Art Collections as a Strategy Tool: a Typology based on the Belgian Financial Sector

M. Lindenberg and K. Oosterlinck

Reasons why organizations sponsor artistic and cultural events have attracted a lot of scholarly attention. However, understanding why organizations create and develop their own collections has remained largely under investigated. This is especially striking in the financial sector where companies are well-known for owning substantial art collections. This paper has been written in order to consider two distinct aspects: understanding why financial institutions in Belgium have begun to create their own art collections and how they developed them, and then suggesting a model which enables to categorize each actor according to their policies of acquisition and their managerial objective.

JEL Classifications: Z11

Keywords: art collection, Belgian banks, communication management, patronage, typology
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Abstract
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Introduction

Even though corporate art collections can be traced back to at least the end of the 19th century, little academic research has been devoted to their role in terms of management. On the basis of a study focusing on the USA, Martorella (1990) reports three main motives for collecting art: to improve public-relations and brand image, to enhance the benefit for employees and finally, in the prospect of diversifying investment. Martorella’s work may however be viewed as pioneering. Indeed, as stated by Kottasz et al (2007) academic research dedicated to the reasons for expanding and promoting corporate collections has been sparse. By contrast, a large literature has been centered on companies’ motivations to support artistic and cultural events. Based on a survey conducted in Ireland, O’Hagan and Harvey (2000) suggest that the motivation for sponsorship may be reduced to four main categories: promotion of image or name, supply-chain cohesion, rent seeking and non monetary benefits for manager and owners. Leclair and Gordon (2000) find a positive correlation between advertising expenditures and corporate contributing to the arts, inducing that image promotion represents the main reason to sponsor art. The motivations underlying philanthropic practices have also been investigated. Young and Burlingame (1996) present four main ones: a neo-classical/productivity motivation (in which case the main motivation is future profit), an ethical/altruistic motivation, a political model of philanthropy and a stakeholder motivation. For many of these, it is fairly easy to draw a clear parallel with sponsorship objectives.

Kottasz et al. (2007) survey the practitioner literature and list commonly encountered motivations for corporations to collect art. Most of these motivations actually overlap with the incentives to support art in general. However investment, statement about the owner and the signaling of a certain form of corporate culture seem specific to corporate art collections and
are rarely mentioned in other cases. The nature of the art collection partially explains these differences. For both sponsorship and philanthropy the main benefits enjoyed by the sponsor are intangible (advertising or name promotion for example), whereas in the case of an art collection, the corporation invests in a tangible asset. Consequently, the collection can be viewed as one asset amongst many others. Another difference stems from the fact that, regarding sponsorship, the sponsors need to invest even more to actually make use of the sponsor-sponsored relationship (Cornwell, Weeks and Roy, 2005). For art collections, this may or may not be the case: if investment is the main purpose to acquire artworks, then there is little need to advertise the collection extensively. On the contrary, if the collection is meant to improve the company’s image then additional investment to exhibit it or lending a part of the artworks will be required.

Since the 1980’s, financial institutions have been viewed as the most active corporate buyers of art (Martorella, 1990, p. 59; Wu, 2003, p. 225). The reasons for bankers to create and enhance corporate art collections have mostly been analyzed in Anglo-Saxon countries (Martorella, 1990; Wu, 2003). More recently, the approach devised by an active bank on a truly global level has been investigated by Kottasz et al. (2007). Based on the interviews of fourteen senior executives at the Deutsche Bank, they show that the development of the company’s corporate identity was the main motivation behind the creation of the art collection. This emphasis on the group’s identity explains why financial returns were not considered relevant while enhancing employees’ motivation and morale and, though to a lesser extent, supporting the arts community were the main objectives. Even though the Deutsche Bank case study provides insightful conclusions, it remains a specific case since this organization holds the world’s largest corporate art collection. However, regarding continental Europe, there is to our knowledge, no in depth-analysis which seeks to understand the motivations to establish art collections in the financial sector. Since the relationship between the arts and the European corporate world markedly differs from the Anglo-Saxon society, it is certainly worthwhile to explore whether corporate motivations are divergent worldwide.

The Belgian case is interesting in several respects. First, the Belgian financial sector has a long history and was a powerful actor up till the last crisis. As a matter of fact, following the country’s independence in 1830, Belgium was “at the cradle of universal banking” (Buyst and Maes, 2009). By the end of the 19th century, Brussels was one of the major financial centers with one of the world’s main stock exchanges and with an extremely well developed banking
sector. Second, Belgian banks, as many financial institutions around the world, have been precursors in establishing art collections (Wu, 2003). Already more than sixty years ago, the Banque de Bruxelles was organizing its first prestigious exhibition at its main headquarter and more modest ones in its agencies (BBL, 1995). Other Belgian banks followed their forerunner: The Banque Lambert has acquired a preeminent place in the art world thanks most notably to the actions of one of its chief executives, the Baron Léon Lambert. The Générale de Banque also had a tradition of collecting artworks and lending them across a network of national or international exhibitions (Randaxhe, 1984). This trend continued until today. As a matter of fact Dexia and ING own two of the most impressive art collection in Belgium (Prométhée, 2008 ; Bounameaux, Ginsburgh, 2008).

