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The commitment to art as a corporate strategic decision

Prof. Alessandro Zattoni

SUPERVISOR

695191 - Carlotta Borelli

Prof. Federica Brunetta

CO-SUPERVISOR

CANDIDATE

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CHAPTER 1

Introduction and purposes

Nowadays, an always more globalized world and the growing stakeholders' demand for companies to act as good corporate citizens impose firms to demonstrate their social responsibility towards both the surrounding and worldwide communities.

To this end, companies have started to be always more committed towards environmental, ethical and philanthropic causes, redefining their values, mission and brand image in the light of this new responsibility assumed. Companies have in fact understood that Corporate Social Responsibility (CSR) is today a necessity for successful and competitive businesses, and, as such, has to become a key pillar of their corporate strategy.

However, there is no unique strategic plan firms have to implement in order to show to be socially responsible entities, conscious of the influences they have on society. Each firm is, in fact, free to choose both to which cause be committed and with which level of engagement contributing to this.

Among the different commitments pursued by firms towards the society, one that seems to be particularly interesting is that towards the artistic cause, due to its capacity of being a strategic key of success for potentially whatever business. Not only, in fact, depending on the level of engagement chosen by the firm, it can start with creating short-term value (through donations, sponsorships and investments) till the point of creating shared value through more sustained commitments, but also, since its benefits are transversal, whatever business can take advantage from them.

But why is art so special?

Art has always represented, throughout history, the mean with which expressing the contemporaneity, and, for this reason, its role has always been immortal and timeless.

Art is, in fact, at the same time, both expression of a society and vehicle for influencing it, since it is able, not only to bring people together, but also to instill values, shatter barriers and transcend time.

By being committed to art, a firm does not intend to intercept the stakeholders' interests to specific topics such as, for example, environmental protection, social equity or human rights.

On the contrary, in fact, its aim is that of creating an emotional link that transcends the personal interest of the individual, being able to capture his/her interest through the artistic production as a mirror of the society in which he/she lives.

Art is, thus, universal and the firms that decide to contribute and support the artistic cause become, in a certain way, custodians and defenders of the society itself.

This work, however, does not investigate the corporate strategic decision of being committed to whatever form of art (literature, performing arts, etc.). Its focus is, in fact, narrower and limited to the visual arts (drawing, painting, filmmaking, architecture, ceramics, sculpting and photography) for two main reasons:

1. The first one is that visual forms of art are physical and tangible assets, often characterized by elements of uniqueness, scarcity and rarity. As such, they belong to a specific market, particularly dynamic and profitable, which, in 2018, reached \$67.4 billion.¹ In fact, according to Art Partners, even if the growing velocity of the Post-War and Contemporary Art markets experienced a 50% decrease during the 2008-2009 crises, in the following years "this market has fully recovered and beyond"².

For this reason, during the past decades, the "investment in the visual arts emerged as a credible investment alternative"³, characterized by elements of: "investment diversification, relatively low correlation with other asset classes and relatively inflation proof"⁴.

All these features make, thus, the investigation over the corporate commitment to visual art particularly interesting in economical, strategical and financial terms.

2. The second reason regards, instead, the corporate strategy pursued by firms with their commitment to visual arts.

Such decision can take the form, become a reality and be implemented through philanthropic activities that could have been differently conceived by the firm strategically speaking.

What makes, in fact, this investigation particularly interesting is the highest level of engagement a firm can reach being corporate socially responsible and committed to arts,

¹ "The Art Market Report | 2019"(2018). *Report written by Art Basel and USB*

² Art Partners, Investment strategy, Art as an investment, URL: <http://artfunds.com/investment-strategy.html>

³ *Ibidem*

⁴ *Ibidem*

by creating its own Corporate Art Foundation. By doing so, in fact, corporations enter the museum market, by becoming competitors of both art institutions and art galleries. For this reason, in terms of corporate strategy, the intent of a firm can be, not just that of demonstrating its social responsibility and commitment in terms of philanthropy, but also that of, in a certain way, "diversifying" its business (even if with the institution of an art foundation that, by definition, is a non-profit organization). This makes, thus, the corporate strategic decision of being committed to art way more powerful compared to other forms of commitments and offers access to a method of reading that explains why, indeed, the topic of this thesis deserves so much attention.

To sum up, thus, the aim of this thesis is that of exploring the topic of corporate art commitment, specifically pursued by firms as a corporate strategy. However, even if increasingly interesting, this subject has not been deeply studied yet, especially by providing both an exhaustive and complete overview of the topic and a comparison among different case studies.

This work intends, thus, to fill this gap by investigating the motives behind the corporate strategic decision of being committed to visual arts and in-depth analyzing the derivable benefits.

Moreover, through the case study analysis of a four-company variegated sample, it is intended to demonstrate if the corporate strategic decision of being committed to art could be universally beneficial (no matter the dimension of the firm, its belonging industry, or the existing link between art and its core activities) and if, by pursuing this strategy, firms may not only obtain reputational, internal, strategical and economic benefits, but also gain a sustained competitive advantage.

This work is, thus, organized in five chapters. After this brief introduction over both the purposes of this thesis and the relevance of the topic chosen to be investigated, the second chapter reviews the existing literature over the commitment to art as a corporate strategic decision, showing how it represents a form of corporate commitment that can become part of a corporate social responsibility strategy when it is integrated into its strategic plan.

Moreover, always within this chapter, it is given evidence to the fact that companies can be committed to art by supporting different philanthropic initiatives, but, when this commitment is pursued at a corporate level, a strategical background has to contextualize, promote, and justify it. This shows, thus, how the theoretical model on which this work is based is that of

Corporate Social Responsibility (with a specific focus on its philanthropic dimension) that can be implemented by firms by creating their own Corporate Art Collection, by becoming Corporate Art Patrons and by creating a Corporate Art Foundation. From an in-depth analysis of what is known about the motives and benefits behind these strategic decisions, it is carved out a theoretical model of analysis useful for assessing an existing correspondence between the theoretical advantages and the actual results of a corporate art commitment strategy in terms of reputational, internal, external, strategical and economic benefits.

The third chapter illustrates, instead, the methodology chosen for the investigation of the topic. Given the difficulty to measure the subject in quantitative terms, the choice has, thus, been oriented towards the qualitative analysis of four case studies, whose data are collected from both official documentation and interviews. Moreover, within this chapter it is also illustrated how, in order to better understand the advantages a firm can benefit from by being committed to art, the resource-based view model is used for assessing if art, considered as a strategical resource, owns all the VRIO attributes that enable firms to gain a sustained competitive advantage.

The fourth chapter is dedicated, thus, to the analysis of the four companies composing the sample, illustrating how they have implemented a corporate strategy of being committed towards the artistic cause by integrating it into their corporate strategy, letting it not only to become a key pillar of their corporate social responsibility strategies, but also to influence their vision, mission and values.

Moreover, if from the one hand, the cross-case study analysis investigates how the four firms composing the sample are able to obtain reputational, internal, strategical and economic benefits from their strategy of being committed to art at a corporate level, on the other hand, the RBV analysis demonstrated how those firms can also obtain a sustained competitive advantage from art. If from these two analyses, it emerges, thus, that:

- all the four companies composing the sample obtain all the benefits identified by the theoretical model, and
- art (and the commitment to art as a strategic resource) is characterized by all the VRIO attributes, enabling firms to obtain a sustained competitive advantage

it can be demonstrated that the corporate strategic decision of being committed to art is universally beneficial, no matter the dimension of the firm, its belonging industry, or the existing link between art and its core activities.

To conclude, a fifth and final chapter summarizes this finding, remarking the theoretical, empirical and practical value of the thesis.

CHAPTER 2

Literature and theoretical framework

2.1 The commitment to art as a corporate strategic decision

2.1.1 *Corporate commitment*

The word commitment designates the "state or quality of being dedicated to a cause or activity"⁵, "a willingness to give your time and energy to something that you believe in, or a promise or firm decision to do something".⁶

The corporate art commitment is, thus, a form of commitment with which a company engages itself towards the artistic cause.

As a matter of fact, when talking about corporations, two main forms of commitment can be distinguished: organizational commitment and corporate commitment.

The key difference between the two is represented by the subject involved in it, that is, alternatively, either the company itself or its employees. While the expression "organizational commitment" refers, in fact, to the "individual's psychological attachment to an organization"⁷ and "the strength of the feeling of responsibility that an employee has towards the mission of the organization"⁸; "**corporate commitment**", instead, refers to the responsibility that a company has towards the environment, the community or whatever a company can be committed to. For this reason, it can be concluded that the corporate art commitment falls into this second category.

However, a firm that is committed to art is not automatically committed to this cause at its corporate strategy level, since its engagement can even be concretely translated into sporadic philanthropic actions pursued by the firm as business strategies.

As a matter of fact, even if often confused and regarded as equivalents, the terms "corporate commitment" and "corporate social responsibility" are distinguished the one from the other: while the term "corporate commitment" is general and designates an action or intention of a

⁵ Oxford Dictionary definition of "commitment"

⁶ Cambridge Dictionary definition of "commitment"

⁷ Oxford Review Encyclopedia of Terms definition of "organizational commitment"

⁸ Business Dictionary definition of "organizational commitment"

firm, the expression "corporate social responsibility" implies, instead, a strategical corporate plan and is, thus, much more technical.

However, **the corporate art commitment can become part of a corporate social responsibility strategy when the firm decides to integrate its engagement towards the artistic cause into its corporate social responsibility strategic plan.**

As a matter of fact, a company can support art in different ways (through donations, by making investments, by becoming an art patron, by founding its own art museum, etc.), but there is a marked difference between what represents a business strategy (marketing initiative or investment strategy), and what, on the contrary, aims at creating both social and corporate value.

In this second scenario, in fact, the firm chooses to integrate the commitment to art into its corporate strategy, aiming at creating reciprocal value for both the society and its own business.

Of course, depending on the level of engagement a firm chooses to have towards this cause, it is possible to determine whether a specific initiative is pursued as an occasional act of Corporate Philanthropy or if this is part of its Corporate Social Responsibility (CSR) strategic plan.

2.1.2 Corporate Philanthropy VS Corporate Social Responsibility

Making a distinction between these two concepts of Corporate Philanthropy and CSR it is not an easy task, not only because they often overlap in practice, but also because they are often confused the one with the other since they designate analog positive practices. As a matter of fact, they both have the specular aim of delivering corporate resources to the community, and by considering only this aspect, the two terms can be used interchangeably as synonymous.

However, as it emerges from the literature, there is a difference between the two practices, and this is more evident when they are operated simultaneously by corporations.

In fact, while **Corporate Philanthropy** typically involves a contribution in terms of financial resources, time or other means to a cause that aims at finding a long-term solution to a certain

social problem; **Corporate Social Responsibility** (CSR), instead, "directly involves the corporation's business model and its business practices"⁹.

More specifically, CSR "is about how companies manage their business processes to produce an overall positive impact on the society"¹⁰, or, in other terms, it is "the continuing firm's commitment to behave ethically and contribute to the economic development, while improving the quality of life of the workforce and their families as well as the local community and society at large"¹¹.

For this reason, the key difference between the two practices is the level of business engagement a company both assumes and shows towards a specific subject or cause. As a matter of fact, while an act of Corporate Philanthropy can be occasional and spot, an act of Corporate Social Responsibility cannot exist without a strategical background that contextualizes, promotes, and justifies it.

This is because, while Corporate Philanthropy consists in one of the possible ways with which CSR can be approached; CSR, instead, is a "corporate ethic strategy"¹² and, as such, it has to be integrated into the business model of the firm that intends to become responsible socially.

In other words, Corporate Philanthropy is part of the Corporate Social Responsibility plan of a firm in the sense that, if the CSR is the strategy, the Corporate Philanthropy is one of the initiatives a company can implement in order to pursue this strategy.

Indeed, since the field of investigation of this thesis is the commitment to art pursued by a firm as part of its corporate strategy, the theoretical model on which this work is based is that of CSR, with a specific focus on its philanthropic dimension. (Fig. 1)¹³

⁹ LAZZARI, Zach (2018). "The Difference between Corporate Philanthropy & Corporate Social Responsibility", *Chron Local*, URL: <https://smallbusiness.chron.com/difference-between-corporate-philanthropy-corporate-social-responsibility-65129.html>

¹⁰ BAKER, Mallen (2004). "Definitions of Corporate Social Responsibility – What is CSR?", *Mallen Baker.net* URL: <http://mallenbaker.net/article/clear-reflection/definitions-of-corporate-social-responsibility-what-is-csr>

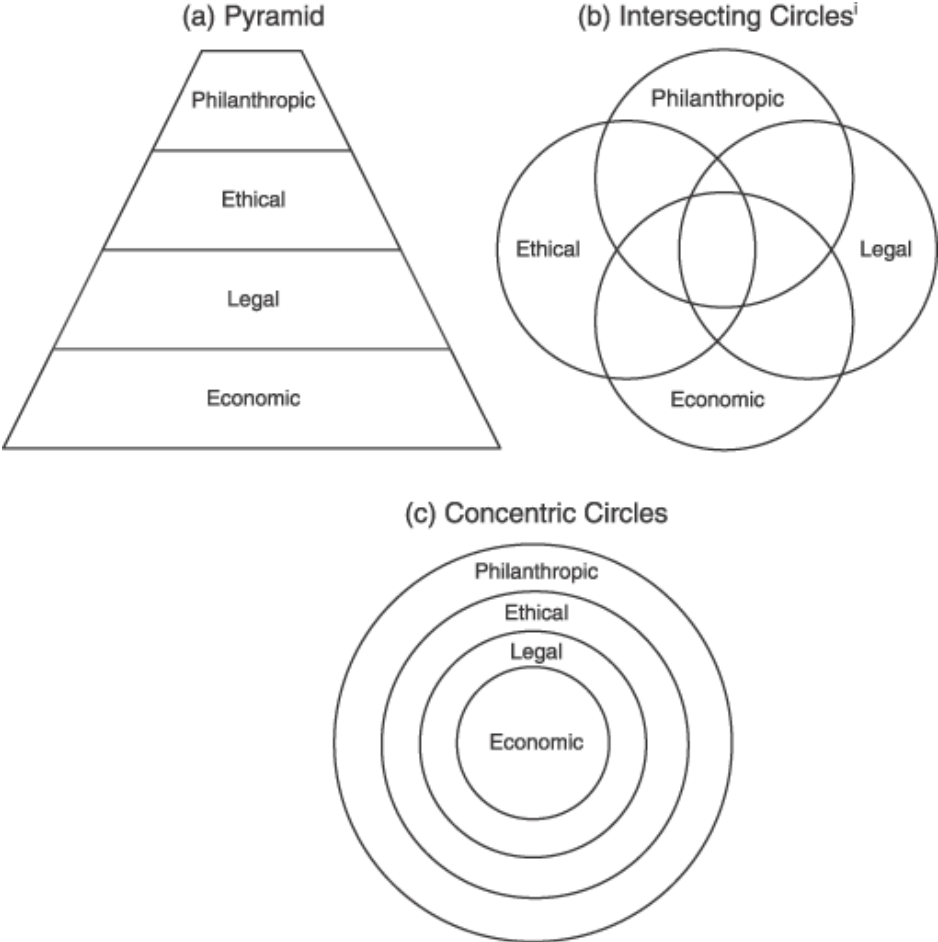
¹¹ HOLME, Richard & WATTS, Philip (2000) "Corporate Social Responsibility: Making Good Business Sense", *The World Business Council for Sustainable Development*, Conches-Geneva, Switzerland

¹² Neil Malhotra's speech reported by Jeremy Dann. DANN, Jeremy (2009). "Business Ethics Integral to Corporate Strategy, says Stanford's Malhotra", *cbsnews.com*

¹³ Image taken from: AVIVA GEVA, 2008. "Three Models of Corporate Social Responsibility: Interrelationships between Theory, Research, and Practice", *Business and Society Review*, Volume 113, Issue 1, p. 1-41

As a matter of fact, no matter which model of CSR is taken into account (pyramid¹⁴, intersecting circles¹⁵ or centric circles¹⁶), the philanthropic dimension represents always a key one, and it is, within this framework, that the corporate strategic decision of being committed to art can thus be retraced.

Fig 1. Models of Corporate Social Responsibility: pyramid, intersecting circles and concentric circles



Source: AVIVA GEVA, 2008, Business and Society Review

¹⁴ Carroll's CSR pyramid model (A. B. Carroll, 1979)

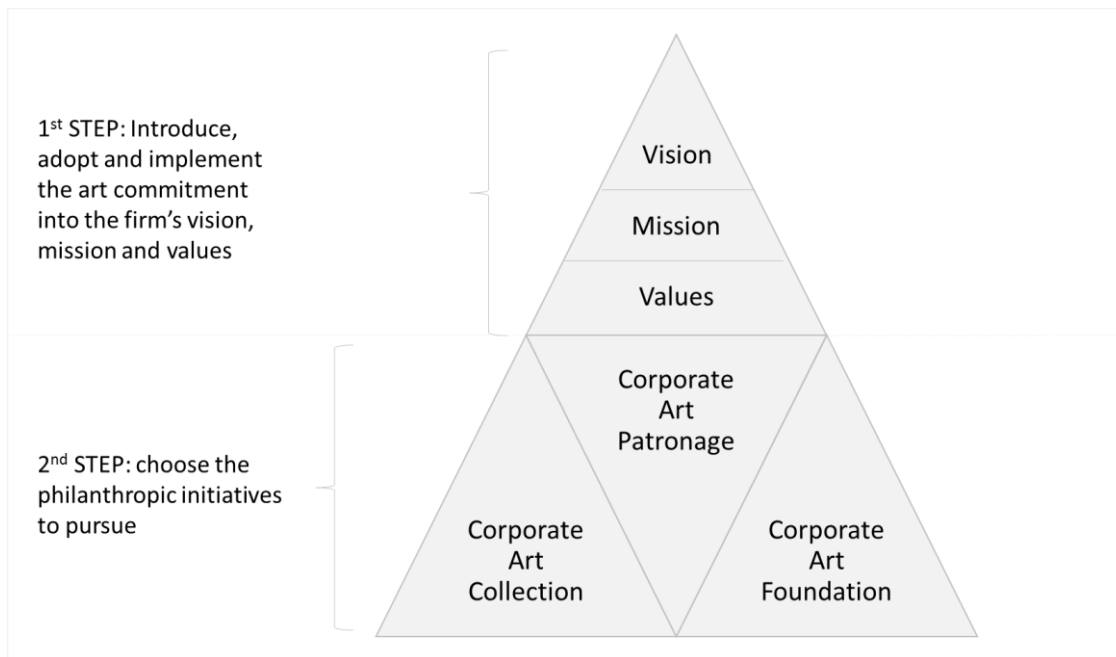
¹⁵ Schwartz and Carrol's CSR intersecting circles model (M. S. Schwartz and A. B. Carroll, 2003)

¹⁶ Concentric-circle model of responsibility (CON), (Committee for Economic Development: CED)

2.2. Implementing the corporate commitment to art at a corporate strategy level

When a firm decides to be committed to art at its corporate strategy level, it has to integrate this commitment into its CSR strategic plan. This means that, first of all, it has to introduce, adopt and implement this art commitment into its vision, mission and values, and, secondly, it has to choose which philanthropic initiatives intends to pursue (Fig 2).

Fig 2. Theoretical model of implementation of the corporate commitment to art at a corporate strategy level



Source: data processing by the author from literature evidence

As a matter of fact, for developing a strategy and driving its execution, the first important thing to do is to define the three critical elements of the firm's strategic plan that are, indeed: the vision statement, the mission statement and the company's values.

In fact, through its vision, a firm expresses which are its aspirations, what it hopes to achieve or to become; through its mission statement, it specifies what the organization needs to do now to achieve its vision; and through its values it communicates both in what the organization believes and how people in the organization are expected to behave.

For this reason, given the strategical importance of these three elements, a firm that intends to be committed to art at its corporate strategy level must inevitably give evidence of its artistic engagement into its strategic plan.

Then, in order to concretely drive the execution of this corporate art commitment strategy, the firm has to choose its action plan.

As it is known, a corporation can contribute and support arts by implementing different philanthropic initiatives that can be either sporadic (such as donations, sponsorships and investments) or more sustained (Corporate Art Patronage, the creation of a Corporate Art Collection or the institution of a Corporate Art Foundation).

However, it is only through these last three more sustained commitments of Corporate Art Collection, Corporate Art Patronage and Corporate Art Foundation that the firm can demonstrate the seriousness of its engagement. It is, in fact, among these three forms that the firm makes its choice of which philanthropic initiative to implement and integrate into its CSR plan to pursue its art commitment at its corporate strategy level.

