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# The Future of Dutch museum Fundraising

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**Master Thesis**  
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## Abstract

Over the past decade fundraising practices have become more important to Dutch museums. Therefore, within museums development departments are growing both in size and in importance. This thesis aims at explaining how Dutch museum development departments respond to signals in the market. This question is answered by four sub-questions: I. How do museum development professionals manage the process of fundraising?, II. How do museum development professionals establish relationships with their donors and sponsors?, III. What incentivises donors and sponsors to donate to or sponsor museums?, and IV. What are the future trends of museum development?

The research conducted eleven semi-structured interviews with senior Dutch museum development professionals about their fundraising practices. Therefore, this research has adopted a qualitative research method. The empirical interview data is analysed through four themes, related to the sub-questions: museum development management, establishing donor and sponsor relations through trust, donor and sponsor incentives and the future of museum development.

The results show most development professionals learn about museum development ‘on the job’, through ‘mentor relationships’ or through short courses. Moreover, most development professionals lack time to do research on their donors and sponsors. The research also indicates that the relationship between major donors, sponsors and the museum development professional is based on mutual trust. Moreover, the use of the museum network, the visibility of the donations for the donors’ reputation, a sense of social responsibility, a personal connection to the museum, a click with the development professional or the museum director and tax benefits, all motivate donors to give. Moreover, sponsors are using museum sponsorship as a marketing tool to create a positive corporate socially responsible image. Regarding future trends, the research identifies a decline in corporate sponsorship, but an increase in private donations. Moreover, digitization is a useful tool to develop the museum fundraising process and attract a new generation of donors. Lastly, a more inclusive and relationship-based fundraising strategy is needed to attract a broader donor community.

**Keywords:** Fundraising, museum management, organisational flexibility, market signals, relationship-building and decision-making theory, sponsor and donation incentives.

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## 1. Introduction

*"Fundraising is the gentle art of teaching the joy of giving."* Hank Rosso  
(Henry A. Rosso (1917-1999), founder of The Fundraising School, San Francisco, USA)

In 2012, The Dutch government decided to reduce public financial support for the cultural sector. Consequently, museums had to be flexible and re-evaluate their financial structures. It had suddenly become more urgent to sustain the organisation through alternative financial resources like donations of private donors and sponsorship agreements with corporate companies (Boekmanstichting, 2020). Furthermore, the outbreak of the Coronavirus in 2019 forced museums to close for months on end. Research by the Network of European Museum Organisations (2020) showed this resulted in a loss of income for museums up to 80%. Due to these high impact market changes, the importance of fundraising in terms of income sources for Dutch museums has increased (Bekkers et al., 2020). It is even specified in annual reports of various Dutch museums that the financial backing of the 'friends of the museum' has become crucial for their existence (Boekmanstichting, 2020).

Nevertheless, there is still little on offer regarding university education for fundraisers or development professionals in The Netherlands. None of the Dutch 'Museum studies' masters of the University of Amsterdam, Leiden University, and Groningen University offer any courses on museum development or fundraising. Even the master 'Cultural Economics and Entrepreneurship' at the Erasmus University in Rotterdam does not provide a specific course for museum fundraising practices. As a result, finding and selecting the right people and 'training on the job' in the development department is currently the way to go for museums. This lack of university-level fundraising education is problematic, as, over the past decade, fundraising has become crucial for the financial well-being of Dutch museums. (Boekmanstichting, 2020).

Even though fundraising is urgent for museums in The Netherlands, it has not yet been researched thoroughly (Buijze, 2019; Camarero et al., 2011). Previous academic research on museum fundraising practices mainly focused on the United States and the United Kingdom museums (Stanziola 2011; Yermack 2017). Studies from the European perspective do not occur in large numbers (Camarero et al., 2011; Romolini et al., 2020). Therefore, I have identified a gap in the literature on Dutch museum fundraising practices. Consequently, this theoretical gap can be filled in by researching the organisational side of museum fundraising by examining the perspective of Dutch museum development professionals on current museum development practices. This research is meaningful because it provides a deeper

understanding of the organisational flexibility of Dutch museum development departments to changes in the market. Therefore, it is the aim of this thesis to examine the following research question:

*How do Dutch museum development departments respond to signals in the market?*

The thesis is structured as follows: after this introduction, the second chapter of this thesis, the theoretical framework, elaborates on the existing literature on museum development practices. This theoretical framework is divided into four thesis themes:

*Theme 1: Museum development management*

*Theme 2: Establishing donor and sponsor relations through trust*

*Theme 3: Donor and sponsor incentives*

*Theme 4: The future of museum development*

Each of these thesis themes is linked to a sub-question. Consequently, the first thesis theme addresses how museum development professionals manage fundraising with their stakeholders, followed by the second theme that researches how museum development professionals establish relationships with their donors and sponsors. The third thesis theme elaborates on what incentivises donors and sponsors to donate to or sponsor museums. Lastly, the fourth thesis theme explores the Dutch future fundraising trends. The method section follows the theoretical framework. This chapter explains the reasoning behind the decision for a qualitative research method with semi-structured and in-depth interviews with eleven Dutch museum development professionals about the flexibility of their fundraising practices. For the results chapter, the data collected through the eleven interviews are analysed, coded and applied to the theory of the theoretical framework organised in the four thesis themes.

To conclude, an answer to the research question and sub-questions, which follows logically from the studied literature, the qualitative research method and the results section, will be formulated. Additionally, the thesis discusses the contributions, limitations and suggestions for future research on Dutch museum fundraising. Finally, this thesis aims to make a recommendation for the Dutch museum sector regarding future museum fundraising.

## **2.Theoretical framework**

The main research question of this thesis is: *How do Dutch museum development departments respond to signals in the market?* The core cultural, economic theory used to examine this question is the ‘organisational flexibility’ of Dutch museum fundraising departments to respond to these market signals. This theoretical framework first presents a general theory about non-profit organisations and museums. After that, a concise overview of the Dutch museum sector is provided, and lastly, the financial structures of museums are investigated. The first thesis theme presents a theory on museum development management by providing a fundraising definition by elaborating on five fundraising principles and the fundraising stakeholders. The second thesis theme describes relationship-based fundraising, fundraising decision-making and relationship-building model. The third theme defines the incentives for private donors and sponsors to give to museums. Lastly, the fourth theme explains theory about legacy, diversity, digitisation, sustainability and community as future trends of museum fundraising.

### **2.1 General museum fundraising theory**

#### **2.1.1 Non-profit organisations**

The non-profit sector consists of educational organisations, social services agencies, healthcare organisations, research institutions, wildlife conservation organisations, religious institutes and cultural and arts institutions (Sebestova & Sebestova, 2020). These organisations are fundamental to society and the economy, as they employ many people and thus contribute to the economy by adding to the gross domestic product. Non-profits usually operate because of social or environmental goals. They have no economic purpose, but often they do have high fixed costs. Therefore, they are frequently dependent on support from volunteers, donors and sponsors and members of the statutory body. This dependency results in a competitive non-profit environment to attract financial resources (Weinstein & Barden, 2017).

Non-profit organisations often have development departments, as they are reliant on funding from different revenue sources like government subsidy, grants from private foundations and private donations, corporate sponsors. These departments affect the organisation as a whole, and therefore the work of development professionals is essential for non-profit organisations (Gauss, 2020). Non-profit organisations have a dual customer concept, which means that both end-service users and financial supporters must consider the organisation’s management. Non-profits respond to social demand, as non-profit ‘consumers’ are a source of capital and demand through their financial support and network (Weinstein & Barden, 2017). They use social media effectively for their communication with donors.

Nevertheless, it is not yet clear if social media also can build trust and relationships between the organisation and the donors (Sebestova & Sebestova, 2020).

### **2.1.2 Museum definition**

The international council of museums (ICOM) defines a museum as “*a non-profit, permanent institution in the service of society and its development, open to the public, which acquires, conserves, researches, communicates and exhibits the tangible and intangible heritage of humanity and its environment for the purposes of education, study and enjoyment*” (ICOM, 2021). According to Biraglia and Gerrath (2020), museums are environments in which authentic knowledge and cultural exchange without economic focus are provided. The traditional role of museums has been to gather, preserve and study museum objects. The museum director used to be solely responsible for the guardianship of the cultural capital of its museum. Nowadays, the role of the director is more diverse, as attracting visitors has also become a core job.

Since the 1970s, the museum sector has noticed a growth in the number of museums. Moreover, museums have become more commercial (Burton & Scott, 2003). These developments have led to increasing competition for government funds, private donations and corporate sponsorship agreements (Kotler et al., 2008; Colbert, 2003). As non-profit museums receive government funds, they must attract growing numbers of visitors to be of value to society (Gilmore & Rentschler, 2002). Furthermore, the attention to the needs of museum visitors is valued higher, and there are more innovative museum services and products available for them (Vicente et al., 2012). Modernisation and the use of digital technology, like social media, has also led to the rapid development of the business models of museums (Romolini et al., 2020). Due to reduced government support and the financial crisis of 2008, museums have thus been assigned a new task. Not only do they have to compete for visitors, develop exhibitions and cultural activities, but now museums must also be able to generate income through innovative funding strategies such as donations and sponsorship agreements (Bonet & Donato, 2011; Kotler et al., 2008; O’Hagan, 1998).

### **2.1.3 The Dutch museum sector**

In the Netherlands, 438 Dutch museums are part of the Dutch Museums Association, the ‘MuseumVereniging’. In 2019, the number of museum visitors in The Netherlands rose again to 32.6 million due to extra domestic visits, especially young people. In 2020, the number of visitors decreased

because foreign tourism could no longer come to museums due to the Corona Crisis and the closing of the museums (Museumvereniging, 2020).

The total turnover of Dutch museums in 2019 was 1.1 billion euros, which was slightly higher than in 2018. For 50 %, this total turnover consisted of self-generated income from the museums. 5% of this 50% of the self-generated income consisted of sponsorship money, 25 million euros in 2019. In addition, this income also consisted of donations, which was 6% of the turnover in 2019 and generated 32 million euros in revenue. In addition, private funds generated 68 million euros in income, representing 13% of the total turnover. The other 50% consisted of contributions from the Dutch national government, the municipalities, the provinces and national culture funds. This government contribution has decreased, as in 2014, it was still 55% of the total turnover (Museum Vereniging, 2020).

The total costs of museums in 2019 have increased faster than turnover, as the costs for exhibitions, personnel and art purchases turned out to be higher than the years before. As a result, the museums had a negative result of 23 million euros from the ordinary business suspension in 2019. This was on average 52,000 euros per museum. In 2019, 47% of Dutch museums had a negative result from general operations. Even more prominent museums had this negative result, while they still scored positive results in 2014 (Museum Vereniging, 2020).

#### **2.1.4 The financial structures of museums**

The income of museums consists of traditional sources, like public grants and subsidies provided by national and local governments. This public support for museums can be justified, as cultural services must be accessible to all (Baumol & Bowen, 1966; Duffy, 1992; Heilbrun & Gray, 1993).

Furthermore, revenue from ticket sales, events, museum shop products and cafe sales provides income for museums (Hutter, 1998). Nevertheless, government support and self-generated revenue do not always provide for the complete expenses of museums (Chatelain-Ponroy 2001; Lindqvist 2012). This is because museums have high fixed costs for conservation, restoration, and employee wages. Moreover, museums are often unable to increase entrance fees, as it will demotivate visitors to visit the museum (Frey & Meier, 2006).

Due to the financial crisis, governments reduced grants and subsidies for the cultural sector (Badia et al., 2015). Innovative funding strategies, such as attracting private contributions from donors or grants of cultural foundations and arranging sponsorship agreements with corporate companies, have thus been adopted more frequently by museums (Schuster, 1998; Toepler & Dewees, 2005). According to academic research, the growth in demand for these alternative sources of income has led to competition

between museums and other charitable causes for private and corporate support (Blasco López et al., 2018; Burton & Scott, 2003; Johnson & Thomas, 1998).

Three different models of museum financing can be distinguished because the financial structure of museums largely depends on the geographical location of museums. Through the allocation of public funds, national government policies directly influence the financial structure of museums within the country (Bonet & Donato, 2011; Zan et al., 2007). The first museum financing model that can be distinguished is the ‘American model’. Here, museums are mostly privatised, and the government solely intervenes through indirect support, like tax benefits for private donations. Therefore, private donations are the primary funding source of American museums (Bell, 2012; Rosenstein, 2010; Toepler & Dewees, 2005; Zan et al., 2007). The second model is the ‘British model’, in which there is limited public intervention and spending. In the United Kingdom, museums are supported by the government through ‘arm’s length’ agencies that have the responsibility to allocate public funds to museums (Hetherington, 2017). Still, the costs of British museums are often too high to be covered by the arm’s length support alone. This incentivises British museums to look for alternative funding sources. Therefore, museums aim at receiving support from private donors, cultural foundations and corporations to sponsor the museum (Tobelem, 2013). Thirdly, the ‘European model’ differentiates itself from the other funding models by high financial government support and engagement (Bonet & Donato, 2011). Although government support has diminished in recent years, it remains significantly increased compared to the US and UK models (Camarero, 2011). The past few years' financial crisis and political changes have influenced these traditional models (Frey & Meier, 2006). A mixed version of these three has therefore emerged, in which the characteristics of the models have merged. Most European museums have become less dependent on government support, as they also started to focus on private support and corporate sponsoring as alternative financial sources. Nevertheless, the government often supervises and supports these museums (Vicente et al., 2012).

## **2.2 Theme 1: Museum development management**

### **2.2.1. Fundraising definition**

Most museums depend on government subsidies and alternative income from private donations, grants from cultural foundations and sponsorship agreements with companies to sustain and fulfil their mission (Camarero et al., 2011; Proteau, 2018). The process of raising these funds is called ‘fundraising’. Kelly (1998, p.24) defines fundraising as the activity of “*identifying, building, and maintaining relationships with individuals, corporations, and foundations who, characteristically, give away funds*”. Attracting

donations and sponsors is crucial for museums because the income of ticket sales, sales through the museum shop and governmental support are often insufficient to sustain the organisation properly. A 'donation' can be defined as a monetary or non-monetary offering whose value is considerably higher than the individual's benefits will receive in return (Buijze, 2019).

Through the research of Heilbrun and Gray (2001), it has become clear that fundraising benefits museums with a rate of 1:2 to 1:7, which indicates the significance of fundraising practices for museums. The Dutch museum sector acknowledges this significance. Therefore, fundraising practices have become more professional over the past years (Breeze & Scaife, 2015). Still, preservation of the collection and creation of exhibitions are the core activities of museums that often receive the most attention within the organisation. However, to realise these exhibitions and maintain the collection, the entire organisation must be aware of the importance of the fundraising practices to realise successful fundraising (Heilbrun & Gray, 2001). Successful fundraising suggests more income and thus lays the foundation for the activities of a museum (Kunst & Zaken, 2007). The fundraising costs differ per museum, but every museum has to invest funds to raise them eventually. According to the Smithsonian Institutions (2001) research, it is costly to pay for an office, office supplies, staff payment, and the most necessary expenses: the funding programs (Smithsonian institution, 2001).

### **2.2.2 Museum development professionals: Fundraisers**

The responsibility for the fundraising activities differs per museum. Sometimes the museum director fulfils the fundraising tasks, but often it is a particular employee who has been hired to increase donations or arrange sponsorship agreements (Kunst & Zaken, 2009). Fundraising efforts can also be appointed to the 'board of the museum', as they often have engaging personal networks to raise funds. Moreover, it is essential to point out that larger museums usually have an entire department to arrange the fundraising activities of the museum (Frey & Meier, 2002). According to research by Romolini et al. (2018) that analysed a sample of 40 Italian state museums on their fundraising strategies, hardly 15 museums specifically employed museum development professionals. These professionals were often also assigned to marketing tasks. This contrasts with most British museums that generally have special development departments to generate alternative income for the museums (Shaw, 2006).

Museum development professionals are responsible for many tasks within the museum, such as arranging the museum memberships, organising special events, coordinating donations made by individuals, writing applications to culture foundations, arranging sponsorship agreements with corporations. Sometimes they also assist with marketing duties and publications (Smithsonian institution,

2001). Moreover, the development staff of museums are in charge of the planning, administering and follow up of fundraising, which is known to be time-consuming. During the planning stage of a fundraising campaign, communication schedules are developed, promotional effort, engagement activities and goals. Development professionals often start their funding campaigns by requesting the most committed supporters of the non-profit organisation for help before the official start of the funding campaign. After this, the campaign usually officially launches on the website by email and social media (Gauss, 2020). Employees within development departments have to be aware of and flexible in the different ways in which the revenue resources have to be approached. Promoting and recruiting for fundraising events is separate from, for example, arranging donations with major donors (Smithsonian institution, 2001). Developing funding relationships is very time-consuming because the relationship between the donor and the development professional must be cultivated and maintained to realise trust (Gauss, 2020).

### **2.2.3 The five fundraising principles**

According to ‘The complete guide to fundraising management’ by Weinstein and Barden (2017, p. 1), there are five fundraising principles that enable successful fundraising. The first principle specifies that *“people give to people to help people”*. Real people decide to give or not to give to museums. Donors give because of the relationship with and the trust in the person that asks for their support. Investments are made only in projects that donors believe in and that have a positive effect on society. Therefore, it is argued that maintaining and enhancing relationships with donors is crucial for fundraising professionals (Weinstein & Barden, 2017, p. 1).

