

Digitalization as a Strategic Tool for the Sustainable Development of Organizations

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Abstract. *The paper examines levels of digital transformation in the eleven state puppet theatres in Bulgaria. The study focuses on how these institutions use digital marketing tools such as websites, Facebook, Instagram, YouTube, online ticketing, digital archiving and audience analytics. The authors distributed a structured questionnaire among the full population of all state puppet theatres in the country (N=11). Results show that all institutions maintain websites and use Facebook, but the use of other digital tools remains insufficient. Only a limited number of theatres have introduced Instagram, YouTube, online ticketing, hybrid performances and audience analytics in their marketing funnel. Digital technologies are mostly developed for marketing communications and administrative procedures. Other uses such as for audience services, artistic content and data-driven management, are applied to a smaller extent. The main barriers according to respondents are budget limitations, lack of targeted digital strategies, insufficient human resources and limited expert capacity. Authors believe that digital transformation in Bulgarian state puppet theatres is a complex issue at the crossroads of technological advancement, governance styles, staff development and strategic planning in the culture sector. The findings provide sector-specific evidence on the digital readiness of Bulgarian puppet theatres. It also outlines practical recommendations to increase the access to new audiences, to build institutional sustainability and to widen the social impact of Bulgarian cultural sector.*

Keywords: management, digitalization, marketing tools, cultural organizations, audience development.

Introduction

Digitalization of Bulgarian cultural sector is advancing slowly and gathers momentum in the recent years. Cultural organizations, in particular in the theatre sub-sector, are facing challenges in introducing new technologies to assist their market expansion. It is mostly rooted in what has been considered traditional in the sector for years. The current study examines digitalization as an important factor which determines how successful the sustainable development, the institutional governance and their societal impact would be if cultural organizations implemented it. This is so because in the era of digital transformation, the cultural sector is facing a complicated array of problems – the intertwining between marketing communication, organizational issues or even managerial models, while at the same time striving to expand audiences, enhance work efficiency, and to preserve institutional memory.

In the light of the aforementioned, the paper examines the role of digitalization as the main strategic tool used to support sustainable development of Bulgarian cultural sector, studying the communication practices and audience development in state-funded puppet theatres in Bulgaria.

The objectives of this study are as follows:

- (1) to assess the current level of digitalization in state puppet theaters in Bulgaria;

(2) to analyze the application of digital technologies and marketing tools in organizational activities;

(3) to identify barriers and constraints to digital transformation in the sector;

(4) to assess the place and contribution of digitalization in the development of the audience and institutional sustainability.

The performing arts sector includes art schools, opera houses, symphony orchestras, museums, Bulgarian cultural institutes abroad, music and drama theaters, drama theaters, drama and puppet theaters and puppet theaters (Stoycheva & Popovic, 2025). The object of the study are eleven puppet theaters in Bulgaria operating in the performing arts sector. They are secondary budget spending units under the Ministry of Culture, working with delegated budgets. The amount of the subsidy depends on the revenue generated by each institution and is calculated according to the established methodology for the distribution of cultural funds.

The subject of the research is the process of digitalisation in these institutions, with attention to its organisational, communication and managerial dimensions. The main tasks of the paper are to analyse the current use of digital tools in web presence, social media, audience analytics, digital archiving, marketing communication and audience development, and to assess how these practices are integrated into organisational strategy. The findings are used to discuss whether digitalisation functions mainly as a communication and marketing tool, or whether it is becoming part of sustainable management, transparency, accountability and cultural impact in the contemporary digital environment.

Literature review

Digital transformation as a strategic process in the cultural sector

Digital transformation in the cultural sector is conceptualized as a strategic process based in the technological upgrade of organizational practice. Earlier studies of digitization processes in cultural organizations focused mainly on digitizing collections, archiving content, and establishing basic online communication through email or institutional websites. More recent studies perceive digital technologies as tools that can change organizational strategy, management, communication, and contribute to value creation (Bannikova et al., 2023; Douros et al., 2023). These technologies are used to build strategies and successfully manage. Digital transformation changes the way cultural organizations define their missions. It helps them interact with audiences and position themselves both nationally and internationally.

According to strategic management, digital transformation involves the integration of digital technologies into core organizational functions, such as decision-making processes and long-term planning. In the cultural sector, integration is particularly complex due to the coexistence of artistic added value, public interest, and market-oriented goals. Cultural institutions are required to balance several expectations at the same time. They need to protect their artistic products while improving efficiency, public visibility and social impact. In this context, digital transformation can help institutions manage these different demands by connecting artistic, organizational and communication functions. Previous research suggests that the development of a digital culture in organizations is a necessary condition for deeper structural and operational changes in response to technological developments (Rozovlean, 2024; Firican, 2023).