In order to make the strategic choice of being committed to art by implementing a philanthropic initiative instead of another, the firm has to consider, of course, the benefits it can derive from each, so to make the best choice that can be in line with its strategical goals.

For this reason, hereafter, it is provided an exhaustive review of the existing literature over the three distinct phenomena of Corporate Art Collection, Corporate Art Patronage and Corporate Art Foundation, highlighting, for each of them, which are the motives behind a certain choice, and which the derivable benefits.

It is important, in fact, to make a preliminary analysis of these three phenomena separately because these three strategical choices are independent of each other.

2.2.1 Corporate Art Collection

As far as the phenomenon of the corporate art collections is concerned, the literature investigation over this subject is not particularly extensive, considering that its origins can be traced back to the end of the 19th century.¹⁷

Moreover, there is no academic consensus over the reasons why companies decide to collect artworks. In fact, while according to Rosanne Martorella's book¹⁸(1990), behind this firm's

¹⁷ LINDENBERG, Morgane & OOSTERLINCK, Kim (2010). "Art collections as a strategy tool: a typology based on the Belgian financial sector", *Université Libre de Bruxelles – Solvay Business School of Economics and Management*, Centre Emile Bernheim, Research Institute in Management Sciences

¹⁸ MARTORELLA, Rosanne (1990). "Corporate Art", *New Brunswick*, Rutgers University Press

decision, there is the intent of, alternatively, "improving public relations and brand image", "enhancing the benefit for employees" and "diversifying the investment"; according to Kottasz et al's (2007) article¹⁹, instead, the fact of owning an art collection contributes to the process of corporate identity management within businesses.

What researches agree on is in fact that corporate art collections contribute to all the three main dimensions of corporate identity management that are, according to Van Riel and Blackburn's work (1995)²⁰, the behavior, the communication and the symbolism.

1. As far as the **behavior** is concerned, thanks to the collection of artworks, firms can spread both shared values and employees' sense of belonging to the organization (Hatch and Schultz, 1997)²¹, "enhance the working environment (Wu, 2003)²², improve morale (Mitchell and King, 1997²³; Richardson, 1998²⁴), and stimulate creativity (Betts, 2006)²⁵".²⁶

Art can be used by firms for motivating their employees, enlarging their horizons, and stimulating or provoking them. In fact, as Richardson²⁷ explains, several companies strategically use the fact of having their corporate art collection as a mean for exercising a positive influence over their employees, by allowing them to choose the artwork décor of their offices, or by providing art lectures as corporate benefits.

¹⁹ KOTTASZ, Rita, BENNET Roger, SAVANI Sharmila, MOUSLEY Wendy & ALI-CHOUDHURY Rehnuma (2007). "The Role of Corporate Art Collection in Corporate Identity Management: The case of Deutsche Bank", *International Journal of Arts Management*, 10, 1, p. 19-31

²⁰ VAN RIEL, Cees & BLACKBURN, Chris (1995). "Principles of Corporate Communications", *Prentice-Hall*, Englewood Cliffs, NJ.

²¹ HATCH, Mary Jo & SCHULTZ, Majken (1997), "Relations between organizational culture, identity and image", *European Journal of Marketing*, Vol 31, No. 5, p. 356-65

²² WU, Chin-Tao (2003). "Privitising Culture: Corporate Art Intervention since 1980's", *Verso*, London

²³ MITCHELL, A & KING, N (1997). "Art for art's sake? Management consultancies' art collections", *Management Consultancy*, March, pp. 24-8

²⁴ RICHARDSON, S. (1998). "An absolute work of art", *Evening Standard*, London, 23 March, p.2

²⁵ BETTS, Jan (2006). "Framing power: the case of the boardroom", *Consumption, Markets and Culture*, Vol 9 No. 2, pp. 157-67

²⁶ LINDENBERG, Morgane & OOSTERLINCK, Kim (2010). "Art collections as a strategy tool: a typology based on the Belgian financial sector", *Université Libre de Bruxelles – Solvay Business School of Economics and Management*, Centre Emilie Bernheim, Research Institute in Management Sciences

²⁷ RICHARDSON, S. (1998). "An absolute work of art", *Evening Standard*, London, 23 March, p.2

2. As far as the dimension of **communication** is concerned, one of the main advantages a corporation can take from creating its own art collection is the positive influence it can exercise over its clients.

As a matter of fact, as well as for individuals being interested in art is commonly associated with the idea of being cultivated and sophisticated, the same reasoning is valid also for companies. Art can thus be, not only a mean with which firms can impress their clients and visitors, but also a strategical mean with which they can communicate their brand image.

In fact, as Van Riel and Blackburn explain in their book²⁸, artworks play a crucial role not only in corporate communications of all forms (written, visual, marketing, signage and décor), but also in "acting as an attractive forum for corporate hospitality events (Thorncroft, 1999)²⁹"³⁰ and in demonstrating the firm's Corporate Social Responsibility.

3. Lastly, as far as the dimension of **symbolism** is concerned, corporate art collections are crucial for the definition of the corporate image and identity. In this case, the term "image" does not have to be interpreted in a reputational way, but in its most visual significance.

Symbolism plays a crucial role because as well as symbols (such as logos, color schemes, etc.) contribute to affirm the identity of a company, also corporate art collections can create physical recognition for the organizations.

This vision is endorsed in different ways by the academic literature. According to Potterton (1990)³¹, Richardson (1998)³², Garnett (2002)³³ and Ross (2002)³⁴, for example, the potential of a corporate art collection (CAC) is that of transferring both

²⁸ VAN RIEL, Cees & BLACKBURN, Chris (1995). "Principles of Corporate Communications", *Prentice-Hall*, Englewood Cliffs, NJ.

²⁹ THORNCROFT, Anthony (2003). "Brit art's cash cow: the business side of the UK's contemporary art scene", *Management Today*, December, pp. 52-6

³⁰ LINDENBERG, Morgane & OOSTERLINCK, Kim (2010). "Art collections as a strategy tool: a typology based on the Belgian financial sector", *Université Libre de Bruxelles – Solvay Business School of Economics and Management*, Centre Emile Bernheim, Research Institute in Management Sciences

³¹ POTTERTON, H. (1990). "Collecting: lesson to be learnt from a big spender", *Weekend Financial Times*, 7 April, p.20

³² RICHARDSON, S. (1998). "An absolute work of art", *Evening Standard*, London, 23 March, p.2

³³ GARNETT, N. (2002). "The monsoon tycoon", *Art Review*, 1 March, p.60-3

³⁴ ROSS, E. (2002). "Artistic licence", *Business Review Weekly*, 19 December, p.94

corporate values and corporate image. For Wu (2003)³⁵, instead, the CAC power is that of creating social statement. Macritchie (1996)³⁶, on the other hand, believes in the competitive advantage an art collection can implicitly provide to the corporation; in fact, according to this author, the fact of owning an art collection at a corporate level, can allow firms to reassure both their clients and their employees about the good performances of the company itself.

That being said, the contribution an art collection can make to the process of corporate identity management is not the only reason for firms to decide to buy art and develop private collections. Further motivations exist.

Multiple reasons for establishing art collections are identified by a survey conducted by Lindenberg and Oosterlinck³⁷(2010). Even if the sample analyzed by the two authors includes only few Belgian Financial Institutions, it is possible to generalize the findings by identifying five major objectives attained with this strategy. This does not mean that every company that decides to develop its own art collection has the same goals, but this does not exclude that there could be a common pattern between companies belonging to different industries which made the same choices.

In fact, between these five main objectives cited below³⁸:

1. "Improve the workplace infrastructure, procure a sense of **well-being** and stimulate senses"
2. "Contribute to cultural and intellectual **education** through the exposition of artworks, and promote both open-mindednesses and creativity"
3. Transmit and communicate a specific **brand image**
4. Pursue corporate objectives in terms of **corporate philanthropy**
5. Make an **investment** in order to enable risk diversification

some of them have already been examined before, while others are here mentioned for the first time.

³⁵ WU, Chin-Tao (2003). "Privitising Culture: Corporate Art Intervention since 1980's", *Verso*, London

³⁶ MATRITCHIE, L. (1996), "Corporate art goes avant-garde", *Financial Times*, 22 June, p. 15

³⁷ LINDENBERG, Morgane & OOSTERLINCK, Kim (2010). "Art collections as a strategy tool: a typology based on the Belgian financial sector", *Université Libre de Bruxelles – Solvay Business School of Economics and Management*, Centre Emilie Bernheim, Research Institute in Management Sciences

³⁸ *Ibidem*

However, for each of them, from the Lindenberg and Oosterlinck's work³⁹ (2010), it is possible to retain some additional interesting information.

First of all, behind the strategic decision of collecting arts, two considerations about the return of possessing a work of art have to be made. In fact, besides from the financial return the sale of an artwork can yield, there is also a physic return that has to be taken into account, since "collecting art is generally an activity undertaken by leading persons of an organization who consider art as a consumption good generating satisfaction".⁴⁰

Secondly, corporations can use their art collections as a tool of social and cultural enrichment not only for their personnel, their clients and their collaborators, but also for the general public, since art collections may become both a tool with which firms can stimulate their employees' creativity and a mean of education.

By preserving and promoting art pieces, encouraging creativity and lending artworks to cultural institutions, in fact, corporations can pursue their stakeholders' cultural education, giving them the instruments to appreciate their corporate philanthropy strategy. In return, firms will be, thus, remunerated by all the benefits a successful implementation of that strategy can them assure.

Thirdly, art collections can be used by corporations as a strategical marketing tool for improving their brand image. In fact, besides the message a firm can communicate by simply owning art pieces, the choice itself of which works to collect communicates a lot more.

Firms can, in fact, choose between works of local, national or international artists, or choose to collect art pieces belonging to always the same artist, different artists, or different art periods. However, whatever their choice, firms would always have strategical different communication plans with consequent different objectives and gains. For example, a firm whose goal is that of communicating an image of its brand as innovative and international would choose to collect artworks of contemporary innovative artists who come from different countries and artistic backgrounds. This is, for example, the case of Deutsche Bank, AXA or ING (Lindenberg and Oosterlinck, 2010)⁴¹.

³⁹ LINDENBERG, Morgane & OOSTERLINCK, Kim (2010). "Art collections as a strategy tool: a typology based on the Belgian financial sector", *Université Libre de Bruxelles – Solvay Business School of Economics and Management*, Centre Emilie Bernheim, Research Institute in Management Sciences

⁴⁰ *Ibidem*

⁴¹ *Ibidem*

A firm that, instead, collects art aiming at pursuing its corporate objectives in terms of corporate philanthropy, would choose, on the contrary, to purchase artworks realized by locals. By doing so, the firm would communicate an image of itself as corporately responsible vis-à-vis the local community, and it would, thus, gain in terms of reputation and community's appreciation.

In conclusion, it has not to be neglected that any art purchase is an investment by definition. Thus, the corporate strategical decision of collecting arts implies that the firm, by managing art capitals, would take advantage of the diversification of its investment portfolio.

Even if this investment objective is never mentioned in literature as a pure strategy admitted by the firms themselves, some evidence from the Lindenberg and Oosterlinck's work (2010) demonstrate that it is not without a logic that the purchasing choice is made.

In fact, for example, both Cera and ING claim that "their selection and purchasing philosophy is based on such strict criterion that their acquisitions have led to precise and thoughtful placements with financial surplus values"⁴². While other institutions have formalized and implemented a "prospecting process"⁴³ with which they engage art experts to identify investment opportunities on the market. Their role is, in fact, that of visiting galleries, museums or art schools and attending national and international art fairs, in order to "observe the current trends and identify emergent and talented artists"⁴⁴.

However, the interesting finding that emerges from the work by Lindenberg and Oosterlinck (2010) is that, behind all these corporate art investments, it seems not to be a speculative purchasing strategy. In fact, since the artworks purchased appear in the balance sheet as fixed assets, this implicitly suggests that the firm has no intention to resell them. But, on the contrary, it rather seems that the purchase has been made with the aim of keeping the artworks within the company. In the cases in which, instead, there is an effective resale of artworks, the logic seems to be linked to the firm's intention of homogenizing the collection, and not to a lucrative activity.

Of course, these findings cannot be generalized saying that companies who collect arts have no speculative intention of making profit from the resale of their art purchases. The aim of this work is, in fact, that of analyzing the phenomenon of firms supporting arts, by demonstrating the corporate strategical reasoning behind this decision and giving evidence to all the consequent advantages that can be achieved.

⁴² *Ibidem*

⁴³ *Ibidem*

⁴⁴ *Ibidem*

In line with such reasoning, it is thus evident that, even if behind the firm's choice of collecting art there would be a speculative objective, conducting such investment would be beneficial for the business, since it would make profits from the resale of the artworks. Of course, in addition to this financial advantage, the company can take advantage of several other benefits. In fact, having a speculative goal does not necessarily imply a deterioration of the company's reputation and brand image, since the firm is supporting art and contributing to the art market vitality fully-fledged.

To conclude, corporate art collections are, thus, strategical tools from which companies can take advantage in different ways, and whatever the objective pursued, it seems they could always guarantee a gain for the firm who adopts this strategy.

2.2.2 Corporate Art Patronage

As far as corporate art patronage is concerned, before analyzing the motives and benefits behind this philanthropic initiative, it is useful to make a brief digression in order to provide a better understanding of what corporate art patronage means and why it can be considered an act of philanthropy.

As it is known, historically, the phenomenon of art patronage has always been linked to the monarchy and aristocracy. It is only by the end of the 18th century that, with the aim of emulating them, the bourgeoisie began to show its interest in supporting culture and arts (Dervisoglu, 2009)⁴⁵.

The first forms of corporate art patronage can be dated only in more recent years. In fact, even if corporations exist for more than 400 years, the phenomenon of corporate philanthropy has a history that is considerably more recent, and which retraces its birth in the American culture. As a matter of fact, the first person to have realized the strategical importance of philanthropism at a corporate level was Frank W. Abrams, who, in 1948, made the following statement: "The long term interests of the shareholders cannot run counter to the long term interests of the American people"⁴⁶.

⁴⁵ DERVISOGLU, GOKCE (2009). "Corporate Support on Art: a vicious or virtuous cycle?", *The texts-11th Biennial, Istanbul: IFCA-Istanbul Foundation for Culture and the arts*, pp. 39-55.

⁴⁶ ABRAMS, Frank W. (1970). "The Theory of Corporate Social Responsibility, 1945-1960", *Social Responsibilities of Business*, p. 270

It is worth noting that in the same year when Abrams's statement was made, the United Nations was adopting the Universal Declaration of Human Rights, whose 27th article recognized and affirmed, for the first time in the history, the universal human right people have to freely participate to the cultural life of the community.

However, it was not before the end of the Second World War that the two approaches of "philanthropy" and "corporate citizenship" became more popular (Dervisoglu, 2009)⁴⁷. Furthermore, only with the wind of privatization of the 80's that, both in the US than in Europe, the two phenomena of corporate patronage and sponsorship of the arts increased in popularity, incentivized by the decrease in public subsidies (Gombault et al., 2014)⁴⁸.

In this regard, it must be noted that the literature does not provide a unique definition of the corporate practice of art patronage. The authors only agree on recognizing to patronage an altruistic nature that does not characterize the practice of corporate sponsorship, which is, instead, perceived as being part of a marketing strategy.

As it emerges from the work by Gambault et al. (2014), in fact, while patronage is defined as "the encouragement through monetary support to attain certain fields of life"⁴⁹ (Mazza, 2010)⁵⁰, sponsorship is, instead, "the payment of money by a business to an organization with the explicit objective of promoting the business's name, its product, services or image"⁵¹. Thus, taken this distinction into account, it can be better understood why authors such as Barre (2008)⁵² and Handerson & Malani (2009)⁵³ agree on considering corporate patronage as an act of philanthropy.

⁴⁷ DERSISOGLU, GOKCE (2009). "Corporate Support on Art: a vicious or virtuous cycle?", *The texts-11th Biennial, Istanbul: IFCA-Istanbul Foundation for Culture and the arts*, pp. 39-55.

⁴⁸ GOMBAULT, Anne, LIVAT, Florine & MOREL Catherine (2014). "Corporate Patronage and Sponsorship of the Arts: Evidences from French Firms", *ACEI Conference*, Montreal

⁴⁹ GOMBAULT, Anne, LIVAT, Florine & MOREL Catherine (2014). "Corporate Patronage and Sponsorship of the Arts: Evidences from French Firms", *ACEI Conference*, Montreal

⁵⁰ MAZZA, I. (1994). "Microeconomics Analysis of Patronage and Sponsorship", in *Cultural Economics and Cultural Policies*, A. Peacock and I. Rizzo, *Kluwer Academic Publishers*, Dordrecht, 35-53.

⁵¹ GOMBAULT, Anne, LIVAT, Florine & MOREL Catherine (2014). "Corporate Patronage and Sponsorship of the Arts: Evidences from French Firms", *ACEI Conference*, Montreal

⁵² BARRE, S. (2008). "Le mécénat", *Génie de glaciers*, Chambéry, 2008

⁵³ HANDERSON, M. T. & MALANI, A. (2009). "Corporate Philanthropy and Market for Altruism", *Columbia Law Review*, 571-627

There are several reasons why corporations decide to become patrons. According to Burligame & Young (1998)⁵⁴, the business motivations behind the decision of pursuing a strategy of corporate philanthropy can be regrouped into four different frameworks:

1. the "neoclassical/productivity" model, according to which the major aim of a company is to generate profit. Thus, whatever philanthropic act a company could make, its final objective would always remain its long-run profitability;
2. the "ethical/altruistic" model, according to which corporations are seen as socially responsible entities, that have the duty of addressing social problems, by financially contributing to the actions taken by non-profit organizations;
3. the "political" model, according to which corporations can exercise and increase their political power by building relationships and coalitions with non-profit organizations, as an alternative to the growth of government;
4. and the "stakeholder" model, according to which corporations have to act philanthropically also because of their duty of always taking care and trying to satisfy their stakeholder's claims.

A similar version of these frameworks can be retraced in the paper written by Philippe Boistel (2012)⁵⁵, where the author investigates the practice of corporate patronage, aiming at demonstrating how, from being a communication technique, this has become a strategic managerial tool. According to Boistel, indeed, there are four logics that can guide corporations in making the choice of becoming patrons. This does not mean that the corporate patronage is the result of just one or another of these reasonings. On the contrary, it is, instead, at the intersection of the four; that the corporate patronage can be conceived as a viable strategical path.

The corporate Patronage as a strategical decision is taken, thus, by considering four logics: the humanistic one, the legal and fiscal one, the logic of the market and the logic of communication (Boistel, 2012)⁵⁶.

⁵⁴ BURLIGAME, DWIGHT F. & YOUNG, DENNIS R. (1996). "Corporate philanthropy at the crossroads", *Indiana University Press*, Bloomington

⁵⁵ BOISTEL, Philippe (2012). "Le mécénat : nouvelles ambitions stratégiques", *Communication et organisation*, Presses Universitaire de Bordeaux

⁵⁶ *Ibidem*

1. Concerning the **humanistic** side of the reasoning behind the corporate strategy of patronage, all the existing literature, in favor of the "Corporate Social Responsibility" movement, agrees on recognizing to companies the moral duty of "doing good for others".⁵⁷ This is because, corporations are moral persons and, as such, they can choose to support non-profit activities.
 Moreover, in support of this thesis, it cannot be neglected that corporations are managed by people, and the human capital has both an extremely important role and weight in all corporate strategical decisions. For this reason, the humanistic argument is extremely convincing given the fact that "philanthropy exists because individuals have preferences for altruism"⁵⁸.

2. As far as the **legal and fiscal** reasoning is concerned, instead, corporations are directly encouraged to become patrons by the laws of their own States. As a matter of fact, it is always more common that the Governments, aware of the contribution firms can give to the national economic development, encourage the corporate patronage, by promoting legal and fiscal incentives.

3. Additionally, also the so-called "**logic of the market**" has to be taken into account, since, by becoming patrons, corporations can benefit from economic returns in terms of, for example, brand image development, reputational improvement, communication expenses reduction, etc. (Boistel, 2012)⁵⁹. Moreover, by implementing a strategy of corporate philanthropy, firms can generate a competitive advantage (Kramer & Porter, 2002)⁶⁰, strengthen their position on the market and consumers' recognition (Smith, 1994)⁶¹, and have a positive impact on sales and profitability (Campbell et al., 1999)⁶².