The second fundraising principle states that *“people give in relation to their means and in relation to what others give”*. This refers to the ‘donor pyramid’ in figure 1 that fundraising professionals use to categorise their donors. The donors in the lowest part of the pyramid will not give more than the major donors in the top part of the pyramid because they contribute proportionally to what they can donate personally and to what other donors give (Weinstein & Barden, 2017, p. 2).

The third fundraising principle explains that *“the closest to the organisation must set the pace”*. The closest are often the board, staff and essential volunteers. These stakeholders also need to donate to the organisation to positively affect donations by people less close to the organisation, like donors and sponsors. If the closest stakeholders lead in the giving, others will follow (Weinstein & Barden, 2017, p. 2). This can be visualised by a concentric circle model, in which the key stakeholders are at the centre of the model. These stakeholders are highly committed and dedicated and can impact the donors' outer circles (Rosso, 1991).

The fourth principle clarifies that to raise funds successfully, “*the right person needs to ask the right prospect for the right amount of funds for the right project at the right time, in the right way*”. As a result, it is essential that the ‘right person’ who asks for the funds and support needs to have a peer relationship with the potential donor. Furthermore, the ‘right prospects’ are often the people who have already given to non-profit organisations in the past. The ‘right amount’ to ask potential donors differs per donor and needs to be estimated by the fundraiser in advance. The project that the fundraiser is raising funds for must also fit the interests of the potential donor. Additionally, the ‘right time’ to approach a potential donor is when the relationship is well maintained. Lastly, the ‘right way’ to ask for support is politely and elegantly, according to Weinstein and Barden (2017). Therefore, a genuine relationship with the prospective donor needs to have been developed in advance (Weinstein & Barden, 2017, p. 4).

The fifth principle clarifies that “*often, 80 per cent or more of the funds raised will come from no more than 20 per cent of the donors*”. This statement is also based on the donor pyramid in figure 1, as donors in the top part of the pyramid give the most considerable amount of funds, in comparison to the lower part of the pyramid where many people give small amounts of funds (Weinstein & Barden, 2017, p. 5).

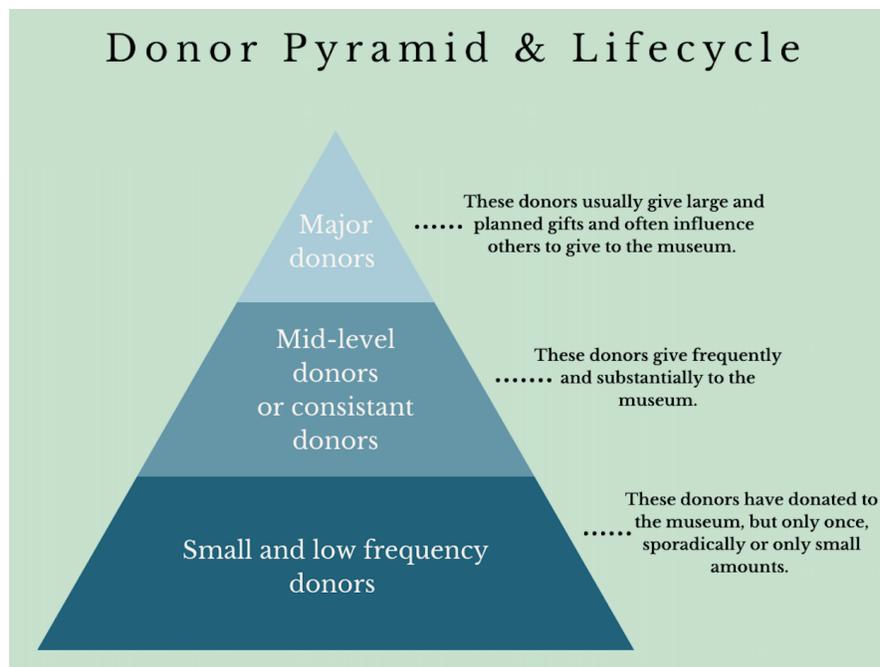


Figure 1: Donor pyramid and lifecycle.

## **2.2.4 Museum fundraising stakeholders: private donors, corporate sponsors and culture funds**

### **2.2.4.1 Private donors**

Private donors can be defined as ‘non-profit organisation customers’. According to Sebestova and Sebestova (2020), they give up something from their personal, individual surplus to help others. Donors are thus people who actively support the work of non-profit organisations through financial contributions. They are often not the primary source of income for non-profit organisations. However, they are essential and have practical use (Burnett, 2002). They provide financial support to museums by donating funds, establishing a fund by name, or becoming a member of a so-called ‘donation circle’.

Moreover, they can help recruit other donors or invest their time in other fundraising efforts for the museum. Therefore, donors enjoy a specific power within museums because the museums depend on the support of their donors. Donors often have personal interests that are in line with the mission of museums. They are critical stakeholders of the museum, and therefore they have to be engaged closely (Massi et al., 2019). According to Sebestova and Sebestova (2020), the relationship between non-profit organisations and their ‘customers’ is determined by trust, transparency and communication with public supporters. Problems of trust can be solved by clear communication, transparency and credibility (Sebestova and Sebestova, 2020).

Donors are often called the ‘friends’ of the organisation because long-term relationships can be established with the donors that benefit the organisation and the donor. Therefore, friend-of-a-museum associations are part of museum fundraising activities to increase their income. These membership programs are used to motivate museum visitors to become part of the museum community. In return for their donation, friends of the museum are rewarded by the free entrance to the museums, exclusive newsletters, exciting lectures and other special events (Cole 2008; Heilbrun & Gray, 2001). These events positively affect donors, like creating a community feeling and a network for the donors. Research on donations to the English National Opera has confirmed that the donor benefits ensure more contributions. Moreover, involving donors with the organisations leads to the donors' loyalty (Burashi & Cornelli, 2002). Visitors are potential ‘friends’ of the museum and should be treated as members of the museum community and not simply as customers (Lindqvist 2012). Museums must invest in attracting these new members, ‘friends’ because this pool of people is a good source of information about the interest of donors. Furthermore, the friends' group often contains the prospects who will become major donors in the future (Amendola et al., 2019).

According to research by Dietz and Keller (2016), there are four essential requirements for donors that will allow successful fundraising. First, the donations of donors have to be spent in the right way. Secondly, the museum has to have a good reputation and be trustworthy with the expenditure of their received donations. Thirdly, the organisation needs to have a solid mission. Lastly, the contributions provided must have an impact (Diets & Keller, 2016). Consequently, the relationship between donors and non-profit organisations is determined by trust, transparency and clear communication (Breeze & Scaife, 2015). Successful fundraising practices can thus be achieved by developing relationships between donors and the museum established both on trust and loyalty. This donor-centric fundraising method mainly focuses on the demand and interests of donors (Amendola et al., 2019). Potential donors also need to be informed about the urgency of financial support for museums. This awareness has to be realised by fundraising professionals' efforts and the marketing and communication department (Bekkers & Wiepking, 2011). Research by Bekkers and Wiepking (2011) and Breeze and Scaife (2015) has shown that donations are mainly made on request to the donors. The more often a donor is asked to give, the greater the chance to donate (Breeze & Scaife, 2015).

#### **2.2.4.2 Corporate sponsoring**

Corporate companies can support museums through tangible gifts such as donating artwork, giving monetary donations, or sponsorship agreements (Herbst & Norton, 2012). Sponsorship can be regarded as a fundraising strategy in which the sponsor, the company, and the sponsored, the museum, work together on a relationship that is meant to create a positive association between the sponsor and the sponsored, by a so-called 'image transfer' (Gwinner & Eaton, 1999). Moreover, directors of companies can decide, out of personal interest, to support a museum through its company. Therefore, there is a grey area between corporate sponsorship, corporate patronage and private money (Stichting Kunst en Zaken, 2009). According to Fissi et al. (2018), large corporations that operate in the food, fashion and insurance sector often sponsor museums. Moreover, banks are other stakeholders that engage in corporate sponsorship or corporate philanthropy for museums (Fissi et al., 2018). They sponsor or support museums because these sectors have the available funds to invest. Moreover, they are aware of the importance of supporting culture through a sense of 'corporate social responsibility'.

Corporate social responsibility occasionally causes controversy (Alhouti, Johnson, & Holloway, 2016). It may raise environmental, social and ethical concerns (Cundy & Raval, 2019). This can reduce credibility and the authenticity of the museum values, potentially even reducing museum visits (Biraglia & Gerrath, 2020). According to Romolini et al. (2018), museums are at risk when depending on alternative funding possibilities too much. It could become complicated to find a balance between the

mission of the museum and the expectation of sponsors and donors.

Nevertheless, museums rely on corporate sponsorship and thus need to find authentic companies to sponsor the museum. Research by Biraglia & Gerrath (2020) explains that museum visitors have a more positive attitude towards corporate responsibility in times of crisis, such as the financial crisis of 2008 and the current Corona crisis. In these situations, corporate responsibility is viewed as a recovery strategy for museums. Renate Buijze's (2019) research into international fundraising identifies a decline in corporate sponsorship for museums due to the economic crisis in 2008 (Buijze, 2019). According to Garibaldi (2015) and Hausmann (2012), it has become more complicated to find sponsors for smaller museums than for larger museums.

#### **2.2.4.3 Culture funds**

Culture funds aim at supporting organisations or individuals financially by capital that is set aside by someone for a particular purpose, like the support of art and culture. These culture funds often have an entire organisation to arrange the assessments of applications for the grants, the financing and the management of grants already assigned to cultural organisations, institutions and individuals (Bekkers et al., 2020). Different entities can establish culture funds. When the government sets a fund, it is called a public fund because the culture fund grants public money to cultural organisations. Moreover, a fund established by a private individual is a private fund, and if the government and the private sector set up a culture fund together, it is a public-private fund. Private funds are divided into funds set up by individuals and funds by companies or other organisations. Private funds are often independent foundations, such as the 'Prins Bernard Cultuurfonds' and the 'VandenEnde Foundation' (Bekkers et al., 2020).

### **2.3 Theme 2: Developing fundraising relationships through trust**

#### **2.3.1 Relationship-based fundraising**

Several fundraising scholars advocate for relationship-based fundraising, consisting of two-way communication between the museum and its donors (Kelly 1998; Waters 2010; Weinstein 2009). Museum development professionals can achieve genuine relationship-building by way of clear communication. Moreover, a museum must have a proper strategic relationship-building management system and engage with its key audience (donors) systemically. These actions also have to be communicated with the key audience (Jung, 2015). This fundraising strategy is known to increase the number of museum visitors and attract a broader donor base. Therefore, museums focus on establishing a connection with the traditional wealthy and white base and a wider community of diverse museum donors (Jung, 2015).

In essence, fundraising is about managing relationships (Jung, 2015). The short-term and long-term goal of museum fundraising is to get people to donate money or sponsor the organisation because these charitable contributions are vital for the organisation's existence. To develop relations with donors and sponsors, public relations and marketing are essential. Public relations activities concentrate on the reputation and the goodwill of the organisation. Marketing is more focused on communicating donor campaigns to their target audience (Jung, 2015).

Solid marketing strategies are crucial for museums to increase awareness for the museum collection and promotion of other activities. Moreover, it can be employed to create successful fundraising strategies (Romolini et al., 2018). Still, marketing and fundraising practices differ in many aspects, as different skills are needed by marketing or development professionals, and they ultimately are used for different goals (Clohesy, 2003). Marketing strategies, on the one hand, concentrate on attracting visitors and enhance their satisfaction. On the other hand, fundraising aims at building and maintaining relationships with donors and sponsors to convince them to support the museum (Romolini et al., 2018). Academic research suggests that museums should apply marketing strategies that increase market and people orientation, as this will make the museums more attractive for potential donors (Camarero et al., 2019; McPherson, 2006; Cole, 2008). To achieve this, museums need to transform their management strategies and focus on being more business-minded (Vicente et al., 2012).

### **2.3.2 Decision-making and relationship-building model**

Knowles and Gomes (2012) have researched the decision-making process of donors of cultural organisations. To analyse this donor behaviour, they have used the traditional decision-making model of Kotler and Keller (2012). This model clarifies the decision-making process of general consumers in five phases; problem recognition, the search for information, the assessment of alternatives, the buying and the post-buying behaviour phase. According to Knowles and Gomes (2012), these five phases can be applied to donors' decision-making strategies with some adjustments. Moreover, the model can be used to the relationship between the cultural organisation and the donor.

First, the 'problem recognition phase' of Kotler and Keller's model (2012) is adapted to 'awareness and understanding' for potential donors. This phase implies that the demand for financial support of cultural organisations has to be recognised by donors. Therefore, development departments of cultural organisations are responsible for making potential donors aware of the organisation's existence. Moreover, the organisation's management must develop a clear mission, vision, and values for the organisation, clarifying this need for support (Knowles & Gomes, 2012). The mission statement describes what a cultural organisation stands for. It is the 'raison d'être' for the cultural organisation. This

distinguishes the organisation from similar cultural organisations. The vision indicates what the organisation aims to do and thus expresses its desired future situation (Klamer, 2016). The realisation of the organisation's values is also necessary because, according to Klamer (2016, p. 54), they are used as *“the flagship for the organisation's radiation”*.

The second phase decision-making and relationship-building model, concerns a ‘search for information’, in which consumers research the product market. Knowles and Gomes (2012) convert this phase into the ‘interest and involvement’ phase of donors. This interest and involvement in the cultural organisation can be measured by researching the “attitudes, beliefs, emotions, values and motivations” of potential donors (Knowles & Gomes, 2012, p. 395). Cultural organisations can use this information to develop their fundraising strategies.

Third, the ‘assessment of the alternatives’ phase, in which consumers decide their preferred product of choice, changes into the ‘desire to help’ phase for donors. Knowles and Gomes (2012) explain that cultural organisations can follow the segmenting, targeting and position method used in marketing strategies. Here, the cultural organisation first has to analyse their market segment of potential donors. Then they have to approach these potential donors, and afterwards, they need to explain why they specifically need to be financially supported. During this third phase, mutual trust between the cultural organisation and the donor must be established for long-term donor relationships (Knowles & Gomes, 2012).

The fourth phase addresses ‘the buying’ phase, in which consumers purchase a product. For donors, this phase is called the ‘trial gift’ phase, in which donors are invited to start giving smaller amounts of money to try out the experience of giving. This refers back to the donor pyramid in figure 1. Collecting feedback on these early donor stages creates an opportunity to examine the possibility of developing the relationship with the donor further towards more significant donations. After that, a written proposition that includes the terms and conditions of the gift or other support is offered to the donor (Knowles & Gomes, 2012).

The fifth and last phase explains the ‘post-buying behaviour’ phase, which shows how the consumers have experienced the purchased product. This phase is changed into the ‘gift action’ phase for donors of cultural organisations. When the donor has contributed through the donation, the cultural organisation must act upon this by offering unique benefits like invitations to exclusive social events and recognise other wishes concerning the contribution (Knowles & Gomes, 2012).

## **2.4 Theme 3: Donor and sponsor incentives**

### **2.4.1 Private donor incentives**

It is challenging to understand donor behaviour and preferences, depending on various factors (Lindqvist 2012). However, by creating an understanding of donor behaviour, museums can anticipate and adjust their exhibitions and other activities to the needs of their donors, which could lead to increased donations. Therefore, museums have to research their behaviour by inquiring about their interests, how and when they want to be informed by the museum about exhibitions and activities. Furthermore, they could track the frequency of their visits and ask what kind of exhibitions and activities they would like to participate in financially (Amendola et al., 2019).

Research by Bekker and Murphy (1988) describes four reasons that potentially affect the likeness to give to cultural institutions. The first reason is prior consumption of the cultural products and services, as this consumption has an addictive side effect for the potential donor. The second argument is that these donors had donated to the cultural organisation before, which gave a ‘warm glow’. This feeling of the act of giving motivates the donor to give again (Andreoni, 1988). The third factor is a sense of civic duty, for which a donation is an opportunity for a donor to give back to its community. The last reason that affects the likeness to donate is preserving culture for the upcoming generations. Donations to cultural institutions secure the availability of culture for the future, making the donor feel like he is part of the community of the cultural institute (Titmuss, 1970; Throsby, 2001). According to Bertacchini et al. (2011), the willingness to donate of private donors can be divided into three different incentive categories:

1. Intrinsic motivation
2. Extrinsic motivation
3. Reputational motivation

First, a donor is intrinsically motivated if he or she is incentivised to donate simply by the activity of donating and when there is no direct tangible reward for this donation (Deci, 1975). Several aspects that donors consider essential, like civic duty, moral codes and remuneration for the giving activity, come to the surface through this intrinsic motivation. Museums benefit more from this intrinsic motivation than financial incentives because the donor makes the gift out of its convictions (Titmuss, 1970). The second incentive for the willingness to donate is extrinsic motivation. Donors with extrinsic motivation examine the costs and the benefits of their donation (Bertacchini et al., 2011). These donors are triggered by economic benefits like tax refunds or exemptions (Buijze, 2017; Klamer, 2016). However, the process of

receiving tax benefits through gifts to cultural institutions has to be transparent and easily accessible to cancel out the efforts and the costs of donating (Frey & Oberholzergee, 1997). Third, donors can be incentivised to donate by reputational motives. Here, donors are motivated to give because they will attain a certain social status recognised if publicly communicated that they contributed to a specific cause (Glazer and Konrad, 1996). The advantage of giving this last motive is that it can be used to attract new donors. This is especially true for the smaller amounts raised through crowdfunding (Bertacchini et al., 2011).

