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Art sponsorship: 'art' as saletainment

Strong brands and successful companies

With reference to the St. Gallen management concept, 1 it can be said that successful companies achieve competitive advantages on three management levels: the 'lowest' level – and the earliest to be analysed – is operational management. This is the direct control and co-ordination of the current corporate value-added process. The emphasis is thus placed on actions that permanently affect existing corporate areas (F&E, procurement, goods and services/production, sales, financing...) as well as temporary projects that have an influence on the company's short-term success.

As of the 1960s, the need to supplement and replace conventional operational management methods with strategic management (= middle level) was increasingly recognized, and people started to identify, develop and exploit so-called 'success factors' that enable companies to achieve long-term surplus yields. The economies of scale linked to increasing output deserve to be mentioned in this context, as do other aspects such as superior quality or strong brands.

The top management level is that of normative management, which is concerned with corporate social responsibility, or more specifically with the appropriate handling of conflicts of interest regarding corporate policy and values. Among other things, the aim of normative management is to promote a company's likeability and competence *vis-à-vis* all its stakeholders – as well as critical members of the public – in a timely manner. This is reflected in the company's reputation. Corporate reputation can be seen as the counterpart to brand strength: the strength of the company brand, as it were.

Brand strength and corporate success

'Strong brands are central intangible value-creators inside companies'. It is easy to ascertain the truth of this statement by observing the price differences between differently branded but otherwise comparable or even identical products: the VW Sharan, Ford Galaxy and Seat Alhambra, for example, are manufactured in one and the same factory, apart from insignificant details (such as different radiator grilles), but

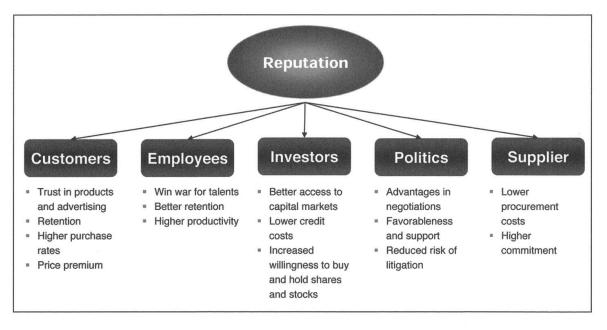
sold by car dealers under different brand names. Depending on the standard features included, VW Sharan is up to Euro 2,500 more expensive than its two competitors; nevertheless, approximately 5,000 more models of the VW Sharan were sold than of the Ford Galaxy in 2001.³ We could continue the list at will, also – and especially – in the realm of services.

At a corporate level, corporate reputation replaces brand strength as the indicator of the strength of the corporate brand. Seen from a resource-based perspective, the reputation of a company can be interpreted as an intangible asset just as much as its brand. Rising media costs, ever shorter product life-cycles and increasingly sophisticated segmentation of target groups are evidence of the ever greater intensity of competition in many sectors. Particularly the intangible values of a corporation, such as strong brands and a fine corporate reputation, are thus becoming increasingly important, as these are advantages that can only be taken over from other companies with difficulty.

A fine reputation can have a similar effect to that of a strong brand: especially when it is difficult or impossible to observe the quality of an object, signals can help to overcome this risk for the consumer. Schwaiger and Cannon compare reputation with a high-level umbrella brand, while Meffert and Bierwirth attribute corporate brands with the capacity to create additional psychological value.

Corporate reputation as an attitudinal construct is a yardstick for the company's global rating and as such is an appropriate corporate goal, because achieving a positive reputation also means indirectly achieving other business objectives: these range from improved customer retention⁶ to higher repeat purchase rates, product prices and margins,⁷ or from lower cost of capital⁸ to lower labour turnover.⁹ One particularly interesting aspect of this is the risk reduction function, which turns the reputation into a signal.¹⁰

Fig. 1 summarizes the effects of a fine corporate reputation described above. It is obvious that companies erect a mobility barrier as described by Porter¹¹ by acquiring a fine reputation, and thus strengthen their strategic position in the competitive environment. This means that corporations can also increase their profitability in parallel with their reputation. Roberts and Dowling¹² demonstrate, for example, that a fine reputation encourages consistently above-average profits over time. To prove this, the authors divide reputation into one component that can be predicted on the basis of previous financial performance (by means of regression estimation), and one residual component. Both have a significantly positive influence on profits. Using a similar division, Eberl and Schwaiger¹³ prove the positive influence of a company's reputation on the profits (net income) achieved by selected DAX companies.



