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THE POWER OF (UNCONVENTIONAL) MARKETING IN FUNDRAISING: THE PERSPECTIVE OF THE CULTURAL SECTOR

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Abstract

This paper analyzes the importance and use of marketing for fundraising in the cultural sector. Namely, due to limited public financial resources and social changes in general, the cultural sector should turn to the market and to new sources of financing and implement a fundraising strategy. Activities are needed to attract financial resources from various sources to ensure the income necessary for its operation and sustainability.

To be successful in fundraising and ensure stable business, the cultural sector needs to implement various activities that are usually associated with the profit sector (planning, management, marketing, analysis), which also includes an entrepreneurial way of thinking and acting. This paper aims to identify the role of marketing in fundraising and the effectiveness of marketing strategies for the success of fundraising in cultural institutions. Empirical research was conducted on cultural institutions in the Republic of Croatia with an emphasis on the use of unconventional marketing for fundraising purposes. The conclusion is that this type of marketing affects the successful collection of funds and, ultimately, the success of the business and the financial result of the cultural institution. The results of the research indicate that it is necessary to implement an appropriate marketing strategy for the purpose of successful fundraising, as well as to educate the employees of cultural institutions in the field of marketing and fundraising.

Keywords: fundraising, financing, cultural sector, (unconventional) marketing

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Introduction

“Unlike a business organization that is focused on profit in market conditions, an organization in culture has an almost completely different mission and environment. Its primary task is to provide an appropriate cultural product or service that will be available to the wider community as a component of the culture of living. Organizations in culture do not aim to generate as much profit as possible, and therefore the principles of economic organization do not apply to them. Namely, their activity, and even their survival, is not essentially tied to their economic result, but to the accomplished or unfulfilled mission that represents the public interest of the community” (Antolović and Turkalj Podmanicki, 2010, 154).

Acknowledging the above and the significance that cultural institutions have for the society and the environment, to fulfill their mission and ensure the quality and quantity of their work, said institutions also need financial resources. However, public funding of the cultural sector (particularly publicly-owned institutions) has been decreasing for years (Bestvina Bukvić, Šain and Maršić, 2018; Bestvina Bukvić, Mihaljević and Tokić, 2016; Bestvina Bukvić, Mihaljević and Tokić, 2015). They should therefore focus on other sources of funding and secure additional income and somehow become “profit making organizations” even though profit is not their primary goal (Krivošejev, 2012). “Regardless of the fact that not all institutions in the field of culture and art can be classified as nonprofit organizations, most of them nevertheless carry out activities specific to the nonprofit sector – such as raising funds to finance their own activities in order to implement the programs and projects intended for their users” (Pavičić, Alfrević and Ivelja, 2006, 258). Fundraising is becoming inevitable in all organizations, especially nonprofit organizations (Balog, 2011; Balog 2010). It is defined as all the activities carried out in a nonprofit organization to ensure the income necessary for its sustainability and the implementation of its mission; that is, it refers to the art of asking for money from people and corporations to finance its own activities (Dadic, 2016). According to other definitions, fundraising is a set of skills and techniques used in the process of obtaining funds from external sources to finance activities in the field of culture and nonprofit organizations (McIlroy, 2001, 9), with the primary goals of ensuring the organization’s growth, development, and involvement of stakeholders in the organization

itself (its work and activities), as well as increasing the visibility, efficiency and stability of the organization (Alfirević, Pavičić and Najev-Čačija, 2013, 600). Kelly (1998 as cited in Jung, 2015, 257) defines fundraising as the process of “identifying, building and maintaining relationships with individuals, corporations and foundations that typically give money”. Fundraising means ensuring diversity of funding sources in the organization and raising funds from alternative sources, which (according to Šain, Haršanja and Borić Cvenić, 2020; Bestvina Bukvić et al., 2018) include: donations and sponsorships (from corporations and individuals), project financing, various grants, own income through ticket sales and audience increase, various economic activities such as renting space, souvenir shops, providing professional services, issuing publications, organizing various (cultural) events, etc.

