected initiatives for only seven domains, since we did not find any investment related to libraries, advertising and art crafts. Therefore, in the statistical analysis we are going to observe that only 7 out of 10 domains will be present. Below, in *Figure 4.5*, it is possible to observe the distribution of the initiatives among different domains. The majority of investments has been made in the visual arts category, which collects 74 initiatives. The performing arts domain follows with 28%, percentage that, although not high as the previous category, is remarkable compared to the other practices, which all remain under 10%.

Moreover, focusing on the clustering process, it is fundamental to highlight that the domain classification has been divided in macro-groups, which allowed to reduce the number of variables for the statistical analysis.

The collected domains have been re-classified as follows:

1. Heritage & Literature Domain: the first macro-group has been defined through the inclusion of all activities related to literature (books&press, libraries and archives) and those places as museums, historical areas and archaeological sites (heritage domain).
2. Visual Arts Domain: the second set presents all those products and practices, which concern the visual aspect, so it includes the visual arts domain and the architectural one.
3. Audiovisual Domain: this last category regroups all audiovisual activities, covering also the dimension of performing arts.

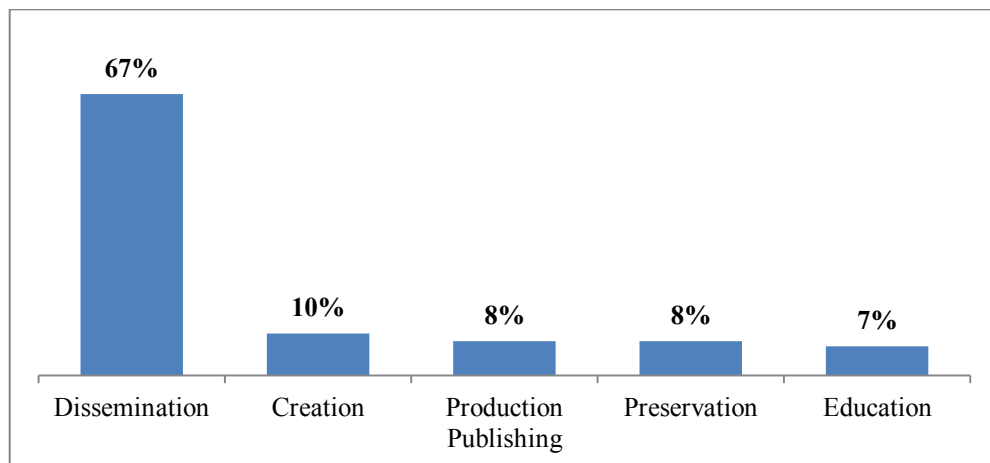
Figure 4.5: Distribution of initiatives among the cultural domains



Focusing on functions, among the six categories identified by ESSnet Culture (2012), five are present, while the managerial/regulatory one is not included. This is related to the fact that during the initiatives identification, functions as management and regulation have not been collected, therefore they do not appear as variables. Moreover, it is important to observe that also the dissemination function is not complete, since it would include also the “trade” category, which, however, does not characterize any initiative considered.

From the *Figure 4.6* it is observable that the majority of investments focused on the dissemination function (67%), which includes those activities related to the share of artistic works, as for example communication, exhibitions, shows and expositions. Therefore, looking at data, it appears that the most common way to finance the cultural sector is through dissemination, which we should remind, includes also sponsorship, one of the most known form of investment. All the other categories show a percentage equal or lower than 10%.

Figure 4.6: Distribution of initiatives among the cultural functions



4.3.3 Financing the cultural investment

The next variable considered in the statistical study concerns the presence of a financial rather than an in kind investment. This last form of contribution is different from the first one because, rather than involving monetary funds, it is related to material donations or provision of services.

The reason why this variable has been considered is principally related to tax advantages obtainable from the financial investment. However, it is important to remind that the in kind investment presence it may be also related to the coherence degree, which takes in consideration products compatibility. For instance, it is possible to observe that the previous example of Ares Line S.p.a. shows a high level of coherence, which is also established by the in kind investment concerning the theatre seatings donation.

Focusing on tax advantages, the idea of including this financial variable is born from what is defined in the first chapter, where we reported those laws in favour of the artistic sector protection. It is fundamental to remind the existence of legislatives actions because, as mentioned also in Chapter 3, they can drive the investment decision by influencing the entrepreneur in financing the artistic sector rather than other social causes. For example, a firm, which invested after 2014, may be influenced by the ArtBonus Decree that defines that 65% of expenditures done in favour of the cultural heritage protection may be deducted from the income tax declaration.

This concept is also strengthened by the considerations of Trupiano (2005) who, by comparing Europe and United States, defines that the major amount of cultural investments in the latter country may be related to different and more favorable tax treatments characterizing it. Therefore, irrespective to the fact that this thought is related to these two particular geographical areas, we can observe that the authors reflects on the negative correlation that may be between the lack of an appropriate tax system and private investments. Additional elements to be cited are then visible in Colbert, Turgeon (1992) and Stanziola (2004) considerations, who all agree that the decisional making process is influenced also by the obtainable tax benefits.

In conclusion, coming back to the statistical analysis, it is possible to observe that the majority of initiatives have been funded through financial aids (72%), while 28% of investments has been in kind. It now remains to be studied if this higher percentage of financial investments is related to the existent laws or if it is only combined to an easier way to sustain the cultural sector.

After the end of the explanation concerning financial and in kind investments, we achieve the conclusion of the first category of variables, more related to the typologies of investment strategy adopted.

The remaining factors, instead, concern more the impact on the geographical area and the visibility element. Therefore, the following variables concentrate on the definition of possible consequences rather than assessing the nature of the investment.

4.3.4 The geographical scope of the cultural investment

The geographical influence has been studied through the “distance” factor, which allows to assess the kilometers between the firm and the artistic initiative.

The idea of assessing this variable arises from some particular theories cited in the second chapter, so it may be appropriate to briefly report their relative concepts. First of all, Colbert and Turgeon (1992), by considering what decisional criteria lay behind cultural sponsorship, report that among those factors which assess the fit between firm and artistic organization there is also a geographical aspect. The criterion “geographical coverage of the defined audience”, in fact, highlights how the target definition is related also to the geographical factor, which outlines the preferable sphere of action for the firm. Therefore, if the primary scope of the investment is to influence the audience perception, in evaluating the compatibility between the two organizations, the entrepreneur will also consider where the target of the firm is localized. It follows that if the sphere of action of the company is principally regional, in order to obtain public acceptance, the investment choice will be closer to the firm rather than abroad.

However, we must pay attention to the reference market of the company, because, if the target audience is not close to the headquarter and it is located in a different geographical area, the distance from the investment will be higher and the above mentioned hypothesis will need to be revised.

In addition, we also have to underline that not all the companies may be interested in the visibility and social acceptance aspects, therefore some investments could be near the headquarter, but only because they are more interesting than others. It follows that the “distance variable” may not be considered on its own and it should be studied together with other factors in order to understand the real purpose of the entrepreneur. For instance, if we observe an investment which is characterized by short distance and low coherence, we may

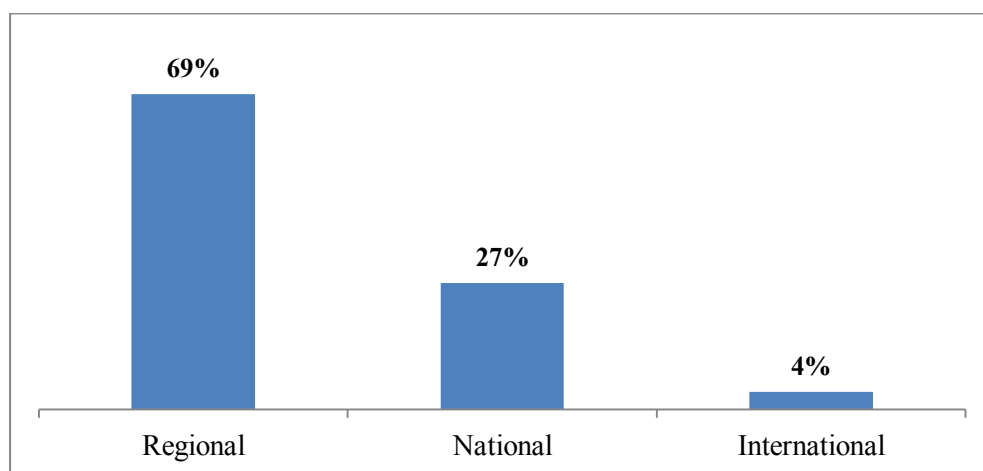
suppose that the relevant initiative is considered for visibility purpose. However, if the coherence is equal to five, it is more reasonable to think that the investment may be choose because more compatible with the firm.

Other concepts, in line with what has been said above, are provided also by O’Hagan and Harvey (2000), Moir and Taffler (2004), Stanziola (2007). These authors, although they do not directly talk about geography, they all consider the influence that the investment may have on the environment in which the firm operates.

After having explained why we chose a geographical variable, we can now define how we assessed it. The distance between firm and investment initiative has been calculated using the tool “Measure distance” of Google Maps, which provides the distance as the crow flies.

The results obtained for the 160 initiatives mapped, were obviously very different among them so, for the cluster analysis, it has been necessary to standardize them. In order to describe the distribution of the initiatives, we make a distinction between regional, national and international investments. From *Figure 4.7* it is visible that 69% of initiatives has a regional scope while 27% and only 4% are respectively national and international investments. These data highlight how the majority of investment strategies adopted by medium firms concerns a regional area.

Figure 4.7 : Distribution of initiatives among the geographical areas



4.3.5 The visibility of the cultural investment

The last two variables have been included in order to assess the visibility, one of the most important element in cultural financing.

The majority of authors cited in the second chapter stress the image perception as a fundamental criterion through which assess the investment decision. We will briefly recall some of them.

Kirchberg (1995) recognizes that the first reason why a firm invests in culture is related to business promotion. Therefore, what is fundamental is the positive impact on sales and image, which transform the investment in a promotional tool. This same concept is treated also by Hitters (1996) who, by considering the geographical area of Netherlands, clearly defines that firms financing culture are not primarily moved by social reasons, because they are rather attracted by the image consequences on the reference market. Therefore, the author highlights how the artistic sector represents a good marketing tool, which can be exploited in order to obtain increase in sales, brand perception and generally a higher consensus base.

Moreover, what has been theoretically defined by Kirchberg (1995) and Hitters (1996) is duly reflected in the empirical studies of Leclair and Gordon (2000) followed by Moir and Taffler's analysis (2004).

The first two authors developed an interesting research about Corporate Social Responsibility, focusing on the comparison between education, health, civic and artistic sectors. Defined several variables, which can be shared among the above-mentioned sectors, what results to be different for the single art domain is the positive correlation with the advertising expenditure, which does not appear in the other sectors. It follows that the promotional impact is a fundamental and significant element, which defines cultural investments.

Additional considerations are then reported by Moir and Taffler (2004) who, by elaborating a cultural framework concerning investment motivations, provide a clear classification about selected firms interested in brand promotion, the "advertisers".

Furthermore, it is possible to recall other authors as well who principally focus on the decisional aspect concerning brand perception. O'Hagan and Harvey (2000), among the provided reasons behind cultural investments, outline the importance of the image promotion by defining how such a form of marketing can be more credible and even more fruitful than a classic advertisement. Colbert and Turgeon (1992) are in line with this concept and, in fact, they propose that two main criteria considered to assess the investment are related to public perception and consumer image influence.

In conclusion, we can define that visibility is a fundamental element to consider, as it may appear to be the primary motivation, which drives the entrepreneur in financing culture (Trupiano, 2005).

After having observed how the visibility aspect is largely treated in theory, we searched for appropriate variables which could represent it.

However, until the beginning, we noted that the assessment of a similar factor was not easy to find out. In fact, by considering that the study is based on medium firms which principally invest in niche initiatives, tools as Google Trends or LexisNexis revealed as insufficient. On the one hand, some firms were scarcely known, so the search engine tool did not present enough data to show. On the other hand, the newspapers database LexisNexis gave zero results for the majority of searches, as many initiatives are not reported by national newspapers.

In light of these difficulties and by considering the importance that social media gained during last years, we chose to observe if the artistic initiatives analyzed were promoted on the most used social network, Facebook. This decision is informed by two fundamental elements: on the one hand after the crisis, more and more firms need to promote their brands reducing costs and expenditures at the same time (Kirtiş and Karahan, 2011); on the other hand, the newest social forms of communication are gaining ground in comparison to the traditional tools, which less and less influence potential customers (Mangold and Faulds, 2009).

Kirtiş and Karahan (2011) assessed the importance of social network through the years following a crisis. They define that the first budget to be reduced is that one related to the marketing area and in particular all expenses concerning traditional tools decrease. Therefore, companies look for more innovative ways to promote their brands, but they search, above all, cost reduction.

In light of these considerations and reminding that the research time frame starts from 2008, it seems reasonable to include Facebook in the visibility analysis. Moreover, this decision is also reinforced by Mangold and Faulds (2009) who define that consumers are closer to more interactive forms of communication and therefore they are turning away from traditional source of advertising as radio, television, newspapers or magazines. Nowadays, customers directly observe the firm on its web-site but above all on its Facebook or Twitter page, becoming a fan of their favorite brands.

In order to assess the visibility obtained through the tool of Facebook, we considered the number of “likes” per page (where existent). However, we were interested in observing if the cultural initiative was promoted in the social pages of both firm and artistic organization. Therefore, the visibility variable has been divided in two sub-categories, one indicating the number of “likes” present in the company’s Facebook profile, the other concerning selected “likes” related to the event or the artistic organization.

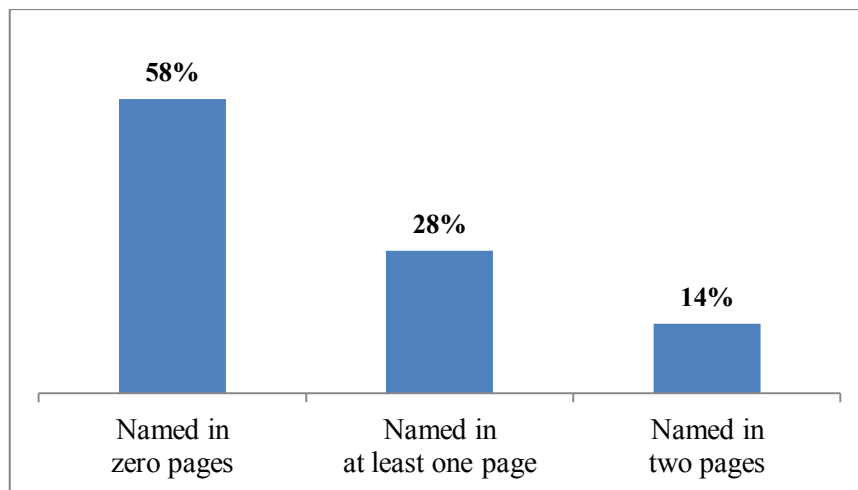
This analysis has been managed during the period 06/06/2015 - 07/17/2015, therefore the amount of “likes” reported is related to this time frame. Moreover, it is necessary to highlight other two important issues, which better defines how we reported the visibility factor.

