

CORPORATE PATRONAGE AND SPONSORSHIP OF THE ARTS: EVIDENCE FROM FRENCH FIRMS¹

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Abstract:

In this article we use an original survey conducted in France (Paris region not included) in 2012 to identify the characteristics of firms involved in patronage and sponsorship of the arts, and also examine the influence of some local characteristics, associated with the area where the firm is located.

We propose to analyze corporate patronage and sponsorship of the arts in different frameworks: all of them include a series of objective characteristics for the firms as well as for the area where the firm is located. The first is based on the idea that some places are more generous than others. The second is derived from the economic literature, considering that sponsorship and patronage of the arts is a kind of philanthropy. The third considers that sponsorship and patronage of the arts are something specific to the cultural field.

Our results highlight some regional differences. When the firm is located in an area where people are more involved in their community, this increases the probability of corporate patronage and sponsorship of the arts, which decrease in less conservative and more selfish areas. Such a result would suggest that in France, corporate patronage and sponsorship can be analyzed as being more altruistic than strategic. Another surprising result is that this kind of support is not so culture-driven. Indeed, the number of cultural facilities and organizations in a given area is non-significant. In contrast, the creative environment and cultural attractiveness has a positive though weak effect.

Key words: patronage, sponsorship, corporate philanthropy, arts business

JEL codes: Z10

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1. Introduction

Corporate support for the arts and culture is receiving growing interest. Firms and cultural organizations are building up closer and closer relationships. Culture is conceived as a factor of economic growth, as suggested by the new cultural economics framework (Throsby, 2001). 'Arts business' originating in Anglo-Saxon countries is on the increase and various practices are emerging to link the economic world to the cultural world (McNicholas, 2004; Morel, 2005). Due to the decrease in public subsidies in Europe, corporate patronage and sponsorship of the arts are now high on the agenda of cultural policy makers and arts organizations (Klamer et al., 2006). In France, the "Aillagon Act", voted in 2003 and developed in the years that followed, brought in a tax incentive system aimed at promoting corporate and individual philanthropy in France. For businesses, the main features are a corporate income tax reduction equal to 60% of the amount of gifts (in cash or in kind) made to "general interest" bodies or charities, subject to an annual giving limit of 0.5% of the company's turnover. If the limit is exceeded, the business has five fiscal years in which to use its tax reduction. Culture is usually considered as the leading beneficiary of the French tax incentives for philanthropy program. In this article, we analyze empirically the profile of firms involved in corporate patronage and sponsorship of the arts.

There are numerous articles that investigate firm-specific determinants of corporate giving. These studies focus on why firms give (motivations), how they give (relations, patterns, etc.) and to whom (behaviors, impact, etc.). However, few studies have investigated the profile of businesses that support arts and culture, apart from a comparison with donors in the case of natural disasters (for a recent paper, see Hurtado & Agudelo, 2013). Moreover, many investigations about corporate giving are situated in Anglo-Saxon countries, and call for research outside of these countries. By focusing on corporate giving from a continental European perspective, this article aims to enrich the literature.

Basing our study on an original survey conducted in France (Paris region not included) in 2012, we identify the characteristics of firms involved in patronage and sponsorship of the arts, as well as the influence of some local characteristics associated with the area where the firm is located. The paper is then organized as follows: section 2 presents the related literature and the theoretical framework, section 3 describes the data and presents the empirical strategy, section 4 discusses the results and conclusions are drawn in section 5.

2. Literature and theoretical framework

Why do firms engage in corporate support for the arts and culture? In the literature, it is suggested that patronage and sponsorship practices could both be analyzed primarily as partnership business practices (McNicholas, 2004). However, as O'Hagan & Harvey (2000) remind us, following Schuster (1996), researchers must then confront the difficult analytical problem of distinguishing between patronage and corporate sponsorship. "Patronage" can be defined as the encouragement through monetary support to attain certain fields of life (Mazza, 1994). This is supposed to be an active approach, more altruistic than sponsorship. "Sponsorship" is the payment of money by a business to

an organization with the explicit objective of promoting the business's name, its products, services or image. Indeed, traditionally, patronage comes under philanthropy,³ whereas sponsorship is part of marketing strategy, however there is a very fine line between the two areas when considering them from a social marketing perspective. Sponsors increasingly engage in corporate social responsibility (CSR) activities (Ulrich et al., 2014) and patrons can be driven by marketing motivations in a utility-oriented framework (McAlister & Ferrel, 2002). Motivations for patronage are more and more similar to those for sponsorship.