The diversification of funding sources, according to Čopič (2011), is the basis for a healthy future and strengthens the financial resilience of cultural organizations. For other authors, it is one of the prerequisites for gaining stability and establishing conditions for the survival of organizations in turbulent times, but also one of the key parameters for evaluating the success of its development (Dragojević and Dragičević-Šešić, 2008), as well as the organization’s readiness for changes in the environment, creating greater credibility and recognition of the organization in the public while increasing the quality of the program itself (Miletić, 2014: 7), which ultimately contributes to the development of the audience (Buljubašić, 2020) and a better financial result of the organization (Bestvina Bukvić, Borić Cvenić and Buljubašić, 2017).

Fundraising is considered a managerial discipline that, due to reduced financial resources, is becoming increasingly important in the management of cultural institutions (Šain et al., 2020), which is in line with the fact that fundraising is viewed not only as part of the overall marketing strategy but also as a separate strategic and implementation unit (Pavičić, 2003). According to the above, fundraising is not a one-time activity, but a long-term process and skill (Krivošejev, 2012), which requires constant development and which, together with marketing, is inseparable in cultural institutions and organizations in general. To be as successful as possible in fundraising and to ensure stable business, including market success, economy and work efficiency, cultural institutions should include an entrepreneurial way of thinking, the use of managerial tools and techniques

(including strategic planning, marketing, management, etc.) (Bestvina Bukvić et al., 2018; Bestvina Bukvić et al., 2016).

In this paper, emphasis is placed on marketing and marketing strategies as an important function in fundraising. Marketing in culture has the task of contributing to the best possible visibility of the program and the best possible familiarization of the program (and the institution itself) with the environment (Lukić, 2010), strengthening the image in the public (Wywmer, Knowles and Gomes, 2006 according to Najev Čačija, 2013, 66), which affects the position of the organization in the eyes of potential donors (Najev Čačija, 2013, Balog, 2010), and ultimately the increase in the number of visitors or audiences (Buljubašić, 2020), considering that the attendance or fund raising from the audience is one of the key elements of measuring business success in cultural institutions (McClroy, 2001). The use of marketing to raise funds is the activity of a nonprofit organization that, using the marketing concept, marketing-mix, and marketing techniques, periodically or continuously tries to interest, attract, and retain potential donors (Balog, 2011) as well as the audience (Krivošević, 2012). Accordingly, the use of marketing in fundraising aims to attract and retain potential donors and the audience.

Although marketing should serve to increase visibility and develop a (new) audience, research shows that marketing in culture is perceived as a “wasteful” activity and an unwanted source of costs, considering it unnecessary for the achievement of goals (Bennett, 2007 according to Najev Čačija, 2016, 4) and that there is a negative attitude toward the use of marketing in cultural institutions (Dragičević-Šešić and Stojković, 2013; Pavičić, Alfirević and Aleksić, 2006), especially toward the application of unconventional marketing (Buljubašić, 2015).

However, many authors agree that the introduction and use of marketing in culture and cultural institutions is important (Šola, 2001, Pavičić et al., 2006a), considering that it is recognized as an important segment of building vitality and better economic health of cultural institutions (Ames, 1989 as cited in Šola, 2001, 80; Dragičević-Šešić and Stojković, 2013). To reduce fear and a negative attitude toward marketing, leaders of cultural institutions should be introduced to marketing, its possibilities and ways to use it for the purpose of a successful business (Buljubašić, Mioč, Jobst, 2020a), because “without marketing and sound public relations strategies,

fundraising becomes extremely difficult” (Jung, 2015, 257); that is, it is very difficult to expect an adequate implementation of fundraising without good marketing.

The paper aims to identify the role of marketing in fundraising, effective marketing strategies and their effect on fundraising results.

In accordance with the objective of the paper, the authors asked the following research questions:

RQ1. What is the role of marketing in fundraising in cultural institutions?

RQ2. What is the impact of marketing activities (especially nonconventional activities) on the success of fundraising and the financial result of a cultural institution?

RQ3. Is there a difference in the perception of the importance of marketing in fundraising depending on the type of cultural institution?