First of all, in order to assess it, we considered the amount of monthly “likes” and not the accumulated number. The reason behind this consideration is related to the corporate page birth, which may positively or negatively influence the number of “likes”: for example, a page born in 2009 may show more “likes” than another one born in 2014.

Secondly, the visibility variable has been only registered if the initiative was promoted on the Facebook pages, while it has been defined equal to zero both in case the page does not exist as well as where no initiative was posted.

In conclusion, since this variable presents a high variability, during the cluster analysis we had to standardize it. Moreover, in order to assess the presence on Facebook, coming out from the “likes” detail, we developed a further variable that, however, did not enter in the statistical analysis. This last variable highlighted how the majority of initiatives were mentioned neither on the company’s page nor on the event one (58%), while 28% were present on at least one page and 14% were promoted by both players (*Figure 4.8*).

Figure 4.8: Distribution of Facebook presence



4.3.6 The time frame of the cultural investment

The very last variable concerns the time frame of the financing activity and it could be both related to the nature of the investment and the visibility factor.

Defining the period of investment completes the picture about the typology of initiative funded, showing for how long the company remains in contact with the artistic organization. This variable has been collected in number of days: the minimum time frame reported is equal to 1 day, while the maximum amount to 1096. However, it is useful to specify that this number has been assumed to represent those initiatives that are not completed as yet and that last in time. Therefore, we considered the highest amount of days related to a closed initiative (1095) and we added one day in order to represents the category of partnerships or foundations continuing for years.

As mentioned above, the time frame variable could be also related to the visibility aspect, because it may be that a longer event obtains a major audience and therefore an increase in the firm visibility rate. However, by looking at the correlation between the two variable “initiative visibility” and “period”, we observe a positive but not statistically significant correlation.

In conclusion, we add a summarizing table including the descriptive statistics for all the above mentioned variables. It is possible to note that we reported minimum and maximum values only for the continuous variables, while dummies have been defined only through mean and standard deviation.

Table 4.1 : Descriptive statistics of the 160 cultural investments strategies

<i>Variable</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Min.</i>	<i>Max.</i>
Coherence (0-5)	2,1	1,9	0,0	5,0
Distance (km)	176,3	678,4	0,0	6973,0
Investment period (days)	301,0	444,3	1,0	1096,0
Facebook likes – Firm page (monthly)	197,7	1167,1	0,0	13200,0
Facebook likes – Investment page (monthly)	92,9	498,9	0,0	4328,4
Function 0 – Creation (1 = yes, 0 = no)	0,1	0,3		
Function 1 – Production (1 = yes, 0 = no)	0,1	0,3		
Function 2 – Dissemination (1 = yes, 0 = no)	0,7	0,5		
Function 3 – Preservation (1 = yes, 0 = no)	0,1	0,3		
Function 4 – Education (1 = yes, 0 = no)	0,1	0,3		
Domain 1 – Archives & Heritage (1 = yes, 0 = no)	0,1	0,3		
Domain 2 – Visual arts (1 = yes, 0 = no)	0,6	0,5		
Domain 3 – Audiovisual & Performing arts (1 = yes, 0 = no)	0,3	0,5		
Investment (1 = monetary, 0 = in kind)	0,7	0,5		

4.3.7 The Correlation Analysis

In the previous paragraphs, we defined what variables are included in the statistical analysis, focusing on main reasons driving us in selecting them. In addition, we completed the picture with the presentation of descriptive statistics providing some features of the considered variables and describing in part the investment strategies.

The preliminary study concludes with the correlation analysis, through which we can assess significant relations among different variables and try to identify an initial classification (please refer to *Table 4.2*).

Starting from the “coherence” observation, it is interesting to report that there is a positive correlation with domain 2 (visual arts), comparing to a negative one with domain 3 (audiovisual and performing arts). Moreover it is visible how, when the coherence increases, the creational function increases (function 0), while the dissemination activity decreases (function 2). A positive relation is also observable with corporate visibility, whereas the correlation with financial investment is significantly negative.

For what concerns domains, the exclusive presence of only one category at the same time justifies the negative correlation among them. However, it is useful to observe the relations with the other variables, which highlight interesting elements. For instance, the third domain shows a negative correlation with the creational function, while a positive one with the dissemination activity. The financial investment is then positively related to domain 3, whereas the opposite situation defines the second domain.

Focusing on functions, it is observable that also here, as for domains, the relation is mutually exclusive, and therefore they are all negative correlated. What remains interesting to report is the negative relation between the financial variable and the two functions 0 and 3 (creation and preservation). The second function, instead, is defined by a positive correlation highlighting that the increase in dissemination activity is combined with a raise in financial investments.

In closing, for what concerns the investment period, we note how it is negatively correlated to the creation and dissemination functions while being positively correlated to the production activity and the first domain, which indicates the heritage category.

Table 4.2 : Correlation Table

	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]
[1] Coherence (0-5)	-0,052	0,07	,202*	0,124	,283**	0,09	-,194*	-0,071	0,005	0,012	,443**	-,476**	-,300**
[2] Distance (km)		-0,118	0	-0,034	-0,037	-0,065	-0,042	-0,012	,206**	-0,048	0,126	-0,103	0,059
[3] Investment period (days)			0,107	-0,052	-,171*	,392**	-,197*	0,068	0,074	,265**	-0,085	-0,08	0,086
[4] FB likes - Firm page (monthly)				0,127	0,066	,216**	-0,127	-0,049	-0,022	,219**	-0,039	-0,099	0,074
[5] FB likes - Investment page (monthly)					0,135	-0,048	0	-0,055	-0,049	-0,051	0,094	-0,066	-0,016
[6] Function 0 - Creation						-0,099	-,474**	-0,099	-0,091	-0,042	,244**	-,231**	-,203*
[7] Function 1 - Production							-,423**	-0,088	-0,081	,358**	-,207**	-0,011	0,067
[8] Function 2 - Dissemination								-,423**	-,386**	-,164*	-0,148	,262**	,284**
[9] Function 3 - Preservation									-0,081	0,053	0,024	-0,06	-,272**
[10] Function 4 - Education										-0,091	,184*	-0,136	-0,067
[11] Domain 1 - Archives & Heritage											-,388**	-,231**	0,018
[12] Domain 2 - Visual arts												-,807**	-,213**
[13] Domain 3 - Audiovisual & Performing arts													,213**
[14] Investment (1 = monetary, 0 = in kind)													1

* Correlation is significant at the 0.05 level (2-tailed)

** Correlation is significant at the 0.01 level (2-tailed)

4.4 CLUSTER ANALYSIS

The choice of using cluster analysis as the statistical method to study the investment strategies, lays behind the structure of our work. During the previous paragraphs we defined how cases have been found and studied, providing information about variables that classify them. However, the high number of artistic initiatives did not allow us to understand, at first sight, similarities and differences among the related investment strategies, which should allow us to better classify and exploit the observed data. The pressure of grouping together similar strategies, in fact, was not only related to the presentation of data, but rather, was a real necessity to identify similar investment profiles. It follows that obtaining distinct clusters of investments allows us to observe what firms are in a particular group and to choose which entrepreneur may represent it. Not to group similar cases would have implied a reasoned but, after all, an arbitrary choice of firms to interview.

Before approaching the explanation about how the statistical analysis have been managed, it is useful to clarify what cluster analysis is and which method we used to develop our study.

Cluster analysis is a useful technique for classifying different information or cases into similar groups. This statistical tool allows to re-organize the observed information into smaller and manageable clusters, which include homogeneous cases that are different from those of other groups. Therefore, cluster analysis is characterized to be an exploratory data analysis, which maximizes the similarity of cases within each cluster while maximizing the dissimilarity between groups. There is not a preliminary knowledge about what element can belong to a cluster, because the grouping process is defined through the analysis of data, therefore cases are associated only through statistical considerations.

Cluster analysis presents different methodologies, which can be used in order to create groups. These methods are characterized by distinct algorithms, which groups the observed cases following different rules.

In order to run the investments analysis, we used the statistical program SPSS, which allows to choose among three different processes of classification: hierarchical cluster analysis, k-means cluster and two-step classification. If the initial dataset is composed by a quite small number of cases and if the number of clusters you want to obtain is not known a priori, the hierarchical process is the most suitable. Whereas, if you know how many groups are desired and the size of the dataset is moderate, the k-means method is identified as the best solution.

In closing, if the number of collected data is large or the variables describing them are a mixture of continuous and categorical factors, the two-step procedure is preferred.

Considering the size of the dataset and the absence of a determined number of clusters to obtain, the most suitable method to manage our analysis appeared to be the hierarchical clustering. In particular, using the agglomerative approach, the algorithm starts by creating micro groups of stand-alone cases that are then unified step-by-step until a single group is formed. Obviously, neither the first step involving individual clusters nor the last step providing a unique group are good solutions. The optimal number of clusters, in fact, is determined in the interim steps.

To group data, this type of analysis requires the definition of a criterion for determining the distance (or similarity) between cases. The most used procedures are available in SPSS and these are the nearest neighbor single linkage method, the furthest neighbor complete linkage method, the average linkage between groups method, the average linkage within groups method, the Ward's method, the centroid method and the median method. In the statistical analysis, the distance procedure to use has been chosen through subsequent empirical evidences. After having compared the obtained results collected by trying the different methods, the most homogeneous and balanced clusters have been identified through the Ward's method, which therefore has been selected.

This technique consists in the calculation of variables means that are then related to the group means. The calculation of the distance by the cluster mean is obtained using the squared Euclidean distance measurement that indicates the squared differences sum calculated for each variable that characterizes the considered cases. However, by considering the variables means, we must pay attention to the units of measurement, which may influence the process. In fact, it may be necessary to standardize variables in order to reduce the risk of obtaining results biased by the units of measurement. In our analysis, we standardized continuous variables by using the [0;1] interval method.

For what concerns the variables choice, we selected all variables reported in the correlation table (*Table 4.2*), the same that we have explained in Paragraph 4.7. However, at the beginning, the number of variables considered was higher and equal to seventeen.

The reason behind the reduction of the variables number was mainly aimed at respecting statistical parsimony. Moreover, such variables were not considered since they repeated an information that was already present in the other variables or since they were correlated with them. Below we briefly present the excluded variables by explaining also the reason why they have been omitted.

- Investment Geography – This variable provided a clear information about where the initiative was located. More specifically, it established if the investment was devoted in favor of a regional event rather than a national or international one. Therefore, an initiative localized in Veneto was classified as “regional”, while an event in London was defined as “international”. This variable has been excluded since it was already represented by the “distance” factor, defined in kilometers.

- Presence on Facebook – The definition of this variable was related to the promotion of the initiative on Facebook. If the cultural event was observable on the social network pages of both the firm and the artistic organization, the variable assumed value equal to 2; if the initiative was promoted on only one out of two pages, the value was equal to 1; if none of the social pages presents information about the artistic event, the variable showed a null value. Also this variable has been excluded, since the information provided by it was already observable in the other two visibility variables presenting Facebook “likes” for the firm and the artistic organization.

- Investment Duration - The last omitted variable, concerned the duration of the investment and it was intended to provide an additional information about the nature of the financing activity. This factor highlighted if the investment continued during time or if it was a “one shot” agreement: for example a partnership would be identified as a continuous investment, while the sponsorship of a concert as a “one shot” initiative.

In opposition to the reasons why the other factors have been omitted, we chose not to include this variable because it was greatly correlated to the period factor (correlation equal to 0,72).

Approaching the results of the statistical analysis, the following table provides the clustering outcomes by showing them in a visual way. First of all it is observable that the 160 cases have been divided in three clusters, which are defined by the fourteen variable mentioned above.

To assess the distinctive characteristics of clusters, we used the post-hoc analysis, which allows to show interesting elements that are not immediately visible in the classification of groups. Through the Tukey method we analyzed the continuous variables, studying when a variable mean of one cluster was significantly different from the same variable mean of

another cluster, allowing to better define in this way which factors may better describe groups. For what concerns dummies variables, we used the chi-squared procedure, which was more suitable for describing them.

In *Table 4.3* we reported the mean value and the standard deviation, which allow to understand by which variables clusters are characterized. The *F* ratio, presented in the *ANOVA* column, helps to describe the difference between the three clusters, outlining if the related variable is significant to distinguish groups.

The last column shows how clusters significantly differentiate among them: the square brackets include two by two distinct groups. For example, considering the visual arts domain, it is visible how all clusters are different among them, in fact, group 1 shows a mean equal to 0,7, group 2 equal to 1,0 and group 3 equal to 0,0.

Table 4.3 : Statistical characteristics of the three identified clusters

	CLUSTER 1 (n = 55)		CLUSTER 2 (n = 56)		CLUSTER 3 (n = 49)		ANOVA	Clusters significantly different at 0.05 level
	Mean	Standard Deviation	Mean	Standard Deviation	Mean	Standard Deviation		
Coherence (0-5)	2,7	2,0	2,6	1,6	0,7	1,1	F = 24,9**	[1,3] [2,3]
Distance (km)	218,0	946,3	224,7	652,5	74,0	117,9	F = 0,8	
Investment period (days)	439,8	486,2	218,8	391,8	239,3	422,1	F = 4,3*	[1,2]
Facebook likes – Firm page (monthly)	428,1	1919,2	114,5	466,6	34,1	149,6	F = 0,4	
Facebook likes – Investment page (monthly)	92,7	584,2	132,2	606,7	48,1	122,0	F = 1,7	
Function 0 – Creation (1 = yes, 0 = no)	0,3	0,5	0,0	0,0	0,0	0,0	F = 21,1**	[1,2] [1,3]
Function 1 – Production (1 = yes, 0 = no)	0,2	0,4	0,0	0,0	0,1	0,3	F = 5,2*	[1,2] [2,3]
Function 2 – Dissemination (1 = yes, 0 = no)	0,1	0,3	1,0	0,0	0,9	0,3	F = 184,0**	[1,2] [1,3] [2,3]
Function 3 – Preservation (1 = yes, 0 = no)	0,2	0,4	0,0	0,0	0,0	0,0	F = 15,9**	[1,2] [1,3]
Function 4 – Education (1 = yes, 0 = no)	0,2	0,4	0,0	0,0	0,0	0,1	F = 9,3**	[1,2] [1,3]
Domain 1 – Archives & Heritage (1 = yes, 0 = no)	0,3	0,5	0,0	0,0	0,0	0,0	F = 21,1**	[1,2] [1,3]
Domain 2 – Visual arts (1 = yes, 0 = no)	0,7	0,5	1,0	0,0	0,0	0,0	F = 168,3**	[1,2] [1,3] [2,3]
Domain 3 – Audiovisual & Performing arts (1 = yes, 0 = no)	0,1	0,2	0,0	0,0	1,0	0,0	F = 892,9**	[1,3] [2,3]
Investment (1 = monetary, 0 = in kind)	0,5	0,5	0,7	0,5	0,8	0,4	F = 6,8**	[1,2] [1,3]

4.4.1 Investment Strategy Profiles

The identification of profiles has been done by looking at the single characteristics of the defined group and, additionally, through a compared analysis which relates every cluster to the others. From the previous table it is visible that the most significant variables concern functions and domains, but it is also interesting to observe the results concerning the other factors, allowing a more complete picture to be showed.