One study considers that corporate philanthropy is a kind of managerial graft and that corporate charitable contributions are independent of both profit maximizing objectives and shareholder preferences (Kahn, 1997), but are imputed to utility maximization of CEOs (Barnard, 1997). The "Corporate Social Responsibility" movement develops a different view and considers that corporations have a moral duty to do good for others, even if it comes at the expense of the bottom line (X). As such, corporations engage in philanthropy because of this moral duty. For economists, "philanthropy exists because individuals have preferences for altruism" (Henderson and Malani, 2009, p. 583). Put differently, some people derive utility, either directly (pure altruism theories) or partly through a "warm glow" (impure altruism theories), from giving and/or when someone's welfare is improved⁴. On the other hand, Porter and Kramer (2002) consider that corporate philanthropy generates a competitive advantage, suggesting a positive link between giving and profit. Indeed, literature develops the common view that corporate philanthropy is strategic, even if Pache stresses that nearly all the studies have been conducted in English-speaking countries. The US-centric model taxonomy of corporate philanthropy by Young and Burlingame (1996) categorises business motivations into four frameworks called the "neoclassical/corporate productivity" model, "ethical/altruistic model", "political" model and "stakeholder" model. There has been an abundance of literature investigating these various business motivations. For instance, Moir and Taffler (2004) investigated the motivations of UK companies concerning their involvement in the Arts and identified profit-seeking in a marketing sense and the use of community-based activities to gain legitimacy.

Who engage in corporate support for the arts and culture? For Useem (1988), a major author in this field, corporate philanthropy remains the result of a mixture of economic and institutional considerations. Kirchberg (1995) studies corporate arts support in metropolitan areas of the United States and shows that it increases with the population's level of education. It is also greater where the local service sector generates more income and where the local manufacturing sector generates less income. Wolpert (1993) shows that in America, generosity is greater where large businesses are prominent, income is greater, unemployment is lower, and the welfare ideology is more liberal.

Some places are more generous and more relational than others. According to Marquis et al. (2007), the local geographic community in which the firm is located will have a series of influences on the choices the firm makes in terms of social commitments. The authors' central argument is that geographic communities act as the institutional areas in which patterns of corporate social action take shape. They identify two key elements that encourage high levels of local corporate social action: dense connections between local non-profits and corporations on the one hand, and the

³ For a literature review on why firms engage in philanthropy, see Henderson and Malani (2009).

⁴ Economists have developed theories of pro-social preferences and pro-social behavior based on the notion that people care about the well-being of others. This framework is generally used to explain contribution to public good. For a well-documented review, see Meier (2006).

development of a local institutional infrastructure — in particular community foundations and elite civic involvement groups – promoting high levels of engagement on the other. Muller and Whiteman (2009) show the presence of strong persistent regional differences in giving patterns, despite globalization.

Further literature focuses on the profile of donors and sponsors. For Harrow et al. (2006), leading philanthropists are also high profile business leaders. Previous research has shown a positive link between firm size and charitable donation (Brammer and Millington, 2005; Zhang et al., 2010). Amato and Amato (2006) examine the relationships between charitable contributions, firm size and industry. Their estimation of a cubic firm size model suggests that small and large firms, respectively close to communities and needing large philanthropy associated with visibility, give more than medium size firms. They also highlight strong differences across industries.