This paper has two objectives: Firstly, understanding why financial institutions in Belgium have begun to create their own art collections and the way they developed them and, secondly, suggesting a model which enables the categorization of actors according to their acquisition policies. The body of the paper is structured as follows. Section 1 describes the methodology and the banks selected in the study. Section 2 presents the main results; section 3 suggests a new typology of bank art collection while section 4 concludes.

Section 1: Methodology and banks selection

In order to capture the motivations that lead Belgian banks to collect art, and since there is no database listing art collections owned by financial institutions, we considered, at first, the ranking established by Febelfin (Fédération belge du secteur financier, 2008) which lists banks according to their total assets. Forty institutions were contacted out of which nineteen actually owned an art collection managed in Belgium (see Appendix 1). The degree of availability and collaboration from the curators allowed to analyze eight collections: Fortis Banque\(^1\), Dexia Banque, ING Belgique, AXA Belgium, Deutsche Bank, Delta Lloyd Bank, Banque Degroof and Ethias. Finally, the National Bank and Cera, which were not listed in the ranking previously mentioned, were also added into the study as they both hold important art collections.

\(^1\) Since then merged to form BNP Paribas Fortis
Table 1: Financial institutions analyzed in the sample

<table>
<thead>
<tr>
<th>Name</th>
<th>Creation Date</th>
<th>Number of art pieces (May 2009)</th>
<th>Number of artists (May 2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Fortis Bank</td>
<td>1950</td>
<td>1,600</td>
<td>800</td>
</tr>
<tr>
<td>2. Dexia Bank</td>
<td>1965</td>
<td>4,500</td>
<td>2,000</td>
</tr>
<tr>
<td>3. ING Belgium</td>
<td>1960</td>
<td>4,800</td>
<td>2,000</td>
</tr>
<tr>
<td>4. AXA Belgium</td>
<td>1967</td>
<td>650</td>
<td>170</td>
</tr>
<tr>
<td>5. Deutsche Bank</td>
<td>1967</td>
<td>53,000</td>
<td>n/a</td>
</tr>
<tr>
<td>6. Delta Lloyd Bank</td>
<td>n/a</td>
<td>130</td>
<td>40</td>
</tr>
<tr>
<td>7. Degroof Bank</td>
<td>1950</td>
<td>135</td>
<td>80</td>
</tr>
<tr>
<td>8. Ethias</td>
<td>1920</td>
<td>385</td>
<td>250</td>
</tr>
<tr>
<td>9. Cera</td>
<td>1998</td>
<td>500</td>
<td>100</td>
</tr>
<tr>
<td>10. National Bank of Belgium</td>
<td>1950</td>
<td>1,800</td>
<td>849</td>
</tr>
</tbody>
</table>

Source: Interviews, personal analysis

Eventually, the sample includes the greatest collections held by financial institutions, which are also among the most important ones in the entrepreneurial sphere in Belgium (Bounameaux, Ginsburgh, 2008). In this respect the Belgian case presents many similarities with the USA where the financial sector owns 33% of total corporate collections (Martorella, 1990, p. 56). The median number of artworks (650) is also strikingly close to the one observed in the USA (600, Martorella, 1990, p. 56). Our sample has however a smaller range than the one analyzed by Martorella (1990, 56). In the USA, collections with less than 100 artworks represent more than 10% of the total whereas in our case the smallest one includes 130 artworks. Anyhow, the maximum size of the collection surpassed 6,000 artworks in the USA, whereas the largest in our sample contains 4,800 artworks. These variances are probably due to the many differences (the size of the economy and of the finance industry being the most obvious one) which exist between Belgium and the USA.

In order to compare the ten banks’ collections history and philosophy of acquisition, semi-structured interviews were organized with the collections managers (see Appendix 2). They allowed the interviewer to follow a certain form of logic during the interviews and to create a
fluent conversation to let the interviewee speak freely and openly while covering all the themes to be addressed (Patton, 1990). The curators were also asked more precise questions to complete the answers and deepen further each topic. Questions remained relatively short, open and non suggestive. In order to capture a maximum of data, the interviewee was encouraged to add complementary relevant information. The interview generally lasted one to two hours. The minutes of the meeting were written and transmitted to the collection manager for corrections and additional information.

Out of the ten banks selected, the Deutsche Bank collection manager was the only to refuse being interviewed claiming that there was enough information on the bank’s website. Following the merger between Deutsche Bank and Crédit Lyonnais Belgique, the collection from the Belgian branch is not managed anymore in Belgium but from the group headquarter in Germany. The collection was kept in the analysis in order to observe divergences or similarities between Belgian and foreign institutions in managing art collections.