To support and stimulate the growth of the cultural sector, the Dutch government has introduced tax incentives that provide tax benefits to individuals who donate money to cultural institutions (Hemels, 2009). A cultural institution must have an 'ANBI' status to receive gifts from donors. An ANBI status means that museums are a 'Public benefit institution' (Algemeen nut beogende instelling). Private donors do not have to pay gift tax when they donate to an ANBI organisation. In addition, private donors can deduct their donation from their income tax return, which is income-related. A multiplier of 125% applies to contributions to ANBI organisations. Private donors can deduct this multiplied amount from their income tax (Geven aan cultuur, 2011). Moreover, periodic gifts are fully deductible from income tax for the donor. With a periodic donation, the donor donates a fixed amount to an organisation at least once a year and for at least five years. This gift must be recorded in a written agreement or notarial contract to be deductible from income tax (Hemels, 2011).

#### **2.4.2 Corporate sponsor incentives**

In recent years, companies have become aware of the importance of offering and selling their products and services and their obligation to communicate the social values they wish to represent. The consciousness for possibilities of a cultural organisation to reveal these values has thus increased. Companies use sponsorship of and partnerships with non-profits to legitimise their activities, defined as 'corporate social responsibility' (Kelly, 1998; Moir en Taffler, 2004).

Nowadays, the relationship between companies and cultural organisations consists of a business-like exchange. There is a lot of mutual contact about the cooperation and the benefits for both the company and the cultural organisation. This relationship had only changed since the 1990s, when companies became aware of cultural institutions' opportunities. Cultural organisations were no longer perceived as simply demanding support without having anything to give back, and they could offer something substantial (Holt, 2006). Moreover, according to Kelly (1998), the incentive for corporate organisations to donate or sponsor a cultural organisation is the promotion of 'enlightened self-interest', which is often implemented in the marketing plans of the corporate organisations. Companies often use

the museum's ability to create a positive image by developing philanthropic and sponsorship programs together with the museum (O'Hagan & Harvey 2000; Proteau 2018). As a result, museums collaborate with companies to develop marketing strategies that can be used by both parties (Camarero et al., 2019; Fahy et al., 2004). Corporate sponsoring can thus be used as a non-traditional marketing tool for corporate organisations. This form of marketing is categorised as 'cause marketing'. According to Jensen (2017) research, it is difficult to measure the return on sponsoring non-profits.

## **2.5 Theme 4: The future of museum development**

### **2.5.1 Leaving a legacy**

If private individuals want to give to museums after they pass away, they can include a museum with an ANBI status in their will. The museum does not have to pay inheritance tax to receive the gift (Hemels, 2011). This can be done in two ways, through an 'inheritance' or a 'legacy'. In addition, a private individual can also donate an object or a work of art, for which the museum does not have to pay inheritance tax either. In 2018, the Dutch cultural sector received 33 million euros from this donation form (Bekkers et al., 2020).

Research by Amendola et al. (2019) explains that the baby boomer generation is likely to donate large sums of capital in the upcoming years because this traditional museum donor base has entered a phase of life in which they think about their legacy. They have the time and the funds to think about giving money to museums with whom they have a close connection. Donations of private donors will thus be the primary future source of income for museum fundraising. Therefore, it is essential to take the needs of this traditional donor base into account (Amendola et al., 2019).

### **2.5.2 Digitization in museum fundraising practices**

Digitisation is a significant trend within the museum sector (Warwick, 2001). However, digitisation is a costly process, as the museums must invest in software and hardware and train people to operate these digital systems and tools (Beard, 2019). Digitisation is an ongoing process, so there will always be digital developments to which museums will adapt. Moreover, digitisation is crucial for museums to reach potential donors and sponsors, especially a younger audience (Massi et al., 2019).

To make digital fundraising a success, museums need to implement it across the whole organisation. Museums can start this digitisation process by digitising the museum objects. These digital images can be used to tell stories and convey a dream to potential donors and sponsors. The museum can use social media channels to approach people online and attract them to the museum and make people

aware of the importance of supporting culture through financial means. Digital fundraising can also be represented in other ways, such as live streams to give donors a look behind the scenes. Furthermore, crowdfunding can be used by museums through online social media channels, allowing the museums to reach many people in a fast and effective way (Beard, 2019). Another way of digital fundraising is ‘digital peer-to-peer fundraising’. This type of fundraising uses social media influencers to inform their followers about the museum’s activities. This is a rising digital tool to reach new audiences, according to Beard (2019). Lastly, retrieving online data about donors is essential for museums because it allows the museum to analyse the needs of the donors and thus build long-lasting relationships.

### **2.5.3 Sustainability of the museum sector**

According to research commissioned by the International Council of Museums (ICOM), sustainability does not yet play a critical role for most museums. Some attempts have been made, such as paying attention to carbon footprint with the creation of exhibitions. However, according to ICOM, museums should take sustainability to a higher level and integrate it into all parts of the museum’s operations (Garthe, 2020). Several researchers on this topic propose that museums use the United Nations’ Sustainable Development Goals (SDGs) as a framework to make the museums more sustainable (McGhie 2019; Petti et al. 2020).

However, according to Sutton (2010), implementing SDGs in museum management is quite complex. Therefore, four areas of sustainable management are proposed by Sutton (2010), as museums are still in an early stage of becoming completely sustainable. These four areas are people, planet, profit and programme. The first area, ‘people’, describes the social dimensions of museums. The second, planet, pays attention to the environmental footprint caused by museum operations. Thirdly, the profit area focuses on creating a business case around sustainability management. Lastly, the programme part identifies the mission of the museum concerning sustainability. These four areas are compatible for all departments within museums, also for the development department (Sutton, 2010).

### **2.5.4 Diversification of the donor base**

According to Jung (2015), current museum fundraising strategies are still primarily focused on reaching traditional white and wealthy patrons. However, there is a need for a more inclusive and relationship-based fundraising strategy to attract a broader donor community (Newman, 2002). This can be achieved by developing relationships with the local community and recognising their giving patterns, by diversifying museum fundraising professionals and using innovative fundraising methods that take cultural differences into account (Jung, 2015). By hiring people with a different background, not only on

the staff level but also on the museum's board, museums can gain a better insight into the needs of a society that is becoming increasingly diverse (Amendola et al., 2019).

Several scholars argue that a lack of attention to a diverse donor base can lead to financial vulnerability during crises, like the financial crisis in 2008 (Kelly 1998; Swanger and Rodgers 2013). Therefore, museums must pay attention to the next and more diverse generation of donors to ensure long term fundraising success (Amendola et al., 2019). This new generation is often unfamiliar with the cultural sector's approach to philanthropic gifts. The reason to visit the museum and donate differs from previous generations, as they are primarily interested in exhibitions and other museum activities that create awareness about issues in their community, like gender equality, racial equity, social justice and sustainability. This new generation mostly gets their information through social media channels (Devos, 2018). They can be defined as 'cultural omnivores', as they visit many different cultural experiences, but on their terms and schedule (Amendola et al., 2019). To get this new generation of donors to give, they need to be approached differently, not by offering traditional memberships or donation circles with general benefits, but by a more personal approach and the possibility to support more projects with social goals (Amendola et al., 2019). According to research in the US on consumer engagement within the cultural sector, the number of annual memberships for cultural organisations has declined, particularly among younger visitors. This data does not imply that these cultural organisations are no longer in demand but that the method used is outdated (Amendola et al., 2019).

### **2.5.5 Building a museum community**

How museums interact with their audience, who their potential donors are and lastly, how this interplay with audiences affects the future of museum fundraising can be clarified through 'systems theory' (Kelly, 1998). This theory points out that organisations are part of society's political, economic, and social structure. How an organisation functions thus influences the community, and the other way around, the community can affect the performance of an organisation (Bateson 2000; Kelly 1998; Senge 2006).

According to Jung (2015), the decisions that museum professionals currently make will influence the growth and diversity of the future donor base. Therefore, museums must become more aware of their often exclusive and elitist image. Moreover, they have to interact with and attract a wider audience and a more diverse donor base by diversifying their programming and adapting their fundraising strategies. Otherwise, members of the community that are not part of the traditional donor base will not be triggered to visit, volunteer or support financially in the future (Jung, 2015).

### **3. Methodology**

This methodology chapter consists of a research design, which explains the decision for a qualitative research method. The research design is followed by clarifying the type of research that describes the used qualitative method. Furthermore, this chapter provides a justification for the selection of the cases, a description of the data collection process, and lastly, it evaluates the data analysis of this thesis.

#### **3.1 Research design**

This thesis aims to find out how Dutch museum development departments respond to signals in the market. The preparation for the thesis began with an examination of the general literature on museums and their financial structures. Through this research, I noticed that many scholars highlighted the importance of fundraising for museums. Regarding Dutch museum fundraising, it became clear to me that some research had been done on museum fundraising from the donor or sponsor perspective (Bekkers et al., 2020), but little from the perspective of the organisational side itself (Boekmanstichting, 2020). As a result, I have chosen to investigate the attitude of museum development professionals on Dutch museum fundraising practices.

To explore this perspective, I have decided to adopt a qualitative research method using semi-structured and in-depth interviews. This is the most suitable research method for this particular research because the number of museum development professionals is not very large. This would make it complicated to obtain quantitative data in large numbers through, for example, surveys. Moreover, this qualitative research method can disclose detailed information on the opinions of Dutch museum development professionals, on the museum fundraising practices that is not directly obtainable through quantitative research methods (Bryman, 2016).

#### **3.2 Type of research**

This qualitative semi-structured interview format allows for both structure and flexibility for the interviewer and interviewee. The interviewer can introduce more specific questions about exciting findings during the interviews (Bryman, 2016). A disadvantage of this method is that it is difficult to compare the interviews, as all interviews are slightly different (Bryman, 2016). Moreover, the researcher's subjectivity can influence the outcome of the result, therefore focusing on reliability and validity are crucial for qualitative research (Bryman, 2016). Using both an inductive and deductive approach, this research established a theory about Dutch museum fundraising practices through the data collection results. Moreover, the study has deductive features because existing ideas on fundraising are examined in

contrast to the findings of this research (Bryman, 2016).

The literature in the theoretical framework is divided into four themes that establish a thorough examination of museum fundraising. This thematic analysis is also used to examine the transcribed interviews (Bryman, 2016). Consequently, the development professionals of Dutch museums have been interviewed about the following four themes:

*Theme 1: Museum development management*

*Theme 2: Establishing donor and sponsor relations through trust*

*Theme 3: Donor and sponsor incentives*

*Theme 4: The future of museum development*

Through these four themes, it is researched how museum development professionals manage the process of funding and donations with their stakeholders. Furthermore, it is examined how museum development professionals establish relationships with their donors and sponsors. Moreover, it is essential to consider what incentivises donors and sponsors to give money to or sponsor museums. Lastly, the future of fundraising is explored through five trends: legacy, digitisation, sustainability, diversity and community.

### **3.3 Selection of cases**

The units of analysis of this thesis are Dutch museum development professionals (Bryman, 2016). The researcher has determined several criteria to select the sample. The main criterion was that the interviewees had to work in or manage a Dutch museum development department. They had to have a considerable number of years of work experience, as the researcher concluded that there is no specific fundraising education at university level in the Netherlands. Therefore, the researcher aimed at selecting respondents with the following job titles: senior development manager, head of development, head of philanthropy and director of development. These senior employees are responsible for the museum fundraising process. They work intensively with donors, sponsors and culture funds and they have the best knowledge about fundraising practices within Dutch museums. In addition, the researcher has chosen to limit the selection of the cases to Dutch museum. This choice stems from the fact that the researcher can compare the results more efficiently, ensuring more reliability of the research (Bryman, 2016). Moreover, it is often challenging to reach professionals high up in the museum organisation. Therefore, it was more feasible to approach these hard-to-reach respondents through personal contacts in the Dutch museum sector.

These units of analysis have been reached by two sampling methods; purposive and snowball sampling. Purposive sampling was used for this research because it enabled the researcher to select specific units of analysis related to the research question and was thus beneficial for the examination (Bryman, 2016). The first seven interviewees have been contacted via personal contacts within the Dutch museum sector. After the interviews, the researcher asked the respondents if they had any personal or business connections within other Dutch museum development departments she could interview. Thereby, the researcher also used snowball sampling to reach Dutch museum development professionals (Bryman, 2016).

The museums that the respondents work for, all have a permanently exhibited collection and physical building. De Kunsthal, organiser of temporary exhibitions, is the exception with neither a building nor a permanent exhibition. Moreover, the Boijmans van Beuningen museum is currently closed for renovation. For some museums, the development department falls directly under the museum director. However, this is not the case for every museum, as the size and the importance of the department differs for each museum. In total, 11 employees from 11 different Dutch museums have been interviewed. All interviews have been recorded and transcribed verbatim afterwards. An overview of the respondents can be found in table 1 and Appendix A.

Respondent	Museum	Job title	Total staff 2020	Development staff 2021
1	Singer Laren	Director of development	69	2
2	Van Gogh museum	Senior development manager	286	12
3	Stedelijk Amsterdam	Head of development	195	9
4	The Rijksmuseum	Head of Development	685	31
5	The Mauritshuis	Senior development manager	80	4
6	The Hermitage	Head of Development	50	2
7	Boijmans van Beuningen	Head of philanthropy	149	6
8	The Kunsthal Rotterdam	Head of development	46	4
9	Centraal museum Utrecht	Head of development	103	4
10	Kunstmuseum Den Haag	Head of private donations	136	3
11	Amsterdam museum	Development manager	83	5

*Table 1: Overview of respondents and number of museum employees.*

### **3.4 Data collection**

Early February 2021, the interviewees have been contacted for an interview appointment. Due to the Corona restrictions, it has been difficult to interview face-to-face. Therefore, only one interview has taken place in person, at the museum venue of the interviewee. The other ten interviews have been conducted via Zoom or Microsoft teams video calls. Phone or video interviewing is more frequently used for quantitative survey research, but it also benefits semi-structured and in-depth interviews in qualitative research. The interviewees could become, for example, more relaxed about answering sensitive questions when the interview is conducted over the telephone or through video calls (Bryman, 2016). Nevertheless, the video call has its disadvantages, such as disrupted internet connection and a lack of personal contact.

The interviews took place from February 2021 ongoing to May 2021. An interview guide has been e-mailed to the interviewees before the interviews took place, to prepare them for the interviews. See Appendix B, for this interview guide. Four sections structure the guide to clarify the interview topics of the interview. In the first part, the respondents were interviewed about their training, motivations and their network. Moreover, the interviewees were asked if they perceived the Dutch museum sector as competitive regarding the fundraising practices. The second part of the interview guide explored the relationships of the interviewees with their donors and sponsors. The respondents were, for example, asked to describe the fundraising process and identify the most critical skills to do their job. During the third part of the interviews, the development professionals were asked how they find out what makes a potential donor or sponsor enthusiastic about giving to the museum. However, the answer to this question did not wholly lead to the result I expected or aimed for, which was to identify the incentives to donate or sponsor the museum. Most interviewees answered they would talk to potential donors or sponsors and listen very carefully to what interested them. Therefore, another, more direct question was added to the interview guide that specifically inquired the interviewees about their perspectives on what incentives motivate donors and sponsors to give or sponsor. As the first four interviews were already conducted, the interviewees were emailed to answer the additional question. The email answers were added to their interview transcripts, so their perspective was taken into account during the data analysis. The last part of the interview guide inquired the development professionals about the future of museum development in the Netherlands. During the interviews, the questions were posed in a non-directive manner, which means that the questions asked were broad and open-ended (Bryman, 2016). These questions aimed at revealing the experiences of museum development professionals in their fundraising career.

Considering ethical issues for academic research, the 'checklist for good research' was considered during the interviewing process (Bryman, 2016). The researcher of this thesis is aware of data that can be regarded as sensitive information for the interviewees. Therefore, the researcher has been transparent

towards the interviewees about their choices. If an interviewee desired anonymity in the research, this was implemented immediately. From the first of April 2021, it became obligatory to send the interviewees an 'informed consent form' before the interviews. The informed consent form required the interviewees' consent to record the interview. Moreover, they granted permission to use the anonymised data for secondary analysis by signing the informed consent form. This form was sent to and signed by the last six interviewed museum development professionals and can be found in appendix F. Lastly, the transcribed interview data will also not be included in the final thesis version, which will be stored in the thesis repository Erasmus University of Rotterdam. However, a digital copy of the interview transcripts can be provided on request, as explained in Appendix E.

### **3.5 Data analysis**

The empirical data of this thesis consists of the 792 minutes of transcribed interviews with the eleven Dutch museum development professionals. The interviews have been recorded, with permission of the interviewees, and transcribed by an online transcription program called 'Amberscript'. The interviews were transcribed in precisely the exact words as initially used by the interviewees. The duration of the interviews, on average, is 72 minutes (Bryman, 2016).

Each of the transcripts has been coded by the analysis instrument found in table 2 and appendix C. This coding instrument identifies the four thesis themes, each consisting of various codes. Each of these codes is established in the theoretical and reoccur in each interview guide's questions. This thematic analysis allows for structure and enables the researcher to identify if the themes recur in the interviews. Moreover, the researcher can quickly look for patterns of similarities and dissimilarities in the answers and perceptions of the interviewees (Bryman, 2016). Therefore, the use of thematic analysis is suitable for this specific research. By analysing the four themes and related topics during the interviews and reflecting on these themes and issues afterwards, the theoretical framework is connected to the analysis of this thesis research (Bryman, 2016).