1 Effects of a fine reputation

Companies with a fine reputation consistently also achieve better financial performance;¹⁴ investing in reputation is undoubtedly worthwhile. The question that should be answered by means of empirical investigation is whether cultural sponsorship is also in a position to improve a company's reputation.

Communications objectives and information overload

The last paragraph stated that a strong brand and a fine corporate reputation are desirable for companies because they improve their earnings. How, then, can brands be strengthened and reputations improved?

In principle, the entire range of marketing tools can be used to this end, although communications tools take priority here. Communications should not be seen in isolation, but they do play a key role when it comes to moving the attitudes of consumers and other stakeholders in a certain direction. It will be a major challenge for brand managers – the term applies here both to product and corporate brands – to achieve the integration of communications measures in conformity with their brands. ¹⁵ Cultural sponsorship is one of these measures; it therefore needs to be integrated, as long as there is evidence that it is generally effective.

As a communications tool, cultural sponsorship must begin by striving to achieve 'short-term goals', which are to be found in the area of general communications policy. If one is oriented towards classical marketing literature, ¹⁶ the conscious design of the information aimed at the market ultimately attempts to elicit a certain desired

behaviour in the recipient. However, because behaviour is difficult to explain and can be attributed to individual communications measures only in the rarest of cases, the focus is placed on those effects, usually psychological, ¹⁷ that precede actions; the effectiveness of a communications measure in drawing attention and influencing attitudes towards a brand is particularly important.

The attitude towards a brand and/or a company is considered to be responsible for the intended behaviour of an individual, and can thus be cited as a suitable indicator of behaviour. Attitudes¹⁸ consist in principle of cognitive (in other words predominantly rational) and affective (in other words emotional) components, which are interwoven. Where brand strength is concerned, for example, brand awareness could be referred to as a cognitive, brand appeal as an affective construct. As far as corporate reputation is concerned, cognitive components are summarized under the term competence, and the affective components under the term likeability. Section 'Effect on reputation' will discuss studies conducted in order to check the impact of cultural sponsorship on reputation.

The second communications objective that we would like to analyse in greater detail is the effect on attention. Cultural sponsorship is certainly only used in the rarest cases to attract a high degree of attention – there are simpler and cheaper tools with which this can be achieved -, but cultural sponsorship, like any communications tool, must be in a position to take the first hurdle and to overcome the attention barrier of the recipient. The fact that this is becoming increasingly difficult is linked to information overload, a phenomenon that has been deplored for years. This lay at over 98%²⁰ as long ago as 1987 and shows that most of the information transmitted does not reach the recipient. Irrespective of whether this figure was correctly calculated and whether information overload can be measured in this quantitative form, one look at the development of television in Germany in recent years is enough to illustrate the problem: between 1989 and 2001, the average time spent in front of the television each day rose from 2.5 to 3.2 hours, in other words by just over 25%. During the same period, on the other hand, the number of advertising spots broadcast each day rose from 260 to 6,947,²¹ an increase of over 25 times. At the same time, the number of posters (city-light and billboard posters) grew from approximately 295,000 to over 410,000; today, approximately 250 national radio stations, just under 10,000 daily newspapers and magazines, and over one billion websites on over 30 million hosts compete to overcome the perception barrier of consumers and to penetrate the consciousness of their target groups. Due to biological restrictions, this is opposed by the limitations on the intake capacity of the human brain, 22 which can hardly be increased.