⁵⁷ GOMBAULT, Anne, LIVAT, Florine & MOREL Catherine (2014). "Corporate Patronage and Sponsorship of the Arts: Evidences from French Firms", *ACEI Conference*, Montreal

⁵⁸ HANDERSON, M. T. & MALANI, A. (2009). "Corporate Philanthropy and Market for Altruism", *Columbia Law Review*, 571-627

⁵⁹ BOISTEL, Philippe (2012). "Le mécénat : nouvelles ambitions stratégiques", *Communication et organisation*, Presses Universitaire de Bordeaux

⁶⁰ KRAMER, M. R., PORTER M. E. (2002). "The competitive advantage of corporate philanthropy", *Harvard Business Review*, 80 (12), 56-68

⁶¹ SMITH, C. (1994). "The New Corporate Philanthropy", *Harvard Business Review*, p. 105-116

⁶² CAMPBELL, L., GULAS, C. S., GRUCA T. S., (1999). "Corporate Giving Behaviour and Decision-Maker Social Consciousness", *Journal of Business Ethics*, 19, p. 129-146

4. Lastly, following a **logic of communication**, - according to which it is possible to communicate more with concrete actions than by promoting, saying or advertising something – firms can strategically benefit from the intrinsic communicative power of their philanthropic acts.

When patronage is pursued as a strategy by corporations, it can experience different forms of evolutions.

According to Boistel (2012)⁶³, with the aim of legitimizing the firm's actions and decisions, the practice of corporate patronage can evolve towards five different perspectives:

1. the logic of **strategy**, with which corporations seek to operate altruistically by realizing profitable initiatives whose aim is no longer commercial or financial;
2. the logic of **responsibility**, with which corporations use their patronage practice as a useful tool for satisfying their CSR obligations and for pursuing their sustainable development goals;
3. the logic of **competences**, with which corporations engage their resources into specific projects of public interest, by placing the competences of these latter at the disposal of the community;
4. the logic of **solidarity and proximity**, with which corporations choose and prefer to support local associations and their own employees, in order to become part of their surrounding society and environment. By doing so, firms can, on the one hand, obtain favorable feedback from the local community, raising their appreciation on the part of the general public; and, on the other hand, reduce the discontent, by motivating their employees and combatting the increase of strikes;

⁶³ BOISTEL, Philippe (2012). "Le mécénat : nouvelles ambitions stratégiques", *Communication et organisation*, Presses Universitaire de Bordeaux

5. and the logic of **engagement**, with which corporations seek to involve their stakeholders (employees, clients, etc.) at the most, since, by doing so, they can obtain several advantages. According to McAlister and Ferrel (2002)⁶⁴, in fact, the dimensions of ethics, employee engagement and customers' loyalty are all positively correlated, since by being ethical, corporations can, not only, reduce their transaction costs and anchor their shareholders' trust, but also preserve their share capital and improve their employees' level of teamwork and satisfaction.

As a matter of fact, the more the clients share the values of a firm and trust in it, the more loyal they would be in its regards. Mirror-like, in terms of recruiting and talent management, a firm (that is ethical or that act as a patron) is more likely, on the one hand, to engage high potentials who shares its same values; while, on the other hand, can encourage the volunteer development of its current employees.

The above-said often leads to the establishment by firms of corporate art foundations. The establishment of a corporate foundation is, indeed, one of the main indisputable forms, with which the evolution of corporate patronage into corporate strategy is embodied. There is no doubt in considering this act as strategical, since, among other things, it requires a minimal amount of capital that cannot be inferior to € 150000.

2.2.3 Corporate Art Foundations

Concerning the philanthropic initiative of creating a corporate art foundation, before analyzing both its motives and derivable benefits, it is important to provide a unique definition of the phenomenon, considering that a “corporate foundation” can be characterized by slightly different features depending on the geographical context in which it is inserted.

- *In the US*, for example, - where it doesn't exist an official definition of the phenomenon in the tax law - the term is used to define, alternatively, two different entities: the private foundation controlled by a corporation on the one hand, and the public charity associated with a corporation on the other. These two forms are, in fact, classified by the IRS as 501(c)(3) organizations that share the common feature of being tax-exempt.

Their key difference, instead, is represented by their source of funding: in fact, while a private foundation is typically financed by a single individual, a family, or a corporation,

⁶⁴ MCALISTER D.T. & FERREL, L. (2002). "The Role of Strategic Philanthropy in Marketing Strategy", *European Journal of Marketing*, 36.5/6, p. 689-705

which receives a tax deduction for donations, a public charity receives the majority of its financial support by the general public.

There are, at least, three other main differences that distinguish a private foundation from a public charity:

1. **Grant-making:** while for private foundations making grants to public charities is a typical activity (even if they can even conduct their own charitable activity), for public charities it's exactly the opposite (their typical activity is that of promoting charitable initiatives, even if they can even make grants).
 2. **Origin of the funding proof:** only public charities are obliged to prove that their funding comes from the general public. Private foundations, in fact, do not have to be compliant with this requirement because of their status of "self-funded organization".
 3. **Diversified board of director:** only for public charities, there is a requirement of "members' diversification" of the board of directors, which means that the majority of it must be not be related by marriage or blood. On the contrary, the BoD of a private foundation is composed of its donators and all those, eventually, chosen by them.
- *In France*, on the contrary, the term "corporate foundation" designates - according to the 19th article of the law n° 87-571 of the 23 July 1987 - the act with which one or more companies engage themselves towards the realization of a plurennial extensible action plan (minimum 5 years), having a goal of general interest and a non-for-profit final aim.

Within the French regulatory framework, the corporate foundations can be placed in between the "foundations recognized as public utilities" and the "foundations under aegis" (devoid of any moral personality and arbitrated by a foundation recognized as a public utility).⁶⁵ In fact, compared to those two, the corporate foundation is characterized by an action plan that engages the entity for a determined period of time. Additionally, in France, the regulation is particularly favorable towards the institution of corporate foundations. As a matter of fact, the promulgation of the Aillagon law in

⁶⁵ "Panorama 2006 des Fondations d'entreprise. Créer sa fondation d'entreprise : quelles motivations" (2006). Report written by Ernst & Young in collaboration with the Centre Français des Fondations

2003 has strongly encouraged the proliferation of this type of entity throughout the French territory.

The main incentive has been, and is still today, the tax reduction guaranteed by the State to those firms who, by investing at least 150 000 € in a 5-year action plan, decide to create their own foundations. More specifically, in fact, all the corresponding payments, freely divided between the different founders, can be subjected to a 60% tax reduction rate.

- In *Italy*, instead, a definition of the phenomenon is provided by Sodalitas, an institution founded in 1995 by Assolombarda with the aim of promoting Corporate Sustainability in Italy. A corporate foundation is, thus, defined as a non-profit private law organization, created by one or more Italian or foreign companies - that can be either public or private - with the aim of promoting values and policies of corporate social responsibility.

A definition that can be valid internationally can be drawn both from that provided by the Corporate Citizenship (2014) and that provided by the European Foundation Centre (EFC).

A Corporate Foundation can be, thus, described as an entity "whose primary income is derived in some way from a corporate source"⁶⁶ and that is characterized by the following three features (Lodi Rizzini & Noia, 2017)⁶⁷:

1. the principal donor is the funder firm that annually corresponds a donation to the foundation;
2. the members of the board are principally employees or members of the funder firm;
3. the redistribution of its funds occurs through provisions or operations.

At a regulatory level, even if the European legislation differs from the non-European one, it is possible to identify some common features. In general, in fact, corporate foundations are institutions of private law, legally autonomous and independent, created by physical or legal persons through the signature of a document called "constitutive act".

⁶⁶ "Corporate Foundations. A Global Perspective" (2014). *Report written by Corporate Citizenship*

⁶⁷ LODI RIZZINI, Chiara & NOIA, Eleonora (2017). "Le fondazioni di impresa di fronte a un welfare state in trasformazione", *Terzo Rapporto sul secondo welfare in Italia 2017*, Torino, Centro di Ricerca e Documentazione Luigi Einaudi, pp. 147-172

All corporate foundations have a "statute" that regulates and govern their existence, by establishing, inter alia, both their corporate aims – that, normally, have to be of public interest (Barbetta, 2013⁶⁸; Guzzi, 2007⁶⁹) – and their inability at distributing profits (European Foundation Center, 2003)⁷⁰.

Foundations, in fact, use their own financial resources for educational, cultural, religious, social or other purposes of public utility, either by directly supporting people and associations (Grant-Making Foundations), or by organizing and managing own programs (Operative Foundations) (Barbetta, 2013)⁷¹.

According to Minciullo⁷², the corporate asset of a foundation is its characterizing element since its real beginning and throughout its entire lifecycle. As a matter of fact, it is only thanks to its corporate asset that the foundation is able to have its financial independency guaranteed for an unlimited period.

All foundations are characterized, moreover, by the presence of a governing body (alternatively Board of Directors or Administrative Council), whose composition is decided according to the statutory rules and whose legal form can be modified and customized taken into account the missions and goals pursued (Boesso & Cerbioni, 2013)⁷³.

Companies can decide to establish corporate foundations for three main reasons: "ethical motives", "personal reasons" and "strategical purposes"(Carter, 2006; Bronn & Vidaver-Cohen, 2009)⁷⁴.

Concerning the **ethical** motives, for a firm, it is important to be engaged in a socially responsible way. For this reason, having the possibility of realizing its corporate philanthropic goals thanks

⁶⁸ BARBETTA, G.P., (2013). "Le fondazioni", *Il Mulino*, Bologna

⁶⁹ GUZZI, D. (2007). "Le fondazioni. Nascita e Gestione", *Fag Edizioni*, Milano

⁷⁰ European Foundation Center (2003). "Typology of Foundations in Europe", *European Foundation Centre*, Bruxelles

⁷¹ BARBETTA, G.P., (2013). "Le fondazioni", *Il Mulino*, Bologna

⁷² MINCIULLO, M. (2016). "Il ruolo strategico delle Fondazioni d'Impresa: tra Responsabilità Sociale e Vantaggio Competitivo", *Impresa Progetto - Electronic Journal of Management*, n. 1

⁷³ BOESSO G. & CERBIONI F.,(2013). "La governance delle fondazioni: leader al servizio della filantropia", *McGraw-Hill*, Milano

⁷⁴ CARTER S. (2006). "The Interaction of Top Management Group, Stakeholder, and Situational Factors on Certain Corporate Reputation Management Activities". *Journal of Management Studies*, 43(5), 1145-1176

BRONN P.S., VIDAVER-COHEN D., (2009). "Corporate Motives for Social Initiative: Legitimacy, Sustainability, or the Bottom Line?", *Journal of Business Ethics*, 87(1), 91-109

to the creation of a foundation represents a considerable stimulus for making a decision in that sense (Lee et al., 2009). As a matter of fact, companies are free to allocate their resources for charitable activities or social services, on the basis of their own ethical and moral values. Thanks to this, they are able, not only to strengthen their brand image, but also to improve their results in terms of performance and appreciation (Maignan et al., 1999⁷⁵ & Bowie, 1998⁷⁶).

With regard to the **personal** motives, on the other hand, academic findings⁷⁷ show that the creation of a corporate foundation can answer personal wills of the top management, which can be interested in both pursuing its professional advancement and realizing its individual inclinations.

However, as Werbel & Carter (2002)⁷⁸ demonstrate, whatever the triggering reason behind such strategic move, the stronger the support and engagement of the top management is, the more stimulated the company will be towards the pursuit of its philanthropic duties.

A company can, thus, be interested in setting up a foundation for several different **strategical** reasons:

1. improving its reputation and brand image,
2. strengthening the relationships with both its stakeholders and employees,
3. saving money thanks to a tax reduction system,
4. and having the possibility of directly managing its philanthropic activities.

Through the creation of a corporate foundation, in fact, the firm can not only guarantee a constant and prolonged commitment to its philanthropic duties, but it can also promote a more effective approach to all the activities related to them (Petrovits, 2006)⁷⁹.

⁷⁵ Maignan I., Ferrell O.C., Hunt G.T. (1999). "Corporate Citizenship: Cultural Antecedents and Business Benefits", *Journal of the Academy of Marketing Science*, 27(4), 455–469

⁷⁶ Bowie N. (1998). "A Kantian theory of meaningful work", *Journal of Business Ethics*, 17(9/10), 1083–1092

⁷⁷ Friedman (1970), Galaskiewicz (1997), Werbel E Carter (2002), Buchholtz et al (1999), Salancik & Pfeffer (1977)

⁷⁸ Werbel, J.D. & Carter, S.M. (2002). "The CEO's Influence on Corporate Foundation Giving", *Journal of Business Ethics*, 40, 47–60

⁷⁹ Petrovits, C.M. (2006), "Corporate-sponsored foundations and earnings management", *Journal of Accounting and Economics*, 41, 335–362

Moreover, since, with the creation of the foundation, all the philanthropic activities the company is required to pursue would be carried on by this new entity, the founder firm will gain in terms of control efficacy. In fact, since its investments would be made in favor of its own foundation – that is an entity of its possession – the founder firm would be able to better monitor both the activities and their results (Westhues & Einwiller, 2006)⁸⁰.

To conclude, as Minciullo's work⁸¹ demonstrates, the creation of a corporate foundation can represent, for the company, a great opportunity for creating synergies between its core business and its philanthropic commitments. Moreover, compared to all the other forms of foundations, the corporate ones, not only respond to a multi-stakeholder perspective and are considerably much more autonomous, but also they can benefit from a long-lasting relationship with the generating firm, allowing to this latter to improve its competitive positioning, in line with its ethical strategic vision (Minciullo, 2016)⁸².

Indeed, the institution of a corporate foundation seems to be the best alternative to be chosen by a firm that aims at creating synergies between its corporate strategy and its philanthropic activities, since it is best suited with the systematic need of integrating socio-environmental issues within the strategy of the business.

⁸⁰ WESTHUES, M. & EINWILLER, S. (2006). "Corporate Foundations: Their Role for Corporate Social Responsibility", *Corporate Reputation Review*, 9(2), 144-153

⁸¹ MINCIULLO, M. (2016). "Il ruolo strategico delle Fondazioni d'Impresa: tra Responsabilità Sociale e Vantaggio Competitivo", *Impresa Progetto - Electronic Journal of Management*, n. 1

⁸² *Ibidem*

2.3 Theoretical model of analysis of the motives and benefits behind the corporate strategic decision of being committed to art

A company can, thus, reach several corporate goals and obtain different benefits if it decides to be committed to art, by, alternatively, creating its corporate art collection, being a corporate art patron or founding its corporate art institution.

However, even if these three strategical choices can be independent, the maximum value derivable from the corporate strategic decision of being committed to art can be generated when a firm opts for all these three choices.

Of course, this does not have to be necessarily simultaneous: in fact, it can occur, either that the company is strategically committed to the three activities since the beginning, or that the company makes its first choice being oriented to one of them and, over time, it decides to strengthen its level of engagement by enriching its activity portfolio by making further strategic decisions in that direction.

This explains also why, sometimes, in the literature, the borders between the advantages of corporate art patronage, corporate art collection and corporate art foundation are a bit blurred. However, this is not just because of the synergies and the existing connections between the three, but also because they lead to several common benefits.

As a matter of fact, it is made, hereafter, an effort for summarizing, into a recapitulative table (Table 1, pp. 35-36), the motives and benefits behind the corporate strategic decision of being committed to art, distinguishing (by columns) the different initiatives and (by rows) six different macro-categories of motives/benefits.

This table seeks to provide, thus, a first exhaustive and complete overview of the motives and benefits behind the corporate strategic decision of being committed to art that can be retraced within the existing literature, even if this latter has deepened the topic only by studying the three initiatives separately, without regrouping the benefits into categories.

As it emerges from the table, in fact, companies can theoretically obtain **reputational, internal, external, strategical** and **economic** advantages by being committed towards the artistic cause.

In fact, besides being able to improve its brand image in reputational terms, a firm can enhance benefits for its employees, motivate them, stimulate their creativity and enlarge their horizons, by improving their level of teamwork, their well-being and their sense of belonging to the organization.

Even externally, a firm can obtain considerable advantages by being committed to art, such as gaining the appreciation of the local community or improving its relationships with its external stakeholders.

From a strategical point of view, instead, thanks to its philanthropic activities, a firm can benefit from the advancement of its corporate objectives, by pursuing its sustainable development goals and realizing its philanthropic goals. Moreover, since its commitment can be perceived and appreciated not just from its actual clients, but also from its prospect ones, being committed to art could become a key not only for and improving its market positioning, but also for enlarging its client base.

A firm can also benefit from its corporate art commitment in economic terms: tax reduction, government incentives, economic returns from communication expenses reduction, reputational improvement, sales increase, etc.

To conclude, even if indirect, firms can obtain also an additional sixth benefit that depends on the **personal** dimension: as a matter of fact, as it emerges from the literature, "the stronger the support and engagement of the top management would be, the more stimulated the company would be towards the pursuit of its philanthropic duties" (Werbel & Carter, 2002).

However, additionally to all these benefits, the corporate strategic decision of being committed to art can lead the firm to reach another key advantage that concerns its competitiveness.

As a matter of fact, as it emerges from the academic literature, the Corporate Social Responsibility strategy can be considered, within the resource-based view of the firm, "a core intangible dynamic resource"⁸³(Taghian, 2008). Indeed, since the commitment to art pursued as a corporate strategy is implemented, by definition, into the CSR strategic plan of the firm, automatically even the corporate art commitment has to be considered as a strategical resource owned by the company.

The theoretical model that supports, justifies and demonstrates this thesis is the so-called **resource-based view (RBV)** theoretical framework by Barney, according to which the success of a firm in terms of performance and competitiveness depends on its tangible and intangible resources (Barney, 2001). A firm can, in fact, obtain a sustained competitive advantage from

⁸³ TAGHIAN, M. (2008) "Corporate Social Responsibility: A Resource-Based View of the Firm", Deakin University

all its resources that exhibit the so-called **VRIO** attributes, which means that the resource has to be Valuable, Rare, Inimitable and exploitable by the firm that has to be Organized to do so.

Following this logic, whatever element that characterizes a firm (strategies included) can be analyzed aiming at assessing if it represents a strategical resource with which the firm is able to gain a sustained competitive advantage.

Table 1: Theoretical model of analysis of the motives and benefits behind the corporate strategic decision of being committed to art⁸⁴

CORPORATE COMMITMENT TO ART			
MOTIVES & BENEFITS	BENEFITS		
	CORPORATE ART COLLECTION	CORPORATE PATRONAGE	CORPORATE ART FOUNDATION
REPUTATIONAL	improve the firm's brand's image (Martorella, 1990)	develop brand image and improve reputation (Boistel, 2012)	strengthen and develop firm's brand image (Maignan et al., 1999 & Bowie, 1998)
INTERNAL	enhance benefits for employees (Martorella, 1990)	reduce the discontent, by motivating their employees and combatting the increase of strikes (Boistel, 2012)	strengthen the relationships with both stakeholders and employees (Petrovits, 2006)
	spread of shared values and employees' sense of belonging to the organization (Hatch and Schultz, 1997)	improve employees' level of teamwork and satisfaction (McAlister and Ferrel, 2002)	
	enhance the working environment (Wu, 2003)	engage high potentials who shares its same values (McAlister and Ferrel, 2002)	
	improve morale (Mitchell and King, 1997; Richardson, 1998)	encourage the volunteer development of the current employees (McAlister and Ferrel, 2002)	
	stimulate creativity (Betts, 2006)		
	improve well-being and stimulate senses (Linderberg & Oosterlinck, 2010)		
	motivate employees, enlarge their horizons, and stimulate or provoke them (Richardson, 1998)		
EXTERNAL	improve the firm's public relations (Martorella, 1990)	obtain a favorable feedback from the local community (Boistel, 2012)	
	transmit and communicate specific brand image (Linderberg & Oosterlinck, 2010)		

⁸⁴ Author's data processing, based on the theoretical evidences emerged from the analysis of the existing literature over the three topics of Corporate Art Collection, Corporate Art Patronage and Corporate Art Foundation

STRATEGICAL	define the firm's corporate image and identity (Van Riel & Blackburn, 1995)	strengthen market positioning and consumers' recognition (Smith, 1994)	realize firm's corporate philanthropic goals (Carter, 2006; Bronn & Vidaver-Cohen, 2009)
	transfer corporate values and corporate image - (marketing strategy) (Potterton, Richardson, Garnett, Ross)	benefit from the intrinsic communicative power of their philanthropic acts (Boistel, 2012)	guarantee a constant and prolonged commitment to the firm's philanthropic duties promote a more effective approach to all the activities related to them (Petrovits, 2006)
	create social statement (Wu, 2003)	pursue sustainable development goals - (CSR) (Boistel, 2012)	create synergies between the firm's core business and its philanthropic commitments (Minciullo, 2016)
	reassure both clients and employees about the firm's good performances (Macritchie, 1996)	increase the firm's political power by building relationships and coalitions with non-profit organizations (Burligame & Young, 1998)	improve the firm's competitive positioning in line with its ethical strategic vision (Minciullo, 2016)
	contribute to cultural and intellectual education through the exposition of artworks - (CSR) (Linderberg & Oosterlinck, 2010)		"diversify" the core business, by entering the museum art market (?)
	pursue corporate objectives in terms of corporate philanthropy (Linderberg & Oosterlinck, 2010)		
ECONOMIC	make an investment in order to enable risk diversification (Linderberg & Oosterlinck, 2010)	obtain legal and fiscal incentives (Boistel, 2012)	save money thanks to a tax reduction system (Petrovits, 2006)
	make a profit from resale (?)	generate competitive advantage (Kramer & Porter, 2002)	improve performance results (Maignan et al., 1999 & Bowie, 1998)
		economic return in terms of communication expenses reduction, reputational improvement, etc. (Boistel, 2012)	gain in terms of control efficacy since the foundation belongs to the firm and so this latter can better monitor the activities' results (Westhues & Einwiller, 2006)
		have a positive impact on sales and profitability (Campbell et al., 1999)	
PERSONAL (e.g. Top management vision)	indirect benefit: "the stronger the support and engagement of the top management would be, the more stimulated the company would be towards the pursuing of its philanthropic duties" (Werbel & Carter, 2002)		

CHAPTER 3

Methodology

3.1 Qualitative Analysis

Given the difficulty to measure both the level of corporate commitment to art and the benefits of this strategic decision in quantitative terms, the methodology chosen for investigating the topic object of this thesis is the qualitative analysis.