The coding process took place after the transcription of the interviews. Each of the transcripts was first coded by the concepts retrieved out of the literature. This 'initial coding phase' allowed the researcher to dive into the retrieved data and get a sense of the results. After this, the researcher continued the coding process by applying 'focused coding' to the transcripts. In this phase, the categories were developed that can be found in the coding instrument in table 2. These categories or concepts were connected to the questions that were asked during the interviews. The third step the researcher took in the coding process was dividing the categories into the different themes, which were also reflected in the theoretical framework and the interview guide. Therefore, the transcripts were now also colour coded by the themes,

as shown in the coding instrument in table 2. This 'axial or thematic coding' ensured that the researcher got a deep understanding of the similarities and differences between the interviews and recognised similarities and differences between the literature and the results of the respondents. Therefore, the researcher could start writing the results and the discussion section, from which new theories about Dutch museum fundraising have emerged.

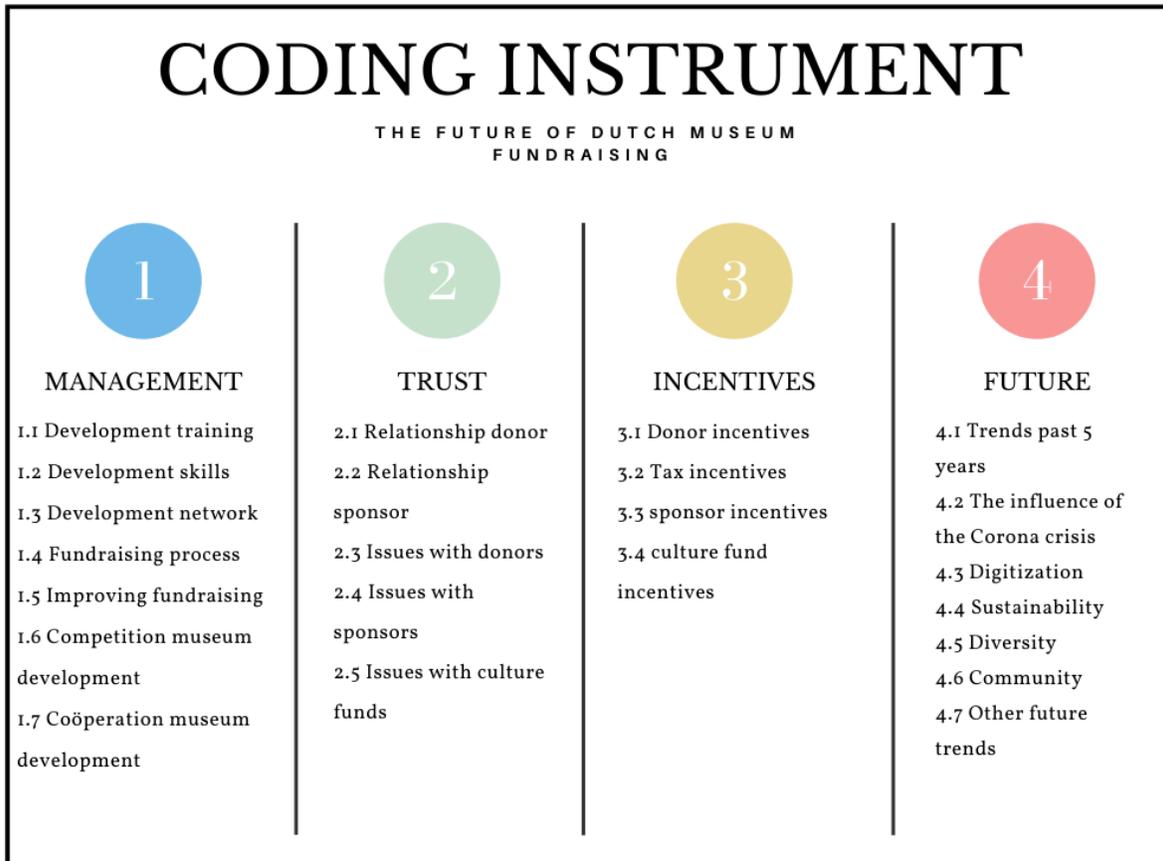


Table 2: Coding and analysis instrument

#### 4. Results and Discussion

This chapter presents the results of the thesis. The main objective of the thesis is to investigate how Dutch museum development departments respond to signals in the market. The interviews with eleven Dutch museum development professionals were analyzed by keeping four central themes as discussed in the theoretical framework in mind, i.e. museum development management, establishing donor and sponsor relations through trust, incentives for donations and sponsoring and the future of museum development. These four themes are divided into different topics and linked to codes derived from the literature in the theoretical framework. Consequently, the findings lead to several theoretical implications regarding market signals and flexibility of Dutch museum fundraising departments. The organogram in figure 2 clarifies the Dutch museum fundraising process.

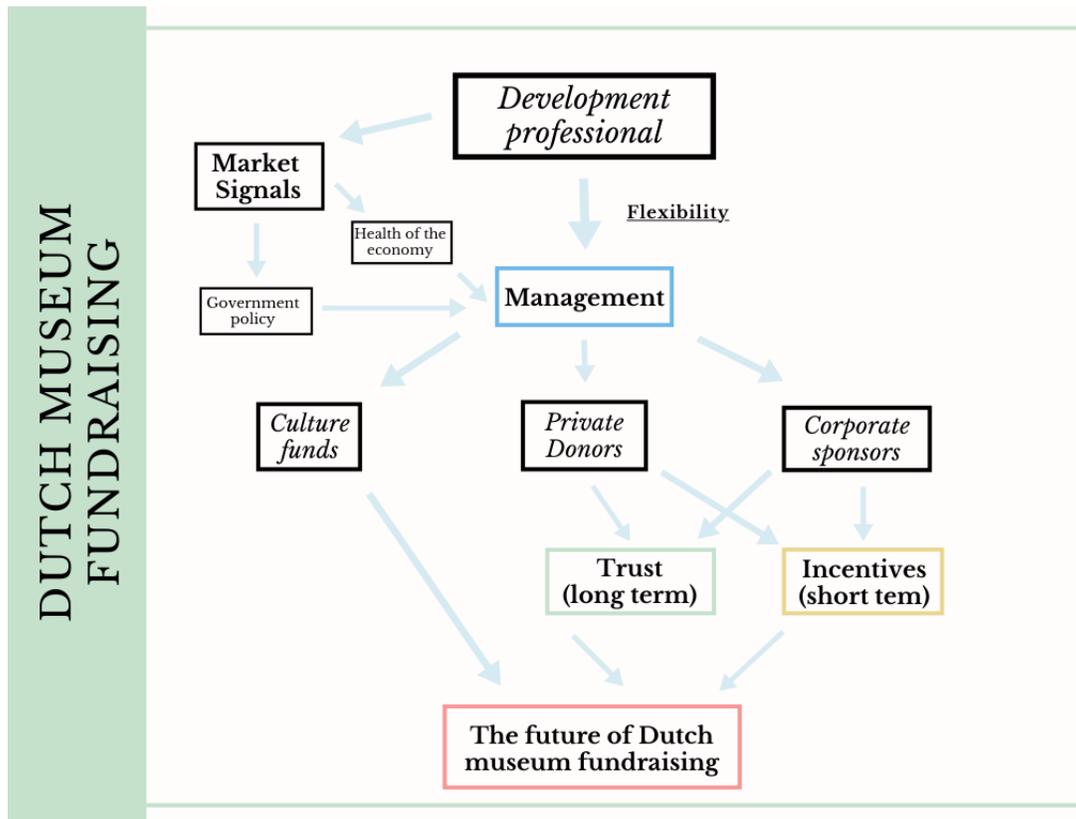


Figure 2: Organogram Dutch museum development practices.

## 4.1 Theme 1: Managing museum development

The first theme of the results chapter analyses the training, the skills and the network of Dutch museum development professionals. This is followed by explaining the museum fundraising process and suggestions of the respondents to improve this process. Furthermore, the competition and cooperation among museum development departments are examined. Lastly, a discussion of theme one links and compares theory by Bonet and Donato (2011), Buijze (2012), Frey and Meier (2002), Heilbrun & Gray (2001), Burton and Scott (2003), Kotler et al. (2008) and Colbert (2003), to the answers of the respondents.

### 4.1.1 Development professional training and skills

Regarding the training of museum development professionals, all the respondents state that no complete training at university level exists for fundraising practices within the Netherlands. However, several courses, modules and traineeships are offered to develop fundraising skills. For example, the 'Vrije University Amsterdam' provides a philanthropic module to study the legal aspects of fundraising. Moreover, respondent 2 refers to training by the King Baudouin Foundation in New York, where Dutch and Flemish fundraisers come together to learn about fundraising practices. During this course respondent 4 learned that fundraising *"is actually a serious job and not volunteer work"*<sup>1</sup>. Furthermore, fundraising consultancy organisations like 'Van Dooren Advies' and 'LVWB Fundraising' offer fundraising traineeships to University graduates. The Dutch government also initiated the 'Wijzer werven programme', to train development professionals. However, respondent 7 did not think this program added to her knowledge for fundraising practices. All of the respondents are convinced that they have learned about fundraising practices 'on the job' and are mostly self-taught. Respond 3 explains that conveying a message is the core of fundraising. She learned this along the way, without specific studies focused on fundraising. Respondent 4 also states that she learned the most on the job: *"it hasn't been one moment where I've learned about development, but it's a combination of everyone I've met"*<sup>2</sup>. Most development professionals in the team of respondent 5 have a business background through which they have been trained commercially. 5 out of 11 respondents mentioned they have been trained in their development skill through a mentor relationship. Respondent 2 was taught by her superior at her first job, who had a commercial background and respondent 1 was trained in fundraising by the museum board chairman.

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<sup>1</sup> *"Het is echt een serieuze baan en geen vrijwilligerswerk."*

<sup>2</sup> *"Het is niet één moment geweest, waar ik development heb geleerd, maar het is een combinatie van iedereen die ik ben tegengekomen."*

The 11 respondents speak about multiple skills that are required to become a successful fundraiser. According to most respondents, the ideal fundraiser needs to be at least commercial, empathetic, social and curious. Respondent 1 states that it is essential to be trained in speaking a ‘business language’ and the ‘language of culture’. This is because he thinks that museum fundraising is a very commercial job. This is also highlighted by respondent 3 and respondent 5, as they say that a museum development professional has to be a commercial ‘go-getter’ to raise funds and arrange sponsorship agreements. This commercial aspect also includes being presentable and energetic at events and meetings, according to respondent 3. Moreover, respondent 2 confirms it is crucial to dare to ask for money and also enjoy this asking process. Respondent 6 expresses that she is a very good salesperson and learned her commercial skills during a former private banking job. Being commercial also means to be competitive; as respondent 8 says, *“it's kind of a game you are playing”*<sup>3</sup>.

Furthermore, respondent 11 distinguishes two types of museum development professionals: one type is the ‘sales’ person, who wants to score and reach targets. The other type acts out of the personal connection with its donors and sponsors. However, the majority of the respondents declare it is important to be both commercial and empathetic. Regarding empathy, respondents 1, 2 and 7 say that it is important to listen carefully to what a donor or a sponsor finds important. Respondent 1 thinks that a development professional needs to play the ‘ideal son-in-law’ to its donors, pay attention to their needs, and be polite. A genuine interest in donors and sponsors is necessary to *“listen between the lines”*<sup>4</sup> and eventually find out what incentivizes someone to give or sponsor, according to respondent 7. Therefore, being curious about other people's interests is another skill that development professionals need to have. Social skills also need to be fully developed to be a successful fundraiser. Respondent 2 mentioned that she has to be very social to establish and maintain relationships with donors and sponsors. This also the case for respondent 3 that thinks that development professionals need to be ‘social butterflies’. Moreover, respondent 4 thinks that connecting with people is the most important skill of a development professional. Interest in the arts, the ability to tell a story, patience and solid research and writing skills are other necessary competencies for museum development professionals. According to respondents 3 and 9, the love for art is key, as a development professional needs to be enthusiastic about the product he or she tries to ‘sell’. However, it is not necessary to be an art historian. Furthermore, both respondents 1 and 7 think that development professionals need to convey a story or a dream to a potential donor or sponsor. This storytelling can be used to let people believe that they are part of the museum's dream and contribute to this dream. This skill is also useful to get the other departments within the museum on board with

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<sup>3</sup> *“het is een soort spel wat je aan het spelen bent.”*

<sup>4</sup> *“tussen de regels luisteren”*

fundraising goals, according to respondent 2. Patience is also a vital competence because sometimes it takes years before giving can be asked. Respondent 2 says that she often has to have patience at events to get to talk to a potential donor. According to her, *“you feel like a puma on a branch, lying down until you see the prey and jump on it.”*<sup>5</sup> A development professional, therefore, also needs to be able to seduce donors and sponsors to a certain degree. On top of that, they need to be decisive, as at some point, a donation or sponsor proposal needs to be presented.

#### **4.1.2 Networks of museum development professionals**

The networks perceived most valuable by the respondents are the board and the director of the museum they work for, colleagues within the museum, fellow museum development professionals at other museums and lastly, former managers or colleagues. Respondents 1, 6 and 7 reach out to the museum board when difficult decisions need to be made, as board members are chosen for their expertise and often also for their network. The museums respondent 6 and 7 work for, even established ‘Fundraising boards’ to develop the museum fundraising practices. These fundraising boards consist of individuals who use their time and knowledge to ensure that fundraising-related issues are solved. Moreover, they help with the recruitment of potential donors for the museum. 4 out of 11 of the respondents discuss a lot with their museum directors. The network that respondents 3 and 5 use for their development practices also consists of other colleagues within the museum. According to respondent 5 they can *“discuss everything openly and honestly”*.<sup>6</sup> Moreover, fellow development professionals at other museums can be used as valuable networks. Respondent 2 refers to the ‘Dutch Museum association’ when inquired about its network. A development branch was established within this association in 2017 to improve development practices for Dutch museums. Another network mentioned by respondent 3, 5 and 8 is the ‘netwerk cultuur mecenaat’. Here, development professionals discuss their fundraising practices and stay informed about current signals in the market regarding museum fundraising. Respondent 8 is even part of the ‘netwerk cultuur mecenaat’ board and describes it as an extensive Dutch national development network. The last network respondents 9, 10 and 11 speak about are their former managers and colleagues. According to respondent 9, *“you can ask a good friend about your work, but the people you have worked with are very valuable.”*<sup>7</sup>

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<sup>5</sup> *“je voelt je net een poema op een tak, dat je ligt tot je die prooi ziet en er bovenop springt.”*

<sup>6</sup> *“We kunnen alles open en open en eerlijk met elkaar bespreken.”*

<sup>7</sup> *“je kan een goede vrienden vragen over je werk, maar dat mensen met wie je hebt gewerkt, die zijn heel waardevol.”*

### 4.1.3 The museum fundraising process

The process of museum fundraising is at its core, the same for every museum. However, there can be a difference in stakeholders. 7 out of the 11 respondents say they work far ahead, project-based and goal-oriented. They all use a ‘Customer Relation Management’ (CRM) program to capture their fundraising processes. Moreover, several times it is said the process needs to be flexible, as fundraising is all about relationship management, which can be pretty unpredictable.

According to the respondents, the process starts with developing a project for which funds have to be raised, like purchasing a painting or the renovation of the museum itself. After that, development professionals need to map out their potential donors or sponsors. Respondent 2 says that you can meet donors or sponsors in two ways, by meeting someone by chance or actively approaching them. The latter is the most difficult and is referred to as ‘cold recruiting’. According to respondent 2, it is thus better to be introduced by personal contact to a potential donor or sponsor because it is about personal relationships. The best way to recruit a donor, according to respondent 1, is after they visited the museum because then they experienced why the museum is worth their support. However, Donors could also recruit new donors by talking to people in their network about their relationship with the museum, according to respondent 1. Moreover, when a development professional repeatedly asks the same donors, they often refer to new donors, according to respondent 1.

When the donor or sponsor is targeted, the process continues by researching the private donor or the company. Afterwards, the development professional can establish a relationship to create involvement of the sponsor or donor. When the relationship is cultivated, the ‘giving question’ can be asked. Respondent 6 stresses that this ‘giving question’ has to be carefully planned: *“We are in the Netherlands, so we are not going to ask right away. No, you have to make sure you get to know each other first and hear what the other person finds important”*<sup>8</sup>. When successful, the development professional has to report the gift’s impact to the donor or sponsor. Then the development professional can start the process again and try to ask for more money from private donors or try to establish long term projects with companies. This process is referred to as the donor or sponsor ‘life cycle’ by respondent 2. This term is derived from the ‘marketing customer life cycle’ in marketing practices.

For the fundraising process, it is also essential that the development professional is present at all social places. Respondent 3 says about this: *“I’m just really everywhere all the time. You just have to do real relationship management, so be sure to attend all those network drinks and events and talk to*

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<sup>8</sup> *“We zijn in Nederland, dus we gaan het niet meteen vragen. Nee, je moet ervoor zorgen dat je elkaar eerst leert kennen en hoort wat de ander belangrijk vindt.*

everyone”<sup>9</sup>. Her team members that manage relations with donors and sponsors need to be out of the office and into the ‘field’ about a third of their time, as relationships are established in real-life situations.