Starting from Cluster 1, the coherence variable shows a medium level equal to 2,7 on a total of 5. However, by comparing it with the other groups, it is possible to observe that it shows the highest level of coherence which in fact differentiates it from the third group, whose value is equal to 0,7. Moreover, it seems interesting to note that the medium level of this factor is due to a high number of investments at low coherence (35%), which balances that of medium-high and high coherence (56%) that characterizes the cluster.

In line with the first variable, the mean of the investments periods results to be the highest one compared to the other clusters. In particular, the first group significantly differentiates from the second and furthermore, even if not statistically proved, the period value is also far away from that of cluster 3 (spread of 200 days).

For what concerns the distance, we may observe that the value is quite high, even if by comparing regional, national and international presence, 76% of investments is located in Veneto while only 18% and 5% are respectively in Italy and abroad. However, although data are biased in favor of regional initiatives, the majority of national and international investments presents a high level of coherence, meaning that the firm is willing to finance also farer events if they are in line with the business.

Furthermore, focusing on visibility we note that the number of corporate Facebook “likes”, although not statistically significant, are the highest compared to other clusters. This element does not only allow to observe the visibility of the firm’s page, since it also helps to study the percentage of companies which promote the initiative: 35% in this first cluster, compared to 25% in cluster 2 and only 14% in cluster 3. Therefore, we can reasonably say that the involved firms want to show what they finance, because it is coherent with the business. The variable concerning the initiatives visibility shows a medium value, due to a balanced presence of zero and high number of “likes” (standard deviation is in fact very high).

Approaching domains and functions, we note that the distribution of financed events is quite homogeneous. This element characterizes the first cluster, whose firms does not prefer a

particular sector or activity, since they seem to invest according to their business features. It is notable that the percentage of visual arts investments is high (65,5%), but this is due to the fact that the total number of initiatives belonging to the second domain is in general elevated (*Figure 4.5*) and that it is divided between cluster 1 and 2, since the third group shows 100% investments in the audiovisual domain.

In the end, focusing on the financial variable, we can observe how the included cases are 51% in kind and 49% financial investments. Compared to the other clusters, this factor outlines the major presence of in kind investments, which in fact is positively related to the coherence variable: therefore, when the compatibility of the firm with the artistic organization increases, the financial investment decreases and it is substituted by material donations.

In order to better understand the first cluster description, it is useful to provide an explanatory example.

Morocolor Italia S.p.a. results to be an optimal case to consider, since we can say that its investment strategies are perfectly in line with the variables collected for cluster 1. The firm, specialized in the production of colors for academic and artistic use, has been analyzed in relation to two investments, concerning the donation of colors to the Academy of Brera and some online arts lessons. Both the initiatives has been classified with the maximum level of coherence, since values, core business and corporate identity always corresponds to the investments descriptions. For what concerns the donation of colors, the time frame is quite short, but this is not true for the other initiative that continues during the years. In line with the cluster definition is also the location of the investments, which is regional for what concerns the online lessons, while is national considering the colors donation. The visibility variables are then characterized by a high number of Facebook “likes” registered on the corporate page: both initiatives are in fact perfectly in line with the business and given the fact that one of them is also an educational tutorial, it is reasonable to promote them on the social network.

Analyzing the second cluster, what results to be immediately visible is the total concentration of funded initiatives on the visual arts domain and on the dissemination function (mean value equal to “1” for both variables). It follows that, more than the coherence, which is medium, the most important element that drives the decision is the presence of the second domain. Moreover, we note that all firms present in the cluster prefer to invest through dissemination activities rather than considering all the others. In fact, those companies which chose to

differently fund visual arts are included in the first cluster, probably because they have a higher level of coherence.

These two points, therefore, are the foundations that allow to understand how this cluster is built up. However, we note that also the financial variable is significantly different from cluster 1, reaching a greater value equal to 69,6%. It seems reasonable to think that in most cases firms that want to invest in the visual arts domain do not own materials, which can be directly exploited by the artistic organization, therefore they mainly donate money. Moreover, by observing the correlation table it is also visible that when the coherence decreases, the financial investment increases.

The above-mentioned variables already characterize this cluster, however, it is also interesting to study the other factors which, although not statistically significant, can improve the profile description.

The distance between the firm and the initiative is the highest compared to the other clusters, even if it appears how the difference with the first group is only of six kilometers. However, here it is interesting to note that the percentages of regional and national investments are less different, meaning that firms which are attracted by the visual arts domain do not stop at regional boundaries, because they also explore the external territory.

For what concerns the period, the mean of days is equal to 218,8 which is the shortest time frame compared to the other clusters. For sure, this value may not be considered as low, however, it is possible to observe how it is biased by the presence of nine continuous investments, which correspond to partnerships and the creation of artistic locations. The majority of investments hidden behind this value present, instead, a shorter period, since they are related to artistic exhibitions.

Finally, focusing on firms' visibility variable, we can outline how Facebook "likes" value is medium. Moreover, what is more interesting to observe, are the initiatives "likes" mean which is higher than the other clusters. However, most of investments show "likes" equal to zero, so this type of variable is not very useful for the profile description (please note in *Table 4.3* that standard deviation is high).

A good example that can highlight the main features of this cluster is Thetis S.p.a., a firm located in Venice and operating in the environmental engineering field. The company did three similar investments in the cultural sector, becoming partner of the "Arte Laguna Award" and of two other exhibitions at the "Arsenale". All initiatives are included in the visual art domain and, since the financing has been done in order to make the events available, they are defined by the dissemination function. Moreover, the investment period is between 3 and 60

days, so below the cluster average and in line with the description provided above. Another important element is finally visible in the typology of investment involved, namely a financial and not an in kind investment.

Cluster 3 is mainly composed by sponsorship activities, concentrated on the audiovisual and performing arts domain. The low coherence which characterizes this group of firms is in line with the investment typology, in fact, by looking at the correlation table it is observable the negative relation between coherence and domain 3. Moreover, we note how the audiovisual investments are positively correlated with the dissemination function, which is highly represented also in this cluster.

The investment period shows a medium level, influenced by long-term initiatives which however are balanced by shorter events that really characterize the third cluster. Moreover, it is notable how this group is composed only by regional (75%) and national (25%) investments, which therefore influence the distance variable. The high presence of initiatives in Veneto region decreases the distance value that appears to be the lowest one compared to the other clusters. Furthermore, it may be reasonable to think that this considerable number of regional investments is related to the reference market presence that the firm may want to influence. For example, the company can decide to invest in an urban initiative in order to promote its business and to attract new clients. The scarce level of coherence and the typology of investment adopted (sponsorship) allow to sustain this hypothesis.

It follows that we should expect a high level of the event visibility which, however, is not present: Facebook “likes” are in fact lower compared to the other groups. On the one hand, a similar result seems strange; on the other hand, we should remind that probably regional events are scarcely promoted, since sometimes they are so small initiatives that are not highly followed on Facebook.

As expected, corporate visibility is instead quite low and this is probably due to the fact that the investment is not in line with the firm and therefore it is not included among posts concerning only the core business. Moreover, coherence and Facebook “likes” are positively correlated, so, the decrease in compatibility impacts also on Facebook presence.

Finally, for what concerns the financial variable, the in kind investment leaves space to the monetary one, corresponding to the 81,6%. Again, this is line with the low level of coherence, being the two variables negatively correlated.

Also for cluster 3 it is useful to provide an example, which allows to better understand the main characteristics of the group. Solmec S.p.a. is identified as one representative case, since

all the variables defining its investment strategies are in line with the cluster description. In 2012, the firm supported a concert promoted by the music association “Venezze” in the city of Rovigo, reducing the operating range to its own city. The compatibility between the firm description and the initiative resulted to be low, translating in a minimum level of coherence. The investment period, moreover, is another element which aligns the firm with the belonging cluster: the concert, in fact, lasts for only one evening. In closing, focusing on the investment method, it is visible that Solmec chose to support the concert through a financial investment, another feature that results to be in line with the group description.

The definition of clusters and the relative examples make us understand that the three groups of firms present different features. Before focusing on which types of companies are included in the three families, it may be useful to name each cluster with the most important characteristic that defines it. First, reminding that Cluster 1 is mainly composed by high coherent initiatives, we will baptize it as the group of “coherent investors”. Secondly, given the fact that all firms in the second cluster concentrate on the second cultural domain, we will name them as “visual arts lovers”. Finally, focusing on the interest for the audiovisual domain and the regional audience, we may classify the third cluster of those of “regional singers”, firms that want to be listened by their market in Veneto region.

Moving on the company analysis, it is interesting to observe that the objective criteria that define firms do not significantly differentiate among clusters. The majority of businesses in each group show a number of employees which goes from 50 to 100, while being characterized by manufacturing activities. For example, the “coherent investors” group is 74% composed by firms operating in the manufacturing sector, followed by 10% working in wholesale/retail trade and only 7% specialized in scientific and technical activity.

Focusing on the turnover value, the calculated means of the three clusters are very similar among each others: the first group is characterized by a value of about EUR 24 million, the second by EUR 23,5 million and the third by EUR 25,5 million. Therefore, this criteria too does not represent a discrimination element for the groups of firms.

What results to be different is only the distribution of investing firms throughout the regional territory: the first and the third cluster outline a higher presence of firms located near Vicenza (respectively 36% and 38%), while 31% of firms in the “visual lovers” group come from Treviso.

In conclusion, this briefly description concerning the objective elements which define the medium firms allows to observe how the difference in investment strategies is not probably

related to this kind of features and it is rather referable to the other variables considered above.

4.5 CONCLUSIONS

Through this chapter we presented the process concerning the database construction and the analysis development. The use of the cluster analysis helped us to understand that it is possible to observe different types of investment strategies, which are characterized by several features.

As mentioned above, the three groups obtained are useful not only to clarify and order the data collected, but also to define distinct cluster profiles that may include different decision making processes. In fact, arbitrary choosing one initiative rather than another could have driven to consider similar activities that apparently were not.

The results of cluster analysis allow us to consider some cases from the different groups.

In this way, it may be possible to obtain similar motivations of investment, but at least we are sure not to have chosen the cases randomly.

In the next chapter, we will focus on the identification of initiatives to study or better of firms to analyze.

In order to do so, the three clusters will be considered and the most representative cases will be chosen. The investigation of variables will be fundamental to understand which company is more appropriate to define its cluster, therefore, it is now more evident why we spent many words in justifying and explaining them. These factors are in fact the base of the analysis, even if their identification is far to be exhaustive. It is notable that more other variables could be added to the above-mentioned ones however, we should always pay attention to the abundance of them in comparison to the individuated cases.

THE INVESTMENT MOTIVATIONS: THE ENTREPRENEUR PERSPECTIVE

5.1 INTRODUCTION

In this last chapter, we will relate theory with practice, presenting different investment motivations that we observed by interviewing entrepreneurs.

The tool of analysis will be the SDT framework adapted to the motivations for investing in culture presented in Chapter 3. This model will provide the common guidelines to study the entrepreneurs' motivations. In the first part of the chapter we will briefly report the explanation of the framework, in order to allow a better comprehension of the terminology used during the analysis.

After this summary, we will focus on the methodology used for selecting entrepreneurs, that originated from the cluster analysis performed in Chapter 4.

In the second part of the chapter we will introduce the companies lead by the entrepreneurs, first presenting their business and then reporting the interviews. The words of the owners will be studied considering the SDT framework, through which we will define what kinds of motivations are involved.

As mentioned in the previous chapters, the companies are medium-size and located in Veneto Region. Cluster 1 and 2 will be represented by one firm, respectively Legor Group S.p.a. and Stone Italiana S.p.a., while the two companies GBR Rossetto S.p.a. and Ecor Research S.r.l. will be the exemplary cases for the third cluster.

After having presented the four interviews, we will focus on a deep comparison, showing what are the most and less common motivations. This analysis will mainly be used to provide useful suggestions to the artistic organizations, which may better understand how to relate with companies in order to be financially sustained. It follows that during this last section we will provide the answer to the research question, concerning which motivations drive firms in financing the cultural sector and how these reasons can be used in favour of the artistic organizations.

All along the final paragraphs we will also provide some considerations concerning Self Determination Theory.

5.2 RELATING THEORY WITH PRACTICE

The main purpose of this chapter is use the SDT theory for exploring the entrepreneurs' motivations to invest in art.

Here below, we recall the main characteristics of the SDT cultural framework, then focusing on the firms selection process and the interviews method.

In Chapter 3, we reported the Self Determination Theory framework, implementing it for the cultural sector.

The theory defines the existence of two types of influences to act, which are the controlled and the autonomous regulations. The first category characterizes those choices which are affected by external contingencies, while the second outlines motivations that are more related to the Self.

Reasoning about this division, we then studied the five sub-categories defined as “regulatory processes” and we finally compared them with those motivations that can drive companies in financing the cultural sector.

Briefly reminding them, the external and the introjected regulations are directly related to the enhancement and safeguard of the business: the first concerns the profitable aspect, while the second is more focused on enhancing the brand image or changing the perception that external consumers, but also stakeholders, have about the firm.

These two forms of regulatory styles are included inside the controlled regulation, while the autonomous one presents the identified, the integrated but also the intrinsic regulatory processes. The first sub-category is related to a primary contact with the cultural sector, which then evolves in sustaining it. It is also characterized by the social aspect that may drive the firm in financing arts since in this way it protects and safeguards the community environment. The integrated regulation corresponds to more internal motivations, which imply the integration of cultural values inside the philosophy of the firm. For example, a company showing a high interest for the environmental protection that starts funding culture, may enter in this category. In closing, the intrinsic regulation is the most internal form of motivation. In this case, the investment is driven by inherent satisfaction and passion for the world of art.

What reported in the first part, is fundamental to keep in mind going through the different interviews.

The selection of the entrepreneurs to interview was aimed at exploring the motivations that lead to different investment strategies (as found through the cluster analysis). Therefore, a first step in our selection process has been to consider the three groups of firms found during the statistical analysis: the “coherent investors”, the “visual arts lovers” and the “regional singers”. After having analyzed in deep their features, we defined which were the most important and we finally extrapolated a number of representative firms.

Cluster 1 has been mainly defined by two variables, namely coherence and in kind investment. Cluster 2, besides visual arts domain and dissemination function, which are the necessary criteria to enter in this group, has been principally described by a short time period and a financial investment. Finally, the most important criteria for Cluster 3 have been low coherence, short distance, financial investment and preferably high corporate Facebook “likes”.