We propose to analyze corporate patronage and sponsorship of the arts and culture in three different frameworks: all of them include a series of objective characteristics for the firms. We also describe the area where the firm is located from an economic point of view, from an educational point of view, and whether it is more or less urban. The area where the firm is located is then described in three additional different ways:

- 1) In the 'administrative model', the region is taken into account from an administrative point of view, suggesting some local differences, whatever the nature of these differences.
- 2) The 'philanthropic model' relies on the idea that some areas are more philanthropic than others, as suggested by the literature. The region is described according to the intensity of altruism on the one hand and of selfishness on the other. This model derives directly from the literature.
- 3) The 'cultural driver model' takes into account the cultural supply of the area, in a very broad sense. Indeed, we can expect that when a lot of cultural facilities exist and compete for funding in a given region, they are willing to be pro-active in looking for sponsorship and patronage, which can increase the probability of partnership. The cultural atmosphere of an area can also reveal a culture-oriented population. It can provide an incentive to give money for people who are also consumers of culture. This model relies on the idea that corporate sponsorship and patronage of the arts is a specific category of altruism which depends on culture related factors.

Model 1 relies directly on the idea that some places are more generous than others. Here, 'place' is identified from an administrative point of view.

Model 2 is derived from the literature on philanthropy, considering that corporate patronage and sponsorship of the arts is only one kind of philanthropy.

Model 3 relies on the idea that corporate sponsorship and patronage of the arts is different from altruism and depends on culture related factors.

The data and the three empirical models derived from these frameworks are described in section 3.

3. Data and empirical strategy

Our data are from an original survey conducted in 2012 in France, excluding the Paris region⁵, with the support of the French Ministry of Culture. Survey participants were firms chosen at random, which were or were not involved in corporate patronage and sponsorship of cultural organizations. They are reasonably representative in terms of size and sector. Our sample consists of 361 firms.

In our survey, we use a partnership variable ($Partner_{ij}$) which is 1 if the firm i located in region j is involved in cultural patronage or sponsorship, 0 otherwise. These firms are described using a vector with several objective characteristics ($FirmCharact_{ij}$): turnover in thousand euros, legal status, age, size (i.e. number of employees), sector of activity. The objective characteristics associated with region j are the following⁶: GDP_j the GDP per capita in the region; $Educ_j$ an indicator of education in region j (percentage of young people with reading difficulties); $Urban_j$ an indicator of whether the area j is more or less urban, this last characteristic being described from an official indicator differentiating degree of urbanization and, for rural areas, whether or not it provides a lot of jobs⁷. The variables taken into account differ from one model to another. In the 'administrative model' (equation (1)), we integrate a dummy for every administrative region ($AdministrativeRegion_j$): 1 if the firm is located in the given region, 0 otherwise. In the 'philanthropic model' (equation (2)), $Altruism_j$ is a vector of indicators for altruism in region j : we take into account the number of women involved in the local political system (% of female mayors), viewed as an indicator of modernism (as opposed to conservatism), the percentage of people registered on the electoral roll, and participation at local elections (percentage of voters) as an indicator of general community involvement (a kind of altruism indicator); $Selfish_j$ is a vector of indicators for selfishness in region j , based on the degree of criminality in a given area: number of economic and financial offenses, number of property offenses, and number of attacks on physical integrity. In the "cultural incentive" model (equation (3)), we consider the supply of cultural facilities (historic monuments, museums, theaters, cinemas, libraries, cultural academies) in the $CulturalFacilities_j$ vector. The number of creative jobs (people working as artists and performers) is used as a proxy for the creative environment of a given area ($CreativeEnvironment_j$ vector). Lastly, we take into account the number of overstay nights as an indicator of cultural attractiveness for non-resident people ($CulturalAttractiveness_j$ variable).

⁵ The Paris region exhibits some very specific characteristics. For instance, regarding philanthropy, Useem (1988) suggest a headquarters city effect. As such, the Paris region requires a specific survey and study.

⁶ These are provided by the French Statistical Institute (INSEE, Institut National de la Statistique et des Etudes Economiques).

⁷ The French Statistical Institute provides an indicator called ZAUER (Zonage en Aires Urbaines et Aires d'Emploi de l'Espace Rural).