The description of the collections was essentially based on the information delivered during the semi-structured interviews. Data from press documents, brochures and catalogues, as well as the Internet were also used before and after each interview to add information. Eventually, statements which explained the motivations of collecting art were cross-checked with what could be observed in practice. For example, when the bank claimed to collect art for the benefit of its employees, we controlled whether artworks were indeed displayed in offices. When corporate social responsibility was mentioned, we investigated whether the artworks were exhibited or lent to exhibitions or whether the bank really supported a given community of artists. We also examined whether the bank tracked the value of its artworks or sold these when prices were viewed as high. Finally, we pointed whether managers tried to use their collection in their advertisement or in their communication to enhance their image.

Section 2: Reasons for buying art and developing art collections

Many reasons can potentially motivate financial institutions to establish a collection. In view of the literature, five principal dimensions were explored in the interviews: well being, education, brand image, corporate philanthropy and investment. To those reasons, other
factors can also be added such as emotions that can be decisive when selecting an art piece. Obviously several motivations may be expressed by the various actors and in fact all banks mentioned more than one reason for buying art. As art collections can serve different purposes at the same time, it would be unwise to use art pieces only for philanthropic ones without considering the company’s brand image, the decorative aspect or the economic value of the purchase. Eventually some incentives may not have been formally evoked during the interviews but nonetheless be relevant. This is why both collection management and promotion processes determined by each financial institution were studied.

Before providing a detailed analysis of the results, the main findings of the interviews are shortly presented in Table 2. In a nutshell, the interviews showed that eight out of ten corporate art collections aimed at improving the workplace infrastructures, procuring a sense of well being and stimulating senses. Exhibiting art pieces in the building is supposed to contribute to the cultural and intellectual education of the collaborators, promoting at the same time open-mindedness and creativity. Buying art also serves as a relevant communication vector of the brand image the company wants to transmit in eight cases out of ten. In addition, art collections are used as a tool of corporate philanthropy in seven institutions out of ten. Finally, investment was mentioned by only one actor, AXA Belgium, confirming that its collection is also an investment enabling risk diversification.

**Table 2: Essential purposes of the collections**

<table>
<thead>
<tr>
<th>Well being</th>
<th>Education</th>
<th>Brand image</th>
<th>Patronage</th>
<th>Investment</th>
<th>Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>2</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>2</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>2</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Actors</td>
<td>8/10</td>
<td>7/10</td>
<td>8/10</td>
<td>7/10</td>
<td>1/10</td>
</tr>
</tbody>
</table>

Source: Interviews, personal analysis
Well being

Art pieces can be bought to decorate, and therefore stimulate the personnel creativity, and to be a source of pleasure and mental benefit. Indeed Frey and Eichenberger (1995) suggest that the return from possessing art does not necessarily yield a financial return but also a psychic one. In this respect most of these banks behave like private collectors, as collecting art is generally an activity undertaken by the leading persons of an organization who consider art as a consumption good generating satisfaction. They actually act as ‘pure collectors’ and remain insensitive to market variations. This behavior has been confirmed by analyzing the reasons to invest.

All the actors we have interviewed promote their collection by exhibiting it in offices, rooms, corridors and -to a smaller extent- in agencies. Dexia has organized the upper floor of its main headquarters in such a way as to permanently exhibit about a hundred art pieces, while ING tends to integrate art in the buildings architecture, by themes, respecting the dynamics of artwork according to the departments. Most of these works are obviously seen by the same people everyday even though some of the analyzed actors mentioned a willingness to implement -or improve in some cases- a rotational system in order to offer everyone the opportunity to see the whole collection.

AXA and the National Bank have specified that as a policy they never purchase artworks which have been subject to polemics but which evoke positive sensations and feelings in order to create a pleasant work place. In this respect these institutions chose a policy quite close to their US counterparts. Indeed, Wu (2003, p. 260) stresses that “works that may be politically, socially and in America racially and religiously controversial are considered inappropriate for display in corporate environments”.

Brand image improvement

In a competitive market it is essential to establish a brand image to promote and enrich one’s products or services upon their real value (Kotler and Scheff, 1997). Therefore a company’s brand image can be developed and strengthened by an additional communication plan using the art collection as an endorsement. Even though financial institutions often developed their
collections to communicate an idea of exclusiveness and elitism, art collections can nowadays help promote other perceptions and lead to positive associations with attributes such as dynamism or innovation, thus strengthening a company’s positioning.

In the case of Delta Lloyd and Degroof, art collections are only exhibited in individual offices and private spaces reserved to VIP clients and the press. The role of the collection is thus to transmit an image of prestige and exclusiveness. Other institutions, such as Deutsche Bank, AXA or ING, try to be perceived as innovative and international. As a consequence they purchase artworks mostly from innovative artists coming from a large variety of countries.

Banks also promote their collection by organizing public and private events. These events can be seen as a relational marketing tool used to establish a sustainable privileged relationship with stakeholders by getting them involved in ethical and social actions lead by the company (Rosé, Barthe, Le Moigne, 2006). For instance, Degroof Bank, Ethias and ING often organize events and private parties where both clients and artists are invited and where the artworks of their respective collection are exhibited. “It is a real opportunity for the artist, who does not need to pay a single euro to show his work, and for our clients who are directly introduced to them”, stated Lucien Ramacciotti, member of Ethi’Art committee for the management of Ethias’ art collection.