These elements allowed us to define a short list of firms, which exemplary represented the main features of the clusters: this short list was composed by 12 companies that were officially contacted in order to obtain an interview with the entrepreneur. Four of them - Legor Group S.p.a. (Cluster 1), Stone Italiana S.p.a. (Cluster 2), GBR Rossetto S.p.a. (Cluster 3), Ecor Research S.r.l. (Cluster 3) – accepted to participate to the research. Before treating each interview, we will additionally provide a more detailed explanation about the reasons why they can be considered as representative companies. *Figure 5.1* outlines the selected firms among the 95 studied. The graphic presents all the observed companies (95), however, some of them are positioned in more than one cluster, showing a higher number of 117 cases. This is due to the fact that 23% of the firms finance more than one initiative. Therefore, *Figure 5.1* does not outline the number of investments included in each clusters, but it rather shows the number of companies financing one or more artistic initiative inside them.

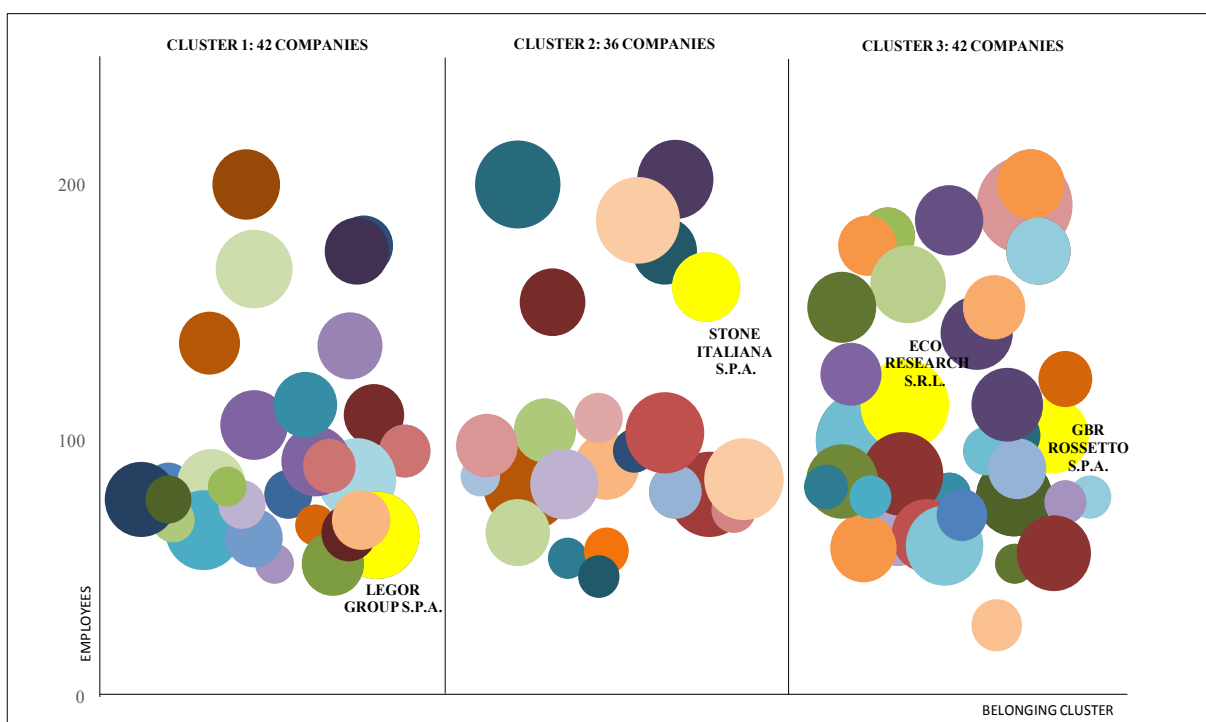
Focusing on the interviews method, we conducted one in-person and one telephone interview, collecting the other two sending open-questions questionnaires.

The interviews have been developed in order to explore the main features of the SDT cultural framework, according to a “hierarchical” rationale. We started by understanding if the entrepreneur was moved by controlled or autonomous motivations, and then (having explored the higher-order motivation) we moved to the next questions in light of the obtained answers. For instance, by asking if companies values were important in the decision-making process,

we understood the compatibility with corporate aspects and therefore if the motivation nature was more autonomous. Also the visibility element were important to clarify, since it should have driven the interview through the controlled regulation path.

Going on with the interviews, questions became more specific, touching points as the increase in sales, enhancement of the brand image, social commitment, integration of cultural values and proper passions concerning arts. These questions were directly related to the sub-categories external, introjected, indented, integrated and intrinsic regulations.

Figure 5.1: Representation of the three clusters with the investing firms and the four selected cases



(The numbers of bubbles is equal to 117, since 23% of the 95 firms are present in more than 1 cluster, financing more than one initiative)

After having collected the four testimonies, we transcribed the two non-written interviews, proposing a unique text for the in-person interview, while a document divided in questions for the telephone one.

The first testimony has been written right after the in-person interview, making us aware about the fact that the respondent did not always follow the path proposed by the interview, since, by answering a certain question, he provided also other details concerning different

topics treated in other questions. During the interview, in fact, we did not propose all the questions, leaving the respondent talk about the initiative.

However, this lack of the pre-determined path has been visible only in this first case, since during the telephone interview the respondent exactly followed the 10 questions proposed without getting out of the pattern.

For what concerns the written questionnaires, we organized the interviews in 10 open-questions. One out of two respondents, answered to all questions, while the other focused only on those that he considered the most important.

After having transcribed in-voice interviews and collected the written ones, we analyzed them. All testimonies have been studied separately by two researchers, in order to provide a double vision upon the answers and to compare after the obtained results and reflections. Therefore, from now on, the expression “we” will be used to consider the ideas of two people that analyzed the interviews.

In order to find a correspondence between the interviews and the categories of the SDT theory, we analyzed the transcriptions and the written questionnaires keeping in front of us the SDT framework for cultural sector.

We started by underlining words recalling concepts included in the framework and writing on the page margins which categories were involved. For what concern the introjected regulation, most of the respondents used expressions directly related to the words in the framework, therefore the identification of this category did not give problems. This lack of complexity has been also visible during the comparison between the two researchers who agreed upon the introjected elements found.

Considering the other categories, the compatibility between the two researchers outcome has been different compared to the introjected elements. Nevertheless, the confrontation allowed to reason upon which categories were involved, omitting discretional choices.

We discussed also upon the degree of visibility of one motivational style compared to another. In order to evaluate the extent of the different categories, we underlined the most recurring themes, not only studying the words, but also focusing on transversal concepts present all along the interviews.

Moreover, in order to provide a more coherent picture, we compared the concepts labelled with a certain motivational style among the different testimonies, aligning the results and identifying similar expressions under the same categories.

After these procedures, we create a shared memorandum, providing a brief motivational profile summary for every entrepreneur.

5.3 CLUSTER 1: LEGOR GROUP S.P.A.

5.3.1 Legor Group S.p.a. business overview

Legor Group S.p.a. is a company located Bressanvido (Vicenza), which operates in the metallurgic sector. The origin of its name takes inspiration from the core business, in fact, it is the abbreviation of “*Leghe Orafe*” (gold alloys in English).

In 1979, Gianni Poliero founded Legor S.p.a. in the gold district of Vicenza, which at that time was experiencing an exponential growth. During the years, all the Poliero family has been involved in running the business, following therefore the example of the father.

Since 1992, Massimo Poliero, son of Gianni Poliero, became head of the family firm introducing a managerial approach and focusing also on the international aspect.

Legor Group S.p.a. is now characterized to be an international firm, presenting a network of commercial partners all around the world and six branches located in the most important geographic markets. This international expansion allows the company to be always up-dated about the global trends of the reference markets, acquiring knowledge and information about the foreign production processes and the technological innovations. This last aspect is in fact very important for Legor Group, whose main strength is the research and development department.

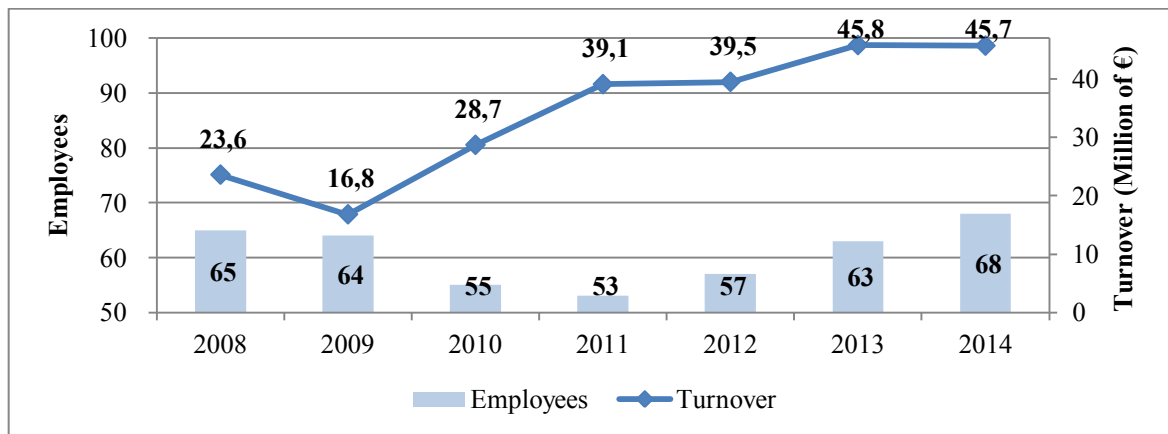
On the community side, the firm’s social commitment is observable in the birth of a dedicated team whose task is to support the local communities and people in difficulty. For example in 2012, the company supported the “Casa di Nazareth Foundation” while in 2014 it cooperated with the “Valigia Onlus Project” for Mozambique.

Moreover, the firm is not only active on the social commitment side, because it also cares about the environment safeguard. The respect for the natural resources is translated into a minimal packaging production, recycled and recyclable materials, green projects and photovoltaic energy plants.

The economic performance of Legor Group S.p.a. is visibile in *Figure 5.3*, where we can observe that the company remains of medium size during all the period considered in our research (2008-2013). It is visible, in fact, that it does not exceed the turnover limit of EUR 10 – 50 million and the employees number of 50 – 250³⁵.

³⁵ Data 2008-2014 from AIDA database

Figure 5.2: Legor Group S.p.a. employees and turnover



5.3.2 “InControl” and “Il gioiello di Vicenza” promoted by Legor Group

The following box reports the two artistic initiatives promoted by Legor Group S.p.a.: “InControl” and “Il gioiello di Vicenza”.

Box. 5.1: Initiatives promoted by Legor Group S.p.a.

InControl	Domain: Visual Arts
	Function: Creation
	What: Creation of paintings, exploiting the material used in the core business of Legor Group (alloys, metals, platings,..). Through these works, the company promotes its new technologies and products in the trade show of "VicenzaOro".
	Where: "VicenzaOro" trade show
Il gioiello di Vicenza	Domain: Visual Arts
	Function: Creation
	What: Creation of a silver copy in scale of the city of Vicenza, created for the first time in 1577. Project in favour of the culture and traditions of the city.
	Where: city of Vicenza

Legor Group S.p.a. has been chosen as one of the most representative firm of Cluster 1. The reason behind its selection is mainly driven by the high level of coherence visible in both the

initiative promoted. The event “InContro” presents a compatibility equal to 5 out of 5 points, since we can observe how it is strongly related with the company.

The financial nature of the investment covered another important element to choose the cluster representative. If compared to the other groups, Cluster 1 shows the major presence of in kind investments, therefore it was fundamental to choose a firm which used or donate its own materials to implement the project. The innovative technology used to reproduce the city of Vicenza and the exploitation of alloys and platings to create the paintings, have been both classified as in kind investments.

For what concerns the visibility variable, we can observe that the initiatives Facebook “likes” are equal to zero. This element is certainly in line with the cluster description. However, for what concerns the corporate “likes” we can note that also this variable is equal to zero and, therefore, that this factor is not in line with the definition of the reference group. However, the variable is not equal to zero because the firm does not promote the initiative on its Facebook page, but because it does not have any social profile. It follows that the interest for visibility will be valued only talking with the entrepreneur, Massimo Poliero.

Approaching the interview, we first report that CEO Massimo Poliero has been contacted by telephone and the interview lasted 28 minutes.

Considering the visibility aspect, it is important to remind that during the definition of the third cluster we assumed that companies included in this group promoted their funded initiative on the social network because the investment was in line with their business. Therefore, in our opinion, the coherence drives the promotion of the project on the social network.

Since Legor Group does not present a Facebook page, we can not verify this hypothesis. However, talking with the CEO Massimo Poliero, we understood that even if the company does not have its own profile, the compatibility of the firm with the funded project is very important, above all in terms of visibility. The entrepreneur defines, in fact, that the *“coherence between the company and the investment must be present, since promote an initiative not compatible with the core activities would mean anything for the firm”*.

Considering the initiative “InContro”, the entrepreneur defines that the event took place in the trade show of “Vicenzaoro”, where the firm presents every year its technology, materials and more in general the business identity. The reason behind the implementation of the “InContro” project is related to a new idea of presenting the company, whose products are

very technical but also difficult to bring at the trade show. Creating paintings, exploiting materials and machines from Legor Group, seemed a good idea to the team operating in the company. Moreover, the opportunity of presenting a creative project was perfectly in line with Legor's organizational culture, mainly characterized by the values of innovation and continuous improvement.

From this brief description, we can understand that the project was born directly from the business and that it was mostly a tool to promote the company inside the window of "Vicenzaoro".

Therefore, the importance of the visibility variable related to the coherence aspect, even if not observable through our study, may be assessed in the words of the entrepreneur.

These considerations, can now be included inside the SDT framework. The promotion of the brand has been identified into the introjected form of regulation, which in fact includes the increase in awareness, identity and image perception. Mr. Poliero is therefore characterized by the introjected regulatory style, since the main reason behind the initiative "InContro" is the promotion of the company and its business.

Moving to the initiative "Il gioiello di Vicenza", we can observe that also here the visibility variable plays a role. We can note that the promotion of the core business and above all of the technologies used has been one of the main reasons driving the firm in financing the work realization. However, Mr. Poliero outlined that another major motivation is related to the community and the city culture: *"Our company has been involved in the creation of the silver copy because it owns the most appropriate technologies that we used in order to simplify the creation process of the art work. Using the 3D PLM machinery we actively contributed to the project, giving back to Vicenza an heirloom very difficult to re-create"*. Therefore, Legor Group makes its competences available to the community of Vicenza, acting in favour of the city culture, rather than valuing only the visibility impact.

This behaviour, may be related to the identified regulatory style present in the SDT cultural framework. The third type of extrinsic motivation includes financing actions that are made in favour of the community. The social commitment of the company is involved by sustaining the cultural sector. Therefore, we can observe that the motivations of Legor Group CEO are related in this case to the identified regulation.

As said before, the social aspect is important for the considered company, which during the years sustained many different initiatives. Even if not mentioned until now, Mr. Poliero outlined that *"Also the InContro project presents a social component, since paintings have been sold and the revenues obtained have been donated to charity associations"*.