#### 4.1.4 Improving the museum fundraising process

During the interviews, the respondents mention several exciting factors that could improve their fundraising practices. Of the 11 respondents 6 stated they did not have enough time to do thorough research on their potential donors and sponsors. Respondent 2 thinks that doing good research is the basis of fundraising *“If you really understand what a company wants, then you have the best chance of having a click with them the first time. It's all about that click. That also applies for private donors”*<sup>10</sup>. The respondents who mention this lack of time also hint at hiring more people to assist them in their research. Another aspect that would improve the fundraising process is that everyone within the museum works together on the fundraising practices and is aware of its importance. This is stressed by 4 of the respondents. Respondent 2 says about this: *“You have to make sure that the curator, the people from education, the marketing and social media and the management are all working on the same idea”*<sup>11</sup>. If the museum receives funds, the development department has to communicate how the process advanced to the rest of the museum. Therefore, the entire museum has to be permeated by a ‘fundraising thought’. As mentioned by respondent 8, this ‘organisation-wide fundraising’ is a must to improve the fundraising process. Respondent 8 tells an anecdote about the lack of ‘organisation-wide fundraising’: *“They all know it has to be done, but they often find it annoying. The head of marketing communications has once said to me with a sigh: “I wish we didn't need sponsors, because those people have requirements and they just keep getting more complicated”*<sup>12</sup>. Respondent 4 also emphasizes the relevance of ‘organisation-wide fundraising’. She says that the development process has been improved for the museum since the development department was anchored in the museums’ board.

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<sup>9</sup> *“Ik ben gewoon eigenlijk altijd overal. Je moet gewoon echt relatiebeheer doen, dus inderdaad op al die netwerkborrels en op events zijn. Je moet gewoon zorgen dat je iedereen spreekt.”*

<sup>10</sup> *“Als je echt helemaal snapt wat zo'n bedrijf wil, dan heb je de grootste kans om meteen met de eerste keer klik te hebben. Het gaat om die klik. Dat geldt ook met persoonlijke gevers.”*

<sup>11</sup> *“Je moet zorgen dat de conservator, de mensen van educatie en marketing en social media en de directie dat die allemaal met hetzelfde idee bezig zijn.”*

<sup>12</sup> *“Ze weten allemaal dat het moet, maar ze vinden het vaak vervelend. Ik weet het hoofd marketingcommunicatie heeft wel eens zuchtend tegen me gezegd van: ik wou dat we geen sponsors nodig hadden, omdat die mensen hebben allemaal eisen en die worden gewoon steeds zwaarder.”*

#### 4.1.5 Competition or cooperation among museum development departments

When inquired about competition between different museum development departments, 4 of the 11 respondents express they feel there is no competition among museums regarding their fundraising practices. Respondent 2 thinks there is no competition between different museum development departments concerning the fundraising practices, as every museum has its own and other story to attract donors, sponsors and culture funds. This is also confirmed by respondent 5. She is aware that various museums can apply for the same funds or approach the same donors or sponsors, but she thinks this is not competitive. However, the 7 other respondents feel a sense of competition between various museum development departments because they are all working towards the same goal. This sense of competition mainly concerns the major donors of the museums, as this is only a small group of people that can be targeted in The Netherlands. However, according to respondents 3 and 11 it does not feel like a competitive environment. Respondent 3 finds it only attractive what other museums or cultural organisations do to raise their funds: *“I don't see very much competition, but there certainly is”*<sup>13</sup>. Respondent 11 says about the competition between museum development departments: *“You always keep an eye on each other, we are more ‘concullega’s’. You also help each other, but of course you don't give away a telephone number of an important person”*<sup>14</sup>. Moreover, respondent 8 states he is even very aware of the competitive environment in which museum development departments operate. Furthermore, respondent 1 addresses competition when talking about government support for Covid-19. It is noticed by this respondent that museums are competing to get on the ‘A-list’ for government support. Nevertheless, respondent 1 thinks that it is better to work together because they aim for the same goal. Respondent 5 is also convinced that doing things collectively has many opportunities to increase support for culture.

The respondents speak about several initiatives when discussing cooperation between museum development departments. For example, 4 out of the 11 respondents mention the ‘Dutch Museum Association’ (MuseumVereniging) as a valuable organisation to increase cooperation. Respondent 2 notes that she, amongst others, established a ‘development section’ within the ‘Dutch Museum Association’. This initiative's aim is to share knowledge about fundraising as a profession. Furthermore, the ‘Network culture patronage’ (Netwerk cultuur mecenaat) is a valuable initiative to share knowledge about fundraising practices, by 4 respondents. According to respondent 2, this initiative has been established because all museums have the same goal: *“We want to create awareness that giving to culture is good”*<sup>15</sup>.

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<sup>13</sup> *“Ik zie het niet heel erg als competitie, maar het is er zeker wel”*.

<sup>14</sup> *“Je houdt elkaar altijd in de gaten, we zijn meer concullega's. Je helpt elkaar ook, maar je geeft natuurlijk geen telefoonnummer van een belangrijk persoon”*

<sup>15</sup> *“we willen awareness creëren dat geven aan cultuur goed is.”*

Respondent 7 also refers to the ‘Network culture patronage’ through which she talks to her fellow museum fundraisers about issues they encounter. However, she says that she discusses her practice only to some extent, not to give away any crucial information about the museum she works for. Moreover, Respondent 3 says that she and two other museum development professionals have spoken about a potential initiative in which their museums would work together by offering a combined ‘Friend of a museum’ membership for three museums. According to respondent 3, museums could work together even more in the field of development: *“This has been expressed to each other, but everyone is so busy with their own thing, and especially in this day and age we have to work so hard to get it all done”*<sup>16</sup>.

#### **4.1.6 Discussion theme 1**

All respondents agree that no complete university-level education exists for museum fundraising within the Netherlands. This finding can be explained by the theory on the ‘European funding model’ by Bonet and Donato (2011), as museums in this model are not forced to put effort into fundraising because the government financially supports them. The theory of Buijze (2012) explains that fundraising practices have become essential for Dutch museums since the Dutch government decided to reduce public financial support for the cultural sector in 2012. Therefore, it is found that the Dutch educational infrastructure for museum fundraising practices is not fully developed yet. The respondents confirm this, as they state that most development professionals currently learn about museum development ‘on the job’, through ‘mentor relationships’ with senior development managers or through short fundraising courses.

Frey and Meier (2002) explain that the ‘board of the museum’ assists museum development professionals in the fundraising process because of their expertise and convenient personal networks to attract donors and sponsors. A similar result is found in the interviews, as the respondents appoint the ‘board of the museum’ as one of their most valuable networks. In line with the theory of Heilbrun & Gray (2001), the respondents argue that the museum funding process can only be successful if the entire organisation acknowledges the importance of the fundraising practices for the museum. The respondents refer to this as ‘organisation-wide fundraising’. However, most respondents argue that this state of ‘organisation-wide-fundraising’ is not yet fully achieved by all Dutch museums.

The majority of the respondents describe the relationship between different museum development departments as competitive. This is in line with the theory of Burton and Scott (2003), Kotler et al. (2008) and Colbert (2003). They acknowledge growth in demand for alternative income sources for non-profit

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<sup>16</sup> *“dat hebben we ook wel uitgesproken naar elkaar, maar iedereen heeft het zo druk met zn eigen dingetje, en zeker in deze tijd moeten we zo hard werken om het toch allemaal voor elkaar te krijgen, daar gewoon niet te veel tijd voor.”*

organisations. This growth thus generates increasing competition for private donations and corporate sponsorship agreements, and grants provided by culture funds. However, it is found in the respondents' answers that this sense of competition primarily concerns obtaining donations from major donors, which is not mentioned in the literature.

## **4.2 Theme 2: Trusting relationships between development professionals and their stakeholders**

In the second theme, the relationship of museum development professionals with private donors and corporate sponsors is defined by keeping the relationship-building and decision-making theory established by Knowles and Gomes (2012) in mind. Moreover, the five fundraising principles of Weinstein and Barden (2012) are compared to the results of the interview data in the discussion.

### **4.2.1 Relationship between private donors & development professionals**

The relationship between development professionals and major donors differs from the relationship between them and the 'smaller' donors. The contact with major donors is very personal, and the connection with the smaller contributors is more general. The relationship with smaller donors is thus managed differently. Respondent 7 says about this: *"The difference between friends and the major donors is the amount of energy you can put into someone."*<sup>17</sup> Museums often organise significant events for the 'friends', where they can bring someone along, which helps with attracting potential new 'friends'. The friends base is the most crucial base to recruit major donors from, according to respondent 7. To get these 'friends' higher up in the giving pyramid and develop them into major donors, the development professional has to get to know the donors and find out what they are enthusiastic about: *"We have a list of prospects that we are working on. We also keep track of what phase they are in or whether we are still gaining trust."*<sup>18</sup>

According to the respondents, the relationship between major donors and the development professional is defined by one-on-one contact and trust. This relationship can be compared to practices used in wealth management and private banking, according to respondent 4. To build a relationship with major donors, a development professional has to make sure to be where those people are, according to respondent 3. The relationship begins by inviting them to the museum, according to respondent 1. Here the development professional can get the insights into their interests by listening very carefully to what the major donor wants. Subsequently, respondent 7 tries to express the dream of the museum film, photos

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<sup>17</sup> "En daarmee is denk het verschil tussen Vrienden en de grotere schenkers, de mate van energie die in iemand je kunt stoppen."

<sup>18</sup> "We hebben een lijst met prospects waar we aan werken en die we ook netjes bijhouden in welke fase ze zitten of dat we het vertrouwen nog aan het winnen zijn."

and stories to the donor. Respondent 4 says that you have to be straight to the point with potential donors. When she is seated next to a potential donor at an event, they sometimes say: *“oh, no, I am sitting next to you, that will cost me money”*<sup>19</sup>. Respondent 4 regards this as positive because they then know the goal of their conversation. Moreover, for the relationship, it is essential there must be no organisational problems within the museum. This decreases the goodwill towards the museum. Creating ‘goodwill’ for the museum is a long process that has to be built over the years and is difficult to regain after losing it.

With major donors, interpersonal emotions play a much more significant role. By developing a relationship, a development professional can build on trust and confidence. Trust in the organisation, trust in the goal, trust in the feasibility of the donor’s dream and the museum. Respondent 4 says she has very close relationships with most of the major donors of the museum. This relationship sometimes feels almost family-like to her. Mainly due to the current corona situation she feels like, she missed the personal connection with these people and that the donors also miss the contact with the museum: *“that's the beauty of it. We miss each other, just the fun and with and talking about the cats”*<sup>20</sup>. However, respondent 9 thinks that the trust should not be built entirely on the relation between the development professional and the major donor. It is important that the major donors also trust the museum institution and that the relationship is not only between her and the major donor. Therefore, she rarely goes to meetings with major donors just by herself: *“I always try to take people with me, it is not good them when I am gone, the relationship between the museum and the major donor also goes away”*<sup>21</sup>. Moreover, respondent 1 mentioned another interesting aspect of the relationship between him and major donors: sometimes individuals do not want to build a relationship with the museum development professional. They just want to support the museum. According to respondent 1, the relationship goes entirely in writing or via a family office, and the museum representative does not meet them in person.

#### **4.2.2 Relationship between corporate sponsors & development professionals**

The relationship between corporate sponsors and development professionals differs from the relationship between donors and development professionals. With sponsors, it is about an exchange. The museum has something to offer in return for the sponsoring money. They have an environment in which they can receive clients or audiences for the sponsor. The sponsor gets the use of this space or its name connected to an area within the museum in return. The relationship is often established by setting up a meeting with

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<sup>19</sup> *“oh, nee, ik zit naast jou, dat gaat mij geld kosten.”*

<sup>20</sup> *“dat is het mooie ervan, die missen, ons nu ook heel erg, ook gewoon de gezelligheid en met elkaar en de koffies en het over de katten hebben.”*

<sup>21</sup> *“Ik probeer altijd mensen mee te nemen, het is niet goed dat als ik weg ben, de relatie tussen het museum en de grote schenker ook verdwijnt”*

a company to hear about their ambitions and inform them about the sponsor possibilities. According to respondent 3, this meeting is arranged with an executive as high as possible in the organization, so someone from the management or the supervisory board. After the meeting, the development professional sends a proposition to the company, often with questions like: Do you want to sponsor a room in the museum? Do you want to organise events? Do you want to support a particular exhibition? Respondent 8 states that sponsoring is tailor-made work and has become more specific over the past years. Before, development professionals just had to call Unilever or Shell, who readily gave money without wanting anything in return, except for their visibility of name and logo. Nowadays, companies want collaboration. They want to use the image of the museum as a positive asset for their marketing and communication. This makes it more difficult and time-consuming to partner up with companies, according to respondent 8.

There are also similarities between the relationship of corporate sponsors with development professionals and donors with development professionals. Respondents 3, 6 and 11 believe that the relationship is very much alike. Respondent 6 says that for companies, it is also about the click with the development professional or the museum director: *“If they don't like me, then it just won't happen. If they think my director is a stupid person, it won't happen”*<sup>22</sup>. When interesting companies sponsor the museum, other companies also want to sponsor, just as with donors. Respondent 3 says she wants to create some kind of fear of missing out feeling both for companies and donors.

#### **4.2.4 Discussion theme 2**

In line with the first of the five fundraising principles of Weinstein and Barden (2012); *“people give to people to help people”*, it is found that the relationship between major donors and the museum is based on mutual trust between the development professional and the donor. However, in contrast to the literature, the respondents add to this that the major donors must also trust the museum institution. If the relationship is solely between the development professional and the donor, this could cause difficulties when the development professional decides to leave the museum. Therefore, the emphasis lies for the development professional on creating a relationship between the donor and the museum. It is also found that the respondents experience difficulties in maintaining these relationships, due to the effects of the Corona crisis. Another interesting finding, the relationship between the donors and the development professionals is that sometimes donors do not want to establish a personal relationship with a museum development professional and organises the donation entirely in writing. Furthermore, both the respondents and

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<sup>22</sup> *“Als ze me niet mogen, dan gebeurt het gewoon niet. Als ze denken dat mijn directeur een stom persoon is, gebeurt het niet”*

research of the Smithsonian institution (2001) confirm that the relationship between development professionals and smaller donors and the relationship between major donors and the development professionals is not established and maintained in the same way.

The decision-making and relationship-building theory of Knowles and Gomes (2012) addresses five phases in which the relationship with a donor is cultivated and its decision for a donation is made: the awareness and understanding, interest and involvement, desire to help, trial gift and gift action phases. These phases are not all directly found in the results, but the third phase is identified in the results. The respondents approach potential donors, and afterwards, they explain why their museum specifically needs to be financially supported, through film, photos and stories. During this third phase, mutual trust between the museum and the donor is established. Moreover, a similar result is found regarding the fourth phase, the trial gift, of the theory of Knowles and Gomes (2012). In line with this theory it is found that museum development professionals use 'donor pyramid' (Figure 1) to structure the donor process and look for opportunities to develop relationships with the smaller donors further towards more significant donations. This structured and strategic aspect of the fundraising process is also accentuated by Jung (2015), who opts for a structured and strategic relationship-building management system.

The relationship between sponsors and development professionals differs from the relationship between donors and development professionals. In line with the theory of Gwinner and Eaton (1999), the majority of the respondents are convinced that the relationship is all about an exchange for the company. However, contrary to what is found in the literature, some respondents also notice similarities between the relationship of corporate sponsors with development professionals and donors with development professionals. According to 3 of the respondents, the relationship is also based on a personal connection of the executive of the company, with the development professional.

### **4.3 Theme 3: Incentives for giving and sponsoring museums**

The incentives for private donors, corporate sponsors and culture funds to give to museums are explained in the third part of this results chapter. The views of the Dutch museum development professionals are analyzed through the literature in the theoretical framework. Therefore, similarities and differences to the theory of Bekker and Murphy (1988), Bertachini et al. (2011) and Hemels (2009) on private donor incentives and the theory of Kelly (1998), Moir and Taffler (2004) and Holt (2006) on corporate sponsor incentives are identified below.

### 4.3.1 Private donor incentives

The motivation to donate to museums can be divided into different types of donors. On the one hand, a category of donors gives because of the benefits they receive in return for their donation. These donors make use of the network of the museum and benefit from the visibility of their donations. On the contrary, some donors do not value the benefits of contributions. They give because of a sense of social responsibility, a personal connection to the museum, a click with the development professional or the museum director.