Corporate philanthropy

The purchase of artworks realized by local artists may allow the corporation to present itself as corporately responsible vis-à-vis the local community. Financial institutions began their tradition of corporate cultural philanthropy in the 1970’s in order to improve their image considered as isolated, impersonal and anonymous companies (Fievet, 2004). Indeed, whilst looking for a new model of leadership, companies have progressively implemented a win-win strategy where the corporate values and culture represent their social responsibility, the protection of the environment and the personnel’s satisfaction at the same time (Piquet, Tobelem, 2006; Morin, 2006).

Companies that have implemented policies of corporate patronage can benefit from many indirect advantages such as strengthening the brand image. This is why most banks simultaneously evoked philanthropy and image as reasons for developing an art collection.
This motivation is in fact likely to exist for all corporations even when not explicitly mentioned. As a matter of fact, confessing doing good in order to look good seems to break the effects of the good (Ariely, Bracha, Meier, 2007).

Here is an illustration. For Fortis, Dexia and the National Bank, the collection represents their way to “give back to the society what it has brought them”. In other words, those institutions want to communicate the image of being a socially responsible company, promoting Belgian art and stimulating contemporary creations. For ING and Deutsche Bank, the collection has to broadcast the image of modern banks open to the society changes. They want to be seen as “in-vogue” companies by purchasing innovative and communicative art.

Among companies that mentioned corporate philanthropy as motivation, Cera, the National Bank, Fortis and Ethias only buy art pieces from young and emergent Belgian artists in order to promote Belgian creativity. Purchases of works from “regional” artists are also frequent in the USA but are mainly driven, according to Martorella (1990, p. 28), by considerations of price and availability. Thus even though a similar trend is observed in the USA and in Belgium, it seems that the reasons differ for American and Belgian financial institutions. This difference may be due to several factors. Buying from Belgian artists is almost a form of political statement in a country regularly expected to break-up because of linguistic tensions. Moreover, the recent trend to be perceived as “corporately responsible” as possible was not taken into account by Martorella (1990) as it was not so strong when her study was conducted. Some companies, such as ING and Deutsche Bank, are interested in purchasing foreign and emergent artists whereas AXA only considers famous and international personalities as they want to be perceived as global.

Philanthropic actions are communicated through a wide range of communication channels such as the banks’ websites and the Intranet, magazines and catalogue publications and via the press. A very explicit example is the Deutsche Bank with its complete set of communication tools. Cera Bank also maintains excellent relationships with the press which leads to regular media fallout in specialized magazines. Ethias and the National Bank essentially communicate their philanthropic actions to the personnel through the Intranet and the employee journal of the National Bank.
Education

By collecting and preserving a series of art pieces from a same artist, banks act like real art museums and play, therefore, the role of educator (Hooper-Greenhill, 1999). Several artworks may generate endless discussions promoting exchanges of ideas. Art collection may also be used as a tool to stimulate creativity. In the case of Novo Nordisk, a pharmaceutical company, the collection acts clearly as a statement: employees are “allowed to think differently, (…) make mistakes and learn from them” (Darsø, 2004).

Most financial actors tend to show the majority of their art collection to collaborators, employees and clients with the aim to pursue their stakeholders’ cultural education. Education and corporate philanthropy were, most of the time, mentioned simultaneously and one might believe that they are linked to each other. This relationship can be explained by the returns that may offer patronage as a tool of social and cultural enrichment for the personnel and the general public. In order to encourage art, not only is it important to assist artists’ creativity but also to promote art pieces in the eyes of the general public. Therefore, educating citizens enables to give them the opportunity to discover the art environment and develop knowledge. Corporate philanthropy can thus be seen on its own merit.

Art collections also find their educational function through rotational systems, lending artwork to cultural societies and museums, guided tours and exhibitions organized by the banks. For instance, Dexia and ING temporarily lend art pieces from their collection, when an exhibition takes place and which is dedicated to an artist whose work they own. Deutsche Bank and Cera permanently lend artworks respectively to the Städel Museum in Frankfort, and to the palliative center of the Gent hospital and to the KBC headquarters. AXA and ING organize, since the 1980’ for the latter, guided tours for the personnel and on demand for other interested groups of people. Eventually, Deutsche Bank regularly exhibits its collection at the Deutsche Guggenheim in Berlin.
Art investment

Finally, managing an art capital allows companies to diversify their investment portfolio even though the optimal proportion to invest in art remains uneasy to estimate (Mei and Moses, 2002, Campbell, 2004, Robertson, 2005, Renneboog and Spaenjers, 2009). Moreover, there are several fiscal systems in Belgium that permit companies to benefit from fiscal advantages (Bounameux and Ginsburgh, 2008).

Although investing in art may constitute a reason to develop a collection, it was mentioned only once during the interviews. For AXA, acquiring art brings a better work atmosphere but also allows "diversifying investments". Even though investment objectives were seldom mentioned, it is difficult to admit that institutions did not consider the option and one might believe that the investment motivation well and truly exists even if not stated. For example, Cera and ING never explicitly mentioned investment objectives but they claim that their selection and purchasing philosophies are based on such strict criterion that their acquisitions have lead to precise and thoughtful placements with financial surplus values. Indeed, most banks have developed a prospecting process steered by internal or external art experts who visit art schools, galleries and museums, and attend national and international art fairs in order to observe the current trends and identify emergent and talented artists on the market.