For n firms located in m different regions, considering the firm i located in area j , the three empirical models are as follows:

- **model 1: 'administrative'**

$$Partner_{ij} = \alpha + \sum_{i=1}^n \beta_i FirmCharact_{ij} + \gamma GDP_{ij} + \delta Educ_{ij} + \sum_{j=1}^m \theta_j Urban_{ij} + \sum_{j=1}^m \rho_j AdministrativeRegion_{ij} + \varepsilon_{ij}$$

- **model 2: 'philanthropic'**

$$Partner_{ij} = \alpha + \sum_{i=1}^n \beta_i FirmCharact_{ij} + \gamma GDP_{ij} + \delta Educ_{ij} + \sum_{j=1}^m \theta_j Urban_{ij} + \sum_{j=1}^m \rho_j Altruism_{ij} + \sum_{j=1}^m \varphi_j Selfish_{ij} + \varepsilon_{ij}$$

- **model 3: 'cultural driver'**

$$\begin{aligned} Partner_{ij} &= \alpha + \sum_{i=1}^n \beta_i FirmCharact_{ij} + \gamma GDP_{ij} + \delta Educ_{ij} + \sum_{j=1}^m \theta_j Urban_{ij} \\ &+ \sum_{j=1}^m \rho_j CulturalFacilities_{ij} + \sum_{j=1}^m \varphi_j CreativeEnvironement_{ij} \\ &+ \sum_{j=1}^m \pi_j CulturalAttractiveness_{ij} + \varepsilon_{ij} \end{aligned}$$

Some descriptive statistics are presented in table 1 for the characteristics of the firms and in table 2 for the characteristics of the areas

Table 1: Characteristics of the firms – Descriptive statistics

| | | Nb. | Average | Std. Error | % |
|---------------------|--------------------------------------|------------|----------------|-------------------|----------|
| | Number of firms | 362 | | | |
| | Supporting the arts (2008-2009-2010) | | | | 16.62 |
| | Age | | 32.9 | 62.03 | |
| Finance | Turnover (thousand euros) | 81568.43 | | 803402.6 | |
| Legal status | EURL | | | | 2.77 |
| | SARL | | | | 44.04 |
| | SA | | | | 14.4 |
| | SAS | | | | 32.69 |
| | Other | | | | 6.09 |
| Size | 1 employee | | | | 6.09 |
| | From 2 to 5 employees | | | | 21.61 |
| | From 6 to 30 employees | | | | 32.41 |
| | From 31 to 50 employees | | | | 9.14 |
| | From 51 to 100 employees | | | | 8.31 |
| | From 101 to 500 employees | | | | 13.3 |
| | From 501 to 1000 employees | | | | 5.54 |
| | More than 1001 employees | | | | 3.6 |
| Sector | Agriculture | | | | 2.49 |
| | Food industries | | | | 6.93 |
| | Consumer goods | | | | 4.99 |
| | Automobile industry | | | | 1.11 |
| | Equipment | | | | 4.99 |
| | Manufacturing (intermediate goods) | | | | 0 |
| | Energy | | | | 0.83 |
| | Construction | | | | 9.7 |
| | Trade | | | | 29.64 |
| | Transportation | | | | 5.54 |
| | Financial activities | | | | 0.55 |
| | Real estate activities | | | | 2.22 |
| | Business services | | | | 11.36 |
| | Personal services | | | | 8.03 |
| | Education and health | | | | 2.22 |
| | Administration | | | | 0 |

Table 2: Characteristics of the areas where the firms are located – Descriptive statistics