As a matter of fact, the qualitative research is a scientific method of observation to gather non-numerical data (Babbie, 2014)⁸⁵, that has an emphasis on process and meanings that are likely to gain insights and discovery (Denzin & Lincoln, 1994)⁸⁶.

This approach is used within this thesis by using both the case study analysis, that enables the exploration and understanding of complex phenomena, and the resource-based view (RBV) model.

As far as the first is concerned, in fact, this method seems to be the most appropriate for this investigation because it is designed to fundamentally answer the ‘how’ and ‘why’ questions of a certain phenomenon, over which limited literature is available.

For this reason, in the specific framework of this thesis, the case study analysis will be used not only for comparing the different forms with which the commitment to art is pursued as a strategy by different firms (how question), but also for understanding which are the benefits of such a corporate decision (why question).

Indeed, while the case study analysis is used for providing a comparative analysis between the implementation of the commitment to art in terms of corporate strategy by the different firms and the benefits derivable from it, the RBV model is used, instead, for in-depth analyzing the characteristics of the artwork (and, more generally, the corporate commitment to art strategy) as an advantageous company's resource and asset.

⁸⁵ BABBIE, E. (2014). "The Basics of Social Research", *Wadsworth Cengage*, Belmont, California, pp. 303–04

⁸⁶ DENZIN, N. K., & LINCOLN, Y. S. (1994). "Handbook of qualitative research". *Thousand Oaks, Sage, CA*

3.1.1 Sample

The selection of the companies to analyze is, thus, made by conducting a research over the companies that are somehow committed to art by being art patrons, by having their own corporate art collection and by having founded a corporate art museum.

However, since from this research it emerges that there are only a few examples of European firms that are committed to visual arts till the point of creating their own private corporate foundations, a decision of limiting the work to the two countries of France and Italy is made. As a matter of fact, if on the one hand it is true that, in recent years, always more companies decide to support art, on the other hand, instead, it is still rare to find examples of high corporate engagement to this cause.

Additionally, among the different existing corporate art foundations, the majority are not properly art museums as their non-corporate competitors. Their principal aim, in fact, is not properly that of preserving, celebrating and collecting objects of cultural and historical importance for the general public, but rather that of acting as a repository of the memory, history, values and culture of their own organization.

For this reason, since this work aims at providing the more complete understanding over the strategical implication and benefits of the supporting arts corporate initiatives (by considering, inter alia, that the intent of the firm, in terms of corporate strategy, can be either towards the CSR or the diversification strategy) the case studies choice is fallen on those companies whose foundation is more likely to a non-corporate art institution.

The sample selected is thus composed of four companies, two French and two Italian, that are: LVMH Group, Cartier, Pirelli and Prada, and represent the major European players of a corporate art commitment strategy.

These are, in fact, all art patrons who own a corporate art collection and who have founded respectively: the *Louis Vuitton Foundation*, the *Cartier Foundation for the contemporary art*, the *Pirelli Hangar Bicocca* and the *Prada Foundation*.

Moreover, this selection of all extremely well-known companies is made in order to enable some substance and relevance to the findings, so that other corporations may be incentivized to pursue the same strategy.

Finally, the sample is chosen with the purpose of being the most variegated possible in terms of dimensions, industries and art engagement.

More specifically, in fact, while LVMH, Pirelli and Prada are all corporate groups (even if of different dimensions), Cartier is a wholly-owned subsidiary of the Richemont Group.

Additionally, to conclude, they all belong to different industries: fashion (Louis Vuitton), jewelry manufacturing and watchmaking (Cartier), Automotive (Pirelli), and apparel and accessories (Prada). This intentional belonging industry variety is functionally conceived in order to demonstrate if the corporate strategic decision of being committed to art can potentially benefit whatever business, even if art is not directly related to its core activities.

3.1.2 Data collection

As it emerges from the theory, when conducting a case study analysis, the data collection heavily relies upon qualitative data obtained from interviews, observations, and documents (Merriam, 1988)⁸⁷. According to Yin (1989)⁸⁸, when building up case studies, evidence might come from the following six different sources: documentation, archival records, interviews, direct observation, participant-observation and physical artifacts. However, the choice between them can vary depending on both the needs and objectives of the investigation.

In the specific framework of this thesis, in fact, the data are collected from official documentation (such as annual reports, sustainability reports, press releases) and interviews.

These latter have represented a key source of information since none of the firms composing the sample analyzed make a reporting or monitoring of the results obtained from its commitment to art. However, by interpreting indirect data and considering the statements made by the top managers of these companies, it is possible to collect useful data about how beneficial this strategy is for the business in reputational, internal, external, strategical and economic terms.

Additionally, aiming at collecting all the valuable and updated information about the topic, it has been considered all the useful data available on the companies' websites.

In order to build a comprehensive theory from the multiple case studies undertaken, the approach chosen for this thesis is similar to that presented by Eisenhardt⁸⁹ in 1989.

⁸⁷ MERRIAM, S. B. (1988). "Case study research in education: A qualitative approach", *Jossey-Bass*, San Francisco

⁸⁸ YIN, R. K. (1994). "Case study research: Design and Methods", 2nd ed., *Sage*, Newbury Park, CA.

⁸⁹ EISENHARDT, K. M. (1989). "Building theories from case study research", *Academy of Management Review*, pp. 530-550

As a matter of fact, even if without a net distinction between the within-case and cross-case analysis into two separate sections, the data analysis assesses to identify all the generalized patterns across cases, giving at the same time prominence to the unique patterns detected in a single specific case.

By doing so, it is, in fact, possible sharpen hypotheses, verifying, in this specific case, if there is a correspondence between the theoretical model and the results emerged from the case study analysis.

3.1.3 Resource-based view

Moreover, in order to better understand the advantages a firm can benefit from by being committed to art, special attention is given to the artworks, considered as strategical resources.

The aim is that of assessing which are the main features of these assets, in order to demonstrate how, to what extent and in which conditions art contributes to the company's value creation.

To this end, thus, the methodology of analysis chosen is the resource-based view (RBV) model⁹⁰, according to which resources are keys to superior firm performance since they enable firms to gain and sustain competitive advantage. However, this is true if and only if the resource is heterogeneous, immobile and if it exhibits all the so-called VRIO attributes.

For this reason, in order to demonstrate that, by being committed to art, firms are able to obtain this strategical competitive advantage, an analysis is conducted following the resource-based view model theorized by Barney, demonstrating, through empirical evidence derived from the case studies, how the artistic resource exhibits is, thus, Valuable, Rare, Inimitable and exploitable by the Organization.

⁹⁰The RBV model is an approach for achieving competitive advantage that emerged in 1980s and 1990s, after the major works published by Wernerfelt, B. ("The Resource-Based View of the Firm"), Prahalad and Hamel ("The Core Competence of The Corporation"), Barney, J. ("Firm resources and sustained competitive advantage") and others.

CHAPTER 4

Case Study Analysis

4.1. The commitment to art as a corporate strategic decision

The term strategy describes "the integrated plan or trick used to get success in a particular affair"⁹¹. In business terms, a strategy represents "the central, integrated, externally oriented concept of how a firm will achieve its objectives"⁹², and is viewed, thus, as "a mean to reach the goal of a company"⁹³.

However, it is important to make a distinction between the two different concepts of business and corporate strategy. In fact, while the first addresses the *how the company should compete* question, the second one assesses to answer to *in which businesses the company should compete*.

Thus, while a business strategy is "designed by the business managers to improve the overall performance of the firm"⁹⁴, a corporate strategy, instead, "is concerned with the overall objective and scope of business to fulfill stakeholders' expectations"⁹⁵ and it is, thus, expressed in the mission statement of the company.

This preliminary distinction is useful to frame the field of investigation of this thesis. As a matter of fact, the phenomenon analyzed is the commitment to art pursued as a corporate strategy, and not as a business one.

For this reason, in order to identify to what extent this strategic decision is taken at a corporate level, it is important to assess that, with it, the company aims at both generating value in excess (compared to what its business units would create on their own), and making sure its portfolio sustains that superior shareholder value over time.

⁹¹ SURBHI, S. (last update 29 July 2017). "Difference between Business Strategy and Corporate Strategy", *Key Differences* website, URL: <https://keydifferences.com/difference-between-business-strategy-and-corporate-strategy.html>

⁹² Definition of Strategy given by this website, URL: https://saylordotorg.github.io/text_international-business/s14-01-business-and-corporate-strateg.html

⁹³ SURBHI, S. (last update 29 July 2017). "Difference between Business Strategy and Corporate Strategy", *Key Differences* website, URL: <https://keydifferences.com/difference-between-business-strategy-and-corporate-strategy.html>

⁹⁴ *Ibidem*

⁹⁵ *Ibidem*

To this aim, in order to understand both if and to what extent the companies selected pursue the commitment to art as a corporate strategy, the investigation has to begin with analyzing their visions, missions and values. As a matter of fact, since these three key elements form the ground for building the strategic foundation of the organization, if the firm has decided to be committed to art at its corporate strategy level, inevitably its vision, mission and values show this corporate engagement.

4.2. Presentation of the sample: mission, vision and values

4.2.1 LVMH Group

The first firm analyzed hereafter is the French multinational luxury goods conglomerate *Louis Vuitton Moët Hennessy*, also known under the acronym of LVMH. The company, formed in 1987 under the merger of fashion house Louis Vuitton with Moët Hennessy, counts today 75 distinguished Houses rooted in six different sectors (wines and spirits, fashion and leather goods, perfumes and cosmetics, watches and jewelry, selective retailing and other activities).

As clearly defined through the following statement, the Group's vocation is "to ensure the development of each of its Houses while respecting their identities and their autonomy, providing the resources needed to create, produce and market their products and services through carefully selected channels."⁹⁶

As far as the Group's mission is concerned, instead, LVMH aims at representing the most refined qualities of Western "*art de vivre*" around the world, never-ending to be perceived as synonymous with elegance and **creativity**.

Creativity is, in fact, a key value of the LVMH brand, together with innovation, excellence and entrepreneurship. All together these elements constitute the key pillars of the Group's performance and long-term success. This evidence clearly emerges, in fact, from the following statement of *Monsieur* Bernard Arnault, CEO of the Group:

"Creativity and innovation are part of our DNA. They are the keys to our companies' success and the basis of their solid reputations. Fundamental to our Maisons, creativity and innovation are at the heart of a delicate equation: updating our offering with a strong focus on the future, while also respecting our heritage".

⁹⁶ LVMH official website, URL: <https://www.lvmh.com>

However, this genetic and natural inclination of being passionate about creativity is not just a shared value characterizing the firm, but, on the contrary, it has become an integral part of its corporate social responsibility strategy.

Of course, a company can support creativity in different ways and through different actions.

In the specific case of LVMH, the initiatives pursued are in line with the universal values promoted by the United Nations Global compact (signed in 2003), and aim at making an important contribution to the 17 Sustainable Development Goals (SDGs)⁹⁷ drawn up and developed by the United Nations in 2015.

Among these, one that deeply characterizes the CSR strategy of the Group, is its corporate commitment to art, which aims, on the one hand, at making a contribution in terms of the 4th SDG concerning the quality education; and, on the other hand, at responding to the natural firm's inclination of being an art passionate.

Fig 3. LVMH commitments



Source: LVMH official website, URL: <https://www.lvmh.com>

As Arnault states, in fact,

"Art has always inspired the creation of exceptional products, and at LVMH highly skilled craftsmanship and rare professions are a precious cultural resource. It is therefore natural

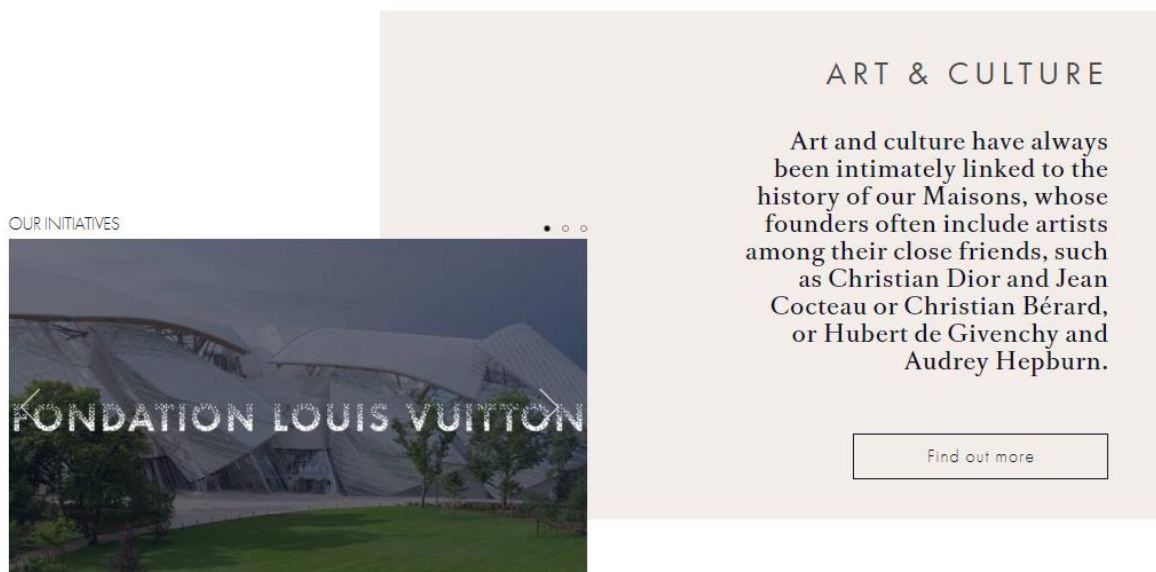
⁹⁷ The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations General Assembly in 2015 for the year 2030. They are, in order, the following:
 1) No Poverty, 2) Zero Hunger, 3) Good Health and Well-being, 4) Quality Education, 5) Gender Equality, 6) Clean Water and Sanitation, 7) Affordable and Clean Energy, 8) Decent Work and Economic Growth, 9) Industry, Innovation, and Infrastructure, 10) Reducing Inequality, 11) Sustainable Cities and Communities, 12) Responsible Consumption and Production, 13) Climate Action, 14) Life Below Water, 15) Life On Land, 16) Peace, Justice, and Strong Institutions, 17) Partnerships for the Goals.

that the Group should take action to foster art and culture. Our support spans several areas, in France and further afield: we help restore historical museums, contribute to key national exhibitions and support contemporary artists."

The Group demonstrates, thus, its commitment to art both directly and indirectly. As a matter of fact, if, on the one hand, its commitment to the cause is indirectly demonstrated by donations, youth and humanitarian actions support, patronage of events and programs or through exhibitions and art manifestations sponsorships; while, on the other hand, the Group is a key actor and protagonist of the contemporary art promotion, through the creation of spaces dedicated to this cause.

It is therein this firsthand corporate engagement that makes the phenomenon much more interesting in corporate strategical terms since the company decides to demonstrate its art commitment by pursuing a long-run strategic plan that implies the creation of an art institution.

Fig 4. LVMH commitment to Art and Culture



Source: LVMH official website, URL: <https://www.lvmh.com>

In the specific case of LVMH, however, the commitment is not just limited to the creation of the so-called *Fondation Louis Vuitton*, but it also involves the institution of five more *Espaces Louis Vuitton*, worldwide located in Tokyo, München, Venezia, Beijing and Paris.

4.2.2 Cartier

Compared to the LVMH, the art commitment of the Richemont Group is much more explicit. As a matter of fact, as it is clearly demonstrated by the following statements, instead of making a reference to the concept of "creativity", the Group's commitment to art is directly and explicitly communicated as follows:

"Our *Maisons* **support art** and cultural programs that reflect their historical background and the nature of their products, together with global and local community programs. Individually, our employees contribute to the local communities in which they live and work in many ways, including volunteering. Programs include Cartier Philanthropy, *Fondation Cartier pour l'art contemporain*, Michelangelo Foundation for Creativity and Craftsmanship, *Fondation de la Haute Horlogerie*, Peace Parks Foundation and Laureus Sport for Good Foundation."

Indeed, to be committed to art is not just a shared mission of the firms composing the Group, but it represents an integral part of the strategy pursued in terms of Corporate Social Responsibility.

However, within the Group, the firm that best expresses and represents this commitment is the French luxury goods conglomerate Cartier, who deserves the credit for having sensitized the entire Group to this cause.

As a matter of fact, compared to Richemont – that was founded in 1988 – Cartier has a way more ancient history. Not only it retraces its origin back to 1847, but also its strategic decision of being committed to art is even older than the date of establishment of its parent company.

Cartier was, in fact, a pioneer among all the corporations that throughout history have decided to sponsor art at a corporate strategic level. Not only, in fact, its *Fondation Cartier pour l'Art Contemporaine* has been founded almost 35 years ago, in 1984, but also its model represents an *unicum* among the other corporate art institutions ever founded.

For Cartier, its support to the artistic cause has become so relevant, that today the firm defines itself with its social environmental responsibility, formalizing its mission, in the Corporate Responsibility policy, through its commitments.

Fig 5. Cartier Corporate Social Responsibility official logo



Fig 4. Cartier official website, URL: <https://www.cartier.com/>

Cartier pursues the artistic cause both directly than indirectly. In fact, if, from the one hand, its commitment to art is clearly demonstrated by its Corporate Philanthropy initiatives and its foundation, on the other hand, it is also true that its engagement at “supporting the development of communities linked to its own activity”⁹⁸ and both “recognizing and respecting the rights of the indigenous people and the value of their traditional, cultural and social heritage”, indirectly contribute to the same cause.

However, the best way with which Cartier is able to express its “dedication to nurturing its creative vocation by supporting contemporary art and promoting it to the largest audience possible”⁹⁹ is thanks to its Contemporary Art Foundation, that represents a key pillar of its corporate strategy.

4.2.3 *Pirelli*

The third firm chosen for the sample is Pirelli, a multinational company founded in Milan in 1872, specialized in tires manufacturing.