To answer the questions, the paper examines previous research regarding the role of marketing in fundraising, combining it with the results of empirical research conducted in cultural institutions (galleries, theaters and museums) in the Republic of Croatia, focusing on the use of unconventional marketing to raise funds. The business philosophy of unconventional marketing is to achieve maximum results with minimal financial investments (Buljubašić, Mioč and Jobst, 2020b). It is a different and alternative way of thinking (technique or method) that achieves given conventional goals through unconventional methods, i.e., the unconventional tactics a company uses to promote its product or service⁸⁴. In particular, unconventional marketing is based on creative marketing that seeks to shock, provoke, and cause surprise in unexpected situations and in unexpected places to be as impressive as possible and grab the attention of its targets (Levinson, 2008).

Previous research

According to Lukić (2010), successful marketing in culture can create crowds and lines in front of the entrance to a theater, gallery, or concert hall, can fill the stands for off-season performances, sell out subscriptions

84 URL: <http://www.investopedia.com/terms/g/guerrilla-marketing.asp>

to the theater season in advance and generate significant income for cultural institutions. Additionally, it can build strong and lasting mutual relations between the institution and its patrons and sponsors and spark the audience's interest in programs that would not naturally be interesting at all by themselves.

Najev Čačija (2013) associates marketing activities with the establishment of a long-term relationship with the donor as a crucial element of the success of fundraising, with the assumption of the existence and feedback of the success of fundraising on the definition of marketing activities. Namely, nurturing and marketing relationships (Sargeant, West & Jay, 2007 as cited in Najev Čačija, 2013, 67) is one of the most important perspectives for evaluating relationships with key stakeholders in the context of successful fundraising. Christopher, Payne and Ballantyne (2002 as cited in Najev Čačija, 2013, 67) define relationship marketing through the organization's commitment to extending the life of existing stakeholders/donors by using a retention strategy and the concept of focusing marketing activities on multiple markets and stakeholders, which should be achieved through cross-functional cooperation within the organization but also with a strategic (rather than transactional) approach to the donor. Building and marketing relationships as a fundamental activity of successful fundraising includes continuous communication with donors, creation of friendships with donors, expression of gratitude and respect, activities to bring donors closer to the organization's programs and staff, creation of partner networks, and more. Sargeant (2001) introduces the term "relationship fundraising", according to which nonprofit organizations should build a relationship with donors so that they would donate to the nonprofit organization in the long term.

Kaiser (2019) states that focused or targeted marketing can contribute to an organization's ability to raise money in a short period of time and with limited resources – focused marketing selects in advance the targets to which the campaign will be directed (primarily wealthy individuals, company directors but also politicians whose opinion is valued). Focused marketing in this case, the author states, is the organized, permanent nurturing of good relations with potential donors, and the ultimate goal is to encourage them to become involved in the work of the organization as donors, ticket buyers or even board members. Kaiser and Egan (2013) emphasize the importance of aggressive (programmatic and institutional)

marketing in promoting culture and works of art, which will provide the visibility needed to attract audiences and potential donors. They believe that successful organizations in arts and culture aggressively promote their program and the institution behind it. Institutional marketing uses all institutional resources: physical (buildings, costumes, collections, etc.), human (exterior and interior) and experiential (artistic process, dinner, tour and “backstage” tour) to “soften” potential customers (audience, members, donors, board members, collaborators, selectors or exhibitors, volunteers, etc.) to the extent that they will support the work of the institution without special sales.

Bestvina Bukvić et al. (2017) analyze the factors that influence the attendance of cinemas and theatres and their business and financial results. In their research, they proved that marketing in culture facilitates communication with the audience (existing and potential), and marketing activities need to be carried out regularly to achieve successful operation of these organizations. The authors state that, in defining their marketing and business strategy, cinemas and theatres should conduct market research and shape their business models and marketing strategies in accordance with these findings, given that failure to follow the demand in the market can strongly affect their attendance and thus their business and financial results.