| | | Average | Std. Error | % of firms |
|--------------------------------|---|----------------|-------------------|-------------------|
| Zoning into urban areas | Large urban areas | | | 54.29 |
| | Monocentric cities | | | 15.51 |
| | Multicentric cities | | | 4.99 |
| | Rural city | | | 10.53 |
| | Periphery of a rural city | | | 0 |
| | Predominantly rural space | | | 14.68 |
| Region | Nord Pas de Calais | | | 4.16 |
| | Picardie | | | 5.54 |
| | Haute Normandie | | | 3.05 |
| | Basse Normandie | | | 2.77 |
| | Bretagne | | | 4.16 |
| | Pays de Loire | | | 4.43 |
| | Champagne Ardenne | | | 4.99 |
| | Lorraine | | | 5.54 |
| | Alsace | | | 5.81 |
| | Centre | | | 4.16 |
| | Bourgogne | | | 4.71 |
| | Franche Comté | | | 6.37 |
| | Poitou Charente | | | 4.43 |
| | Limousin | | | 3.32 |
| | Auvergne | | | 3.6 |
| | Rhône Alpes | | | 6.93 |
| | Aquitaine | | | 3.6 |
| | Midi Pyrenées | | | 6.38 |
| | Languedoc Roussillon | | | 4.43 |
| | PACA | | | 9.42 |
| Corse | | | 2.21 | |
| Economy | GDP per capita (2009) EUR | 25613.72 | 1878.17 | |
| Education | Young people with reading difficulties (%) | 9.42 | 2.09 | |
| Political involvement | Registration on electoral roll (%) 2012 | 92.44 | 0.03 | |
| | Electoral turnout for deputy elections 2011 | 59.53 | 2.83 | |
| | % of female mayors 2008 | 13.44 | 2.14 | |
| Offenses | Economic and financial offense | 505.37 | 143.29 | |
| | Property offense | 2798.42 | 1038.24 | |
| | Attacks on physical integrity | 593.58 | 264.52 | |
| Cultural supply | Number of historic monuments | 1905.82 | 595.37 | |
| | Number of museums | 57.84 | 29.9 | |
| | Number of theaters | 30.76 | 20.26 | |
| | Number of cinemas | 93.67 | 71.39 | |
| | Number of libraries | 696.49 | 436.14 | |
| | Number of cultural academies | 15.58 | 11.13 | |
| Creative environment | People working as artists | 5607.7 | 4148.99 | |
| | People working as performers | 5624.29 | 4213.65 | |
| Tourism | Number of overnight stays 2011 | 2909.67 | 2681.01 | |

With a sample of 362 firms, we estimate a series of three probit models to explain the partnership with a cultural organization (1 if the firm is involved in patronage or sponsorship of the arts, 0 otherwise).

4. Results and discussion

The estimated results are presented in table 3.

Table 3: Probit estimation results

| | | Model 1 | | Model 2 | | Model 3 | |
|-----------------------------|------------------------------------|----------|---------|----------|---------|----------|---------|
| | | Coef. | P-value | Coef. | P-value | Coef. | P-value |
| Pseudo R² | | 0.2675 | | 0.2999 | | 0.3028 | |
| Nb. of observations | | 253 | | 342 | | 342 | |
| Finance | Age | 0.009** | 2.24 | 0.008** | 2.36 | 0.008** | 2.29 |
| | Turnover | 0.000 | 1.49 | 0.000 | 1.25 | 0.000 | 1.60 |
| Legal status | EURL | No obs. | | No obs. | | No obs. | |
| | SARL | 1.075* | 1.90 | 0.976* | 1.81 | 1.005* | 1.81 |
| | SA | 1.026* | 1.82 | 0.867* | 1.65 | 0.936* | 1.76 |
| | SAS | 0.594 | 1.06 | 0.561 | 1.06 | 0.661 | 1.23 |
| | Other | Ref. | | Ref. | | Ref. | |
| Size | 1 employee | 0.52 | 0.87 | 0.65 | 1.22 | 0.422 | 0.80 |
| | From 2 to 5 employees | -0.857** | -2.03 | -0.769* | -1.92 | -0.849** | -2.07 |
| | From 6 to 30 employees | Ref. | | Ref. | | Ref. | |
| | From 31 to 50 employees | 0.393 | 1.01 | 0.194 | 0.55 | 0.213 | 0.61 |
| | From 51 to 100 employees | 0.549 | 1.35 | 0.501 | 1.28 | 0.506 | 1.31 |
| | From 101 to 500 employees | 0.976*** | 2.63 | 1.106*** | 3.21 | 1.005*** | 2.89 |
| | From 501 to 1000 employees | 0.665 | 1.39 | 0.748* | 1.70 | 0.843** | 1.93 |
| | More than 1001 employees | 0.243 | 0.34 | 0.387 | 0.57 | 0.286 | 0.42 |
| Sector | Agriculture | 0.044 | 0.05 | 0.236 | 0.30 | -0.367 | -0.43 |
| | Food industries | 0.451 | 0.71 | 0.119 | 0.22 | 0.183 | 0.34 |
| | Consumer goods | -1.194 | -1.63 | -1.125* | -1.69 | -1.029 | -1.58 |
| | Automobile industry | 1.516* | 1.83 | 1.062 | 1.45 | 0.987 | 1.24 |
| | Equipment | 0.154 | 0.24 | -0.111 | -0.19 | -0.105 | -0.18 |
| | Manufacturing (intermediate goods) | No obs. | | No obs. | | No obs. | |
| | Energy | No obs. | | No obs. | | No obs. | |
| | Construction | 0.462 | 0.93 | 0.473 | 1.05 | 0.380 | 0.82 |
| | Trade | 0.251 | 0.57 | 0.166 | 0.42 | 0.151 | 0.38 |
| | Transportation | 0.025 | 0.04 | 0.062 | 0.11 | -0.094 | -0.16 |
| | Financial activities | 2.456** | 2.13 | 2.974*** | 2.81 | 3.084*** | 2.79 |
| | Real estate activities | 0.541 | 0.70 | 0.642 | 0.89 | 0.638 | 0.88 |
| | Business services | 0.413 | 0.79 | 0.514 | 1.07 | 0.414 | 0.86 |
| | Personal services | 0.823 | 1.45 | 0.792 | 1.53 | 0.818 | 1.60 |
| | Education and health | 0.701 | 0.92 | 1.011 | 1.34 | 1.127 | 1.61 |
| | Administration | Ref. | | Ref. | | Ref. | |