At the policy level, European cultural and digital agendas also frame digital transformation as a strategic priority. EU policy documents present digital innovation as an important factor for cultural sustainability, audience engagement and cross-border cultural exchange (European

Commission, 2020). From this perspective, cultural organisations are encouraged to use digital strategies not only for communication and dissemination, but also for governance, partnership development and performance evaluation. Digital transformation is therefore linked to broader goals such as cultural diversity, inclusion and international mobility, which are increasingly reflected in the public funding received (Karcz-Ryndak & Karcz-Ryndak, 2024).

For cultural organisations operating on delegated budgets, digital transformation is no longer just a matter of voluntary innovation. Access to European and national funding programmes often depends on the organisations' ability to demonstrate digital capacity, online visibility and audience-oriented practices. This means that managers of cultural institutions need to develop digital strategies that connect organisational goals with policy priorities, while also taking into account institutional size, available resources and artistic identity. However, digital transformation does not develop evenly across the cultural sector. It depends on organisational capabilities, leadership approaches and institutional conditions, which is why it should be analysed as a strategic and managerial process rather than as a uniform technological solution (Stoycheva & Popović, 2025).

Digital transformation also functions as a catalyst for organizational learning and strategic reorientation. The use of digital platforms, data analytics, and online engagement tools generates new forms of knowledge about audiences and markets, allowing cultural organizations to refine their positioning decisions. At the same time, these processes require managerial capacity to interpret data, manage digital risks, and integrate digital insights into strategic planning (Coudyzer & Vermeire, 2022). As such, digital transformation in the cultural sector represents a dynamic interaction between policy frameworks, organizational strategy, and management agency.

Sustainability in the cultural sector

Sustainability has become a central, yet conceptually plural, policy and research frame for cultural and creative sectors (CCS) across Europe. In the EU context, sustainability in the cultural and creative sectors is increasingly linked to the green transition. This expectation is not limited to the reduction of the environmental footprint of cultural production and consumption. It also assigns culture a wider social role: cultural narratives, artistic practices and participation can help citizens understand, accept and adopt more sustainable ways of living (De Smedt, 2025). At the same time, recent scholarship treats sustainability in culture as a multidimensional concept. It includes environmental, social and economic dimensions, as well as cultural sustainability, understood as the preservation and renewal of cultural capital, diversity and meaning-making capacities (Stoycheva & Fazylova, 2025).

Recent empirical studies have moved the discussion from general arguments in favour of sustainability toward measurement and assessment. Müller (2024) develops a global sustainability benchmark specifically for cultural organisations and shows that many institutions are still at an early stage of integrating sustainability into their management, environmental management and accountability practices. This contribution is relevant to cultural management research as it helps to define sustainability in operational terms beyond symbolic 'greening'. Sustainability is more clearly linked to strategic planning and institutional governance.

Social sustainability in the cultural sector is usually discussed in terms of accessibility, inclusion, community well-being and equitable participation. These dimensions raise practical questions: who has access to cultural goods, whose experiences are represented and which groups benefit from public cultural infrastructure. Eurostat indicators show that cultural participation in the EU remains strongly influenced by income, education and place of residence. In the Bulgarian

context, this issue is particularly relevant, as Bulgaria recorded the lowest overall level of cultural participation according to 2022 data, along with clear income-related inequalities. These patterns highlight that digital transformation strategies, including online distribution and hybrid formats, should be assessed not only by audience reach, but also by their ability to reduce, rather than reproduce, participation gaps. At the policy level, the EU Work Plan for Culture 2023-2026 prioritizes both “Culture for People” and “Culture for the Planet”. This shows that participation and sustainability are complementary policy objectives, not competing agendas. For this reason, research on publicly funded cultural organisations should treat participation indicators, inclusive practices and audience development as part of the sustainability analysis. This is particularly important for institutions whose public legitimacy depends not only on artistic production, but also on their social value and contribution to wider access to culture.

The economic sustainability of the cultural sector is affected by unstable demand, employment and a strong dependence on public funding and sponsorship. Eurostat data show that in 2023 Bulgaria had one of the smallest shares of cultural enterprises in the national business economy. This means limited diversification of revenue sources, reduced capacity to invest in sustainability measures, such as energy efficiency or more environmentally friendly practices when operating on tour, and a weaker environment for cultural entrepreneurship (Stoycheva & Fazylova, 2025).