Research by Buljubašić, Borić and Hartamann-Tolić (2016) found that promotion is one of the most popular, widespread, and influential elements of marketing, which plays an important role in cultural institutions because it can attract a large number of visitors. The results of their research showed that promotion has a positive impact on museum attendance, and unconventional forms of promotion (such as social networks, ads on sugar packets, innovative promotion of, for example, theater plays – such as presentations of dialog parts of plays in unexpected places, street communication between actors and citizens, short video promotions, etc.) have a more significant impact than conventional forms of promotion (guest appearances on national and local television and radio stations, advertising in local daily newspapers and internet portals, etc.). The objective of Buljubašić’s (2020) study, which covered 612 respondents, was to determine the role that advertising activities play in theater attendance among young audiences. The conclusion was that generation Z prefers advertising on social networks and will be attracted to cultural and theater events in

this way, while generation Y, for example, will be attracted to the same events by the recommendation of a friend. Therefore, it can be confirmed that the younger audience (Generation Z) relies on technology more than Generation Y, and that the marketing targeting them should be adjusted accordingly. This confirms the results of the study by Balog (2011), who analyzes possible use of social marketing by civil society organizations to raise funds for their programs and projects, and finds that by using the concept of social marketing, organizations can achieve better results than by using individual marketing tools. In his empirical research, Najev Čačija (2016) confirms that marketing activities by humanitarian non-profit organizations have a positive impact on the success of fundraising and a positive financial result. In his study encompassing 52 public and private theatres in the Republic of Croatia, Mihaljević (2015), among other things, analyzed the importance of certain factors for better attraction of donations and sponsorships, i.e., fundraising in the theater, observing the role and importance of the state, theaters and the business sector in fundraising. The education of the theater management about fundraising was found to be most important factor for better attraction of donations and sponsorships, followed by the social awareness of the business sector, stimulating legislation and theater marketing.

Kaiser and Egan (2013) developed a fundraising model for cultural institutions (Cycle model) where they determine that successful fundraising requires four components to be satisfied in the following order: quality program (art), aggressive marketing, family, and money. That is, according to their model, a good fundraising plan starts with good, quality art that needs to be aggressively (both institutionally and programmatically) promoted to attract the audience, potential donors and sponsors, and new board members (family) who will provide the funds needed for the operation of the institution and a new cycle. The above model is consistent with the results of the research by Bestvina Bukvić et al. (2017), who found that the most important influencing factors that attracted students to visit the theater were the quality of the theater program and the price of tickets. Therefore, the younger population strongly responds to the quality of the program. With this in mind, cultural institutions should, first of all, have a quality program, and only then start marketing activities that will give their program visibility, and attract the audience. Namely, “marketing can never and nowhere create a cultural program or guarantee its quality.”

Marketing in culture should by no means be expected to guarantee the quality of a program, such as a play in a theater or an exhibition in a museum or gallery, because this is not its task⁸⁵ (Lukić, 2010, 188). Quality is also an important factor in fundraising, i.e., the allocation of financial resources because potential donors and sponsors, when choosing a project, will rather endorse and support a high-quality, creative and innovative product or project (Mihaljević, 2015), but, according to many authors, quality should be important when allocating public financial resources (Dragičević-Šešić and Stojković, 2013), especially to public institutions that are already used to continuously receiving such funds (Krivošejev, 2012; Mikić, 2011; Lončar, 2013; Đukić, 2010).

Kaiser (2013) states that increased recognition has an extremely strong influence on the collection of financial resources and that some cultural institutions therefore need to hire more employees in their organizations. Most cultural institutions, especially in the Republic of Croatia, do not have special marketing departments in their organizations or marketing programs. According to Buljubašić (2015), progress is visible in the theater industry, where although almost all theatres have a marketing department, they do not use marketing strategies to attract different types of potential visitors, which indicates a lack of systematic research and a consequent lack of understanding of potential visitors. Likewise, public theatres, unlike private theatres, are less oriented toward fundraising, where the share of their own revenues and corporate support (donations and sponsorships) in the revenues of public theatres is not sufficient (Bestvina Bukvić et al., 2015), which indicates a lack of motivation or knowledge of public theater employees to become involved in fundraising in the market. Bestvina Bukvić et al. (2018) show the structure of financing institutions and business ventures in culture, establishing that the situation in cultural institutions has not yet changed significantly; that is, fundraising techniques are clearly insufficiently used, because cultural institutions in the Republic of Croatia are still too dependent on funding from public sources. According to the results of the research, there is a recognized need to increase the level of knowledge and employment of experts in the field of fundraising. This conforms to the findings of the research of nonprofit organizations by Pavičić et al. (2006b), Dadić (2016) and Najev-Čačija (2013), who believe