As it is introduced in its official website, “the Pirelli brand is known around the world as an icon of technology and excellence”.¹⁰⁰

The strength of the brand relies on seven key pillars that are: innovation, performance, excellence, heritage, culture and style, creativity and design (Fig.6) ; and its reputation is “continually reinforced by Pirelli’s involvement in motorsport projects and competitions, design and lifestyle projects and initiatives for the community, **art and culture**”.¹⁰¹

⁹⁸ 16th commitment of Cartier’s Corporate Responsibility policy

⁹⁹ 17th commitment of Cartier’s Corporate Responsibility policy

¹⁰⁰ PIRELLI official website, URL: <https://corporate.pirelli.com>

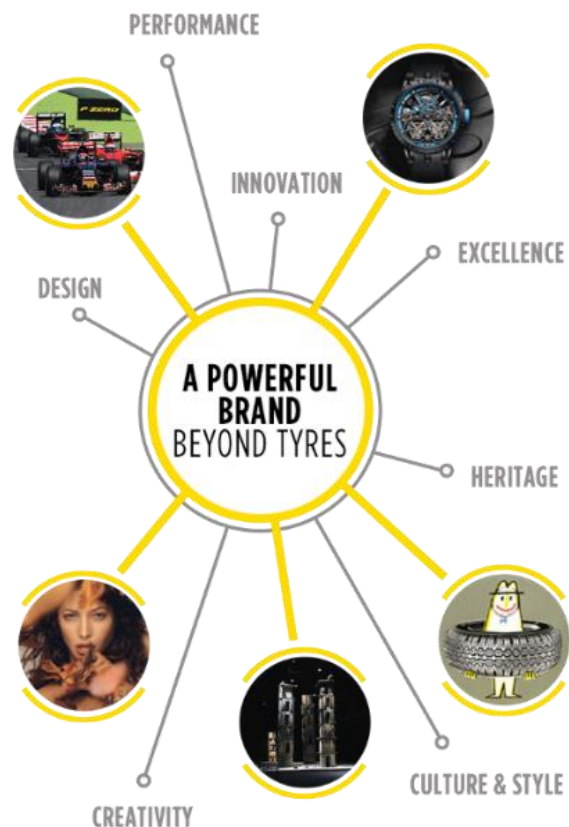
¹⁰¹ *Ibidem*

In order to understand if the commitment to art represents for Pirelli an integral part of its corporate strategy, it is necessary to investigate its mission statement and vision.

In fact, as it is stated by the CEO, Marco Tronchetti Provera, and as can be seen from the representation of the firm's value chain model (Fig.7), Pirelli's strategy can be defined through its engagement to the CSR cause:

"Sustainability is a fundamental choice for Pirelli, it is fully integrated into the Group's Vision and Strategies for growth".

Fig 6. Pirelli: a powerful brand beyond tyres



Source: Pirelli official website, URL: <https://corporate.pirelli.com>

Having this scope in mind, Pirelli has, thus, developed a strategy based on a multi-stakeholder approach, according to which the scope of the firm is that of always ensure “a sustainable and lasting growth that can reconcile the interests and expectations of all those with whom the Company interacts (customers, employees, shareholders, suppliers, competitors)”¹⁰².

Fig 7. Value Chain model of Pirelli



Source: Pirelli official website, URL: <https://corporate.pirelli.com>

¹⁰² *Ibidem*

Its role in the social context is, thus, that of producing positive effects on the External Community, better if they are tangible and measurable according to objective criteria.¹⁰³

It is, in fact, towards this scope and in order to promote the Quality Education (4th UN's SDG), that the corporate decision of being strategically committed to art has been made. This is clearly demonstrated by the two following statements, even if the word used is the broader term “culture”, instead of “art”:

1. “Pirelli provides support to educational, **cultural**, and social initiatives for promoting personal development and improving living standards”¹⁰⁴
2. “the attention to **culture**, and even more the commitment to preserve it, spread it and enhance it, are part of the DNA of the creation of social value”¹⁰⁵.

There are different ways with which Pirelli tries to create social value through its art commitment strategy. However, the three main pillars of its activity are its Foundation, its Calendar and its contemporary art museum called Hangar Bicocca.

Each of these initiatives has a different scope, even if they all aim at supporting and promoting the artistic production. As a matter of fact, for example, even if it is true that with its Calendar the firm is able to encourage the artistic production, the core mission of this initiative is that of “promoting the firm’s brand image beyond the automotive sector and into luxury lifestyle, innovation, arts and the community”.¹⁰⁶

The Pirelli Foundation, instead, even if it is an art museum as the Hangar Bicocca, has a main goal of “preserving the Group’s historic and cultural heritage and the promotion of its corporate culture through local initiatives and projects having a strong social impact, exhibition activities, as well as collaborations with other cultural institutions”.¹⁰⁷

The aim of the Hangar Bicocca, that is a contemporary art museum comparable to that of Cartier or Louis Vuitton, has, instead, a core mission of promoting and support the contemporary artistic production, and, for this reason, represents with no doubt the initiative with which the firm expresses the most its engagement, at a corporate-strategy level, towards the artistic cause.

¹⁰³ PIRELLI Annual Report FY 2018

¹⁰⁴ *Ibidem*

¹⁰⁵ *Ibidem*

¹⁰⁶ PIRELLI official website, URL: <https://corporate.pirelli.com>

¹⁰⁷ PRADA official website, URL: <https://www.pradagroup.com/>

This is because, compared to both the Calendar and the Foundation, the goal pursued is more “art-oriented”, since it not created for strengthening the brand’s reputation or for celebrating and preserving the historical heritage of the brand.

4.2.4 Prada

The fourth and last firm chosen to be part of this sample is the Italian luxury fashion house Prada, founded in 1913 in Milan by Mario Prada.

As it emerges from the words of its actual Chairman, Carlo Mazzi, art has always been a distinctive element and value of the core strategy of this firm, together with the three values of beauty, creativity and superior quality:

*“Beauty, creativity and superior quality have always been the guiding principles of the Prada Group. We promote activities connected with **arts** & culture, and invest in a unique working environment, combining respect for individuals while caring for the places, preserving artisanal skills and supporting our brands’ heritage, so that people can enhance their distinctiveness.”*

As it emerges from the statement above, thus, Prada imposes itself the duty of being a socially responsible firm that has to “be involved in issues such as respect for people, environment, communities and artistic heritage”.¹⁰⁸

However, the decision of being committed to art is not just a CSR strategical decision for Prada, since, in reality, it exists an indissoluble link between art and Prada. As a matter of fact, according to the firm’s philosophy, art is the “tool that the Group considers most natural and closest to its identity for extending the benefits of its activities to civil society”.¹⁰⁹ Moreover, the vision of the firm is strongly influenced by the two key personalities of Patrizio Bertelli (CEO of Prada) and his wife Miuccia Prada (Prada’s Head designer), who both are passionate of art and have lead the Prada Group to support Fondazione Prada’s activities in the fields of art and culture since 1993.

Indeed, the commitment to art is an integral part of the firm’s corporate strategy also because it embodies not only the values of the firms but also those of its managers, who, among the other

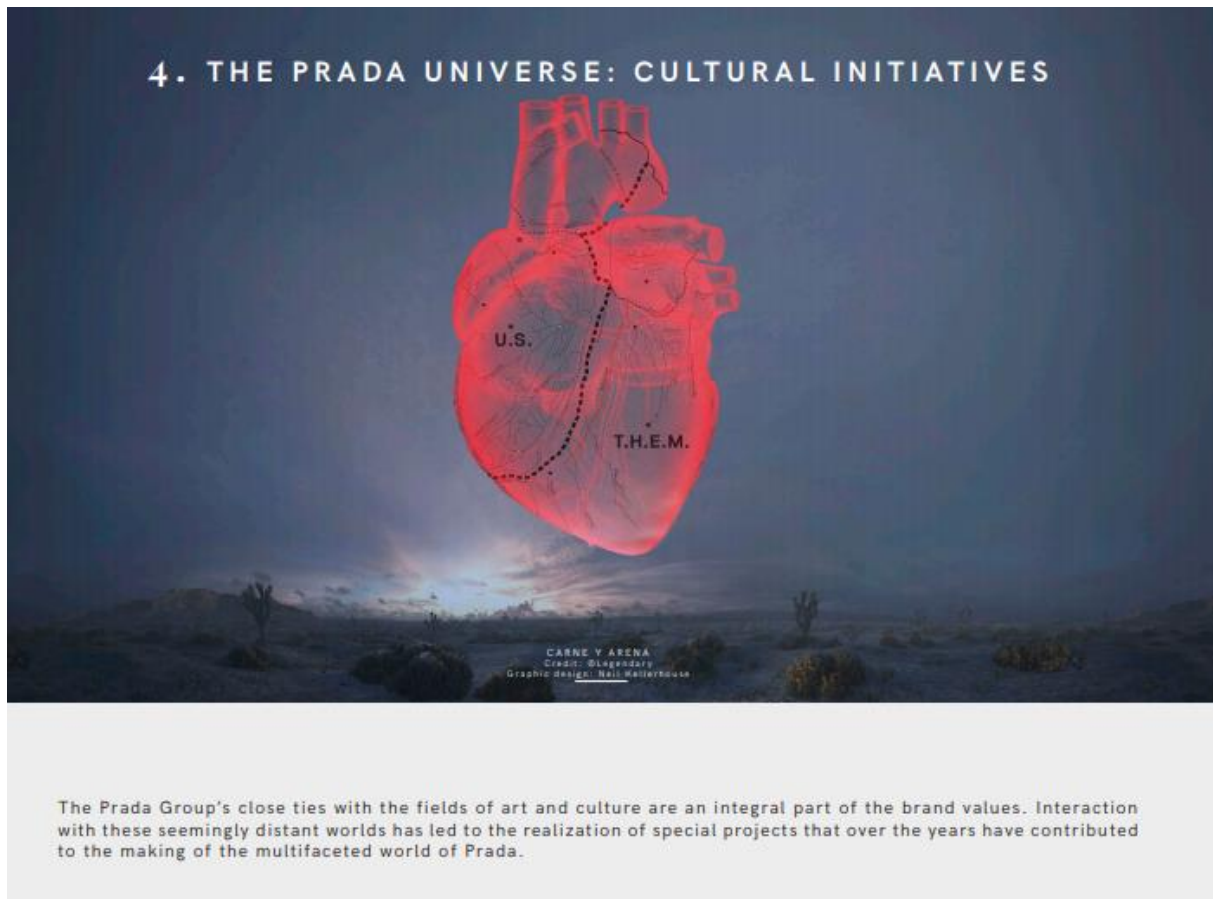
¹⁰⁸ PRADA Annual Report FY 2018

¹⁰⁹ *Ibidem*

things, believe that art is a key for understanding, analyzing and anticipating the transformation. As a matter of fact, the brand's mantra for stimulating innovation and creativity states:

"Art and culture help us with our everyday lives, and understand how we, and the world, are changing"¹¹⁰

Fig 8. The Prada Universe: cultural initiatives



Source: Prada official website, URL: <https://www.pradagroup.com/>

The two main activities with which Prada pursues its commitment is through both its Corporate Art Patronage and its Corporate Art Foundation. Prada is, in fact, deeply involved in initiatives of art sponsorship and the requalification of historic buildings around the world (such as the actual *Prada Rong Zhai*, *Osservatorio della Fondazione Prada* and *Palazzo Ca' Corner della Regina*).

¹¹⁰ PRADA official website, URL: <https://www.pradagroup.com/>

As LVMH, Cartier and Pirelli, moreover, Prada has founded also a contemporary art museum called Fondazione Prada, whose mission is that of promoting the contemporary artistic production, “acting as an observatory on the current scene, through the staging of art exhibitions as well as architecture, cinema and philosophy projects”¹¹¹.

However, the Fondazione Prada is not the sole art institution founded by the brand, but it represents, with no doubts, the key strategical one. As a matter of fact, in addition to this, Prada counts three other artistic satellites:

1. The so-called *Osservatorio della Fondazione Prada*, that is an exhibition venue dedicated to photography and visual languages, founded in 2016 and located on the 5th floor of the Galleria Vittorio Emanuele II in Milan.
2. The *Prada Rong Zhai*, which is 20th-century mansion in central Shanghai, restored by Prada and whose mission is to host and promote the various cultural activities organized by the Group in China, and
3. The *Palazzo Ca' Corner della Regina*, a 1720's Venetian palazzo overlooking the Grand Canal and located in the *Sestriere of Santa Croce*, that has been restored by Prada in 2011 and which today hosts contemporary art exhibitions and events.

¹¹¹ *Ibidem*

4.3. Cross-case study analysis

In order to assess the benefits obtained with the implementation of the corporate strategy of being committed to art, the four companies composing the sample have been analyzed through the theoretical model elaborated in Table 1, in which motives and benefits and distinguished into five types: reputational, internal, external, strategical and economic.

4.3.1 Reputational benefits

The first key advantage all the firms commonly experience is the improvement in terms of brand image and reputation. Even if there is no direct and precisely quantifiable evidence of this data, there is no doubt that each of these four companies is aware of how their commitment to art actions represent a key to their success. Results that demonstrate this statement, even if indirect, are, in fact, considerably clear:

- For the **LVMH Group**, for example, the implementation of an always more solid, attentive and results-oriented CSR strategy has represented the cornerstone with which *Monsieur Arnault* has been able, among the other things, to shake off, from its firm, the reputation of being a conglomerate whose business "aggressively monetizes creative talent".¹¹² As a matter of fact, as it emerges from its own words, all its art and philanthropic initiatives (among which the greatest example is represented by the *Fondation Louis Vuitton*, created in 2014 and promised to be donated to the city of Paris in 55 years) are a "showing that we are very good (citizens) and that we are working not only for profit, but also for something that is transcendent."¹¹³

Today, the long-lasting engagement to the artistic cause shows astonishing results attained by the firm in terms of reputation. Not only the international press has shifted its definition of the Group from a "global sector domination machine" into "a kinder, friendlier giant"¹¹⁴, but also, the Group itself confirms every year its positioning into the

¹¹² HORYN, C. & TAGLIABUE, J. (March 25, 2001) "Suddenly, at LVMH, Money Is an Object", New York Times

¹¹³ THE FASHION LAW website, (June 4, 2018) "LVMH Has Been Working to Revamp its Image After Decades of "Ruthless Corporate Raids"", URL: <http://www.thefashionlaw.com/home/lvmh-has-been-working-to-revamp-its-image>

¹¹⁴ FRIEDMAN, V. (November 30, 2001) "LVMH Move on Repossi Reveals Influence of Delphine Arnault", New York Times

Global RepTrak 100 ranking¹¹⁵ by Reputation Institute. Only in the last year, from 2018 to 2019, LVMH has gained 9 positions, passing from being the 48th/100¹¹⁶ to be ranked 39th/100¹¹⁷.

Moreover, as Bernard Arnault has declared last year in the interview conducted by Yamina Bernai for *l'Officiel Art*, “All (our) public initiatives have been rewarded by the public success of the *Fondation Louis Vuitton*, which, since its opening in October 2014, has hosted more than 2 million of visitors”.¹¹⁸

- The history of the strategical commitment to art of **Cartier** traces back its origins in the 1980s. Due to this ancient and always existent synergy between the brand and the artistic world, Cartier boasts a more than thirty-year lasting reputation of excellence, which has contributed to affirming the brand over history as a pioneer of the integration of the art commitment strategy into the CSR plan.

Moreover, with the creation of its *Fondation pour l'Art Contemporaine*, Cartier has been able to strengthen the pillars over which its reputation has been originally built, such as innovation, creativity, extravagance and freedom. As a matter of fact, its art institution embodies exactly these core values through a unique model based on the so-called “*commande aux artistes*” (orders to artists), which represents a fruitful way to engage artists by supporting the production of a work, a series of works or an entire exhibition, letting them free to create whatever they have in mind to express. For this reason, the relationship established between the Cartier and the artist cannot be defined as a mere patronage, since it becomes a sort of true accompaniment and shadowing of creation, from concept to realization.

This unique model has let Cartier to strengthen its brand image and fame. As a matter of fact, as declared by Hervé Chandès in its interview for Paris Art, the key features of

¹¹⁵ “Global RepTrak™ 100 is a global survey with more than 100,000 participants, shows that reputation is impacted more by what you stand for than what you sell. The Global RepTrak™ 100, an annual study conducted by Reputation Institute, surveys how stakeholders perceive companies and how those perceptions affect purchasing behavior.”

¹¹⁶ REPUTATON INSTITITE, 2018. "Powering the world's most reputable companies. Global RepTrak® 100".

¹¹⁷ REPUTATON INSTITITE, 2019. "Powering the world's most reputable companies. Global RepTrak® 100".

¹¹⁸ OFFICIEL ART, Interview with Bernard Arnault, conducted by Yamina Benai, Mai 5th, 2018. (cf. Appendix for full text, annexe 1). *Author's (Carlotta BORELLI) translation into English.*

the *Foundation* are exactly the same as the Brand: “open, international and very active in the sense of close proximity to the artists”.¹¹⁹

- Today **Pirelli**, as reported by the Reputation Institute in its Global RepTrack 100¹²⁰ is ranked 30th /100, confirming the same positioning of 2018, and improving that of 2017 by two “steps”. With no doubt, the growing appreciation of the public derives, among the other things, from the recognition of all the efforts made by the Group in terms of Social Responsibility, Sustainability and Corporate Engagement to various causes.

In particular, the brand has widely benefited from the impacts derived from its art commitment not only nationally, but also internationally. As a matter of fact, as declared by Marco Lanata, General Manager of Pirelli’s Hangar Bicocca, in its interview for *Il Giornale delle Fondazioni*, the creation of the Hangar Bicocca has particularly strengthen the brand’s appreciation in the surrounded area of Milan since has led Pirelli to become a key actor of the urban regeneration of the Milan suburbs:

“in the area of Bicocca we represent an attractor who offers important services: workshops for children, projects with schools, a restaurant, concerts, visits for all with cultural mediators. The fundamental element is the quality of services to ensure that people arrive and live an experience willingly”.¹²¹

Internationally, instead, the brand Pirelli is experiencing a growth in reputation also because its artistic engagement is considerably appreciated. In fact, as said by Mr. Lanata, the international echo Pirelli has obtained thanks to its Hangar Bicocca is astonishing: “curators and institutions’ representatives come from all over the world, we have good coverage in the international press, we make agreements with other institutions for loans, co-productions and for exporting our exhibitions abroad”.¹²²

Additionally, the number of daily visitors make one think that the offering is particularly appreciated, and the success of each initiative can only strengthen more and more Pirelli’s brand image. As Mr. Lanata states, in fact, “from the quantitative point of view the results went even beyond our expectations: considering that we are open 4 days a

¹¹⁹ PARIS ART, Interview with Hervé Chandès, conducted by Caroline Lebrun, 2004 (cf. Appendix for full text). Author’s (Carlotta BORELLI) translation into English.

¹²⁰ REPUTATON INSTITITE, 2019. "Powering the world’s most reputable companies. Global RepTrak® 100".

¹²¹ IL GIORNALE DELLE FONDAZIONI, Interview with Marco Lanata, conducted by Francesca Panzarin, March 16th, 2018. (cf. Appendix for full text, annexe 2). Author’s (Carlotta BORELLI) translation into English.

¹²² *Ibidem*

week, in 2017 we had about 260,000 visitors (including 3000 university students and 1500 children) with an average of about 1200 people all days with peaks of 6-7000 people daily for special events. An interesting fact is the profile of the visitors - so many young people and families come to visit us - and the satisfaction of the offer: every year we do a survey on the quality of the services offered and the feedback is always positive.”¹²³

- For **Prada**, being committed to art is not just a key pillar of its Corporate Social Responsibility strategy, since it is a key component of the Brand’s DNA. As a matter of fact, Prada is not just a business, it is a human soul, the soul of its creators, Mrs. Prada and Mr. Bertelli. With no doubt, the creation of the Prada Foundation – and the firm’s commitment towards art in general – has in some way strengthen the reputation of a brand that was already well known, contributing to placing in a “more sophisticated” position.

Through its art commitment Prada has not only explicitly expresses its creators’ interests to an international audience, but at the same time, it has also created a new pole of attraction. As stated by Astrid Welter (Head of Programs of the *Fondazione*) in its interview for CoboSocial, Prada is now “a destination for people interested in culture. It could be that those people who are interested in Prada, but not in a superficial way, are also very interested in culture”.¹²⁴

Today, Prada’s brand image is, thus, inextricably associated with art. This value relies on three key pillars that are, as explained by Carlo Mazzi in its interview for Business of Fashion: “know-how (that) ensures craftsmanship, culture (that) encourages innovation, (and) Prada’s support of “places” (that) encapsulates considerations for the brand that is both business-oriented and CSR-minded”.¹²⁵

4.3.2 Internal benefits

As far as the internal advantages are concerned, as it emerges from the theoretical model of Table 1, the implementation of a corporate art commitment strategy can be beneficial in terms of working-environment enhancement, creativity stimulation and employees’ motivation,

¹²³ *Ibidem*

¹²⁴ COBOSOCIAL, Interview with Astrid Welter, conducted by Valerie Lambert, March 14th, 2016

¹²⁵ BUSINESS OF FASHION, Interview with Carlo Mazzi, conducted by Helena Pike, December 14th, 2015

strengthening of the relationship employees-firm and improvement of the workers' sense of belonging to the company.

By analyzing the sample, it is possible to retrace some common benefits that have advantaged internally the four companies. As a matter of fact, starting from the assumption that employees are part of the society (as well as all the other external stakeholders a company may have), if the firm demonstrates its social responsibility by supporting art and culture, everybody within the community can take advantage from it. Moreover, a commitment as such represents also an undoubtful way with which the company can improve its reputation, not only externally, but also internally, by both enhancing a sense of belonging to the brand and sharing core values with its workers.