Moreover, most institutions deploy management and promotion processes to maintain or improve the collection’s value such as the establishment, in many cases, of a secured air-conditioned room and an annual budget for framing, restorations and insurances. Half of the studied actors evaluate part or whole of their collection regularly or when the art market exhibits strong changes. For Cera and the National Bank, those recurrent estimations justify their selection criterion and philanthropic actions whose goal is to promote Belgian art and make artists’ market value increase.

However, the banks’ purchasing logic does not refer to a speculation strategy where art pieces are bought in order to be sold with a surplus value. Firstly, art works are acted in the balance sheet as fixed assets, confirming the willingness to keep them inside the establishment and not transforming them into a lucrative activity. Sometimes, artworks are sold to homogenize the collection and to strengthen a given purchasing philosophy. Only Delta Lloyd Bank is about to sell a major part of its collection in the context of the sale of one of its buildings where art works are exhibited.
Section 3: Banks typology according to art acquisition policies and collections history

The analysis and the understanding of the diverse reasons for financial companies to regularly acquire art pieces have shown both diverging and converging views. As mentioned above, the actors have declared creating and developing their collection for a set of different purposes. Indeed each of them has stated more than one reason for constituting a corporate art collection and it seems at first sight that each bank follows its own logic related to its history. Nonetheless, some common patterns could be observed and enabled identifying several subgroups by focusing on the two most discriminating criteria: “brand image”, which actually defines how an art collection can contribute to the communication of the company’s image, and “patronage”, which determines how much the company tries to show itself as socially responsible.

To quantify their relative importance, we devised a scale for each criterion. Based on the interviews, we identified seven elements which could be viewed as reflecting a form of patronage. For each fulfilled criteria, companies were given two points. The selected criterions were most of the time related to the artists themselves. Companies were thought to pursue patronage if they bought artworks from 1) Contemporary Artists, 2) Belgian Artists, 3) Emerging Artists (this includes also artists perceived as particularly innovative by the collection curators), 4) Artists in financial need but also if they made 5) An attempt to buy from as many Flemish as Walloon artists, 6) Provided non-financial help to artists and 7) If they had projects to promote the arts. On the communication point of view, we distinguished between internal and external communication. Elements related to internal communication got 1 point, the others 2. As a whole eleven communication tools were considered, six of them mainly internal (Exhibition in headquarters and offices, Guided tours, Specification sheets, Intranet, Magazines or brochures and eventually Catalogues), five of them mainly external (Loans, Presence in galleries or museums, the Internet, Press and Art related events). On top of these elements, one point was added if the artist was considered as famous (i.e.: there is a well functioning market for this artist) and if the choice of artwork results from the willingness to avoid controversy.

In this two-dimension (patronage and communication) framework, several theoretical approaches may be expected. If the banks aim at creating feelings of exclusiveness thanks to
its collection, then one would expect patronage and communication to be minimal. On the other hand, banks wishing to be perceived as having a strong corporate social responsibility will both rank high on patronage and exploit it thanks to an ad-hoc communication. In this case both factors will be highly ranked. Alternatively, banks may wish to communicate a lot even though they only score highly on one of the dimensions of patronage (for example the link with local artists).

The empirical exercise seems to confirm the theoretical view as can be seen on Figure 1. First of all, the managerial approaches differ widely from one bank to another. For some banks, the main objective of the collection is indeed to provide a feeling of exclusiveness to its clients and as a consequence no attempt is made to communicate about the collection. For others, communication seems to be the “raison d’être” of the collection. Secondly, the patterns in terms of communication and patronage allow creating a typology of managerial approaches. As a matter of fact two major groups stand out: one with low communication and low patronage, further referred to as the Secret Passionates and one with an average communication coupled to an average level of patronage, further referred to as the State’s Heirs. Deutsche Bank may be viewed as an exceptional case because of several specificities: its large score in terms of communication, its international focus as well as its unique position in terms of corporate art collection. Indeed, this bank was the first willing to communicate its corporate image of avant-gardism illustrated by the adoption of the “Art at work” concept, an ultra-modern architecture of its headquarters and an extremely contemporary collection. Eventually, two banks attract attention for their high level of patronage; they are further referred to as the Socially Responsible.
The Secret Passionates

Delta Lloyd, the Degroof Bank, AXA and Fortis Bank are categorized as *Secret Passionates*. Their collections which remain mainly unknown to the general public were created thanks to the passion of the high management of those institutions; a passion that was transmitted from generations to generations. This love can be found as well on the Degroof side with the Goldschmidt as on the Delta Lloyd side with the Nagelmackers family. The AXA and Fortis collections have also emerged from the impulse of their directors who possess a great sensitiveness to art and wished to work in a pleasant art environment surrounded by art creations.