85 URL: http://www.adu.unizg.hr/prilozi/dokumenti/clanci/Lukic_Kazalisno_trziste.pdf

that the lack of knowledge in this segment will be an obstacle to the further development of these organizations. Alfirević et al. (2013) believe that successful fundraising could be achieved by combining one's own abilities and knowledge with the flexible employment of external associates and consultants. Namely, for some specific projects and programs, cultural organizations can hire external collaborators who will help them attract new donors and sponsors and search for new sources of funding in order to develop new and effective approaches to fundraising. Dadić (2016) states that many serious organizations in other countries have a complete department responsible for fundraising, and that there are a number of consulting companies that specialize in consulting in the field of fundraising. Šain et al. (2020) find a solution, among other things, in the role of the state, which should establish study programs at educational institutions or courses for fundraising based on the model of developed countries. In regard to the relationship between unconventional marketing and cultural institutions (museums, galleries, and theaters) in the Republic of Croatia, according to Buljubašić, Ham and Pap (2016), the lack of experience and knowledge is identified as the greatest obstacle to the implementation and use of unconventional marketing in cultural institutions.

Empirical research

The authors did a survey in cultural institutions operating in the Republic of Croatia to determine the importance and role of unconventional marketing in fundraising by cultural institutions. Although, according to Antolović (2010), institutional culture includes archives, museums, galleries, libraries, theatres, cinemas, music institutions, and multipurpose cultural institutions, this paper narrows down the concept of cultural institutions to galleries, theatres and museums. The survey included 444 institutions (Table 1), of which 154 theatres, 189 museums and 101 galleries. A total of 225 responses were received electronically, which translates to a return rate of 50.68%, a satisfactory response considering the sample and the ratio according to the type of cultural institution. In this research, fundraising is viewed through an increase in the number of visitors because attendance, i.e., acquisition of funds through the audience (own income), is one of the key elements of measuring business success in cultural institutions (McIlroy, 2001, 23), which can significantly influence the business and the

financial results of those institutions (Bestvina Bukvić et al., 2017). The importance of unconventional marketing for increasing the institution's profit is also analyzed, assuming the existence of a feedback loop of minimal financial investment in marketing.

The survey used a pre-structured questionnaire addressed to cultural institutions. A questionnaire is a useful method of data collection when the researcher's focus is on a large number of respondents (Horvat and Mioč 2012). Data collection by a questionnaire, according to Halma (2001), implies a process that allows the researcher to generalize the results from the sample to the population. The collected data were analyzed using the IBM SPSS Statistics 22.0. software package and MS Office Excel.

Table 1. Research sample

Institution type	Number of institutions included in the research	Sample	% of returned responses
Galleries	101	40	39.60%
Museums	189	84	44.44%
Theatres	154	101	65.58%
Total	444	225	50.68%

Source: Authors' work

Research results

Below are the results of research that examines the role of unconventional marketing in the importance of fundraising, which is manifested through an increase in the number of visitors and the realization of one's own income and ultimately the financial result of the institution.

Table 2. Research results on the importance of unconventional marketing in fundraising

Statement	n	Arithmetic mean	Standard deviation
Unconventional marketing can contribute to increasing the number of visitors.	225	4.67	0.543
Unconventional marketing can contribute to increased profits with minimal financial investment in marketing activities.	224	4.54	0.791

Source: Authors' work

Table 2 shows the statements that were measured on a 5-point Likert scale, and it can be seen that all respondents agree that unconventional marketing can contribute to an increase in the number of visitors ($\bar{x} = 4.67$) and profit ($\bar{x} = 4.54$).