Art sponsorship

With reference to 'critical' consumers, sustainably 'experience-oriented' communications strategies will be increasingly in demand. ²³ Cultural sponsorship in particular is such an 'experience-oriented' communications strategy, because people – due to their 'isolation' during leisure hours resulting from new technologies in the workplace – feel an increasing need for shared experiences, in other words, the need to communicate. Cultural sponsorship 'messages' are frequently perceived as an integral part of 'eventful' leisure situations.

The receptiveness of the individual depends on several factors, including the motivation, intelligence and physical state of the recipient, the presentation and value of the information, the time of day, time pressure and environment. The motivation and intelligence of the individual are accepted as exogenous criteria over which the sender of the communicative message can exercise no influence. The physical state depends strongly on the specific situation in which the recipient is confronted with the message. If we assume that visitors to cultural events consider them to be pleasant and relaxing, in the case of art sponsorship, physical condition, time pressure and environment can be considered as advantageous factors by comparison with many other communications measures.

Besides this, the enormous and highly differentiated variety offered by the arts offers practically unlimited opportunities to 'charge' the facets of a company's image, which are so important for brand management. Fine art, the visual arts, contemporary and classical – there is a suitable cultural event for practically every 'image profile'. Let us assume that a car manufacturer lays claim to 'sophistication' as an integral part of its brand identity. What could provide more convincing proof of this claim than the arts? Or let us assume that another car manufacturer would like to improve the social prestige of its products. What could be more obvious than associating itself with precisely those events to which high social prestige is attributed, such as the Salzburg Festival?

While in the two examples mentioned above the product brands are intended to increase in value, in other cases the focus is on the company. In the eyes of many, financial service providers such as UBS, Credit Suisse or Deutsche Bank, and energy providers like RWE or E.ON offer products and services that are scarcely different from those of their competitors. In sectors like these, which are frequently referred to as low-involvement markets, there is certainly no way of binding consumers to the company by means of fascinating, tangible products. In these cases, a direct relationship with the company must be created. Emotions are particularly appropriate for this, because in rational terms there are perhaps no real differences and – if this were

the case – the competitor could imitate these rationally comprehensible performance features comparatively rapidly and easily. The establishment of emotional relationships, on the other hand, may require a great deal of time, but can only be imitated by competitors over a long period, and with difficulty.

Due to its highly emotional content and the manifold possibilities of differentiation, then, theoretically speaking there is a great deal to be said for commitment to cultural sponsorship. The following section is dedicated to the question as to whether the intended effects can also be achieved.

Efficiency analyses

Sifting through the literature on the subject of sponsorship in general and cultural sponsorship in particular will reveal that there is no lack of publications propagating the use of these tools and publicizing the results of corporate surveys on expected targets and intentions. It remains to be said that despite constant references to the need for measuring the impact or success of sponsorship activities, to date there is an almost complete lack of meaningful, scientifically substantiated, empirical research on the subject. This is partially due to the fact that there is still no generally recognized benchmark. Thus only isolated sponsorship activities are investigated in terms of press coverage, probable awareness, affinities among sectors, probability of product usage, target group structures and shifts of image and recognition. Most cases bring to mind a doctor who documents how many pills in what shape and colour he has prescribed to the patient, and with what intention. But instead of checking whether the remedy has cured the patient, he only checks whether the patient has taken the prescribed pills.

Only very few papers that indeed provide efficiency analyses are pitted against the numerous studies that explain to the reader what effects cultural sponsorship has (or rather what effects it could have) and how these effects can be verified. Some of these few investigations are not specifically dedicated to cultural sponsorship, but are dedicated to sponsorship in general.³⁰ Ultimately, only very few studies investigate the effectiveness of cultural sponsorship.³¹

Since 1999, the author of this paper has worked on a project devoted to the analysis of the effects of cultural sponsorship commissioned by the Arbeitskreis Kultursponsoring im BDI e.V. The effect of cultural sponsorship on attention, its effect on staff motivation, client retention and reputation assignment among the general public are investigated in detail.

