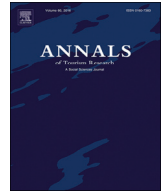




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Research Note

Corporate sponsorship for museums in times of crisis

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Introduction

In a recent report, the UNESCO estimates that 90% of all museums closed their doors during the COVID-19 pandemic, while 13% might never reopen again due to a lack of funding (United Nations, 2020). Similarly, a survey by the Network of European Museum Organizations (NEMO) reported a loss of income of 75%–80% (NEMO, 2020). Thus, the exploration of new sources of funding is the top priority of museums around the world. One such funding source may be the private sector, as many museums seek corporate sponsorship as an alternative to public funding (Anderson, 2019). However, anecdotal evidence suggests that corporate sponsorship may not always be well received by potential visitors, due to environmental, social and ethical concerns (Cundy & Raval, 2019). Prior research demonstrates that corporate sponsorship may negatively affect the authenticity of museums and ultimately reduce visiting intentions (Biraglia, Gerrath, & Usrey, 2018). We define museum authenticity as the expectations that visitors have about the genuineness of a museum's actions regarding its values on which it was founded.

Building on this, we aim to examine what impact the current COVID-19 health crisis may have on the authenticity perceptions of tourists regarding corporate sponsorship. Corporate sponsorship as a form of CSR activity is often met with skepticism (e.g., Alhouti, Johnson, & Holloway, 2016)—especially in the context of museums which are expected to be an authentic place of knowledge and cultural exchange without commercial focus (Biraglia et al., 2018). However, the COVID-19 crisis may increase the need for more authentic CSR activities which are not only accepted but also expected by consumers (He & Harris, 2020). While large corporations are expected to do their part in society and help local causes, smaller companies are perceived to be more authentic and supportive of the local community (Green & Peloza, 2014; Legendre, Warnick, & Baker, 2018; Lewis &

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Bridger, 2001). Moreover, consumers perceive smaller firms to put greater effort into their cause-related activities, which may lead them to perceive their efforts to be more sincere (De Vries & Duque, 2018).

Hence, we propose that, if the COVID-19 crisis is salient, tourists react more positively towards corporate sponsorship, especially if the funding is provided by smaller companies—in comparison to larger companies. Specifically, we propose that—under those circumstances—tourists will perceive a lower loss of authenticity, show higher post-lockdown visiting intention, and have a higher willingness to pay for entrance fees.

Method

We recruited $N = 358$ Italian participants (45.5% females, $M_{Age} = 27.15$) to take part in an experiment on Prolific. We randomly assigned participants to one of the conditions in a 2 (COVID-19 salience: yes vs. no) $\times 2$ (Sponsor size: large vs. SME) between-subject design. In all conditions, participants read a newspaper article covering an initiative taken by a major Italian museum: the Uffizi Gallery in Florence, one of the most visited museums in the World (The Art Newspaper, 2019). To maximize the realism of the manipulations (Viglia & Dolnicar, 2020), a professional designer edited the article in the format of a popular Italian newspaper, and participants had the chance to win two tickets for the Uffizi. In the article, participants read that because of the new cultural season [lockdown due to the COVID-19 pandemic], the museum would partner up with a local large company [five local SMEs] (ratio based on Eurostat (2020) definitions, and adds to the realism of the manipulations¹) that would fund an exhibition. In exchange for such sponsorship, the Uffizi would give the sponsor[s] a space in the museum where to promote their products and their initiatives. Last, participants read that revenue of the exhibition would be shared equally between the sponsor and the museum (Fig. 1).

Next, we presented respondents with the dependent and mediating variables in random order. We measured participants' willingness to pay more for the exhibition (from 0 to 20 euros on top of the Uffizi's actual standard entrance fee for exhibitions). As our study aims to build on the findings of Biraglia et al. (2018) in the COVID-19 crisis context, we adapted their 7-point Likert-type scales to measure visiting intentions (one item) and authenticity loss (three items; $\alpha = 0.90$). Our methodological approach ensured that the participants were from the population of interest; Italian respondents can travel and visit the museum without restrictions, also incentivized by the possibility of winning the free entry. While the measurement of actual behavior in experimental research is advised (Viglia & Dolnicar, 2020), our study had the aim to examine participants' visiting intentions after the lockdown—an unavoidable limitation given the data collection restrictions due to COVID-19.

Results

A two-way ANOVA revealed a significant interaction effect on the intention to visit the exhibition ($F(1,354) = 4.37, p = 0.032$; Fig. 2). In the COVID-19 scenario, participants stated a significantly higher intention to visit the exhibition when it was funded by the SMEs rather than by a large company. In the no COVID-19 scenario, participants' visiting intentions did not differ significantly ($p = 0.33$).