This last element should drive us thinking that also the reasons behind the initiative realization are related to the identified regulation, since in part they are close to a social aspect. However, this project feature does not allow to include the related motivations in this regulatory style. The social commitment it is not directly visible in the promotion of the event, since creating paintings does not provide any added value to the community, which rather than benefit from pictures, benefits from the revenues coming from them.

In conclusion, the fact that the social aspect of “InContro” project does not live inside its artistic soul, but it is rather detached from it, allows us to understand that the identified regulatory style is not involved in this situation. This type of motivation, may be included inside a category related with money raise, means external regulation. However, the reasoning that drives us including this element inside the external regulatory style is not related to the concept of “enhancement and safeguard of the business”, which characterizes this first type of extrinsic motivation. In any case, raising money for any other purpose different from art, being also for charity and not-for-profit actions, enters as well in this extrinsic category.

What said brings us to add the external regulation to the motivations that drove Mr. Poliero in promoting the project. However, we want to stress, that he does not enter in this regulatory style since he wanted to obtain revenues and enhance his business, but because a part of the initiative does not belong to the cultural sector and therefore it can not be included under the identified regulation process.

In closing, we can observe who has been the promoter of the two initiatives, in order to understand the major influencers. For what concerns “InContro”, the idea was born talking with a Legor consultant, Mr. Simone Squaiella. The proposal of creating the pictures arises during the discussion of how to present the firm inside the trade show and together with the operating team the choice of realizing this initiative has been taken. These considerations allow us to understand that the influencers mainly focused on the visibility aspect, approaching therefore the introjected regulation.

This is less visible considering the project “Il gioiello di Vicenza”, when the company has been contacted by a notary which knew Legor Group. Mr. Poliero stated, in fact, that *“This person was aware about the innovative technologies of the firm and he discussed with us the possibility to use it for the creation of the city silver copy in favour of the cultural community”*. What said underlines the coherence with the core business, philosophy and values, allowing us to talk about forms of autonomous regulation. This external pressure does not contrast the entrepreneurs’ thoughts. In fact, we can consider that even if the idea was not born directly from Mr. Poliero, he perceived the importance of it and read it with his own

lens. Besides the community, what we want to stress is the compatibility with the core business, which drives any investment of Legor Group. As mentioned before, the coherence between the company and the promoted artistic events is extremely high, therefore, this is an aspect that absolutely prevailed. In the CEO opinion, in fact, *“Everything that the company finances must be in line with the business and also events that apparently are far from core activities must have a certain compatibility with them”*.

5.4 CLUSTER 2: STONE ITALIANA S.P.A.

5.4.1 Stone Italiana S.p.a. business overview

Stone Italiana S.p.a. is a medium firm located in Zimella, near Verona. It operates in the quartz manufacturing industry, being a leader marble surfaces production. The company is well-known for the advanced technologies and the innovation that characterize it. “Research” is for Stone Italiana a key word and, in fact, it continuously studies new idea, analyzed by a network of architects, engineers and designers that give their active contribution to the business.

Besides standard projects, Stone Italiana realized also special works for fashion firms, showing in this way an artistic aspect. Among the most known brands, the company studied special projects for Chloé, Armani, Pucci, Fendi and Trussardi.

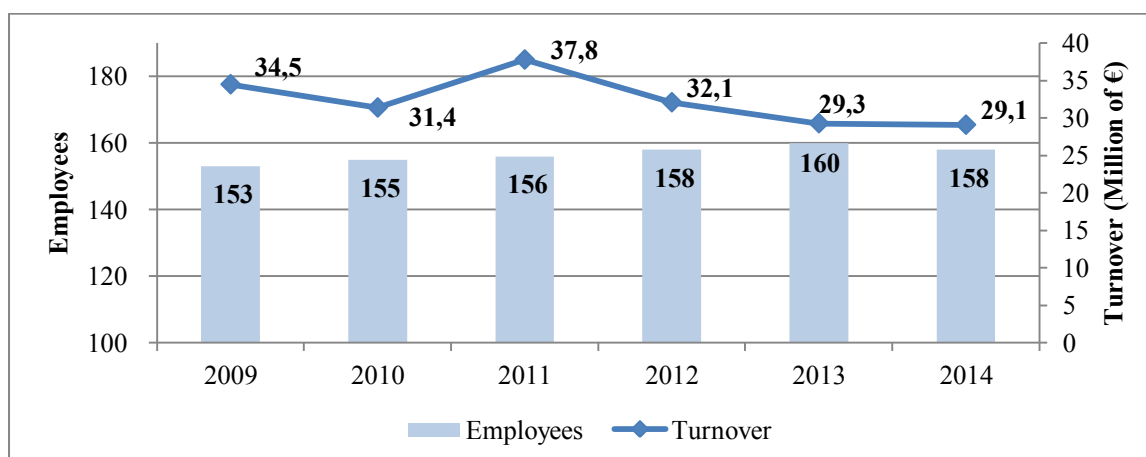
Stone Italiana, therefore, does not operate only in Veneto region and in order to obtain major visibility in 2009 it opened a strategic showroom in Milan, near the Cathedral. The firm considered that Milan was a crucial point for the business, which needed a visible window to promote the products and to share the innovative ideas.

Research and innovation are also visible in the green vision, a fundamental element that shows the social commitment of the firm. The environmental responsibility is observable in a recycling system that gives value to industrial solid wastes as glass, granite and mirror. Moreover, the company always tries to find new combinations of different materials, reducing at minimum wastes and the environmental impact.

Data concerning the economic performance and the number of employees are present in *Figure 5.3*. It is visible that the company remains medium for all the considered period (turnover between EUR 10 – 50 million; employees 50 – 250)³⁶.

³⁶ Data 2008-2014 from AIDA database

Figure 5.3: Stone Italiana S.p.a. employees and turnover



5.4.2 Stone Italiana and the artist Velasco Vitali

The following box reports the two artistic initiatives promoted by Stone Italiana S.p.a.: the first exhibition of Velasco Vitali at the Venice Biennale and the second in Milan.

Box. 5.2: Initiatives promoted by Stone Italiana S.p.a.

Velasco Vitali Exhibition (Venice)	Domain: Visual Arts
	Function: Dissemination (+ Creation)
	What: Sponsor of the exhibition of the artist Velasco Vitali inside a space created by the firm with quartz and other core business materials.
	Where: Venice Biennale
Velasco Vitali Exhibition (Milan)	Domain: Visual Arts
	Function: Dissemination
	What: Exhibition of the works of the artistic Velasco Vitali, presented together with Stone Italiana products.
	Where: Stone Italiana Showroom in Milan

Cluster 2 is characterized by firms investing in the visual arts domain and implementing dissemination activities. All companies present these investment strategies, therefore, also the selected one pertains to the above mentioned domain and function.

Stone Italiana financed, in fact, two artistic exhibitions, both occurred in 2010.

However, the first, hides also a creational aspect, since the location of the paintings exhibitions has been created by the company through its materials. This element does not influence the classification of the firm, which remains in cluster 2: the most interesting aspect, in fact, is the support to the exhibition of Velasco Vitali and the collaboration with the “Biennale di architettura di Venezia”. Moreover, Stone Italiana does not create a work of art, but an exhibition space, where it made paintings visible to people.

Indeed, domain and function are the most important elements defining the cluster. However, in order to extrapolate the representative firm we chose to select also initiatives relatively short and preferably financed through a monetary outflow. The event occurred in Milan lasted only one month, while the exhibitions in the Venice Biennale remained open for three. Considering that the mean of the cluster is above five months, the initiatives identified could enter in the selection.

The financial aspect is then visible in the “SBARCO a Milano” exhibition, whereas, although prevailing, it does not completely characterize the Biennale event, since the space in favour of the artist has been created through quartz and other mixed materials. However, as said before, by observing the predominance of the dissemination aspect, also here we can do the same consideration for the financial investment.

In closing, another variable in line with the cluster description is the distance, which outlines a regional and a national investment. This feature that characterizes the group will be better explained after.

We can approach the analysis of Stone Italiana by explaining what are the main characteristics of the decision process concerning the first exhibition in the Venice area.

During the written interview, Mrs. Dalla Valle, part of the owner family and marketing director of Stone Italiana, defines that the company approached the initiative because of the prestigious event, known all over the world. This visibility aspect is therefore ascribable to the introjected regulatory styles, which is related to positive advertising activities.

It follows that the first and the major type of regulation involved is included in the extrinsic category, whose introjected aspect is also enhanced by the other motivations concerning the event “SBARCO a Milano”. Mrs. Lucietto, defined in fact that *“The participation of Stone Italiana to the exhibition of Milan, has been accepted considering the famous location of the Palazzo Reale, were the event took place”*.

Moreover, it is possible to observe that also the geographical aspect plays an important role in the definition of this second controlled regulation: *“We were interested also in having a link*

with our showroom, located 1 kilometre far from the Palazzo Reale” stated Mrs. Lucietto. The investment, in fact, has been done in the same city of the showroom location, in order to enhance the brand image and to spread its knowledge in the Milan public audience. This element proves that in this case, the company invested out of the regional territory, not because it was attracted by a specific event located somewhere else (as defined in the cluster description provided in the third chapter), but because it was interested in the reference market. Indeed, what said increases the introjected aspect of Stone Italiana profile.

The controlled regulation category is also visible in the identification of who proposed the projects. It is visible that in both cases the idea has been promoted by the architect Arturo Montanelli (A.R.D.E.A. studios) who proposed to actively participate to the first Vitali exhibition, by studying also the space where it took place. The visibility of the location has been primarily defined, approaching in this way the introjected regulation style, part of the controlled motivation category.

Moving on with the analysis, it is fundamental to recall that the two promoted events occurred in succession. The exhibition “SBARCO a Milano”, occurred in December, following the previous exhibition by the same artist Velasco Vitali (finished in November).

This continuous interest for the world of art is the second point that we want to analyze.

All along the answers provided by Mrs. Silvia Dalla Valle, the coherence and the continuity of the two investments have been treated: *“The event SBARCO a Milano, has been promoted in order to continue the relation implemented during the Venice Biennale”*. The Milan exhibition, therefore, has been promoted looking at the previous investment, during which the firm experienced an excellent collaboration both with the cultural organization (Venice Biennale) and the artist.

Therefore, considering the decision-making process that characterizes the second exhibition, it is visible how the first initiative cared a lot, driving the choices of the involved team that, after having experienced the cultural sector, decided to continue in supporting it.

Taking as reference the cultural Self Determination Continuum presented in Chapter 3, we can observe how these words can be ascribed inside the identified regulation category. This style includes the conscious valuing of the entrepreneur, who after having understood the importance of culture or after having experienced an artistic event decides to finance the sector. Moreover, here, we can also observe the internalization process which drives the entrepreneur from a motivational category to another one.

In closing, it is important to observe that sustaining the artistic sector is also marginally driven by a general passion for the cultural sector: *“Sustaining culture is important for us, since in*

general we are close to the arts world. In the showroom located in Milan, we also organized a review called Leggero come una Pietra, during which major exponents of the arts world are invited". This aspect allows us to understand that Mrs. Silvia Dalla Valle is in part driven by an intrinsic motivation that she searches to transfer to her business. Moreover, art is for the company a real challenge, above all when projects as those of the artist Velasco Vitali appears.

5.5 CLUSTER 3: GBR ROSSETTO S.P.A. AND ECOR RESEARCH S.R.L.

5.5.1 GBR Rossetto business overview

GBR Rossetto S.p.a. is a medium firm from Padua, operating in the office supplies sector. Born in 1958, the company started its career selling mimeograph machines and accessories, approaching, some year after, the office supply market and the copy machine industry. Thanks to the wisely vision, GBR Rossetto became a photocopiers licensee, substituting through these new products the ancient stencil duplicators.

Nowadays, the firm is a national leader in the office supplies market and its core business also include services as copying machines renting and technical assistance. Therefore, the mission of GBR Rossetto is to provide all the office material that firms need in order to run their companies. The business philosophy is defined by trust, competence, responsibility and collaboration, values that characterize the founding family.

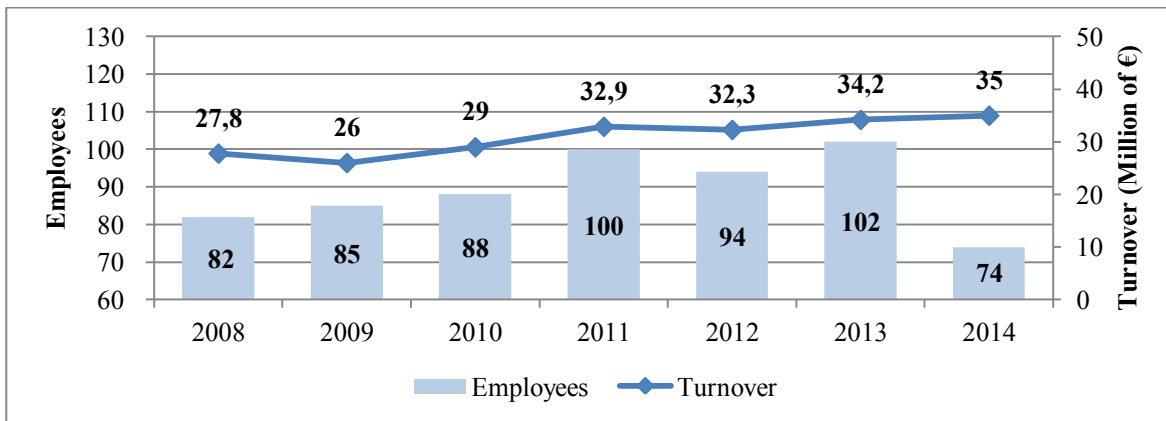
The quality policy is one of the most important factor for the firm, which however does not concentrate only on its own business, since it is an active promoter of a "green philosophy", focusing on the environment and the impact on it. Moreover, it also provides advices and suggestions to its clients in order to reduce wastes, recycle and save resources.

The economic performance of GBR Rossetto is shown in *Figure 5.1*. Considering the time frame 2008-2014 it is observable that the company remained medium during all the considered period, presenting a turnover always between EUR 10 – 50 million and a medium number of employees inside the interval 50 – 250³⁷. For what concerns the year 2015, it is expected an increase in turnover up to EUR 40 million and a higher number of employees³⁸.

³⁷ Data 2008-2014 from AIDA database

³⁸ Data from *Profilo aziendale GBR Rossetto S.p.a. 2015*

Figure 5.4: GBR Rossetto S.p.a. employees and turnover



5.5.2 Padova Jazz Festival and the support from GBR Rossetto

The following box reports the artistic initiative promoted by GBR Rossetto S.p.a.: Padova Jazz Festival.

Box. 5.3: Initiative promoted by GBR Rossetto S.p.a.

Padova Jazz festival	Domain: Audiovisual and Performing Arts
	Function: Dissemination
	What: Sponsor of Jazz concerts in Padova
	Where: Padova

GBR Rossetto has been selected as one of the most representative company inside the third cluster, named “regional singers”. The characteristics that bring us to choose this firm are therefore directly related to the main features of this last cluster. First of all the investment typology corresponds to the most common financing method defining the cluster, i.e. sponsorship. GBR Rossetto in fact supported the event “Padova Jazz Festival” by sponsoring it and, therefore, providing a financial help in favour of this event. Moreover, it is possible to observe that the value of the “coherence” variable is equal to 1 and, in fact, we chose it also because the coherence level of this cluster is the lowest one compared to the other groups of firms.