The biggest part of their collection has been constituted for a personal use and is therefore accessible to the management and the VIP clients only -in the directors ‘offices and private salons- in order to create an idea of secrecy and exclusiveness. Art is therefore a way to communicate their positioning. Indeed Delta Lloyd and Fortis rather meet their main customers in small rooms ornamented by masterpieces from their collection. The Degroof
Bank supports cultural events in order to gather its important clients in a more relaxed environment, such as preview showings or private exhibitions for select-groups, while AXA organizes private visits for certain groups of clubs members, playing therefore a role of social networker.

A particularity of this category is that it gathers some banks specialized in asset management for fortunate people, an activity that requires a strong trust relationship with demanding clients who look for a flawless service, in the best conditions, with a touch of style and culture, representing their belonging to a relatively high social status.

The Secret Passionates have built their art collection, step by step, by purchasing works that the direction members fell in love with. The collection will probably continue to develop itself according to the managers’ and owners’ choices and passion.

In the absence of a clear acquisition guideline, the perpetuation of the collection may be at risk if new managers/owners do not share their forerunners’ passion. The image value conferred by the collection is likely to prevent any quick disappearance but on the long run such collections, managed only by the top management, may come to be seen as non-monetary benefits for the top executives and their legitimacy may be put into question. Indeed one may wonder whether the situation faced by Delta Lloyd, which is selling its collection, may not reflect such a change.

More recently, the conservator of the Fortis’ collection has declared her willingness to communicate more about it. In fact, Fortis wishes to better transmit its social role by implementing a new strategy leading to the purchase of Belgian emerging artists and by organizing more cultural events open to a larger public. If this repositioning takes place they are likely to join the second group of banks: the State’s Heirs.

The State’s Heirs

The State’s Heirs gathers Dexia Bank, ING and the National Bank. These institutions are characterized by several common traits as well as an average communication/patronage strategy.
This positioning is reflected by collections presenting artworks that have a strong link with Belgium, either because the collections were created historically with a unique focus on local creations and/or because of the banks’ contemporaneous acquisition policies. The “Belgian” connection implies a double message. First of all it tends to show the banks’ proximity with their customers and second it supposes their willingness to promote young national artists whose creations can remain on the Belgian territory and be accessible to the population. In fact, by acquiring work realized by major Belgian artists since the 15th century, the State’s Heirs allow the conservation of this heritage inside the country. Those banks thus also claim to buy art in order to protect the “national treasures”.

In order to communicate these ideas, this category mostly refers its art policies through its website where the large public can get to know the history and the content of the collections. Moreover, this type of institutions specifically organizes philanthropic activities such as art games in order to develop young people’s interest in art. Dexia coordinates the Dexia Art and Dexia Classics competitions for young artists and musicians, while the National Bank plays its role of Central Bank by financing different cultural projects managed by the provinces and the regions, such as the Museum of Natural Sciences of Brussels (the Dinosaurs gallery).

Another common characteristic shared by these institutions is the origin of their collections. The State’s Heirs come from a multiple variety of private and public fusions, where the public branches were previously the owners of numerous pieces of art. The Dexia collection is the result of important purchases of Belgian artists initiated by the Crédit communal and Paribas Belgium. As far as ING is concerned, the fusion of the Bank of Brussels collection and the Lambert Bank one in 1975 also gathered numerous and impressive artworks created in the country. The National Bank of Belgium dedicates all of its funding to the acquisition of artwork made by national artists.

As mentioned before, Fortis seems to reposition itself in a way very close to the State’s Heirs and its history seems to justify this choice. Indeed, two of the previous banks, which gave birth to Fortis, the C.G.E.R. (Caisse Générale d’Epargne et de Retraite) and the S.N.C.I. (Société nationale de Crédit à l’Industrie), had both developed dynamic culture policies. Furthermore, even though the previous purchase policies used to be unclear, today’s strategy aims at concentrating on emerging national artists defending the bank’s history and proximity towards the local community.
As for ING, the actions undertaken by the bank tend to indicate that they aim to get an image closer to the one enjoyed by Deutsche Bank: be perceived as innovative and cosmopolitan. To be internationally-oriented, this institution purchases work of international artists and has begun to constitute other international collections managed by its foreign entities. This positioning is also communicated thanks to additional programs: Deutsche Bank supports the Solar Impulse project implemented to develop solar energy aircrafts, whereas ING Chances for Children offers teaching programs to children from emerging countries. Moreover, both institutions regularly exhibit their collection and organize, on a wide scale, cultural events open to the general public. Deutsche Bank organizes its exhibitions at the Deutsche Guggenheim in Berlin introducing young talents from all over the world thanks to many prices and projects. The exhibitions coordinated by ING often take place at the Coudenberg Hotel in Brussels. For these events, the bank collaborates with major art institutions, like the Chinese Museum, the Louvre, the Metropolitan and the Hermitage, attracting up to 150,000 visitors.

These changes of profile generate some interrogations. In fact, the State’s Heirs have an ambiguous positioning: they can neither be viewed as really socially responsible, nor can they claim to provide a sensation of exclusiveness to their clients. As far as management is concerned, this “in-between” strategy is probably not optimal. At best, it should be viewed as a transition position. Therefore, banks from this category should revise their policy regarding their art collection to make it fit with their overall corporate philosophy.