Table 3: Probit estimation results (cont.)

| Variable | | Model 1 | | Model 2 | | Model 3 | |
|--------------------------------|--|----------|---------|------------|---------|---------|---------|
| | | Coef. | P-value | Coef. | P-value | Coef. | P-value |
| Zoning into urban areas | Large urban areas | 0.399 | 0.98 | 0.247 | 0.65 | 0.289 | 0.76 |
| | Monocentric cities | 0.520 | 1.07 | 0.276 | 0.62 | 0.289 | 0.66 |
| | Multicentric cities | 0.005 | 0.01 | -0.01 | -0.02 | -0.086 | -0.14 |
| | Rural city | 0.257 | 0.49 | 0.135 | 0,28 | 0.183 | 0.37 |
| | Periphery of a rural city | No obs. | | No obs. | | No obs. | |
| | Predominantly rural space | Ref. | | Ref. | | Ref. | |
| Region | Nord Pas de Calais | -0.388 | -0.63 | | | | |
| | Picardie | -0.263 | -0.39 | | | | |
| | Haute Normandie | -1.557** | -1;96 | | | | |
| | Basse Normandie | No obs. | | | | | |
| | Bretagne | -0.867* | -1.72 | | | | |
| | Pays de Loire | -0.296 | -0.62 | | | | |
| | Champagne Ardenne | -0.145 | -0.25 | | | | |
| | Lorraine | -1.065* | -1.71 | | | | |
| | Alsace | -0.775 | -1.62 | | | | |
| | Centre | No obs. | | | | | |
| | Bourgogne | No obs. | | | | | |
| | Franche Comté | -0.954* | -1.71 | | | | |
| | Poitou Charente | No obs. | | | | | |
| | Limousin | No obs. | | | | | |
| | Auvergne | No obs. | | | | | |
| | Rhône Alpes | -1.341** | -2.20 | | | | |
| | Aquitaine | -0.743 | -1.36 | | | | |
| | Midi Pyrenées | -0,28 | -0.60 | | | | |
| | Languedoc Roussillon | No obs. | | | | | |
| | PACA | Ref. | | | | | |
| Corse | No obs. | | | | | | |
| Economy | GDP per capita (2009) | -0.000 | -0.08 | 0.000** | 2.14 | 0.000 | 0.10 |
| Education | Young people with reading difficulties (%) | -0.146* | -1.71 | 0.02 | 0.30 | 0.03 | 0.42 |
| Political involvement | Registration on electoral roll (%) | | | 12.836*** | 2.63 | | |
| | Electoral turnout for deputy elections | | | 0.06 | 1.35 | | |
| Offenses | % of female mayors | | | -0.231*** | -3.41 | | |
| | Economic and financial offense | | | 0.003*** | 2.66 | | |
| | Property offense | | | 0.000 | 1.38 | | |
| Cultural supply | Attacks on physical integrity | | | -0.002** | -2.02 | | |
| | Number of historic monuments | | | | | -0.000 | -0.14 |
| | Number of museums | | | | | -0.013 | -0.57 |
| | Number of theaters | | | | | 0.025 | 0.46 |
| | Number of cinemas | | | | | -0.01 | -1.01 |
| | Number of libraries | | | | | -0.000 | -0.15 |
| Creative environment | Number of cultural academies | | | | | -0.055 | -0.97 |
| | People working as artists | | | | | -0.000 | -0.83 |
| | People working as performers | | | | | 0.001* | 1.69 |
| Tourism | Number of overnight stays | | | | | 0.001* | 1.64 |
| Intercept | | -0.804 | -0.29 | -21.016*** | -3.34 | -3.886 | -1.10 |