The following table shows the results of the same statements and measures their statistical significance.

Table 3. Results of statistical significance on the importance of unconventional marketing in fundraising

Statement	n	F scale	p
Unconventional marketing can contribute to increasing the number of visitors.	224	3.305	0.038*
Unconventional marketing can contribute to increased profits with minimal financial investment in marketing activities.	223	4.523	0.012*

Source: Authors' work

**variables measured on a 5-point Likert scale*

** at the significance level of 5%*

The results of the ANOVA procedure show a statistically significant difference (at a significance level of 5%) for the claim that unconventional marketing can contribute to increasing the number of visitors ($F=3.305$,

$p= 0.038$) and that unconventional marketing can contribute to increasing profits with minimal financial investment in marketing activities ($F=4.523$, $p=0.012$).

Table 4. Results of the ANOVA statistical procedure for the type of institution and the importance of unconventional marketing in fundraising

Statement	Type of institution	n	Arithmetic mean	Standard deviation
Unconventional marketing can contribute to increasing the number of visitors.	Galleries	40	4.73	0.506
	Theatres	101	4.74	0.462
	Museums	84	4.55	0.629
Unconventional marketing can contribute to increased profits with minimal financial investment in marketing activities.	Galleries	40	4.63	0.705
	Theatres	101	4.67	0.694
	Museums	84	4.34	0.901

Source: Authors' work

An analysis of the average ratings by types of cultural institution in relation to the statements made shows that all types of institutions understand the importance of unconventional marketing in increasing the number of visitors and the institution's profit, with galleries and theaters paying slightly more attention to it in both statements than museums.

The ANOVA test for independent samples tested the possible existence of statistically significant differences between the responses of cultural institutions to the stated claims.

Table 5. ANOVA test for independent samples on the statement "Unconventional marketing can contribute to an increase the number of visitors"

	Galleries (p)	Theatres (p)	Museums (p)
Galleries	-	0.861	0.087
Theatres	0.861	-	0.015*
Museums	0.087	0.015*	-

Source: Authors' work
*at a significance level of 5%

Observing the differences between institutions with regard to the tested variables, we conclude that there is a statistically significant difference, at a significance level of 5%, according to the type of institution (theatre – museum, $p= 0.015$) in responses to the claim that unconventional marketing can contribute to an increase in the number of visitors.

Table 6. ANOVA test for independent samples on the statement “Unconventional marketing can contribute to increased profits with minimal financial investment in marketing activities”

	Galleries (p)	Theatres (p)	Museums (p)
Galleries	-	0.740	0.056
Theatres	0.056	-	0.004*
Museums	0.056	0.004*	-

*Source: Authors’ work
at a significance level of 5%

Observing the differences between the institutions with regard to the tested variables, it is concluded that there is a statistically significant difference, at the significance level of 1%, according to the type of institution (theatre – museum, $p= 0.004$) in responses to the claim that unconventional marketing can contribute to increasing profits with minimal financial investments in marketing activities.

Discussion

Based on theoretical assumptions and empirical research, the paper analyzed the role and importance of marketing in fundraising in cultural institutions. The results of empirical research, which was conducted in cultural institutions (galleries, theaters and museums) in the Republic of Croatia, found that cultural institutions understand the importance and role of unconventional marketing for successful fundraising, which is manifested through an increase in the number of visitors (which affects an increase in their own income) and finally the financial result of the institution. According to the above, unconventional marketing methods have a positive effect on the development of audiences in cultural institutions, especially young audiences (Buljubašić, 2020; Buljubašić et al.,

2016), and cultural institutions should use such methods if this type of audience is their target group. Likewise, the increased number of visitors or audiences is extremely important for potential sponsors because the audience is extremely important for the provider of sponsorship funds, given that the goal of providing such funds is usually promotion, recognition and image (Mihaljević, 2015). Through the implementation of marketing activities, cultural organizations should win over the “family” (ticket buyers, students, members of the board of directors, donors, financiers and volunteers), which is the most important factor of the organization, given that it strengthens the financial health of the organization through the investment of one’s own time, talent, personal contacts and financial resources (Šain et al., 2020; Kaiser and Egan, 2013). Therefore, it is necessary to apply various marketing methods to attract the public to cultural institutions and obtain more media space, thus facilitating the inflow of funds from the business sector in the form of donations and sponsorships as well as increasing the audience. In view of the above, the importance of applying the marketing approach in fundraising can be seen.