The Socially Responsible

Finally, the Socially Responsible have a very strong commitment to society: their social objective is clearly a very important issue. Cera and Ethias share this common interest for patronage but exhibit a strong divergence in terms of communication. Whereas Cera uses many channels to communicate, Ethias seems to be more “shy” or less willing to show its set of actions to a broad public. One may wonder whether they may not “wish to do good to look good because doing so seems to break the effect of the good”.

This profile buys works from artists who are in a difficult financial situation, who cannot meet their artistic needs and fail to develop their creative potential. In addition to purchasing artists’
work they collaborate in numerous social and cultural events that require the cooperative members’ participation and transparency in their activities. According to the *Socially Responsible*, both buying art pieces and supporting artists allow them to blossom and launch their carrier. For instance, Ethias is willing to help artists who suffer from difficult financial situations and organizes internal exhibitions to make artists meet its important clients -mostly constituted of municipal entities- and the personnel. In the same way, Cera is responsible for artwork publications, art exhibitions and financial assistance for artists in need. This category also takes particular care for combing artists in both Walloon and Flemish regions, in total equity.

One of their particularities is that this category maintains the standards of the cooperative: equity, transparency and solidarity (Côté, Chaves, 2001). In the case of Cera, those standards are based on “cooperation”, “solidarity” and “respect of the individual”, which were Cera’s historical values before 1998. Nowadays Ethias is not a cooperative anymore, as it has become a public limited company, but keeps nonetheless its historical values of solidarity and mutuality.

**Section 4: Conclusion**

The aim of the present paper consisted in studying a sample of the main corporate art collections within the Belgian financial sector and, on basis of this analysis, in elaborating a typology based on the banks’ purchasing and management policies.

The Belgian case appears extremely rich in several respects. As a matter of fact, Belgium possesses a banking sector with a long history as Brussels was considered as one of the world’s major financial centers at the end of the 19th century. Belgian banks were precursors in establishing art collections and organizing prestigious exhibitions. Eventually, the Belgian financial sector has, as in other countries, developed some of the countries’ most impressive corporate collections (the largest one of our sample contains up to 4,800 artworks).

The interviews conducted with each collection manager allowed discovering a multitude of reasons for establishing art collections. Most of these motivations align themselves with the banks’ own logic of collecting art. However some common patterns have been observed
which enabled us to subcategorize the sample according to the most discriminating indicators: “brand image”, expressing how an art collection can contribute to the communication of the company’s image, and “patronage”, determining how much a company tries to demonstrate how socially responsible it is.

The analysis resulted in defining three types of profiles according to the banks’ art management practices. The first of them gathers the Secret Passionates. They represent banks whose chief executives have a passion for art and culture, and who wished to establish a private collection for personal use. Therefore, acquisitions are made according to the management taste and little or no communication is made. The collections’ aim, beside the benefits to the management, is to provide an idea of exclusiveness to the clients. Unsurprisingly, most of the Secret Passionates operate in investment banking. The second group, the State’s Heirs, has historically constituted an art collection because of the bank’s public status. Collecting art is therefore a mean to legitimate their supports to national artists. Consequently information about the collection is available to the general public through average communication, as well as events and games promoting young artists. Nowadays, however, these banks need to reassess the purpose of their collection. They could probably ameliorate their return in terms of communication from their art pieces if they decided to invest more in communication. In a sense, these banks inherited a collection for which they do not always perceive a clear objective. The last profile portrays the Socially Responsible for which patronage constitutes the main objective. Collecting art mainly results from their willingness to support national artists in financial need. They either strongly communicate their support or rather keep a low profile, maybe to be viewed as doing good without claiming it.

There are neither good nor bad management practices for collecting art. Art management ways need to result from a conscious choice made by banks which decided to start (or inherited from) a collection. It is thus essential for a financial institution to make a clear decision by positioning itself in one or another category. This choice will guarantee the accurate and coherent management of the art collection. On one hand, the Secret Passionates and the Socially Responsible have a well-defined strategy. The State’s Heirs, on the other hand, seem to be in a phase of transition and whose philosophy could certainly be refined. Some of these banks are indeed moving towards what could become a new profile in Belgium: the Highly International which would represent banks pursuing the development of a collection in the way the Deutsche Bank did.
Appendix

Appendix 1: List of contacted institutions

The table below shows the first forty banks listed by Febelfin (2008) according the total assets.

If the institution has been contacted, owns an art collection managed in Belgium that could be analyzed, it is marked by “✓”.

If no response has been collected, it is marked by “n/a”.

If the institution does not own any collection, it is marked by “-”.

If the subsidiary does not own any collection but the parent company well, it is marked by “F”.