- In the specific case of the luxury companies of **LVMH**, **Cartier** and **Prada**, supporting art is somehow coherent with their core businesses, since they all are mouthpieces for values such as excellence, creativity and craftsmanship. Thus, by being committed to art, they intend not only to stimulate the creativity of their employees unlimitedly, but also share with them common values and visions.
- For **Pirelli**, instead, this link is not so immediate, even if it is known for the excellence of its manufacturing. The implementation of an art commitment strategy first and the creation of the Pirelli Hangar Bicocca later, have thus represented a fruitful opportunity for the Group for strengthening the link between these two worlds and taking advantage of the synergies created. In fact, as explained by Marco Lanata, thanks to the implementation of such a strategy, the Group has benefited from a triple advantage. First of all, “the management of Pirelli and its entire staff now share the values and the contribution that the foundation can bring to the company”¹²⁶, since, with its 140 years of history, “Pirelli has always had in its DNA a connection with the world of creativity”¹²⁷; secondly, “the theme of innovation and research carried out by the artists - which we sometimes even brought to the factory – contribute to stimulate the

¹²⁶ IL GIORNALE DELLE FONDAZIONI, Interview with Marco Lanata, conducted by Francesca Panzarin, March 16th, 2018. (cf. Appendix for full text, annexe 2). *Author's (Carlotta BORELLI) translation into English.*

¹²⁷ *Ibidem*

employees”¹²⁸, and thirdly, the internal team has experienced an astonishing “professional growth”¹²⁹ thanks to activities of the Hangar Bicocca.

The creation of a corporate art foundation by each of the companies composing the sample, instead, represents a differential element in terms of obtainable internal benefits. As a matter of fact, while for **Prada** the working environment plays a crucial role in stimulating creativity, for **Pirelli**, instead, sharing the same corporate values and strengthening the sense of belonging to the organization is way more important. For this reason, while Mr. Mazzi affirms that “the promotion of culture has an important role to play as a stimulus and tool for innovation within Prada Group”¹³⁰ and his major concern is to put the workers “in a place where they could feel comfortable and release their creativity”¹³¹; Mr. Lanata, instead, explains how Pirelli is able to reach its objectives, by sensitizing its employees to creativity and art, allowing them to “use the facilities of the Hangar Bicocca”.¹³²

Opposite to Pirelli’s Model, there is, instead, that of **LVMH**. The prestigious *Fondation Louis Vuitton*, in fact, has been created more for the general public than for the internal community of the Group’s employees. As a matter of fact, if, from the one hand, it is true that the Foundation represents the most emblematic example of the Group’s commitment to the artistic cause at a corporate strategic level, embodying not only its vision and values but also its engagement in terms of CSR; on the other hand, its independent status links the institution more with the external community than with the internal one. It is for this reason that, for example, LVMH’s employees do not have any discounts or preferential treatments over the services and activities provided by the Foundation.

Finally, as far as **Cartier** is concerned, its *Fondation pour l’Art Contemporaine* has been created with the aim of supporting the creation of contemporary art and, internally, the main advantage the firm can benefit from is the never-ending stimulus to be creative. This evidence clearly emerges from the word of Cyrille Vigneron who has declared, in her interview for ArtNet, that: “it is true that we do not have an artistic director here like at fashion houses where

¹²⁸ *Ibidem*

¹²⁹ *Ibidem*

¹³⁰ BUSINESS OF FASHION, Interview with Carlo Mazzi, conducted by Helena Pike, December 14th, 2015

¹³¹ *Ibidem*

¹³² IL GIORNALE DELLE FONDAZIONI, Interview with Marco Lanata, conducted by Francesca Panzarin, March 16th, 2018. (cf. Appendix for full text, annexe 2). *Author’s (Carlotta BORELLI) translation into English.*

a “star” designer does everything from collections to stores to runway shows. But we are no less creative. Our *maison*’s patrimony is the “star,” and art is a key source of inspiration that enables us to renew our creativity in the service of that patrimony”.¹³³

4.3.3 External benefits

In terms of external advantages, the benefits derived from the philanthropic commitment of supporting art can be appreciated on multiple fronts. As a matter of fact, since the first beneficiary of a corporate social responsibility initiative is the society itself, it is indeed logical that the company’s growing appreciation by the community would be translated into a growing clientele acquisition rate, or at least into an increased customer retention rate.

Supporting art means, in fact, encourage artistic production and enhance culture, which means improve the firm’s public relationships with all its stakeholders: customers, governments, investors, suppliers, employees and communities.

In that sense, the creation of a Corporate Art Foundation, compared to other forms of corporate art commitment, represents the best way with which a firm can benefit most from this strategic decision. As a matter of fact, besides being an undoubted demonstration of how seriously the firm intends to defend and support the artistic cause, it is also a great opportunity for obtaining a favorable feedback from both the local and the international communities.

The institution of a museum implies, in fact, the physical construction of a building in a specific geographical area, but, at the same time, for the specificities of its business model, it is extremely open to the internationality since, through its borrowing and lending system, it hosts artists from all over the world. For this reason, the main advantages a corporation can obtain, through the creation of its own art foundation, are the international resonance of its brand, the opportunity of both strengthening its relationships with the surrounding community and starting new relationships with international organizations, governments and new partners.

By considering the experience of **Pirelli**, for example, it emerges how the institution of the Hangar, in the suburbs area of Bicocca, has represented an exceptional mean of geographical requalification of an industrial area devoid of services. Today, in fact, the Pirelli Hangar

¹³³ ARTNET, Interview with Cyrille Vigneron, conducted by Nanzanin Lankarani, March 12th, 2019

Bicocca represents an “important attractor”¹³⁴ that, not only offers a lot of services, but also can be used for multiple purposes such as international meetings.

Of course, this engagement for the community has not left Pirelli without a payback. Last year, in fact, Kiefer's Seven Heavenly Palaces (iconic symbol of the Hangar Bicocca since it is its unique permanent installation) “has been chosen by the citizens of Milan among the 10 artistic icons selected by the Municipality as representative masterpieces of the art of the city”¹³⁵ and the public enthusiasm has never ceased to grow. It is not a secret in fact that today¹³⁶, the official account of the Hangar Bicocca counts 76,600 followers on Instagram and 83,766 on Facebook.

Similar astonishing results in terms of media engagement are recorded by the three other firms composing the sample. As a matter of fact, while **LVMH**'s *Fondation Louis Vuitton* has registered a total of followers equal to 307,000 on Instagram and 186,434 on Facebook, **Cartier**'s art Foundation counts 181,000 followers on Instagram and 8,413 on Facebook, against the 363,000 on Instagram and 93,667 on Facebook of the *Fondazione Prada*.

However, compared to LVMH, Prada and Cartier, Pirelli annually publishes the tracking of its media reach results. As can be read in Pirelli's official website, in fact, “in 2018, all Pirelli's major social media channels saw of Pirelli have seen a significant increase in the fan base. Pirelli's presence on Facebook has reached over 2.5 million followers, with a growth of 14.5% over the previous year. Also on Twitter, the Pirelli accounts have seen an increase in followers, reaching more than 265,000 people, over 10% more than in 2017. A very important step forward was on Instagram, where Pirelli channels reach more than 566,000 followers, an increase, year-on-year, of 52%. Finally, there are about 18,000 followers of Pirelli on the main online video platform, YouTube, and over 348,000 followers on LinkedIn.”¹³⁷

“The success of the website www.pirelli.com, a Pirelli digital magazine launched at the end of 2015, has also been confirmed. In 2018, on the new digital communication platform, Pirelli published over 260 articles - on product, motorsport, culture and sustainability - gathering over 6.2 million visits, of which almost half were attracted through social networks and about 4.3 million unique users, an increase of 16.7% compared to 2017.”¹³⁸

¹³⁴ IL GIORNALE DELLE FONDAZIONI, Interview with Marco Lanata, conducted by Francesca Panzarin, March 16th, 2018. (cf. Appendix for full text, annexe 2). *Author's (Carlotta BORELLI) translation into English.*

¹³⁵ *Ibidem*

¹³⁶ Data collected on September 4th, 2019

¹³⁷ PIRELLI official website, URL: <https://corporate.pirelli.com>

¹³⁸ *Ibidem*

Even if it is impossible to demonstrate this media success is a direct result of Pirelli's strategic decision of being committed to art, there is no doubt that this latter has not penalized the brand's image and reputation.

On the contrary, in fact, it seems more plausible to believe that the engagement towards the artistic cause has represented for Pirelli a lever for increasing its fanbase, improving its reputational approval worldwide and engaging always more the community to its brand.

4.3.4 Strategical benefits

In terms of strategic advancements, the corporate commitment to the artistic cause is one of the means with which the company successfully manages to reach its objectives as a socially responsible firm. As a matter of fact, through such strategic decision, the company not only has the opportunity of realizing its corporate philanthropic goals, but it is also able to redefine its image and identity, contribute to the cultural and intellectual education of the community (to which both its employees, clients and prospect customers belong), improve its competitive positioning against its rivals and strengthen its market positioning and consumers' recognition.

In some cases, a benefit that can ensue from the pursuing of commitment to art as a corporate strategy is the creation of synergies between the firm's core business and its philanthropic activities. This is, in particular, the case of the three luxury brands of **LVMH**, **Cartier** and **Prada**, whose activity is intrinsically linked to the art world.

As a matter of fact, as stated by Bernard Arnault (LVMH) "cultural assets contribute to the exceptional reputation of luxury products around the world. LVMH thus naturally plays a prominent role in initiatives that support art and culture in order to share our passion for creativity with the widest possible audience. Our commitment embodies the values that all our *Maisons* share – savoir-faire, excellence and creativity – and anchors them in their artistic, cultural and social environment."¹³⁹

An emblematic example of how for **Cartier** art represents a strategical tool is provided and explained by the exhibition "*Joillier des Arts*" at the Foundation. On this occasion, it has been shown how the firm has been able to find the way of producing exceptional pieces of art of fine jewelry from unusable, chipped and for whatever reason not reusable stones just thanks to the

¹³⁹ LVMH official website, URL: <https://www.lvmh.com>

exceptional craftsmanship of a bunch of contemporary artists. As explained by Cyrille Vigneron, in fact, “Cartier came up with an idea to put those stones to a different use. We offered them to artists who were given “carte blanche” to do whatever they chose. At the “*Joillier des Arts*” exhibition in 2012, we showed works created by Alessandro Mendini, David Lynch, Beatriz Milhazes, and Takeshi Kitano, all with Cartier’s stones. We did a similar project last year with the French artist Jean-Michel Alberola which was shown in Shanghai. That was Cartier coming up with a beautiful new way to put its raw materials to use in art.”¹⁴⁰

Strategically speaking, in fact, not only Cartier was extremely visionary in understanding to what extent creating synergies between its core business and its philanthropic commitment would have been beneficial, but its top management was also able to glimpse both a production resource and a source of profit behind its waste matter, through the partnership and collaboration with young and contemporary artists.

This lesson is shared also by **Prada** that is firmly convinced about the indissoluble and fruitful link existing between art and its core business. As stated by Carlo Mazzi, in fact, the promotion of “culture” not only benefits the general public, but it plays also an important role as a stimulus and tool for innovation within the Group. “It is a natural desire of Prada company because our activity is something that is closely related to creativity — and creativity is, first of all, the action of artists. Our approach to cultural initiatives is not made just in order to show our ownership of a big piece of art. Culture for us is to work together with the artists in order to think and in order to learn... If we can understand [their] new proposals, we can trust these ideas into our design.”¹⁴¹ This explains, thus, why Prada is that active in the artistic field and has made art a key pillar of its corporate social responsibility strategy.

Thanks to its engagement towards the artistic cause, Prada – as all the other three companies composing the sample – has been able to enter in relationship and make partnerships with both art institutions, ONGs and government institutions. In that sense, the 24-hour Museum of Francesco Vezzoli is only one of the several examples that could be mentioned. As a matter of fact, this is a project that belongs to the Fondazione, linked to the Palais d’Iéna in Paris, by an agreement with the ministry, the owner of this Palais. Thanks to this collaboration, in fact, Prada

¹⁴⁰ ARTNET, Interview with Cyrille Vigneron, conducted by Nanzanin Lankarani, March 12th, 2019

¹⁴¹ BUSINESS OF FASHION, Interview with Carlo Mazzi, conducted by Helena Pike, December 14th, 2015

has the possibility to have in there its Miu Miu fashion shows, as well as a number of other cultural initiatives.¹⁴²

Even **Pirelli**, whose belonging to the automotive industry outdistanced light-years the firm from the artistic world, has benefited a lot from its corporate strategic decision of being committed to art. In fact, besides having the possibility of realizing its corporate philanthropic goals, by redefining its image as a socially responsible Group, it has also been able to increase the firm's political power by building relationships and coalitions with the government and institutions such as FAI, *Triennale di Milano*, NABA (New Academy of Fine Arts in Milan), *Università degli Studi di Milano-Bicocca*, *Università Luigi Bocconi*, *Politecnico di Milano*, School of management of Paris, Universidad Peruana de Ciencias Aplicadas of Lima, etc.¹⁴³

Moreover, the creation of a Corporate Art Foundation benefited the four companies composing the sample, by enhancing their strategical positioning and reputation internationally. As a matter of fact, in addition to the possibility of making new partnerships abroad, they all also had the opportunity of somehow entering the museum market. In few years, in fact, their art institutions have become globally recognized cultural venues, compulsory stops in both Paris and Milan.

Their impossible-to-question success can be demonstrated not only through the fact that their action plan is continually renewed every 3-5 years when it expires or through their growing international notoriety as players of the art market, but also by their strategy of international expansion through new outposts. This is the case, for example, of both LVMH and Prada, which have both strategically settled their new artistic satellites in locations in which they cultivate economic interests.

As a matter of fact, they have both settled an outpost in China (**LVMH** in Beijing and **Prada** in Shanghai) and in Venice, which is one of the most loved and visited cities in the world. However, compared to Prada, the presence of the LVMH's art commitment hasn't ended with these two ramparts. The Foundation has, in fact, opened three new outposts, respectively, in Tokyo, München and Paris, under the name of *Espaces Louis Vuitton*.

¹⁴² COBOSOCIAL, Interview with Astrid Welter, conducted by Valerie Lambert, March 14th, 2016

¹⁴³ PIRELLI official website, URL: <https://corporate.pirelli.com>

4.3.5 Economic benefits

Evaluating the economic advantages derived from the pursuing of a corporate strategy that engages the company towards the support of the artistic cause is too difficult to compute since most of the benefits are impossible to estimate in quantitative terms. However, considering the sample, both the solidity of the reputation and the encouraging prosperity of the revenues of each firm exclude any possibility that such a strategy could have detrimental effects.

As already mentioned in the literature review, the main economic advantage the creation of a Corporate Art Foundation can lead is the fiscal benefit. As a matter of fact, both the Italian and the French laws encourage patronage activity, by entitling companies to a tax reduction. This reasoning is particularly pertinent with the case studies under analysis since the sample is composed of all firms that have benefited from these legislations.

Moreover, the annual investment these corporate art institutions require is not so high if compared to the net income of their founder companies. As a matter of fact, for example, the *Foundation Cartier pour l'art contemporaine* requires from **Cartier** an annual investment “of about € 10 million”¹⁴⁴ for covering its costs. This amount is not so exaggerated if compared to the € 1221 million¹⁴⁵ annual profit of the Richemont Group, and if it is taken into account that “the Foundation itself generates revenues from exhibitions, ticket sales and its bookstore”.¹⁴⁶

Likewise, **Pirelli**'s annual investment in its art institution is around “€ 3,5 million, which covers the building management costs, the exhibition expenses, the salaries and the communication activities”¹⁴⁷. This amount, compared to Pirelli's annual profit of “€ 262.4 million”¹⁴⁸, seems to be a modest financial expenditure, especially if it is taken into account that “the Foundation itself generates annual revenues of around € 600,000 from the restaurant, bookshop and private events”.¹⁴⁹

¹⁴⁴ *Ibidem*

¹⁴⁵ RICHEMONT Annual Report FY 2019

¹⁴⁶ ARTNET, Interview with Cyrille Vigneron, conducted by Nanzanin Lankarani, March 12th, 2019

¹⁴⁷ IL GIORNALE DELLE FONDAZIONI, Interview with Marco Lanata, conducted by Francesca Panzarin, March 16th, 2018. (cf. Appendix for full text, annexe 2). Author's (Carlotta BORELLI) translation into English.

¹⁴⁸ PIRELLI Annual Report FY 2018

¹⁴⁹ IL GIORNALE DELLE FONDAZIONI, Interview with Marco Lanata, conducted by Francesca Panzarin, March 16th, 2018. (cf. Appendix for full text, annexe 2). Author's (Carlotta BORELLI) translation into English.

As a matter of fact, even if all those Corporate Art Foundations are not for-profit institutions, they all have (Hangar Bicocca excluded) an entry ticket of 10 euros¹⁵⁰ on average. For sure, this may never represent a source of profit, considering the fact that the company has to meet the cost of salaries, operating activities, buildings, etc. However, the reputational advantage, added to the revenues generated, considered both the tax advantage and the fact that the Foundation's action plan (that normally is five-year lasting) is always renewed overtimes, suggest that, even if not quantifiable, the corporate strategic decision of being committed to art ensures a considerable economic advantage.

¹⁵⁰ Estimated considering the entry ticket prices (full and reduced) of the different institutions: Prada (full= €15, reduced= €12, only temporary projects= €10, only permanent projects= €8), Cartier (full= €10,5, reduced= €7), LV ((full= €16, reduced= €10, inter-exhibition ticket= €4). The average price computed is thus= €10,27, so approximately €10.

4.4. Resource-based view analysis

The analysis above confirmed and demonstrates, thus, how the corporate strategic decision of being committed to art, integrated into the firm's CSR plan, could be beneficial for the company under five different perspectives: reputationally, internally, externally, strategically and economically. However, the winning element that probably makes this strategy so successful is the cause itself defended, which is the artistic one.

As a matter of fact, in a world in which "today's investors want companies they support to have a conscience"¹⁵¹ and in which both customers and employees are every day more interested and attracted by firms that act as good corporate citizens, it is no more possible to imagine a firm that is not committed to the community in terms of cultural and artistic engagement.

However, a firm can support art in different ways and with different levels of involvement. Making a donation, sponsoring art, being an art patron or creating a corporate art foundation are all strategic decisions a firm can make pursuing that intent. Nevertheless, the advantages it would benefit from are the highest only if it pursues such strategy at a corporate level, by integrating it into its Corporate Social Responsibility strategic plan. This means that all the benefits, highlighted by the analysis of the sample, can advantage only those firms that have taken the decision of being committed to art at a corporate level, having become art patrons and having founded their own corporate art institutions.

It is, in fact, only in that circumstance that the firm can, not only fulfill stakeholders' expectations, but also generate sustainable additional value. As a matter of fact, the company is able, in a certain way, to gain a sustained competitive advantage, by exploiting all can be derived from its commitment to art.

This is possible because the artistic production and, more generally, what can be defined "art" is a strategic resource, that can potentially benefit whatever business just thanks to its inner characteristics of uniqueness, rarity and limitless capacity of stimulating creativity. And, when a company decides to become an art patron, founding its corporate art museum, art becomes a strategic resource in its possession, from which the firm can take the maximum advantage possible.

¹⁵¹ KARABELL, S. (May 24, 2018). "Art Is Good for Business. Supporting the arts can help companies address many modern concerns", *Strategy + Business*

In order to make this statement more reliable, it is hereafter used the rigorous model theorized by Barney in 1995, commonly known as the VRIO framework¹⁵².

This strategic analytic tool allows examining the characteristics of a firm's resource in order to assess if it has four specific attributes. In the affirmative, the resource under analysis consists in a strategic resource that the firm can transform into a sustainable competitive advantage.

Starting from the first attribute, it can be easily demonstrated how having a Corporate Art Foundation and, more generally, being committed to art, represent a **Valuable** resource for all those firms that have made this corporate strategic decision. As a matter of fact, according to Barney's model, a firm is considered "valuable" when it enables the company to improve its efficiency and effectiveness by exploiting opportunities or mitigating threats.

In the specific case of the resource under analysis, this definition seems to be perfectly coherent with what the corporate commitment to art allows. Through that, the firm can, in fact, not only demonstrate its social responsibility, but also create new partnerships, stimulate creativity, increase its reputation, improve its brand image and collaborate with artists within its production process. Moreover, the creation of its corporate art foundation allows the firm to enter the museum market, diversifying in a certain way its risk.