Willingness to pay

An additional two-way ANOVA showed a significant interaction effect on willingness to pay ($F(1,354) = 4.35, p = 0.038$). In the COVID-19 scenario, participants wanted to pay significantly more when SMEs (vs. a large company) funded the exhibition. The reverse is true in the no COVID-19 scenario (Fig. 3). This may be explained by the fact that in non-crisis situations a large corporate sponsor may elicit perceptions of a more expensive and prestigious exhibition, ultimately driving value perceptions and willingness to pay (Cornwell & Coote, 2005).

Authenticity loss

In line with the findings by Biraglia et al. (2018), participants perceived the Uffizi to have lost their authenticity more when COVID-19 was not mentioned [was mentioned] as a reason to seek external funding ($F(1,354) = 12.28, p = 0.001$). Similarly, the museum was considered less authentic when a large company [SMEs] were involved as a sponsor ($F(1,354) = 5.41, p = 0.021$). Furthermore, the analysis yielded a significant interaction ($F(1,354) = 4.13, p = 0.043$): when COVID-19 was mentioned, the museum suffered a significantly smaller authenticity loss when the sponsor was the SMEs rather than the large company, supporting our prediction (Fig. 4).

Moderated mediation analysis

We tested whether the effects of our IVs on the visiting intentions and the willingness to pay are mediated by a perceived authenticity loss through a moderated mediation analysis (PROCESS Model 8, 95% confidence interval, 10,000 bootstrap resamples; Hayes, 2013). The results confirm such prediction for both visiting intentions ($ab: -0.46, SE = 0.27; 95\% LLCI =$

¹ A 2 (size: large vs. SME) $\times 2$ (number: 1 vs. 5) post-hoc study revealed that the effects under COVID-19 salience were indeed driven by the size and not by the number of corporate sponsors.



Fig. 1. Example of manipulation¹ (left) and English translation (right). ¹Full manipulations are available upon request.

−0.99, 95% ULCI = 0.06; index of moderated mediation: −0.20, SE = 0.11; 95% LLCI = −0.44, 95% ULCI = −0.01) and willingness to pay (ab: −0.15, SE = 0.209; 95% LLCI = −0.33, 95% ULCI = 0.03; index of moderated mediation: −0.11, SE = 0.06; 95% LLCI = −0.24, 95% ULCI = −0.01). In both cases, the mediation effect was stronger for the COVID-19 salience condition.

Discussion and conclusion

Our results contribute to existing theory regarding tourist reactions towards corporate sponsorship for museums (Biraglia et al., 2018) by identifying two additional boundary conditions—crisis salience and sponsor size. In line with the predictions of He and Harris (2020), the results of our experimental study indicate that in times of crisis, such as the COVID-19 pandemic, tourists may be more willing to accept corporate sponsorship of museums. If the crisis is salient, tourists also show a higher visiting intention and willingness to pay if the corporate sponsorship stems from SMEs rather than the efforts of a single large company, as they perceive a lower authenticity loss. Expanding existing CSR and underdog effect literature (e.g., Alhouthi et al., 2016; Legendre et al., 2018), we provide evidence that the lack of perceived effectiveness of smaller corporate sponsors may be outweighed if multiple SMEs come together.

Moreover, following a call for more research on strategies at the stage of recovery (Ritchie & Jiang, 2019), we contribute to the ongoing debate in both academic research (Fong, Law, & Ye, 2020) and society at large (UN, 2020) by suggesting recovery

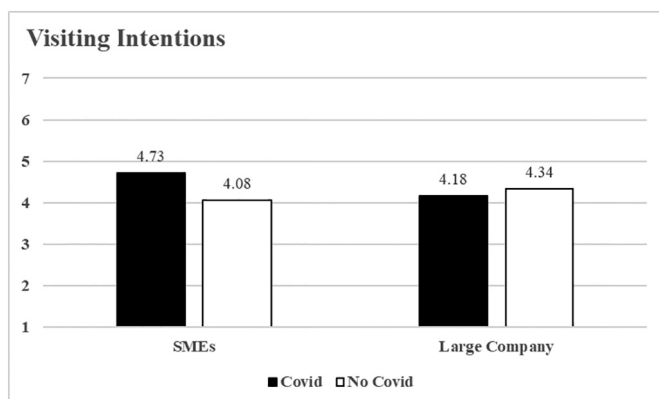


Fig. 2. Effect on visiting intentions.