The initiative belongs to the third cultural domain, the audiovisual sector that in fact completely defines the “regional singers” cluster. The function through which the firm sustained the event is the dissemination one, which greatly involved the third group.

Also the interest for a regional initiative plays an important role for the company selection: the fact that “Padova Jazz Festival” is located in Veneto region, directly relates it to the “regional singers” classification.

In closing we also considered the company visibility variable to choose the firm: GBR Rossetto does not show a high rate of Facebook “likes” on the corporate page, which another time, aligns it with the cluster description.

For what concerns the “likes” rate collected, it is observable that the name of GBR Rossetto does not appear on the initiative Facebook page, therefore the visibility rate is equal to zero.

Approaching the study of the entrepreneurs’ motivations, we first report that the interview to the CEO Antonio Rossetto has been in-person and that it lasted for about one hour.

We have been received inside a conference room, where we noticed the paintings on the walls but above all the presence of pictures concerning the sponsored events. In the photographs, the entrepreneur and his collaborators were present.

The absence of visibility in one of the most important aspect in considering this case, since, talking with the CEO Antonio Rossetto, it does not play any role in the investment process decision: *“I didn’t ask anything and they didn’t give me anything. My logo was not present in any poster and I didn’t see any advertising concerning my firm”*.

Therefore, these words make us deviate from the initial considerations about the third cluster, which we described to be the most interested in brand and business promotion.

Trying to include this first element in the SDT framework implemented in Chapter 3, we can immediately note that the firm under consideration has not been moved by the external regulative decisional process, which is mainly characterized by motivations related to profit and sales. Moreover, since brand promotion and consequently the increase in image, perception and awareness seem not to be considered, the company should not be ascribed to the introjected regulatory style.

However, although not driven by business promotion, the motivations which in part influenced the entrepreneur in financing “Padova Jazz Festival”, are related to the stakeholders involvement. *“One of the most important strength of my company is defined by the sales agents, who are fundamental for the business”* stated the CEO Rossetto *“In order to create a qualitative network, we promote several initiatives, which highlight our corporate values and make the working place a pleasant environment where collaboration, sharing and relation are the most important elements”*.

It is visible how “Padova Jazz Festival” is included among other initiative belonging to different fields. For example, GBR Rossetto has been involved in the event “*Luce alle Idee*”, festival focused on science and innovation. Mr. Antonio Rossetto, with part of the sales network, actively participated to this initiative, sharing with his collaborators this experience. It follows that the range of several initiatives promoted by the entrepreneur seems to be motivated by the creation of an optimal work environment, which has to be fed with positive values. “*Culture may be seen as a bridge to communicate our values*” stated the CEO of GBR Rossetto, whose motivations can be ascribed in part to the introjected regulation typology, since we now have explained how they are related to the stakeholder involvement, part of the extrinsic motivation to act.

However, focusing on the other investment reasons, we can say that the entrepreneur did not assess only the internal benefits for his agents, because he was mainly interested about the community impact: “*The company did this investment in order to give back something to its community, to making a gift to the city of Padua*” stated Mr. Rossetto. Referring this concept to the SDT framework, we can observe that it may be labelled under the identified regulatory style. Moreover, this idea is strengthen considering who proposed the sponsoring activity and how the entrepreneur read this proposal.

The idea of financing the jazz festival was born from an external player, the friend and the event organizer Mrs. Gabriella Piccolo. The CEO, contacted by her, accepted to support the event, since, as above-mentioned, financing it would have meant to give something back to the city of Padua and its community. It is notable that, even if the source of the idea is external, the entrepreneur read it through his own lens, which allow to construe it as an opportunity to pay back its territory.

Therefore, ascribing this element to the SDT framework, it is visible how the identified regulation is mainly involved in the decision making process: the entrepreneur consciously valued the potential contribution to the community and decided to finance the initiative.

Moreover, we can also observe how the geographical consideration appears, outlining that the decisional process may be influenced by the location of the initiative when it corresponds to the territory in which the company is based or to the reference market.

In conclusion, we can observe how the community support covered the first step in the investment decision (identified regulation), followed after by the positive impact that the event should have on the internal firms agents (introjected regulation).

5.5.3 Ecor Research business overview

Ecor Research S.p.a. is an innovative firm from Schio (Vicenza), which mainly operates in the pharmaceutical industry and the aseptic food filling machines sectors, specialized also in the aerospace industry market and in the scientific research.

Born during the seventies, ECOR S.p.a. has been working in the stainless steel and special alloys sector for about forty years now. Since the beginning, the company has been characterized by continuous innovation, promoted and intensified by the CEO Sergio Lucietto. During the 1980s, the creation of the packaging machines department draws the attention of Swedish company Tetra Pak, which at that time was interested in investing in the Italian food packaging machineries production. The synergy between the two companies continued for years and today the collaboration is still strong.

However, the name “Ecor Research” is born only in 2009, when the company experienced an important organizational change, dividing the two core departments “warehouse” and “research”. Therefore, the company that we are now considering is born only in 2009 after this re-organization.

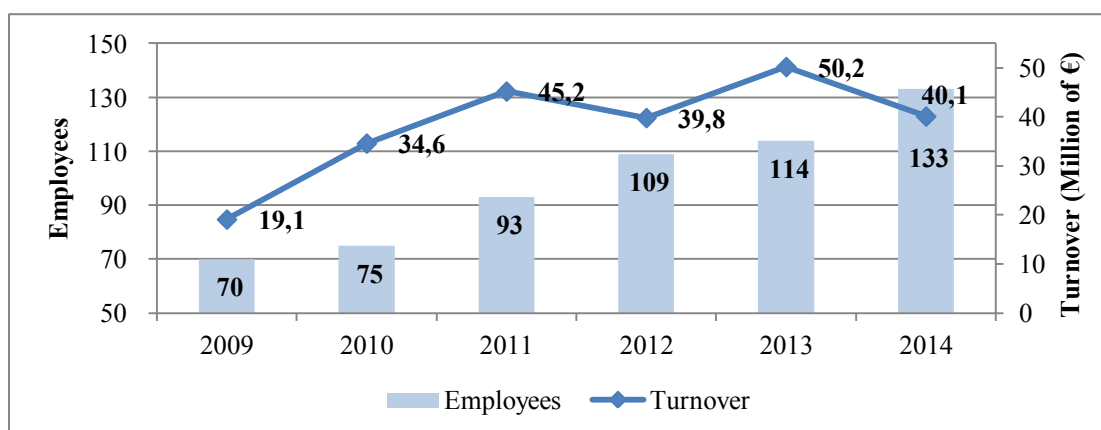
On the sustainability side, the company’s strategy includes and focuses on its environmental impact. The “green” thinking, in fact, strongly characterized this firm, which monitors and analyzes the actions that affect the community, the environment and future generations. Moreover, it pays also attention to its employees, promoting safeguard and improvement of their life quality.

The financial performance of Ecor Research is visible in *Figure 5.2*, where we can observe that the considered time frame starts in the year 2009 instead of 2008, considering the departments re-organization (2009) and the “new” birth of the company.

For this firm in particular, since it was not possible to register the turnover value and the employees number for the year 2008, we analyzed the time frame 2009-2014, including therefore this last year. From the graphic it is visible that the company remains medium for the majority of the time, except from 2013, when it exceeded the limit of EUR 50 million. We can observe that in 2014 the company can be considered medium once again³⁹.

³⁹ Data 2009-2014 from AIDA database

Figure 5.5: Ecor Research S.r.l. employees and turnover



5.5.4 Ecor Reserach supports the “Teatro Civico di Schio” Foundation

The following box reports the artistic initiative supported by Ecor Research S.r.l.: Teatro Civico of Schio Foundation.

Box. 5.4: Initiative promoted by Ecor Research S.r.l.

Teatro Civico di Schio Foundation	Domain: Audiovisual and Performing Arts
	Function: Dissemination (+ preservation)
	What: Sponsor of the theatre foundation
	Where: Schio (Vicenza)

Ecor Research S.p.a. has been selected as one of the most representative company among the firms of cluster 3. The investment done by Ecor research belongs to the third cultural domain, concerning audiovisual activities and performing arts. For what concerns the involved function, the investment strategy has been classified under the dissemination activity, even if talking with Mrs. Giovanna Lucietto, marketing executive and part of the owner family Lucietto, the partnership with the “Teatro Civico Foundation” involves also a preservation activity performed in 2014. It follows that this element would avoid to maintain Ecor Research in cluster 3, since this group is characterized only by the dissemination function. However, we decided to keep the firm in this cluster considering that the existent partnership between the two organizations principally involves funds to perform the exhibitions and to allow people enjoying the theatre (dissemination function).

The coherence between Ecor Research and the theatre foundation is very low, since only the interest for the community is shared among the two organizations. The core business is, in fact, far from the initiative, since this last does not involve any technology nor scientific innovation, which are the main features of the firm.

Another characteristic in line with the cluster description is the monetary investment, since any material donation has been involved. On the visibility side, moreover, it is possible to observe that the corporate Facebook page does not present any reference to the investment, therefore the number of “likes” is equal to zero. This element is, instead, different for what concerns the Facebook page of the foundation, where the number of “likes” per month is quite high.

In closing, another variable that help us understanding why this firm has been chosen in order to represent the third cluster, is the geographical distance, which is very short: the theatre, in fact, is only 3 kilometres far from the Ecor Research headquarter.

Considering the geographical aspect, we can observe how this element has been important in the decision-making process. In the written interview to the marketing executive Giovanna Lucietto, it is visible how financing a project concerning the city of Schio was the most important element for Ecor Research: *“We immediately welcomed the project proposed by the foundation, since it concerned a restoration related to an important piece of history related to the city of Schio”*. In this way, in fact, the firm gives something back to its birth territory, where it developed and grew since its foundation. Mrs. Lucietto explained that the investment has been done in order to support a foundation which has been deeply involved in the history of Schio and that today is still representing an active cultural point for the community.

Focusing on this last factor, moreover, it is observable that investing and supporting the territory means for Ecor Research to focus on their social responsibility: *“The firm policy is deeply involved in promoting and sustaining responsible behaviours, which are observable above of all in the pro-environment initiatives that the company develops. Investing in culture goes hand in hand with the environmental and social safeguard, which represents two fundamental values for our firm”* wrote Mrs. Lucietto.

Taking in consideration the SDT framework defined in Chapter 3, it seems reasonable to ascribe what said by Mrs. Giovanna Lucietto, to the category of identified regulation. The social motivation, which mainly drove the firm in financing the “Teatro Civico Foundation”, may be defined under the identified regulatory style. Sustaining the community means for Ecor Research to support the cultural context in which people live, increasing the artistic

quality and the cultural innovation of the city. Therefore, it is visible that the firm translates the social commitment in cultural activities, a behaviour that can be read through the identified regulation lens. Moreover, since the firm is already active in the community safeguard and in the environmental protection, we can observe that the considered investment strategy has been included inside the other social initiatives. In fact, Mrs. Lucietto explained that the corporate attention to the community has been promoted by investing also in this cultural organization, whose values are shared by the firm, which identifies this financing activity with the pre-existent social initiatives.

What we said until now, makes us thinking about an autonomous regulation profile for Ecor Research. This thought does not change taking into consideration how the investment idea has been proposed to the owner family. The company has been contacted by the “Teatro Civico Foundation”, which first presented the restructuring project, asking then for a financial help. This first request has been valued as an important contribution that the firm could have given to the entire community and its cultural heritage.

As in the case of GBR Rossetto, the company read this proposal with its own lens, showing once more the identified motivation driving the investment decision.

The investment has not been done for increasing relations inside the company or for enhancing corporate values, in fact, the choice has been principally related to the community and the cultural context of the city. However, what we note is that Mrs. Lucietto defined also that *“The company can not undervalue the positive impact of the initiative on the firm’s identity. Although the promotion of the business has not been the main reason to invest, we considered as well the possibility to promote and talk about the social commitment of Ecor”*.

These words highlight the positive visibility impact that the initiative can give to the firm, driving us considering a behaviour ascribable to the introjected regulatory style. This regulation, in fact, focuses on motivations concerning the enhancement of the brand image and corporate identity.

However, the perception that the business promotion has been only a supplementary element and not the “raison d’être” of the investment, drives our analysis towards the identified regulation.

In any case, what we can learn by the respondent is that the promotional aspect is involved most of the times, therefore, in order to correctly classify the entrepreneurs’ motivations we should pay attention to the degree in which it is present.

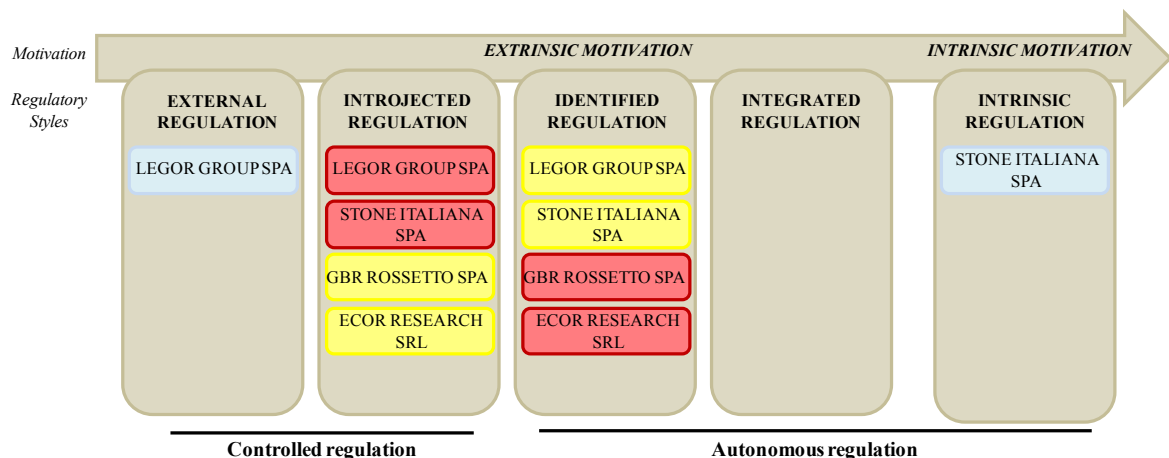
5.6 COMPARING THE INTERVIEWS RESULTS

Studying the interviews results, we can outline important considerations, concerning both the theoretical model and the involved motivational styles.

Before starting the analysis, we provide a comprehensive picture about the main characteristics revealed during the interviews. The representation in *Figure 5.6*, summarizes the regulatory styles studied for the selected firms. We highlighted in red the boxes positioned under the main styles presented by the entrepreneur, in yellow the other additional motivations while in blue the most marginally reasons.