The second attribute to demonstrate is the rarity. A resource is defined as such when it can be acquired by one or few companies, and the key of success for obtaining a competitive advantage, when the resource is possessed by a large number of players within an industry, is that at least it is exploited in different ways through different strategies.

This definition seems perfectly matching the main feature of an artwork, considered as a strategical asset owned by a company. As a matter of fact, an art piece is, by definition, **Rare** and **Inimitable** (which represents the third attribute of the VRIO framework).

From a broader point of view, on the contrary, the corporate strategic decision of being committed to art does not seem to be that rare, even if it is true that, in strategical terms, companies exploit this resource in slightly different ways.

However, it is equally important to be noted that, if, from the one hand, the world is assisting to a proliferation of corporate art institutions, on the other hand, this strategy is mostly implemented aiming at using these corporate museums as repository of the history, values and

¹⁵² BARNEY, J. B. (1995). "Looking inside for Competitive Advantage", *Academy of Management Executive*, Vol. 9, Issue 4, pp. 49-61

culture of the company, and not as institutions created for preserving, celebrating and collecting objects of cultural and historical importance for the general public.

Opposite to this, there is, instead, the creation of an art foundation that can be considered a full-fledged competitor of both art galleries and national museums. This strategy, that has been implemented by all those companies composing the sample analyzed in this thesis, is way rarer and, as demonstrated, ensures them a competitive advantage.

This is possible also because the fourth attribute of the resource is demonstrated. As a matter of fact, the four firms are all organized in a way to adequately exploit their artistic resources in order to capture the maximum value from them. At the basis of this **Organization** there is, in fact, the integration of their commitment to art into their CSR strategic plan, the incorporation of this principle into the firm's vision and values and the creation of a Corporate Art Foundation that proves how the company is seriously and concretely engaged towards the artistic cause at a corporate level.

To conclude, even if it is true that this strategic way of being strategically committed to art is imitable, on the other hand, the art asset will remain forever inimitable and all the firms, at this moment in the history, have to urgently demonstrate that they are good corporate citizens.

CHAPTER 5

Conclusion

The aim of this thesis was that of investigating the corporate strategic decision of being committed to visual arts in order to demonstrate how universally beneficial the implementation of this strategy could be for a firm.

To this end, it has been firstly made a clear distinction between the different possible existing levels of engagement towards the artistic cause a firm can opt to, in order to understand till what extent a philanthropic act is implemented while pursuing a business strategy or a corporate one, limiting around this latter the theoretical framework of this thesis.

After a preliminary theoretical study over the different forms with which a company can be committed to art, it has emerged that, in order to pursue this strategy at a corporate level, a company has to integrate it into its corporate social responsibility plan, by becoming an art patron, creating its corporate art collection and instituting its corporate art foundation.

For this reason, in order to assess which are the benefits of such a corporate decision, it has been selected a variegated sample of four companies (LVMH, Cartier, Pirelli and Prada), all characterized by these three features, but different, the one from the other, in terms of dimension, industry and art engagement.

Using a theoretical model of analysis of the motives and benefits behind the corporate strategic decision of being committed to art - processed by using the data collecting from the existing academic literature over the topic - it has been verified an existing correspondence between this theoretical model and the results of the case study analysis.

As a matter of fact, companies committed to art at a corporate level can benefit, both internally and externally, from reputational, strategical and economic advantages, that can vary according to the strategic goals the firm intends to pursue by implementing this strategy.

For sure, the results collected from the analysis of the case studies are exceptionally encouraging, also if it is considered the fact that the sample is composed of all extremely well-known companies that enable substance and relevance to the findings.

Additionally, given the fact that today, demonstrating to be a good corporate citizen is on the top of every company's agenda, the results that emerge from this thesis gain additional value in terms of actuality significance of the matter.

Moreover, as it is demonstrated by using the Barney's VRIO framework, the key of the success of this strategy is not just the integration of such artistic commitment into the firm's CSR strategic plan, but the use that can be made of this strategic resource/asset.

As a matter of fact, once pursued as a corporate strategy, the commitment to art (and all that can be derived from it, such as, for example, the creation of a corporate art foundation) becomes a valuable, rare and inimitable strategic resource through which the firm can gain a sustained competitive advantage.

All these elements demonstrate, thus, that to be committed to visual art is a successful corporate strategy, that can potentially benefit whatever firm decides to implement it, no matter its industry of belonging, size or lack of link between its core business and the engagement towards the artistic cause.

In terms of theoretical value, this thesis investigates, compared to other academic works, the corporate strategic decision of being committed to art providing both an exhaustive and complete overview of the topic, without limiting the research to a specific initiative (such as that of creating a corporate art collection or a corporate art foundation).

Moreover, it is provided a cross-case study analysis, proving not only that there is a correspondence between theoretical benefits derivable from a corporate art commitment and the empirical evidence, but also that the corporate art commitment is a beneficial strategy for businesses that belong to different industries.

To conclude, this thesis has the practical value of providing an example of how this strategy has been and it is still both successful and beneficial in the specific case of four companies, whose importance in the market enables additional relevance to the findings. As a matter of fact, not only they could be imitated by whatever business, but also, through the VRIO framework, it has been demonstrated that even a follower of the commitment to art strategy has the possibility to gain a sustained competitive advantage. However, the findings of this study have to be seen in light of some limitations.

As far as the methodology is concerned, part of the data has been collected from interviews that, even if official, have been conducted by third parties. This has represented a compulsory

choice for the researcher given the difficulty encountered in scheduling interviews with people at the top management of the four companies composing the sample analyzed.

Moreover, since none of the firms makes a reporting of the results obtained from its commitment to art, the data to which the author had access was limited. For this reason, the findings obtained from the analysis can demonstrate only a part of the benefits potentially obtainable by a firm that decides to be committed to art at its corporate strategy level.

Finally, the analysis conducted over the commitment to art using the VRIO model is an original contribution by the author that, however, is not enhanced by other research studies that use the resource-based view model to analyze art (or a comparable) as a strategical resource.

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Interviews

CYRILLE VIGNERON



President and Chief Executive Officer of Cartier International, Board Director and member of the Senior Executive Committee of the Richemont Group since 1 January 2016.

ARTNET, Interview with *Cyrille Vigneron*, conducted by Nanzanin Lankarani, March 12th, 2019

CARLO MAZZI



Chairman and Executive Director of Prada SpA

BUSINESS OF FASHION, Interview with *Carlo Mazzi*, conducted by Helena Pike, December 14th, 2015

ASTRID WELTER



Head of Programs at Fondazione Prada

COBOSOCIAL, Interview with *Astrid Welter*, conducted by Valerie Lambert, March 14th, 2016

MARCO LANATA



General Manager of Pirelli HangarBicocca

IL GIORNALE DELLE FONDAZIONI, Interview with *Marco Lanata*, conducted by Francesca Panzarin, March 16th, 2018.

BERNARD ARNAULT



Chairman and Chief Executive Officer of LVMH Moët Hennessy – Louis Vuitton SE

OFFICIEL ART, Interview with *Bernard Arnault*, conducted by Yamina Benai, Mai 5th, 2018.

HERVÉ CHANDÈS



Director of the Fondation Cartier pour l'Art Contemporaine

PARIS ART, Interview with *Hervé Chandès*, conducted by Caroline Lebrun, 2004

Appendix

ANNEXE 1



L' OFFICIEL ART, Interview with **Bernard Arnault**, conducted by Yamina Benai, Mai 5th, 2018

^[117] *Toutes ces initiatives en faveur du public ont été récompensées par le succès auprès du public de la Fondation Louis Vuitton, dont je tiens ici à rappeler qu'elle a accueilli, depuis son ouverture en octobre 2014, plus de 2 millions de visiteurs.*

ANNEXE 2



IL GIORNALE DELLE FONDAZIONI, Interview with **Marco Lanata**, conducted by Francesca Panzarin, March 16th, 2018.

^[123] *Dal punto di vista quantitativo i risultati sono andati anche oltre le nostre aspettative: considerando che siamo aperti 4 giorni alla settimana, abbiamo avuto nel 2017 circa 260.000 visitatori (tra cui 3000 studenti universitari e 1500 bambini) con una media di circa 1200 persone tutti i giorni con punte di 6-7000 persone giornaliere in occasione di eventi particolari.*

Un dato interessante è poi il profilo dei visitatori - vengono a trovarci tanti giovani e famiglie - e il gradimento dell'offerta: ogni anno facciamo una survey sulla qualità dei servizi offerti e i riscontri sono sempre positivi.

^[122] *Altro tema è quello della ricaduta a livello internazionale: arrivano curatori e rappresentanti delle istituzioni di tutto il mondo, abbiamo una buona copertura sulla stampa internazionale, facciamo accordi con altre istituzioni per prestiti, coproduzioni e per portare le nostre mostre all'estero.*

^[121] Nella zona Bicocca noi rappresentiamo un attrattore che offre servizi importanti: laboratori per bambini, progetti con le scuole, un ristorante, concerti, visite per tutti con i mediatori culturali. Elemento fondamentale è la qualità dei servizi per far sì che le persone arrivino e vivano volentieri un'esperienza.

^[147] Pirelli investe € 3,5 milioni all'anno che coprono le spese di gestione dell'edificio, la produzione delle mostre, gli stipendi e l'attività di comunicazione.

^[149] La fondazione ha ricavi per circa € 600.000 all'anno derivanti dal ristorante, dal bookshop e dagli eventi privati.

Se per altre fondazioni, come ad esempio Prada, può essere forse più scontato il collegamento tra impresa e fondazione (l'azienda lavora nel mondo del luxury, la proprietaria è un collezionista),

^[126] è importante che anche il management e il personale Pirelli – un'azienda che ha 140 quarant'anni di storia e che ha sempre avuto nel suo DNA una connessione con il mondo della creatività - condividano i valori e il contributo che la fondazione può portare all'azienda.

^[127] Dall'altra parte il tema dell'innovazione e della ricerca portato avanti dagli artisti - che alcune volte abbiamo portato anche in fabbrica – può essere di stimolo all'impresa.

^[132] Inoltre, i dipendenti di Pirelli possono usufruire di agevolazioni sui servizi in HangarBicocca.

^[135] L'anno scorso l'installazione di Kiefer è stata scelta dai milanesi – accanto ad esempio al Cenacolo di Leonardo – tra le 10 icone artistiche selezionate dal Comune come capolavori rappresentativi dell'arte cittadina.

Summary

Introduction and purposes

Nowadays, an always more globalized world and the growing stakeholders' demand for companies to act as good corporate citizens impose firms to demonstrate their social responsibility towards both the surrounding and worldwide communities.

To this end, companies have started to be always more committed towards environmental, ethical and philanthropic causes, redefining their values, mission and brand image in the light of this new responsibility assumed. Companies have, in fact, understood that Corporate Social Responsibility (CSR) is today a necessity for successful and competitive businesses, and, as such, has to become a key pillar of their corporate strategy.

Among the different commitments pursued by firms towards the society, one that seems to be particularly interesting is that towards the artistic cause, due to its capacity of being a strategic key of success for potentially whatever business. However, even if increasingly interesting, the phenomenon of the corporate art commitment has not been deeply studied yet, especially by providing both an exhaustive and complete overview of the topic and a comparison among different case studies.

This work intends, thus, to fill this gap by investigating the motives behind the corporate strategic decision of being committed to art (referring with the term "art" to all its visual forms: drawing, painting, filmmaking, architecture, ceramics, sculpting and photography) and in-depth analyzing the derivable benefits.

There are two reasons behind the choice of focusing the investigation on the visual arts. The first one is that visual forms of art are physical and tangible assets, often characterized by elements of uniqueness, scarcity and rarity, that belong to a specific market that is particularly dynamic and profitable. All these features make, thus, the investigation over the corporate commitment to visual arts particularly interesting in economical, strategical and financial terms.

The second one, instead, is that, through the creation of their own Corporate Art Foundations (which is one of the philanthropic initiatives with which the corporate art commitment can be pursued), firms can not only demonstrate, in terms of corporate strategy, their social responsibility in terms of philanthropy, but also, in a certain way, "diversify" their businesses, entering the museums art market (even if with the institution of an art foundation that, by definition, is a non-profit organization). This makes, thus, the corporate strategic decision of being committed to art way more powerful compared to other forms of commitments and offers access to a method of reading that explains why, indeed, the topic of this thesis deserves so much attention.

This work intends, thus, to demonstrate how the corporate strategic decision of being committed to art could be universally beneficial, no matter the dimension of the firm, its belonging industry, or the existing link between art and its core activities, showing how, by pursuing the strategy of being committed to art at a corporate level, firms may not only obtain reputational, internal, external, strategical and economic benefits, but also gain a sustained competitive advantage from the intrinsic VRIO attributes of the artistic resource.

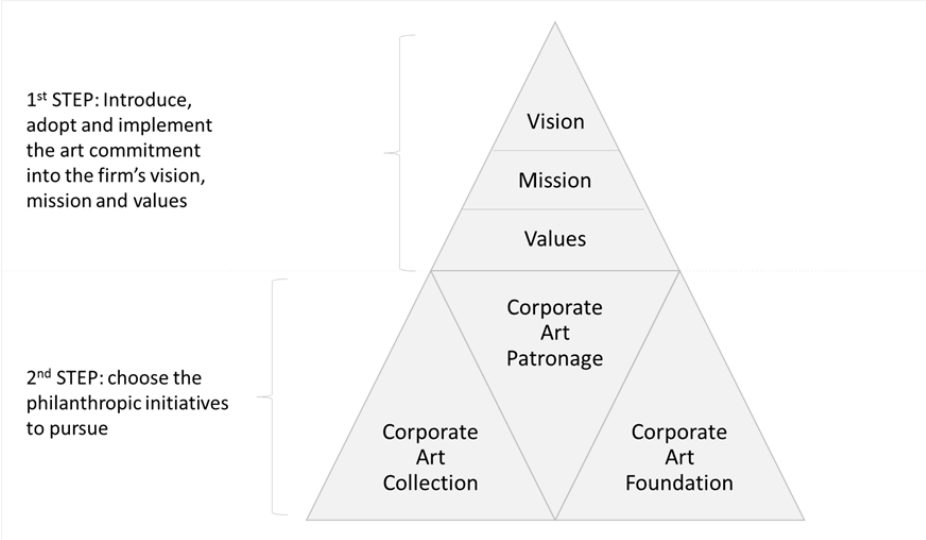
Literature and theoretical framework

In literature, the term "corporate commitment" refers to the responsibility that a company has towards the environment, the community or whatever a company can be committed to. The corporate art commitment is, thus, a form of corporate commitment, whose main concern is philanthropic since its mission is that of supporting and promoting the artistic production.

Depending on the level of engagement towards the artistic cause the firm chooses to pursue, it can support art in different ways: through donations, by making investments, by becoming an art patron, by founding its own art museum, by creating its corporate art collection, etc.

However, by being committed to art, companies are able to create both social and corporate value only when this commitment is pursued at their corporate strategy level and it is, thus, integrated into their Corporate Social Responsibility strategic plans. This means that, if a firm decides to be committed to art at its corporate strategy level, it has to integrate this commitment into its CSR strategic plan, not only by introducing and implementing its art commitment into its vision, mission and values, but also by choosing which philanthropic initiatives to pursue. (Fig.1)

Fig 1. Theoretical model of implementation of the corporate commitment to art at a corporate strategy level



Source: data processing by the author from literature evidence

As a matter of fact, for developing a strategy and driving its execution, the first important thing to do is to define the three critical elements of the firm's strategic plan that are, indeed: the vision statement, the mission statement and the company's values. Then, in order to concretely drive the execution of this corporate art commitment strategy, the firm has to choose its action plan among the three philanthropic initiatives of Corporate Art Collection, Corporate Art Patronage and Corporate Art Foundation.

Even if these three strategical choices can be independent, the maximum value derivable from the corporate strategic decision of being committed to art can be generated when a firm opts for all these three choices. Of course, this does not have to be necessarily simultaneous: in fact, it can occur, either that the company is strategically committed to the three activities since the beginning, or that the company makes its first choice being oriented to one of them and, over time, it decides to strengthen its level of engagement by enriching its activity portfolio by making further strategic decisions in that direction.

In any case, the choice of which philanthropic initiative to implement is made by considering its potential derivable benefits. However, as it emerges from the literature, the borders between the advantages of Corporate Art Patronage, Corporate Art Collection and Corporate Art Foundation are a bit blurred not just because of the synergies and the existing connections between the three, but also because they lead to several common benefits.

For this reason, by comparing the theoretical motives and benefits behind these three philanthropic initiatives, it is possible to regroup them into the following macro-categories (**reputational, internal, external, strategical, economic** and **personal**), providing, thus, a first exhaustive and complete overview of the motives and benefits behind the corporate strategic decision of being committed to art.

As a matter of fact, as far as the firm's reputation is concerned, by being committed to art through no matter which initiatives among the three, a company can develop its brand image and improve its reputation (Martorella, 1990; Boistel, 2012; Maignan et al., 1999 & Bowie, 1998).

Internally, instead, a firm can not only enhance benefits for its employees (Martorella, 1990), but also motivate them (Boistel, 2012), stimulate their creativity (Betts, 2006) and enlarge their horizons (Richardson, 1998), by improving their level of teamwork (McAlister & Ferrel, 2002), their well-being (Wu, 2003) and their sense of belonging to the organization (Hatch and Schultz, 1997; Petrovits, 2006).

Even externally, a firm can obtain considerable advantages by being committed to art, such as gaining the appreciation of the local community (Boistel, 2012) or improving its relationships with its external stakeholders (Linderberg & Oosterlinck, 2010; Martorella, 1990).

From a strategical point of view, instead, thanks to its philanthropic activities, a firm can benefit from the advancement of its corporate objectives, by pursuing its sustainable development goals and realizing its philanthropic goals (Linderberg & Oosterlinck, 2010; Carter, 2006; Bronn & Vidaver-Cohen, 2009).

Moreover, since its commitment can be perceived and appreciated not just from its actual clients, but also from its prospect ones, being committed to art could become a key not only for and improving its market positioning, but also for enlarging its client base (Smith, 1994; Boistel, 2012; Minciullo, 2016; Van Riel & Blackburn, 1995; Burligame & Young, 1998).

A firm can also benefit from its corporate art commitment in economic terms: tax reduction, government incentives, economic returns from communication expenses reduction, reputational improvement, sales increase, etc. (Boistel, 2012; Petrovits, 2006; Maignan et al., 1999 & Bowie, 1998; Westhues & Einwiller, 2006; Campbell et al., 1999)

To conclude, even if indirect, firms can obtain also an additional sixth benefit that depends on the personal dimension: as a matter of fact, as it emerges from the literature, "the stronger the support and engagement of the top management would be, the more stimulated the company would be towards the pursuit of its philanthropic duties" (Werbel & Carter, 2002).

However, additionally to all these benefits, the corporate strategic decision of being committed to art can lead the firm to reach another key advantage that concerns its competitiveness. As a matter of fact, within the resource-based view of the firm, the corporate art commitment (as part of the Corporate Social Responsibility strategy) can be considered as "a core intangible dynamic resource" (Tanghian, 2008).

The theoretical model that supports, justifies and demonstrates this thesis is the so-called **resource-based view (RBV)** theoretical framework by Barney, according to which the success of a firm in terms of performance and competitiveness depends on its tangible and intangible resources (Barney, 2001). A firm can, in fact, obtain a sustained competitive advantage from all its resources that are valuable, rare, costly to imitate and exploitable by the organization.

Following this logic, whatever element that characterizes a firm (strategies included) can be analyzed aiming at assessing if it represents a strategical resource with which the firm is able to gain a sustained competitive advantage.

Methodology

Given the difficulty to measure both the level of corporate commitment to art and the benefits of this strategic decision in quantitative terms, the methodology chosen for investigating the topic object of this thesis is the **qualitative analysis**, through the use of both the case study analysis and the resource-based view (RBV) model. As a matter of fact, while the **case study analysis** is used for providing a comparative analysis between the implementation of the commitment to art in terms of corporate strategy by the different firms and the benefits derivable from it, the **RBV model** is used, instead, for in-depth analyzing the characteristics of the artwork (and, more generally, the corporate commitment to art strategy) as an advantageous company's resource and asset.

In order to find an answer to the research question of this thesis, demonstrating, thus, how the corporate strategic decision of being committed to art could be universally beneficial (no matter the dimension of the firm, its belonging industry, or the existing link between art and its core activities), the case studies to analyze are selected among those European companies that:

- are committed to visual arts by being art patrons, by having their own corporate art collection and by having created their own corporate art foundation that is a full-fledged player within the museum market.
- Are well-known (so to enable some substance and relevance to the findings)
- Have different dimensions and belong to different industries.