Effect on attention

With the aid of our study on the effect on attention of cultural sponsorship we intend to verify whether and to what extent cultural sponsorship is in a position to overcome the perception barrier. In the context of the sub-project described here, visitors to thirteen selected cultural events were surveyed with the aid of unaided recall tests in order to ascertain the effectiveness of cultural sponsorship in the sense of effectiveness on attention and its acceptance. After attending sponsored events, subjects were asked among other things whether they had taken note of the sponsors correctly. The number of correct answers is considered a valid indicator of the effectiveness of an instrument – in this case cultural sponsorship.

To avoid excessively importuning the test persons, who in this case were attending an event, importance was attached to conducting a brief face-to-face interview at a favourable time (during intervals or immediately after the end of the event). The questions concerning the perception of the sponsorship and used to ascertain the unaided recall test were identical at every event, just as was the frank question as to how the test person had been made aware of the sponsor. The questions regarding the acceptance of cultural sponsoring as an instrument from the test persons' point of view were varied in order to minimize the effects of socially expected responses, using strictly positive and strictly negative formulations. Beyond this, in order to eliminate scale effects, rating scales with different rankings were used, with varying verbalization of the individual points on the scale.

The interviewers were instructed to make quite sure that the interviewees would not be able to find out who had sponsored the event only during the survey (e.g. a sponsor logo in their field of vision during the interview).

A total of 1,826 people were interviewed; their responses are the subject of the following summary of the analysis. The individual examination of the events is not necessary, because it is not our intention to make statements on specific forms a sponsorship commitment can take.

The findings with regard to monitoring the effect of communications measures on attention in general³² were applied to cultural sponsorship, which is why the first question on every event was as follows: 'Did you notice that this event is sponsored, i.e. financially supported?' If the answer was yes, the test person was asked to name the sponsors he had noticed, without any outside help. The following table shows the results of the survey.

Principal sponsor: Event	N	Sponsoring noticed, %	Unaided recall, %
Audi: Salzburg Festival	234	82.9%	50.9%
Beiersdorf: Tesafilm Festival	123	93.5%	84.6%
BMW Group: Jazz & More	185	53.5%	42.7%
Deutsche Bahn AG: Literaturexpress	265	27.9%	12.1%
Ford Werke AG: Musiktriennale, Cologne	187	90.9%	83.4%
Jenoptik: Georges Rousse exhibition	72	87.5%	87.5%
Montblanc International GmbH: Menuhin concerts	105	71.4%	42.9%
Philip Morris Germany: f6 Grafikpreis	74	71.6%	58.1%
Siemens: 'Späte Freiheiten'	101	30.7%	14.9%
Siemens: 'Die verletzte Diva'	101	12.9%	10.9%
Vereinte Krankenversicherung: 'Zeraldas Reise'	119	79.0%	57.1%
VW-Soundfoundation: Musikfest am Ring	150	87.3%	6.0%
'Schrift und Bild in Bewegung'	110	34.5%	n.a.

2 Attention values³³

The acceptance of cultural sponsorship is the subject of recurring, controversial discussion in Germany. While cultural life in the United States is initiated almost entirely by private enterprise, public institutions cover the majority of financing needs in Germany. The risk of restricting artistic freedom is seen as the most important argument against the increasing participation of corporations in cultural events. If it is to be at all successful, cultural sponsorship must therefore invalidate this theory through its public image. Only when those interested in the arts expect a sponsorship commitment to have a positive effect on the arts will this also be beneficial for the effectiveness of sponsorship. In our analyses, 88.4% of the interviewees manifested a positive or very positive attitude towards cultural sponsorship – and this independently of whether they considered the commitment to be highly appropriate or inappropriate for the brand. This is remarkable in that the links between the sponsor and the sponsored party are in practice often seen as an important decision criterion. Glogger notes in this regard that high brand fit minimizes the risk of reactance. At least this survey, however, reveals that acceptance was not influenced by brand fit.