Through the comparison explanation, we will initially focus on similar behaviours and, subsequently, cover the profile differences.

Figure 5.6: Firms positioned in the SDT cultural framework



5.6.1 Multiple motivations to invest

First of all, we can note that the entrepreneurs are not characterized by a dominant motivational style, since they are rather defined by distinct regulations which, moreover, are present in different extent. Therefore, we can outline that the choice of investing in culture is not defined by a predominant motivation and that different individuals may be driven by distinct reasons to invest.

Moreover, all the selected cases show the presence of multiple motivations.

Analyzing the four cases presented in this research, what is immediately visible is the existence of different motivations, which drove the entrepreneurs towards the investment

actions. Every respondent is in fact characterized by more than one reason to invest, showing sometimes also three distinct regulatory styles. Even if some motivations are contiguous, for their different nature, they remain separate showing a more complex motivational profile.

These results, however, are not surprising and they may be seen as a contribution to previous researches that outlined the same co-existence in motivations.

In Chapter 3 we focused in fact on different authors that provided the same multidimensional descriptive approach. Vallerand and Pelletier (1999), considering the sports field, defined that an athlete may present both intrinsic and extrinsic motivations, which characterize the individual at different levels. For example, sporting people may choose to practice because they want to win a competition (extrinsic motivation), but also because they love doing sport (intrinsic motivation).

A similar concept is also provided by Ratelle, Guay, Vallerand, Larose and Sénécal (2007). Studying the academic field, they analyzed the fact that students may be characterized by different forms of motivation that drive them in experiencing external but also internal pressures. Therefore, they revealed as a student may be defined by a mixed profile, which shows for example the identified regulatory process coexisting with the introjected one.

Although these previous works are ascribable to different fields of research, it is visible how the conclusions provided by the authors are similar to our results. It follows that this study verifies the presence of multiple motivations, providing an additional evidence in another research area.

According to what said, the reality does not work for closed compartments, therefore it is reasonable that more than one motivation is involved during the decision-making process, where different outcomes are analyzed and more or less importance may be given to them.

As we observed during our analysis, the entrepreneurs present a higher or a lower degree of a certain motivations, but they all show a multidimensional profile. For example Legor Group S.p.a. is mainly characterized by the introjected regulatory process, but its owner is also defined by an identified motivation, concerning the community support. The same can be said for GBR Rossetto, which however shows a profile more characterized by the identified motivation which is then completed by a secondary regulatory process, namely the introjected one. These two examples, show that the entrepreneurs may be defined by similar motivations, which however, may be present in different degrees.

5.6.2 The most common motivational styles: introjected and identified regulations

The analysis performed in the previous paragraphs outlines that all firms are, even with a different extent, characterized by the **introjected regulatory** style. The elements concerning visibility influence more some companies than others, but they are observable in every interview. In the majority of cases we found that this regulatory style was mainly related to the brand perception and the enhancement of the business identity. However, for one firm in cluster 3 (GBR Rossetto), it is visible that the decision-making process includes the stakeholders involvement and their perception toward the work environment. In any case, also this factor enters in the introjected regulatory style, which, therefore, can not be undervalued. Continuing in the comparison of the respondents firms, it is visible how all of them share the **identified regulatory** process, mainly related to the social commitment translated in the patrimony sustain. Even if the investment is not extremely coherent with the business, the firm that is born and grew inside a certain community, realizes the importance to sustain it also by financing the cultural sector. This is what mainly happened in the case o GBR Rossetto and Ecor Research (Cluster 3), but it is also observable in Legor Group, although with a lower degree. Stone Italiana, instead, is characterized by the identified regulation since, after a first cultural investment, it experienced a good relation with the artistic sector and decided to continue to finance cultural works. This element is visible only in the case of Stone Italiana.

What said outlines that among the five existent motivational styles, only two of them are clearly identifiable, namely introjected and identified regulations. These prevailing styles highlight that the most common reasons to invest are related to the visibility and to the community safeguard.

In relation to these two motivations, it is interesting to consider the geographical and the coherence variable, that we are now going to analyze in deep.

The interest for a particular **geographical area**, may present two different declinations: the reference market of consumers and the community safeguard.

Considering first the declination concerning the reference market, we can note that some firms are more interested in investing in the territory where their consumers are located. The reference market can be located near the headquarter or far from it, but what is fundamental to

note is that the investment is done in order to gain visibility and to promote the brand. This declination, therefore, is included under the introjected regulatory style, since any concept of “community safeguard” is involved (identified regulation). A clear example of this behaviour is provided by the case of Stone Italiana, which invests in the exhibition since it is located near its reference market.

The second declination concerning “geography”, is related to the community safeguard. From the observed cases we noted that all companies caring about the community, provided something to the territory where they are born and grew. GBR Rossetto, Ecor Research and Legor Group, in fact, choose to finance a regional activity since it had a direct impact on the belonging community.

However, it is possible to note that in this case the visibility aspect is not involved, omitting the introjected regulation from this last declination. Since we are considering the community safeguard, in fact, we now have to talk about the identified form of regulation.

In conclusion, studying the “geography” variable we note that the introjected regulation is involved when the visibility factor is present, while the identified regulation is involved when the community safeguard is considered.

Considering the **coherence** variable, we approach what we had present in Chapter 4 talking about the double nature of this factor. In order to assess it for the cluster analysis, on the one hand we studied the firm philosophy and on the other hand we considered the compatibility with the core business.

It is possible to note that for what concerns the philosophy, the majority of the companies considered, presented a comparability between their social values and the artistic initiative. This element allowed to talk about the identified regulation, since promoting the cultural sector is close to the social commitment observable in certain firms.

However, it is visible that not always the company acts driven by its social philosophy, since it could invest only to promote the brand, talking about their values (introjected regulation). For example, GBR Rossetto promoted “Padova Jazz Festival” in order to enhance corporate values as relation and collaboration.

Moreover, from the analyzed cases it is possible to note that it does not exist a common value related to the cultural sector and that each firm see in it what is closer to its philosophy. For example, GBR Rossetto reported that for him culture means communication and sharing experiences, which are two important values for the firm. This concept will be treated more in detail in *Paragraph 5.6.5* considering the internalization process.

In any case, we can note that even if different firms perceive the cultural sector in distinct ways, the compatibility with the philosophy remains evident.

However, considering the coherence with the core business, we note that for the majority of respondents this element is not fundamental to undertake a cultural investments.

It is visible that only one of the firms considers the compatibility between investment and core business as necessary. Besides other values, Mr. Poliero (Legor Group) believes that the coherence between core activities and investments must be taken into consideration.

5.6.3 Less common motivational styles: external, integrated and intrinsic regulations

The external regulatory style does not characterize any of the observed firms, excepted from Legor Group S.p.a. The social commitment of Legor Group, which has been a corollary element in the “InControl” initiative, has been ascribed to the external regulatory style. As explained before and as we will detail in the next paragraph, having acted for not-for-profit reasons, Mr. Poliero’s motivation can not be ascribed under the activities of business enhancement and safeguard that characterize the external regulation. This element links his motivation to the other entrepreneurs, who are not characterized by external regulation processes.

None of the firms, in fact, invested in order to obtain direct financial returns, leaving the first type of extrinsic motivation outside the analysis.

The integrated and the intrinsic regulations are then scarcely represented by respondents.

From these results we can observe that culture, most of the times, is not integrated inside the Self of the entrepreneurs, who do not invest in arts because they understand that giving contribution to this sector is important, but since they are driven by other reasons.

Integrating culture inside the business means to promote it without ulterior motives. It follows that the translation of “culture” provided by the entrepreneurs with reference to their corporate values, does not allow to ascribe the case into the integrated category. “Culture” should be something per se and not the mirror of something else.

Moreover, we can note that none of the investments has been principally driven by an intrinsic form of motivation, which marginally characterized only Stone Italiana. Therefore, the investments undertaken by the respondents are not characterized by passion or love for arts, an element almost completely absent from our cases.

The interviewed entrepreneurs declared that, rather than being passionate about the art sector, prefer other recreational fields, as for example sports. Legor Group, for instance invested in a football team, since the owner loves this sport. Probably having other passions, brings the entrepreneurs in being more interested in other fields rather than arts.

5.6.4 Additional motivations: the firms contribution

In Chapter 4, we note that the Self Determination Theory has never been applied to the cultural sector.

Although in the previous chapters we defined that the academic and the environmental fields have been analyzed through this theory and that for certain aspects they can be related to the arts sector, this last field has never been included inside SDT researches. Therefore, the lack of studies in the cultural sector, makes this work as the first one in which SDT is applied to the artistic field.

It follows that the presented framework, even if thought to be exhaustive, may not be complete. Additional interviews may add useful elements to it, which therefore is opened to new modifications.

It is possible to state this, also because during an interview analysis we observed a new element to add in the cultural SDT framework. As we mentioned before, presenting the initiative “InContro”, Legor Group showed an additional activity related to the charity world. All paintings realized and displayed during the trade show of “VicenzaOro” were in fact available for sale, in order to obtain funds in favour of charity associations. This element, although very close to the community support, could not be ascribed to the identified regulatory style, since in this case sustaining the community does not mean supporting art, but raise money from it.

Trying to better explain this concept, it is useful to compare this situation with a simpler example. If we consider the restoration of a theatre, it is visible how this project is directly related to the community support, since it concerns the safeguard of the environment in which it lives. Therefore, in this case *“patrimony safeguard = community support”*.

However, considering the case of Legor Group S.p.a., the creation of paintings is not directly related to the community support, since the social safeguard is not directly visible inside the artistic initiative: *“community safeguard ≠ paintings creation”* since *“community safeguard = paintings creation = donation of funds”*.

As defined above, we can not ascribe this social motivation to the identified regulation. It can neither been included in the introjected style, since no visibility element is present here. It follows that the choice is done in favour of the external regulation, which includes earnings from the artistic initiatives. Obviously, the reasoning that drives us including this element inside the external regulatory style can not be included under the concept of “enhancement and safeguard of the business” which characterizes this first type of extrinsic motivation. Raising money for other social purpose is related to this category only because the final objective is not sustaining art but funding other initiatives, which are not related to the cultural sector.

This aspect was not present in our initial cultural framework, therefore, the contribution of the entrepreneur has been fundamental because it allowed us to better implement our theory.

5.6.5 The internalization process

The internalization process defined in the SDT theory is slightly present in the selected firms. Recalling the definition proposed in Chapter 4 “the internalization is an active natural process in which individuals attempt to transform socially sanctioned mores or quests into personally endorsed values and self-regulations” (Deci and Ryan, 2000).

Reporting the interview of Mrs. Dalla Valle (Stone Italiana), we mentioned that the internalization process was marginally visible in her case, since after having undertaken a first investment in the exhibition of Velasco Vitali, she decided to renovate its interest for another subsequent project. One of the reason that drove the second investment has been done since Mrs. Dalla Valle understood the importance of sustaining the artistic and she decided to finance him a second time.

Therefore, it is visible that there has been a development of the motivations between the first and the second initiative, since the first exhibition has been financed only for brand promotion purposes, while the second has been supported since personal values emerged.

GBR Rossetto and Ecor Research did only one investment, therefore it is difficult to observe the internalization process when only one initiative is involved.

However, we can note that even if we can not study the phenomenon as we have done for Stone Italiana, it is visible that the two entrepreneurs present as well a certain degree of internalization of values. Although we can not talk about a common cultural value, it is possible to note that after having heard about the initiative from an external agent, both Mr. Rossetto and Mrs. Lucietto read the financing proposal with their own lens. Therefore, they

transform external quests into personally endorsed values, which concerns corporate philosophy and the community.

As mentioned before, however, any firm integrates pure cultural values, translating with proper words the scope of the initiatives. This means that the internalization of values concerning only the safeguard of culture is not visible in our cases, since culture is always associated to something else.

However, since the definition of internalization process states that the individual transforms external requests in personal values and self-regulations, we can not ignore that in the cases of GBR Rossetto and Ecor Research, there is the identification of the external proposals with internal values, showing therefore the internalization process. Moreover, these concepts underline also that this identification enhances the coherence between corporate values and the initiative, element that we have mentioned above (*Paragraph 5.6.2*). The entrepreneur, in fact, by translating the initiative with his own lens, get it closer to the corporate philosophy.

It follows that on the one hand we can observe the absence of an internalization process concerning only the promotion and safeguard of culture on its own; on the other hand we note the presence of the internalization process relating culture to corporate values.

In closing, it is important to provide a reflection concerning the relation between the internalization concept present in the SDT framework and the co-existence of multiple motivations.

These two elements, even if they may be seen as opposite, can both remain in the dynamic part of the Self Determination Theory. On the one hand, the internalization process will define the psychological growth characterizing an individual going from one regulatory process to another. On the other hand, the multiple presence of motivations will define a person who shows distinct regulatory styles that drive her toward an action. Moreover, taking into consideration for example the case of Stone Italiana, it is visible that the firm experienced an internalization process, moving from the introjected to the identified regulation. However, it maintained an introjected motivation, since it always considered the importance of the visibility variable for sustaining the second event. This example, enables us to understand that the internalization process may co-exist with the concept of multiple motivations, implementing in this sense the dynamic part of SDT.

The first impact of our research is therefore visible in the contribution to the literature concerning the presence of multiple motivations.

A second point concerns the specifications about the dynamic part of the framework that allows to maintain the internalization process near the multiple presence of motivations.

5.6.6 External proposals

After having identified the most important elements characterizing the entrepreneurs' motivations, we now concentrate on who proposed the artistic investments to the firms.

Another common denominator in the analysis is defined by these external agents, which directly influenced the entrepreneurs in financings arts.

Looking at the interviews we observed that all initiatives have been addressed to the entrepreneurs.

However, it is possible to observe that, even if in these cases the artistic organizations addressed directly to the owner families, there could be situations in which there are first contacts with internal offices that refer the proposal to the entrepreneurs at a later stage.

Moreover, the proposal could be done also by the entrepreneur, for love or passion. In line with the lack of intrinsic motivation, this situation is not visible in our cases.

5.7 SUGGESTIONS AND ADVICES FOR THE ARTISTIC ORGANIZATIONS

The most common motivations to invest that we outlined in the previous paragraph concerns the visibility element and the consideration of the reference community.

These factors are very important, since they can be used to the artistic organizations in order to obtain relations and funds from the companies. During this paragraph we will treat how these institutions should take advantage from the above mentioned elements, focusing also on other motivations, which are not completely shared among the observed cases but that could represent optimal food for thought.

Starting with the visibility aspect, the artistic organizations must pay attention to this particular element and provide information about what they can offer in this sense. For example, they have to stress if during a speech they can name and talk about the sponsor, if they can put the firm logo on posters and fliers, if the initiative will probably appear on newspapers and magazines.