According to respondent 1, the first-mentioned type of donors give to his museum because it allows them to expand their network with like-minded people from the region. Regarding visibility of names of donors, respondent 1 says, *“they had never asked for that themselves. But I asked and then you notice that people still like to be on such a list.”*<sup>23</sup> Respondent 5 agrees with this point of view and thinks that for some private donors it is relevant to be invited for exclusive events and to be *“visible on every wall in the museum”*<sup>24</sup>. Moreover, she stresses the importance of the sustainability of the projects. According to her, it is essential for donors that projects are there for the long term and that the impact is visible in the long time. Respondent 8 has learned through experience that there are three types of donors. The first group of donors wants visibility of their donation; they want their name on a wall or mentioned elsewhere by the museum: *“these are the people who want to be affiliated with the institute and who want to show it off”*<sup>25</sup>. These donors often worked their way up and let people know what they have achieved. According to respondent 8, this group is managed relatively easily, as *“you really have to treat them, as if they were the queen”*<sup>26</sup>. Regarding the sense of social responsibility, respondent 2 mentions that it is about doing well for this type of donor and being able to make an impact through its donations. This results in an involved feeling in the museum activities for the donor. According to respondent 2, these donors often do not even visit the museum regularly; they just find it important to help maintain a museum in the area. Respondents 5, 8 and 10 also think that one reason to give is to do good and pass on culture to the next generations. According to respondent 5 these donors often say *“I am a philanthropist, I give and that is what matters”*<sup>27</sup>. Respondent 10 speaks about a recent conversation with a major donor, who told her *“I think it is very important to really give something back, as I earn well and get a lot”*<sup>28</sup>. Respondent 8

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<sup>23</sup> *“Daar hadden ze zelf nooit om gevraagd. Maar ik vroeg het en dan merk je dat toch mensen toch wel leuk vinden om in zo'n rijtje te staan.”*

<sup>24</sup> *“De ene die vindt het heel erg belangrijk om bij alle previews en events en overal aanwezig te zijn en op elke muur in het museum met naam zichtbaar te zijn.”*

<sup>25</sup> *“Dat zijn de mensen die gelieerd willen worden aan het instituut en daarmee willen pronken.”*

<sup>26</sup> *“die moet je echt een soort van behandelen, alsof het de koningin is.”*

<sup>27</sup> *“die zeggen ik ben filantroop, ik geef en daar gaat het om.”*

<sup>28</sup> *“Ik vind het heel belangrijk om echt iets terug te geven, want ik verdien goed en krijg veel”*

states that this type of donor often has received a lot of money through, for example, inheritances. Therefore, they generally do not want anything in return for their gifts and are the easiest group to manage for museum development professionals. All of the respondents agree that the donors' personal connection to the museum or its art is another important incentive to give to the museum. This personal interest is often derived from childhood memories of visiting the museum, a passion for the art shown within the museum or because the donor has a relationship with the city where the museum is located. Respondents 1 and 4 feel that this personal connection is the most crucial motive for donating, as donors get the feeling that they are preserving important heritage in the region and that children have the opportunity to come into contact with high-quality culture. Respondent 8 says that this type of donor gives because of intrinsic motivation. These donors are involved with the museum and have an opinion about its activities. They are the most challenging group to manage, as these donors are high maintenance and have to be given a lot of attention through monthly meetings and personalized activities.

A click with the development professional or the museum director is also viewed as an incentive to give to museums. Respondents 3 and 6 feel donors are more incentivized to give when the museum director pays attention to them by showing them around the museum and gives a look behind the scenes. Respondent 4 recognizes this too. However, she is convinced that in the end, it is someone's intrinsic motivation that is decisive.

#### **4.3.1.1 Tax incentives**

When inquired about the Dutch giving act, the respondents have different opinions about the proposed government incentive to increase donations to cultural institutions. The majority of respondents agree that most major donors are aware of these tax benefits because of legal or financial advisors. Respondent 2, therefore, thinks that the giving act is an additional argument to convince major donors to support the museum. Respondent 7 also partially agrees to this as she feels the tax benefits could ultimately be the last nudge why a potential donor would give. Still, she says: *"The giving act is just an extra handy push. It helps in your story, but you don't start the conversation with it"*<sup>29</sup>. Respondent 8 also is positive about the available tax benefits for giving to charitable organisations. However, she speaks about an interesting phenomenon when inquired about Dutch tax incentives: the reserved 'national character' of Dutch people regarding spending money. According to her, this influences their giving behaviour, and the tax incentives do not outweigh this Dutch national characteristic. Respondent 6 finds the law totally unclear: *"it's*

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<sup>29</sup> *"Dus de geefwet is gewoon een handig extra zetje. Het helpt het in je verhaal, maar je start het gesprek er niet mee."*

*income-dependent, so that threshold income makes it very complicated*<sup>30</sup>. She, respondent 5, 9 and 11 think that it is a task for the government to increase awareness and clarity of the benefits. Especially for smaller donors, there could be more transparent and easily accessible information about tax benefits. Respondent 5 says, *“people know there are advantages, but they do not know that culture also falls under this. I think it will take a few years before people also understand that culture is a good cause”*<sup>31</sup>. Respondent 10 and 11 propose a campaign by all Dutch museums to clear up uncertainties about the Giving Act and thereby create more awareness of the tax benefits: *“if you look at the new groups that you want to involve, yes, then it really does deserve attention”*<sup>32</sup>.

#### **4.3.2 Corporate sponsor incentives**

From the respondents' answers about the motivation of corporate companies, it can be concluded that companies give or sponsor museums because of the benefits they receive in return for their support, such as marketing tools. With this, the museum and the company must have matching core values. Moreover, companies can be incentivized by a feeling of 'corporate social responsibility'. 7 out of the 11 respondents confirm that companies often engage in partnerships or sponsor agreements with a museum to improve their image and use the relationship as a marketing tool. Respondent 8 acknowledges a social shift in corporate support, as it used to be an obligation for companies, a social awareness for the support of charities and cultural institutions. Some companies support museums because of this reason. However, most companies currently want to be affiliated with the museum because of business interests, visibility and promotion of social involvement.

One of the sponsors of respondent 1 told her about this motivation: *“We are a private bank and would like to show ourselves as a culturally involved bank with your supporters”*<sup>33</sup>. Moreover, companies see sponsorship as an opportunity to organize exclusive receptions with the museum. For the companies, it is thus crucial to get something back for their support. This is also confirmed by respondent 10, who says that her sponsors mentioned during their business meetings: *“What's in it for you, what's in it for me?”*<sup>34</sup>. However, Respondent 1 and 2 are convinced that companies also still give or sponsor for social awareness. Respondent 2 says that companies naturally have a strong CSR drive (corporate social

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<sup>30</sup> *“het is inkomensafhankelijk, dus dat drempelinkomen maakt het erg ingewikkeld.”*

<sup>31</sup> *“Men ken wel de voordelen, men weet niet dat cultuur daar ook onder valt.”*

<sup>32</sup> *“als je kijkt naar de nieuwe groepen die je wilt betrekken, ja, dan verdient het echt aandacht.”*

<sup>33</sup> *“wij zijn een private bank en willen ons graag tonen als cultureel betrokken bank bij jullie particuliere supporters”.*

<sup>34</sup> *“Wat zit er voor jou in, wat zit er voor mij in?”*

responsibility) to give back to society: *“We earn a lot of money and this is how we give something back to the community”*<sup>35</sup>.

According to respondent 3 and 4, the core values of the museum and its sponsor must match to establish successful sponsorship agreements. Respondent 4 thinks that the essence of corporate sponsoring is a good quality partner model: *“A partner's DNA must match what they support in the museum”*<sup>36</sup>. Respondent 10 also talks about the importance of a ‘common denominator’ of the company and the museum. Respondent 3 wants to attract companies that align with the brand value of the museum she works for. She notices that others will follow if a company with a good image commits itself to the museum. The museum is currently committed to values like diversity, inclusion and sustainability and respondent 3 notices that most companies also consider this necessary.

#### **4.3.3 Culture fund incentives**

According to the respondents, the incentives of culture funds to give to museums are very different from the motivations of donors and sponsors. Respondent 1 explains that cultural funds generally have very objective criteria. The application of museums is assessed against several scoring criteria. If the museum scores enough points, they will receive a contribution. How the museum is financed and how often they have already received money from the culture fund also plays a role in their decision for support. Moreover, museums have to have development professionals with solid writing skills and have personal contacts at the culture funds to convince the fund. The programming of the museum also has to be well-curated to write a detailed application. Other vital motives for culture funds to give to museums are the impact of the gift for the museum and the impact of the gift on society.

All of the respondents think that the motives of culture funds are straightforward because of their criteria and submission dates. The development professional just has to find the right fit with the right fund for the aim he or she is funding. Nevertheless, respondent 8 notices a change regarding the criteria of culture funds. According to respondent 8, they used to focus on ‘public reach’, but she currently sees that culture funds find diversity and inclusion of the museum program appealing incentives to support. She also notices that culture funds are becoming increasingly critical and that they are setting higher criteria.

#### **4.3.4 Discussion theme 3**

Bekker and Murphy (1988) describe four reasons that could increase the likelihood to donate, regarding private donor incentives. First, the likeness could increase when a potential donor has visited the museum.

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<sup>35</sup> *“er wordt bij ons veel geld verdient en zo doen we iets terug voor de gemeenschap”*

<sup>36</sup> *“Het DNA van een partner moet aansluiten bij hetgeen zij ondersteunen in het museum.”*

Second, a donor has donated before to another cultural organisation. Third, the donor has a sense of civic duty. Fourth, an urge to maintain culture for the future. Bertachini (2011) divides the motivation of donors to donate into three categories: intrinsic, extrinsic and reputational motivation. The respondents also mention the use of the museum network, the visibility of the donations for the donors' reputation and a sense of social responsibility as incentives for donations. However, in contrast to Bekker and Murphy's (1988) and Bertachini (2011) theories, they also mention a personal connection to the museum and a click with the development professional or the museum director as important incentives for donors to give to the museum. These two findings are thus an addition to the theory on incentives to give to non-profit organisations. Hemels (2009) mentions several tax benefits, provided by the Dutch government, to give to cultural institutions. However, most respondents question the effectiveness of these intended incentives by the Dutch government, as the regulation is complicated.

The incentives for sponsors to sponsor a museum have mainly been examined by Kelly (1998) and Moir and Taffler (2004). In line with these theories, the respondents regard the relationship with sponsors as business-like. They refer to the same benefits for the companies as Kelly (1998) and Moir and Taffler (2004), such as using the relationship as a marketing tool to create a positive image and 'corporate social responsibility'. Moreover, the social shift in corporate support, noticed by the respondents, is also mentioned by Holt (2006) in the theoretical framework. He explains that companies have become more aware of opportunities that cultural institutions could offer them since the 1990s. A relevant finding of the interviews, which was not found in the literature, is the importance for the museum to have matching core values between the museum and the company. The perspective on corporate sponsoring from the museum side shows the increasing requirements that Dutch museums set towards their sponsors.

#### **4.4 Theme 4: The future of museum development**

The last theme of the results chapter focuses first on fundraising trends of fundraising the past 5 years and the influence of the Corona crisis on Dutch fundraising practice. After that, this part elaborates on five topics: legacy, digitization, sustainability, diversity and community. Finally, the discussion of theme 4 compares the literature of Buijze (2019), Amendola et al. (2019), Jung (2015) and Newman (2002) to these results.

##### **4.4.1 Dutch fundraising trends of the past five years and the influence of Covid-19**

The respondents notice several trends regarding Dutch museum fundraising practices over the past five years, like a decrease in corporate sponsoring, an increase in private donations and more professionalized and commercial museum development practices. According to 9 of the 11 respondents, the market for

corporate sponsorship has not improved in recent years. Corporate sponsorship used to be more common from a corporate social responsibility perspective. However, companies are increasingly weighing up what they receive in return for their sponsoring efforts and are more strict about internal accountability. Respondents 8 and 10 add to this that they notice that companies are establishing their funds from which they pay for very explicitly defined goals. Respondent 8 perceives this as making it more complicated for fundraisers to approach the right company: *“They want to set up their own projects, so they are increasingly taking the seat of the museum institutions”*<sup>37</sup>. Due to the decrease in the willingness to sponsor, most respondents actively engage in the recruitment of new donors and the cultivation of the relationship with major donors. Private donations have increased because, according to respondents 5, 9 and 11, donors have become more aware that cultural institutions can be regarded as a ‘good cause’. Moreover, the baby boomer generation that has done well financially is now coming at an age where contributing to society has become relevant, and also by supporting culture.

Museum development departments have also become more commercial and professionalized. Respondent 3 mentioned that until the 80s, cultural institutions were cut on their subsidies if they received extra finances through private donations or corporate support. The Dutch cultural sector had to learn to become more self-reliant after the decrease in government funding in 2012. Before this, fundraising was often perceived as a task that the director or marketing manager did on the side. Fundraising as a separate department within a museum has thus not been completely understood in the Netherlands. This attitude is changing rapidly, according to respondent 3, towards more ‘fundraising minded museums’. This change in mentality is necessary, according to respondent 8. He says *“Actually, I think, if you still haven't taken it (fundraising) seriously by now, chances are you've (museums) already missed the boat”*<sup>38</sup>. This is because it is difficult to compete with the institutions that have cultivated relationships with private donors and corporations for years.

The respondents notice both positive and negative influences of the Corona crisis on their fundraising practices. According to most respondents, the Corona crisis has led to an increased awareness within museums of the importance of the development departments. Another positive effect, according to respondent 2, is a renewed appreciation for the arts: *“Everyone really yearns for culture, for festivals or concerts or museums, so it's very nice to notice that it is appreciated”*<sup>39</sup>. Moreover, she sees more local appreciation and connection to museums. Respondent 6 explains the renewed appreciation for the arts, as

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<sup>37</sup> *“En wat je ziet is dat ze steeds meer met hun eigen fondsen dingen gaan doen en eigen projecten ook op willen gaan zetten, dus steeds meer op de stoel gaan zitten van de instellingen.”*

<sup>38</sup> *“Eigenlijk denk ik, als je het nu nog steeds niet serieus hebt genomen, dan heb je kans dat je al een beetje de boot hebt gemist.”*

<sup>39</sup> *“Iedereen echt snakt naar cultuur, naar festivals of of concerten of musea. Maar dat is allemaal iedereen wil, zo ontzettend graag, dus dat is heel fijn om te merken dat dat wordt gewaardeerd.”*

*“art and culture simply bring connection, and now also comfort and motivation. So we offer something as a sector that people really need.”<sup>40</sup>*. Both respondents 2 and 3 mention that companies have become more reluctant to sponsor the museum: *“The companies just have to maintain themselves. The first thing they do: skip sponsorship and marketing campaigns”<sup>41</sup>*. For the culture funds, respondent 3 noticed an increase in grants for the museum: *“Because funds might be like, well, things are going so bad, we have to support, so they might have been a little less critical”<sup>42</sup>*. Also, the ‘Kickstart cultuur fonds’ has been established to help cultural institutions in need. Moreover, the respondents talk about difficulties concerning their smaller donors or ‘friends’, as they haven’t organised physical events to expand their donor network. Nevertheless, respondent 10 notices more one-time donations. Lastly, the Corona crisis has activated rapid digitization that changes the museum fundraising practices. Respondent 7 perceives this as a positive effect, as she is convinced that most museums were digitally undeveloped: *“We now have another channel for our fundraising practice, where great opportunities lie”<sup>43</sup>*.

#### **4.4.2 The transfer of wealth**

When inquired about the future of Dutch museum fundraising 5 out of the 11 respondents refer to the ‘transfer of wealth’. According to respondent 4, the cultural sector is on the verge of *“the biggest baby boomer wealth transfer in history”<sup>44</sup>*. This means that private donors will potentially donate part of their inheritance to cultural institutions. Therefore, museums must invest in their development departments. Respondent 5 also sees fundraising opportunities concerning this transfer of wealth and wants to create a group of people around the museum that is aware that *“if they are no longer there, then the museum will continue to exist”<sup>45</sup>*. Respondent 4 notices that several museums are preparing to reach donors that will potentially donate part of their inheritance to cultural institutions, through the collaborative development platform ‘Legacy to culture’ (Nalaten aan cultuur). Respondent 8 points out a more local initiative called ‘I was here 010’ (Ik was hier 010). This platform, just like ‘Legacy to culture’, focuses on making donors aware of the possibility of giving to cultural organisations after they pass away. Together with 60 Rotterdam cultural institutions, they established a partnership to raise awareness for this topic. However, according to respondent 1, the Dutch government could play a more significant role in facilitating and

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<sup>40</sup> *“Kunst en cultuur brengen simpelweg verbinding, en nu ook troost en motivatie. Dus we bieden als sector iets waar mensen echt behoefte aan hebben.”*

<sup>41</sup> *“De bedrijven moeten gewoon zelf zichzelf in stand te houden. Het eerste wat ze doen: sponsorship en marketing campagnes skippen.”*

<sup>42</sup> *“Omdat fondsen misschien dachten van nou ja, het gaat zo slecht, we moeten wel steunen, weet je wel, dus ze waren misschien ietsje minder kritisch.”*

<sup>43</sup> *“We hebben nu een ander kanaal voor onze fondsenwerving praktijk, waar grote kansen liggen”*

<sup>44</sup> *“de grootste vermogensoverdracht van de geschiedenis met betrekking tot de babyboomers”*

<sup>45</sup> *“als die het niet meer zijn, dan blijft het museum voortbestaan.”*

incentivizing this form of giving to culture. He trusts that people will realize the importance of giving to culture, but this awareness has to be stimulated at a young age to attract future generations.

#### 4.4.3 Digitization

The majority of the respondents are convinced that the future of Dutch museum fundraising involves digitising their practice in many different ways, such as using social media to recruit new donors and collecting data on potential donors. According to 6 of the 11 respondents, social media channels are increasingly important to make people aware of the relevance of supporting museums.

Moreover, museum development professionals introduce digital donation tools, like a digital donation column in the museum, the use of digital money transfer tools like ‘Tikkie’ and a ‘donation button’ on the museum’s website. Respondent 2 has placed a digital donation column in the museum, which is used to receive donations from visitors and to test with what visitors are willing to give and what kind of people visit the museum. By attaining more data, she would like to find out *“Which people are coming? Why do they come? Where do they come from? What do they want in general?”*<sup>46</sup>. Respondent 5 uses digital tools for donations like ‘Tikkie’ and a ‘donation button’ on the website. However, she noticed that older generations are reluctant to use this. Moreover, she will use online ‘crowdfunding’ as a fundraising tool to raise money for special projects.