At organisational level, the implementation of sustainability is increasingly connected with the quality of governance. Strategy, accountability, measurement and transparency are central to this process. Müller’s benchmark study (2024) is useful in this respect because it shows that sustainability performance does not depend only on technical solutions. It also requires governance routines, such as target setting, reporting, stakeholder engagement and organisational learning. In the Bulgarian context, this governance perspective should also be considered in relation to local organisational culture. Empirical studies on Bulgarian organisational culture during crisis periods identify patterns such as strong uncertainty avoidance and a preference for structured environments and clear rules. These characteristics may support compliance-oriented sustainability practices, but they may also slow down experimentation and innovation when sustainability is perceived as a source of risk or disruption.

A distinctive contribution of sustainability research in the cultural sector is the argument that culture is not only a tool for promoting sustainability, but also something that must itself be sustained. Throsby’s work on cultural capital provides an important economic foundation for this view. Cultural assets have both economic and cultural value, and sustainability requires the maintenance and renewal of cultural capital across generations, rather than the maximisation of short-term returns (Throsby, 1995). This perspective is particularly relevant for performing arts institutions that preserve repertoires, artistic traditions and intangible heritage. It supports sustainability strategies that protect artistic continuity while also addressing environmental and social responsibilities. Examples include sustainable production standards that do not weaken artistic quality and inclusive programming that broadens cultural participation without diluting institutional identity.

Based on the arguments presented above, sustainability in the cultural sector can be understood through four interrelated dimensions. The first is the environmental performance of cultural operations. The second is social equity in access to culture and representation. The third is economic resilience and responsible governance. The fourth is cultural continuity and diversity.

The literature also points to two gaps that are directly relevant to research on the Bulgarian cultural and creative sectors. The first is the implementation gap between policy ambitions and

organisational capabilities, including skills, data use and governance routines. The second is the need for models that connect sustainability with digital transformation. Such models should make it possible to assess when digital formats reduce environmental impact, broaden participation and support organisational learning, and when they may instead create new inequalities or rebound effects. At EU level, policy discourse increasingly expects the cultural and creative sectors to contribute to the green transition. However, existing evidence suggests that many institutions still lack the strategic and measurement capacity to translate this expectation into systematic practice. In the Bulgarian performing arts sector, this challenge is likely to be stronger because of low levels of cultural participation and the relatively limited presence of cultural enterprises. In this context, sustainability becomes both a question of public legitimacy and a question of organisational capacity.

Methodology

The study applies a quantitative research design to examine the level of digital transformation and the use of digital marketing practices in state-funded puppet theatres in Bulgaria. It focuses on the extent to which digital tools support communication, management processes and audience development in these cultural institutions.

Research population and sample

The studied population includes all eleven state puppet theaters, secondary budget spending units in Bulgaria (N = 11). The data obtained from the study are representative and statistically significant because all 11 puppet theaters participated in the study.

Data collection procedure

The data were collected through a structured questionnaire distributed to the directors of the respective cultural institutions. In cultural institutions with appointed marketing or public relations specialists, the questionnaire was completed jointly by the manager and the responsible employee. The questionnaire aims to investigate three main areas: digital transformation, use of marketing practices and audience development in state cultural institutions in the performing arts sector. The questionnaire consists of ten closed questions. Three of them include several indicators allowing for a more detailed assessment of specific digital and marketing practices. The responses were measured using Likert-type scales. The results of the survey were processed using basic statistical methods, mainly frequency distribution analysis.

To date, no similar study has been conducted in Bulgaria on the digital transformation of state puppet theaters. For this reason, the results can be taken as a basis for future comparative analyses in the sector. They also allow for the identification of trends, the delineation of good practices and the display of the position of each institution relative to the others.

The questionnaire was first presented during a workshop, held on 8-10 December 2025. The workshop was organized by the Ministry of Culture and conducted by representatives of the National Audit Office. During the meetings, the objectives of the study and the structure of the questionnaire were presented and discussed with the heads of the cultural institutions. The questionnaire was then distributed by e-mail and completed by all eleven institutions, which, as we noted, makes the study representative of these cultural organizations representing the performing arts sector.

Research instrument and measurement

The questionnaire includes nine closed questions. Several questions contain multiple indicators designed to assess the use of digital technologies in different organizational areas. The responses

were measured using Likert-type scales, which allow respondents to rate the frequency or intensity of specific practices, for example from “never” to “always” or from low to very high levels of digitalization. This approach allows for the quantification and derivation of practices related to digital transformation and marketing activities.