The results of empirical research also confirm the thesis that nonconventional marketing can contribute to increased profits, assuming the existence of a feedback loop of minimal financial investment in marketing. This is in accordance with the research of Najev Čačija (2013), where the implementation of marketing activities while establishing long-term relations with the donor is the most important for successful fundraising, assuming the existence and feedback effect of fundraising success on defining marketing activities. The above would mean that by establishing a longer-term relationship with potential stakeholders (audience, donors, and sponsors), cultural institutions will carry out marketing activities in a simpler way (they will invest less time and financial resources in designing marketing activities) to collect the funds they need for further business. Namely, the goal of marketing in fundraising is not only to secure one-time (ad hoc) funds from different donors or audiences but also to keep them, which is a major challenge for people in cultural institutions and organizations in general. This confirms the findings of Kaiser and Egan (2013), who underline that it is necessary to focus on a long-term relationship with the donor, not only on one-time activities, but also to nurture and cultivate relationships with them in an organized manner to keep them in the long term because they are a safe input for us in the future.

However, for cultural institutions to be able to carry out marketing activities, it is necessary, in addition to having a marketing plan, to have a person or a department in the organization who will be responsible for this type of work (Buljubašić, 2015; Kaiser, 2019), as well as to have the experience and knowledge in the use of marketing principles and activities (Najev Čačija 2013), as well as different marketing strategies, such as nonconventional marketing, whose main feature is creativity and minimal financial investments (Buljubašić et al., 2020a), which is extremely desirable for cultural institutions facing a reduction in (public) financial resources (Bestvina Bukvić et al., 2018; Bestvina Bukvić et al., 2015). Balog (2010) states that in the conditions of reduced financial resources, additional involvement of cultural institutions in fundraising is needed, in the sense that they are willing to do additional work unpaid by the state. Hence, the author believes that good cultural institutions are recognized, among other things, by the constant growth of the share of financing from their own sources, especially in conditions of socioeconomic transition and economic recession. Therefore, the importance of developing fundraising skills (how to implement it, how to identify and maintain contacts with donors, sponsors, target groups and audiences, etc.) is evident, as this could enable the productive and continuous work of cultural organizations, as well as the necessary adaptation to rapid social changes (Balog, 2010). Considering the potential that unconventional marketing has in cultural institutions in the fundraising segment, it is necessary to understand the importance of applying marketing activities to the benefit of the financial results of cultural institutions and to employ or train employees in the field of marketing (Najev-Čačija, 2013) and to continuously invest in their knowledge considering the different possibilities of applying marketing and the global or technological changes to which it is necessary to adapt. Therefore, additional investment in human resources and expertise in marketing and fundraising skills appears to be the key to the future survival of cultural institutions. In this segment, in addition to the organizational distribution within the organization, the importance of the role of the state and cultural policy holders in providing support in improving the activities of such institutions through “defining appropriate regulations, motivational models, information, education, networking, because it seems that the measures that were inadequate” (Bestvina Bukvić et al., 2018, 436).

Depending on the type of cultural institution included in the sample (galleries, theatres, museums), the results of the empirical research show that there is a statistically significant difference between theatres and museums in understanding the importance of unconventional marketing in contributing to the increase in the number of visitors that influence the increase in the institution's own income and ultimately increasing profits. It was stated in accordance with the research (Bestvina Bukvić et al., 2017; Balog, 2011) that marketing must be adapted to the industry itself, i.e., the institution and the specific demographic characteristics of its target group, as well as that the fundraising model (Najev Čačija, 2013) should include all elements of marketing management: analysis, planning, implementation and control. Therefore, it is necessary to choose and shape an appropriate marketing strategy in accordance with the previous analysis of all stakeholders, i.e., target groups, which will, among other things, affect the success in fundraising and thus also the business (financial) results of the cultural institution.