The level of advancement of digitization of the funding process differs for each of the respondents. Respondent 4 speaks very positively about the online activities of the museum she works for. According to her, the museum continuously tries to innovate and engage in digitization through different social media channels, a podcast, a digital guided tour, a QR-code to buy tickets and an online accessible collection: *“In a manner of speaking, we only not yet have been microchipped ourselves, but a lot is being developed”*<sup>47</sup>. Respondent 3 also thinks that knowledge on digital innovation, like augmented reality, virtual reality, NFT’s and QR-codes for ticketing, is significant for the museum fundraising practices. She is convinced that museums should invest more in these digital innovations to attract more donors and sponsors. Still, museums need to discuss how online experiences could become more exciting revenue models.

Nevertheless, respondent 1 says that he is not using digital tools for his fundraising practices, as he thinks that personal contact with donors and corporate sponsors is much more effective than online fundraising. Digital innovations are essential, according to respondent 2: *“look if you don't do it, others*

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<sup>46</sup> *“Welke mensen komen er? Waarom komen ze? Waar komen ze vandaan? Wat willen ze in het algemeen? ”*

<sup>47</sup> *“We zijn zelf nog net niet gechipt maar bij wijze van spreken, maar dat, daar wordt heel veel in ontwikkeld.”*

*do it and then you fall behind, so we try very hard to get ahead of things*<sup>48</sup> Still, she is convinced that fundraising will remain mostly ‘donor driven’ and not wholly ‘data driven’. Respondent 7 thinks that fundraising will change through technological innovation and that fundraisers need to prepare themselves to work digitally. Therefore, fundraisers have to think about possible ways to establish relationships with donors and sponsors through digital channels. So respondent 7 says: *“How can you convey good stories through digital channels? That is a speciality in which we need to develop ourselves”*<sup>49</sup>. Respondent 8 also thinks that it is vital to customize interaction for the major donors in this digital era.

#### 4.4.4 Sustainability

The respondents discuss different aspects of ‘sustainability’ for their fundraising practices. Respondents 1 and 11 say that environmental sustainability is central to renovations of their museums. When respondent 1 was fundraising for the renovation of the museum building, he tried to convince donors to give by explaining the need for a more sustainable building. According to respondents 2 and 3, donors and sponsors expect museums to be as sustainable as possible. Respondent 2 speaks about sustainability as a social responsibility of museums, and respondent 3 is convinced that the current time requires museums to become more environmentally sustainable. Therefore, respondent 3 aims to become the greenest museum *“we are now looking at corporate clothing of museum guards? Could this be more sustainable, from recycled material?”*<sup>50</sup>. However, becoming the greenest museum is still a long way to go, according to respondent 3. Respondent 5 speaks about sustainability regarding the longevity and the impact of the projects that she is fundraising for: *“For example, how can we resell an exhibition?”*<sup>51</sup>. According to her, private donors require this sustainability of the projects that they are funding. Respondent 7 speaks about sustainability as *“a movement that is going on in society. As a museum, you naturally also move along with that”*<sup>52</sup>. According to respondent 7, the extent to which a museum is sustainable tells the story of what the museum wants to be like. Moreover, respondent 8 talks about sustainability regarding the image of companies in fossil fuel and tobacco that sponsor museums. He explains that most museums have stopped accepting money or sponsorship agreements with companies that provide controversial products:

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<sup>48</sup> *“kijk als je het niet doet, anderen doen het en dan raak je achter, dus we proberen heel hard om op de zaken vooruit te lopen”*

<sup>49</sup> *“Hoe kun je dat goede verhalen via digitale kanalen over brengen? Dat is wel een specialisme waar we ons beter in moeten ontwikkelen.”*

<sup>50</sup> *“Maar we kijken nu bijvoorbeeld ook naar bedrijfskleding van beveiligers, kan dat op een andere manier? Kan wat meer duurzaam, van gerecycled materiaal?”*

<sup>51</sup> *“Hoe kunnen we bijvoorbeeld een tentoonstelling weer doorverkopen?”*

<sup>52</sup> *“ik denk dat dat een beweging is die en maatschappelijk gaande is. En als museum beweeg je daar natuurlijk ook in mee.”*

*“My expectation is that sustainability or the awareness of who you take money from will become increasingly important for museums”<sup>53</sup>.*

#### **4.4.5 Diversity**

From the 11 respondents, 7 refer to diversity as ‘topic-number one’ for museum development professionals to raise funds for. According to respondent 2, Dutch society has become more diverse. This has consequences for museums and their fundraising practices: *“as a museum it is extremely important to remain in society and to reflect society”<sup>54</sup>*. Moreover, she says that there is a lot of enthusiasm and willingness to donate for projects related to diversity. For corporate sponsors, it is essential to connect with a museum that has a diverse and inclusive approach. Culture funds are also highly focussed on supporting diverse and inclusive cultural organisations. Therefore, museums currently aim at showing a broader perspective on art history than only the western perspective in their exhibitions and thus reach a wider audience. Respondent 3 says about this: *“It is no longer accepted that you only attract people from Amsterdam-South into the museum. We want to keep them too. But simply a more diverse audience, that is topic number one in the museum”<sup>55</sup>*. Respondent 6 states that she is also consciously working on increasing the accessibility to the museum for everyone through, for example, education programs for children. Respondent 3 says that diversity is about accessibility in many areas, so also people with a disability.

Nevertheless, most respondents think that diversity is also a sensitive and complicated theme for museums. Respondent 8 expresses that Dutch museums are often not aware of the fact that not everyone can recognize themselves in museum exhibitions: *“When we walk through a museum, we recognize things because it comes from our society, but people with a bi-cultural background have that much less. Most exhibitions are white exhibitions and we don't see that ourselves, because we are so white”<sup>56</sup>*. Moreover, he notices that donors with a bi-cultural background sometimes feel uncomfortable at donor events organised by museums. Becoming a more diverse museum with a more diverse audience is a slow process because the organisation also has to consist of employees with diverse perspectives. Respondents 3, 4, 7

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<sup>53</sup> *“Mijn verwachting is dat duurzaamheid of het besef van wie je geld aanneemt dat dat steeds belangrijker gaat worden. De publieke opinie wordt dus ook steeds belangrijker.”*

<sup>54</sup> *“als museum is ontzettend belangrijk om in de maatschappij te blijven staan en om een afspiegeling zijn van de maatschappij.”*

<sup>55</sup> *“Je kan er niet meer mee aankomen dat je alleen maar mensen uit Amsterdam Zuid in het museum haalt. Die willen we ook houden. Maar gewoon een diverser publiek, dat is echt topic number one in het museum.”*

<sup>56</sup> *“alle mensen moeten zich gaan herkennen in tentoonstellingen en dat is iets dat wij als witte Nederlanders niet altijd snappen. Als wij door een museum lopen, dan kan herkennen we dingen, omdat het vanuit onze maatschappij komt, maar mensen met een bi-culturele achtergrond hebben dat veel minder. Het zijn witte tentoonstellingen en wij zien dat zelf niet, omdat we zo wit zijn.”*

and 10 are convinced that diversity can be established by hiring more diverse employees. However, respondent 7 admits that the employees of the museum still primarily represent white men and women. When hiring new employees, respondent 4 says they *“look for a broader target group and for talent, instead of just cognitive knowledge”*<sup>57</sup>.

#### **4.5.6 Community**

The respondents regard the development of communities for the museum as very positive for their fundraising practices. Museums aim to become meeting places for different communities to be stimulated and inspired, according to respondent 2. It is, for example, the ambition of respondent 3 that her museum becomes a place where people *“feel home, feel connected to the museum and also want to participate with money”*<sup>58</sup>. She is convinced that the ‘friends’ of the museum are a beneficial community to reach this goal. To make a new generation aware of the importance of supporting culture, respondent 5 tries to attract younger communities that could grow into donors one day. This also holds for respondent 7. She explains that marketing departments within museums usually aim at creating a community for the museum. Therefore, her development department and the marketing work together on reaching these communities, mostly millennials, to become the next generation of donors. The millennials are triggered by topics like ‘purpose’, and respondent 7 uses this knowledge to reach them: *“I think we are working more and more target-oriented. More based on the needs of the target group at work”*<sup>59</sup>. Respondent 8 also thinks that community-building for the museum is crucial for success in fundraising practices. Therefore, she is trying to establish communities by organising events, for example, for major donors to get to know each other.

#### **4.4.7 Discussion theme 4**

Buijze (2019) identifies a decline in corporate sponsorship for museums due to the economic crisis in 2008. Most respondents also notice this decrease and explain it as companies are increasingly weighing up what they receive in return for their efforts. Moreover, they have become more strict about internal accountability of the sponsor money. An interesting finding, concerning this decline in corporate sponsoring, is that corporations are establishing corporate funds for specifically defined goals, which complicates the sponsor process for the development professionals.

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<sup>57</sup> *“We kijken naar een bredere doelgroep en naar talent, in plaats van alleen maar cognitieve kennis.”*

<sup>58</sup> *“dat het stedelijk weer echt een plek wordt waar mensen zich thuisvoelen een menselijk museum, dat mensen heel erg graag zich verbonden voelen met het museum en dat ze, ja, dus ook willen participeren met geld.”*

<sup>59</sup> *“ik denk dat wij zijn wel steeds doelgroepgerichter aan het werken. Meer vanuit de behoeften van doelgroep aan het werk.”*

A finding, not discussed in the theory, is the increase in private donations in the Netherlands. This growth is fueled as Dutch museums have become more ‘fundraising minded’ and focus more on private donors. Another interesting finding concerning this professionalisation is that Dutch museums diverge in the field of fundraising. Some have come a long way and others have not. This means that it is difficult for museums that are not yet very developed, to compete with museums who have been building relationships for years. Amendola et al. (2019) argued that donations of private donors will be the primary future source of income for museum fundraising. In line with Amendola et al (2019), results show the awareness of the respondents of the baby boom transfer of wealth by the development of collective development platforms that aim at increasing these legacy donations to the museum sector.

Regarding digitization of the funding process, the results are in line with the theory of Beard (2019). Both the results and the theory mention digitization in the fundraising practices of museums such as social media and retrieving data about donors. However, the results also mention financial digital tools like ‘Tikkie’ and a ‘donation button’ on the website. Another interesting finding is that, according to the empirical data, fundraising will remain mostly ‘donor driven’ and not completely ‘data driven’. This emphasises the importance of a personal approach towards donors and sponsors.

Research by ICOM (2020) explains that sustainability does not yet play a critical role for most museums. This is also found in the results, as most respondents put more emphasis on digitization, diversity and community as important factors for their fundraising practices. The results show that the museums are trying to become more sustainable, but it is not a decisive factor for fundraising. However, it is found that diversity is, as the respondents describe this as topic-number-one for the museum. Jung (2015) and Newman (2002) argue for a more inclusive and relationship-based fundraising strategy to attract a broader donor community. The respondents acknowledge they pay attention to diversity by hiring more diverse employees. However, it is found that diversification within Dutch museums is a slow process and complicated process and that most museum employees are still white men and women.

## 5. Conclusion

Museum development departments are responsible for the fundraising activities of the museum. Fundraising is the activity of “*identifying, building, and maintaining relationships with individuals, corporations, and foundations who, characteristically, give away funds*” (Kelly, 1998, .p.24). Over the past decade, fundraising has become more important for Dutch museums, as the Dutch government decreased their subsidies for the cultural sector. Furthermore, the recent outbreak of the Coronavirus forced museums to search for alternative income sources. Even though fundraising has become indispensable for Dutch museums, little research has been done on the capacity of museums to respond to these market changes. Therefore, this thesis aimed to uncover what is still needed to optimize the fundraising process of Dutch museum development departments and thereby contribute to museum fundraising literature. This raises the following research question: *How do Dutch museum development departments respond to signals in the market?* This question is answered by four sub-questions that form the thesis themes: *I. How do museum development professionals manage the process of fundraising?, II. How do museum development professionals establish relationships with their donors and sponsors?, III. What incentivises donors and sponsors to donate to or sponsor museums?, and IV. What are the future trends of museum development?*

These sub-questions have been researched, first by establishing a theoretical framework. Here, literature on the museum fundraising process by Weinstein and Barden (2017), Kelly (1998), Jung (2015), along with theory on decision-making and relationship-building models by Knowles & Gomes (2012) and literature on donor and sponsor incentives by Amendola et al. (2019), Bertachini et al. (2011) and Moir and Taffler (2004) have been analysed. This theoretical framework creates an overview of the existing museum fundraising process, the process of relationship management, the donor and sponsor motivations. Moreover, it uncovers the perspective of the existing literature on the future of museum fundraising.

To answer the research question, it was decided to adopt a qualitative research method with semi-structured interviews, because this assisted in gathering in-depth data, through which new theories on museum fundraising could be established. Therefore, through purposive and snowball sampling, 11 Dutch museum development professionals have been selected as the units of analysis. The semi-structured interviews aimed to obtain knowledge on the following four themes established by the theoretical framework; *museum development management, establishing donor and sponsor relations through trust, donor and sponsor incentives and the future of museum development.*

The research question of this thesis can be answered by the results that are obtained through the interviews with the 11 Dutch museum development professionals. The results show that the Dutch educational infrastructure for museum fundraising practices is not fully developed. Most development

professionals learn about museum development ‘on the job’, through ‘mentor relationships’ or through short courses. Moreover, the basis of successful fundraising is thorough research on potential donors or sponsors. However, most development professionals simply lack time to do this research. Furthermore, in most museums, only parts of the organisation are aware and convinced of the importance of fundraising for the museum. Another finding indicated that the relationship between museums and specifically between their museum development departments is somewhat competitive.

Furthermore, the relationship between major donors, sponsors and the museum development professional is based on mutual trust. It is all about the click between these people. However, major donors must also trust the museum institution itself. Moreover, the relationship between sponsors and development professionals is more business-like than the relationship with donors.

Regarding the incentives to donate, the use of the museum network, the visibility of the donations for the donors’ reputation, a sense of social responsibility, a personal connection to the museum, a click with the development professional or the museum director and tax benefits, all motivate donors to give. However, the effectiveness of tax incentives is questioned, as the regulation is complicated. Regarding the incentives to sponsor, it is identified that sponsors are using sponsorship as a marketing tool to create a positive corporate socially responsible image.

Regarding future trends, the research identifies a decline in corporate sponsorship, but an increase in private donations. This increase will grow even more because of the baby boom transfer of wealth. Moreover, digitization is a useful tool to develop the museum fundraising process and attract a new generation of donors. Nevertheless, fundraising will remain mostly ‘donor driven’ and not ‘data driven’. Lastly, a more inclusive and relationship-based fundraising strategy is needed to attract a broader donor community. However, diversification within Dutch museums is a slow and complicated process and most museums do not yet have a diverse staff. In conclusion, this thesis provides an insight into the activities of Dutch museum development departments. Over the past decade they have made fast progress in the development of their departments by flexibility in a fast changing world. However, Dutch museum development could be even better by collectively improving fundraising education, developing digital fundraising tools and by becoming more diverse.

## **5.1 Limitations to the research**

There are various limitations to this research. By exploring and explaining these limitations, the research results become more reliable and valid. The background and research skills of the researcher are influential in qualitative research. Both could influence the outcome of the research. Sometimes, this leads to researcher bias (Bryman, 2016). Nonetheless, the researcher of this thesis has tried to diminish this research bias risk, by confirming the retrieved data with literature analysed in the theoretical framework.

For this research is deliberately chosen to interview senior Dutch museum development professionals about Dutch museum fundraising practices, because they possess the knowledge and experience in fundraising practices that the researcher was looking for. However, the number of senior museum development professionals, from which the researcher could choose, was quite small. The reason for this scarcity in senior museum development professionals is that there are not many museums in the Netherlands that have development departments. This is because the importance of the development department for museums has only increased over the past decade. This made it more difficult to arrive at the desired number of respondents. However, by snowball sampling the researcher eventually reached the number of needed respondents.

Another limitation to the research is the provided time for the master thesis. If the researcher was given more time, she could have interviewed more museum development professionals that would have increased the reliability of the thesis. Furthermore, due to Covid-19 restrictions the researcher was not able to interview the respondents face-to-face. Only one respondent agreed to meet in person. The video interviews have made it more difficult for the researcher to assess non-verbal communication of the museum development professionals that could add to the results. Still, the researcher has tried to minimize these limitations, as an interview guide with the intended interview questions was sent to the interviewees in advance. Moreover, the researcher tried to answer additional questions of the interviewees about the interview questions through mail correspondence.

## **5.2 Suggestions for future research**

For future research various suggestions are provided by the researcher. Now that the organisational side of Dutch museum fundraising practices is researched, future research could investigate the other side of the development practices. Future researchers could, for example, quantitatively explore the willingness to donate to museums of younger people or other more diverse groups. The incentives of the traditional donor base are identified in this research. However, the new generation of donors might have other motivations to give to culture. Moreover, Dutch society is becoming more diverse and therefore the donor

base is also changing. The willingness to donate of these groups should also be taken into account by museum development professionals to be able to respond flexibly to changes in society. Therefore, this research is relevant for Dutch museums.

Due to the Corona crisis, museums have had to develop very quickly in the field of digitization. This research has shown that Dutch museums are already working with digital tools to raise funds, like donations through 'Tikkie' and a 'Donor button' on the museum website. However, the researcher is convinced that more attention could be paid to this digitization process for museum fundraising. Therefore, the researcher suggests that future researchers could focus on exploring possible digital tools that can be used to fundraise digitally. This could be explored in the future, for example by experimenting with online storytelling, which targets followers on social media to donate to museums.