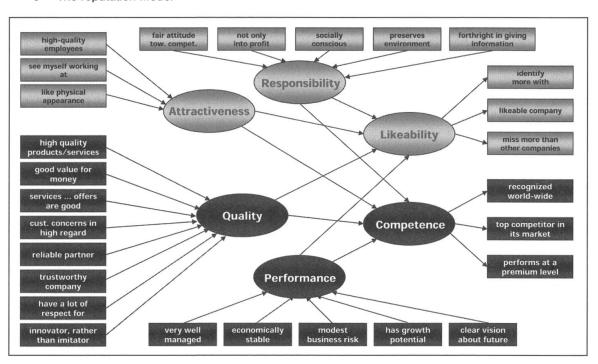
Effect on reputation

In order to analyse the (short-term) effects of cultural sponsorship on the reputation of the sponsor, a survey was conducted with the Kunstsammlung Nordrhein-Westfalen³⁸ (North Rhine-Westphalian Art Collection, KS NRW) in 2002 and with the Bavarian State Opera in 2004: in 2002 the exhibition entitled 'Surrealism 1919–1944', sponsored by Deutsche Renault AG at Grabbeplatz (K20) in Düsseldorf, was

investigated, and in 2004 the performance of *The Meistersingers of Nuremberg* at the Bavarian State Opera in Munich, which was sponsored by Siemens.³⁹

In both cases, Schwaiger's measurement concept, tried and tested in several international surveys, was used to measure corporate reputation. Firstly, this measurement model contains all the essential criteria that determine reputation, and can thus provide information about reputation drivers. Secondly, it contains six indicators that can be applied reflecting reputation (i.e. indicators that can be considered the result of existing reputation) to calculate index values for reputation, as well as the two reputation components likeability and competence. The twenty-one indicators that can be used to explain reputation are shown in fig. 3 on the left-hand side of the model (arrows pointing towards the latent constructs of quality, performance, attractiveness and responsibility). The likeability and competence attributed to a company, the effects or consequences of reputation, are shown as the six indicators on the right-hand side of the model (arrows departing from Likeability and Competence in fig. 3). The affective component includes aspects such as likeability, identification and retention – typically emotional attitudes towards a company – while the rational dimension, which stands for the competence of a company, is measured by means of performance and the recognition of the company's economic and professional performance. For formal details such as the estimation methodology on which it is based and the resulting coefficients, please refer to the literature indicated.

3 The reputation model⁴⁰



At the KS NRW, eighteen items were surveyed on a seven-level rating scale concerning the reputation assigned to the sponsor Renault, as well as an additional six items concerning attitudes towards cultural sponsorship. On top of this, twenty-six items were surveyed concerning values (milieu), several questions were asked regarding the interviewees' use of media (subjectively estimated daily use of radio and television programmes, subjectively perceived use of newspapers and magazines, reaction to commercial breaks, etc.) as well as some socio-demographic information. Incidentally, the results documented in detail elsewhere show that the visitors to the exhibition are more individualist, more strongly 'experience-oriented', slightly less security-oriented and less dutiful than the average citizen. Furthermore, they come from considerably higher income groups, listen to less radio and, with almost the same habits when it comes to avoiding advertising, watch less television than the average citizen. The data thus confirms the usual ideas about the high status of target groups that can be reached through cultural sponsorship.

At the Bavarian State Opera, the data was collected on 2 July 2004 by a project team of fifteen trained interviewers who surveyed members of the audience during the first and second intervals of a performance of *The Meistersingers of Nuremberg*. When selecting test persons, care was taken to offer as many visitors as possible the chance to take part in the random selection. To ensure this, the interviewers were active on all floors of the building as well as on the square in front of the opera house. Initially, just as at the KS NRW, visitors were asked whether they had realized that 'this event' was 'sponsored, i.e. financially supported'. Persons who responded with 'Yes' were asked to name the sponsor without help (i.e. without being shown aids such as lists or logos).

Persons able to answer the first question with the correct name of the sponsoring company were then allocated to a group described as 'recallers'; otherwise to the group of 'non-recallers'.

In the 2004 survey, before the participants in the recaller group were asked about the reputation indicators they were also asked to state whether they were aware of the sponsorship before attending the performance, and how intrusive they found the way the sponsor presented itself. It was also recorded whether the test persons had recently had experience of Siemens products.