Conclusion

For cultural institutions to fulfill their goals and ensure stable growth in the future, they need financial resources. Considering the continuous reduction of funds from public sources for financing their business, cultural organizations must turn to fundraising activities and obtain financial resources from other (alternative, market) sources. The paper analyzes the role and importance of marketing for the purpose of collecting funds in the cultural sector, and determines that marketing and fundraising are inseparable activities because the successful application of any marketing strategy affects easier and improved fundraising. The empirical research in this paper focuses on the application of unconventional marketing in fundraising by increasing the number of audiences and achieving a higher own income and ultimately a better financial result for cultural institutions. The results of the survey in 225 cultural institutions (galleries, theaters, and museums) in the Republic of Croatia established the statistical significance that unconventional marketing is recognized as important in collecting funds from the audience and making a profit, assuming the existence of a feedback loop of minimal financial investment in marketing. A statistically significant difference in dependence on the type

of cultural institution was found in theatres and museums. Therefore, if good, appropriate marketing is applied in cultural institutions in accordance with the target stakeholders, it is possible for it to achieve exceptional business results but also achieve a better connection with all stakeholders that are important for its operation and development. With the aim of improving the application of fundraising for the purpose of better financial operations of cultural institutions, the importance of applying a marketing approach in fundraising (attracting a larger number of audiences, potential donors, and sponsors) is noted. Likewise, the need for additional investment in human resources in the field of fundraising and (nonconventional) marketing in cultural institutions in the Republic of Croatia is indicated, given that the lack of knowledge and experience in this area was determined in the theoretical part of the research.

The results of this research can motivate cultural institutions to apply marketing in fundraising, that is, to understand the role of marketing and the application of an appropriate marketing strategy for the challenge of collecting additional financial resources. The limitation of the research refers to the absence of research in the subject area in relation to the form of ownership of the cultural institution (private and public), since it is a factor that significantly defines the way of doing business, which is also a recommendation for future research.

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MOĆ (NEKONVENCIONALNOG) MARKETINGA U FUNDRAISINGU: IZ PERSPEKTIVE KULTURNOG SEKTORA

Sažetak

Ovaj rad analizira važnost i primjenu marketinga za prikupljanje financijskih sredstava u kulturnom sektoru. Naime, uslijed ograničenih javnih financijskih sredstava i društvenih promjena općenito, kulturni sektor treba se okrenuti tržištu i novim izvorima financiranja te provoditi strategiju fundraisinga odnosno aktivnosti privlačenja financijskih sredstava iz različitih izvora kako bi osigurali prihode neophodne za svoj rad i održivost. Kako bi bili uspješni u fundraisingu i osigurali stabilno poslovanje, kulturni sektor treba provoditi različite aktivnosti koje su prvenstveno svojstvene profitnom sektoru (planiranje, menadžment, marketing, analiza), što uključuje i poduzetnički način razmišljanja i djelovanja. Cilj rada je identificirati ulogu marketinga u fundraisingu te učinkovitost marketinških strategija na uspjeh u fundraisingu u kulturnim institucijama. U radu je provedeno empirijsko istraživanje na kulturnim institucijama u Republici Hrvatskoj s naglaskom na primjenu nekonvencionalnog marketinga u svrhu prikupljanja sredstava. Utvrđuje se da takva vrsta marketinga utječe na uspješno prikupljanje sredstava te u konačnici i na uspješnost poslovanja i financijski rezultat kulturne institucije. Rezultatima istraživanja ukazuje se na potrebu primjene odgovarajuće marketinške strategije u svrhu uspješnog fundraisinga, kao i potrebu edukacije djelatnika kulturnih institucija u području marketinga i fundraisinga.

Ključne riječi: fundraising, financiranje, kulturni sektor, (nekonvencionalni) marketing