### **5.3 A recommendation for Dutch museum development departments**

What is the best next step for Dutch museum development departments? First, the results show that no complete training at university level exists for fundraising practices within the Netherlands. Therefore, finding and selecting the right development professionals and 'training on the job' is currently the way to go for museums. With this in mind, the researcher suggests that Dutch museums collectively express this shortage of university trained museum development professionals to Dutch universities. They could, for example, propose to Dutch universities that offer museum studies master programs, to develop courses that focus fundraising courses. Students who have just finished university and aspire to a career in museum fundraising, can use this academic knowledge to perform better, starting as a junior in a museum development department.

Moreover, the results indicate that most museum development professionals have too little time to properly research their potential donors and sponsors. Consequently, it is desirable to find ways to hire more researchers to take on this task. Another factor that would improve the museum fundraising process is that the whole museum organisation embraces the idea of 'organisation-wide fundraising'. This implies that everyone within the museum works together on the fundraising practices and is aware of its importance. Furthermore, most respondents question the effectiveness of Dutch tax benefits to increase the amount of donations, because the regulation is quite complicated. Accordingly, it is proposed to the museums to work together with the Dutch government to create more clarity about regulations of the tax benefits.

The results demonstrate a decrease in corporate sponsoring, because companies have become demanding in what they receive in return for their sponsoring efforts. They are also more strict about internal accountability of sponsorship money. However, research shows an increase in private donations,

due to active engagement of museum development professionals in the recruitment of new donors and the cultivation of the relationships. Moreover, the traditional museum donor base has entered a phase of life in which they contemplate their legacy. They have the time and the funds to think about giving money to museums with whom they have a close connection. Therefore, it is suggested that museum development departments continue this focus on private donations, as the baby boom wealth transfer will increase the amount of private donations in the upcoming years.

Another interesting finding regarding digitization is that, according to the empirical data, fundraising will not become completely 'data driven', it will remain mostly 'donor driven'. Still, it is suggested that museums development departments keep innovating their digital fundraising tools, because this is the way that younger audiences can be reached. Therefore, museums have to keep up with the digital innovations to attract a future donor base. Moreover, the results indicate that museums are indeed trying to become more sustainable, but it is not a decisive factor for fundraising practices yet. Nevertheless, sustainability can be used to attract new donors, as donors and sponsors expect museums to be as sustainable as possible. Furthermore, the results demonstrate that museum development departments are very aware of the importance of diversification. However, diversification within Dutch museums is a slow and complicated process. Most museum staff are still not diverse and donors with a bi-cultural background sometimes even feel uncomfortable at donor events organised by museums. Consequently, the researcher recommends museum development departments to hire more diverse staff, to become a better reflection of Dutch society and to make the donation process more accessible to everyone. When these recommendations are acknowledged and adopted by Dutch museum development departments, this will result in the most effective way to organise themselves for foreseen and unforeseen market changes in the upcoming years.

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## Appendix A. Overview of respondents

Table 2: Overview of respondents and number of museum employees.

This table gives an overview of the interviewed museum development professionals, the museum they work for, their job title, the total number of employees of the museum they work for in 2020 and their development staff in 2021.

Respondent	Museum	Job title	Total staff 2020	Development staff 2021
1	Singer Laren	Director of development	69	2
2	Van Gogh museum	Senior development manager	286	12
3	Stedelijk Amsterdam	Head of development	195	9
4	The Rijksmuseum	Head of Development	685	31
5	The Mauritshuis	Senior development manager	80	4
6	The Hermitage	Head of Development	50	2
7	Boijmans van Beuningen	Head of philanthropy	149	6
8	The Kunsthal Rotterdam	Head of development	46	4
9	Centraal museum Utrecht	Head of development	103	4
10	Kunstmuseum Den Haag	Head of private donations	136	3
11	Amsterdam museum	Development manager	83	5

## Appendix B. Interview guide

# INTERVIEW VRAGEN 'THE FUTURE OF DUTCH MUSEUM FUNDRAISING'

### Development netwerk

- Kunt u mij wat meer vertellen over uzelf? Wat heeft u gestudeerd?
- Sinds wanneer werkt u als museum development professional?
- Waar heeft u met name over development en fundraising van musea geleerd? Is hier een speciale opleiding voor? Of heeft u een mentor gehad die u heeft begeleid in uw werk?
- Waarom doet u precies dit werk? En wat is uw belangrijkste drijfveer?
- Als u advies nodig heeft voor een werk gerelateerd probleem, wie vraagt u dan om hulp?
- Hoe beschrijft u development afdelingen van andere grotere musea in Nederland? Weet u of zij anders werken dan de development afdeling van het museum waar u werkt?
- Werken musea op development gebied samen of bestaat er concurrentie tussen musea?

### Vertrouwensrelaties met donors en sponsors

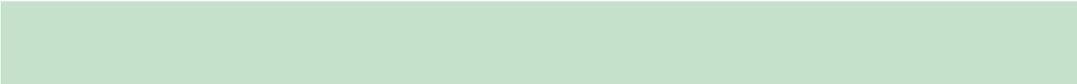
- Hoe doet u uw werk? Kunt u voorbeelden geven hoe het proces van fundraising in zijn werk gaat?
- Hoe begint u een relatie met een potentiële donor of sponsor?
- Wat zijn volgens u de belangrijkste kwaliteiten of skills die u nodig heeft om dit werk goed te kunnen doen?
- Hoe denkt u dat u uw werk als development professional nog beter zou kunnen doen?
- Welke projecten of doelen heeft u bereikt waar u trots op bent? En waarom?
- Is het wel eens voorgekomen dat de samenwerking met een donor of sponsor niet goed verliep? En waar kwam dat door volgens u?

### Enthousiasmeren van donors en sponsors

- Hoe komt u erachter wat een potentiële donor of sponsor enthousiast maakt?
- Kunt u mij vertellen hoe een sponsorovereenkomst wordt gesloten? Hoe zorgt u ervoor dat de persoon of het bedrijf in kwestie uiteindelijk ook echt de donatie doet of het sponsorgeld geeft?

- 
- Kunt u een schatting maken van welk percentage van het jaarlijkse museum budget uit individuele donaties bestaat en welk uit corporate sponsorgeld?
  - Wat is het gemiddelde bedrag dat door individuele donoren wordt geschonken?
  - Wat is het gemiddelde bedrag dat door corporate sponsoren wordt gesponsord?
  - Werken jullie met jaarlijkse fundraising doelen? Welke doelen zijn dit? En hoe lang duurt het ongeveer om deze doelen te bereiken?
  - Komt het voor dat toezeggingen op donaties en sponsorgeld uiteindelijk niet doorgaan? Waar zou dat volgens u aan kunnen liggen?
  - Vind u dat potentiële donoren of sponsoren zich voldoende bewust zijn van belastingvoordelen? En maken ze genoeg gebruik van deze belastingvoordelen?
  - Denkt u dat meer informatie over belastingvoordelen op de website van het museum het aantal donaties of sponsorgeld zal verhogen? Waarom wel of niet?

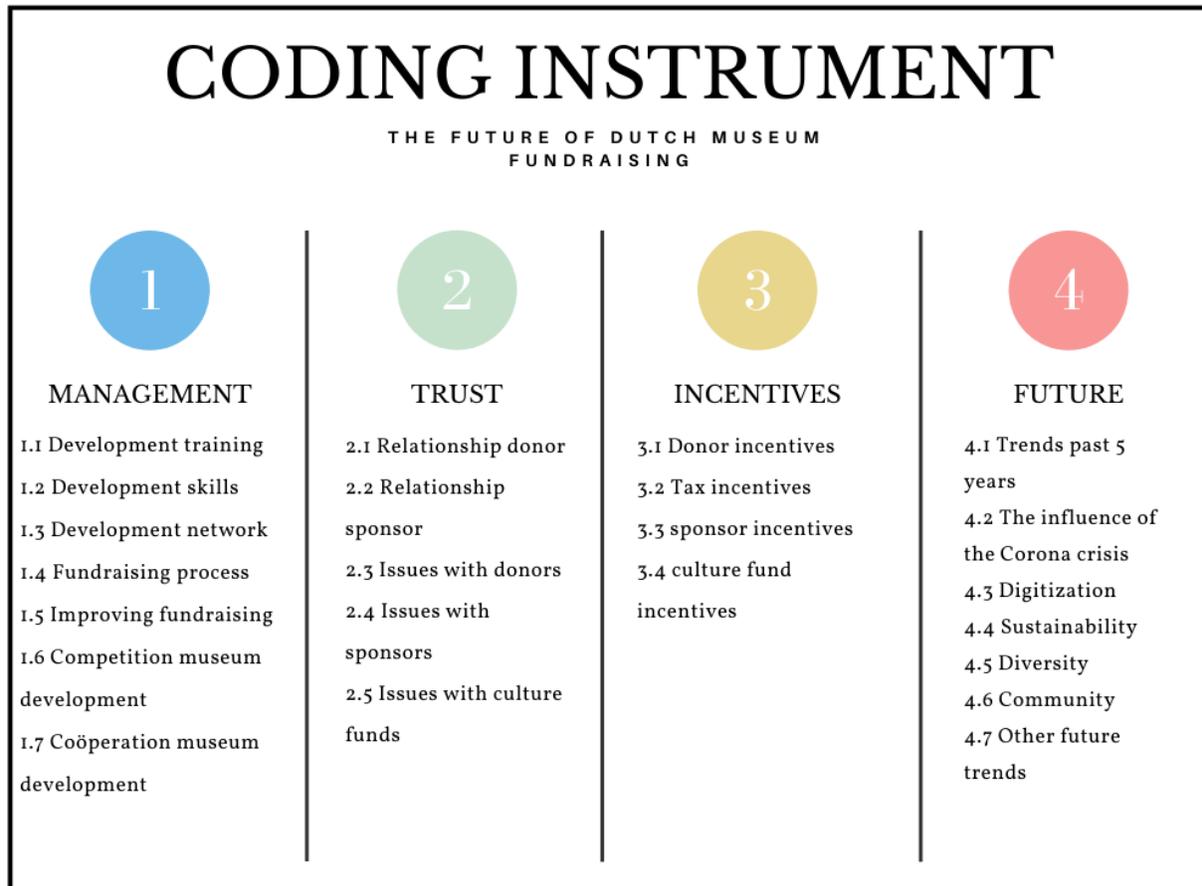
#### **Toekomstperspectief en funding strategie**

- Als u verder kijkt dan de komende 5 jaar, welke trends en veranderingen voor museum fundraising kunnen er volgens u worden verwacht?
  - Wat is uw belangrijkste ambitie voor het museum op het gebied van fundraising?
- 

## Appendix C. Coding Instrument

Table 2: Coding and analysis instrument

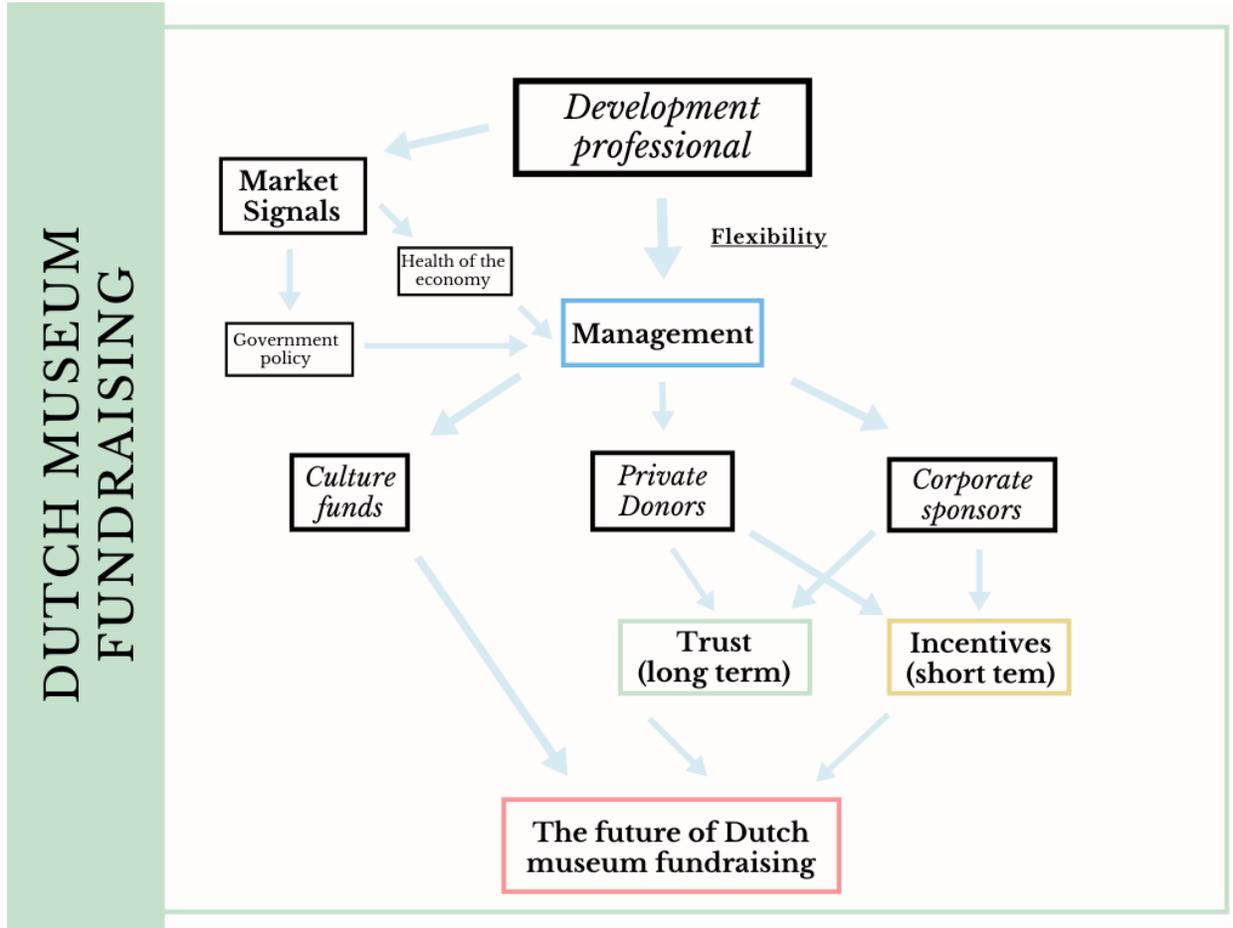
This coding instrument shows the four thesis themes with their codes through which the interviews have been color coded and numbered.



## Appendix D. Organogram Dutch museum fundraising

Figure 2: Organogram Dutch museum development practices.

This organogram shows the process of Dutch museum fundraising through the four thesis themes.



## **Appendix E. Transcriptions of the interviews**

The interviews have transcribed verbatim. A digital copy of the interview transcripts can be requested from Eliane Boreel via email: [boreeleliane@gmail.com](mailto:boreeleliane@gmail.com)

## Appendix F. Informed consent form



### Master thesis informed consent form

**Thesis title:** Future museum funding strategies

**Name of researcher:** Eliane Boreel

**Name of University:** Erasmus University Rotterdam - Master Cultural Economics & Entrepreneurship

**Purpose of the study:** This research is conducted by Eliane Boreel. I am inviting you to participate in this research project about the future of Dutch museum fundraising. The purpose of this research is to construct a recommendation for the Dutch museum sector about their fundraising practices.

**Procedures:** You will participate in an interview lasting approximately an hour. You will be asked questions about building trusting relationships and incentivizing sponsors and donors. Furthermore, will be asked about possible future funding strategies

**Potential and anticipated risks and discomforts:** There are no obvious physical, legal or economic risks associated with participating in this study. You do not have to answer any questions you do not wish to answer. Your participation is voluntary and you are free to discontinue your participation at any time.

**Potential benefits:** Participation in this study does not guarantee any beneficial results to you. As a result of participation you may better understand future museum funding strategies.

**Sharing the results:** The results of this study will be shared by the end of July, when the research is successfully completed.

**Confidentiality:** Your privacy will be protected to the maximum extent allowable by law. No personally identifiable information will be reported in any research product. Moreover, only trained research staff will have access to your responses. Within these restrictions, results of this study will be made available to you upon request. As indicated above, this research project involves making audio recordings of interviews with you. Transcribed segments from the audio recordings may be used in published forms (e.g., journal articles and book chapters). In the case of publication, pseudonyms will be used. The audio recordings, forms, and other documents created or collected as part of this study will be stored in a secure location in the researchers' offices or on the researchers password-protected computers and will be destroyed within ten years of the initiation of the study.

**Right to withdraw and questions:** Your participation in this research is completely voluntary. You may choose not to take part at all. If you decide to participate in this research, you may stop participating at any time. If you decide not to participate in this study or if you stop participating at any time, you will not be penalised or lose any benefits to which you otherwise qualify. If you decide to stop taking part in the study, if you have questions, concerns, or complaints, or if you need to report an injury related to the research, please contact Eliane Boreel as the primary investigator.

**Statement of consent:** Your signature indicates that you are at least 18 years of age; you have read this consent form or have had it read to you; your questions have been answered to your satisfaction and you voluntarily agree that you will participate in this research study. You will receive a copy of this signed consent form. I have been given the guarantee that this research project has been reviewed and approved by the ESHCC Ethics Review Committee.

**If you agree to participate, please sign your name below.**

**Audio recording:**

I consent to have my interview audio recorded

- yes
- no

**Secondary use:**

I consent to have the anonymised data be used for secondary analysis

- yes
- no

<b>Name Participant</b>	<b>Name Researcher</b> Eliane Boreel
<b>Signature</b>	<b>Signature</b>
<b>Date</b>	<b>Date</b>