The questionnaire includes six main dimensions:

1. level of digitalization in the organization;
2. implementation of digital technologies;
3. use of digital marketing tools;
4. implementation of analytical tools for audience tracking;
5. perceived impact of digital transformation on audience development;
6. barriers to digitalization in the organization.

Data analysis

The collected data were processed using descriptive statistical methods, mainly frequency distribution analysis. This method was chosen because it allows for the identification of patterns in the adoption of digital practices across institutions. The analysis focuses on descriptive indicators that indicate the current level of digital transformation in the sector.

The study does not apply statistical methods such as correlation or regression analysis and does not look for relationships and dependencies and influencing factors. The collected dataset provides a basis for future research that can focus on exploring the relationships and dependencies between different factor variables and assess the impact of digitalization on audience development and organizational resilience.

Research limitations

The following limitations also exist: (1) First, the study relies on self-assessments provided by institutional representatives, which may introduce a certain degree of personal bias. (2) Second, the study focused solely on puppet theaters, secondary budget spenders, so the results obtained can be taken into account by other cultural organizations, but without any claims for their automatic transfer.

Results and discussions

In cultural institutions, the main management and strategic decisions related to organizational management, marketing activities and digitalization are made by the manager, who takes into account the opinion of the employee responsible for marketing, advertising or public relations. The responsibilities of the manager cover the overall coordination and supervision of the cultural institute, including artistic and creative activities and the development of repertoire policy and posters, personnel management, team motivation and commitment, management of entrusted property and assets, financial and information resources (Varbanova, 2017). In fulfilling these responsibilities, the management team must be fully informed about the relevant laws, regulations, decrees of the Council of Ministers and specific requirements issued by the Ministry of Culture.

This study covers all state puppet theaters in Bulgaria, which function as secondary budget spending units. These are the state puppet theatres in Plovdiv, Varna, Burgas, Ruse, Stara Zagora, Turgoviste, Yambol, Dobrich, Gabrovo, Sliven and Vidin. All respondents are located in regional administrative centres. They are free to operate throughout the country, but the largest share of their income and performances is generated in the respective region in which they are positioned, as well as from the neighbouring regions.

Each cultural institution can present its productions abroad and participate in international festivals and forums. These activities are not subsidised by the Ministry of Culture. In most cases, the necessary financial resources must be provided by the institution itself. This funding framework explains why the creative activity and presentation of performances and organisation of various initiatives remains predominantly national, with a strong focus on local and regional audiences.

The results of the second question of the survey show that all surveyed state puppet theatres maintain an official website and use Facebook as their main social media channel. This shows that web presence and communication on Facebook have become the main standards for public communication in the performing arts sector. Platforms such as Instagram, Tik Tok and YouTube are less widely used.

Only 36% of puppet theatres use Instagram, and only 18% maintain an active YouTube channel. This suggests that tools with a strong potential to reach a younger, mobile and geographically dispersed audience are of limited use. This also indicates that digital content is not diversified to present the product of performing arts through more visual formats.

Puppet theatres maintain a close relationship with the local government, from which they also receive funding for their activities, through mixed financing agreements concluded with the Ministry of Culture. Due to this local partnership, puppet theatres participate in the preparation of monthly cultural programs. This increases public visibility. In this context, digital channels often function as a complementary, rather than a leading tool for cultural communication and marketing.

Respondents' assessments of the general level of digitalization in their institutions show that the digital transformation is generally perceived as being at an early or intermediate stage. The largest share of the surveyed organisations, six cultural institutions or 55%, assess their level of digitalisation as low. These results clearly indicate that digital tools and practices are being used to a limited extent. Only one organisation, or 9%, assesses its level as moderate, while four organisations, or a total of 36%, report a high or very high degree of digitalisation - two institutions, or 18%, indicate a high level, and two other institutions, also 18%, indicate a very high level.

The data show that a small number of institutions perceive digitalisation as an integrated element of their activities. In contrast, the majority see digital processes as limited in scope or applied in a fragmented manner. The lack of responses in the "very low" category suggests that a basic level of digital presence has already been established. However, this presence is not perceived as sufficiently developed to meet modern requirements for digital maturity.

These findings are consistent with earlier data on the use of digital channels. Websites and Facebook are used by all surveyed institutions, while more complex and resource-intensive forms of digital content creation and analysis remain limited. The results obtained related to the assessment of the level of digitalization are presented in Figure 1.