226 opera-goers (42.9%) were able to give the sponsor's name correctly in the unaided recall test, while 301 (57.1%) were allocated to the non-recaller group. At the KS NRW, 255 visitors were persuaded to take part in the survey, of whom 29 (11.4%) correctly named Renault as the sponsor of the Surrealism exhibition. In the recaller and non-recaller groups, the following comparisons of the reputation items are thus

Statement / question	Bavarian State Opera (Sponsor = Siemens)		Surrealism exhibition, KS NRW (Sponsor = Renault)		
1 = least agreement 7 = greatest agreement	Non-recallers	Recallers	Non-recallers	Recallers	
Likeability indicators					
>Sponsor< is a company					
I can identify with better					
than with other companies.	4.18	4.23	Not analysed		
I regard >Sponsor< as a					
likeable company.	4.53	4.59	Not analysed		
>Sponsor< is a company I					
would miss more than others					
if it no longer existed.	5.36*	5.70*	Not analysed		
Competence indicators					
>Sponsor< is a top competitor					
in its market.	5.38	5.53	4.29*	5.05*	
As far as I know, >Sponsor<					
is recognized worldwide.	6.18	6.27	5.33*	6.10*	
I believe that >Sponsor<					
performs at a premium level.	5.30	5.29	Not analysed		

4 Group differences in the likeability and competence indicators

based on a number of participants that is at least sufficient in statistical terms. As a matter of form, it should be noted that, due to the special nature of a survey in both cases, no strictly random sample could be taken – this would have required a list of the actual or potential visitors on the basis of which a random selection could have been made. Fig. 4 shows the declared indicators used to ascertain the reputation index.

The recallers tended to give the better judgements, although the differences at a 5%-level are only significant when marked *. In the case of the sponsor Siemens, the improvement in the likeability index is more obvious than in the competence index. By contrast, the sponsor Renault, for whom some indicators were not analysed, shows more definite increases in the competence ratings.

Let us now turn to the explanatory indicators listed in fig. 5. In this case, almost all the recallers also gave better assessments. However, with a significance level of 5%, only in the case of those indicators marked with a * can it be claimed with any certainty that merely coincidental influences are not the cause of these differences: most of these marked items belong to the constructs 'responsibility' and 'performance'. The fact that the recaller group delivered a significantly higher rating for the construct

Statement / question	Bavarian State Opera		Surrealism exhibition, KS NRW	
1 = least agreement	(Sponsor = Siemens)		(Sponsor = Renault)	
7 = greatest agreement	Non-		Non-	
	recallers	Recallers	recallers	Recallers
Responsibility indicators				
I have the impression that >Sponsor<				
has a fair attitude towards competitors.	4.44*	4.74*	4.44*	5.15*
I have the impression that >Sponsor< is				
forthright in giving information to the public.	4.17*	4.60*	4.19	4.55
I have the feeling that >Sponsor< is not only				
concerned about profits.	3.47	3.69	3.61	3.95
>Sponsor< behaves in a socially conscious way.	4.24	4.32	4.16*	4.60*
>Sponsor< is concerned about the preservation				
of the environment.	4.49	4.61	3.87*	4.55*
		•		
Attractiveness indicators				
In my opinion, >Sponsor< is successful in				
attracting high-quality employees.	5.21	5.48	4.58	4.95
I could see myself working at >Sponsor<.	3.92	3.87	Not anal	ysed
I like the physical appearance of >Sponsor<				
(company buildings, branch offices).	4.83	5.05	Not analysed	
Performance indicators				
>Sponsor< is a very well-managed company.	4.82	5.02	4.30*	4.95*
>Sponsor< is an economically stable company.	5.20*	5.56*	4.54*	5.15*
I assess the business risk for >Sponsor< as				
modest compared to its competitors.	4.98*	5.21*	4.21*	5.10*
I think that >Sponsor< has growth potential.	4.91*	5.15*	4.28	4.85
>Sponsor< has a clear vision of the future				
of the company.	4.84*	5.29*	4.40	4.65
Quality indicators				
The products / services offered				
by >Sponsor< are high quality.	5.49	5.51	4.35	4.80
I think that >Sponsor<'s products /				
services offer good value for money.	4.62	4.70	Not analysed	
The services >Sponsor< provides are good.	4.92	4.92	Not analysed	
Customer concerns are held in high regard				
at >Sponsor<.	4.47	4.56	Not anal	ysed
>Sponsor< seems to be a reliable partner				
for customers.	4.90	5.10	4.46	4.75
I regard >Sponsor< as a trustworthy company.	5.30	5.45	4.50	5.10
I have a lot of respect for >Sponsor<.	5.12	5.02	4.17	4.65
In my opinion, >Sponsor< tends to be an inno-				
vator, rather than an imitator in its business areas.	4.91	4.91	4.18	4.80
				1