*, **, *** statistically significant at, respectively, 10, 5 and 1%.

Whatever the estimated model, the pseudo-R² are quite good: 0.2675 for model 1, 0.2999 for model 2 and 0.3028 for model 3. Generally speaking, few variables are significant in explaining the fact of being involved in corporate patronage and sponsorship of the arts.

For the three models, some results converge: turnover does not account for differences among firms while age has a significant and positive effect on the probability of being a partner for culture. There are some differences according to firms' legal status. The relationship with size is not obvious: large firms are not systematically more involved than smaller ones, but the fact of having from 101 to 500 employees increases the probability of being involved in patronage and sponsorship of the arts. Firms in the financial sector are also more involved than firms from other sectors. Regarding the area where the firm is located, education and GDP are usually non-significant, except in the administrative model and the altruistic model where the effect is positive. The degree of urbanization is non-significant whatever the model.

In the administrative model, many regional differences appear. Indeed, compared with the reference (Provence Alpes Côte d'Azur), many regions are associated with a significant and negative coefficient.

In the philanthropic model, interestingly, several variables are significant. First, in a given area, the percentage of people registered on the electoral roll increases the probability of sponsorship and patronage of the arts for firms located in this area. In contrast, the percentage of women politically involved has a negative impact, suggesting that more conservative areas are also more altruistic. On the other hand, the effect of criminality, conceived initially as an indicator of selfishness, has a surprising effect: the number of attacks on physical integrity has a negative effect, while the number of economic and financial offenses is positively significant.

In the cultural incentive model, the results are surprising. Indeed, none of the variables associated with cultural facilities in a given area are significant. In other words, a firm located in an area with a lot of cultural organizations is not significantly more involved in patronage and sponsorship of the arts and culture, compared to other firms. Regarding the creative environment, the number of jobs in the performing arts has a positive effect. Lastly, the empirical analysis reveals that companies located in tourist areas are significantly (at the 10% limit) more involved in partnerships with arts organizations. Such a result seems to be in line with the development of creative tourism.

5. Conclusion

This research shows that the intrinsic characteristics of firms (status, size, sector) are relevant in explaining support and funding for the arts in the French context except Paris, however, some specific features of the area where firms are located are also seen to be significant variables. The probability of supporting the arts and culture increases with the firm's age and if the firm belongs to the financial activity sector. The empirical analysis also highlights some regional differences. When the firm is located in an area where people are more involved in their community, i.e. a kind of altruism, it increases the probability of corporate patronage and sponsorship of the arts, while this decreases in less conservative and more selfish areas. Such results would suggest that corporate patronage and sponsorship can be analyzed as any other kind of philanthropy and seems more

altruist that strategic. Another surprising result is that this kind of support is not so culture-driven. Indeed, the number of cultural facilities and organizations in a given area is non-significant. On the contrary, creative environment and cultural attractiveness have a positive effect. This other series of results seems to indicate that supporting the arts depends on few cultural variables.

This study does have several limitations, for instance the choice of altruism and selfishness indicators. It would also be interesting to integrate the number of cultural events organized in a given area. Indeed, they are usually considered as some of the main beneficiaries of corporate sponsorship and patronage. In the cultural sector, it would also be interesting to identify the profile of regional cultural organizations benefiting from corporate sponsorship and patronage. In this way we could have mirror image results to compare. Further research may also gain from investigating the effect on philanthropy over time of the French tax incentives for philanthropy program.

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