Source: Febelfin (2008), personal analysis

<table>
<thead>
<tr>
<th>Place</th>
<th>Dénomination</th>
<th>Contacted</th>
<th>Collection</th>
<th>Analyzed</th>
</tr>
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<tr>
<td>1</td>
<td>Fortis Banque (BNP Paribas)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>2</td>
<td>KBC Bank</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>3</td>
<td>Dexia Bank België</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>4</td>
<td>ING Belgique</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>5</td>
<td>Argenta Banque d’Epargne</td>
<td>✓</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Bank of New York Mellon</td>
<td>✓</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>AXA Bank Belgium</td>
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<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>8</td>
<td>Puilaetco Private Bankers</td>
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<td>✓</td>
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<td>9</td>
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<td>Record Bank</td>
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<td>12</td>
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<td>14</td>
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<td>15</td>
<td>JPMorgan International Bank Ltd</td>
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<td>16</td>
<td>Banque de la Poste</td>
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<tr>
<td>17</td>
<td>ABN-AMRO Bank</td>
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<td>18</td>
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<td>✓</td>
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<td>19</td>
<td>BNP Paribas</td>
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<td>Banco Bilbao Vizcaya Argentaria (BBVA)</td>
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<td>Delta Lloyd Bank</td>
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<td>23</td>
<td>JPMorgan Chase Bank, National Association</td>
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<td></td>
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<td>24</td>
<td>Crédit professionnel (BKCP)</td>
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<td>25</td>
<td>Rabobank Nederland</td>
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<td>F</td>
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<td>26</td>
<td>Citibank Belgium</td>
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<td></td>
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<tr>
<td>27</td>
<td>VDK Spaarbank</td>
<td>✓</td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>28</td>
<td>Bank J. Van Breda &amp; Co</td>
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<td></td>
<td>✓</td>
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<tr>
<td>29</td>
<td>Santander Benelux</td>
<td>✓</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>30</td>
<td>Van Lanschot Bankiers Belgique</td>
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<tr>
<td>31</td>
<td>Commerzbank</td>
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<td>✓</td>
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<tr>
<td>32</td>
<td>Banque Diamantaire Anversoise (KBC)</td>
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<tr>
<td>33</td>
<td>Banque CPH</td>
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<td>34</td>
<td>Ethias Banque</td>
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<tr>
<td>35</td>
<td>Banque Delen &amp; De Schaetzen</td>
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<td>36</td>
<td>Banca Monte Pascho Belgio</td>
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<td>37</td>
<td>Lloyds TSB Bank</td>
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<td>38</td>
<td>Deutsche Bank A.G.</td>
<td>F</td>
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<td></td>
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<tr>
<td>39</td>
<td>State Bank of India</td>
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<td></td>
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<tr>
<td>40</td>
<td>Onderling Beroepskrediet (BKCP)</td>
<td></td>
<td>n/a</td>
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</tbody>
</table>
Appendix 2: Questions asked during the semi-structured interviews

Analysis of the art collection

When was the collection created?

What types of artworks does the collection include? First or second mid of the 21st century, 20, 19, 18, 17th centuries... Engravings, paintings, sculptures, videos, photographs, music...

How many pieces does the collection include?

How many different artists does the collection represent?

Reasons to constitute the collection

What were and which are the current reasons to own an art collection? Historical reasons, patronage or sponsorship, improvement of the work place, decoration of offices and agencies, improvement of the corporate image and visibility, investments, diversified investment portfolio...

Constitution of the collection

Who decides the budgets allocated to the purchase of the new art pieces?

How is the budget determined? Annually based, according to the pieces prices, decided by whom...?

Has the budget varied during the last years? Decrease, increase, reasons of fluctuations...

How large is the budget?

What is the average price per artwork?

How many pieces does the corporation buy on annual basis?

What are the selection criteria used when purchasing? Are the criteria based on the artist (age, national or international fame, origins, quality, experience, financial situation...), the market price, the type of art (painting, sculpture, photography, music...) or style (classical, modern, contemporaneous...)?
Who are the people in charge of the prospection process? *External or internal team, people from the company, specialists, experts, art critics, journalist, gallery manager*...?

How does the prospection process of artists and/or art pieces work? *Length, places (galleries, museums, schools, studio...), people responsible*...

How is the final decision taken?

**Collection management**

How is the collection preserved? *Use of a specific space, temperature, alarm system, restoration, presence of experts*...

What are the operating costs linked to the collection? *Insurances, restoration, framing, preview*...

How much do these cost represent?

Does the company track and record the value of art pieces from the collection over years, and what for?

Which part of the balance sheet is the collection included in?

Does the company amortize the collection over years? *Linear, digressive amortization, no amortization*...

What is the current global value of the art collection?

**Collection valorization**

How does the company communicate on the art collection? *Internet web site specific to the company or to the collection, accessible to everyone or some people, use of an internal magazine, press*...

How is the collection exploited/used? *Offices decoration, art pieces rotation system, private or public visits, loans for exhibitions, events*...

**Collection evolution**

Is the collection going to be extended, and to what extent?

**Sale of works from the collection**
Can/could the art pieces of the collection be for sale?

What are/would be the reasons to do so?

What is/would be the money generated by the sale used for?

Would you like to add anything else that you may consider as important in the context of this analysis?
References