'responsibility' can be explained by the frequently cited statement that promoting the arts is an expression of the assumption of corporate social responsibility⁴² and the recognition of non-economic principles.⁴³ In this respect it is somewhat surprising that there are even more (not larger!) significant differences between the groups where sponsors' 'performance' is concerned: recallers estimate this considerably better than the non-recallers.

The reasons for this leave much scope for speculation: has the 'high-performance' image of cultural institutions rubbed off on the sponsor, or is it rather the simple idea that sponsorship in this category is expensive in absolute terms and hence that only high-performance companies can be considered as possible sponsors?

Moderating influences on reputation

The way a sponsor's reputation is assessed correlates significantly positively with the way its public appearance is perceived. Recallers attribute a finer reputation to a sponsor the more unobtrusive its public appearance. For sponsorship managers within the company it is thus necessary to find a trade-off between an 'aggressive' placement – and hence greater coverage at the expense of a better reputation – and a discreet placement. Two sponsoring objectives, namely strengthening brand awareness in the population and improving the company's reputation, are thus at odds with each other.

Furthermore, the survey conducted in 2004 explored the question as to whether selective perception has an influence on reputation assignment. There are some recognizable trends that suggest selective perception; however, these are so weak that they have no significant influence on reputation assignment.

Conclusion

Cultural sponsorship has a positive effect on people's attitudes towards the sponsor. It can be proven that taking on a sponsorship commitment in the arts can have a positive influence on the way sponsors' reputation is perceived in the short term. The constructs 'responsibility' and 'performance' are particularly positively charged. In a long-term survey involving over 3,000 test persons, the University of Munich's Institute for Market-based Management (Institut für Marktorientierte Unternehmensführung) is currently analysing whether there is evidence that cultural sponsorship can also lead to long-term shifts in reputation assignment. Initial results of the survey will be available as of the winter of 2005/6.

In view of the reduced effectiveness of one-dimensional communications strategies resulting from information overload, companies are well-advised to use the entire

palette of communications tools. Due to the variety of differentiation that it provides, the considerable degree of emotional content it offers and its increasingly proven effectiveness, it is time to bring cultural sponsorship in from the cold.

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Summary

If one were to put together a list of those companies that employ cultural sponsorship as one of the many available communications tools, it would read like a who's who of the business world. There is thus no lack of financiers for cultural events, but there is frequently a lack of convincing arguments as to why companies behave as they do, and which objectives they pursue with their behaviour. Citing the 'good corporate citizen', corporate spokespersons are more likely to present themselves as altruistic patrons of the arts than as entrepreneurially thinking and acting sponsors. Yet an investor from such a company would quite rightly question the appropriateness of entrepreneurially irrelevant investments.

This essay explores the issue of whether and, where necessary, which economically relevant advantages can be drawn from cultural communications. Particular attention is devoted to cultural sponsorship in its role as a tool to establish and promote brands – including corporate brands. Based on general findings regarding brand management strategy and the importance of emotions for brand value in particular, we develop a series of hypotheses, verifying some of these hypotheses with the aid of empirical surveys that were used to analyse the effects of cultural sponsorship on certain corporate goals. The results of the surveys show that corporations certainly benefit from their commitment to the arts, and that the frequently cited corporate social responsibility is not an end in itself, but that the assumption of social responsibility improves the reputation of a company and thus results in a variety of positive, economically relevant effects.