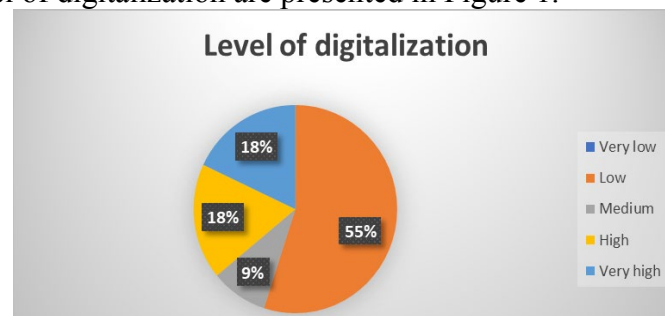


Figure 1. Level of digitalization in the cultural institution

Source: Authors' own research.

In response to the question of whether digital technologies have been implemented during the past year, the following results were obtained, as presented in Table 1.

Table 1. Use of digital technologies in the last year

Digital technologies	No, never	Rarely	Often	Yes, always
Marketing and communications		18%	45%	37%
Online ticket sales and reservations	73%			27%
Online or hybrid performances	100%			
Archiving and digital documentation		27%	46%	27%
Management and administrative processes		18%	55%	27%

Source: Authors' own research results.

The results show uneven digitalization in the individual functional areas of the surveyed institutions. Some activities are already supported by digital tools, while others remain poorly developed or completely absent. The highest level of use of digital technologies is observed in marketing and communication. Websites and social media have become the main tools for public communication and audience engagement. This is probably due to the fact that social platforms are accessible, relatively cheap and easy to use to promote cultural activity.

In contrast, the digitalization of audience services, especially online ticket sales and reservations, remains limited. This indicates a delay in the development of services that could facilitate the user and his access to information and services. The reasons can be sought in the lack of resources and capacity, both human and technical, to implement these digital tools.

All surveyed institutions (100%) do not offer online or hybrid performances. This shows that the digital transformation in the sector has not yet affected the cultural product itself. Theatrical activity remains oriented towards the traditional model of live performance. The lack of digital formats for performances is explained by the specific nature of puppet theatre, but also by the lack of technical and financial capacity for digital distribution. At the same time, hybrid formats could be considered in the future as a way to reach a wider audience and generate additional income. Moderate development can be observed in archiving and digital documentation.

According to the data, 46% of theatres often use digital technologies in this area, 27% use them constantly, and 27% use them rarely. This suggests that many institutions are starting to develop practices for digital storage of documents, archives and institutional memory. Such practices are important both for administrative work and for the long-term preservation of organizational cultural heritage.

Digital tools are used in the internal organization related to management and administrative processes. The data show that 55% of theaters use them frequently, 27% use them constantly, and 18% use them rarely. The reason for the wider applicability may be related to the requirements for transparency and financial control that apply to state cultural institutions as secondary budget spending units. Digitalisation is most advanced in communication, marketing and internal administration. Digital audience services, and especially digital performance formats, remain underdeveloped or absent. This means that digitalisation in the sector still functions mainly as a tool for publicity and administration rather than as a broader model for transforming cultural

services and artistic activity. The findings point to the need for strategic support, investment and capacity development in order to expand the use of digital technologies and support sustainable audience growth.

The frequency of marketing tool use is presented in Table 2.

Table 2. Frequency of use of marketing tools in the last year

Marketing tools	No, never	Rarely	Often	Yes, always
Social media			36%	64%
Paid online advertising	27%	37%	18%	18%
Email marketing	45%	27%	18%	10%
Partnerships with media outlets and cultural organizations			27%	73%
Event- and festival-based campaigns		9%	36%	55%
Content-driven digital marketing, such as video and visual content: trailers, rehearsals, interviews, behind-the-scenes footage	27%	27%	10%	36%
Content-driven digital marketing, such as storytelling related to performances, artists, and repertoire	18%	37%	18%	27%
Content-driven digital marketing, such as educational content: sections, short texts, or videos with cultural and historical value	37%	27%	18%	18%
Content-driven digital marketing, such as regular social media content aimed at building long-term audience engagement			36%	64%
Content-driven digital marketing, such as content targeted at international and multicultural audiences (bilingual posts, subtitles, contextualization)	55%	36%	9%	

Source: Authors' own research.

The data show that the sector relies mainly on basic and well-established communication channels. More specialised, strategic and internationally oriented marketing practices remain much less developed.

Social media is the most widely used marketing tool among all surveyed institutions. It has become a standard channel for public communication and audience engagement. This reflects both changes in audience behaviour and the need for cultural institutions to maintain regular digital visibility.