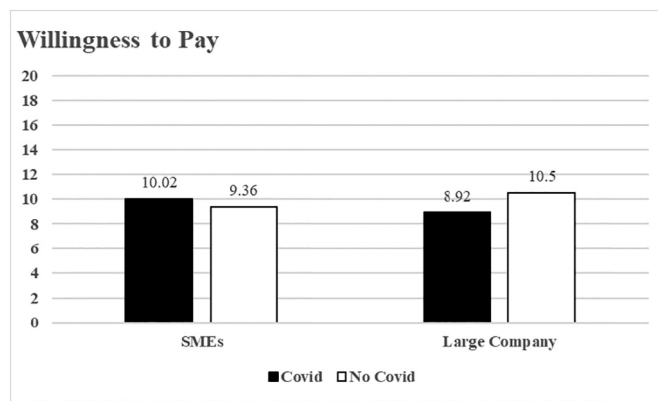


Fig. 3. Effect on willingness to pay.

strategies for museums. We recommend museums to seek—and policymakers to incentivize—corporate sponsorship from multiple, smaller companies to attract more visitors while preserving the authenticity of the museum's image, especially in times of crisis.

Furthermore, we follow Dolnicar and Ring's (2014) call for more experimental research in tourism marketing. While we designed the stimuli to be as realistic as possible and only allowed participants from the target population (i.e., Italians) to participate, we were not able to collect actual behavioral data. Considering the restrictions for data collection during the COVID-19 crisis, we encourage future research to test the robustness of our findings and examine the impact of corporate sponsorship on actual behavioral, once the situation recovers (Viglia & Dolnicar's, 2020). Last, while we only speculate that in non-crisis situations the sponsorship by a big company may increase the prestige of the exhibition and higher willingness to pay, future research may directly test this link.

Statement of intended contribution

What is the contribution to knowledge, theory, policy or practice offered by the paper?

We respond to Ritchie and Jiang's (2019) call for research on recovery strategies following crises and disasters in tourism. We combine literature in tourism and CSR to provide a new angle on how tourist attractions—specifically museums—could benefit from corporate sponsorships without being perceived as inauthentic. We also contribute to practice by demonstrating that seeking funding from multiple SMEs, rather than a large company, provides a viable option for museums' managers to recover from the financial loss caused by the COVID-19 pandemic. Such an initiative could also inform ad hoc policy making to stimulate both tourism and business recovery. Methodologically, the paper adopts an experimental approach with a between-subjects design providing a robust rationale to assess a causal effect (Viglia & Dolnicar, 2020) between the type of companies providing corporate sponsorship in times of crisis and tourists' willingness to visit and to pay for the museums' entrance fees.

How does the paper offer a social science perspective/approach?

This research note contributes by highlighting the interplay between CSR, strategic management and tourism in times of crisis (i.e., COVID-19). We believe that our study could inspire future research in social sciences, specifically, in the areas of arts management, corporate social responsibility, and policy making. While pandemics are extreme cases of crises, museums and other

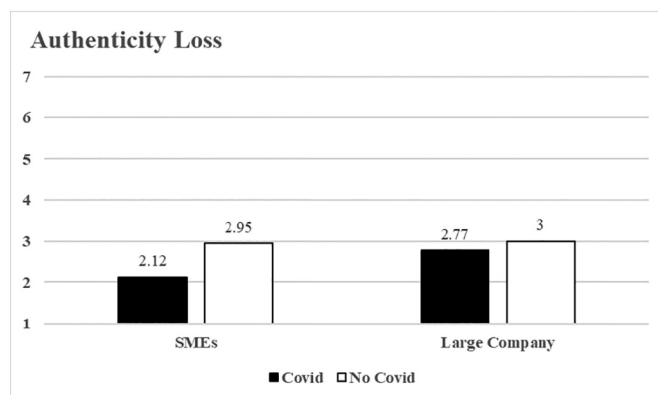


Fig. 4. Effect on authenticity loss.

tourist attractions may also struggle financially due to other disrupting events (e.g., economic crises or environmental disasters; Ritchie & Jiang, 2019). Our results suggest that corporate sponsorship provided by SMEs (vs. large companies) may help in such circumstances. We believe that policy makers may promote corporate sponsorship as they could constitute a win-win situation for both the SME sponsors and the sponsored institutions. Furthermore, these agreements may help to preserve the museums' collections for the general public fruition, avoiding the risk of selling them to generate cash flows needed for the museums' survival.

Appendix A. Supplementary data

Supplementary data to this article can be found online at <https://doi.org/10.1016/j.annals.2020.103056>.

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