For all these reasons, the choice has fallen on the following four companies: the **LVMH Group**, **Cartier**, **Pirelli** and **Prada**. As a matter of fact, they are all art patrons who own a corporate art collection and who have founded respectively: the Louis Vuitton Foundation, the Cartier Foundation for the contemporary art, the Pirelli Hangar Bicocca and the Prada Foundation. Moreover, not only they all belong to different industries: fashion (Louis Vuitton), jewelry manufacturing and watchmaking (Cartier), Automotive (Pirelli), and apparels and accessories (Prada), but they have also different sizes if it is considered that LVMH, Pirelli and Prada are all corporate groups but with different dimensions and Cartier is a wholly owned subsidiary of the Richemont Group.

As far as the data collection is concerned, all the useful information is gathered from **data available on companies' websites**, **official documentation** (such as annual reports, sustainability reports, press releases) and **interviews**. These latter have represented a key source of information since none of the firms composing the sample analyzed make a reporting or monitoring of the results obtained from its commitment to art. However, by interpreting indirect data and considering the statements made by the top managers of these companies, it is possible to collect useful data about how beneficial this strategy is for the business in reputational, internal, external, strategical and economic terms.

Finally, in order to demonstrate that, by pursuing the strategy of being committed to art, firms may gain a sustained competitive advantage, the resource-based view (RBV) model is used for analyzing “art” as a strategical resource.

Case study analysis

In order to assess both if and to what extent the companies selected pursue the commitment to art at their corporate strategy level, a preliminary analysis is conducted over their visions, missions and values. As a matter of fact, since these three key elements form the ground for building the strategic foundation of the organization, when a firm decides to be committed to art by integrating this commitment into its

Corporate Social Responsibility (CSR) strategic plan, inevitably its vision, mission and values show this corporate engagement.

LVMH

Starting from the French multinational luxury goods conglomerate *Louis Vuitton Moët Hennessy* (LVMH), the Group's mission is that of representing the most refined qualities of Western "*art de vivre*" around the world, never-ending to be perceived as synonymous with elegance and creativity. Creativity is, in fact, a key value of the LVMH brand, that, together with innovation, excellence and entrepreneurship, constitutes a key pillar of the Group's performance and long-term success.

Among the actions with which the firm supports creativity, one that deeply characterizes the CSR strategy of the Group, is its corporate commitment to art, which aims, on the one hand, at making a contribution in terms of the 4th SDG concerning the quality education; and, on the other hand, at responding to the natural firm's inclination of being an art passionate. As Arnault states, in fact, "*Art has always inspired the creation of exceptional products, and at LVMH highly skilled craftsmanship and rare professions are a precious cultural resource. It is therefore natural that the Group should take action to foster art and culture*". This explains, thus, how the Group has integrated its commitment to art into its corporate strategy, pursuing this cause not only through donations, youth and humanitarian actions support, patronage of events and programs or exhibitions and art manifestations sponsorships; but also by becoming a key actor of the contemporary art promotion, through the creation of dedicated spaces.

Cartier

Compared to the LVMH, the art commitment of the Richemont Group is much more explicit. As a matter of fact, as it is clearly demonstrated by the following statements, instead of making a reference to the concept of "creativity", the Group's commitment to art is directly and explicitly communicated as follows: "Our *Maisons* support art and cultural programs that reflect their historical background and the nature of their products, together with global and local community programs". From this statement it emerges, thus, how the committed to art is not just a shared mission of the firms composing the Group, but it represents an integral part of the strategy pursued in terms of Corporate Social Responsibility.

However, within the Group, the firm that best expresses and represents this commitment is the French luxury goods conglomerate Cartier, who deserves the credit for having sensitized the entire Group to this cause. As a matter of fact, compared to Richemont – that was founded in 1988 – Cartier has a way more ancient history. Not only it retraces its origin back to 1847, but also its strategic decision of being committed to art is even older than the date of establishment of its parent company.

Cartier was, in fact, a pioneer among all the corporations that throughout history have decided to sponsor art at a corporate strategic level. Not only, in fact, its *Fondation Cartier pour l'Art Contemporaine* has

been founded almost 35 years ago, in 1984, but also its model represents an *unicum* among the other corporate art institutions ever founded.

For Cartier, its support to the artistic cause has become so relevant, that today the firm defines itself with its social environmental responsibility, formalizing its mission, in the Corporate Responsibility policy, through its commitments, among which, that towards the artistic cause represents a key strategic one.

Pirelli

As far as Pirelli is concerned, its strategy can be defined through its engagement to the CSR cause. As a matter of fact, as it is stated by the CEO, Marco Tronchetti Provera, "Sustainability is a fundamental choice for Pirelli, it is fully integrated into the Group's Vision and Strategies for growth".

Having this scope in mind and in order to promote the Quality Education (4th UN's SDG), the Group chose to pursue its art commitment at its corporate strategy level, integrating it into its CSR strategic plan. This is clearly demonstrated by the two following statements, even if the word used is the broader term "culture", instead of "art": "*Pirelli provides support to educational, cultural, and social initiatives for promoting personal development and improving living standards*" and "*the attention to culture, and even more the commitment to preserve it, spread it and enhance it, are part of the DNA of the creation of social value*".

Prada

To conclude, as far as the Italian luxury fashion house Prada is concerned, art has always been a distinctive element and value of the core strategy of this firm, together with the three values of beauty, creativity and superior quality. For Prada, being committed to art is an integral part of its corporate strategy not only because the firm imposes itself the duty of being socially responsible being "*involved in issues such as respect for people, environment, communities and artistic heritage*", but also because it embodies its managers' values, who believe that art is a key for understanding, analyzing and anticipating the transformation.

Cross-case study analysis

In order to assess the benefits obtained with the implementation of the corporate strategy of being committed to art, the four companies composing the sample are then analyzed aiming at demonstrating that the theoretical derivable benefits have empirical evidence.

Reputational benefits

The first key advantage all the firms commonly experience is the improvement in terms of brand image and reputation. Even if there is no direct and precisely quantifiable evidence of this data, there is no doubt that each of these four companies is aware of how its commitment to art represents a key to its success.

LVMH, for example, through its corporate art commitment and an always more attentive CSR strategy, managed to shake off its reputation of being a conglomerate whose business "aggressively monetizes creative talent" becoming a "kinder, friendlier giant", being also able, in the last year, to gain 9 positions in the Global RepTrack 100 ranking by Reputation Institute.

A similar result is obtained by Pirelli that is ranked 30th /100, confirming the same positioning of 2018, and improving that of 2017 by two "steps". With no doubt, the growing appreciation of the public derives, among the other things, from the recognition of all the efforts made by the Group in terms of its art commitment not only nationally, but also internationally. As a matter of fact, the creation of the Hangar Bicocca has particularly strengthened the brand's appreciation in the surrounded area of Milan since has led Pirelli to become a key actor of the urban regeneration of the Milan suburb. Internationally, instead, the brand Pirelli is experiencing a growth in reputation also because its artistic engagement is considerably appreciated not only by curators and institutions' representatives, but also by the international press.

To conclude, while Cartier benefited from its commitment to art by strengthening the key pillars over which its reputation was built, such as innovation, creativity, extravagance and freedom, Prada, instead, not only explicitly expressed its creators' interests to an international audience, but also created a new pole of attraction, transforming Prada into a "destination for people interested in culture".

Internal benefits

As far as the internal advantages are concerned, it is possible to retrace, among the case studies, some common benefits. This is true, for the luxury companies (LVMH, Cartier and Prada) that by being committed to art, can not only stimulate the creativity of their employees unlimitedly, but also share with them common values and visions. For Pirelli, instead, the implementation of an art commitment strategy has represented a fruitful opportunity for strengthening the link between the automotive manufacturing and the artistic words, both taking advantage of the synergies created and strengthening the employees' sense of belonging to the organization.

External benefits

In terms of external advantages, the benefits derived from the philanthropic commitment of supporting art can be appreciated on multiple fronts. Supporting art means, in fact, encourage artistic production and enhance culture, which means improve the firm's public relationships with all its stakeholders: customers, governments, investors, suppliers, employees and communities.

Through the creation of its own art foundation, a firm can benefit from not only an international resonance of its brand, but also the opportunity of both strengthening its relationships with the surrounding community and starting new relationships with international organizations, governments and new partners.

By considering the experience of Pirelli, for example, it emerges how the institution of the Hangar, in the suburbs area of Bicocca, has represented an exceptional mean of geographical requalification of an industrial area devoid of services. Today, in fact, the Pirelli Hangar Bicocca represents an “important attractor” that, not only offers a lot of services, but also can be used for multiple purposes such as international meetings.

Of course, this engagement for the community has not left Pirelli without a payback. Last year, in fact, Kiefer's Seven Heavenly Palaces (iconic symbol of the Hangar Bicocca since it is its unique permanent installation) has been chosen by the citizens of Milan among the 10 artistic icons selected by the Municipality as representative masterpieces of the art of the city and the public enthusiasm has never ceased to grow. It is not a secret in fact that today, the official account of the Hangar Bicocca counts 76,600 followers on Instagram and 83,766 on Facebook.

Similar astonishing results in terms of media engagement are recorded by the three other firms composing the sample. As a matter of fact, while LVMH's *Fondation Louis Vuitton* has registered a total of followers equal to 307,000 on Instagram and 186,434 on Facebook, Cartier's art Foundation counts 181,000 followers on Instagram and 8,413 on Facebook, against the 363,000 on Instagram and 93,667 on Facebook of the *Fondazione Prada*.

Even if it is impossible to demonstrate this media success is a direct result of the single firm's strategic decision of being committed to art, there is no doubt that this latter has not penalized the brand's image and reputation. On the contrary, in fact, it seems more plausible to believe that the engagement towards the artistic cause has represented for each company composing the sample a lever for increasing its fanbase, improving its reputational approval worldwide and engaging always more the community to its brand.

Strategical benefits

In terms of strategic advancements, the corporate commitment to the artistic cause is one of the means with which the company successfully manages to reach its objectives as a socially responsible firm.

In some cases, a benefit that can ensue from the pursuing of commitment to art as a corporate strategy is the creation of synergies between the firm's core business and its philanthropic activities. This is, in particular, the case of the three luxury brands of LVMH, Cartier and Prada, whose activity is intrinsically linked to the art world.

Pirelli, instead, benefited from its corporate strategic decision of being committed to art not only by having the possibility of both realizing its corporate philanthropic goals and redefining its image as a socially responsible Group, but also by increasing the firm's political power building relationships and coalitions with the government and institutions such as FAI, *Triennale di Milano*, NABA (New Academy of Fine Arts in Milan), *Università degli Studi di Milano-Bicocca*, *Università Luigi Bocconi*,

Politecnico di Milano, School of management of Paris, *Universidad Peruana de Ciencias Aplicadas of Lima*, etc.

Through the creation of a Corporate Art Foundation, all the four companies enhanced their strategic positioning and reputation internationally. As a matter of fact, in addition to the possibility of making new partnerships abroad, they all also had the opportunity of somehow entering the museum market. In few years, in fact, their art institutions have become globally recognized cultural venues, compulsory stops in both Paris and Milan.

Their impossible-to-question success can be demonstrated not only through the fact that their action plan is continually renewed every 3-5 years when it expires or through their growing international notoriety as players of the art market, but also by their strategy of international expansion through new outposts. This is the case, for example, of both LVMH and Prada, which have both strategically settled their new artistic satellites in locations in which they cultivate economic interests.

As a matter of fact, they have both settled an outpost in China (LVMH in Beijing and Prada in Shanghai) and in Venice, which is one of the most loved and visited cities in the world. However, compared to Prada, the presence of the LVMH's art commitment hasn't ended with these two ramparts. The Foundation has, in fact, opened three new outposts, respectively, in Tokyo, München and Paris, under the name of *Espaces Louis Vuitton*.

Economic benefits

Evaluating the economic advantages derived from the pursuing of a corporate strategy that engages the company towards the support of the artistic cause is too difficult to compute since most of the benefits are impossible to estimate in quantitative terms. However, considering the sample, both the solidity of the reputation and the encouraging prosperity of the revenues of each firm exclude any possibility that such a strategy could have detrimental effects.

The main economic advantage the creation of a Corporate Art Foundation can lead is the fiscal benefit. As a matter of fact, both the Italian and the French laws encourage patronage activity, by entitling companies to a tax reduction. This reasoning is particularly pertinent with the case studies under analysis since the sample is composed of all firms that have benefited from these legislations.

Moreover, the annual investment these corporate art institutions require is not so high if compared to the net income of their founder companies. As a matter of fact, for example, the *Foundation Cartier pour l'art contemporaine* requires from Cartier an annual investment of about € 10 million for covering its costs. This amount is not so exaggerated if compared to the € 1221 million annual profit of the Richemont Group, and if it is taken into account that the Foundation itself generates revenues from exhibitions, ticket sales and its bookstore.

Likewise, Pirelli's annual investment in its art institution is around € 3,5 million, which covers the building management costs, the exhibition expenses, the salaries and the communication activities. This amount, compared to Pirelli's annual profit of € 262.4 million, seems to be a modest financial expenditure, especially if it is taken into account that "the Foundation itself generates annual revenues of around € 600,000 from the restaurant, bookshop and private events".

As a matter of fact, even if all those Corporate Art Foundations are not-for-profit institutions, they all have (Hangar Bicocca excluded) an entry ticket of 10 euros on average. For sure, this may never represent a source of profit, considering the fact that the company has to meet the cost of salaries, operating activities, buildings, etc. However, the reputational advantage, added to the revenues generated, considered both the tax advantage and the fact that the Foundation's action plan (that normally is five-year lasting) is always renewed overtimes, suggest that, even if not quantifiable, the corporate strategic decision of being committed to art ensures a considerable economic advantage.

Resource-based view analysis

The analysis above empirically demonstrates, thus, how the corporate strategic decision of being committed to art, integrated into the firm's CSR plan, could be beneficial for the company under five different perspectives: reputationally, internally, externally, strategically and economically.

However, in order to demonstrate if, by being committed to art at their corporate strategy level, firms can also gain a sustained competitive advantage, a resource-based view analysis is conducted in order to assess if the artistic resource (and, more generally, the corporate art commitment) is characterized by the four attributes of the VRIO framework theorized by Barney.

Starting from the first attribute, it can be easily demonstrated how having a Corporate Art Foundation represents a **Valuable** resource since it enables the company to improve its efficiency and effectiveness by exploiting opportunities and mitigating threats, allowing the firm to enter the museum market, diversifying in a certain way its risk. Through that (and, more generally, by being committed to art at its corporate strategy level), the firm can, in fact, not only demonstrate its social responsibility, but also create new partnerships, stimulate creativity, increase its reputation, improve its brand image and collaborate with artists within its production process.

The second attribute to demonstrate is the rarity. A resource is defined as such when it can be acquired by one or few companies, and the key of success for obtaining a competitive advantage, when the resource is possessed by a large number of players within an industry, is that at least it is exploited in different ways through different strategies.

This definition seems perfectly matching the main feature of an artwork, considered as a strategical asset owned by a company. As a matter of fact, an art piece is, by definition, **Rare** and **Inimitable** (which represents the third attribute of the VRIO framework).

From a broader point of view, on the contrary, the corporate strategic decision of being committed to art does not seem to be that rare, even if it is true that, in strategical terms, companies exploit this resource in slightly different ways. However, it is equally important to be noted that, if, from the one hand, the world is assisting to a proliferation of corporate art institutions, on the other hand, this strategy is mostly implemented aiming at using these corporate museums as repository of the history, values and culture of the company, and not as institutions created for preserving, celebrating and collecting objects of cultural and historical importance for the general public.

Opposite to this, there is, instead, the creation of an art foundation that can be considered a full-fledged competitor of both art galleries and national museums. This strategy, that has been implemented by all those companies composing the sample analyzed in this thesis, is way rarer and, as demonstrated, ensures them a competitive advantage.

This is possible also because the fourth attribute of the resource is demonstrated. As a matter of fact, the four firms are all organized in a way to adequately exploit their artistic resources in order to capture the maximum value from them. At the basis of this **Organization** there is, in fact, the integration of their commitment to art into their CSR strategic plan, the incorporation of this principle into the firm's vision and values and the creation of a Corporate Art Foundation that proves how the company is seriously and concretely engaged towards the artistic cause at a corporate level.

To conclude, even if it is true that this strategic way of being strategically committed to art is imitable, on the other hand, the art asset will remain forever inimitable and all the firms, at this moment in the history, have to urgently demonstrate that they are good corporate citizens.

Conclusions

The aim of this thesis was that of investigating the corporate strategic decision of being committed to visual arts in order to demonstrate how universally beneficial the implementation of this strategy could be for a firm, no matter the dimension of the firm, its belonging industry, or the existing link between art and its core activities, showing how, by pursuing the strategy of being committed to art at a corporate level, firms may not only obtain reputational, internal, external, strategical and economic benefits, but also gain a sustained competitive advantage from the intrinsic VRIO attributes of the artistic resource.

To this end, it has been firstly made a clear distinction between the different possible existing levels of engagement towards the artistic cause a firm can opt to, in order to understand till what extent a philanthropic act is implemented while pursuing a business strategy or a corporate one, limiting around this latter the theoretical framework of this thesis.

After a preliminary theoretical study over the different forms with which a company can be committed to art, it has emerged that, in order to pursue this strategy at a corporate level, a company has to integrate

it into its corporate social responsibility plan, by becoming an art patron, creating its corporate art collection and instituting its corporate art foundation.

For this reason, in order to assess which are the benefits of such a corporate decision, it has been selected a variegated sample of four companies (LVMH, Cartier, Pirelli and Prada), all characterized by these three features, but different, the one from the other, in terms of dimension, industry and art engagement. Using a theoretical model of analysis of the motives and benefits behind the corporate strategic decision of being committed to art - processed by using the data collecting from the existing academic literature over the topic - it has been verified an existing correspondence between this theoretical model and the results of the case study analysis.

As a matter of fact, companies committed to art at a corporate level can benefit, both internally and externally, from reputational, strategical and economic advantages, that can vary according to the strategic goals the firm intends to pursue by implementing this strategy.

For sure, the results collected from the analysis of the case studies are exceptionally encouraging, also if it is considered the fact that the sample is composed of all extremely well-known companies that enable substance and relevance to the findings.

Additionally, given the fact that today, demonstrating to be a good corporate citizen is on the top of every company's agenda, the results that emerge from this thesis gain additional value in terms of actuality significance of the matter.

Moreover, as it is demonstrated by using the Barney's VRIO framework, the key of the success of this strategy is not just the integration of such artistic commitment into the firm's CSR strategic plan, but the use that can be made of this strategic resource/asset.

As a matter of fact, once pursued as a corporate strategy, the commitment to art (and all that can be derived from it, such as, for example, the creation of a corporate art foundation) becomes a valuable, rare and inimitable strategic resource through which the firm can gain a sustained competitive advantage.

All these elements demonstrate, thus, that to be committed to visual art is a successful corporate strategy, that can potentially benefit whatever firm decides to implement it, no matter its industry of belonging, size or lack of link between its core business and the engagement towards the artistic cause.

In terms of theoretical value, this thesis investigates, compared to other academic works, the corporate strategic decision of being committed to art providing both an exhaustive and complete overview of the topic, without limiting the research to a specific initiative.

Moreover, it is provided a cross-case study analysis, proving not only that there is a correspondence between theoretical benefits derivable from a corporate art commitment and the empirical evidence, but also that the corporate art commitment is a beneficial strategy for businesses that belong to different industries.

To conclude, this thesis has the practical value of providing an example of how this strategy has been and it is still both successful and beneficial in the specific case of four companies, whose importance in the market enables additional relevance to the findings.

However, these latter have to be seen in light of some limitations. As far as the methodology is concerned, part of the data has been collected from interviews that, even if official, have been conducted by third parties. This has represented a compulsory choice for the researcher given the difficulty encountered in scheduling interviews with people at the top management of the four companies composing the sample analyzed.

Moreover, since none of the firms makes a reporting of the results obtained from its commitment to art, the data to which the author had access was limited. For this reason, the findings obtained from the analysis can demonstrate only a part of the benefits potentially obtainable by a firm that decides to be committed to art at its corporate strategy level.

Finally, the analysis conducted over the commitment to art using the VRIO model is an original contribution by the author that, however, is not enhanced by other research studies that use the resource-based view model to analyze art (or a comparable) as a strategical resource.