In contrast, paid online advertising is used significantly less frequently and in a more inconsistent manner. The data shows that 27% of theatres do not use paid advertising, 37% use it rarely, while only 18% use it often and another 18% always. The distribution of responses shows that most cultural institutions do not have a digital advertising campaign. This limits the possibilities of cultural institutions to expand their audience beyond their traditional reach or to target specific user groups.

Email marketing also remains an underdeveloped tool, suggesting that there is an emphasis on direct communication. By contrast, partnerships with media outlets and cultural organizations remain the preferred approach, thus making local and sectoral networks the mechanism for promotion under the current conditions of limited budgets and lacking institutional support.

Event- and festival-based campaigns occupy an important place in theater marketing activities. According to the results, 55% of theaters always employ these campaigns, 27% do it frequently and only 9% rarely which means that campaigns around events are the popular audience engagement tool.

More complex forms of content-driven digital marketing, related to video and visual content, show even rarer cases of application. The data reveal significant differences in the capacity to create visual content because it requires time, technical resources and specialized expertise.

A similar situation exists for content marketing through storytelling related to performances, artists and repertoire. Only 27% of theaters use it always, 18% of them frequently, while 37% apply it rarely and 18% - never. Therefore, the storytelling approach has not yet been fully adopted as a strategic tool, even though it is proven effective in establishing the emotional connection with audiences.

Educational content with cultural and historical value is even less developed. This indicates a missed opportunity for cultural institutions to expand their public mission and attract additional audiences.

Regular content on social media aimed at long-term audience engagement is widely implemented. This suggests that sustainable activity in digital channels is a regular activity for cultural organizations.

The least developed aspect of content-oriented marketing is content aimed at an international and multicultural audience, including bilingual publications and contextualized materials. These activities are not a strategic priority for most institutions, despite their stated interest in expanding their audience. This may be related to a lack of staff capacity, time resources and even a lack of interest, because funds attracted from abroad are not subsidized by the Ministry of Culture. It should be noted that the use of this digital tool can support cultural exchange and the development of international professional networks.

Overall, the results show that marketing practice is strongly concentrated on social media and partnership communication. More specialised tools, such as paid advertising, email marketing and strategic content planning, are used to a limited extent. There is a clear asymmetry between basic digital presence and more advanced forms of digital marketing, especially in international and multicultural communication. This indicates the need for additional investment in expertise, training and strategic marketing development as a way to expand audiences and strengthen the cultural visibility of Bulgarian performing arts institutions.

The results regarding the use of analytical tools for audience tracking and analysis reveal a critical aspect of the digital maturity of state puppet theaters in Bulgaria. The data show that, although websites and social media are already part of the basic digital presence of the institutions, audience analytics remain underdeveloped. Analytical tools are not yet fully integrated into management and marketing practices in the sector.

Only 10% of the surveyed institutions report regular use of analytical tools. This means that very few theatres have a systematic approach to collecting and interpreting data on audience behaviour, interests and profiles. The regular use of web analytics and digital metrics suggests a higher level of managerial capacity and a stronger orientation toward data-driven planning. However, this remains the exception rather than the common practice in the sector.

Another 18% of respondents indicate that they use analytical tools only sporadically.

This demonstrates partial awareness of the importance of audience analysis but also reflects a lack of consistency and sustainability. The irregular application of this tool may be related to limited resources or a lack of specialized personnel who can process the data and use it for management purposes. A significant share of institutions 36% report not using analytical tools at all. For more than one-third of state puppet theatres, digitalisation is therefore largely limited to communication channels. It does not yet extend to performance measurement, audience analysis

or the optimisation of marketing strategies. The absence of an analytical approach limits opportunities for audience development and the adaptation of cultural products to the expectations and needs of different social and age groups.

It is noteworthy that another 36% of theaters indicate plans to implement analytical tools in the future. This can be interpreted as an indicator of growing recognition of the need for digital modernization and managerial transformation. Planning for future adoption suggests that these institutions recognise analytics as a gap or an unused opportunity. At the same time, they are likely to face barriers such as limited expertise, financial constraints or insufficient digital infrastructure.

Overall, the data show that analytical tools are not yet a widely adopted practice in state puppet theaters. The sector is dominated by institutions that either do not use such technologies or are in the planning and partial implementation stages. This confirms that digital transformation in the sector is more advanced at the level of communication presence than at the level of data-driven strategic management. Expanding capacity for audience analysis should therefore be considered an important direction for future development. Analytics can support more effective planning, more precise targeting of new audiences, and a stronger cultural impact in the digital environment.

The data regarding the assessment of the contribution of digital and marketing tools to reaching new audiences reveal a relatively clear positive perception among respondents about the significance of digitalization as a mechanism for audience expansion in state puppet theaters.