All the entrepreneurs, in fact, defines that it is right that the artistic organizations give something back to those firms financing their activities. For example, Mr. Poliero (Legor

Group S.p.a.) highlighted that these organizations must play their cards right, do marketing activities and sell the best they can the services they can provide. According to the CEO of Legor, it is more in the interest of the artistic organizations rather in that of the firms to implement cultural events, therefore who has to create useful relations is who will profit more. The same opinion is shared by Mrs. Dalla Valle (Stone Italiana S.p.a.), who defined that firms are made by investments and numbers, therefore a clear plan must be presented in order to make the company aware of what it can gain. This plan may be related to visibility consequences or profits but, according to her, what is important is a clear picture which outlines the potential advantages. Mr. Rossetto defined that most of the artistic organizations already do this and that a similar promotion is right since it would not be strange. In closing, also Mrs. Luisetto (Ecor Research S.r.l.) recommended to highlight proposal in favour of the firm's visibility, since surely it is an element that could be taken in consideration.

As mentioned before, the visibility concept influences the geography of the investment. As explained before, a firm can undertake an investment in order to sustain the community in a certain territory, in which it is born and grew. However, it can also decide to promote the initiative since it will influence the consumers located in a certain geographical area. Therefore, the artistic organization must pay attention to the companies territories of interest, analyzing the corporate impact on the area near both to the headquarter and the reference market. From the respondents we observed that when the firm invests in arts in order to sustain the community, it will prefer a geographical area near the headquarter, while when it finances the sector for visibility reasons it prefers to consider the reference market area, which could also be different from the native territory.

It follows that, the artistic organizations should look at those companies located in the territory where the initiative will take place, not forgetting that financial helps can come also from other firms whose consumers are located in the area of interest.

Moreover, considering the community sustain, rather than the visibility aspect, the organization seeking for funds, should also study the philosophy of the firms, focusing above all on its social values. The community sustain is in fact related to the social commitment of the firm, which therefore should be properly stimulated. For instance, as explained by Mrs. Dalla Valle (Ecor Research S.p.a.), the fact the cultural foundation presented to the firm an attractive plan which considered also the community impact and the relevance of the theatre for the city of Schio, greatly influenced the investment decision. The company, already active in other social fields, has been affected by the explanation provided by the foundation and it realized the importance of the cultural sector, adding its sustain to the other initiatives.

Finding a certain degree of compatibility between the firm and the artistic investment, therefore, is very important. To the values coherence, is also possible to add the core business consistency, which could be fundamental for certain entrepreneurs. In paragraph 5.6 we outlined how this aspect has been highlighted by Mr. Poliero, owner of Legor Group S.p.a.

According to him, the artistic organization should address their efforts towards companies which present a certain degree of compatibility with the initiative. Indeed, there are some entrepreneurs who care about arts and who are passionate about this sector, but these are the minority and a smart way to attract the others is to consider this core business proximity.

Therefore, considering the investment nature, it could be a good idea to approach companies whose core business is coherent with the artistic initiative. In this sense, it will be probable to observe also a major percentage of in kind investments, rather than financial. As happened for Legor Group and “Il gioiello di Vicenza”, the proximity convinced the entrepreneur in sustaining the project.

Focusing on the influencers, we reported that all considered firms invested not because of an idea coming from the entrepreneurs, who have been contacted by other agents. These initiatives promoters, directly spoke with the firms owners, whose decisions have been initially influenced by them.

Therefore, it seems that the most profitable situation is to talk directly with the entrepreneurs, who owns the final say on every corporate investment.

However, is not always simple to talk to the entrepreneur. The artistic organization, therefore, may contact the firm as large, asking for the other specific offices to which refer their initiative. As mentioned in Chapter 3, above all for what concerns factors related to visibility and earnings, it is probably more appropriate to talk with marketing or financial offices. This does not mean that the entrepreneur can not be contacted, as in fact happened in the selected cases. Nevertheless, approaching internal offices and proposing the investment may be another successful way to act.

In closing, we can also suggest the optimal moment to approach potential investors. As recommended by Mrs. Lucietto (Ecor Research S.r.l.), a useful strategy should be to propose the investment during the last year quarter, in order to leave space and time to the firm which plans the social budget for the following year. Acting in this way, increases the probability to receive a positive answer to the request for funding, since the firm is not yet involved in other initiatives.

5.8 CONCLUSIONS

In this last chapter we related the SDT cultural framework with the entrepreneurs motivations. Doing this analysis allowed us to understand that the individuals may present more than one reason to act, even if a certain motivation may prevail on the others. We observed also that firms included in different clusters and therefore characterized by distinct investment strategies, may present the same regulatory styles, as happens for example to Legor Group S.p.a. and Stone Italiana S.p.a.

These considerations lead us to define additional elements to the traditional SDT model, verifying and giving a contribution to the work of other authors that already treated the co-existence of more motivations.

However, the most important contribution is related to the suggestions provided to the artistic organizations, which can follow the advices given in order to contact and involve potential investors. Visibility and community of reference are among the most important elements to remind, but also factors as values and core business coherence should be considered.

Through the interviews we also highlighted the additional contribution that the practice can give. Interviewing the entrepreneurs, in fact, is not only a point of arrival, since they can provide also useful information to be added inside the cultural framework.

Therefore, we agree about the fact that performing more interviews would probably implement the study, since a more comprehensive analysis about which reasons lay behind cultural investments may be provided.

CONCLUSIONS

The idea behind this work is born from the analysis of the cultural sector situation. In particular, we focused on the financial aspect, realizing that the decrease in funds affected the arts world during the last years. The public sector cannot guarantee anymore the previous contributions, which therefore need to be offset by other entities. Taking into consideration the private sector, we note that data do not present a better situation, since financings from firms and other organizations are decreasing too.

However, we consider that the situation could get better by interacting in the correct way with private agents and by making them aware of what the cultural sector needs are. In particular, we focused on firms, asking which are the main motivations that drive companies in financing arts and how this reasons to invest can be exploited by the artistic organizations.

All along the work, we searched an answer to this question, focusing in particular on the role of the entrepreneur in the decision-making processes concerning the cultural investment. Collecting the testimonies of four entrepreneurs, we studied the artistic initiatives promoted by them and we outlined what kind of motivations affected their actions.

We analyzed the interviews through the Self Determination Theory framework, ascribing the different observed motivations in the implemented cultural model. The analysis revealed that introjected and identified regulations are the most common categories, while external, integrated and intrinsic regulations are the corollary styles. The reasons behind the investments, in fact, are mainly related to the visibility factor and the community support. Therefore, the artistic organizations should focus above all on these two elements when they illustrate their initiatives in order to apply for a company sustain.

However, we also note that factors as values and core business coherence should be remind, since the alignment of corporate investments with the philosophy and the activities of the firm is, for some entrepreneurs, the first significant point. The artistic organizations must pay attention also to the geographical variable, observing which is the most important territory for the firm.

Moreover, we also focused on which agents they choose to contact and the better moment to propose their ideas in order to provide useful suggestions to the artistic organizations.

The four analyzed cases allowed us to better understand why firms finance the cultural sector, proving also the considerations done through the SDT model construction. Moreover, the interviews analysis has been useful to implement the cultural framework, since we found an additional type of external motivation, which we did not include before.

These considerations outline the importance of the practical part, which should be broadened with more cases.

Even if the observed firms provide sufficient elements for a preliminary study, collecting additional testimonies would probably help to define a deeper analysis. We would provide a more exhaustive picture about possible motivations, including also possible additional elements of analysis.

The research, therefore, could be implemented searching for other investors that provide other motivations.

Moreover, studying additional cases could be interesting in order to assess if firms, pertaining to the same clusters, present common motivational features. This result would be translated in a unique profile that would characterize a group of companies with similar investment strategies. Therefore, by observing the strategy of the firm, we could assess the main reasons driving the entrepreneur to invest.

Actually, we already observed a similar result in one of the clusters considered. For what concerns Cluster 3, we interviewed two firms, having a similar investment strategy. The main reason that drove these companies, in financing the arts sector, relates to the community support. They invested after having realized that sustaining arts meant supporting their territory and their reference community. Moreover, both firms showed an additional motivation related to the visibility aspect, as the introjected form of regulation characterized them.

This brief analysis makes us aware about the possibility to observe similar motivations, which could form a unique profile. However, although the two firms of Cluster 3 show similar features, it would be preferable to enrich this result with additional analysis including other companies.

Having assessed four entrepreneurs only, makes our research not appropriate to provide founded results concerning this subject.

Moreover, it could also be interesting to study other firms of different size. We focused our work on medium-sized companies only, since we thought that the role of the entrepreneur could have been more visible compared to bigger entities and the possibility to invest could have been higher than smaller firms. However, we recognize that this boundary is a limit of

the research that could be broadened to large and small enterprises. As far as we can assume that motivations are similar among companies of different size, it could be that some reasons are more visible than others are, being present with a higher or lower degree. Furthermore, a transversal analysis between small, medium and large enterprises could be interesting to implement.

In addition to this size limit, we can also add the regional boundary, used to build our first database of enterprises. After having studied the region with the highest rate of cultural tourism and

12,4 % of the total protected Italian real estates, it could be interesting to broaden the research to other geographical areas, considering other regions different from Veneto but also distinct areas outside of Italy. Analyzing different realities could allow to observe other motivations and to understand if there is a distinction between geographical areas.

In conclusion, through this work, we tried to find out a solution for the decrease in cultural funds that we observed during the last years.

Focusing on firms, could be a good way to help the arts sector, but it is fundamental to understand how to relate with the agents that manage these institutions. Studying the entrepreneurs motivations and comparing the investments reasons between them allowed to better understand how their decision-making process works.

The conclusion of this thesis is addressed to the artistic organizations that need to be sustained. The main purpose of the analysis is to provide useful suggestions to reach potential investors, helping the cultural world in relating with the private sector.

EXHIBIT 1: QUESTIONNAIRE

Please reply to the following questions mainly focused on motivations that have driven enterprises to finance the cultural sector.

The aim is to comprehend the entrepreneur's role by studying his personal investment orientations in order to define useful support instruments to artistic organizations wishing to approach the business industry.

1. **By choosing the investment to support the cultural sector, how and whether the issue that the same would respect culture and company values, has counted ?**
2. **Who had the idea of promoting the initiative and how was it conceived ? Can you tell us how the decision took shape ?**
3. **Which factors were considered prior assuming the decision of feasibility and investment convenience ?**
Examples: Improve identity perception inside and outside the company, implement an innovative marketing campaign, obtain fiscal benefits (i.e. Art Bonus Decree), implementation of a new company value expression;
4. **Do you believe that the initiatives promoted have influenced the company atmosphere inside and in the external environment ?**
5. **Prior to the investment were you already interested in this sector or the interest arose with the investment?**
6. **Whether your interest came prior to the investment, could you tell us your initial experiences in the cultural sector and when you realized that it could be important to sustain and protect it ?**
7. **As entrepreneur, do you consider supporting the cultural sector one of your primary objectives ? Explain reasons.**
8. **We ask you to share the artistic organizations point of view, for example foundations and museums. Could you suggest means and strategies to be adopted by these structures in order to succeed in raising funds and interact with companies ?**
9. **In case the artistic organizations should present funding raising proposals, in terms of company obtainable advantages (i.e. positive impact on brand) would you appreciate a similar communication ?**
10. **Do you believe that the private sector should be more interested in supporting the cultural world ? How would you act on future entrepreneurs in order to make them realize from the beginning such a need ?**

EXHIBIT 2: THE 95 FIRMS INVESTING IN CULTURE

1. Acon S.P.A.
2. Alilaguna S.P.A.
3. Alu Spa Societa' Con Socio Unico
4. Andrea Bizzotto S.P.A.
5. Antica Murrina Veneziana S.R.L.
6. Arc Linea Arredamenti - S.P.A.
7. Ard F.Lli Raccanello S.P.A.
8. Ares Line S.P.A.
9. Arper S.P.A.
10. Askoll Group
11. Atena S.P.A.
12. Automatismi Beninca' - S.P.A.
13. Autovega S.R.L.
14. B! S.P.A.
15. Barovier & Toso Vetriere Artistiche Riunite S.R.L.
16. Battistella S.P.A.
17. Biasuzzi Cave S.P.A.
18. Bottonificio Padano Societa' Per Azioni
19. Calzificio Trever S.P.A.
20. Cardin Elettronica S.P.A.
21. Carrera S.P.A.
22. Centrale Del Latte Di Vicenza S.P.A.
23. Cofiloc S.P.A.
24. Coges S.P.A.
25. Conceria Priante S.P.A.
26. Contract S.R.L.
27. Da Re - S.P.A.
28. De Pretto Industrie S.R.L.
29. Demenego S.R.L.
30. Ditta Bortolo Nardini S.P.A.
31. Eclisse S.R.L.
32. Ecor Research S.P.A.
33. Edison D.G. S.P.A.
34. Effequattro S.R.L.
35. Ettore Zanon S.P.A.
36. Euroventilatori International S.P.A.
37. F&M Ingegneria Spa
38. F.Lli De Pra S.P.A.
39. Ferlat Acciai S.P.A.
40. Fiel S.P.A.
41. Fiera Di Vicenza S.P.A.
42. Foscarini S.P.A.
43. Franklin & Marshall S.R.L.
44. Gbr Rossetto Spa
45. Ge.Ma.Ta. - S.P.A.
46. General Membrane S.P.A.
47. Geo&Tex 2000 S.P.A.
48. Graficart Arti Grafiche S.R.L.
49. Grafiche Antiga S.P.A.
50. Gruppo Industriale Tegolaia S.R.L.
51. Hiref S.P.A.
52. Il Gufo S.P.A.
53. Impa S.P.A.
54. Ithitex S.R.L.
55. La Cooperativa Di Cortina
56. La Donatella - S.R.L.
57. Laboratorio Chimico Farmaceutico A. Sella S.R.L.
58. Legor Group S.P.A.
59. Manila S.R.L.
60. Margraf S.P.A.
61. Meccanostampi S.R.L.
62. Morocolor Italia S.P.A.
63. Mu.Bre. Costruzioni S.R.L.
64. Nardi S.P.A.
65. Nest2 S.P.A.
66. Oikos - Venezia S.R.L.
67. Pago Italia S.R.L.
68. Pasqua Vigneti E Cantine Spa In Sigla P.V. Spa
69. Pastificio Fazion S.P.A.
70. Pba S.P.A.
71. Procaffè' S.P.A. (In Tedesco Procaffè' Ag)
72. Rossi Renzo Costruzioni S.R.L.
73. Rpm S.P.A.
74. Rubelli S.P.A.
75. Saen S.R.L.
76. Salgaim Ecologic S.P.A.
77. Sapiselco Srl
78. Sarel Plast S.P.A.
79. Selecta S.P.A.
80. Sicit 2000 S.P.A.
81. Sisma - S.P.A.
82. Solmec S.P.A.
83. Somec Srl
84. Sorma Spa
85. Stone Italiana S.P.A.
86. Stonefly Spa
87. Stulz S.P.A.
88. Technogel Italia S.R.L.
89. Thetis S.P.A.
90. Trend Group S.P.A.
91. Trevi S.P.A.
92. Valigeria Roncato S.P.A.
93. Venini Societa' Per Azioni
94. Venpa S.P.A.
95. Zincheria Valbrenta S.P.A.

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