The majority of cultural organisations consider the role of digital and marketing practices to be essential. The largest share of respondents – 45% – indicated that these tools contribute “to a great extent” to reaching new audiences. This shows that digital channels and communication strategies are no longer seen as secondary tools. They are increasingly perceived as important factors for cultural visibility and public impact. Another 37% of theatres assess the contribution of digital and marketing tools as significant, which shows that for a majority of the sector, digitalisation is perceived as a key resource for attracting new audiences, including young people and families. At the same time, 18% of respondents indicated that digital and marketing tools contribute “to a moderate extent” to attracting new audiences. This may be due to the fact that some of the cultural institutions are still at an intermediate stage of their digital transformation. In these cases, digital tools are available, but their effectiveness is limited by insufficient capacity, limited resources, or lack of a coherent strategy.

No responses were recorded in the categories “to a very small extent” or “to a small extent”. The absence of low ratings shows that digital and marketing tools are almost unanimously perceived as having a positive role in audience expansion. This also suggests that even institutions with lower levels of digital maturity recognise the importance of these processes for their future development.

The results indicate that digital transformation is not seen only as technological modernisation. It is also perceived as a strategic opportunity for sustainable development, audience attraction and retention, and the strengthening of the public role of state cultural institutions in the digital environment.

The main constraints to digital transformation outline the structural and management challenges facing the performing arts sector in Bulgaria. The data show that digitalization is not only hindered by technological factors. It is also shaped by financial resources, human capacity and strategic management.

All respondents indicate the lack of finances as the main obstacle to digital transformation, because it limits investments in new technologies, digital infrastructure, specialized software, marketing campaigns and staff training.

The next most significant obstacles for 73% of respondents are the lack of a targeted digital strategy and limited human resources, such as the number of employees. This suggests that in many theaters digitalization is developing unsystematically, when needed for individual aspects of the activity, without clearly defined goals, priorities or long-term planning. The reduced staff means that institutions often do not have enough staff for tasks such as online content management, audience analysis, digital marketing and platform support.

For 64% of respondents, a lack of expert capacity is a major barrier. This confirms that digital transformation requires specialized knowledge, skills and competencies.

Administrative and regulatory requirements appear as a barrier for 27% of respondents. This reflects the specific status of state cultural institutions as secondary spending agencies. They operate within strict regulations, accountability frameworks and procedural requirements. Such administrative burdens can slow down innovation and limit flexibility in implementing new digital technologies.

Overall, the results show that digital transformation in state cultural institutions is limited by a combination of financial, organisational and strategic factors. Budgetary constraints are recognised by all respondents as a barrier, but many institutions also point to the lack of strategy, human resources and expert capacity. This means that digitalisation should not be supported only through technological investment. It also requires targeted policies for training, capacity building and the development of sustainable digital strategies that can contribute to modernisation, audience development and the public impact of cultural organisations.

The results concerning the contribution of digital transformation to sustainable development and public impact show a predominantly positive perception among respondents. Digitalisation is not viewed only as a technological upgrade. It is also seen as a strategic factor that can support the sustainability and cultural significance of institutions in the contemporary environment.

The largest share of respondents, 45%, indicate that digital transformation contributes “to a very large extent” to the sustainable development and public impact of their institution. This shows that nearly half of the state puppet theatres perceive digitalisation as an important mechanism for audience expansion, public visibility and strengthening the cultural role of the institution in society.

Another 36% of respondents assess this contribution as “to a large extent”. This result suggests that, for a significant part of the sector, digital transformation is already associated with concrete benefits, including improved communication, modernised management processes and stronger public impact through digital channels and marketing tools.

A smaller proportion of institutions give more moderate evaluations. Nine percent of respondents state that digital transformation contributes “to a moderate extent” or “to a small extent”. This may indicate that some cultural institutions are still at an early stage of digital maturity. In these cases, the potential of digitalisation is not fully realised because of limited resources, insufficient expertise or weak strategic planning.

None of the respondents indicated the category “to a very small extent.” This shows that digital transformation is perceived as a process with positive effects, regardless of the current level of practical application of digital tools.

In conclusion, state puppet theatres in Bulgaria recognise digital transformation as an important factor for sustainable development and for increasing the public impact of their institutions. The generally high assessments confirm the strategic role of digitalisation in the contemporary cultural sector. At the same time, they also point to the need for additional resources, capacity development and targeted policies that can support the fuller integration of digital practices into institutional management and the cultural mission of these organisations.

The results are presented in Figure 2.

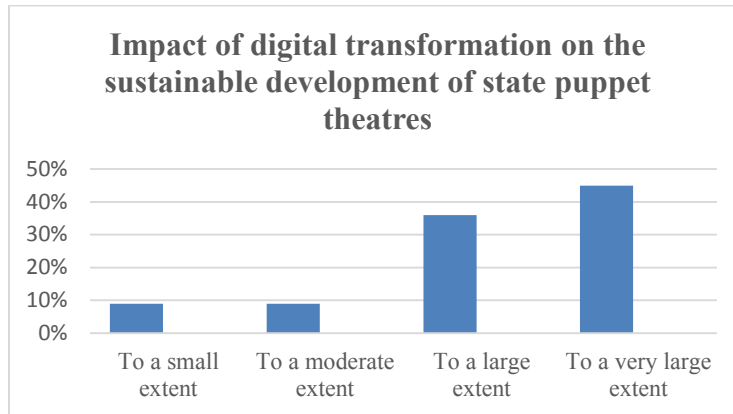


Figure 2. Impact of digital transformation on the sustainable development of state puppet theatres

Source: Authors' own research/

Conclusion

This study assesses the current state of digital transformation in state puppet theatres in Bulgaria and highlights its strategic importance for sustainable development, audience expansion and public impact. The limitations of the study are related to the fact that the study focused solely on state puppet theaters from the performing arts sector. Its scope is also limited to one performing arts sub-sector, namely puppet theatres, which reduces the generalisability of the findings to the wider Bulgarian cultural sector. Nevertheless, the data may be useful for other performing arts organisations that seek to align their operational processes with contemporary digital and managerial standards. Also, no causal relationships were used and no factor analysis was performed, which would contribute to a deeper understanding of the research issue. This may be a direction for future work and studies on the topic..

Digitalisation is not only a technological upgrade. It is a complex process that connects communication, marketing, audience analytics, operational efficiency and strategic management. The empirical data show clear polarisation within the sector. All institutions maintain a basic digital presence through websites and Facebook, but the use of additional digital tools, such as Instagram, YouTube, online ticket sales and hybrid performances, remains limited and uneven.

Digital tools are most developed in marketing and communication, moderately integrated into administrative and archival practices, and almost entirely absent in online audience services and artistic content. Only a small proportion of theatres apply some form of analytical capabilities regularly. While digital channels are recognized by respondents as essential for audience reach, they are not yet widely used in decision-making routine.

The study manages to identify the structural and managerial barriers to digital transformation of Bulgarian state puppet theatres. Authors believe that limited budgets, insufficient

marketing expertise, absence of targeted digital strategies and regulatory constraints complicate the management practices in this sub-sector. This confirms that issues in digitalization are caused mostly by reduced governance capacity, insufficient training of staff, underdeveloped communication infrastructure and lack of knowledge in strategic planning. At the same time, respondents recognize the significance of digital transformation for organizational sustainability.

We formulated six recommendations based on the study's findings:

First, theatres need to implement strategic digital planning which should be aimed at developing digital strategies including the communications, audience analytics, operational processes and the content, aligned with the institution's mission and cultural policy.

Secondly, theatres should invest in training their current staff or change their job descriptions and hire experts who are primarily involved in digital marketing. If this is not possible, outsourcing digital marketing activities to external companies is recommended.

Thirdly, cultural institutions should think about their revenue side and attract additional financial resources through sponsorships, targeted donations and business partnerships. This will contribute to reducing dependence on government subsidie

Fourth, management in theatres needs to expand their array of digital services by allocating resources to online ticketing, hybrid performances and on-demand digital content, thus, reaching new, mobile or geographically dispersed audiences.

Fifth, theatres need to focus on creating multilingual content if they wish to increase their international visibility and to attract diverse audiences.

Sixth, an additional recommendation raises awareness on ecological sustainability. Digitalisation should harmonize with local goals in environmental and socio-economic development.

In conclusion, state puppet theatres in Bulgaria represent a small but impactful sector in the performing arts. They represent the national cultural identity, artistic heritage and social significance of the country in a unique manner. The state puppet theatres' mission is to nurture cultural values among the young audiences, inevitably influencing the development of mature individuals. This is a socially important sector where digital transformation becomes an indispensable tool to promote the public value, increase operational resilience and expand the cultural impact of puppet theatres. In order to implement digitalization effectively theatres need a holistic approach, encompassing policy development, human resource capacity-building, financial support and audience engagement strategies. Therefore, through strengthening their digital maturity, puppet theatres will protect their leading cultural role and position themselves as dynamic and socially relevant entities.

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